

# Higher Education and Economic Prosperity

## Winning in the Human Age



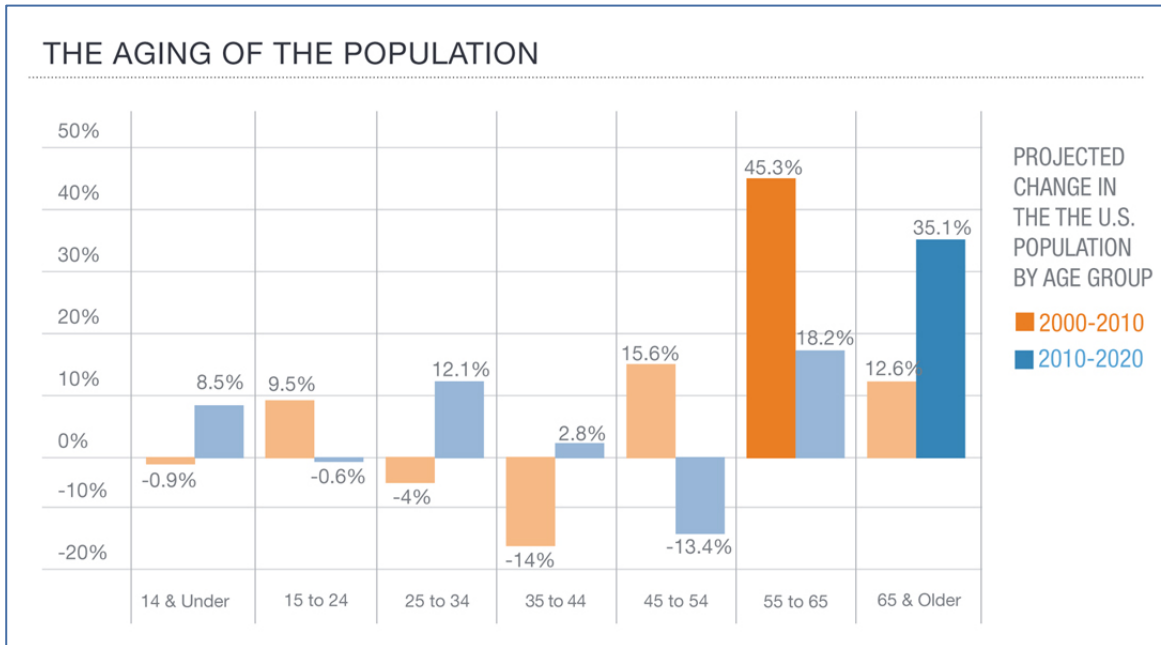
Thursday, November 8, 2012



ManpowerGroup™

# There Are Not Enough Skilled Workers in the U.S.

## *The Demographic Shift*



- Employees old enough to retire now outnumber teen workers for the first time in 60 years
- In the US 10,000 workers reach age 65 daily
- By 2020, more than 36% of the country's population will be older than 65

# There Are Not Enough Skilled Workers in Wisconsin

## *The Demographic Shift*



### THE DISTRIBUTION OF AGE GROUPS IN WISCONSIN WILL CHANGE OVER THE NEXT 30 YEARS

Wisconsin's Future Population, 2010-2040:  
A First Look at the Next 30 Years,  
David Egan-Robertson, July 2012.

**AGE 0-17**  
FROM **23%** in 2010 TO **21%** in 2040

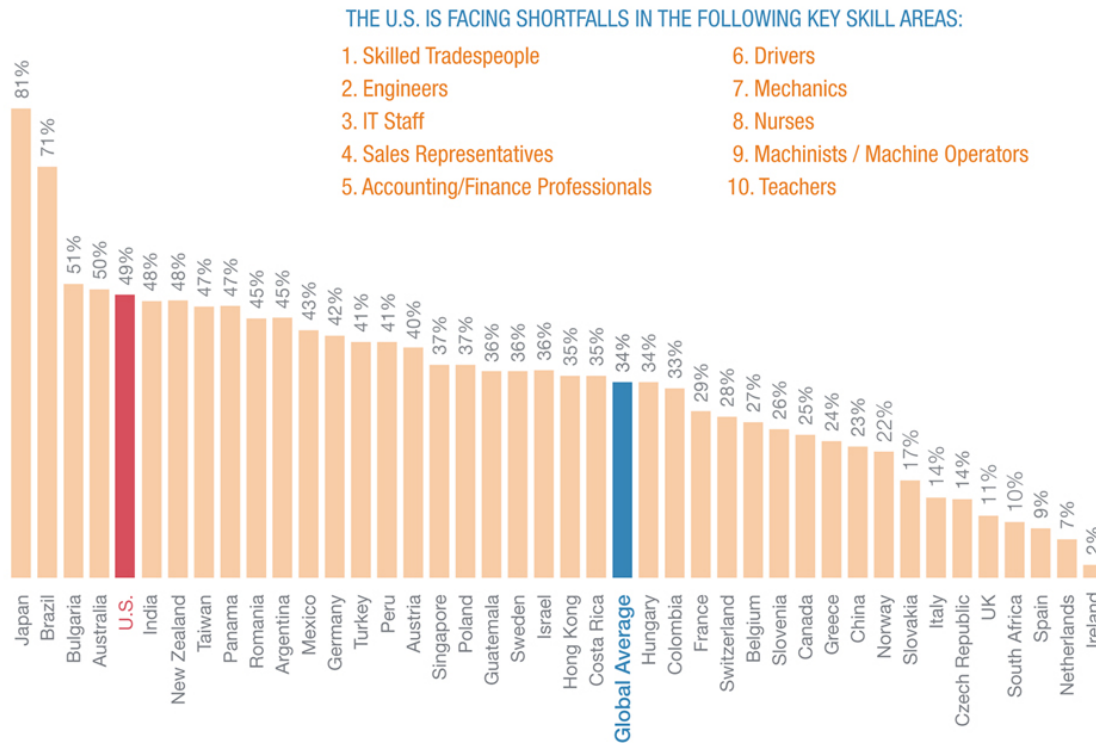
**AGE 18-64**  
FROM **63%** in 2010 TO **55%** in 2040

**AGE 65 & OVER**  
FROM **14%** in 2010 TO **24%** in 2040

*More than 36,000 of the state's 77,500 registered nurses are planning to retire over the next nine years, according to DWD estimates.*

# The Talent Shortage

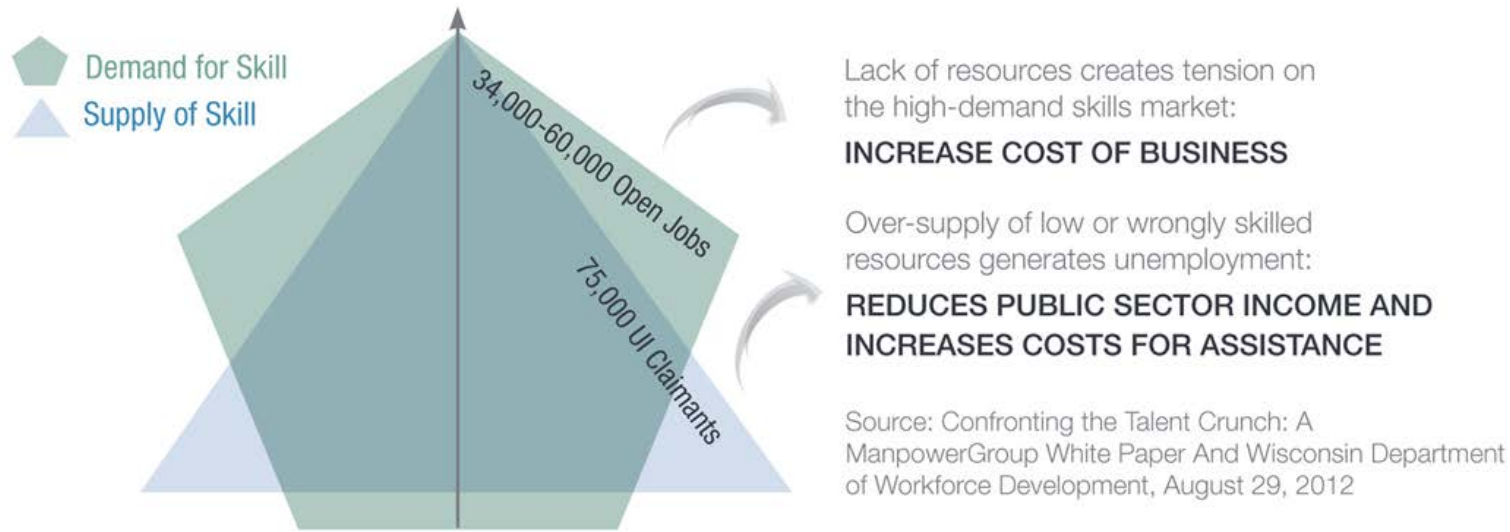
## GLOBAL: % HAVING DIFFICULTY FILLING JOBS



## In Wisconsin:

- Only 17.5% of small companies and 31% of large companies report that they have world-class, innovation talent. 66% report that they lack the talent to drive global engagement into the next decade. (Source: *Next Generation Wisconsin Manufacturing*)
  - Approximately 1 in 10 jobs for key economic sectors go unfilled today in the following skills clusters :
    - Accounting & Fin. Analysis: 9%
    - Mechanical Engineering: 11%
    - Metal Manufacturing: 12%
- (Source: ManpowerGroup study)

# The Talent Mismatch



- Today there are 3.1 million open jobs in the U.S.
- By 2020 there will be 1.5 million too few college graduates to meet demand and there will be 5.9 million more Americans without high school diplomas than employers will need  
(Source: McKinsey Global Institute US Jobs Report)
- The Wisconsin Department of Workforce Development's Worknet job site consistently reports more than 30,000 job openings while approximately a quarter million Wisconsinites remain out of work.

# Taking A Contemporary Approach























- How can we...
  - See into the future and determine what skills will be in demand 5 and 10 years from now?
  - Build a sustainable pipeline of rightly skilled talent in Wisconsin to power the key industries that drive our prosperity and competitiveness?
  - Maintain flexibility in our approach so that talent can quickly be moved to where it is needed or rapidly up-skilled to match demand?

# Mobility is the New Normal

- In the future, mobility across industries and roles will be a new normal. Skills clusters are:
  - A contemporary way to group multiple occupations that share similar skills
  - An element of a workforce taxonomy that is a parent to two or more jobs or occupations (children)
  - *Specific* enough to be demonstrated and learned while also being *comprehensive* such that it is shared by multiple jobs or occupations
  - Traceable to government and private industry data sets for statistical comparison purposes
  - Represents foundation skills... acts as a basis for preparing individuals for the workforce, either entry level or at times of change during a career. There is no expectation that all workers need to learn all skill in a cluster. The particular skills and levels at which experience is needed is determined by the specific context of a job.
  - Skill clusters differ in their impact ... some will be associated with high growth, performance and entrepreneurialism that drives economic performance and employment. The number of people in this cluster may be small. These may be instrumental in driving economic development. Other skill clusters represent skills that are needed 'en masse' by steady employers and are needed to maintain the state's competitive position.

# Be Bold 2 Skills Clusters

## PROJECTION OVERVIEW

Skill Cluster	Industry Sector					
	Agriculture, Dairy & Food Processing	Financial Services, Insurance & Real Estate	Healthcare	Manufacturing	Transportation	Water & Water Research
Systems & Network Software Development						
Accounting & Financial Analysis						
Nursing & Health Related Professions						
Mechanical Engineering						
Metal Manufacturing						

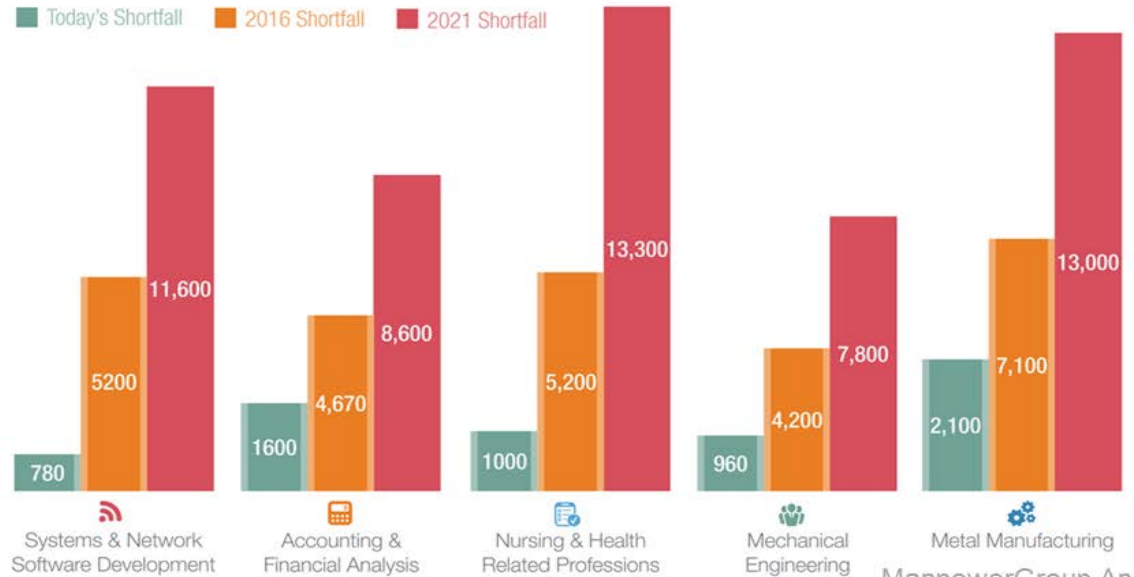


# Supply/Demand Forecast

ManpowerGroup's forecast shows that Wisconsin will have a shortfall across all critical skills clusters in our 6 key industry sectors.

## PROJECTION OVERVIEW

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Accounting & Financial Analysis						
Nursing & Health Related Professions						
Mechanical Engineering						
Metal Manufacturing						



# Working Across the Ecosystem to Drive Economic Prosperity

## *Implications for Higher Education*

- Aligning curriculum requirements with industry insights
- Managing the tension between employer “needs” and employers “wants”
- Lifelong learning model
  - Expanding flexible programming
  - Cost effective offerings
- Right-sizing programs based on employment needs
- Providing reality-based employment counseling
- Creating alliances with employers to develop pipelines that start at the middle school or high school level