



Crafting Local



Talent



Building Your Community's Workforce with the Workers You Already Have



The Workers Are There

IN 2020, LIGHTCAST sounded the alarm about a pending labor shortage with [*Demographic Drought*](#). It revealed the lack of available workers was not merely a COVID-induced or short-term problem, but a perfect storm of demographic and economic trends decades in the making and with a decades-long impact. Since then, much ink has been spilt regarding the historically tight labor market.

If admitting there's a problem is the first step to finding a solution, that box has been checked. Communities and businesses are well aware of the problem, as employers struggle to find workers in services, construction, healthcare, tech, and many other industries.

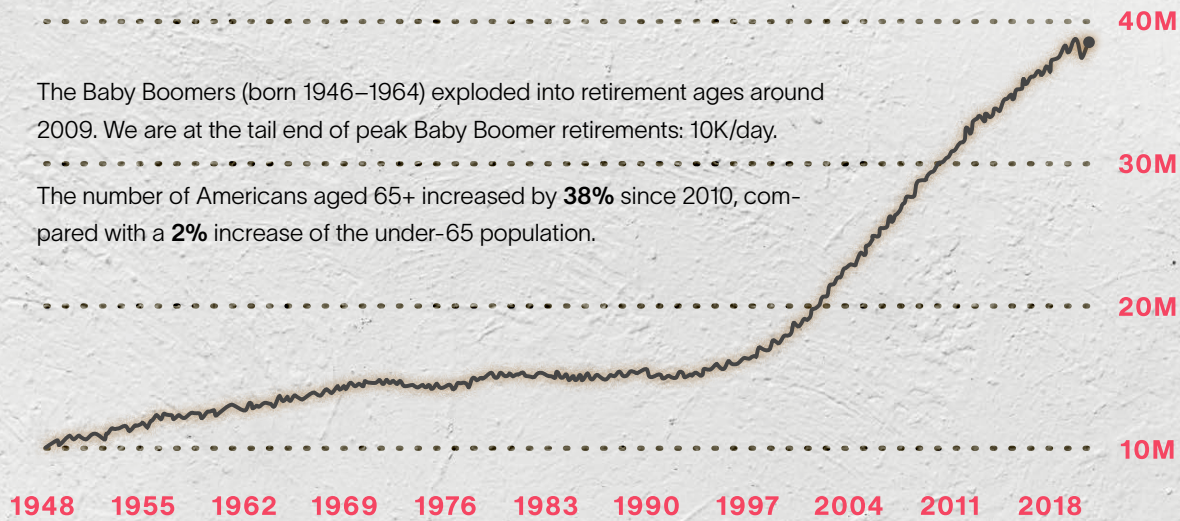
The workers, however, are there. But they're not where we've historically looked and will need to be engaged in new ways. Recognizing two realities of our current problem hastens the pace at which we seek new solutions.



Retirement-Age Americans

The Baby Boomers (born 1946–1964) exploded into retirement ages around 2009. We are at the tail end of peak Baby Boomer retirements: 10K/day.

The number of Americans aged 65+ increased by **38%** since 2010, compared with a **2%** increase of the under-65 population.



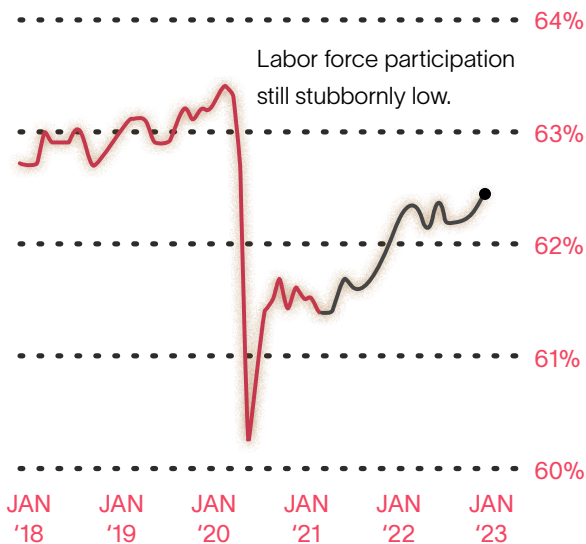
Source: BLS

They Aren't Coming Back

The typical retiree isn't like your favorite athlete who calls it quits, only to come out of retirement for another season or two. Also, when a generation as large as Boomers reaches retirement age, even if some do re-enter the workforce, it's unlikely to tilt the scale. Simply put, retirees aren't coming back and aren't a viable long-term solution to labor market woes.

Furthermore, those workers that are coming back, whether retirement age or not, aren't coming back fast enough. The labor force participation rate still sits well below its pre-COVID level.

Labor Force Participation Rate, 2018-23



Source: BLS

Labor Force Participation Rate, Age 55+



Source: BLS

The majority of excess retirements were among those aged 65–74 who are not likely to return to work.

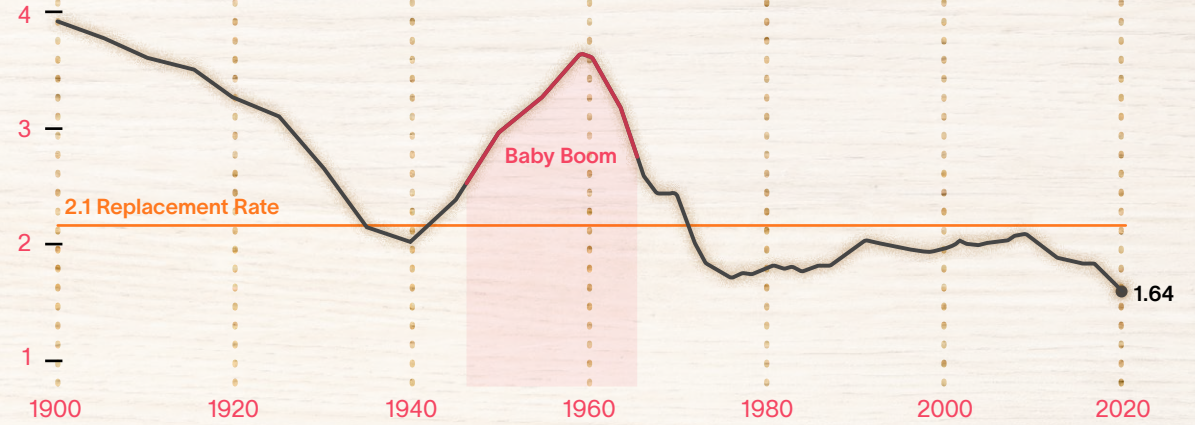
The 55+ labor force has not returned.

They Aren't in the Pipeline

With births having been below the replacement rate (2.1 per woman) since the early '70s, there are fewer young people entering the workforce pipeline today.

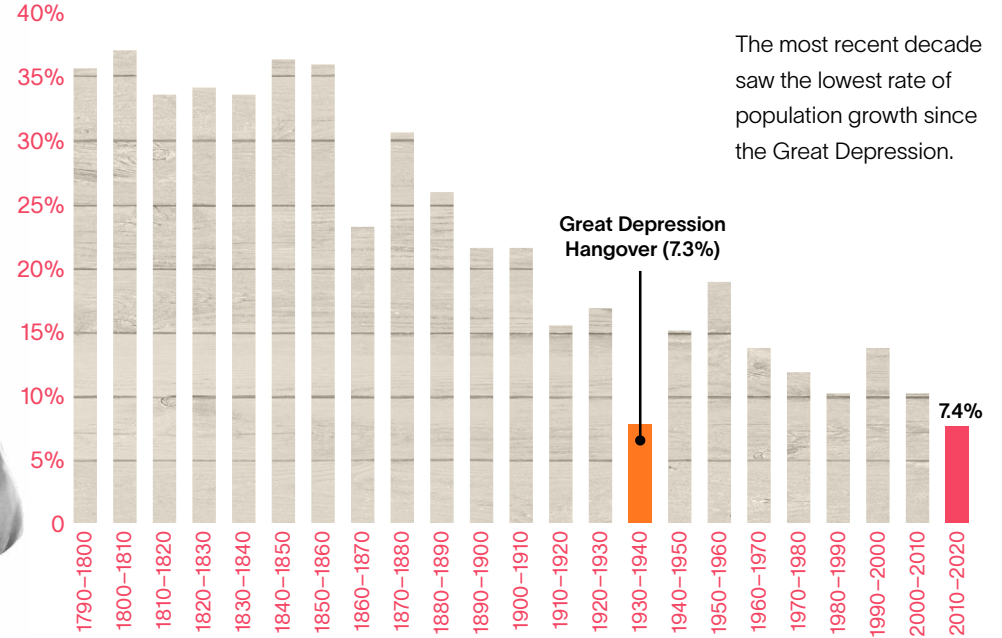
This low birth rate is slowing population growth with the 2010s decade particularly staggering. Not since the Great Depression, when people had fewer children because they weren't sure if they could feed them, has population growth slowed so dramatically.

Total Fertility Rate in the US, 1900-2020



Source: CDC National Vital Statistics

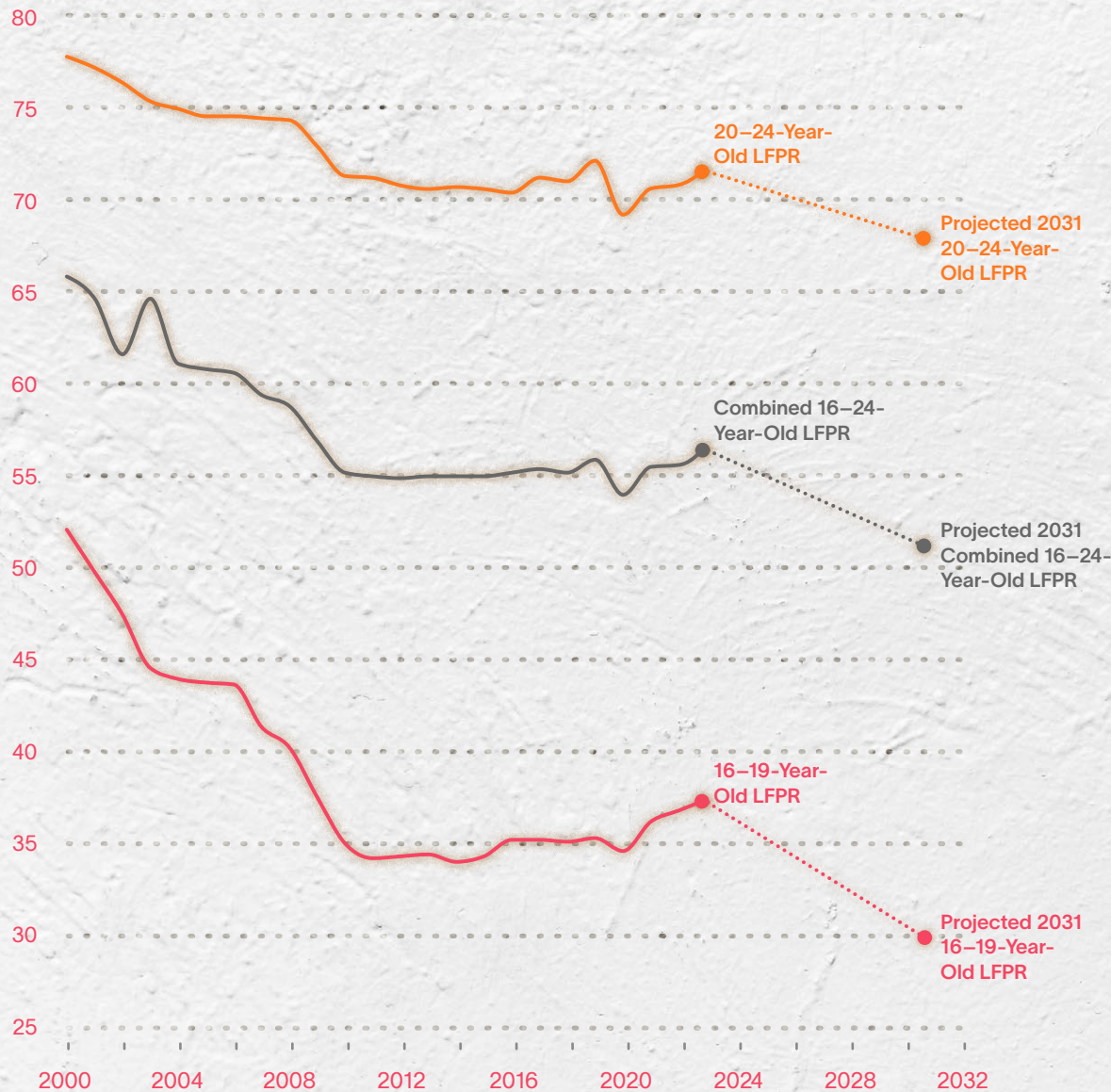
US Population Growth by Decade



Source: US Census Bureau

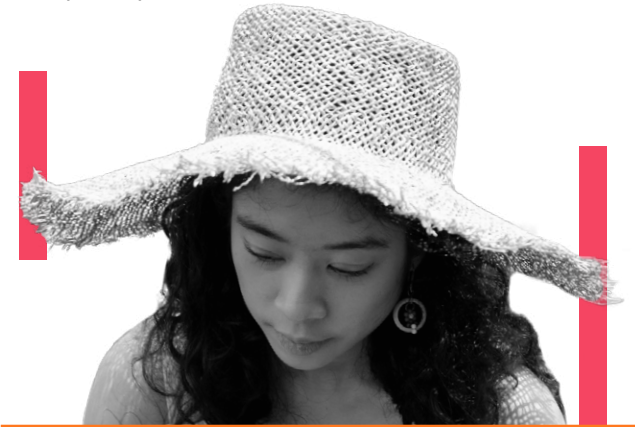


16-24 Labor Force Participation Rate, 2000-2031



Source: BLS

This dwindling pipeline is already being felt as younger working populations are drying up. The 55+ cohort is steadily growing while prime-age workers in the labor force has flattened. At the same time, the 16-24-year-old LFPR saw declines early in the century followed by a bit of a recovery in the last decade. But projecting out to 2031, the Bureau of Labor Statistics expects this cohort's LFPR to fall even more than the general LFPR (-1.6%).

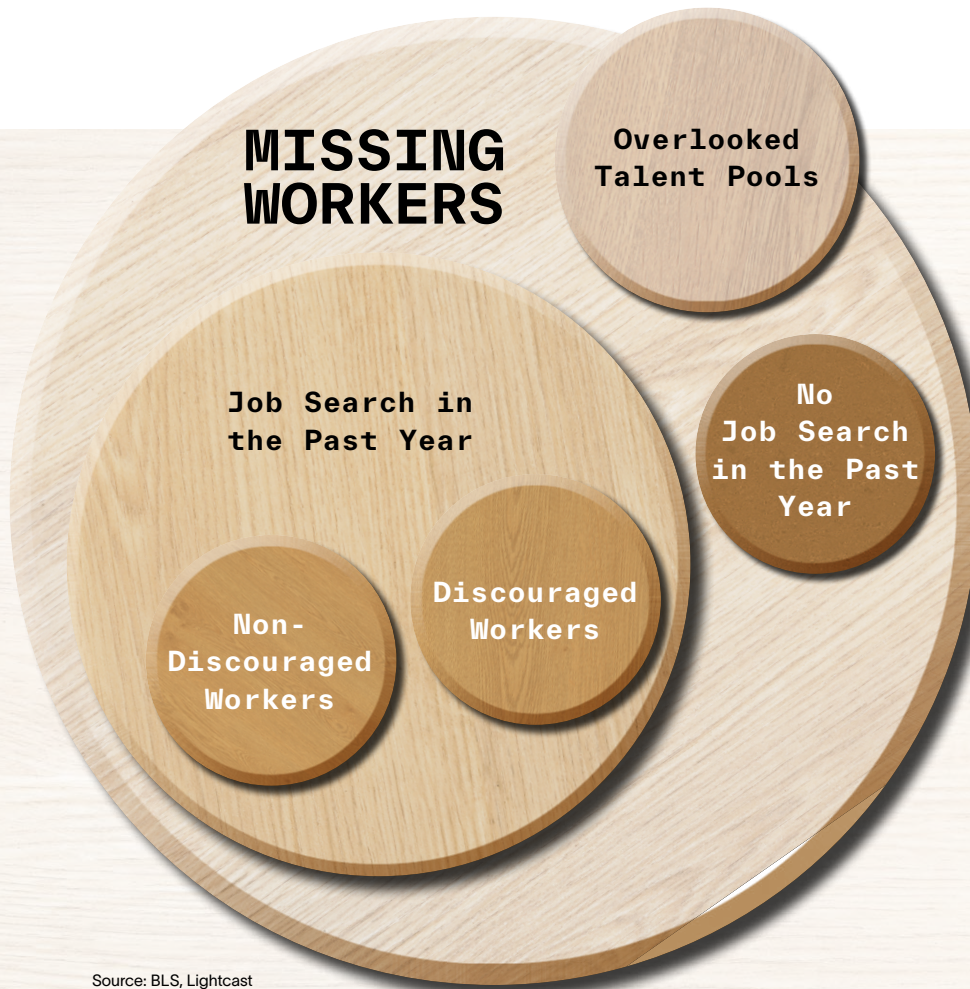


If the workers needed aren't coming back and aren't in the pipeline, can we find them anywhere?
THE ANSWER IS YES.



They Are Already in Your Community

THEY MAY NOT BE AS ABUNDANT as in past generations, but the talent local businesses are seeking is there, already in our communities. The work of economic and workforce development is to help reveal it. Much like how a craftsman creates a boat out of logs or a woodcarver creates a doll out of driftwood, this talent needs to be brought out.



Source: BLS, Lightcast

1 Bring Missing and Hidden Workers into the Market

Missing workers—those that are out of the labor force but want a job—currently represent the largest untapped pool of talent in the US. Within this large bucket of missing workers there are a few different categories. Of those that have searched for a job in the last year, the “marginally attached,” there are discouraged and non-discouraged workers. There are also those that have not searched for a job in the last year due to factors such as health or caring for an aging parent.



Missing Workers

People who are out of the labor force but want a job

Job Search in the Past Year

Workers “marginally attached” to the labor force and have stopped searching due to a variety of reasons:

Discouraged Workers

- Face or expect young/old age discrimination
- Face other types of discrimination
- Lack necessary schooling/training
- Believe no work is available in area of expertise
- Couldn't find work

Non-Discouraged Workers

- Have family responsibilities
- Are in school or pursuing other training
- Face ill health or a disability
- Can't arrange child care
- Lack reliable transportation
- Are conditionally interested

No Job Search in the Past Year

Abandoned job search amid the unique challenges of the pandemic (school or child care closures, health concerns, etc.)

Overlooked Talent Pools

People with disabilities, history of incarceration, homeless status, etc.

The number of missing workers exceeds the labor shortage.

Amazingly, if we were able to fully tap into missing workers, we could potentially end the labor shortage.

3.9M
LABOR
SHORTAGE

4.9M
MISSING
WORKERS



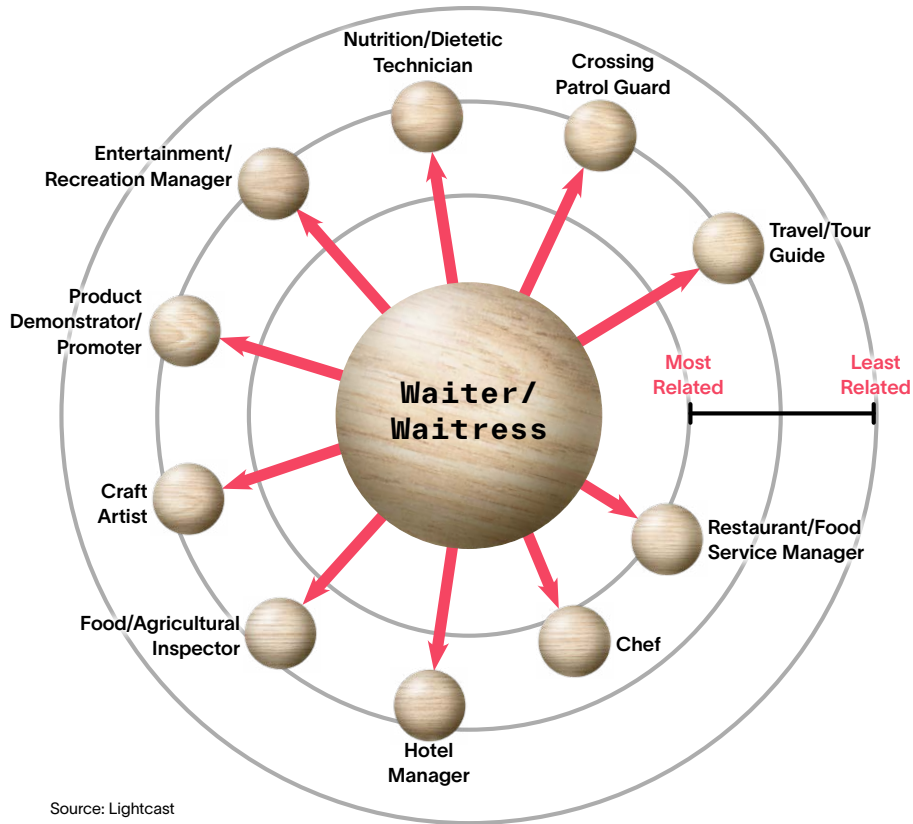
March 2023 job openings - April 2023 unemployed persons = labor shortage

Then there are hidden workers. These aren't workers hiding from work, but those who are often overlooked in the recruitment process. As [Hidden Workers: Untapped Talent](#) from Harvard Business School and Accenture notes, "They experience distress and discouragement when their regular efforts to seek employment consistently fail due to hiring processes that focus on what they don't have (such as credentials) rather than the value they can bring (such as capabilities)." These could be workers with a disability, the formerly incarcerated, the homeless, veterans, and others.

Creating mechanisms to engage these missing and hidden workers is an opportunity for communities to ease the tight labor market. This is an opportunity North County, CA (Carlsbad), seized. Teaming up with Bendable Labs and Lightcast, North County created the [Job-Readiness Room](#) in public libraries where entry-level jobseekers are matched to relevant career paths and online course material. Participants complete a free job-readiness microcredential in 15 hours, with a coach provided, that guarantees them a job interview with an employer in their chosen career path.



NEXT-STEP ROLES for Waiters/Waitresses



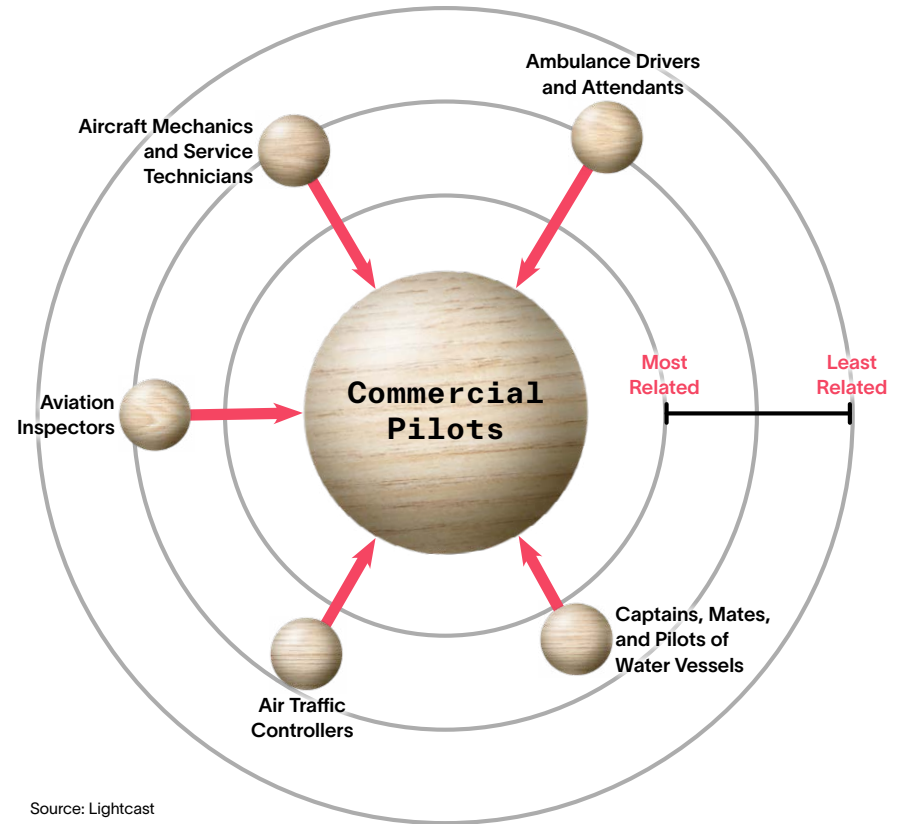
Source: Lightcast

2 Build on the Existing Skills of Local Workers

The majority of job growth a community experiences comes from within. This is why business retention and expansion efforts focus on providing existing businesses with the services and tools they need to grow. The same approach should be applied to local talent, too.

Attracting businesses has a place in an economic development strategy, and so does attracting talent. But just like with businesses, most talent growth is going to come from within, by building on the skills of local workers and

FEEDER ROLES for Commercial Pilots



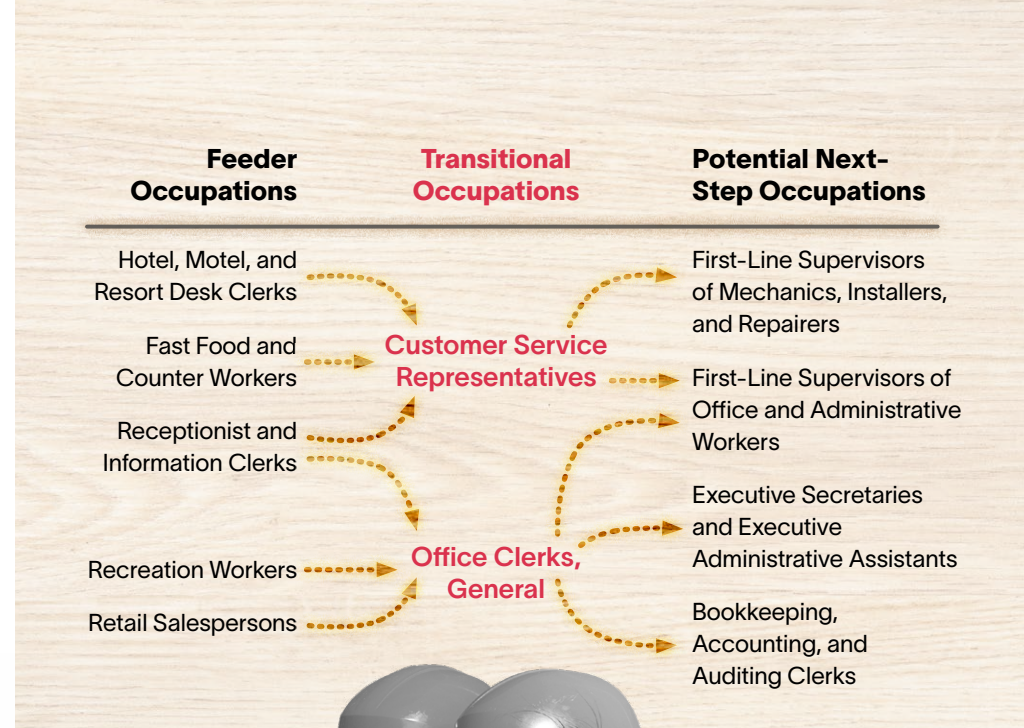
Source: Lightcast

retaining existing talent. The most efficient way to do this is skills-based career pathing. Instead of working within degrees, specific industries, and conventional job tracks, a [skills-based pathway](#) uses job postings, real-world profiles, and skills data to show how workers can advance and succeed in the workforce.

Indy Partnership, the economic development wing of the Indy Chamber, is using this approach to hone in on the [workforce and skills needed to grow its target industries](#). They identified three types of occupations, charting the feeder and next step jobs of each.

- 1. Opportunity Occupations:** jobs to move people into that show strong opportunity and are critical to the specific industry.
- 2. Transitional Occupations:** jobs currently in high-demand, but likely not of high long-term promise for workers due to lower wages, growth, and/or higher risk of displacement due to automation.
- 3. Upskill Occupations:** jobs that tent to be entry-level and have lower wages, and don't show solid future opportunity, but could serve as springboards into better jobs if workers in them gain additional skills.

This approach enlarges the talent pool at a time when businesses need to cast a wider net. It also allows communities to see a full view of the local labor supply: who can fill vacant roles and who is a good skill fit to transition to high-demand roles.



3 Increase the Role of Apprenticeships and On-the-Job Training Programs

New apprenticeships have been expanding rapidly over the last 10 years. In 2021, there were registered apprenticeships in 266 different occupations across 367 distinct industries. More than 40% of those apprenticeships did not exist in 2010, and the vast majority of these new apprenticeships appeared after 2015. And these are just registered apprenticeships.

Employers themselves have created informal apprenticeship-type training programs that cover an additional 208 occupations, 120 of which are new since 2010, ranging from personal financial advisors to sales representatives.

These findings come from the Lightcast and Opportunity@Work joint report [The Changing Face of Apprenticeships: New Opportunities for Employers and STARs](#). The authors found that registered and informal apprenticeships now provide entry into 56% of all occupations.



REGISTERED APPRENTICESHIPS

meet Department of Labor requirements. There were approximately 240,000 new apprentices in 2021 and 600,000 total registered apprentices.

INFORMAL APPRENTICESHIPS

are not registered with the Department of Labor but are advertised as "apprentice," "apprenticeship," "in-training," or "trainee" in the job postings.

Historically, unions and Joint Apprenticeship and Training Committees (JATC) have led the charge on apprenticeships. However, employers are the primary sponsor of new registered apprenticeship programs, and these new apprenticeship programs are funneling workers into roles that previously required a college degree: 40% of workers in the new registered apprenticeship programs are going into jobs that used to require a bachelor's degree, compared to 2% of traditional apprenticeships. The result is notable growth in apprenticeship pathways for higher-wage roles in management, healthcare, and information technology.

Communities revitalizing their apprenticeship programs and models can expect at least three benefits:

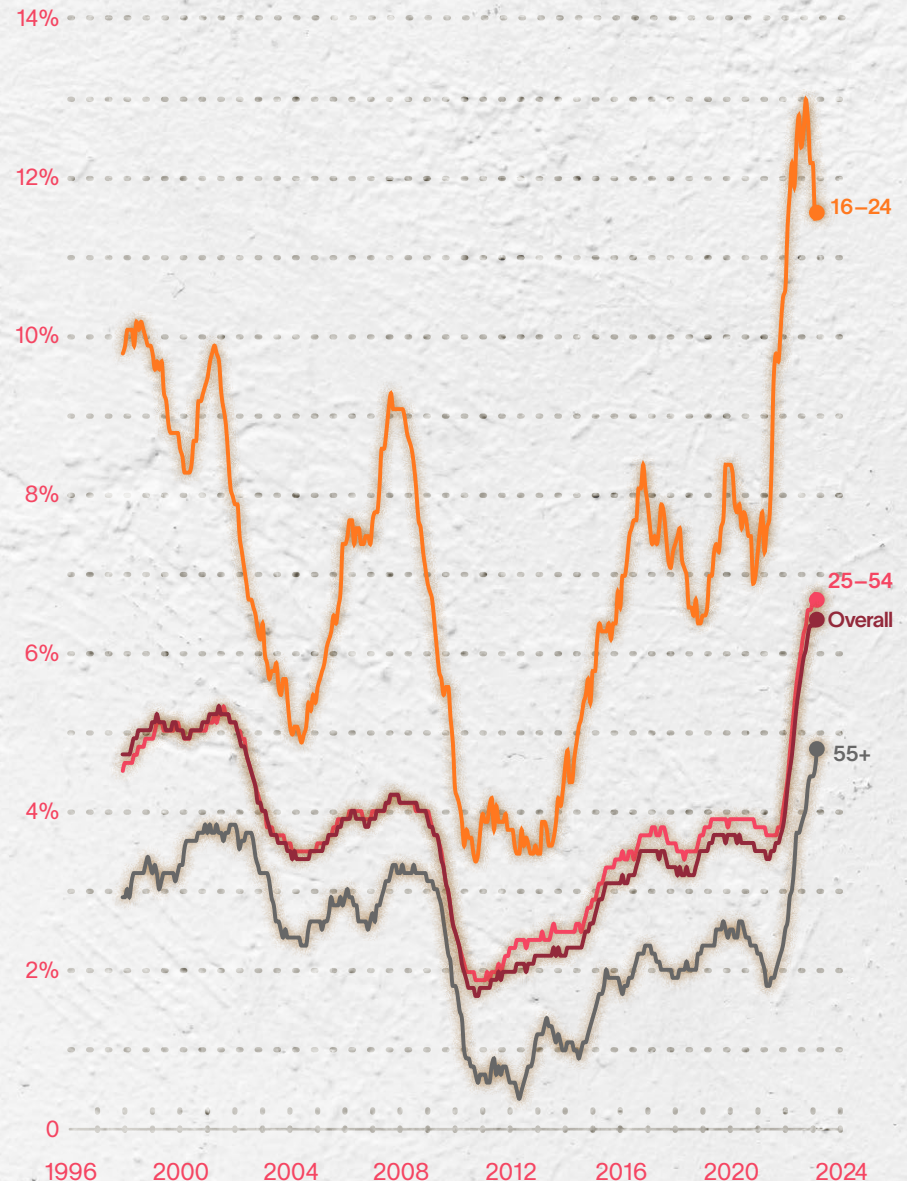
- A reliable supply of talent to high-volume roles
- Talent with skills specific to local employers and industries
- A workforce more responsive to new jobs in the market

Most businesses, however, don't have experience creating and executing apprenticeships or in-house, work-based training programs. This presents a huge opportunity for economic development organizations, chambers of commerce, workforce development agencies, and other business support groups to [help guide local businesses](#) in this strategy. This support is largely going to come in the form of creating partnerships that help establish new apprenticeships and expand existing ones.

4 Seize the Opportunity to Engage Young Workers in the Skilled Trades

While the LFPR of young workers has been on a steady decline, they also represent one of the bright spots coming out of the pandemic. The raw number of 16-19 year-olds in the labor force has recovered to above pre-pandemic levels and 20-24-year-olds have recovered to a 20-year high. Young workers are being [drawn into the workforce by higher wages](#) as employers in industries such as service and retail seek to replace older workers.

Hourly Median Wage Growth by Age Group



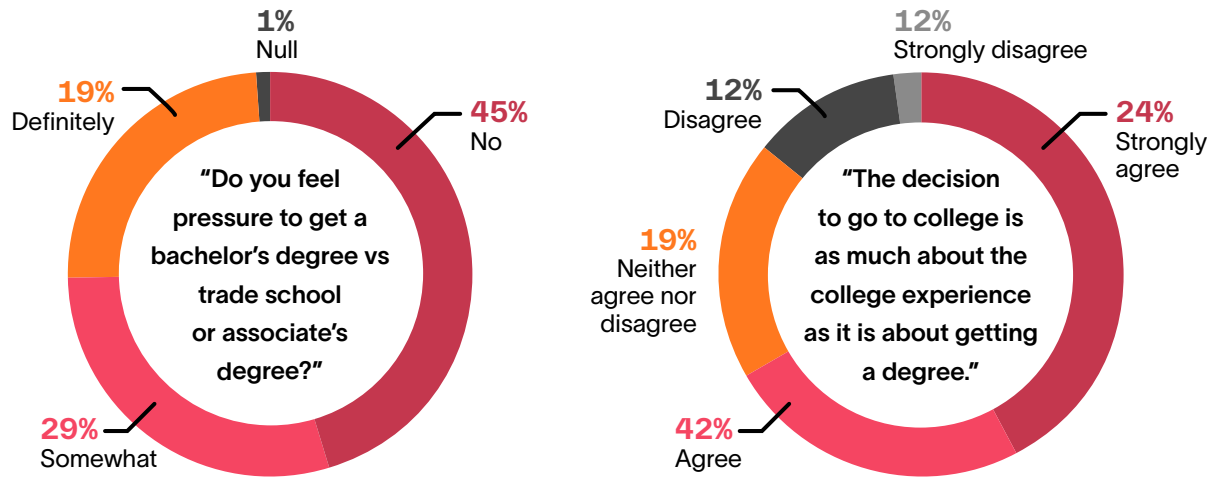
Source: BLS/Atlanta Fed

This is a welcome development as the majority of jobs open right now need to be filled by people without a college degree. A healthy regional economy needs workers from every education level, but our service economy is still primarily dependent on those with a high school diploma.

This misalignment of education and market demand raises the question of who is going to do the work? As many skilled trades and service jobs still go unfilled. Lightcast and talent connection firm Tallo sought to **answer this question** and discover what's keeping young people from entering community college or the skilled trades. Analyzing labor market data and survey data of 1,500 high school and college-age students, the research found that:

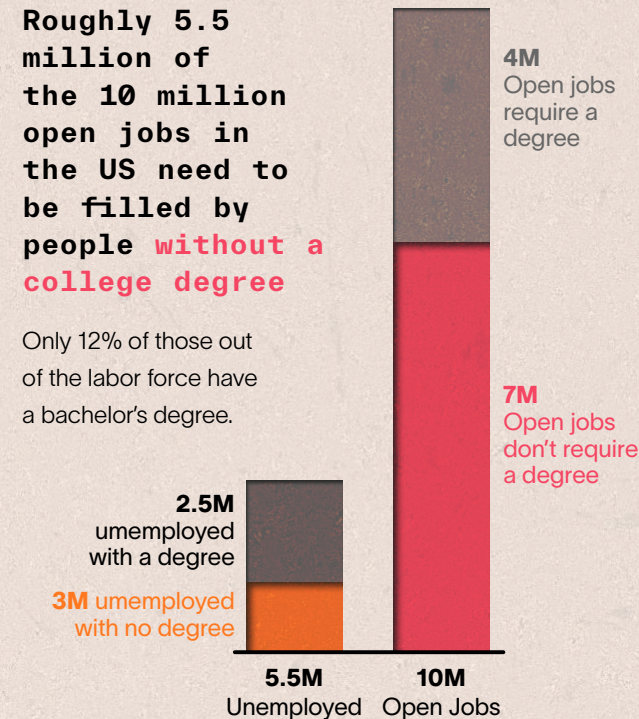
1. Students feel pressure from society, peers, and family to get a college degree
2. The decision to go to college is as much about the experience as the degree
3. Misperceptions remain about earnings and potential with skilled trade careers

Pressures and perceptions about college

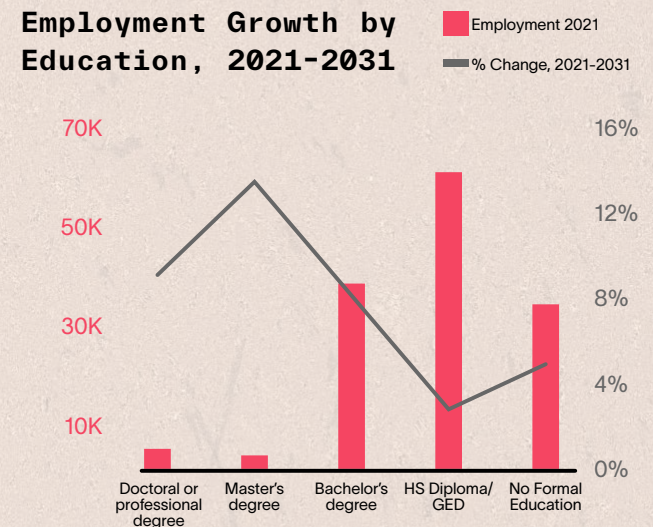


Source: Tallo/Lightcast Student Survey, 2022

In essence, skilled trades and any other non-degree occupation suffer from a marketing problem. But with a growing number of young people getting a taste of a paycheck and learning valuable communication and customer service skills, now is a great time to show them alternatives. Communities should



Source: Lightcast Analysis of BLS and JOLTS



Source: BLS



market to young people the benefits of a skilled trade or non-degree career just as much—perhaps more—as a career path requiring a college degree. These benefits include:

Compensation & Experience

Careers in the trades provide a much quicker path to work experience and potentially higher wages. Additionally, these higher wages are not just in the short term, but over an entire career.

Career Progression

Far from “dead-end” jobs, skilled trades offer a path from apprentice to senior-level in just a few years. Additionally, coupled with a business bootcamp program or courses at a community college, electricians, locksmiths, carpenters, and many others can create and run their own businesses.

Value to Society

Few are more equipped to give back to their community, help disadvantaged populations, travel the world, and contribute to charitable agencies like those in the skilled trades.

Ownership

If the career progression leads to ownership, people can gain real-world business skills such as pricing, scheduling, inventory management, negotiation, human resourcing, and many more. Furthermore, they gain freedom: work the hours they want, take vacation when they want, and, best of all, the amount they make is largely under their control.

Getting these messages to young people early and often will help dispel misconceptions about the skilled trades. Doing so will result in more young people opting for this pathway. This benefits the individual with a career that provides a high quality of life, and it benefits a community by helping fill the roles that provide the quality of life residents have become accustomed to.



Build and Create

With Boomers hitting retirement age, individuals retiring during the pandemic and not returning, and a low LFPR not rebounding, the reality is that workers simply aren't coming back—or at least not as quickly as needed. Additionally, a half-century of births below the replacement rate means workers aren't in the pipeline.

But the workers we need are already in our communities. They may not be in the places we've

traditionally looked—in college classrooms, across town at a competitor, or on the receiving end of a talent attraction campaign—but they are there.

They're in a middle school shop class, an entry-level job gaining customer service skills, or may have dyslexia or autism and are part of a large overlooked talent pool. They may need to develop some transitional skills or participate in an on-the-job training program, but they are there. Communities

that are willing to look, recognize the potential, and work with them are like craftsmen who build and create from what they have.

As with any building, the right tools are needed. This may be [job postings data](#) to determine if local employers are altering their postings to attract missing and hidden workers, or it could be mapping [career pathways](#) to reveal qualified candidates for a role previously unknown to business or industry.

With the vision and right tools, communities can craft their workforce to meet demand and mitigate demographic changes. 🛠️



Crafting Local Talent

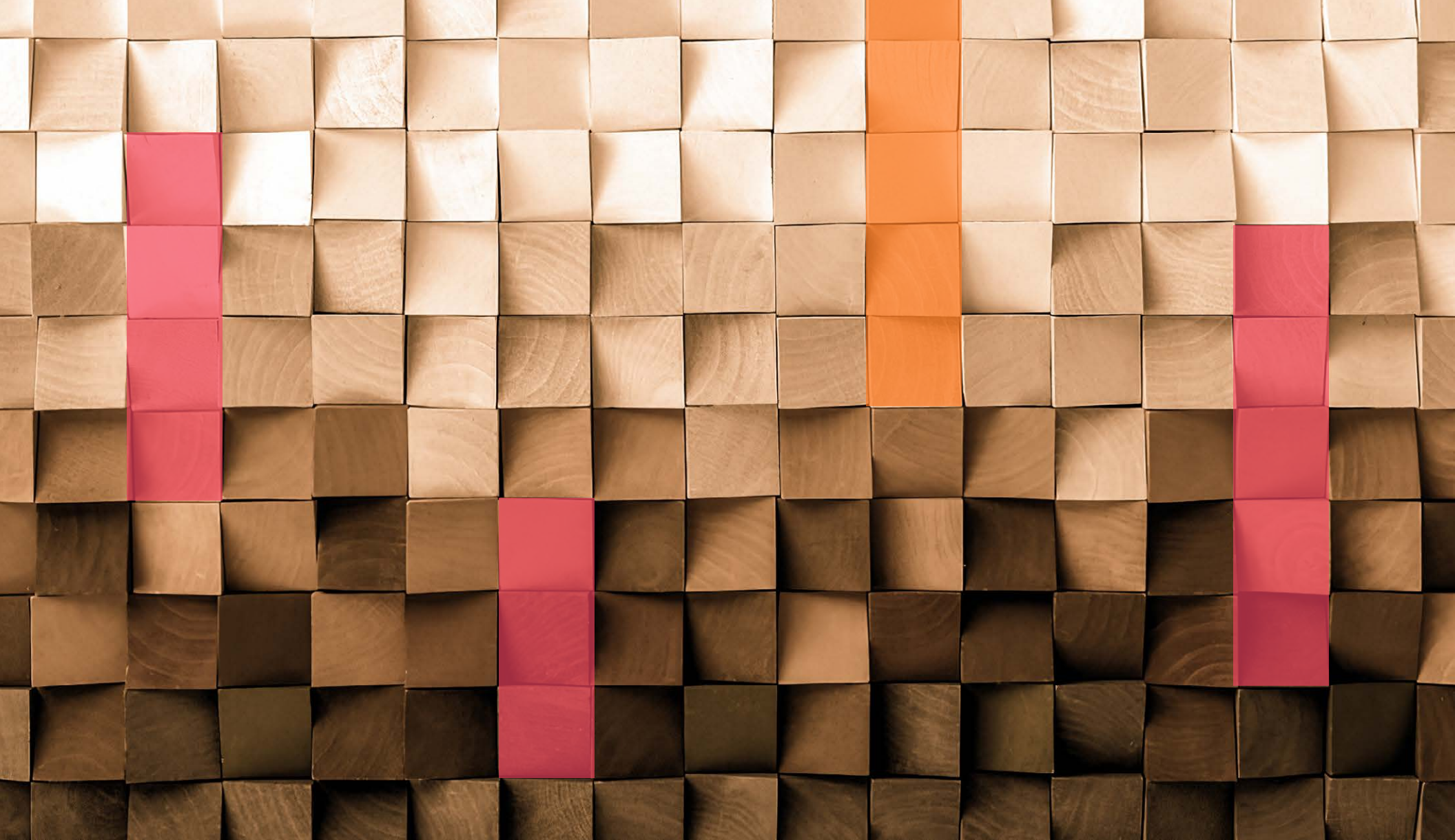
Building Your Community's Workforce with the Workers You Already Have

by
Drew Repp

Design by
Hannah Grieser

Copyright © 2023 Lightcast
All Rights Reserved • lightcast.io

Media inquiries:
media@lightcast.io



www.Lightcast.io