



FOR IMMEDIATE RELEASE: October 13, 2009

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NEW REPORT: NEARLY 650,000 “MIDDLE-SKILL” JOB OPENINGS PROJECTED FOR MICHIGAN BY 2016

Michigan’s Economic Recovery Tied to Preparing Workers for Jobs Requiring More than High School Diploma, Less than College Degree; Michigan Must Use Economic Downtime to Invest in Training Time To Meet Future Demand

Federal Recovery Dollars to Create Jobs in Middle-Skill Industries; Report Calls for New Vision Guaranteeing Two-Years Training Post High School

DETROIT— In what will play a major role in Michigan’s economic recovery, 650,000 “middle-skill” job openings—those that require more than a high school diploma, but less than a four-year degree—are projected for the state by 2016, concludes a new study released today by The Workforce Alliance (TWA) and the Skills2Compete-Michigan campaign, an affiliate of the national Skills2Compete campaign. But to unleash the full economic benefits of these openings, Michigan will need to continue to invest in proper training and education for its embattled workforce.

While the recession is stifling current employment growth, the report projects that middle-skill jobs (including new jobs and replacement) would account for 46 percent of all openings between 2006 and 2016. Low- and high- skill jobs will account for 24 percent and 30 percent respectively.

The report, which for the first time tracks Michigan’s jobs at the middle-skill level, notes that federal funds from the recovery bill are also expected to create millions of new jobs—especially in industries dominated by middle-skill occupations, like environment/energy, construction, manufacturing, and transportation.

Prior to the recession Michigan was experiencing shortages of middle-skill workers in crucial industries. About 51 percent of all jobs are classified as middle skill but only 46 percent of Michigan workers likely have the credentials to fill them. That gap will return as jobs are created, stifling recovery efforts. The gap will widen as more workers retire and if Michigan’s middle-skill educational attainment continues to decline.

Michigan’s strong record of investments in postsecondary education and workforce training must continue to keep up with demand for middle-skill workers. The state’s “No Worker Left Behind” initiative, launched in August 2007, promises to train up to 100,000 state residents in jobs in high-demand occupations and emerging industries. At the end of year two, the program has already put more than 96,000 Michiganders into training—and the pace of workers entering the program is accelerating.

With rising unemployment in the state, the report notes the recession is precisely the right time to develop a strong middle-skill workforce.

“Michigan’s Forgotten Middle-Skill Jobs confirms Michigan’s strategy of investing in our workforce,” said Andy Levin, Deputy Director of the Department of Energy, Labor and Economic Growth (DELEG). *“We must continue to use No Worker Left Behind to help tens of thousands of workers acquire the skills this report shows will be necessary for the most plentiful jobs – even as we provide employers the workforce they need to grow unhindered as Michigan diversifies.”*

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“Economic downtime in Michigan must be used to invest in training time,” urges Andrea Ray of TWA, the convening organization for the national Skills2Compete campaign. “If Michigan seeks real economic recovery and long-term prosperity, we must ensure our workforce has the necessary education and training to meet the labor demands of the future. The recession provides a time frame for businesses and the state to be opportunistic: evaluate labor and skill needs and train and prepare for the jobs that are expected to grow.”

Rick Anderson, of Detroit-based OpTech, expressed his current concerns: “We’ve experienced shortages in skilled workers for years. And while the current recession certainly limits our ability to grow, we know that when the economy bounces back we are going to need a strong, ready, and skilled workforce to move our company ahead.”

The analysis for the study was performed by TWA using data from the Bureau of Labor Statistics, Current Population Survey, American Community Survey and state labor market data from Michigan Department of Energy, Labor and Economic Growth. The analysis is based on the methodology developed for the national Skills2Compete report—*America’s Forgotten Middle-Skill Job*—by labor economists Harry Holzer and Robert Lerman.

Michigan’s Forgotten Middle-Skills Jobs assesses the current and future middle-skill employment and education patterns in the state:

- **Shortages in the growing “green” sector are already occurring.** Michigan employers are already having trouble filling middle-skill jobs in energy auditing, lead/hazardous materials work, and PV installation and trucking.
- Middle-skill jobs expected to grow by 2016 in Michigan include **heavy truck drivers with a median earning of \$37,160; carpenters with a median earning of \$42,140; and dental hygienists with a median earning of \$57,376.** The report includes a list of 30 high-demand middle-skill jobs in Michigan.
- **Immigration trends are likely to do little to offset middle-skill attrition,** as most workforce growth in the state due to in-migration will likely occur at the low-end of the skill spectrum or at the high-end of the skill spectrum (for example, engineers brought in from overseas through H-1B visas).

The report also finds that 64 percent of the people who will be in Michigan’s workforce in the year 2020 were already working adults in 2005—long past the traditional high school to college pipeline. The Skills2Compete campaign says this finding underscores the crucial importance of investments in training and re-training the current adult workforce to closing the skill gap. And while the nation’s overall K-12 education system also needs significant repair that alone won’t solve this problem.

Echoing a vision put forward by the national Skills2Compete campaign, President Obama first challenged every American to commit to at least one year of postsecondary education or training in February 2009, and has continued to signal that investing in a range of skills for America’s workforce—“be it at a community college or a four-year school; vocational training or an apprenticeship”—will be a priority for his Administration.

“There is a federal call to action that must not be ignored. The President has called on all Americans to obtain some form of postsecondary education or job training and has backed that up with commitments to invest in community colleges and other middle-skill training opportunities” notes, Ryan Dinkgrave of Focus: Hope, a lead partner in the Skill2Compete-Michigan campaign. James Vander Hulst of West Michigan TEAM, another lead partner agrees, “Michigan should not offset this federal vision, but rather take proactive policy actions to train both laid off and currents workers in the State for better, more plentiful middle-skill jobs and careers. Employers also need a solid voice in this call to action.” Another lead partner, Sharon Parks of the Michigan League for Human Services, adds, “And these policy actions must also focus on the basic academic skills that many residents need to pursue middle-skill training.”

Other lead partners of the Skills2Compete-Michigan campaign include Andrew Brower of The SOURCE, Patrick Lindsey of Focus: Hope, Adriana Nichols of the Michigan Community College Association, Bill Rayl of Jackson Area Manufacturers Association, and Peter Ruark of Michigan League for Human Services.

The Skills2Compete-Michigan campaign is calling on state leaders to embrace a new vision to guide its economic and education strategy that would allow residents to meet or exceed the President's challenge: Every Michigander should have access to the equivalent of at least two years of education or training past high school—leading to a vocational credential, industry certification, or one's first two years of college—to be pursued at whatever point and pace makes sense for individual workers and industries. An education strategy guided by this vision would give Michigan a competitive edge for recovery and long-term growth.

The study notes historical precedents for such an initiative at the federal level including universal high school for U.S. students in the mid-nineteenth century and the GI Bill, which boosted post-war prosperity in the 1940s.

Jack Litzenberg, Senior Program Officer at the Charles Stewart Mott Foundation in Flint, confirms the findings of the report as consistent with the Mott's experiences in its efforts throughout the state. "Access to middle-skill jobs through education by low-income individuals is a primary step toward launching livable wage careers and a major focus of sectoral employment development." Mott has worked with DELEG to establish "regional skill alliances" throughout Michigan, each focused on helping working adults get the necessary post-secondary skills and credentials to advance within specific industry sectors.

"Citizens in the Midwest, and Michigan in particular, need guaranteed access to education to prepare for middle-skill jobs that will support their families," said Ellen Alberding, Joyce Foundation president. "Michigan's Shifting Gears project will help people learn the right skills for the right jobs and participate in the state's economic recovery."

Members of the Skills2Compete-Michigan campaign will meet in Washington DC in November with congressional leaders to review the study's findings and encourage further federal efforts to ensure all workers can get the skills they need to play a role in economic recovery. The campaign will brief state policymakers on the report's findings and begin to explore ways to make Michigan a leading state in addressing the middle-skills gap.

The report is funded by the Joyce Foundation and Ford Foundation.

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Skills2Compete is a non-partisan campaign to ensure the U.S. workforce has the skills needed to meet business demand, foster innovation, and grow broadly shared prosperity. The campaign's diverse and growing list of endorsers include national and local leaders from business, labor, education and training, community and civil rights groups, and the public sector. The Skills2Compete Vision: Every U.S. worker should have access to the equivalent of at least two years of education or training past high school—leading to a vocational credential, industry certification, or one's first two years of college—to be pursued at whatever point and pace makes sense for individual workers and industries. Every person must also have the opportunity to obtain the basic skills needed to pursue such education. For more information visit www.Skills2Compete.org and www.Skills2Compete.org/Michigan.

TWA's mission is to advocate for public policies that invest in the skills of America's workers, so they can better support their families and help American businesses better compete in today's economy. The Workforce Alliance is a national coalition of community-based training organizations, community colleges, unions, business leaders, local officials, and leading technical assistance and research organizations. This alliance of stakeholders, who have not previously come together, ensures that our efforts are not in the self interest of a particular group, but are instead in the broader public interest of the nation. For more information, visit www.workforcealliance.org.