CTE’s Role in the Future of Work and our Economic Recovery

August 27, 2020
Speakers

- **Wendi Safstrom**, Executive Director, SHRM Foundation
- **Dr. Nicole Smith**, Research Professor and Chief Economist, Georgetown University Center on Education and the Workforce
- **Kate Kreamer**, Deputy Executive Director, Advance CTE
Early Impact of COVID-19

- Within the first three months of COVID-19 (coronavirus), over 40 million individuals filed for unemployment, with job losses reported in all sectors.
- As of July 2020, unemployment rate was holding at over 13 percent.

32-42 percent of job losses that have resulted from COVID-19 may be permanent.
Impact on Young Adults

- Nearly 7.7 million young workers under the age of 30 were unemployed and three million dropped out of the labor force as of May 2020.
- The unemployment rate for teenagers aged 16-19 hit 31.9 percent in April 2020, the highest it has even been in over 70 years.
What does this mean for Career Technical Education?
https://careertech.org/advocate

- CTE's Vital Role in Economic Recovery [Video]
- Fact sheets:
  - Secondary CTE and Economic Recovery
  - Postsecondary CTE and Economic Recovery
- A guide on how to use these assets including talking points.
Jobs and Education in the Post Covid19 Economic Recovery

August 27, 2020

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Job losses during the three most recent recessions lasted between 11 and 21 months.

Unemployment is predicted to return to the long-rate by 2022

Source: Georgetown University Center on Education and the Workforce analysis of IHS Markit, Forecast Summary.
Leisure and Hospitality’s disproportionately lost jobs during the recession

<table>
<thead>
<tr>
<th>2020 job losses by industry sector</th>
<th>Proportion of job losses</th>
<th>Proportion of jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural resources</td>
<td>0.2%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Wholesale and retail trade services</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>Transportation and utilities services</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Information services</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Financial services</td>
<td>1%</td>
<td>6%</td>
</tr>
<tr>
<td>Professional and business services</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>Private education services</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Healthcare services</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Leisure and hospitality services</td>
<td>37%</td>
<td>10%</td>
</tr>
<tr>
<td>Personal services</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Government and public education services</td>
<td>5%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Note: Columns may not add up to 100 percent due to rounding.
The decline of the manufacturing economy has led to the rise of the college economy

Globalization, automation, upskilling, and a shift to skilled services have made postsecondary education and training the dominant pathway to good jobs.
The growth of good jobs in skilled-services industries has offset losses in traditional blue-collar industries.
The middle-skills pathway has grown substantially

- All of the growth of net new jobs in the non-BA economy has been in middle-skills jobs.
- There are 16 million good jobs for workers on the middle-skills pathway, accounting for 24 percent of all good jobs.
- Good jobs for workers with associate’s degrees grew by 83 percent between 1991 and 2016.
A tale of two economies

Managerial and professional economy

- Education: 88%
- STEM and social sciences: 86%
- Community services and arts: 79%
- Managerial and professional office: 74%
- Healthcare professional and technical: 71%

Blue-collar and skilled-trades economy

- Sales and office support: 38%
- Food and personal services: 34%
- Healthcare support: 17%
- Blue-collar: 12%

Source: Analysis of March CPS data, various years. Georgetown University Center on Education and the Workforce projections of jobs and education, through 2027.

Note: The data in this table represent the “flow” of jobs. Job flow includes newly-created jobs and job openings caused by workers permanently leaving the workforce.
Automation and AI have heightened the demand for skills and education in the new economy.

Source: Analysis of March CPS data, various years. Georgetown University Center on Education and the Workforce projections of jobs and education, through 2027.

Note: In 1973, the education variable was identified as years of schooling. Because BAs were much more prevalent that AA degrees at the time, we chose to include BA degrees and higher in the analysis to the exclusion of AAs for that year only.
The vast majority of white freshmen are going to the 468 most selective four-year colleges.
Blue-collar industries transformed as the economy demanded upskilling

- Blue-collar jobs now make up 21 percent of employment and 18 percent of good jobs.
- Blue-collar industries added 800,000 jobs for middle-skills workers and 500,000 jobs for workers with a BA or higher.


Note: Blue-collar industries include manufacturing, transportation and utilities, wholesale and retail trade, natural resources, and construction.
Industries and occupations for non-BA good jobs

### Top five industries

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of non-BA good jobs</th>
<th>Share of non-BA good jobs</th>
<th>Share of non-BA workers with good jobs</th>
<th>Median earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural resources</td>
<td>20,000</td>
<td>26%</td>
<td>75%</td>
<td>$80,000</td>
</tr>
<tr>
<td>Transportation and utilities</td>
<td>9,000</td>
<td>12%</td>
<td>74%</td>
<td>$69,000</td>
</tr>
<tr>
<td>Construction</td>
<td>8,000</td>
<td>10%</td>
<td>52%</td>
<td>$56,000</td>
</tr>
<tr>
<td>Public administration</td>
<td>7,000</td>
<td>10%</td>
<td>57%</td>
<td>$58,000</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5,000</td>
<td>7%</td>
<td>58%</td>
<td>$72,000</td>
</tr>
</tbody>
</table>

### Top five occupations

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number of non-BA good jobs</th>
<th>Share of non-BA good jobs</th>
<th>Share of non-BA workers with good jobs</th>
<th>Median earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction and extraction</td>
<td>15,000</td>
<td>19%</td>
<td>68%</td>
<td>$65,000</td>
</tr>
<tr>
<td>Transportation and material moving</td>
<td>9,000</td>
<td>12%</td>
<td>58%</td>
<td>$63,000</td>
</tr>
<tr>
<td>Office and administrative support</td>
<td>8,000</td>
<td>11%</td>
<td>33%</td>
<td>$58,000</td>
</tr>
<tr>
<td>Installation, maintenance, and repair</td>
<td>8,000</td>
<td>10%</td>
<td>65%</td>
<td>$70,000</td>
</tr>
<tr>
<td>Management</td>
<td>8,000</td>
<td>11%</td>
<td>56%</td>
<td>$69,000</td>
</tr>
</tbody>
</table>
Which industries are winning?

• Online retailers
Shares in big tech companies like Amazon, Microsoft, Apple, Netflix and Alphabet have led the market mainly because they’ve been doing well amid the coronavirus epidemic and their earnings are growing.
• Workspace solutions
Zoom, Teams, Citrix are king
• Retail sales: Supermarkets
• Manufacturing: PPE, hand sanitizers, Liquor store
• Janitorial services
• Big Pharm/Healthcare
Conclusion

- The increasing costs of college education creates unequal access to educational attainment
- There are a wide array of career pathways for workers without BA’s to enter the middle class
- Promote access to good jobs by strengthening the connections between school and work
- Encourage transparency of the economic value of non-BA college programs for students to make better decisions
WENDI SAFSTROM
EXECUTIVE DIRECTOR, SHRM FOUNDATION
Purpose

Elevate and empower HR as a social force.

Vision

A world of work that works for all.

Mission

Mobilizing the power of HR and the generosity of donors to lead positive social change impacting work, workers and the workplace.
Three Types of Training Were Examined in the Survey

Skills Training & Development

Compliance Training

Onboarding Training
Executive Summary

How are employers training and developing their workforce?

55% of employers do not offer apprenticeship programs to their employees, especially small and large-sized companies.

As expected, most employers offer skills-related & onboarding trainings multiple times a year, and offer compliance trainings once a year.

A majority (33%-53%) of employers offer skills training or development programs multiple times a year.

Employers categorized skills-related trainings as either job maintenance or up-skilling, suggesting that there lacks a cohesive framework for categorizing training types.

Over 50% of employers track direct financial cost & indirect cost for all types of skills training or development programs.

Most (89%) of employers, regardless of company size, track employee participation in skills training programs.

Small-sized companies are less likely to measure the impact of skills training on the employees (73%) and on the business (71%).
Four Different Types of Skills Training or Development Categories Were Presented to Participants

- Initial Skills Training
- Job Maintenance Training
- Up-Skilling Training
- Employee Development
What resources do employers have to up-skill their employees?

**Educational Partners**

42% of employers work with educational partners to up-skill its employees.

**Skill-Based Grants**

Only 29% of employers work with local or federal government to obtain skill-based training grants.

**Training Budget**

55% of HR Professionals had a training budget last year, and 35% of those budgets have increased since last year.
How has COVID-19 impacted Educational Institutions & Needs?

**Enrollment**
- 72% of educational institutions anticipate a massive decrease in enrollment for degree-granting programs.

**Reskilling Needs**
- 51% of employers are diverting development programs to reskilling and upskilling for their existing and furloughed workers.

**Development Focus**
- 84% of employers are seeking virtual skills development that leads to some form of career enhancement or yields outcomes like certification or licensure.
How has COVID-19 impacted Educational Institutions & Needs?

- **Project management**: Virtual offerings driving enhanced AGILE development
- **Data sciences**: Large growth in data sciences programming for profit
- **Trauma-infused training**: Referent crisis management programs have become the response to COVID-19
- **Team Dynamics**: The redefining of team and people management is aiding growth in educational offerings

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What does it all mean?

**Inclusion**
Industry leaders spend nearly **triple per employee** on inclusion.

**Information**
Industry leaders leverage data-driven decision making **fourteen times** more effectively.

**Innovation**
Industry leaders spend nearly **twelve percent more** on R&D.

**Integration**
Industry leaders are already exploring **human machine interfaces** as part of the employee experience.
Questions?

Please contact:
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SHRM Foundation
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Appendix
Demographic Information of Participants and Organizational Characteristics

- 72% Caucasian
- Mean Age: 42
- 61% Privately owned for-profit
- 40% Multinational organizations
Weighting Information

The dataset was weighted by company size & company industry to be representative of US companies.

<table>
<thead>
<tr>
<th>Company Size</th>
<th>Company Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-49 employees</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>50-99 employees</td>
<td>Mining, Quarrying, and Oil &amp; Gas Extraction</td>
</tr>
<tr>
<td>100-249 employees</td>
<td>Professional and Business Services</td>
</tr>
<tr>
<td>250-499 employees</td>
<td>Public Administration</td>
</tr>
<tr>
<td>500-999 employees</td>
<td>Transportation &amp; Utilities</td>
</tr>
<tr>
<td>1,000-2,499 employees</td>
<td>Wholesale &amp; Retail</td>
</tr>
<tr>
<td>2,500-4,999 employees</td>
<td></td>
</tr>
<tr>
<td>5,000-9,999 employees</td>
<td></td>
</tr>
<tr>
<td>10,000 + employees</td>
<td></td>
</tr>
</tbody>
</table>