

## **UNDERSTANDING THE SKILL GAP IN THE MASSACHUSETTS LABOR FORCE\***

- While Massachusetts has the best educated workforce in the nation, it also has one of the oldest. The number of young people and their comparative lack of educational and occupational skills calls for action on the part of employers, workforce and educational institutions to overcome barriers young people face upon entrance to the Massachusetts labor force.
- The Massachusetts population is growing slowly through immigration and becoming more diverse, but the rate of growth and diversification is smaller than for the U.S. as a whole. Between 2000 and 2010, the Massachusetts growth rate was less than 0.3%, compared to the national annual growth rate of nearly 1%. The growth rate between regions in the state differed considerably between 2005-2007 and 2008-2010. The Cape & Islands lost population (-1%), as did the Berkshires (-0.4%) and Metro South/West (-0.1%). The largest gains were in Central Mass (0.6%) and the Southeast (0.5%).
- The workforce in Massachusetts is older than in the nation. Our younger workers are not numerous or educated enough to replace retiring workers. In 2010, 44.5% of the Massachusetts workforce was 45 or older; for the national workforce, this percentage was 42%. In the past decade, the proportion of workers between the ages of 55 and 64 increased by 42.6% in Massachusetts. The distribution of workers by age is variable by region of the state, but all regions saw an increase in the age of their workforce. In the Berkshires, 49.4% of workers were 45 and older; in Metro South/West 49.8% were 45+; in the Cape & the Islands, 56.4% were 45+. On the other hand, workers in Boston Metro/North were the youngest in the state, with 65% under the age of 45 in 2010.
- Massachusetts has among the highest educated workforces in the U.S. The level of education is increasing. Here, 41.2% of the workforce has a Bachelor's degree or higher compared with 26.9% of the national workforce. 39.2% of the Massachusetts workforce have a high school education or less compared with 45.2% nationally. The Berkshires (38%) and the Pioneer Valley (38.1%) had the highest proportions of people with a high school diploma or less, while the lowest was the Metro South/West (16.3%).
- Predominance of higher levels of education means those with lower levels of education face significant barriers in the labor market. Statewide, those with a high school diploma or less constituted 32.1% of the civilian workforce, but 50.5% of the unemployed. 16-34 year olds make up 33.5% of the civilian workforce, but 45.5% of the unemployed, while 16-24 year olds comprise 13.3% of the civilian workforce and 26.4% of the unemployed.
- In some regions of the state, labor supply factors create considerable barriers to closing the skills gap. The Berkshires, Pioneer Valley, and the Cape and the Islands have more barriers than other areas because their populations are declining or failing to grow. They may be aging more rapidly than the state as a whole, or not realizing growth in educational attainment among the labor force.
- On the other hand, some areas have an advantage in overcoming the skills gap, such as the Central region, where post-secondary educational institutions have been able to capitalize on growth of certification programs that provide easily accessible, short term solutions to the education and skills gap.

\* Taken from the report "Closing the Massachusetts Skills Gap: Recommendations and Action Steps". The Commonwealth Corporation, April, 2013.