Boulder Chamber
Economic Forecast 2019

Addressing the Skills Gap
Boulder is Thriving

- Highly educated workforce
- Diverse economy
- Healthy environment for start-ups and entrepreneurs
- World-class research facility
- Created 3,200 jobs between September 2017-2018
The Skills Gap

We are in a really tight labor market right now across the country. Companies are fighting tooth and nail trying to attract and retain talented employees.

Andrew Challenger, Vice President
Challenger, Gray & Christmas

Forecasts, including one in December from the University of Colorado Boulder, have warned that worker shortages could curtail job gains and limit overall growth in the state.
How the Skills Gap Hurts Colorado Employers

“The Denver Post”

“Colorado employers appear to be relying heavily on people moving into the state to fill openings. But as unemployment rates drop across the country, that continued flow of workers isn’t guaranteed.”

86% of Colorado employers say that the skills gap is a threat to their business.

77% of Colorado employers struggle to find workers with applied skills like critical thinking and problem-solving.

86% of Colorado companies would hire applicants from Colorado if it weren’t for the skills gap, pushing more companies to look for talent outside of Colorado.

The gap is estimated to increase over the next 5 years with a projection of 17,716 new jobs created and only 11,438 population growth.
How the Skills Gap Hurts Boulder Employers

Boulder County is growing at a faster rate than other areas of the country.

An estimated **85,146 workers** will retire soon, leaving a vacuum.

The **skills gap costs** individual companies an average of **$800,000 annually** in lost business and productivity.
The Skills Gap Is Made Worse by Degree Inflation

Jobs that don’t require college-level skills

<table>
<thead>
<tr>
<th>Profession</th>
<th>Have a Degree (%)</th>
<th>Require a Degree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WEB DEVELOPERS</td>
<td>64%</td>
<td>94%</td>
</tr>
<tr>
<td>NETWORK ADMINISTRATORS</td>
<td>51%</td>
<td>93%</td>
</tr>
<tr>
<td>OFFICER SUPERVISORS</td>
<td>33%</td>
<td>73%</td>
</tr>
<tr>
<td>Financial Managers</td>
<td>60%</td>
<td>88%</td>
</tr>
<tr>
<td>Machinists</td>
<td>4%</td>
<td>36%</td>
</tr>
<tr>
<td>Construction Managers</td>
<td>33%</td>
<td>86%</td>
</tr>
<tr>
<td>Executive Assistants</td>
<td>21%</td>
<td>79%</td>
</tr>
</tbody>
</table>
Degree Inflation and Inequity

Degree inflation and other traditional employment practices can lead to inequity

White Coloradans are 2.2 times more likely to earn a degree than non-white Coloradans

<table>
<thead>
<tr>
<th>Race</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>White Coloradans</td>
<td>44.4%</td>
</tr>
<tr>
<td>Indigenous Coloradans</td>
<td>19.4%</td>
</tr>
<tr>
<td>Latinx Coloradans</td>
<td>13.6%</td>
</tr>
<tr>
<td>Black Coloradans</td>
<td>23.2%</td>
</tr>
</tbody>
</table>
Skills Most in Demand in Boulder

Top Foundational Skills

- Management
- Communications
- Sales
- Customer Service
- Operations
- Leadership
- Innovation
- Problem Solving
- Written Communication
- Research

Top Occupational Skills

- Sailing Techniques
- Nursing
- Software Engineering
- Accounting
- Restaurant Operation
- Agile Software Development
- Operating Systems
- Java (Programming Language)
- Customer Satisfaction
- Python (Programming Language)

EMSI, Boulder County, Jan. 2019 Job Posting Analytics
### Growth Predictions

#### Growth Predictions in Industries That Have a High Skills Gap

<table>
<thead>
<tr>
<th>Fastest growing industries (by # jobs):</th>
<th>Fastest growing occupations (by # jobs):</th>
</tr>
</thead>
<tbody>
<tr>
<td>◆ Professional, Scientific, and Technical Services</td>
<td>◆ Business and Financial operations</td>
</tr>
<tr>
<td>◆ Health Care and Social Assistance</td>
<td>◆ Food Prep and Serving</td>
</tr>
<tr>
<td>◆ Government</td>
<td>◆ Computer and Mathematical</td>
</tr>
<tr>
<td>◆ Accommodation and Food Services</td>
<td>◆ Management</td>
</tr>
<tr>
<td>◆ Manufacturing</td>
<td>◆ Sales and Related</td>
</tr>
</tbody>
</table>
The Skillful Solution:
Skills-Based Employment Practices
Traditional Employment Practices

Traditional employment practices, which focus on proxies for skills, rather than the skills themselves, exacerbate the skills gap.

Proxies for skills include:

- Non-required degrees
- Years of experience
- Previous titles

“A big change for us is how we think about skills in job descriptions...Also, rather than focusing on titles or degrees on an applicant’s resume, I’m looking to see what soft skills and job-related skills they offer. The end result is that we not only have more applicants applying, but we have applicants who are better aligned with the job.”

Paul Harter, former CEO of Aquahot (an advanced manufacturing company)
# The Skills-Based Job Posting

## The First Step in Transitioning to Skills-Based Employment Practices

The difference between skills-based and pedigree-based job postings:

<table>
<thead>
<tr>
<th>A Skills-Based Job Posting:</th>
<th>A Pedigree-Based Job Posting:</th>
</tr>
</thead>
<tbody>
<tr>
<td>✅ Uses Skills</td>
<td>✅ Uses Proxies</td>
</tr>
<tr>
<td>Uses skills to make sure that candidates can do the job</td>
<td>Uses proxies (e.g. degrees, work experience) to assume skill mastery</td>
</tr>
<tr>
<td>✅ Distinguishes Qualifications</td>
<td>✅ List of Qualifications</td>
</tr>
<tr>
<td>Clearly distinguishes between required and preferred qualifications</td>
<td>Includes a laundry list of requirements and preferences without specificity on how they apply to the position</td>
</tr>
<tr>
<td>✅ Reduces Bias</td>
<td>✅ Unintentional Bias</td>
</tr>
<tr>
<td>Uses thoughtful language to reduce bias and create an inclusive, inviting job posting to all qualified readers</td>
<td>Uses language that may contain unintentional biases that discourages qualified applicants from applying</td>
</tr>
</tbody>
</table>
The Opportunity

Skills-based employment practices, which focus on the skills needed to do a job rather than background or pedigree can:

- **Deepen** the talent pool
- **Increase** diversity in the workplace
- **Reduce** time-to-hire
- **Improve** employee retention & engagement

When you rely on old hiring practices based on education-levels and experience, you don’t hire right. You miss revenue targets, cost savings, and projects slip. Businesses need to take a hard look in the mirror and ask themselves: How much money are we leaving on the table because of our hiring practices?

Andy Seth, CEO of Flow, a Colorado-based digital agency
Learn More About Skills-Based Practices

Register for Skillful’s Skill Works training Boulderchamber.com

Check out the Skillful Job Posting Generator Generator.skillful.com

For more resources visit skillful.com/employers
Questions

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