

Op-Ed: Closing the gap for middle-skills workers

May 18, 2008
Thomas Orr

In the current debate about work-force readiness in Central Indiana, the need for education beyond high school is well established, but how much is necessary and to what purpose? Most work-force development experts agree that it takes on average at least one year of postsecondary education or training to realize a measurable gain in earnings.

Some argue that higher education's aggressive marketing has oversold the importance of four-year degrees. That may be true, as only 24 percent of Indiana's labor market consists of "high-skill" occupations requiring a four-year degree or more. By contrast, "middle-skill" jobs -- those requiring more than a high school diploma and less than a four-year degree -- comprise 57 percent of Indiana's labor market demand. Yet only 47 percent of our workers are likely to have the appropriate training for these jobs. As a result, key industries struggle to find sufficiently trained workers and economic growth is stifled.

Many of these jobs cannot be outsourced -- care of sick and elderly, repair of computerized vehicles, operation of factories' advanced machinery, and construction of bridges and buildings. Middle-skill jobs can provide good wages and career paths for Indiana's workers. For example, the median salary in 2006 for registered nurses was about \$52,000 a year. For truck drivers it was \$37,000.

This issue has special significance as we think about low-skilled, low-wage adults. Through its Centers for Working Families effort, the Local Initiatives Support Corp. partners with community-based providers to "bundle" work-force development services. We applaud Gov. Mitch Daniels' recent proposal to target additional postsecondary funding to families earning less than \$54,000 annually, but our concern is that two-thirds of the workers needed by 2020 are already in the work force, and the commitment falls far short of the demand.

Indiana must do more to address its middle-skills gap. The Skills2Compete campaign, a national initiative focusing on this challenge, argues that training just another 5 percent of Indiana's work force for middle-skill jobs would require significant new investment beyond existing state and federal programs. Finding the resources will be a challenge, but compared to what Indiana spends to incarcerate 26,000 adults (nearly \$462 million in fiscal year 2007), it shouldn't be out of reach when viewed as a multi-year investment in skills to compete for Indiana's future.