



Building a
Future
That Works



A growing number of employers identify difficulty hiring highly qualified workers as their top competitive challenge. **Roughly 75 million of Americans could meet these employer needs but currently lack the skills or supports to do so.** This is America's untapped workforce—the many people who do not have the work or wages they need to get by, but who can become the talent we need.

Who are America's untapped workers?

Roughly 75 million people who are unemployed, underemployed, or not working but not counted in unemployment figures ¹

6.5 million unemployed
(including 1.3 million
long-term unemployed)²

1.6 million not working but
not counted in unemployment
figures³

~ 68 million earning
less than \$15 per hour⁴

They include:

Adults without a
postsecondary credential

Adults living in poverty

Individuals with some
college but no credential

Young people ages
16-24 not in school or
working

All of these population groups are overrepresented by people of color.

Solve the Skills Gap

The percentage of jobs requiring at least some postsecondary education and training is expected to reach new highs in 2020. At the same time, the United States already faces severe shortages of workers with associate's degrees and technical credentials.⁵

It is critical to change the way we build the skills of our workers to benefit both employers and individuals seeking careers. This is especially important for the untapped workforce, which includes many people from population groups underrepresented in postsecondary education and high-demand industries.

Impact of Skills Gap on U.S. Economy

Roughly 7 million job openings in the United States in 2018⁶

The cost of unfilled jobs on the U.S. economy:⁷

- **\$13 billion per month**
- **\$160 billion annually**

95% of employers identified the skills gap as problematic, in a Business Roundtable member survey.⁸

A projected 65% of U.S. jobs will require postsecondary credentials by 2020.⁹

Expected shortages:¹⁰

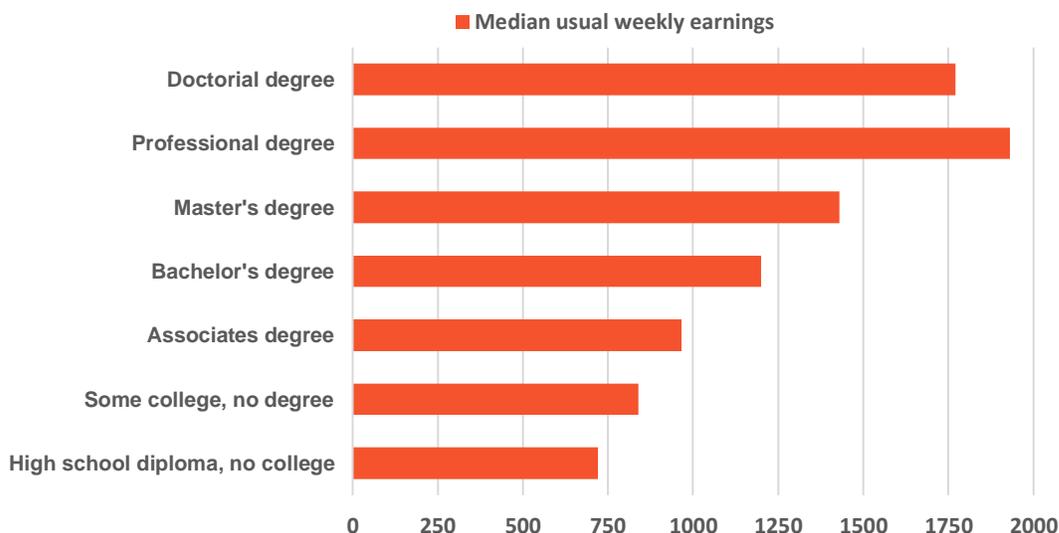
- **3 million workers with associate's degrees**
- **5 million workers with technical credentials**

Increase Postsecondary Education and Training To Raise Incomes

Education still pays in the U.S. economy: the more you learn, the more you earn. Median weekly earnings in 2017 for those with the highest levels of educational attainment were more than triple those without a high school diploma.¹¹

Postsecondary Credentials Boost Earnings¹²

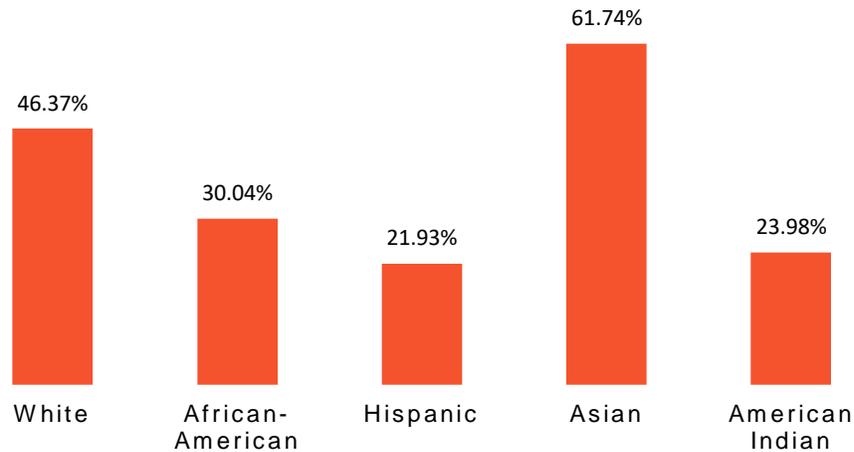
Median weekly earnings and unemployment rate by educational attainment, 2017



However, opportunities for education and economic advancement have not been shared equitably in the United States. Large disparities in educational attainment, employment rates, and income levels are clear among racial and ethnic groups.

Degree Attainment Attainment by Race/Ethnicity¹³

Degree-attainment rates among U.S. adults (ages 25-64), by population group



Address Economic Disparities

Regardless of degree level, people of color earn less per degree than their white counterparts.¹⁴ To continue to fuel the economy and achieve an America where prosperity is fully shared, it is critical to close gaps in postsecondary attainment associated with race, ethnicity, income, immigration status, and other factors. Without focused efforts to address inequality and promote equity in postsecondary opportunities and wages, these gaps will continue to grow.

Policy Can Help Harness the Potential of the Untapped Workforce

Our nation needs aligned education and workforce systems that provide clear career pathways that are accessible and accountable. These systems must meet the needs of untapped workers and employers in high-demand industries.

State and federal policies can build systems that harness the potential of the untapped workforce by focusing on equitable completion of quality credentials, ensuring affordability, and creating flexible pathways that make success attainable for all.

ENDNOTES

¹ JFF defines the “untapped workforce” as the population of working-aged adults in the United States who do not have the work or wages they need to get by. Unemployment figures come from “The Employment Situation—January 2019,” U.S. Bureau of Labor Statistics, <https://www.bls.gov/news.release/pdf/empisit.pdf>. The number of workers earning less than \$15 per hour is a JFF calculation using BLS data; see endnote #4.

² The “long-term unemployed” are individuals who have been unemployed for 27 or more weeks.

³ The U.S. Bureau of Labor Statistics does not count these people as unemployed because they had not searched for work in the four weeks preceding the survey. However, they are individuals who are not in the labor force, who wanted and were available for work, and who had looked for a job sometime in the prior 12 months.

⁴ JFF calculated the number of workers earning less than \$15 per hour based on a National Employment Law Project report stating the total comprised 42 percent of the U.S. labor force: Irene Tung, Yannet Lathrop, and Paul Sonn, *The Growing Movement for \$15* (New York: National Employment Law Project, 2015), <https://www.nelp.org/wp-content/uploads/Growing-Movement-for-15-Dollars.pdf>. The total labor force figure used in the calculation is the seasonally adjusted civilian labor force from: “The Employment Situation—January 2019. Household Data Table A-1, Employment status of the civilian population by sex and age,” U.S. Bureau of Labor Statistics, U.S. Department of Labor, <https://www.bls.gov/news.release/empisit.t01.htm>.

⁵ James Manyika et al., *Jobs Lost, Jobs Gained: What the Future of Work Will Mean for Jobs, Skills, and Wages* (New York: McKinsey & Company, 2017), <https://www.mckinsey.com/featured-insights/future-of-work/jobs-lost-jobs-gained-what-the-future-of-work-will-mean-for-jobs-skills-and-wages>.

⁶ U.S. Bureau of Labor Statistics, “Job Openings and Labor Turnover Summary,” November 6, 2018, <https://www.bls.gov/news.release/jolts.nr0.htm>.

⁷ Benjamin Keylor, “6 Skills Gaps Statistics that Continue to Impact Hiring [Infographic],” July 14, 2016, Davis Companies, <https://www.daviscos.com/6-skills-gap-statistics-that-continue-to-impact-hiring-infographic/>.

⁸ “Closing the Skills Gap,” Business Roundtable, <https://www.businessroundtable.org/policy-perspectives/education-workforce/closing-the-skills-gap>.

⁹ Anthony Carnevale, Nicole Smith, and Jeff Strohl, *Recovery: Job Growth and Education Requirements through 2020* (Washington, DC: Center on Education and the Workforce, 2014), https://cew.georgetown.edu/wp-content/uploads/2014/11/Recovery2020.ES_Web.pdf

¹⁰ Manyika et al., *Jobs Lost, Jobs Gained*.

¹¹ Elka Torpey, “Measuring the Value of Education,” *Career Outlook* (U.S. Bureau of Labor Statistics, April 2018), <https://www.bls.gov/careeroutlook/2018/data-on-display/education-pays.htm>.

¹² U.S. Bureau of Labor Statistics, “Median Weekly Earnings & Unemployment by Educational Attainment, 2017,” April 2018.

¹³ U.S. Census Bureau, “Degree-Attainment Rates Among U.S. Adults (Ages 25-64), By Population Group,” 2011-13 American Community Survey PUMS File/2015.

¹⁴ Valerie Wilson, *African Americans Are Paid Less Than Whites at Every Education Level* (Washington, DC: Economic Policy Institute, 2016), <https://www.epi.org/publication/african-americans-are-paid-less-than-whites-at-every-education-level/>.