

Name: _____

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Idea Lab

Skills Gap Snapshot: Be Part of the Solution

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Thursday, Oct. 29
1:15–1:45 p.m.



STAFFING WORLD 2015—IDEA LAB


SKILLS GAP SNAPSHOT



ASA American Staffing Association

Hard-to-Fill Jobs

- More than one third of U.S. employers report difficulty filling jobs
- Most of the top jobs require skilled workers



Source: ManpowerGroup 2015 Talent Shortage Survey

ASA

What Is the Skills Gap?

- Perceived mismatch between the needs of employers for skilled talent and the skills possessed by the available workforce



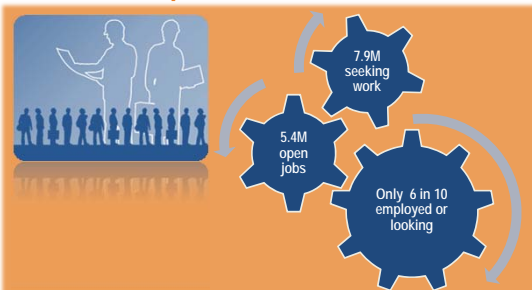
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Why Is There a Skills Gap?

- Shortage of skilled talent
- Wages insufficient to attract specialized talent
- Unrealistic expectations of job applicant training and experience
- Students are not being properly prepared for the real world of work
- Lack of on-the-job training



Current Snapshot



Source: U.S. Bureau of Labor Statistics



ASA Skills Gap Index

- **Tracks and identifies hardest-to-fill occupations**
 - Nationwide and within four regions
 - By staffing industry sector
- **Metrics**
 - Hiring Indicator (HI) scores of 50 or less
 - Scale of 1-100, below 50 equals hard to fill
 - Demand of 2,000 or more jobs
 - Draws upon 90+ data sources



ASA Skills Gap Index—Top 10

1. Occupational therapists
2. Heavy and tractor-trailer truck drivers
3. Speech-language pathologists
4. Photographic process workers and processing machine operators
5. Physical therapists
6. Occupational therapy assistants
7. Family and general practitioners
8. Microbiologists
9. Surgeons
10. Nurse practitioners



SKILLS GAP PARADOX

Most hard-to-fill jobs require at least some advanced skills, but a small yet significant number are low-skill occupations



Jobs Polarization

- Employment growth is becoming increasingly concentrated in...
 - High-skill, high-wage jobs
 - Low-skill, low-wage jobs
- ...while the middle ground is shrinking



Paradox and Jobs Polarization

What explains the skills gap paradox at the low end if the supply of low-skill labor is growing?

Education Benchmarks	Median Annual Wages	Difference from Benchmark
<u>High school diploma</u>	\$34,736	
Merchandise displayers and window trimmers	\$30,500	-12.20%
Photographic process workers and processing machine operators	\$33,000	-5.00%
<u>Some college, no degree</u>	\$38,532	
Heavy and tractor-trailer truck drivers	\$43,250	+12.20%



Case Study: Drivers of Big Trucks

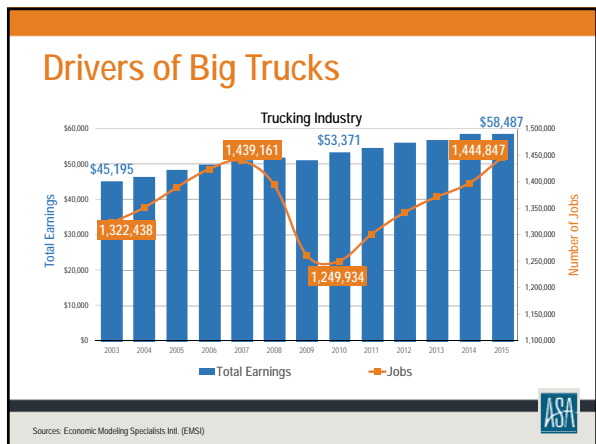
- Heavy and tractor-trailer truck drivers are the 2nd hardest-to-fill jobs
 - Yet #1 in demand volume: 9.46 million
- Pay is the #1 issue



Case Study: Drivers of Big Trucks

- Why are these relatively low-skill jobs so hard to fill?
 - Demographics
 - Training
 - Work Environment
 - Job Alternatives
 - Lifestyle





Case Study: Drivers of Big Trucks

- Drivers of big trucks have gotten raises of 8% to 15% since May 2014
- Better pay helps get people in the door, but not the top factor when it comes to retention
 - The pull of home outweighs earnings

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Truckers Haul Home Big Increases in Pay

Driving Up
Trucker pay is rising as the industry fights to find new hires.

Average annual pay

Year	Average annual pay (\$000)
2004	~25
2005	~28
2006	~30
2007	~32
2008	~35
2009	~38
2010	~40
2011	~42
2012	~45
2013	~48

Trucking industry employment

Year	Employment (million)
2004	~1.35
2005	~1.32
2006	~1.30
2007	~1.28
2008	~1.25
2009	~1.22
2010	~1.20
2011	~1.18
2012	~1.16
2013	~1.14

Photo: Kenner National Transportation
Graphic: Jack Labor Bank, employment.com
The truck industry is struggling.

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Strategies Moving Forward

- To retain the employees you have, focus on work-life balance and schedule flexibility
- To recruit new employees, you're going to have to pay more



What can be done to narrow the skills gap?




Bridging the Skills Gap

- Reassess position requirements
- Consider skill development and training
- Make compensation attractive



Additional ASA Member Resources


- **Presentation for Clients—Bridging the Skills Gap**
 - Helps clients address skills gap issues within their specific sectors
- **Presentation for Business Groups—The Skills Gap**
 - Provide answers to questions such as:
 - “What is the skills gap?”
 - “Why does it exist?”



Sectors by Region

	Number of Hardest-to-Fill Occupations				
	Nationwide	Midwest	Northeast	South	West
Overall	172	142	133	139	151
Engineering, IT, and Scientific	47	38	37	38	40
Health Care	52	42	39	44	47
Industrial	23	19	13	20	17
Office-Clerical and Administrative	*	(1)	(1)	*	(2)
Professional-Managerial	50	43	44	37	47

*Only those office-clerical and administrative sector occupations in those regions, most by ASA Skills Gap Index hard-to-fill criteria (including stock clerks, legal secretaries, and cargo and freight agents)




Source: American Staffing Association Skills Gap Index

Hardest-to-Fill Occupations

Wage Increases for Top 10 Hardest-to-Fill Occupations

Position	Avg. Salary 2Q15	Avg. Salary 1Q15	Percent Change 1Q15 to 2Q15
Occupational Therapists	\$89,635	\$88,756	1.0%
Heavy and Tractor-Trailer Truck Drivers	\$52,458	\$50,234	4.4%
Speech-Language Pathologists	\$86,580	\$85,211	1.6%
Photographic Process Workers and Processing Machine Operators	\$42,506	\$42,721	-0.5%
Physical Therapists	\$88,686	\$87,726	1.1%
Occupational Therapy Assistants	\$57,007	\$64,634	-11.8%
Family and General Practitioners	\$71,606	\$70,711	1.3%
Nurse Practitioners	\$106,440	\$105,555	0.8%
Merchandise Displayers and Window Trimmers	\$40,599	\$39,746	2.1%
Physician Assistants	\$100,877	\$98,753	2.2%




Source: American Staffing Association Skills Gap Index

Industrial: Hardest-to-Fill Occupations



Occupation	Market Data			Salary Data (\$ Percentiles)				National Comparison	
	Hiring Indicator	Active Supply	Demand	Average	25 th	50 th	75 th	Hi	Avg. Salary
Heavy and Tractor-Trailer Truck Drivers	18	65,114	4,158,033	50,639	34,256	45,318	61,011	1	-4%
Photographic Process Workers and Processing Machine Operators	19	951	42,224	36,965	23,955	29,598	42,983	0	-15%
Electronic Home Entertainment Equipment Installers and Repairs	36	1,643	15,897	36,347	29,214	35,882	41,594	0	-30%
Bartenders	38	7,413	102,963	39,003	26,730	33,260	46,726	-2	-16%
Bus and Truck Mechanics and Diesel Engine Specialists	39	10,897	91,544	46,730	36,534	44,518	51,974	0	-7%
First-Line Supervisors of Food Preparation and Serving Workers	40	75,151	487,088	42,271	28,637	38,234	50,174	2	1%
Computer Numerically Controlled Machine Tool Programmers, Metal and Plastic	45	597	4,078	56,682	46,919	53,534	64,538	2	-8%
Driver/Sales Workers	45	20,754	130,228	42,864	29,999	35,445	47,587	1	-8%
Painting, Coating, and Decorating Workers	46	511	4,078	28,677	23,000	27,380	30,174	8	-2%
Home Appliance Repairs	46	487	7,425	40,781	37,273	40,142	41,940	1	-17%
Mechanical Door Repairs	46	198	2,094	39,383	34,338	38,284	45,016	-2	-1%
Bus Drivers, School or Special Client	46	4,869	51,163	30,819	25,413	28,537	33,060	-2	-20%
Taxi Drivers and Chauffeurs	50	4,646	37,560	33,253	25,419	30,088	37,368	-2	-18%
Medical Equipment Repairs	50	3,599	14,044	39,767	26,827	33,606	45,785	1	-21%
Construction and Building Inspectors	50	2,122	15,872	48,553	35,812	45,373	55,048	0	-25%
Dental Laboratory Technicians	51	360	3,454	34,740	26,841	32,841	39,602	-2	-9%
Electricians	52	12,803	83,548	48,106	35,738	42,905	54,051	3	-9%
Post Office Workers	52	2,981	19,747	38,927	29,172	36,564	44,771	2	-19%


Source: American Staffing Association Skills Gap Index




Bridging the Skills Gap?

- Challenge
 - Wages clients offer are often not different for candidates with basic experience and those with specialized skills—and the latter are much harder to find.
- Solution
 - Pay higher wages for specialized skills
 - Increase hourly rates





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