

MONTGOMERY MOVING FORWARD:

workforce development trends

Montgomery County, Maryland

More Jobs than Resident Workers

One of the biggest challenges facing employers in Montgomery County is the projected gap between jobs to fill and available workers. According to projections from Dr. Stephen Fuller, director of the Center for Regional Analysis at George Mason University, between 2012 and 2022, the County will see:



Today, about 50% of Montgomery County workers reside in the County, while 50% come from other jurisdictions. To maintain that 50/50 balance, more than 87,000 workers (50% of the 174,927 new workers needed between 2012 and 2022) will need to come from within the County. According to the CRA analysis, some potential sources of additional workers include:

- ▶ Upskilling current workers through continuing education and skills training (higher education, private sector, and nonprofits)
- ▶ Retaining older workers and recapturing younger workers who have left the labor force
- ▶ Targeting unemployed / underemployed workers for upskilling
- ▶ Making the County attractive to workers living in other states and countries to capitalize on workforce mobility
- ▶ Raising K-12 retention/completion and focusing more on employment-relevant education in support of workforce needs

Workforce Development is a coordinated system of talent and skills cultivation that leads to:

Residents finding good jobs
AND
Businesses finding qualified workers
AND
A robust local economy that strengthens community

Workers Lack Necessary Education and Skills

Many employers are experiencing or anticipate greater difficulty finding applicants with the educational attainment and specific occupational skills required for available jobs. Education and skills gaps are of particular concern for high-demand, high-growth occupations.

- ▶ For example, according to a 2010 report from Trust for America on the national nursing shortage, Maryland has an estimated shortage of 7,000 nurses, which is part of a national nursing shortage. In Montgomery County, the number of job openings for Registered Nurses is projected to increase from 19,653 in 2010 to 25,455 in 2020 (5,802 new RN jobs, plus another 3,552 replacement jobs).
- ▶ According to projections from the Center for Regional Analysis, 34% of net new jobs and 28.5% of replacement jobs between 2012 and 2022 will require four or more years of college.

Workers Across Industries Need “Employability Skills”

- ▶ In focus groups and interviews conducted by the Montgomery Business Development Corporation, major health and wellness employers in the County were unanimous about one key success factor: employees at all levels must have a range of employability skills. These skills include professional work habits; communication, teamwork, and conflict-resolution skills; and qualities like confidence and a desire for career growth.
- ▶ Critical thinking and active listening are “very” or “extremely” important to success in 96% of all occupations. Oral comprehension and expression are “very” or “extremely” important in 60% of all occupations. (*Center on Education and the Workforce, Georgetown University*)
- ▶ In a national survey, 44% of 500 senior executives said that soft skills were the area with the biggest skills gap (22% said technical skills; 12% said computer skills) (*Adecco USA*)

Common Barriers to Workforce Participation and Advancement

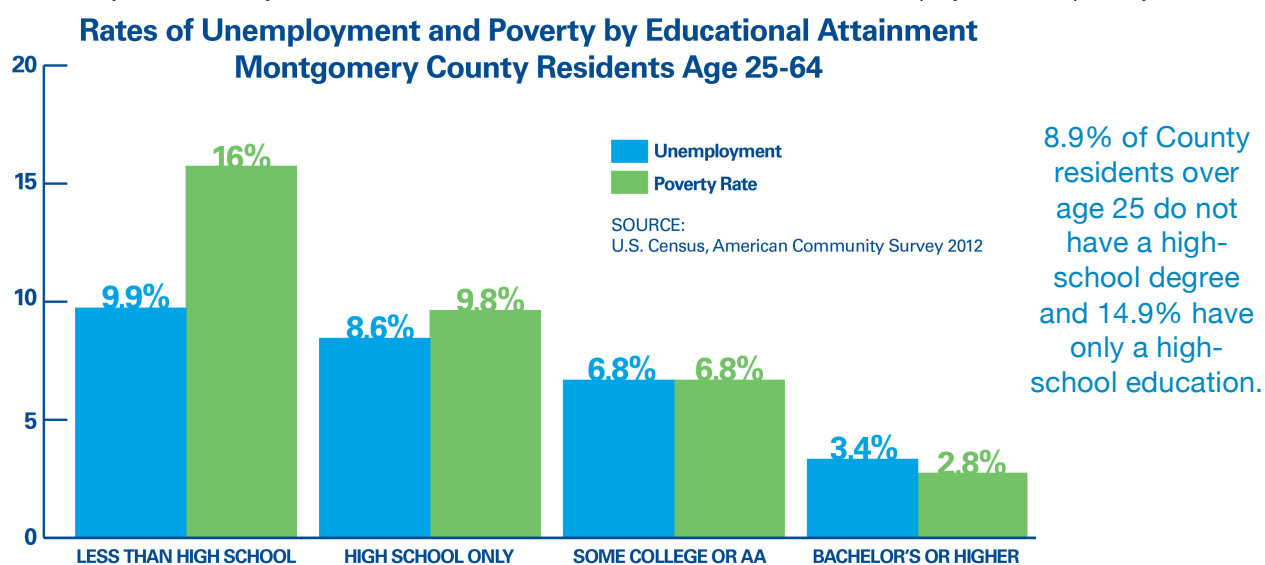
Affordable Housing, Childcare and Transportation

When basic supports do not exist or are not affordable, lower- and middle-income residents often are unable to participate fully in the workforce or pursue opportunities to advance their careers. Access to these basic supports also plays a key role in attracting new talent to the County.

- ▶ The 2011 average annual cost of childcare in the County was \$24,646, or 22% of median family income (\$104, 921).
- ▶ Single mothers of young children who receive childcare assistance are 40% more likely to remain employed after two years, and more than 20% of single mothers with children under age five in the County live in poverty.
- ▶ In 2012, two out of five renter-occupied households in the County spent 35% or more of household income on monthly rent; 23.4% of owner-occupied households paid spent more than 35% on monthly mortgage payments.
- ▶ 40% of today's college students are older than 25. For students with families and jobs (20% of college students work full time) access to basic supports can delay or prevent completion of a degree or certificate program.

Education and Training

Lack of education or training resulting from attrition and/or lack of access can prevent workers from qualifying for available jobs, and every level of educational attainment lowers the chances of unemployment and poverty.



Unemployment

Workers who are unemployed for extended periods can find it especially difficult to re-enter the workforce and find good jobs. Long-term unemployment impacts people from every socio-economic group.

- ▶ Long-term unemployment in the County: 1,680 workers receiving unemployment insurance for 26 weeks (maximum benefit period) as of March 31, 2013.
- ▶ Average unemployment for 2013 was 5% (27,026 workers), down from a peak of 6.3% in January 2010 (the highest rate in 20 years) but still twice as high as 2007, when the rate was 2.5%.
- ▶ Many unemployed and underemployed workers are not captured in the official unemployment rate. One alternative measure used by the Bureau of Labor Statistics also includes discouraged workers, other marginally attached workers, and involuntary part-time workers. In 2012, this broader measure of labor underutilization was 12.5% for the state of Maryland, compared to the official 6.7% unemployment rate.
- ▶ Workers in their 50s who lost their jobs during the recent recession were around 20% less likely than those age 25 to 34 to become reemployed between 2008 and 2011. They also experienced steep wage losses: median hourly earnings for reemployed workers age 51 to 61 were 21% lower on the new job than the pre-layoff job, compared with only 7% for workers age 25 to 34.
- ▶ Young adults who are unemployed for 6+ months can expect to earn about \$22,000 less over the next 10 years than they could have expected without a lengthy period of unemployment.