ECONOMIC FORECAST
Boulder & Beyond

# Boulder Chamber Economic Forecast 2019

## Addressing the Skills Gap

BOULDER CHAMBER

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# 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

THE DENVER POST

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.

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# How the Skills Gap Hurts Colorado Employers

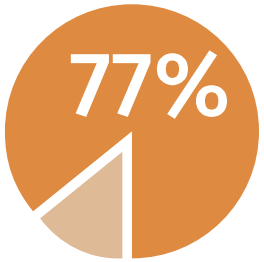
THE DENVER POST

"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




**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

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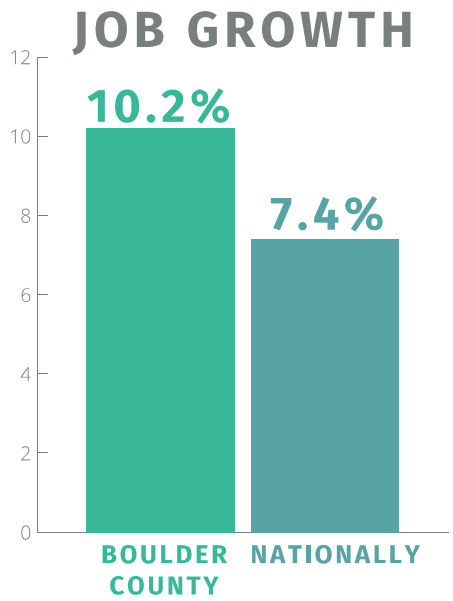
# How the Skills Gap Hurts Boulder Employers

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

An estimated

**85,146 workers**

workers will retire soon, leaving a vacuum




**The skills gap costs individual companies an average of $800,000 annually in lost business and productivity**

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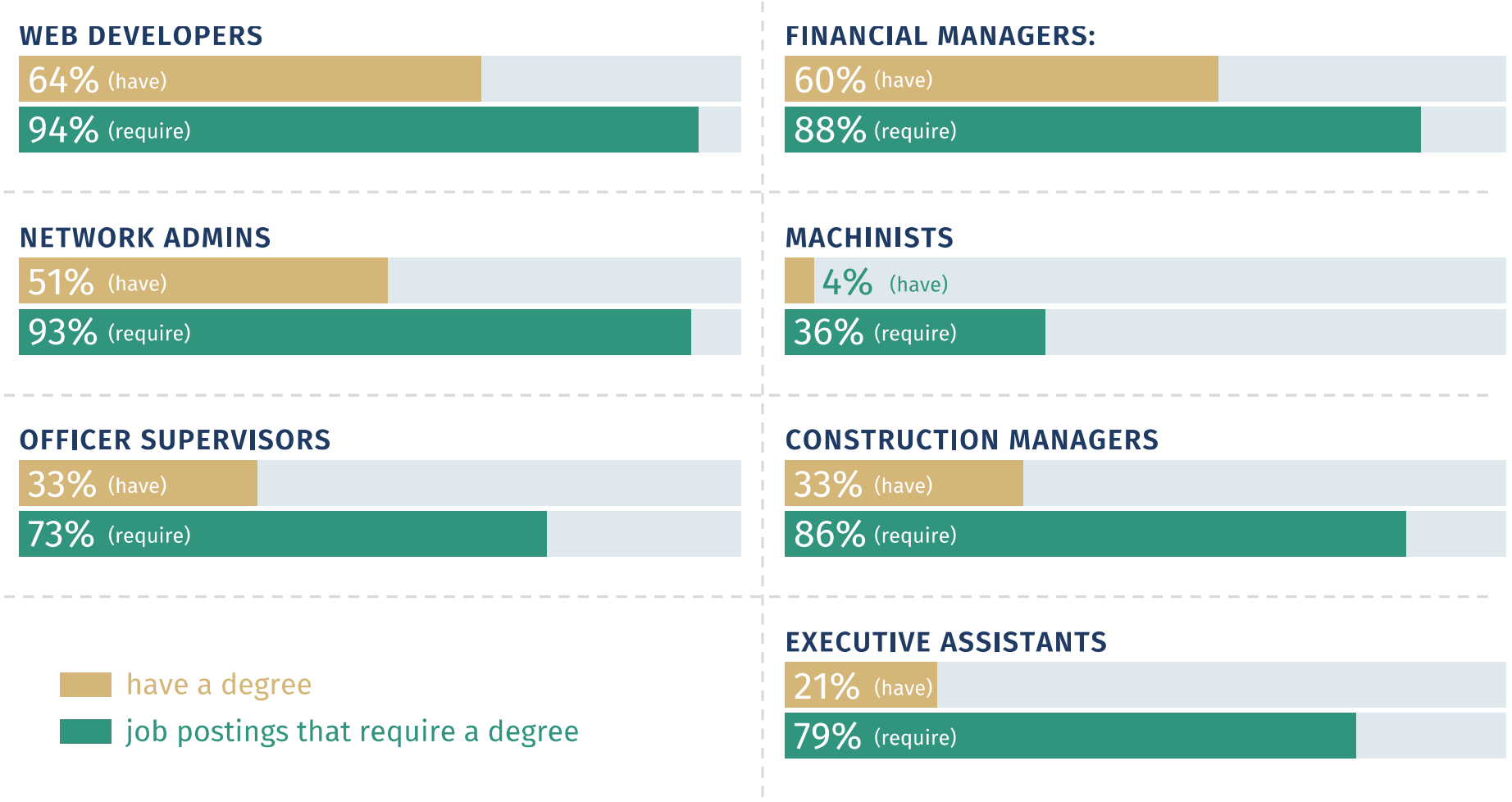
# The Skills Gap Is Made Worse by Degree Inflation

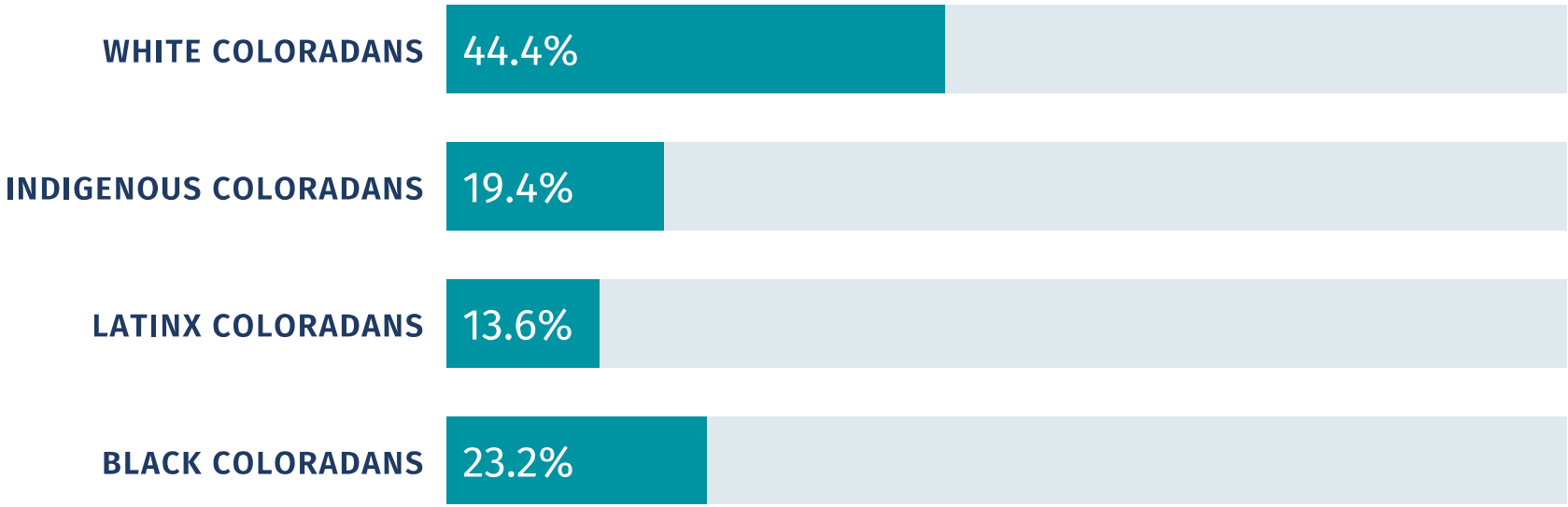
## Jobs that don't require college-level skills



# Degree Inflation and Inequity

## Degree inflation and other traditional employment practices can lead to inequity

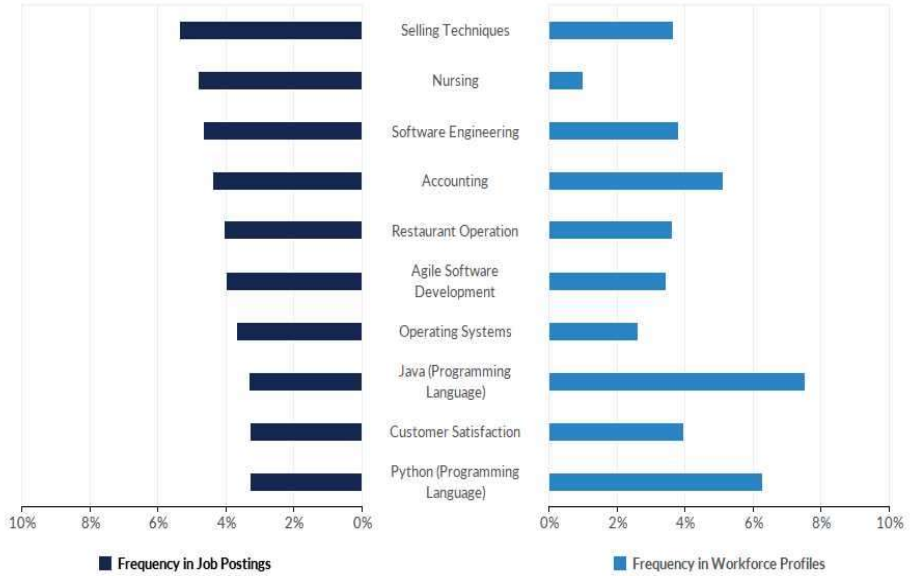
### White Coloradans are 2.2 times more likely to earn a degree than non-white Coloradans



# Skills Most in Demand in Boulder

## Top Foundational Skills

## Top Occupational Skills




EMSI, Boulder County, Jan. 2019 Job Posting Analytics

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# Growth Predictions

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

### Fastest growing industries (by # jobs):

- Professional, Scientific, and Technical Services
- Health Care and Social Assistance
- Government
- Accommodation and Food Services
- Manufacturing

### Fastest growing occupations (by # jobs):

- Business and Financial operations
- Food Prep and Serving
- Computer and Mathematical
- Management
- Sales and Related

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# 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)

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# 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:

### A Skills-Based Job Posting:

- **Uses Skills**
  Uses skills to make sure that candidates can do the job
- **Distinguishes Qualifications**
  Clearly distinguishes between required and preferred qualifications
- **Reduces Bias**
  Uses thoughtful language to reduce bias and create an inclusive, inviting job posting to all qualified readers

### A Pedigree-Based Job Posting:

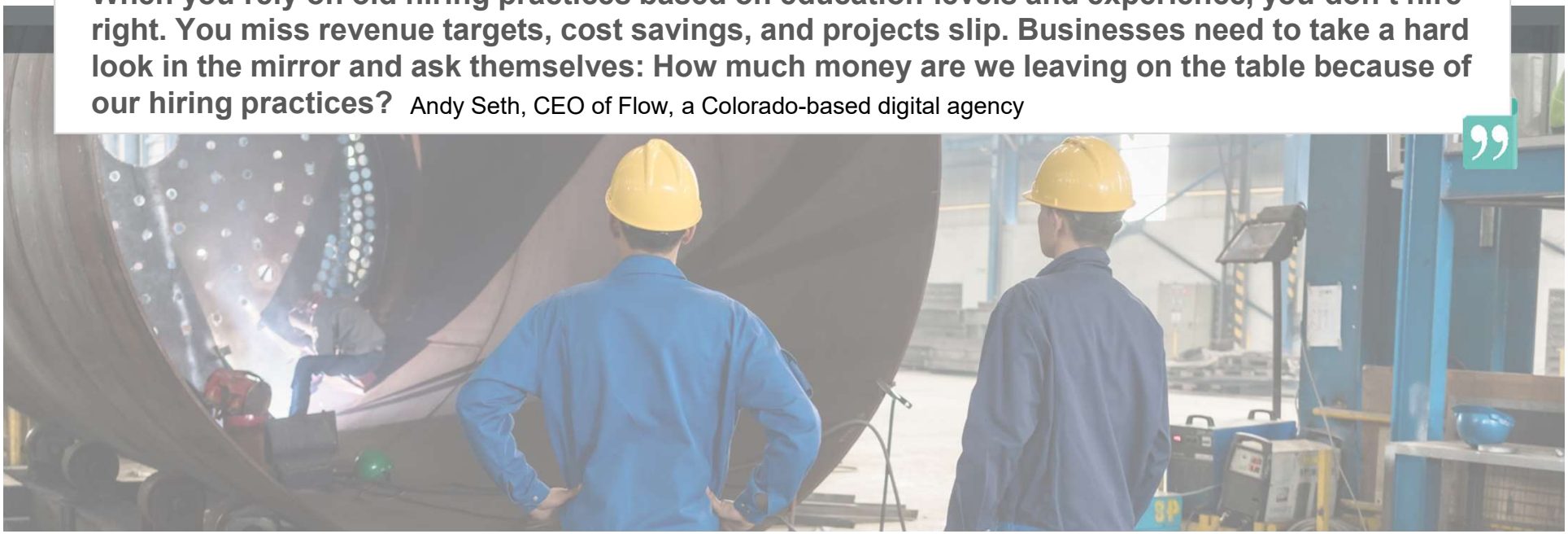
- **Uses Proxies**
  Uses proxies (e.g. degrees, work experience) to assume skill mastery
- **List of Qualifications**
  Includes a laundry list of requirements and preferences without specificity on how they apply to the position
- **Unintentional Bias**
  Uses language that may contain unintentional biases that discourages qualified applicants from applying

# 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**

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# Questions

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