

Workforce Development in the Commonwealth of Virginia

One of the largest, if not #1, challenges of the next ten years will be assuring a sufficient supply of qualified workers to fill the available jobs that the Virginia economy has the potential to generate.

It isn't "not having enough jobs" that will be the challenge but rather it will be "not having enough workers" with the required educational and skills mix needed to fill the State's jobs—the jobs the economy has the potential to generate plus the openings created by retirements and normal turnover—replacement jobs.

The Virginia economy is projected to generate (has the potential) 844,359 net new jobs over the 2012-2022 period. It will also need 1.2 million new workers to fill "replacement" positions for a total of 2.04 million new workers to support the State's economic growth over the next ten years; these are persons not in the State's labor force today.

Where are these new workers going to come from?

- (1) Kids currently in school: K-12 (an 8 year old today will be 18 years old by 2022).
- (2) Workers already in the workforce: 20-55 years old (workers age 55 years old today will be largely retired by 2022 although a growing number will continue working after age 65).

- (3) Idle workers, persons of labor force age but not currently in the workforce. At the end of 2012, there were approximately 765,000 Virginia residents who were of workforce age but not in the labor force.
- (4) Unemployed workers—there are currently 237,691 unemployed persons in the State actively seeking work. With an unemployment rate of 5.6%, it is not unreasonable to achieve an unemployment rate of 4.5% (full employment) providing an additional 46,500 workers to the workforce.
- (5) Newcomers to the Virginia. Population projections for the State show 940,890 net new residents over this period (up 11.5%); however, of this number, only 355,120 or 37.7 percent would be between the age of 20 and 64 years old, the traditional ages of workers in the workforce.
- (6) Older workers—retirees—will become a growing source of “new” workers as they return to the workforce or opt to remain working for a myriad of reasons. The State’s population age 65 to 79 years old will increase from 777,180 to 1,097,630 between 2012 and 2022, a gain of 326,450 for this 15-year cohort, a number only slightly less than the projected growth of persons 20 to 64 years old, a 45-year cohort.

That's it! The State will need 2.04 million new workers over the next ten years but does not have that many available workers among the realistic sources that can be counted today.

In-migrating workers of labor force age totaling 355,120, 1 million school kids if they all stayed within the State after graduating from (or dropping out of) from HS, maybe 200,000 unemployed and non-participating adult workers and a large number of older workers who have a low but increasing labor force participation rate. That's it!

The State is far short of the number of workers it will require to achieve its economic potential and vitality over the next ten years. Even with workers commuting into Northern Virginia from Maryland to work much of this supply of workers is offset by Northern Virginia workers commuting out of Virginia to work in Maryland or the District of Columbia. Daily in-commuters from out-of-state will not be sufficient to make up the State's shortfall of needed workers. Either, more out-of-state workers will need to be attracted to the State and/or workers already in the State will need to remain in the labor force longer; the alternative is that the State's economy will not achieve its growth potential and will lose competitive position to states that are better at attracting out-of-state migration of labor force aged population.

This means that every potential worker possible is needed. The State cannot afford to lose any possible workers along the way and every possible worker needs to be educated or skilled to his or her higher

potential. Drop out and completion rates in the public school systems of the State will need to be optimized. The linkages in the curriculum between the fundamentals and broad-based education and career choices will need to be strengthened. It also means that the existing workforce must be continually up-skilled to backfill vacant positions (or new ones) as workers leave the workforce in increasing numbers due to retirements during the coming decade.

Let's look at the job skills, the occupations, that will be generating the greatest numbers of new and replacement jobs.

But first some reference points:

1. Net new jobs will account for 41.3% of total requirements
2. Replacement jobs (retirements and turnover) will account for 58.7% of total requirements.
3. Net new and replacement jobs differ in their occupational mix and educational and skills requirements.

33.7% of net new jobs will require four or more years of college education while only 20.7% of replacement jobs will require four or more years of college.

Take Aways

The number and quality of future workers required to fill the State's potential labor force demand will exceed available human resources.

All occupations will grow with growth driven by both net new jobs (expansion) and replacement jobs (turnover and retirements).

The largest generators of workforce demand include occupations requiring both advanced levels of education as well as large numbers of workers with HS and on-the-job training or specialized skills training.

The 10 occupations adding the largest number of net new jobs will account for 82% of all jobs while the ten occupations accounting for the greatest number of replacement jobs represent 75% of all jobs vacated due to retirements and normal turnover.

Top Ten Occupations by number of new workers- Net New Jobs

Sales and related Services
Business and financial operations
Healthcare (all occupations)
Office and administrative support
Personal care and services
Educ., training and library services
Computer and mathematical sciences
Food preparation and serving
Management occupations
Buildings and grounds maintenance

Top Ten Occupations by Number of Workers -Replacement Jobs

Sales and related occupations
Office and administrative support
Food preparation and serving
Management occupations
Construction & excavation
Business and financial occupations
Computer and Mathematical Sciences
Production occupations
Healthcare (all)
Education, training, & library services

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