

The background of the image is a photograph of the Massachusetts State House, a large, classical-style building with a prominent golden dome. The building is set on a hillside. The entire image is overlaid with a semi-transparent blue filter. The text is centered over the building.

# Massachusetts Business Coalition on Skills

**POLICY AGENDA**

**WHAT**

*are skills  
gaps?*

# Skills gaps can exist in the:

## *Workforce*

when the skills possessed by individuals in the workforce do not align to the skills that employers seek in employees.

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## *Talent pipeline*

when the skills being developed by individuals in the talent pipeline do not match anticipated employer needs.



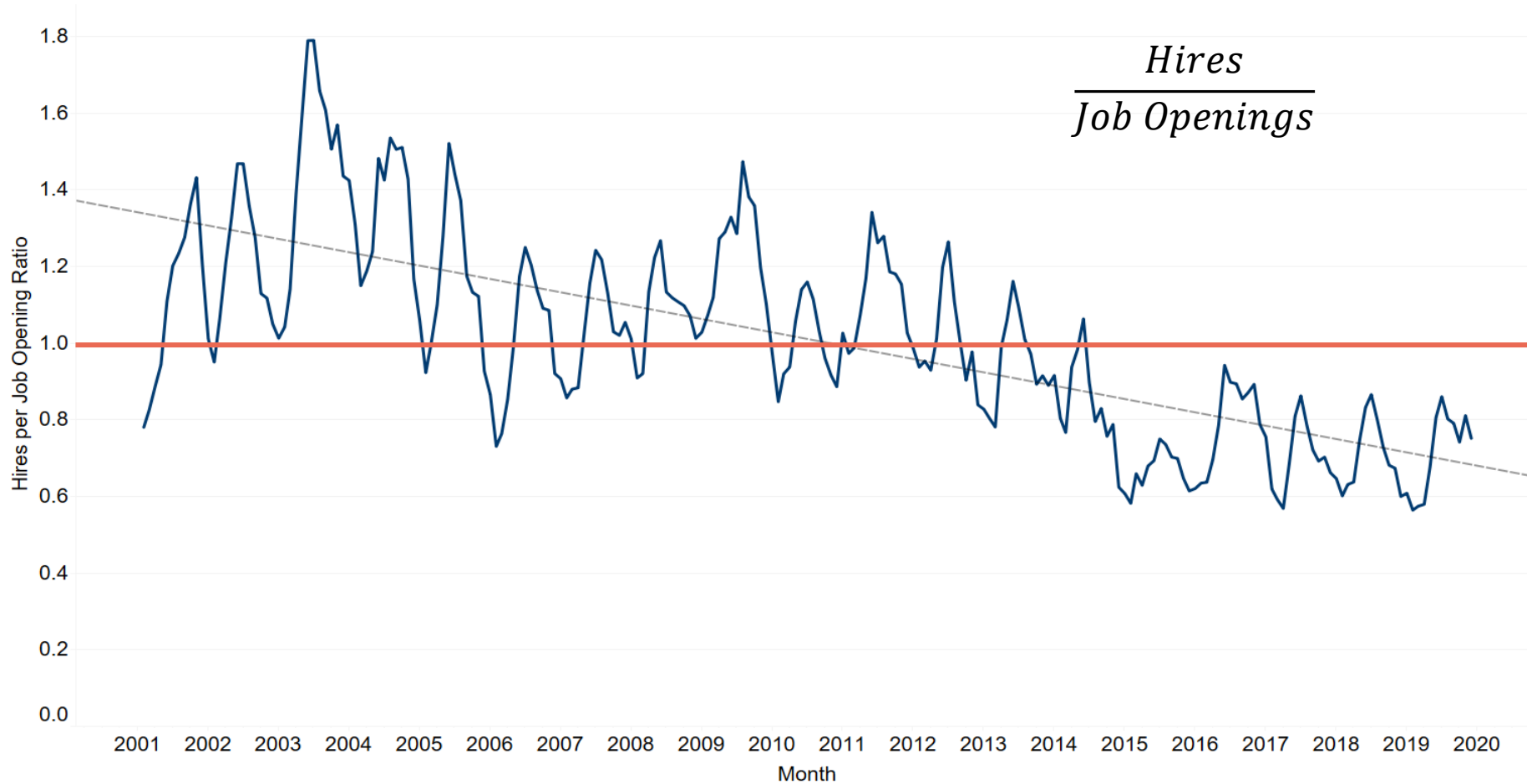
*skills gaps exist  
in Massachusetts?*

# 73%

of Massachusetts employers find it  
**“somewhat difficult”** or **“very difficult”** to  
find people with the right skills to fill open  
positions.

*2019 MBAE Survey conducted by MassINC Polling*

# Job openings growing faster than hiring



Between 2001 and 2019, monthly MA job openings grew by 56,000 while hires grew by only 5,000.

<1 = more openings than hires

>1 = more hires than openings

# CVTE Skills Gap

## Training and Supply Issue:

- 68% of MA employers said CVTE graduates were only “Somewhat Well Trained”
- Only 45% of MA employers believe that the number of CVTE graduates is sufficient to meet employers’ needs.
- Statewide, CVTE graduates can fill 12% of the projected job openings between 2012 and 2022.

Workforce Development Area	Student Supply as Percent of Openings
Greater Lowell	51%
Greater New Bedford	47%
Bristol	38%
Berkshire	27%
North Central	27%
Central	25%
Lower Merrimack Valley	24%
North Shore	21%
Brockton	21%
Hampden	17%
South Shore	17%
Franklin-Hampshire	16%
Cape & Islands	13%
Metro South	13%
Metro North	7%
Boston	4%

**WHY**

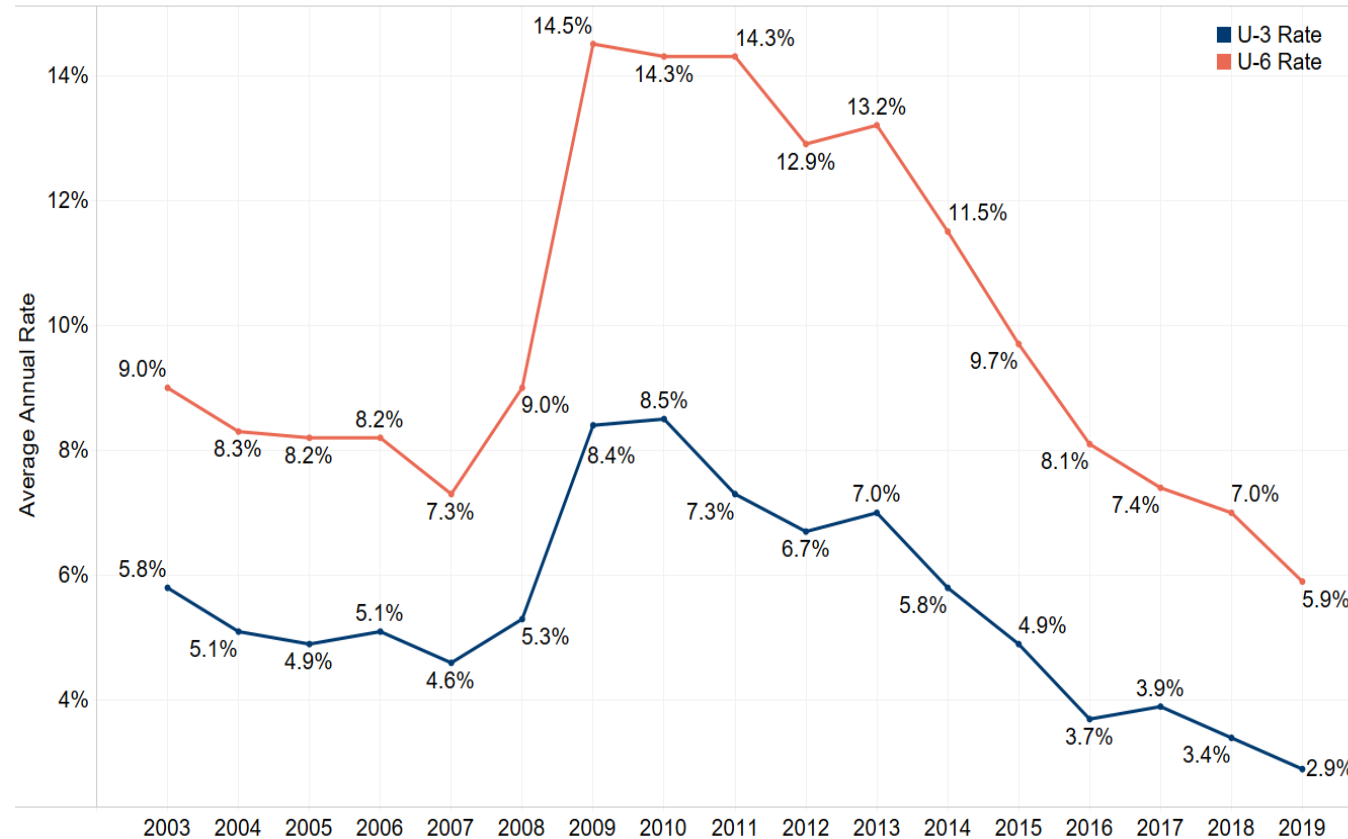
*do skills gaps exist in  
Massachusetts?*



# Unused Labor Pool Lacking Desired Skills

*Despite a hot job market and a low standard unemployment rate (U-3) heading into 2020, MA's real unemployment rate (U-6) shows a sizable and unused labor pool.*

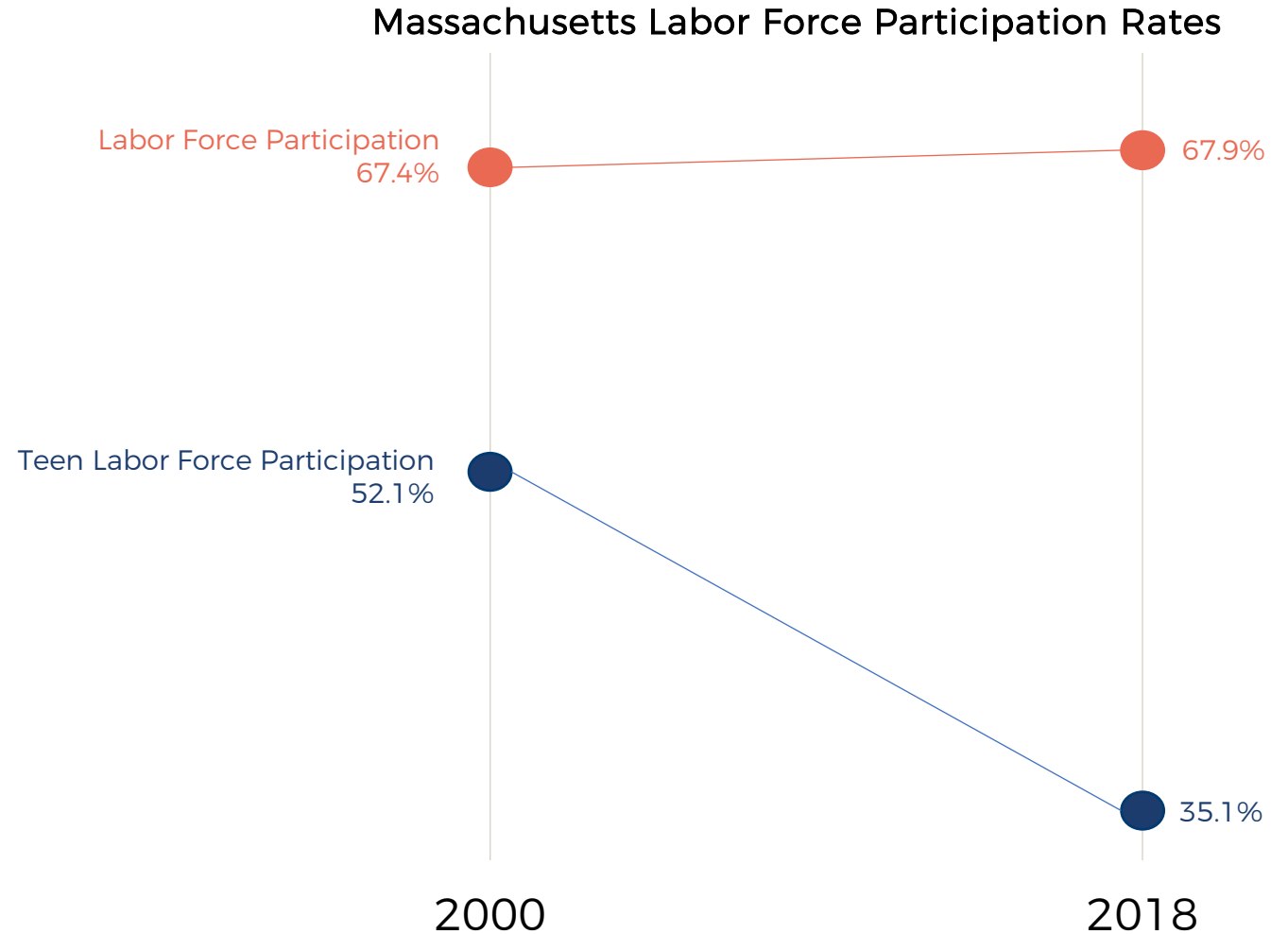
## Massachusetts U-3 & U-6 Average Annual Unemployment Rates



*Source: Bureau of Labor Statistics, Alternative Measures of Labor Underutilization for States, 2003-2019 Annual Averages. The U-6 rate includes individuals that are unemployed, underemployed, part-time for economic reasons, and those marginally attached to the labor force.*

# *Declining Teen Labor Force*

Massachusetts' declining teen (ages 16-19) labor force participation rate *delays and limits opportunities for teenagers to develop essential skills* and to begin cultivating professional networks.



# Changes in Technology

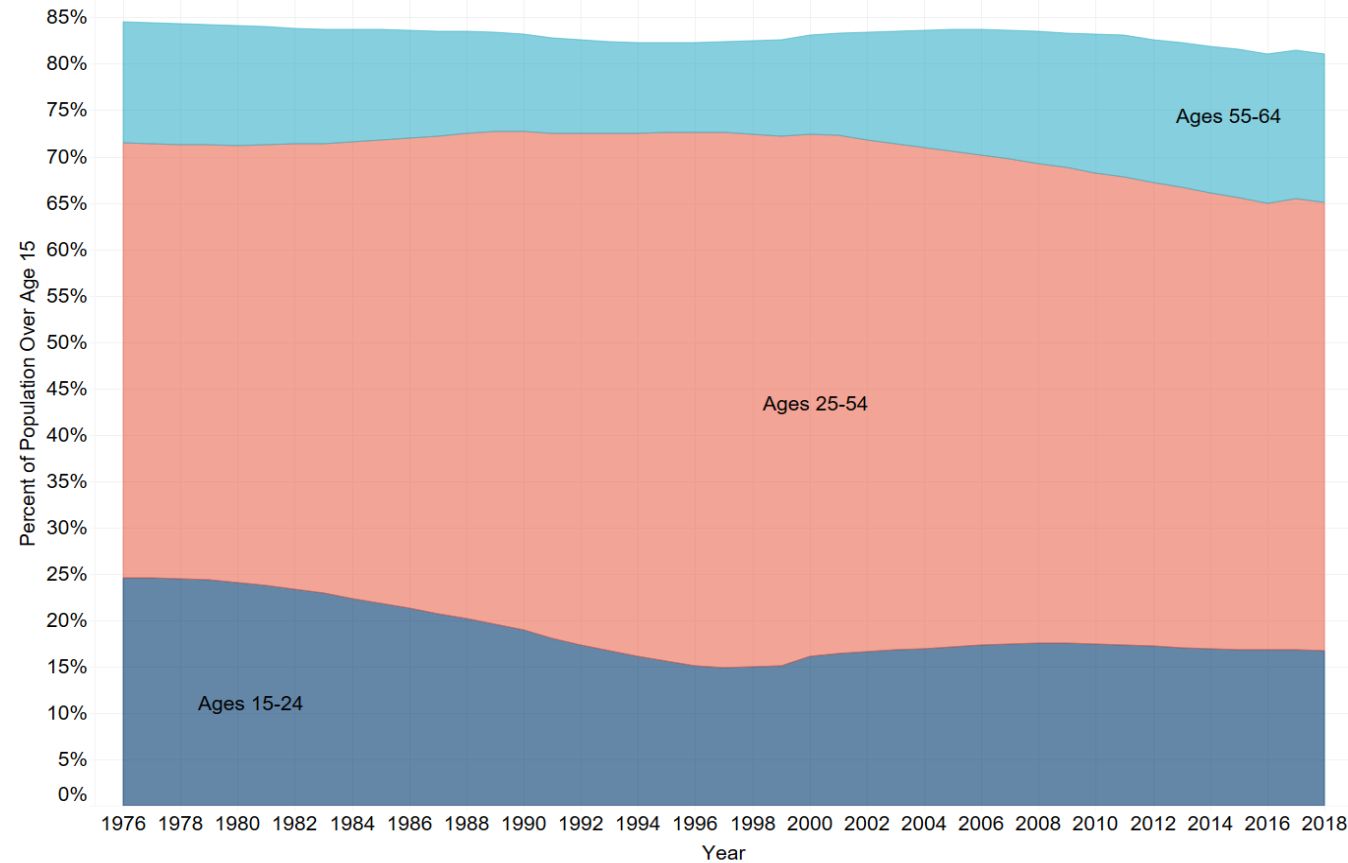
## Massachusetts Jobs by Required Digital Skills

Metro (National Rank)	Low Digital Skills	Medium Digital Skills	High Digital Skills
Boston (2)	23.9%	46.3%	29.8%
Worcester (19)	27.3%	50.2%	22.5%
Springfield (42)	29.3%	49.6%	21.1%
Providence (62)	29.4%	49.4%	21.2%

The pace of change in technology and lack of skilled talent are the **top barriers** to filling open positions.

# Aging Labor Force

## Massachusetts Population Over Age 15



Massachusetts' labor force is shrinking with a declining number of residents at prime working age (ages 25-54).

# Achievement Gaps

Persistent achievement gaps leave students underprepared for college and the workforce, limiting the overall success of employees and employers.

Select Massachusetts Academic Achievement Measures, 2019

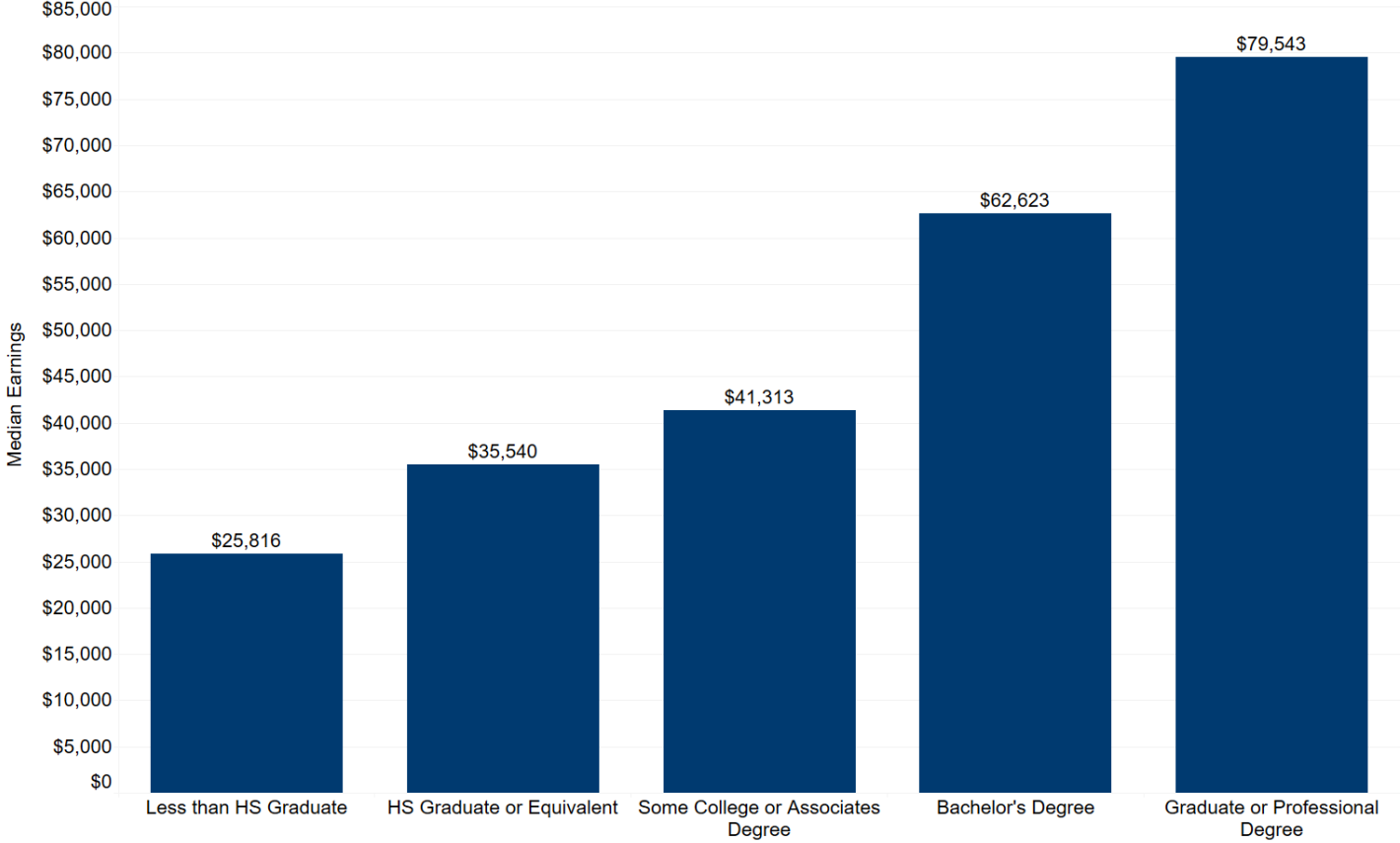
Category	High School Graduation Rate	MassCore Completion	Attending Higher Education
All Students	88%	81.4%	72.2%
English Language Learner	64.6%	58.6%	50.4%
Students with Disabilities	73.9%	73.9%	54.5%
Low Income	78.5%	72.1%	58.4%
White	92.7%	86.8%	75.7%
Black	83.4%	64%	69.7%
Latinx	74.4%	71.4%	55%

**WHY**

*is closing skills gaps important?*

# Median Earnings by Educational Attainment

*(Massachusetts Residents over Age 25)*

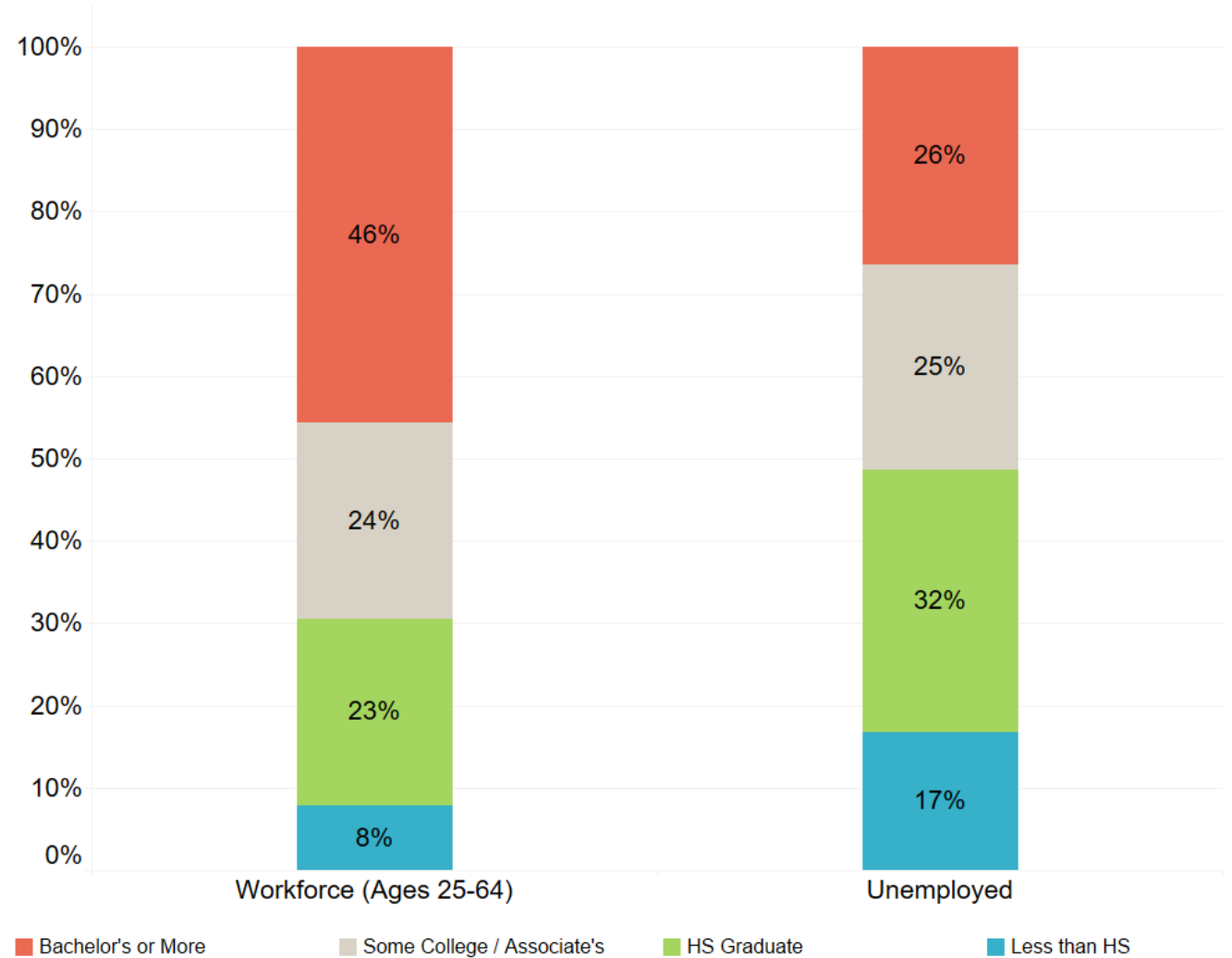


Access to in-demand skills leads to better individual outcomes...

Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2014-2018, Table B20004.

...and greater employment stability.

## Massachusetts Workforce and Unemployment by Educational Attainment





“Knowledge is the key to economic development.”

*As the global economy becomes increasingly dependent on a skilled workforce, the cities, states, and countries with fewer skilled workers become less competitive.*

A shortage of skilled workers **limits** innovation, output, and productivity. Without access to talent, employers may relocate or shut down entirely.

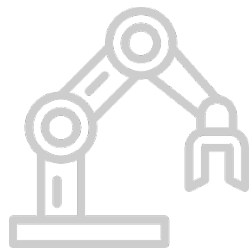
**HOW**

*can Massachusetts close skills  
gaps?*



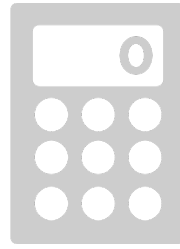
# Create a pathway toward essential skills development

- **Phase 1:** Develop a list of employer-defined essential skills and work with the Skills Cabinet to establish a statewide essential skills program.
- **Phase 2:** Incentivize the development of essential skills in K-12 (district incentives, high school credits, and MassCORE) and in community college (internships).



# Modernize Massachusetts CVTE

- Increase CVTE capacity by expanding school buildings, facilitating teacher recruitment through innovative instruction models (e.g., adjuncts), and developing a plan to expand CVTE to traditional high schools.
- Use labor market data to strengthen and standardize program audits required by Perkins V and to ensure curriculum and credentials align with industry needs.



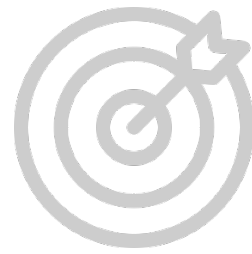
# Incentivize Employer Training Initiatives

- Use matching grants and tax credits to encourage employer training programs with a focus on:
  - Work opportunity
  - Work-based learning (upskilling)
  - Hiring and reskilling individuals or jobs impacted by COVID or automation



# **Support Massachusetts' Ongoing Training Initiatives**

- **Advocate support for ongoing initiatives that promote inclusive skills development, including:**
  - Career Technical Initiative (CTI)
  - Registered Apprenticeship expansion
- **Support innovative and labor-market-aligned education models, such as dual enrollment and early college, targeting first generation college students and communities of color.**



# Set Statewide and Regional Training Goals

- **Phase 1:** Collect data needed to measure training goal progress and attainment.
- **Phase 2:** Establish statewide and regional training goals and interim benchmarks, including closing equity gaps in access and attainment.
  - Engage with policymakers developing goals (e.g., DHE Equity Goals) and data collection (e.g., SOA-required Data Advisory Commission)





# Simplify Workforce Development

- **Phase 1:** Conduct an asset mapping exercise for the effectiveness of the current workforce development system, including government entities, funding streams, and training initiatives.
- **Phase 2:** Coordinate and create an intentionally equitable workforce development system to facilitate employer involvement.



# Increase Employer Engagement

- **Employers should take an approach that is intentionally equitable to increase engagement in the education and workforce development system, including:**
  - Participating in work-based learning models (e.g., apprenticeships, CVTE, and internships) targeting underserved communities
  - Encouraging career exposure in local K-12 schools
  - Introducing equitable and innovative hiring practices (e.g., skills-based hiring)
  - Developing incumbent worker training programs

# About the MBCS

The Massachusetts Business Coalition on Skills formed to originate and advocate for statewide policy proposals to promote equitable skills development in the talent pipeline, in the current workforce, and for the jobs of the future.

## Members as of March 31, 2021:

- 1Berkshire
- Amplify Latinx
- Bedford Area Chamber of Commerce
- Black Economic Council of Massachusetts
- Blackstone Valley Chamber of Commerce
- Cape Cod Chamber of Commerce
- Economic Development Council of Western Massachusetts
- Greater Boston Chamber of Commerce
- Kendall Square Association
- MassTLC
- Massachusetts Business Alliance for Education
- Massachusetts Business Roundtable
- Massachusetts Taxpayers Foundation
- Nashoba Valley Chamber of Commerce
- Newton-Needham Regional Chamber of Commerce
- North Central Massachusetts Chamber of Commerce
- One SouthCoast Chamber of Commerce
- Quincy Chamber of Commerce
- Somerville Chamber of Commerce
- Springfield Regional Chamber of Commerce
- Western Massachusetts Economic Development Council
- Worcester Regional Chamber of Commerce

