

Future Workforce Needs in North Carolina

Forum on North Carolina's Aging Workforce



NORTH CAROLINA
the state of minds

NC Department of Commerce



NC Economic
Development
Board

NC Board of
Science and
Technology

NC Commission on Workforce
Development /Division of
Workforce Development

The State of North Carolina's Workforce

- **Analyses labor market demand and supply trends and forecasts from 2007-2017**
- **Identifies several key issues that will likely arise *given current trends* and if there are *no major economic shifts***
- **Provides facts to help guide policy choices**
- ***Access full report:*
www.nccommerce.com/workforce**

Key Trends/Policy Issues

- 1. Traditional manufacturing industries continue to shed jobs—*disappearing middle jobs*.**
- 2. New job creation is concentrating in certain fast-growing metropolitan areas.**
- 3. North Carolina produces too many high school dropout and too few post-secondary grads.**
- 4. Low-skill in-migrants create special challenges for NC's education, training, and social network systems.**
- 5. Some NC regions more successful than others.**

Key Trends/Policy issues

6. Impending baby-boom retirements will exacerbate an emerging skills gap among experienced, skilled workers creating key talent shortages.

This trend will challenge economic development, workplace productivity, and ultimately the health and viability of our communities

The state's traditional manufacturing industries will likely shed more workers

NC Industry	2007	2017	Emp. Change 2007-17	% Change
Tobacco Processing	8,189	5,218	-2,970	-36%
Textiles	74,617	47,670	-26,947	-36%
Apparel	26,152	10,661	-15,491	-59%
Furniture and Wood Products	99,121	107,520	8,399	8%
Select Traditional Industries	208,079	171,070	-37,010	-18%

Source: Regional Dynamics

These 4 industries currently account for one in three NC manufacturing jobs

Pillowtex Demographics

VARIABLE	GROUP	N	PERCENT
ALL	ALL	4,820	
GENDER	FEMALE	2,577	53.5%
GENDER	MALE	2,243	46.5%
AGE	<25	222	4.6%
AGE	25-34	673	14.0%
AGE	35-44	1,189	24.7%
AGE	45-54	1,388	28.8%
AGE	55-64	1,194	24.8%
AGE	65+	154	3.2%

Baby-Boom Retirements

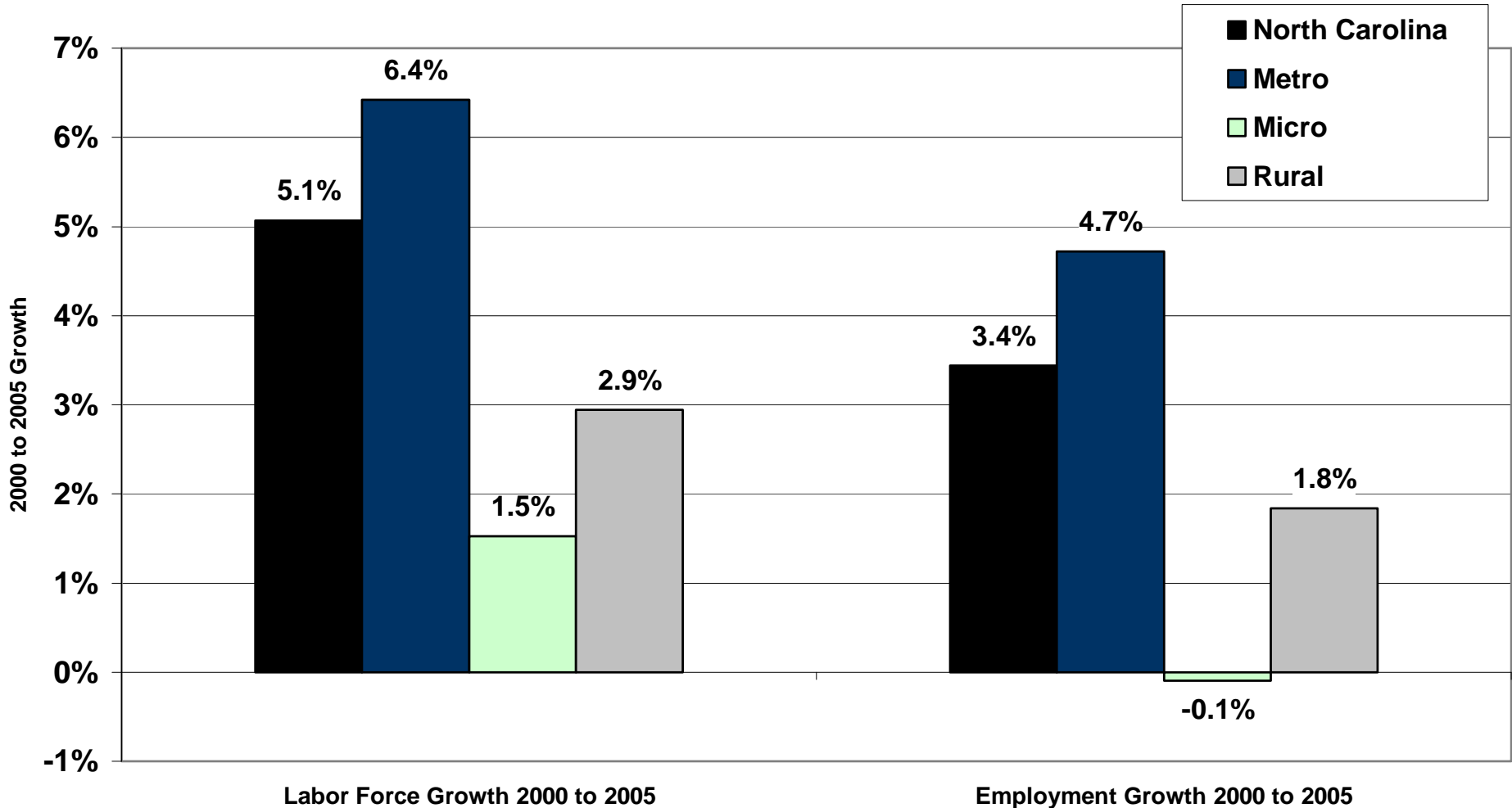
- During the next 10 years, NC will lose about 61,000 workers annually to retirement.
- The largest portion—over 30%--of the working population is the baby-boomer generation.
- The “early boomers” (born 1946-1955) will begin reaching retirement age by 2011.
- Early boomers represent more than one quarter of our working age population—due to retire over the next 13 years.

Gap in the Supply of Talent

- Retirements will lead to the loss of many skilled and experienced workers exacerbating the states current talent shortage
- For the most skilled workers, planned retirement will likely center more on the individual seeking opportunities for personal enjoyment or challenge, rather than on individual economic need.
- The retirement impact greater on the economies in the mountain area and rural areas.

Disadvantaged regions are growing slower than the rest of the State

Labor Force and Employment Growth, 2000 to 2005



Source: Bureau of Labor Statistics

Higher educational attainment typically leads to greater economic prospects

NC Net New Jobs and Earnings by Required Education (Est. 2007 and 2017)

North Carolina

Educational Band	Emp 2007	Net New Jobs (07-17)	Average Earnings 2007	% Total Emp (2007)	% New Jobs (07-17)
Advanced Degree	160,572	36,560	\$83,785	3.2%	5.3%
4-year College Degree	687,536	134,808	\$77,005	13.7%	19.7%
Tech-Some Post	386,614	89,452	\$46,774	7.7%	13.1%
GED Some Experience	801,703	58,980	\$42,952	15.9%	8.6%
GED/Entry	1,263,563	88,085	\$34,123	25.1%	12.9%
Below GED	1,732,747	276,598	\$24,405	34.4%	40.4%
Total	5,032,734	684,484	\$40,598	100.0%	100.0%

Source: Regional Dynamics

North Carolina has a talent shortage

Changes in Workforce Demands	Annual Number
<i>To Replace Retiring Workers</i>	60,795
<i>To Fill Projected Net New Jobs</i>	69,825
<i>Total Change in Workforce Demand</i>	130,620
Changes in Workforce Supply	
<i>New Young NC Talent</i>	91,253
<i>In-Migrants, aged 18-54 (assuming all join labor market)</i>	26,760
<i>Total Change in Workforce Supply</i>	118,013
Annual Talent Shortage*	-12,607

**Annual estimate calculated from data provided by the US Census Bureau, UNC/NCCCS and Regional Dynamics annual employment projections 2007 to 2017 Regional Dynamics*

Are These the Right Policy Questions?

1. How can North Carolina better leverage its array of skilled and experienced workers (military, trades, technicians, executives, etc.) beyond retirement age?
2. What kind of incentives can the State offer to encourage experienced workers to remain in the workforce, either full-time or part-time, after retirement age?
3. What kinds of shifts in workplace culture and/or increases in entrepreneurial opportunities should the state consider to motivate older workers?
4. Should North Carolina advocate changes in the federal tax system relative to retirement income and in the social security system to provide incentives for older workers to continue in the workforce?