

Workforce Development Post COVID-19

Pre COVID-19 | Today | Preparing for Tomorrow



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Pre COVID-19

Way back, 5 months ago, pre COVID-19

31.6 million

Total adults in the U.S. without a high school diploma *U.S. Census Bureau*

567,000

Total number of annual high school dropouts in U.S. *U.S. Department of Education*

Two-thirds

Proportion of adults without a high school diploma who are low income
Kochar, R. (2012, October)

2x

Likelihood that a child will drop out of high school
if their parents did not graduate *National Center for Education Statistics*

\$500 billion

Cost of child poverty to the U.S. economy *National Center for Education Statistics*

M: 58.1%

W: 33.3%

In 2016, the labor force participation rates for men and women
with less than a high school diploma *U.S. Department of Labor, 2017*

\$504

In 2016, those with less than a high school diploma had the
lowest median weekly earnings *U.S. Department of Labor, 2017*

Way back, 5 months ago, pre COVID-19

Today's Yesterday's Opportunities

Most of us envision a post-secondary credential leading to economic and social mobility. The reality is that, in today's world, it's tricky to know which credential will lead to which rung of the mobility ladder. Multiple studies point to disconnects between today's new employees and the workplaces they will enter.

Why a post-secondary credential matters –

11.5 million net new jobs for workers with post-secondary education

80,000 net new jobs for workers with a high school diploma or less

The employer recruiting experience –

6.2 million job openings in America are unfilled

73% of employers say finding qualified candidates is somewhat or very difficult

34% of employers say universities have not prepared students for jobs

Long-term outlook –

65% of GenZ jobs don't even exist yet

47% of US workers hold jobs likely to be automated

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Nearly two-thirds of all new jobs created since 2010 required either high- or medium-level digital skills.

Brookings Digitalization and the American Workforce, 2017

- 60% of job growth by 2030 could be concentrated in 25 cities and their peripheries
- Potential workforce displacement in midpoint adoption scenario, 2017-30:
 - Young workers age 18-34 = 14.7M
 - Workers over age 50 = 11.5M
 - Hispanics and African Americans = 11.9M
- 4x higher displacement risk for workers with high school diploma or less

The largest occupational categories in the U.S. economy have the highest potential displacement rates:

Occupation	Number	% W/O College Degree
Office	8.1M	60-90
Food Service	5.4M	>90
Production	4.8M	>90
Customer Svc/Sales	4.0M	61-90
Builders	2.2M	>90

McKinsey Global Institute, The Future of Work in America, July 2019



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Today's Inequities

Education and training after high school is the surest path to economic stability and opportunity. Yet the promise of American opportunity has always been undercut by a legacy of discrimination and oppression.

Education

- 45% of black and American Indian students from low-income families delay starting college vs. 32% of similar white students
- 70% of black students who earn bachelor's degrees and have student loan debt could end up in default
- 11% of young adults from low-income families earn bachelor's degrees by age 24, compared with 57% from high-income families
- 85% of blacks, 69% of whites, 66% of Latinos, and 45% of Asian Americans graduate with loan debt

Work + Earnings

- Compared to white individuals, black individuals are twice as likely to be unemployed, and earn nearly 25% less when employed
- Average wealth of white families was more than \$500,000 higher than that of black families in 2013; whites in 2015 earned \$25.22 hourly, on average, compared with \$18.49 for blacks

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Despite what was a growing economy, millions still needed support

- 42.5M in US live below poverty level
- Unemployment rate for persons with disabilities is 2x that of those without
- 4.6M youth neither working nor enrolled in school
- 600,000 citizens re-entering communities annually
- 7.5M working poor in the US

US Bureau of Labor Statistics, Aspen Institute, US Census Bureau, US Dept of Justice

Rise of automation driving skills gap

- By 2022, 54% of employees will need significant re- and upskilling to remain relevant in the labor force
- By 2030, 16% of occupations will be automated worldwide with 38.6 M workers displaced in the US alone
- By 2035, as much as 50% of activities that people are currently paid for will be automated, including middle-skill and high-skill occupations

Future of Jobs Survey 2018, World Economic Forum

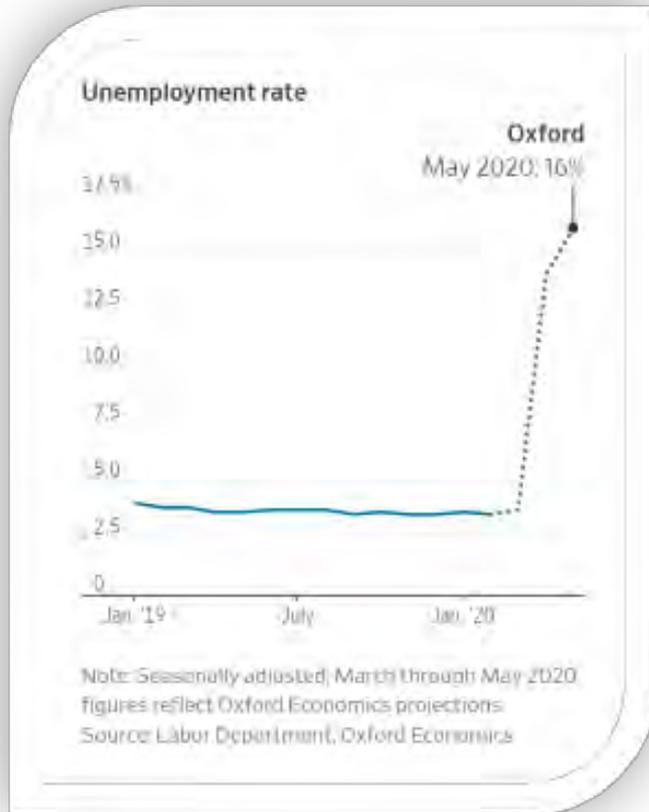


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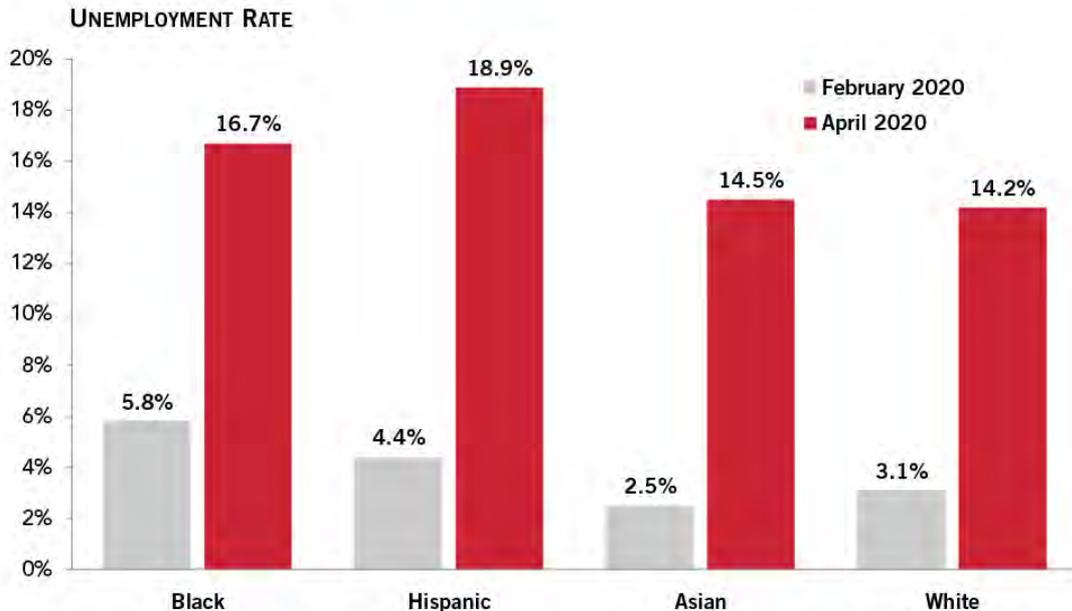
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COVID-19 has caused an increase in the unemployment rate for all races and ethnicities



SOURCE: Bureau of Labor Statistics, *The Employment Situation* — April 2020, May 2020.

NOTE: Black corresponds to the BLS category titled "Black or African American" and Hispanic corresponds to "Hispanic or Latino ethnicity".

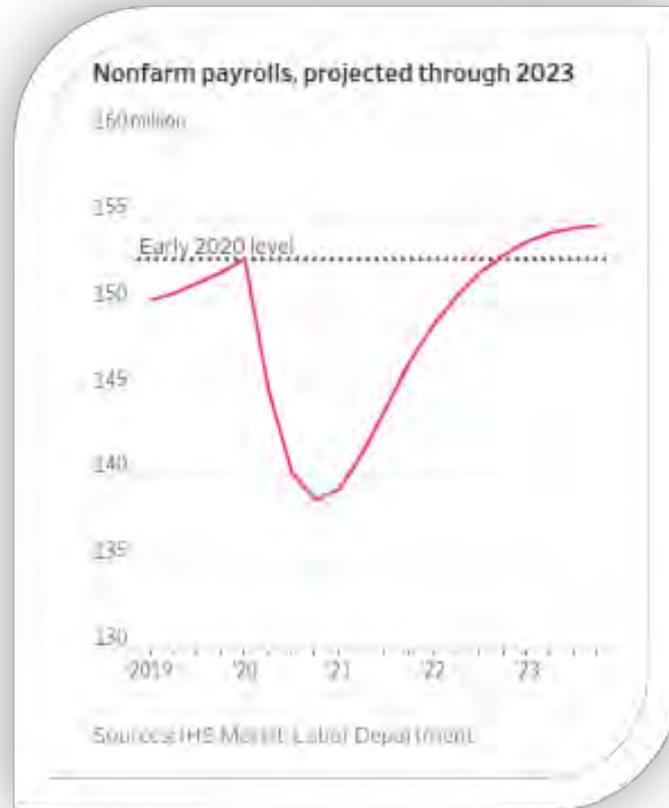
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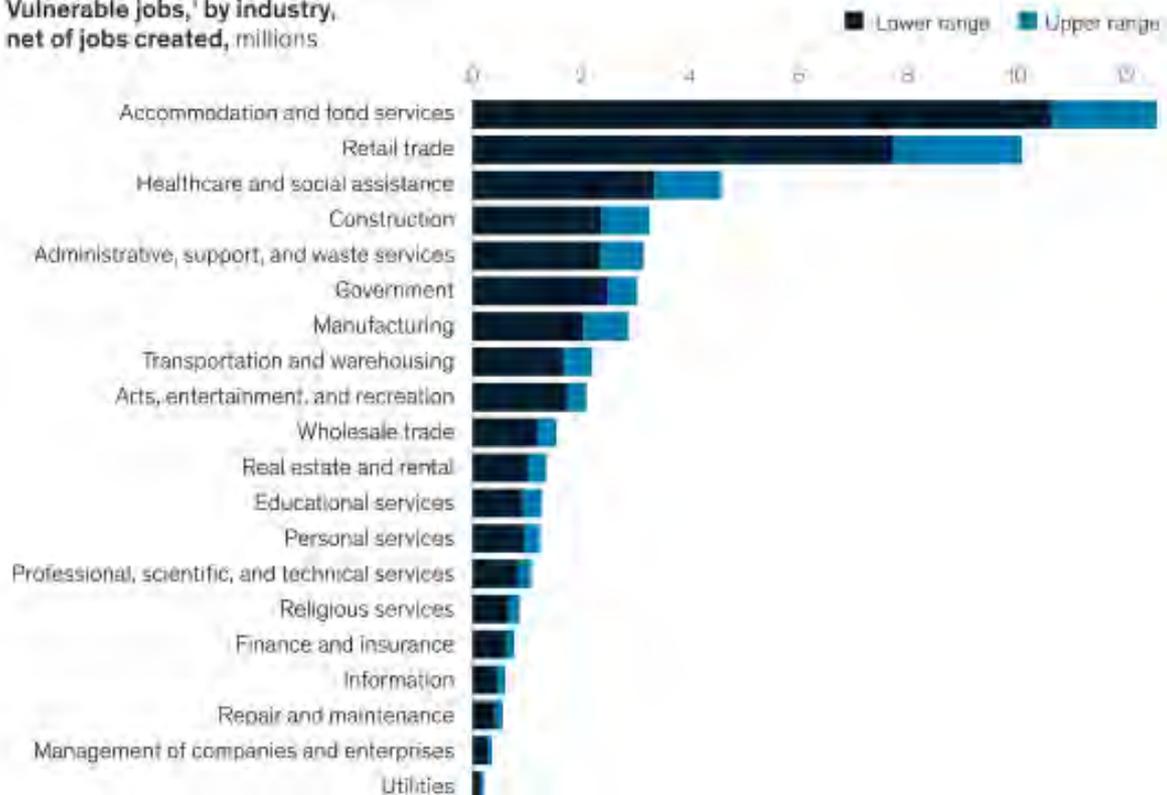


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Vulnerable jobs,¹ by industry,
net of jobs created, millions





WHAT DOES THE FUTURE OF WORK LOOK LIKE?



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Preparing for Tomorrow



NEWYORK

NAVIGATING THE JOB MARKET IN THE AGE OF COVID-19

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What people are saying:

- It could be the end of business travel as we know it
- Office buildings could become 'elaborate conference centers'
- Standard 9-to-5 office hours could become a thing of the past
- The workplace could become more equitable for women
- Middle management positions could be cut forever
- Automation could be accelerated
- There could be an increased demand to close the digital divide

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Thought 1:

New remote work norms are the most obvious shift.

Gartner research shows that 48% of employees will work remotely after the pandemic, up from 30% pre-pandemic.

How do we help prepare the people we educate and serve for this new norm?

- Recruitment
- Onboarding
- Productivity
- Autonomy
- Communication Skills

The change requires development of new skills.

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One example: Chat Literacy

As more workers transition to remote work, we can also expect to see companies double down on what HashiCorp—which offers open-source tools that empower companies to successfully transition to the cloud—calls “chat literacy.”

In a recent webinar, HashiCorp CEO Mitchell Hashimoto asked attendees: do you know the difference between “ok”, “ok.”, and “ok...”? Hashimoto went on to explain that not knowing the difference between these three seemingly similar responses is “equivalent to hiring someone who is illiterate.” While the differences might seem subtle, they are immensely important. Whereas “ok” indicates a rather nonchalant response, “ok.” has negative connotations, and “ok...” indicates confusion or uncertainty. Depending on which form is used, the conversation is likely to shift in entirely different directions.

<https://www.forbes.com/sites/falonfatemi/2020/06/03/3-ways-covid-19-will-permanently-change-the-future-of-work/#49e7b2cb65b1>

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Thought 2:

Talent is newly unconstrained

The location of talent is no longer geographically limited

New remote work norms mean talent is potentially available anywhere.

As a result:

- The competition for talent changes radically.
- The options for acquiring lower-cost talent are expanding.
- Opens up avenues to recruit diverse talent.

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Thought 3:

We need to create new hybrid models of education and training

- What we have learned during this period is that education and training services can be delivered remotely.
- With the appropriate supports, most skill levels can participate under the right conditions.
- When we are able to move back to in-person classes, we will want to create hybrid models that incorporate distance learning and coaching that can enhance in-person classes, as well as entirely remote services that can remove the barriers of limited travel time, inaccessible public transportation, and the financial burden of paying for child care and transportation to attend classes.

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Thought 4:

TBD, but think big!

- Stay close to the needs of those you educate and serve
- Stay close to the needs of government and other funding sources
- I truly believe Goodwill and The Excel Center can play a significant role in our communities preparing people for the post COVID-19 world.

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Discussion



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Thank you.

