

OC LEADER BOARD

Opinion, Analysis, Insight

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 **RemedyTemp** 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 and work here, reducing the burden of other 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 go far 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 healthcare, professional services and other fields have grown and are projected to continue to dominate.

A similar 2016 Orange County Business Council report documented a 25% growth in middle-skills jobs in OC between 2003 and 2015, and a continued projected growth of 15% over the next decade, concentrated in healthcare, advanced manufacturing and information technology. These jobs pay higher-than-average wages and don’t require a four-year college degree, giving workers the opportunity to become financially stable and upwardly mobile.

Together, these industries account for 50% of the county’s middle-skills jobs, driven by some surprising factors:

- 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.

- IT jobs span several industries. New middle-skills IT jobs are scattered across every major employment sector in OC and come from IT jobs in non-IT settings.

- Advanced manufacturing jobs are enjoying a resurgence. Growth in middle-skill advanced manufacturing job openings is driven by replacement needs, such as filling positions as baby boomers retire.

Though these projections paint a rosy picture for OC’s future, there’s a major hurdle in our path. Middle-skills 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. JOLT economists say the gap between hires and openings has never been as wide as it is today, and warn of continued widening in the future.

OC employers also are hamstrung by rapid technological advancement in healthcare, IT and advanced manufacturing—industries that require continually updated education and training programs, which often lag employer demand.

But 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.

We invite you to join a growing cadre of business, community and philanthropy leaders committed to unlocking the potential of OC’s middle-skills workforce. Contact me at OCCF to learn how. ■

Editor’s Note: Hoss has served as president of Newport Beach-based Orange County Community Foundation since May 2000. In 2017 it ranked No. 2 on the Business Journal’s annual list of locally based nonprofits, with revenues of \$106 million, a 30% increase over 2016. It has 26 full-time employees, 125 volunteers, and serves nearly 2,000 clients. Its stated mission is to inspire lifelong philanthropy, faithfully steward the intentions of its donors, and catalyze sustainable community impact. Hoss can be reached at shoss@oc-cf.org.

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18500 Von Karman Ave., Suite 150, Irvine, CA 92612
(949) 833-8373 • FAX (949) 833-8751 www.ocbj.com

PUBLISHER
RICHARD REISMAN reisman@ocbj.com | ext. 219

VICE PRESIDENT, ASSOCIATE PUBLISHER
LAURA GARRETT garrett@ocbj.com | ext. 210

EDITOR
PETE WEITZNER weitzner@ocbj.com | ext. 216

MANAGING EDITOR
HANNAH MITCHELL mitchell@ocbj.com | ext. 254

EDITOR AT LARGE
RICK REIFF reiff@ocbj.com

COPY EDITOR
ALYSSA MATSUHARA matsuhara@ocbj.com | ext. 231

REPORTERS
PETER J. BRENNAN Financial Editor, accounting, banking, finance, engineering, law, manufacturing
brennan@ocbj.com | ext. 229

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hsieh@ocbj.com | ext. 242

SUBRINA HUDSON Apparel, education, marketing, media, nonprofits, trade & logistics hudson@ocbj.com | ext. 271

PAUL HUGHES Web & Data Editor, hotels & tourism, food & restaurants hughes@ocbj.com | ext. 236

MARK MUELLER News Editor, real estate
mueller@ocbj.com | ext. 226

RESEARCH DIRECTOR
DANA TRUONG truong@ocbj.com | ext. 247

CONTRIBUTING WRITER
MEDIHA DIMARTINO Style File dimartino@ocbj.com

EXECUTIVE DINING COLUMNIST
CHRISTOPHER TRELA ctrela@offthemenueoc.com

LUXURY HOMES, PHILANTHROPY COLUMNIST
KIM HAMAN luxury@ocbj.com, philanthropy@ocbj.com

PHOTOGRAPHER
LAUREL HUNGERFORD

EDITORIAL ASSISTANTS
MEGHAN KLEWER deals@ocbj.com | ext. 208
REBECCA MONDON features@ocbj.com | ext. 205

ADVERTISING SALES MANAGER
STEVE GALL gall@ocbj.com | ext. 221

DIRECTOR OF AD OPERATIONS
SUMER BOWLES sbowles@ocbj.com | ext. 223

SUPPLEMENTS EDITOR
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EVENTS DIRECTOR
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SENIOR EVENTS MANAGER
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MARKETING COORDINATOR
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KIM LOPEZ lopez@ocbj.com | ext. 263

CIRCULATION COORDINATOR/AR SPECIALIST
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CIRCULATION SPECIALIST
ABBY MADAIN madain@ocbj.com | ext. 243

CIRCULATION MARKETING MANAGER
MIKEL PETROSSIAN petrossian@ocbj.com | ext. 215

PRODUCTION DIRECTOR
RICH LOYD loyd@ocbj.com | ext. 245

GRAPHIC ARTISTS
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MARTIN NILCHIAN nilchian@ocbj.com | ext. 253

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