

Shifting Demographics Strategic Pathways Securing the Midwest's Workforce



Executive Committee Meeting

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Big takeaways

Declining high school cohorts will add to the pressure of upskilling with distrust in college not helping

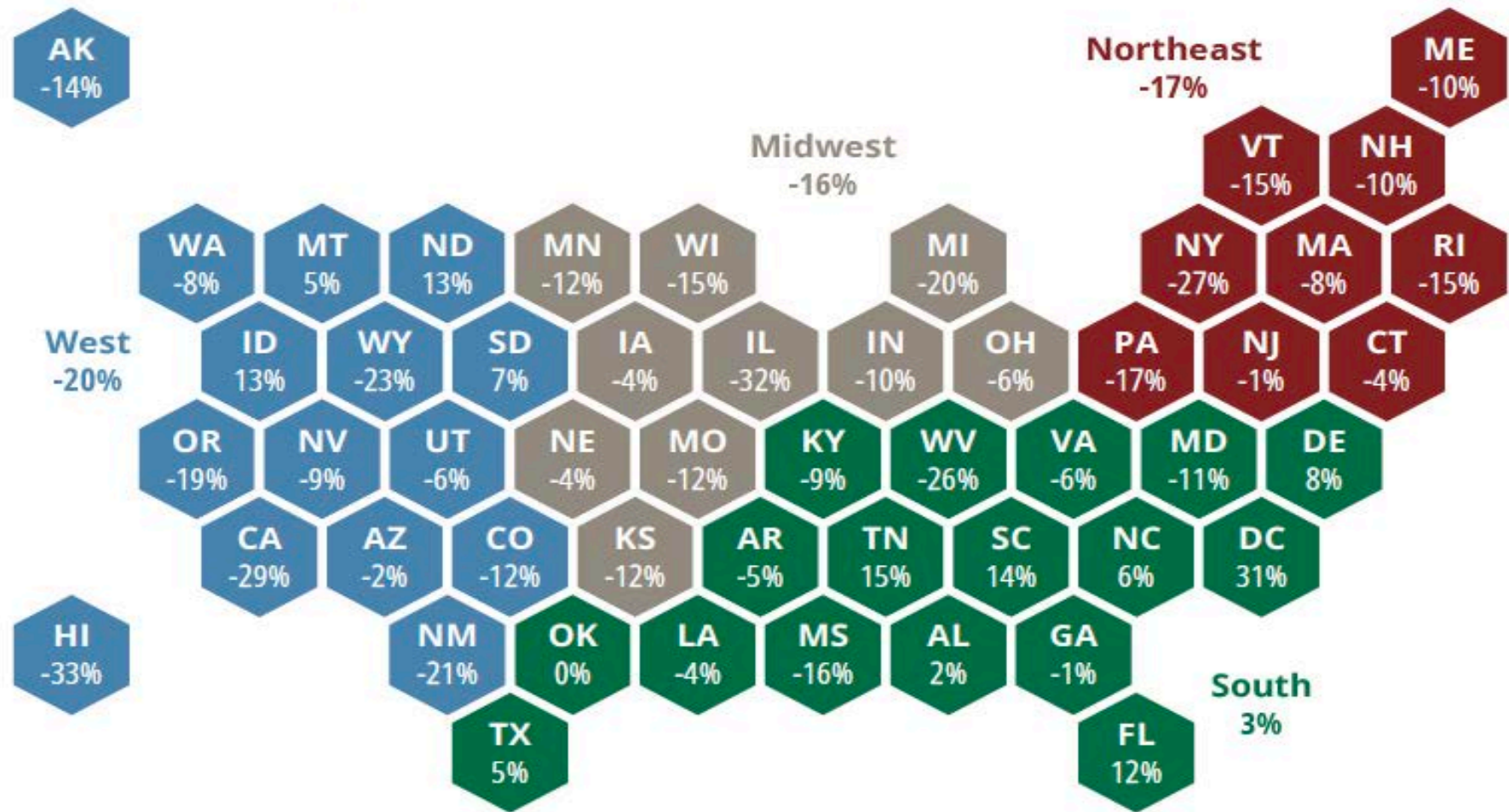
Without deliberate actions the skills-shortages of today will keep building.

While middle skills jobs can hold promise their growth will be flat

Marrying improved education and training beyond high school with technology will be critical to provide economic opportunity and mobility.

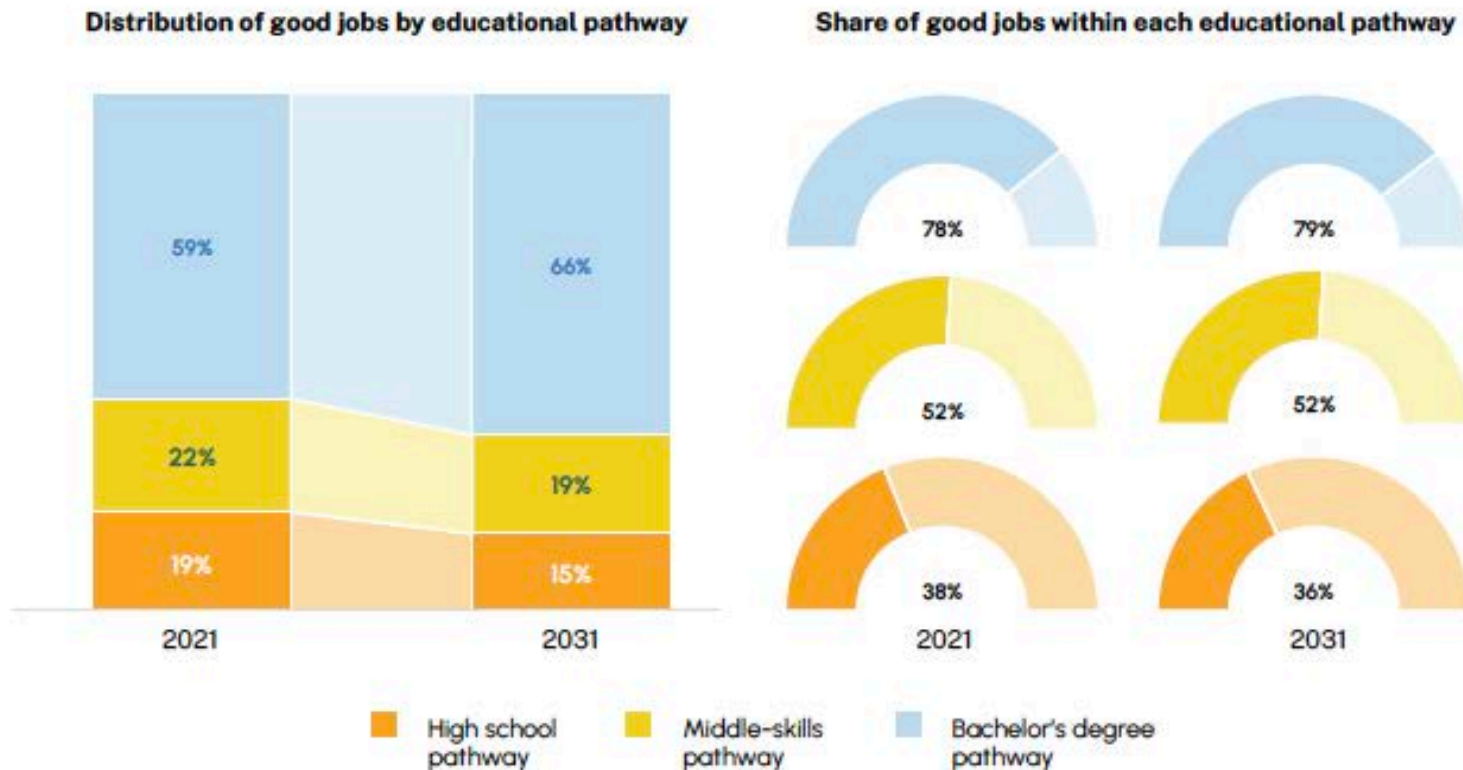
Without significant investments, and policy planning, growth could be lackluster –Failing to plan is planning to fail

Figure 17. Projected percent change in high school graduates, 2023 to 2041



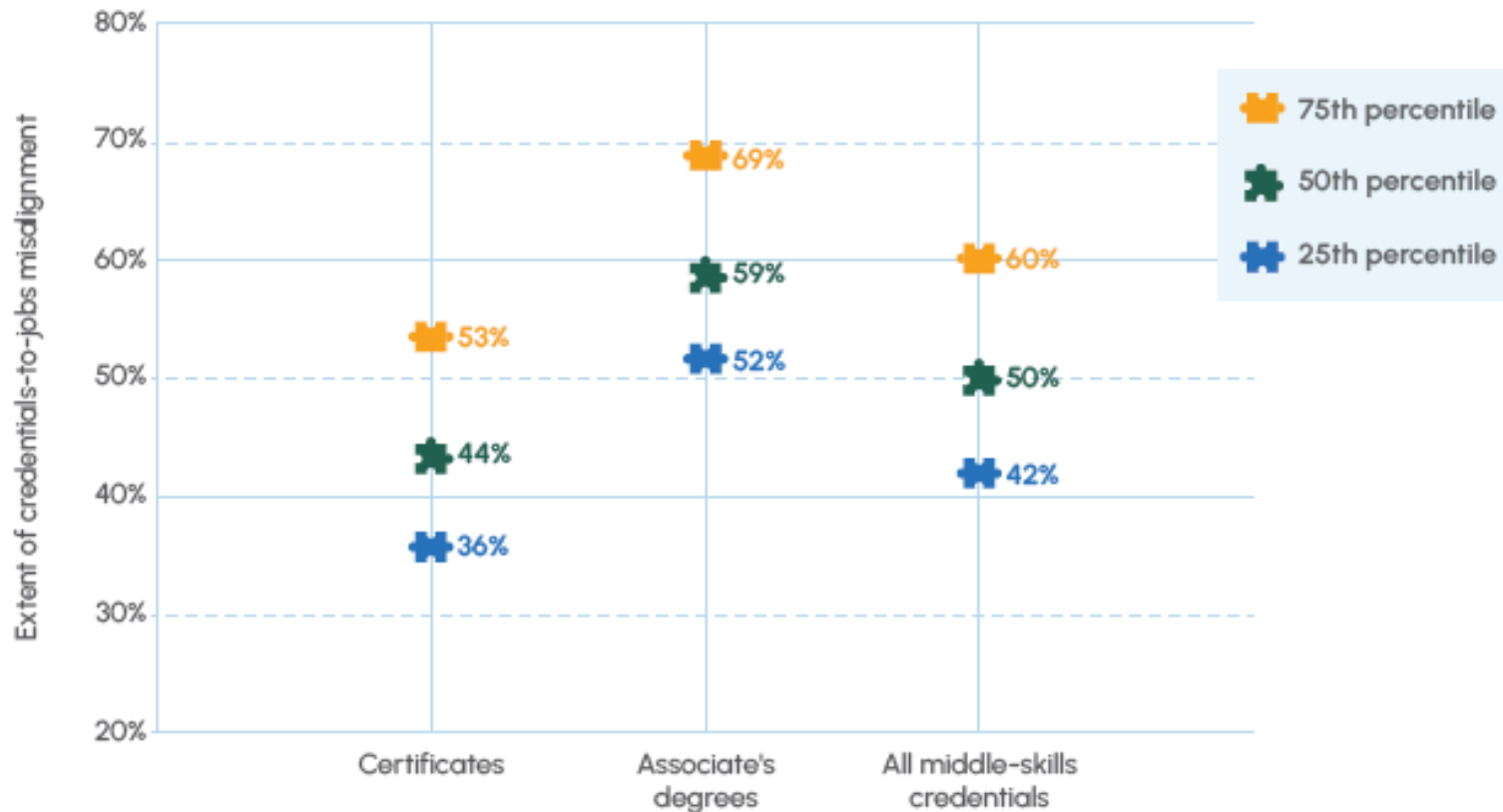
Notes: Total high school graduates include public and private schools. In these projections, the U.S. includes the 50 states and the District of Columbia. Future work will explore projected trends for the U.S. Territories and Freely Associated States.

The bachelor's degree pathway will account for an increasing share of good jobs, reaching 66 percent by 2031, compared to 59 percent in 2021.



Source: Georgetown University Center on Education and the Workforce projections using Carnevale et al., *After Everything*, 2023; US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), March Supplement, 1992–2020; and US Bureau of Economic Analysis. SARPP Regional Price Parities by State. 2020.

Figure 2. The proportion of middle-skills credentials requiring redistribution to achieve full credentials-to-jobs alignment is 42 percent at the 25th percentile and 60 percent at the 75th percentile of the misalignment distribution across all local labor markets.



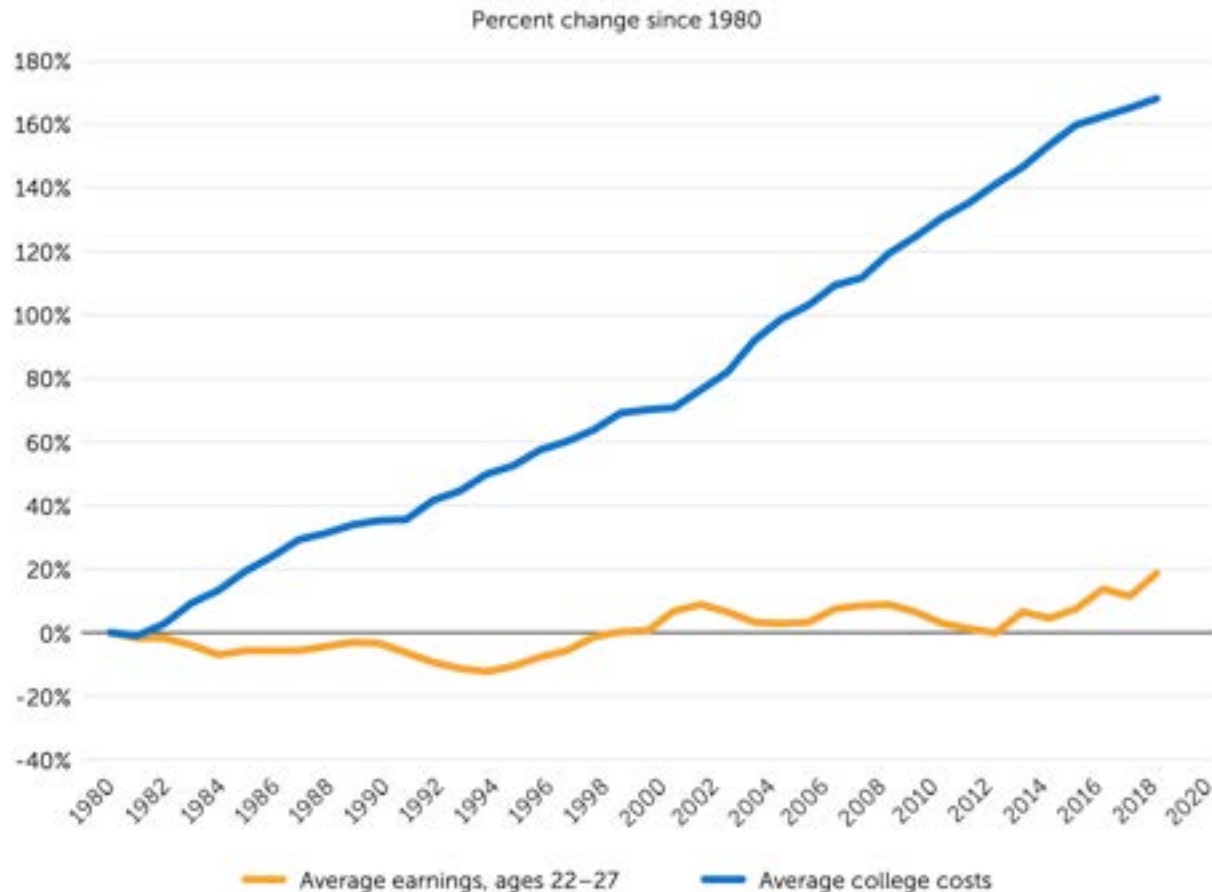
We've not kept up with postsecondary demand and now, with declining high school cohorts, we are facing major skill shortages by 2032.

Growing Distrust in College isn't helping

Why is there distrust?

What can we do?

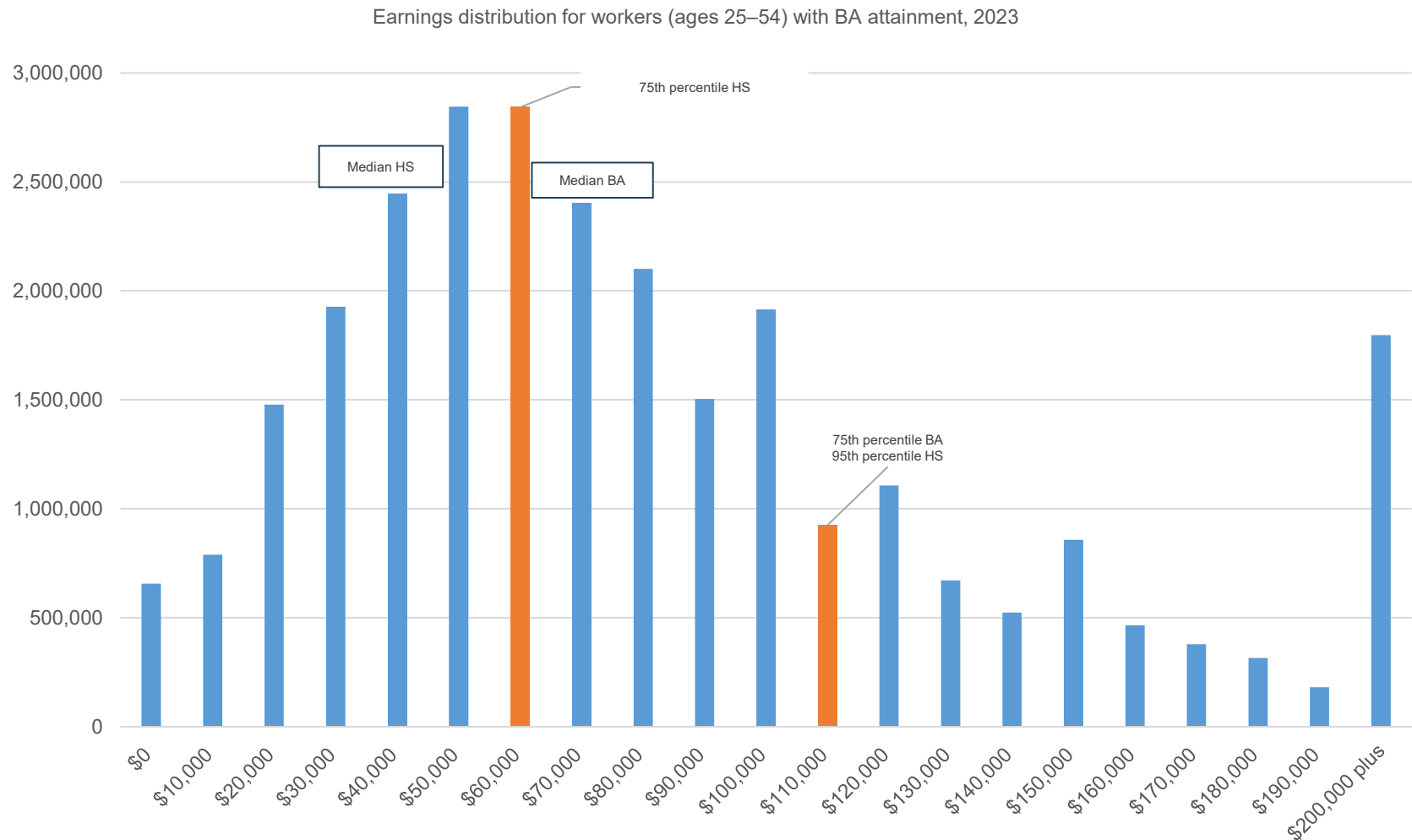
Since 1980, the costs of college have skyrocketed, while the earnings of young adults have increased much more slowly.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey (CPS), March Supplement, 1980-2019, and National Center for Education Statistics, Digest of Education Statistics, Table 330.10, 2019.

Note: The college costs used in this analysis include average undergraduate tuition and fees, room, and board at all institutions in constant 2018-19 dollars for academic years 1979-80 through 2018-19. Average earnings are inflation-adjusted to constant 2019 dollars.

The earnings outcomes of education are a probability, not a certainty.



Why has the movement towards skills gotten traction?

In part, because of the growing complexity of the labor market.

We need a comprehensive counseling system to address the pipeline problem

Career navigation has become extremely complex

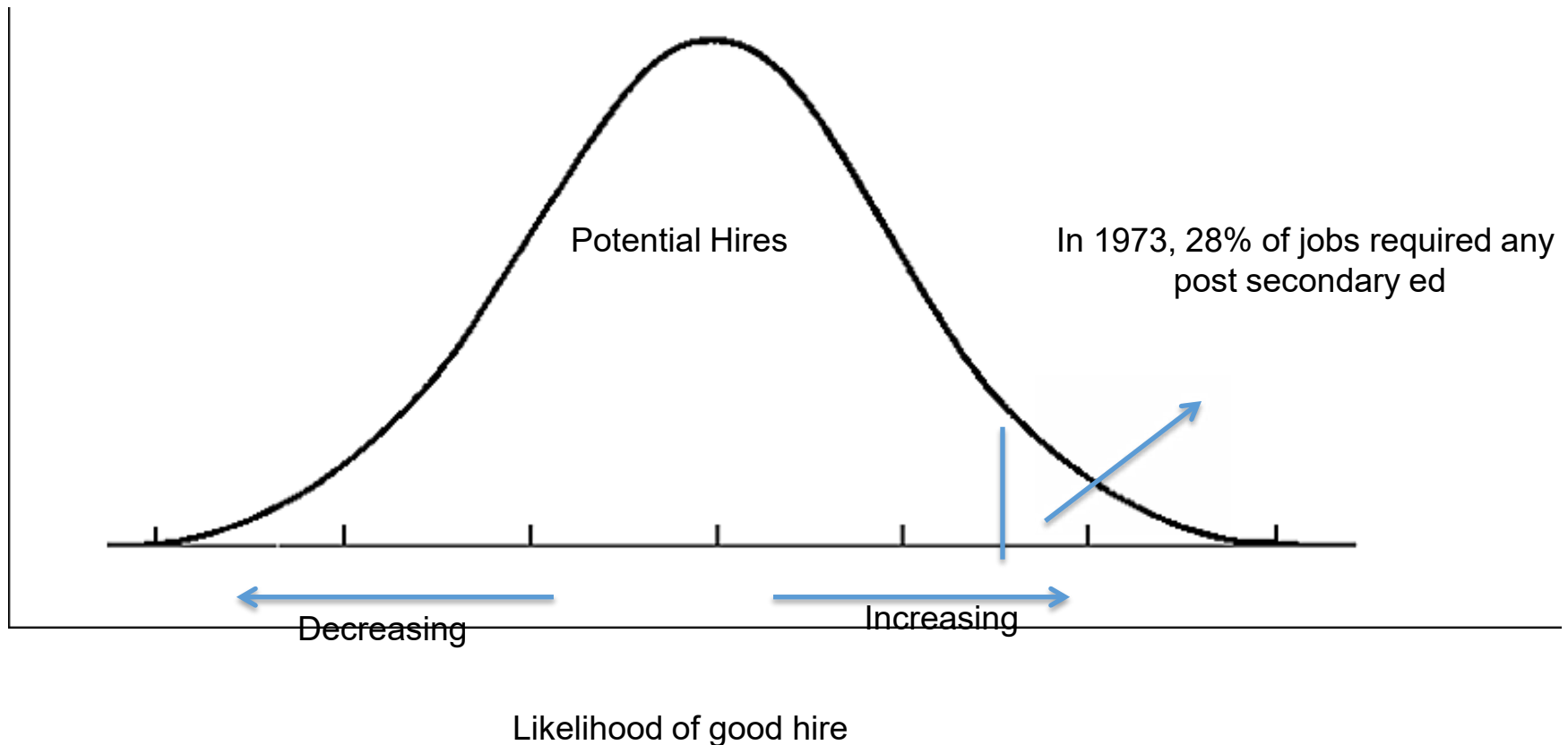
- The number of occupations has grown **3x** since 1950.
- The number of postsecondary programs has grown more than **5x** since 1985.
- There are more than **1 million** unique credentialsXdegree levelXinstitutional combinations.

Our counseling system fails to meet that complexity

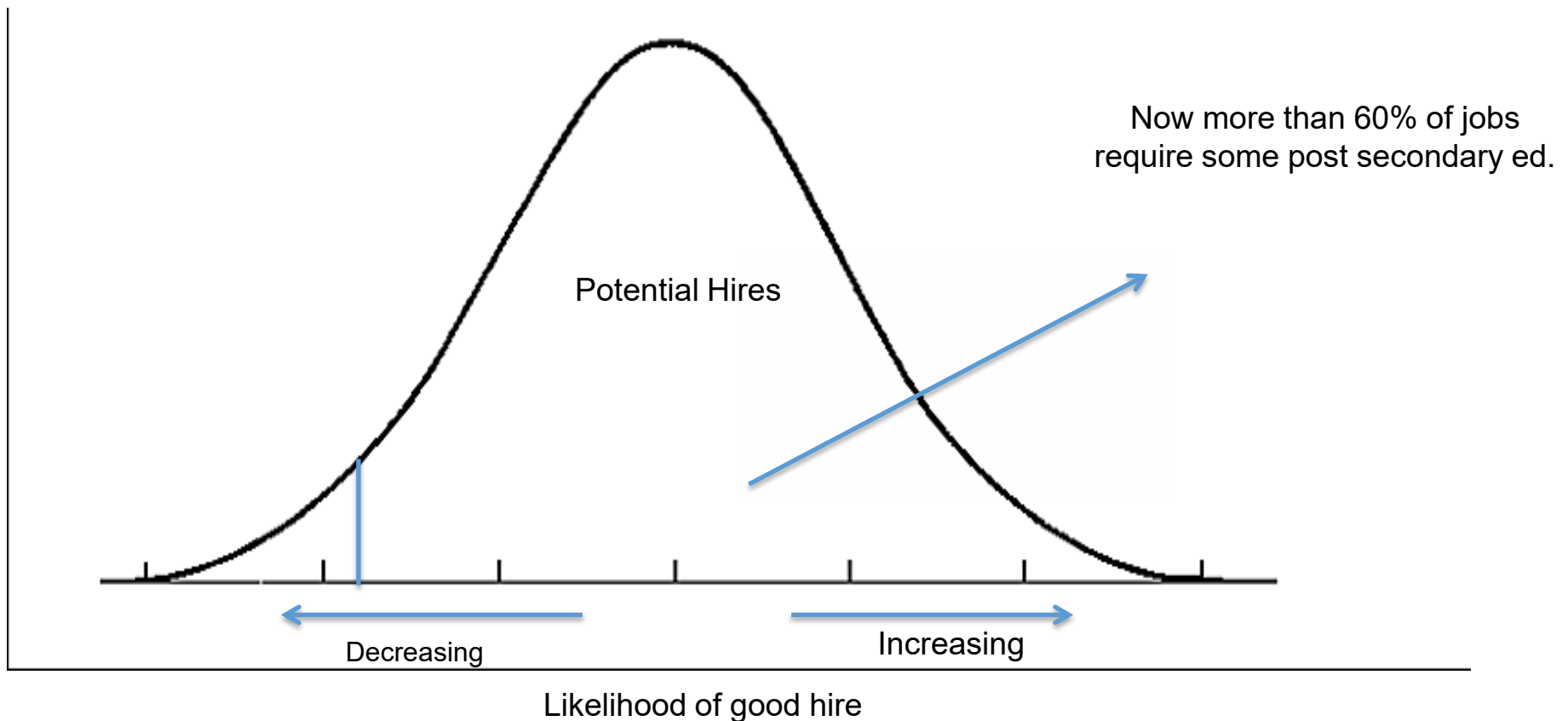
- Only **14%** of high school students talk with a counselor about their career interests and plans.
- Fewer than **25%** of college graduates utilize campus career services.

Skills-based hiring won't reduce credentialism but it does hold promise to differentiate markets in a way that can improve hiring

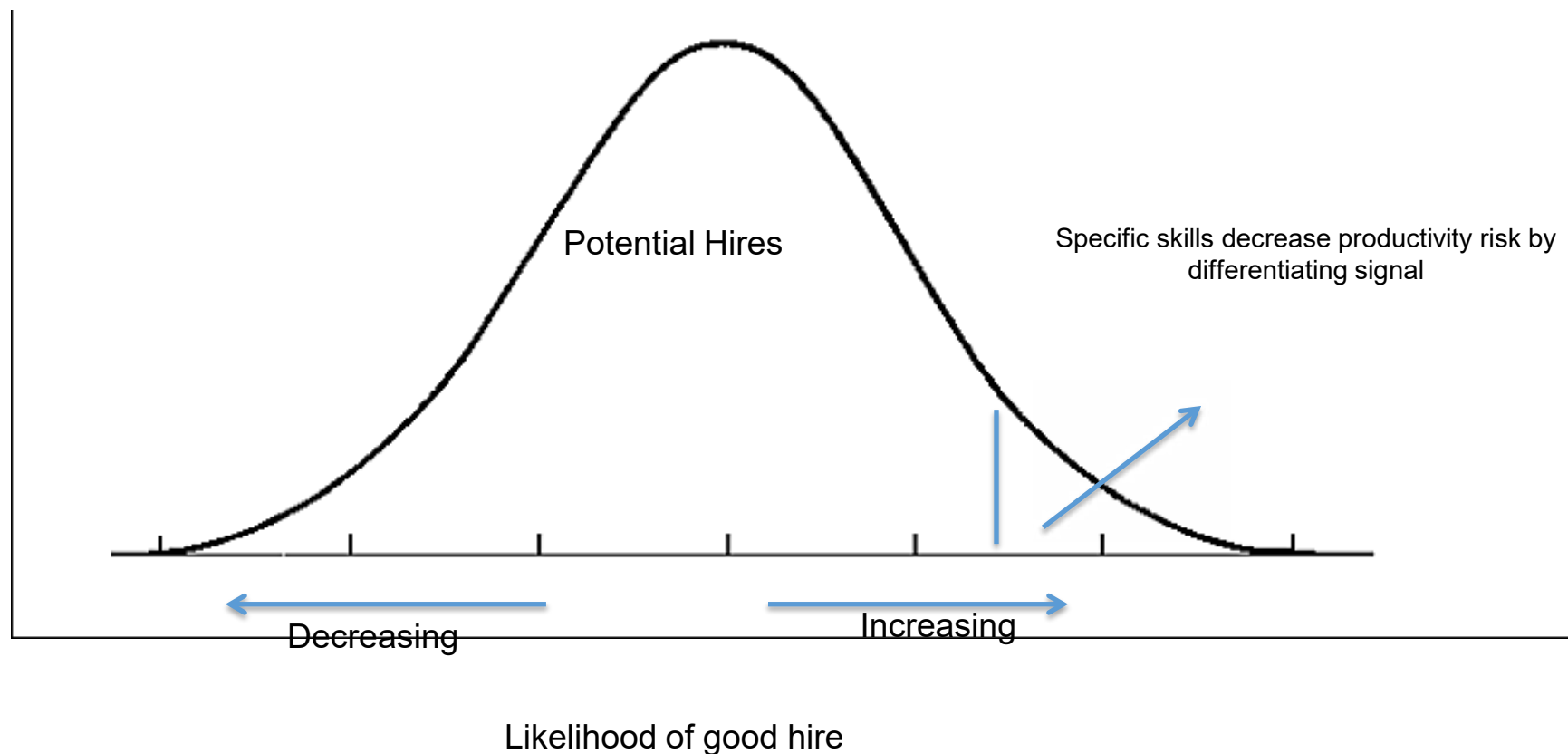
When fewer jobs required college employers were taking less risk in hiring grads. - Somewhat because of employer provided training.



The growth in the demand for college education means that the employer faces increased risk by 'just' choosing a college degree to decide employability.



Skill focus creates differentiated markets with decreased risk.



This pushes us to think about occupations
as skill bundles

And education as building portfolios

Higher education needs to embrace skills as the
underlying currency.

AI need be treated as just another tool in our
workplace quiver.

Postsecondary education need embrace skills while we need recognize that skills by themselves are not enough.

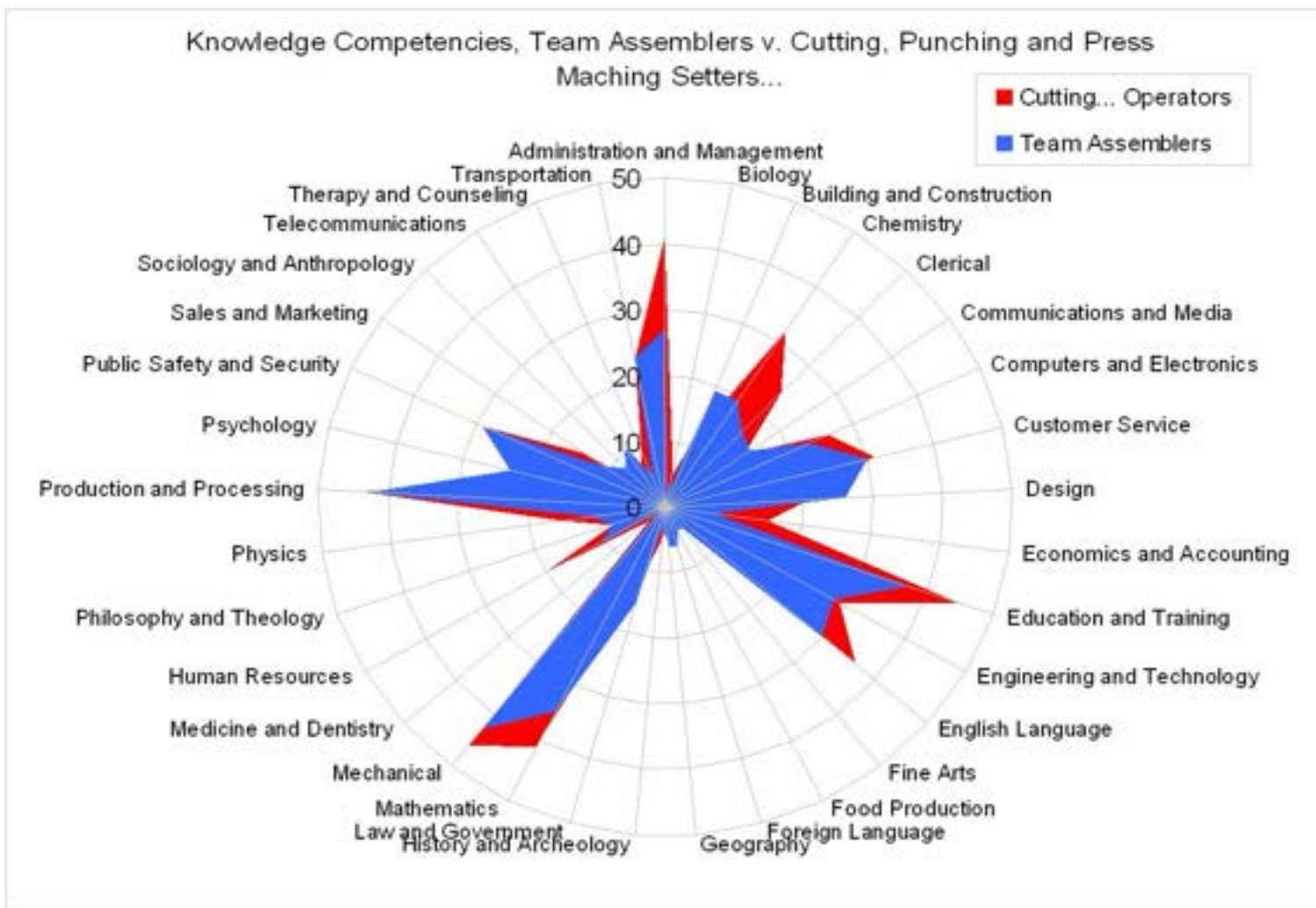
The vitality of the US economy lies with general and specific skills. Over-investment in specific skills lowers flexibility so needed with a quickly changing global economy (e.g. AI)

Education can continue to be an engine of growth through

- Employer engagement
 - Education alignment
 - Career navigation
 - Embracing skills and AI
-
- Efforts to increase LFP will require large investments in education

An extra thought (depending on time)

Thinking about aligning specific skill and enhancing labor mobility via Education and training



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Thank you

Feel free to reach out with questions and suggestions.

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