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Community colleges uncover the problems with Missouri's workforce

Jefferson City—A report released today by the Missouri Community College Association outlined three problems with Missouri's workforce and highlighted several ongoing efforts to address these issues.

The report listed supply and demand gaps for key industries, the availability of middle-skill workers, and the availability of adequate soft skills as the top three gaps in the state's workforce today. The report cited a number of different studies which analyzed both labor market data, job ads, and employer feedback.

"Employers have said for a while now that the availability of a skilled workforce is the number one challenge that they face," Rob Dixon, Missouri Community College President and CEO said. "With this report, we wanted to dig deeper and find the specific skills that employers are having difficulty finding."

According to research reviewed by the association, there is a gap between the number of jobs available and the number of job seekers in several key industries. Health care, business and sales and science and technology each had more than a 9 percent gap between the number of job ads posted in 2016 and the number of registered job seekers.

The second gap outlined in the report had to do with the number of workers qualified to fill jobs that require more than high school but less than a four-year degree. The research reviewed showed that these "middle-skill" jobs make up 53 percent of the labor market, but only 46 percent of Missourians are trained to this level.

Lastly, the report highlighted research demonstrating gaps in the availability of workers with basic soft skills, such as communication, work ethic and critical thinking. In one study that was referenced, more than 60 percent of employers reported difficulty finding workers with adequate soft skills.

The report comes as Missouri's community colleges are launching several new initiatives, including the new Workforce Development Network, announced last month.

"We know that these gaps exist, and our colleges are working to address them," Dixon said. "One of the biggest challenges that we face in implementing these solutions is raising awareness among the public."

Dixon was optimistic that Missouri can close the gaps in the workforce, but referenced one major challenge.

"There are high paying jobs to be had for workers without a four-year degree," Dixon said. "We need Missourians to understand that, and we need them to enroll at a community college."

About Missouri's Community Colleges

Missouri's community colleges specialize in workforce development and provide associate degrees and certificate programs. They serve as Missouri's lead institutions in delivering postsecondary technical education in partnership with area vocational technical schools.

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Community Colleges:

The key to bridging the gaps
in Missouri's workforce

April 2017



The problem with Missouri's workforce

Missouri's employers are having a hard time finding qualified workers.

We know this much from a number of sources, including a Gallup poll conducted by the Missouri Chamber of Commerce and Industry. The research found that only 44 percent of Missouri business owners are satisfied with the availability of skilled workers.¹

But what exactly is lacking in Missouri's workforce? Labor market data and employer satisfaction surveys paint a clearer picture of the workforce challenges facing Missouri businesses.

LABOR SUPPLY AND DEMAND GAPS

	NUMBER OF JOB ADS	% OF JOB ADS	% OF JOB SEEKRS	GAP
Health Care & Related	78,436	20.3%	9.8%	10.5%
Business & Sales	75,591	19.6%	9.9%	9.6%
Science & Technology	47,837	12.4%	3.3%	9.0%

Source: Missouri Economic Research and Information Center, Missouri Labor Supply and Demand Analysis, April 2017

The Supply and Demand Gap

The Missouri Economic Research and Information Center (MERIC) can get a rough estimation of labor supply and demand gaps in Missouri by comparing online job ads and registered job seekers.

Their most recent report shows that Health Care, Business and Sales, and Science and Technology have the largest labor supply gaps. In these areas, there were far more jobs posted than there were job seekers.²

52.3 percent of all job ads posted in 2016 fell within these three areas, but only 23 percent of registered job seekers sought occupations related to these categories.³ According to MERIC, “top jobs in these fields included Registered Nurses, Software Developers, and Wholesale and Manufacturing Sales Representatives.”⁴

Our key role:

Community colleges specialize in affordable degrees and short-term training in each of these areas.

Long-term employment projections show that demand in these areas is expected to grow. Between 2014 and 2024, it's expected that more than one third of job openings will fall within the Health Care and Business and Sales area.⁵

The Middle-Skills Gap

Another gap lies in the number of workers qualified for middle-skill jobs. These occupations require more than a high school diploma, but less than a four-year degree.

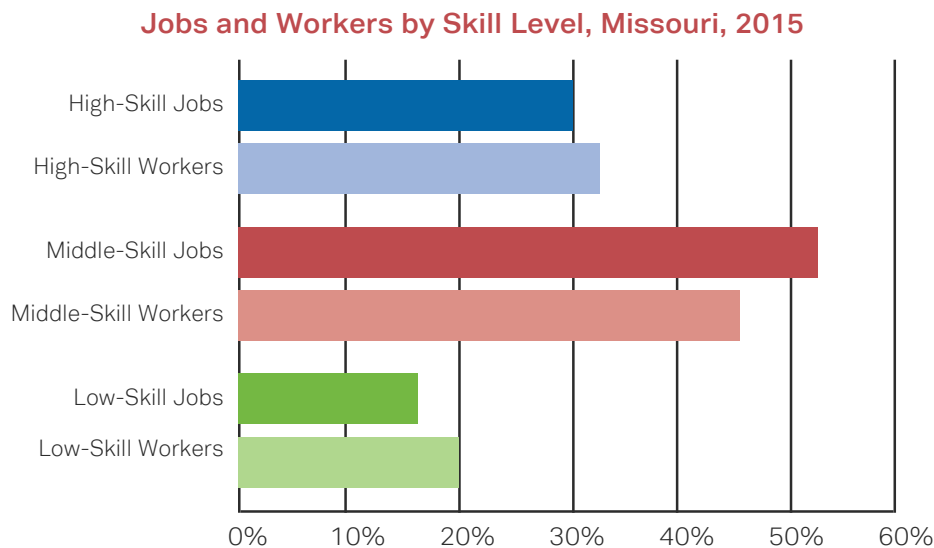
According to the National Skills Coalition, “middle-skill jobs account for 53 percent of Missouri’s labor market, but only 46 percent of the state’s workers are trained to that level.”⁶

Our key role:

Community college graduates are trained to the middle-skill level, and we are working on strategies to enroll and graduate more students.

For overqualified graduates, this can mean not earning enough to pay student debt, and for underqualified applicants, it means not being able to find a job and provide for their families.

The National Skills Coalition expects that these middle-skill jobs will grow by another 2 percent by 2024, potentially increasing the gap.⁷



Source: National Skills Coalition analysis of Bureau of Labor Statistics Occupational Employment Statistics by State, May 2015

The Soft Skills Gap

Yet another gap lies in number of workers with strong soft skills. In the last year, the basic skills requested most by employers in online job ads were communication, writing, organizational skills and problem solving. More than 95,000 job openings referenced communication skills, with writing coming in second at 59,426.⁸

In addition, St. Louis Community College's State of the Workforce survey found that more than 60 percent of employers had trouble finding applicants with strong work ethic, communication or interpersonal skills and critical thinking and problem solving.⁹

Employers also reported the "shortage of workers with knowledge or skills" as the top barrier to expanding employment—more often than economic conditions or government policies and regulations.

Results from a survey of the Springfield region were similar. Low number of applicants, lack of communication skills, lack of relevant technical or occupational skills and lack of relevant work experience were of greatest concern to employers.¹⁰

Our key role:

Every community college in the state has programs and curriculum focused on soft skills training.

The Springfield survey also found that more than 85 percent of businesses said that "most" or "some" of their current employees needed improvement in the areas of time management, leadership, problem solving, critical and creative thinking, interpersonal relations and work ethics/habits.

While these two surveys represent only two regions of our state, there's no question that these concerns are shared by employers statewide.

During industry council meetings, employers from the Kansas City area shared with Metropolitan Community College staff that they have trouble finding workers with a quality work ethic, communications and technical skills.

Recent Community College Workforce Innovations

INDUSTRY CREDENTIALS	The development of stackable credentials that lead to industry certifications and provide students with an easy to navigate path to better jobs and higher pay
ACCELERATED, FLEXIBLE PROGRAMS	Multiple entrance and exit points that allow students to train and earn credentials in short increments, giving them the flexibility to return to work or school when needed
SOFT SKILLS	Innovative approaches that contextualize and bring students up to speed in essential areas like soft skills, reading, writing, and math
NEXT LEVEL ADVISING	A more comprehensive approach to counseling, called intrusive advising, helps students navigate every aspect of postsecondary coursework and life challenges that might prevent the student from completing
CREDIT FOR PRIOR LEARNING	A statewide policy on credit for prior learning, which allows students to earn credit for knowledge and skills acquired outside of their studies
CAREER PATHWAYS	A focus on aligning programs of study with industry needs, so that students graduate with employable skills for their chosen profession.
LABOR MARKET DATA	The development of regional labor market information that is shared with students to help them make educated decisions when choosing a program of study
WAGE PERFORMANCE DATA	The development of a data system that will allow us to track wage information for students who have participated in/completed non-credit training programs
APPLIED LEARNING	Opportunities for applied learning through simulations, internships and apprenticeships
INDUSTRY INVOLVEMENT	Unprecedented employer involvement in the development of curriculum through industry councils and partnerships with more than 300 employers across the state
WORKFORCE PARTNERSHIPS	Strengthened partnerships with other entities within the state's workforce system including state and regional boards, departments, agencies and job centers
CERTIFIED WORK READY COMMUNITIES	Over 3,400 employers support the Certified WorkReady Community Initiative with 84 counties actively engaged in the certification process



Bridging the Gaps

There are some steep challenges facing Missouri's workforce, but there are also many innovative efforts underway statewide.

Workforce Development Network

Missouri's colleges recently joined forces to expand access to training statewide. With the creation of the Missouri Community College Workforce Development Network, businesses can now access training for their employees at any community college in the state. This means that if a program isn't offered at a business' local college, the college will help the business access the program at another college in the state.

Soft Skills Training Success

Through a series of federal grants, Missouri's colleges have been able to pilot many different workforce innovations, including programs aimed at helping students improve soft skills. The feedback from employers so far has been extremely positive. One major health care employer reported that graduates of their local community college's grant program were being retained at much higher rates because of their soft skills.

Skills Equity Policies

Missouri's community colleges also recently approved an initiative to review and develop policies aimed directly at increasing middle-skills workers.

Prompted by a 50-state scan conducted by the National Skills Coalition, Missouri's colleges are investigating policies on integrated education and training, job-driven financial aid, stackable credentials, and alignment.

Currently, Missouri does not have policies in any of these areas, but task forces are being established at the state level to develop and implement these innovations statewide through our community colleges.

Moving Forward

These innovations represent promising steps toward closing the gaps in Missouri's workforce, but there is a great deal of work to be done and few resources to get it done with. Missouri's colleges are committed to overcoming these challenges in order to help Missouri businesses with the number one barrier to growth that they face—finding qualified workers. By helping Missourians get the skills they need to earn higher pay and by helping businesses find the talent they need to expand, community colleges are closing the gaps in Missouri's workforce and helping to grow the state's economy.

Notes

1 Missouri Chamber of Commerce and Industry, *Missouri 2030: An Agenda to Lead*, February 2015

2 Missouri Economic Research and Information Center, *Closing the Labor Supply and Demand Gap*, 2017

3 Ibid;

4 Ibid;

5 Ibid;

6 National Skills Coalition analysis of Bureau of Labor Statistics Occupational Employment Statistics by State, May 2015 and American Community Survey data, 2015

7 National Skills Coalition analysis of long-term occupational projections from state labor/employment agency, May 2015

8 Missouri Economic Research and Information Center, *Burning Glass Data*, April 2017

9 St. Louis Community College, *State of the Workforce Report*, August 2016

10 Ozark Region Workforce Development Board, *2017 State of the Workforce Survey Executive Summary*, February 2017