

# **The Talent Race**

## **Competing in the 21<sup>st</sup> Century**

**Texas Workforce Investment Council  
December 14, 2005**

# The Talent Race

- **Converging Factors in the U.S. Workforce**
- **Texas in the Talent Race**
- **The Education Imperative**

# *The Jobs Revolution*

By Steve Gunderson, Roberts Jones, Kathryn Scanland

- “Three factors – demographics, workplace skill demands, and the global economy – are combining to create a jobs revolution. Any one of these factors represents a dramatic transition in our economy. Combined, they create nothing less than a revolution.”

# *The Jobs Revolution*

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## Demographics

- In 2008 the Baby Boomers begin retiring. In 2011 they begin qualifying for Medicare.
- But as Baby Boomers leave, no one is ready to replace them.
- By 2030, some 76 million Baby Boomers will have retired while only 46 million people in Generation X and Y enter the workplace.

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## Workplace Skill Demands

- The workplace itself is changing
- Future jobs in occupations not yet created
- Average worker expected to have 10-14 careers in their lifetime.
- Workers must learn and relearn, with in-demand skills

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## The Global Economy:

- The U.S. workforce is facing real competition
  - India graduating twice as many students from college
  - China is expected to graduate three times as many
  - The Science and Engineering Pipeline
    - Full-time students in engineering in China ( 3,700,000) vs. U.S. (380,000)
    - 42% of students in China earn undergraduate degrees in science and engineering compared to 5% in the United States.
    - The U.S. will graduate 198,000 students to replace 2 million Baby Boomers in these fields scheduled to retire by 2008

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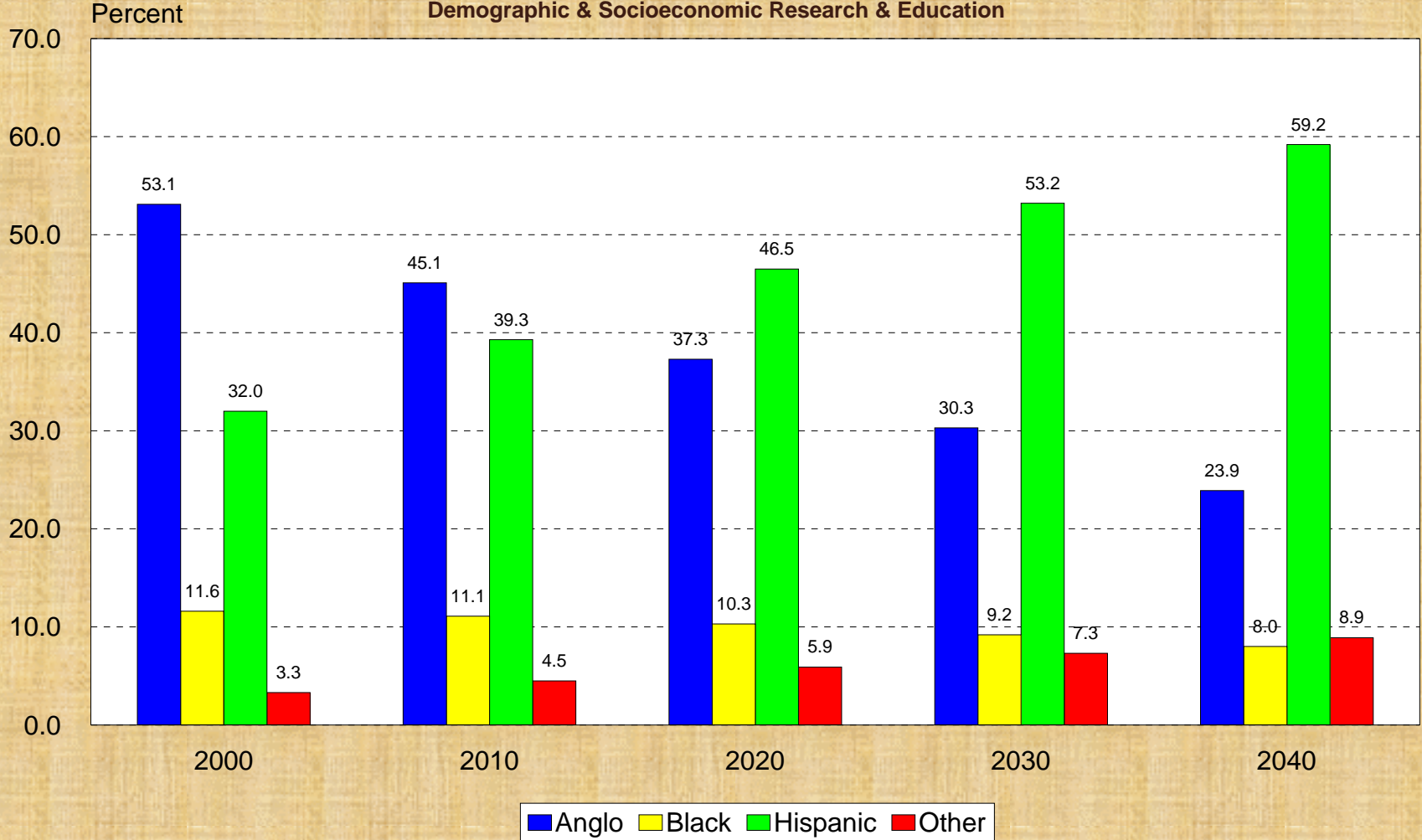
# Good News For Texas

- Texas' youth and population growth is a competitive advantage
- Texas leads the nation in the diversity of our population – even rural Texas because of the growth of the Hispanic population



# Projected Proportion of Population by Race/Ethnicity in Texas, 2000-2040\*

Source: A Summary of The Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas - The Center for Demographic & Socioeconomic Research & Education



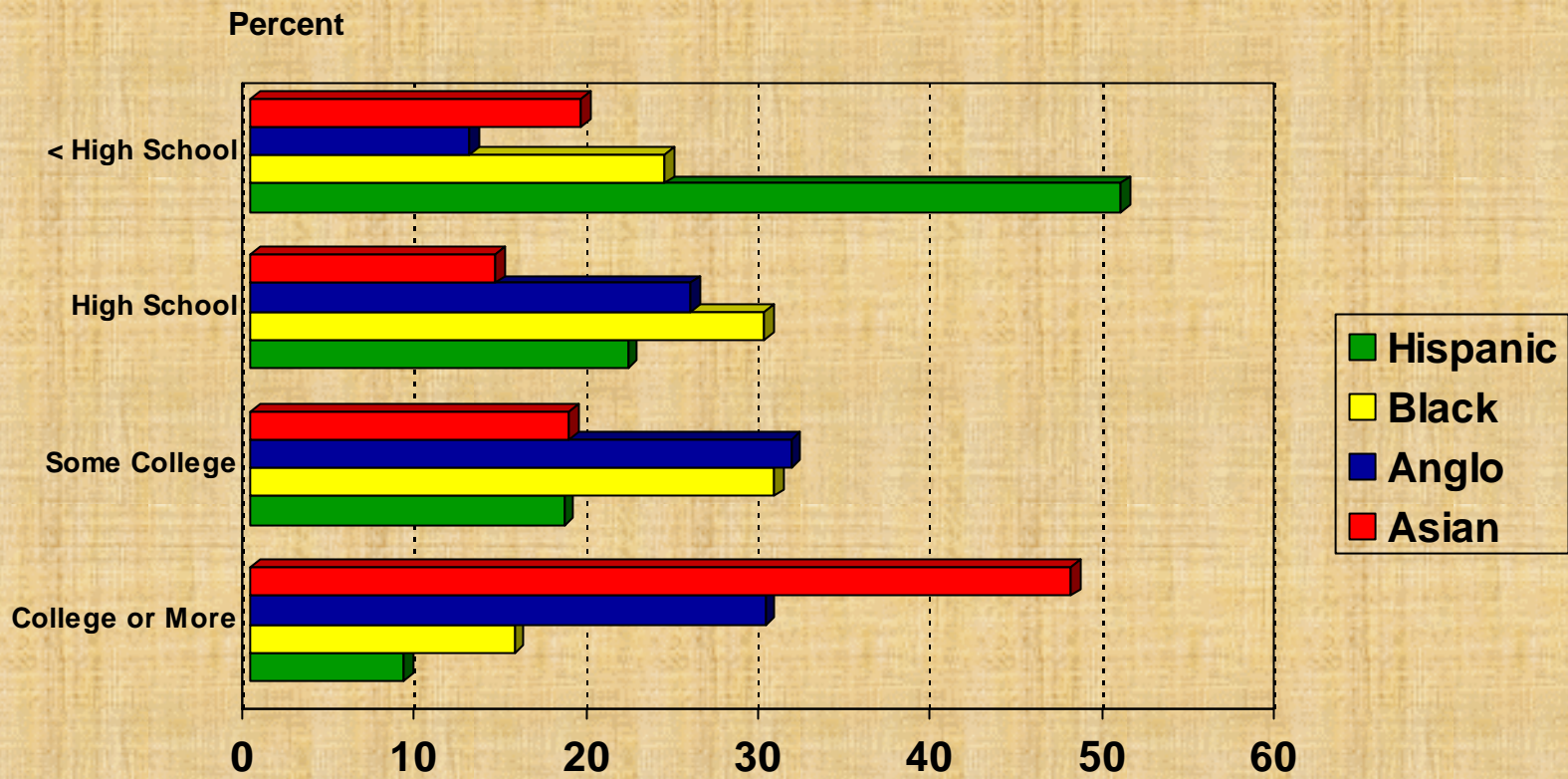
\*Using U.S. Census count for 2000 and Texas State Data Center 1.0 population projection scenario for 2010-2040.

# Now the Bad News...

- We are trailing the nation in educational attainment at both ends of the spectrum (GED and BA)
- For the 25 and older population, Texas has had the lowest High School Diploma Rate in the U.S. for each of the last three years.
- There is a gap in educational attainment for our fastest growing population segment.

# Educational Attainment in 2000 in Texas for Persons 25+ Years of Age By Race/Ethnicity

Source: A Summary of The Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas - The Center for Demographic & Socioeconomic Research & Education



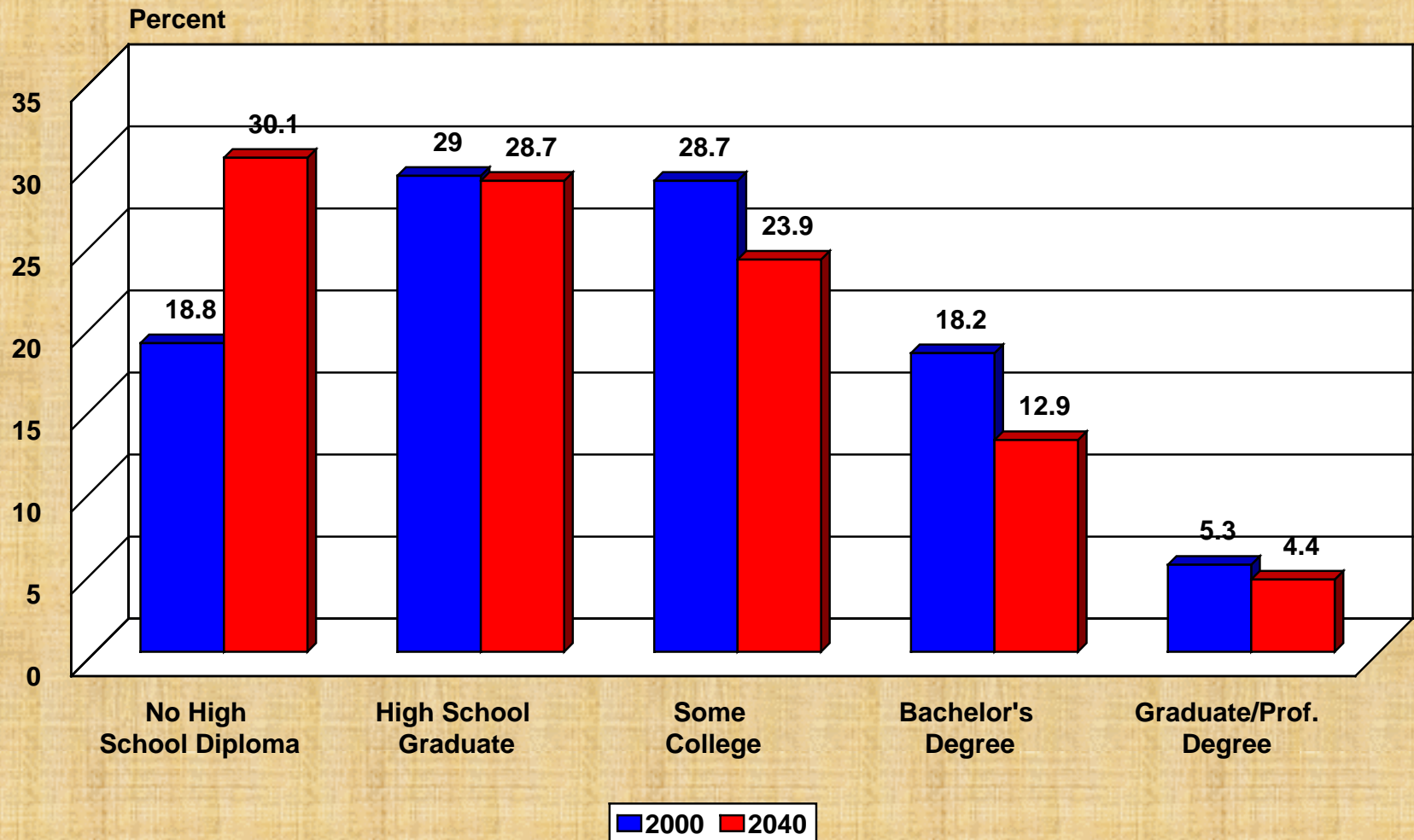
# Dr. Steve Murdoch

Source: A Summary of The Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas - The Center for Demographic and Socioeconomic Research and Education

- The Texas Labor Force Will Be Less Well Educated
- The Texas Labor Force Will Be Less Skilled
- Demand for Workforce Training & Services Will Increase
- The Texas Labor Force Will Earn Less

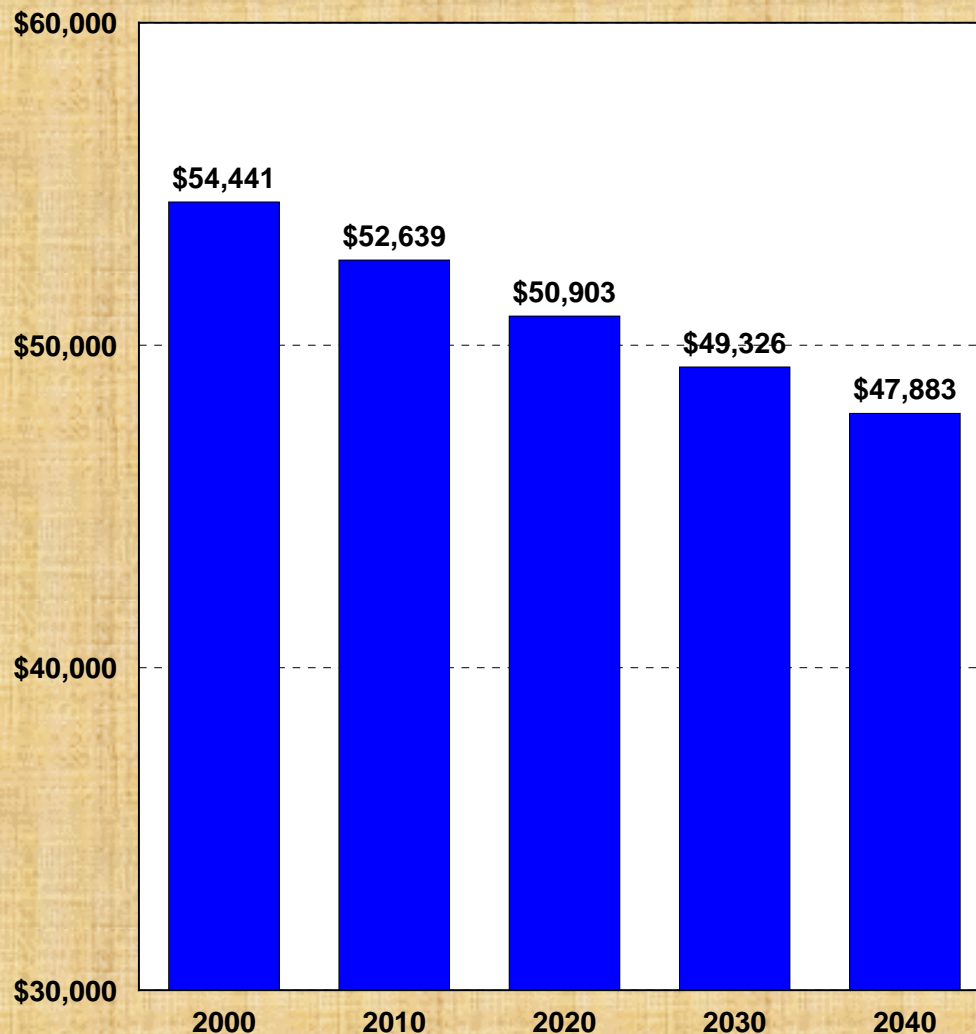
# Projected Percent of Labor Force by Educational Attainment in Texas, 2000 and 2040

Source: A Summary of The Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas - The Center for Demographic & Socioeconomic Research & Education



# Average Household Income in Texas, 2000-2040\* (in 2000 Dollars)

Source: A Summary of The Texas Challenge in the Twenty-First Century: Implications of Population Change for the Future of Texas - The Center for Demographic and Socioeconomic Research and Education



# Texas Employers

## Voicing Concern:

- Lack of Work Ethic & Basic Skills
- Generational Differences
- Workplace Diversity in a Global Economy
- The Demographic Cliff
- Critical Need for Skilled Workers

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## An Education Alternative

- Education is closely tied to individual socioeconomic success AND success for the greater Texas economy.
- For example, the average income in Texas for a worker who:
  - Is not a high school graduate = \$18,734
  - Is a high school graduate = \$27,915
  - Is a college graduate = \$51,206
  - Has an advanced degree = \$74,602

# Governor Rick Perry

In an address to the Texas Association of Business, February 2004

**“No issue we deal with will have a greater impact on the future of Texas than educational excellence.”**

# The Talent Race

- Texas, as well as the U.S., faces the converging factors of demographic shifts, workplace change, and global competition.
- To win the talent race, Texas must capitalize on strengths by significantly increasing educational achievement in all segments of the population but particularly among Hispanics.