Unleashing OC’s Workforce Potential: Solving the Middle-Skills Opportunity Gap

By Shelley Hoss
President, Orange County Community Foundation

Orange County has always been a county on the move, lifted by real estate gains and advanced through innovation. Yet OC, like the nation, is facing a middle-skills workforce gap that threatens our future economic growth—and this delta is projected to crest over the next decade as baby boomers retire.

“Solving the middle-skill employment gap is one of the surest ways to ensure Orange County’s economic growth and competitive advantage,” said Greg Palmer, operating partner of private equity firm The Vistria Group. The former chief executive of Aliso Viejo-based REMedi is leading a drumbeat of support for training OC students and midcareer workers for middle-skill jobs. “Because these jobs pay more, residents with these skills are better positioned to live comfortably and the region can avoid some of these social problems created by low wages, such as housing instability.”

Palmer shared his perspective—cultivated over three decades in the staffing industry—with more than 120 business and community leaders, as well as leading philanthropists, at an event co-hosted by the Orange County Community Foundation, Orange County United Way and the Children and Families Commission. But his message of urgency and calls for action far go beyond those in attendance. It’s a wake-up call for all of OC.

As reported in the 2017 Community Indicators Report, a 2015 Brookings Institute study found that new middle-skills jobs in health care, professional services and other fields have grown and are projected to continue growing over the next decade. One in 10 jobs are in healthcare. Many of healthcare’s fastest-growing occupations are new middle-skills jobs; a scan of job postings shows that half of healthcare jobs don’t require a bachelor’s degree. Yet OC’s skills gap is a solvable problem—with awareness comes opportunities for innovation through coordinated efforts from business, civic and community leaders, as well as philanthropists.

Neither government nor business or nonprofit can solve it alone, Palmer said. “It’s time for Orange County business and community leaders and philanthropists to come together to educate and train workers for middle-skill jobs.”

The solution to OC’s workforce woes lies in bolstering technical education and training to address the gap while creating higher-paying jobs for residents. Innovative private-public partnerships—such as those pioneered by Hope Builders, the Orange County Development Board, United Way’s Youth Career Connection and the Orange County Department of Education’s OC Pathway—are narrowing the gap by helping students and midcareer professionals acquire in-demand technical skills in continually evolving industries. OC employers also are hamstraining by rapid technological advancement in healthcare, IT and advanced manufacturing—industries that require continually updated education and training programs, which often lag employer demand.

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Through these projections paint a rosy picture for OC’s future, there’s a major hurdle in our path. Middle-skill jobs in OC are growing, but there’s a dearth of skilled candidates to fill them. OCBC found that OC employers can’t find qualified candidates for a record number of job openings, taking an average of 57 days to fill open jobs.

Thousands of job seekers simply don’t have the skills employers need. Nationally, business consulting and research firm Deloitte predicts that the skills gap will leave 2 million jobs unfilled by 2025 in manufacturing alone. A 2017 Bureau of Labor Statistics Job Openings and Labor Turnover Survey, also known as JOLTS, predicts a widening gap of unfilled jobs. JOLTS economists say the gap between hires and openings has never been as wide as it is today, and warns of continued narrowing in the future.

Orange County employers can’t afford to ignore the skills gap. Businesses need new candidates to fill positions as baby boomers retire. OC employers also are hamstraining by rapid technological advancement in healthcare, IT and advanced manufacturing—industries that require continually updated education and training programs, which often lag employer demand.

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