

EMPLOYERS' VIEWS ON SKILLS NEEDED IN THE CURRENT AND FUTURE WORKFORCE

*College Saving Foundation 2010 Summit
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Washington, DC*

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EDUCATION, INNOVATION, AND WORKFORCE INITIATIVE

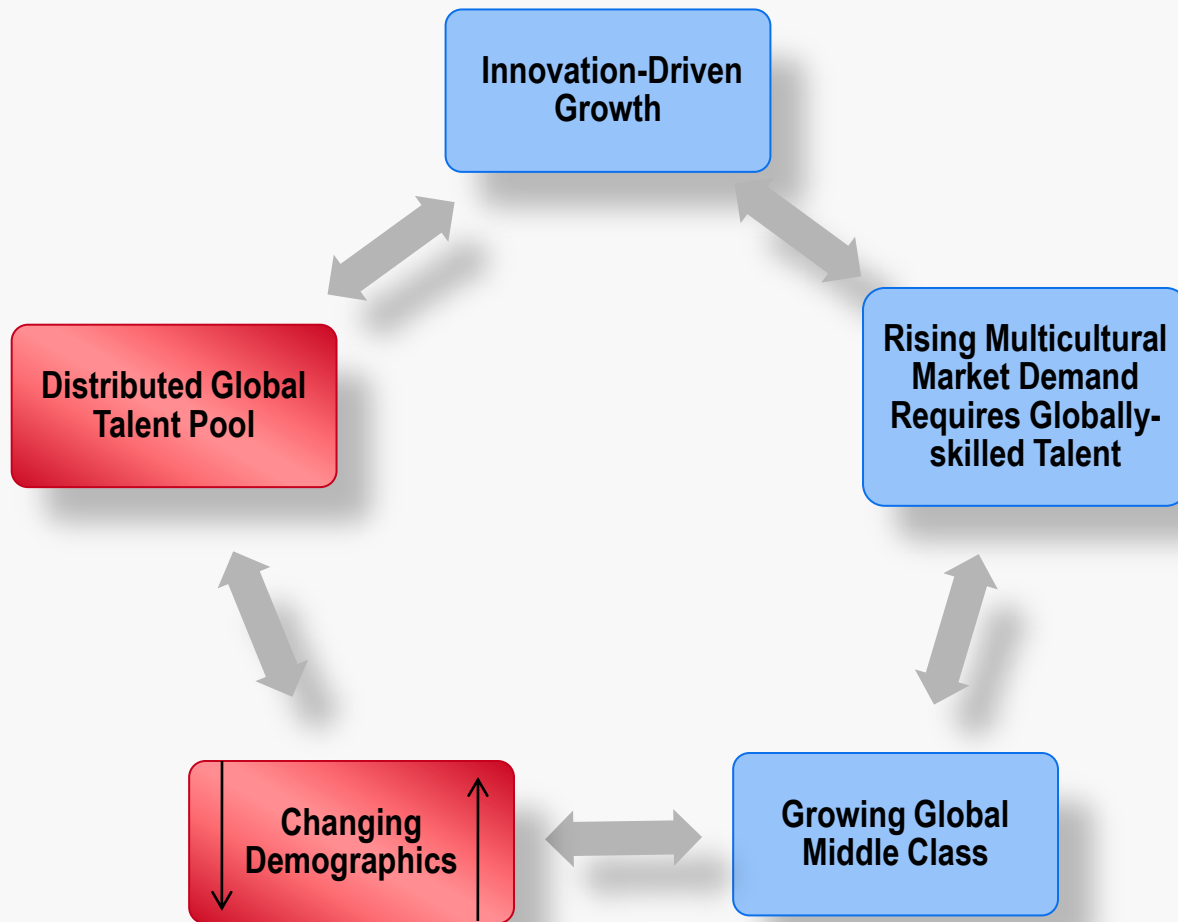
CHAired BY WILLIAM D. GREEN, CHAIRMAN & CEO, ACCENTURE

The world economy places a premium on the use of intellectual capital to maintain a competitive advantage. A key component of success in the international economy is smart, educated, and motivated people both employees and customers. To help Americans prosper and to maintain U.S. innovation leadership, policies must support world-class education and lifelong learning systems for all Americans, ensure that the U.S. continues to welcome the world's best and brightest minds, and promote public and private investments that foster breakthrough research and development.

WORKFORCE COMPETITIVENESS: Global Marketplace for Talent



SUPPLY OF AND DEMAND FOR TALENT IN THE NEXT DECADE

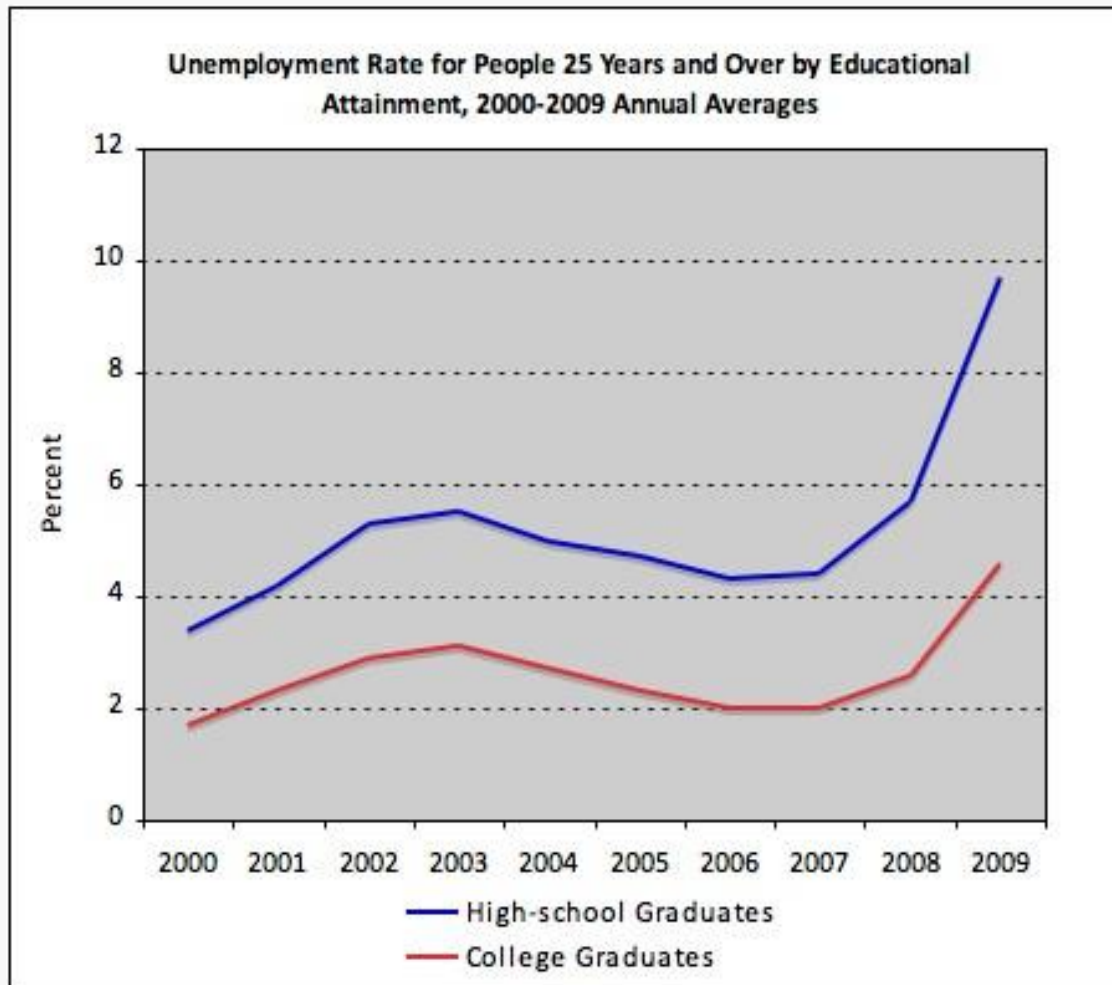


INCREASING NEED FOR SKILLED LABOR AND DECLINING U.S. SUPPLY OF SKILLED LABOR

Fast pace of
change
+ increasing use of
technology
+ need to improve
productivity
= greater company
demand for highly
productive skilled
labor

U.S. pool of skilled
labor is retiring
+ incoming U.S. labor
pool does not always
have skill levels
needed
+ access in U.S. to
foreign skilled labor
pool can be limited
= shortage of needed
skilled labor in U.S.

UNEMPLOYMENT & EDUCATION



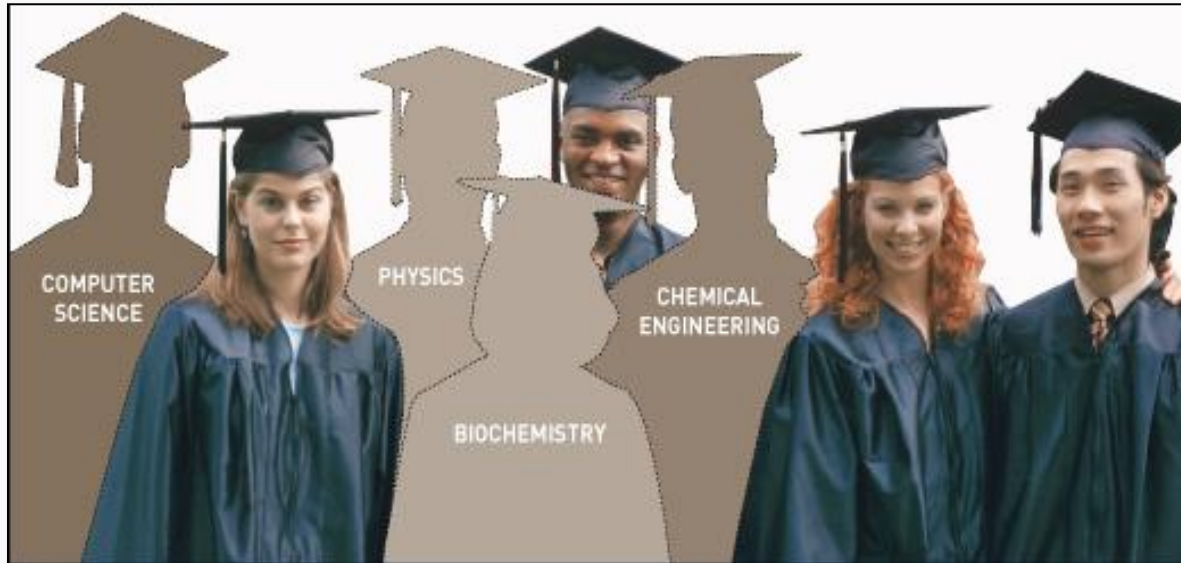
UNEMPLOYMENT & EDUCATION

- ▣ The unemployment rate **for workers with college degrees was 4.6 percent in 2009**, while the rate for **workers without a high-school diploma was 10 points higher**.
- ▣ As of August 2009, laid-off **college graduates** endured a **median duration of unemployment of 18.4 weeks**, compared with **27.5 weeks for high-school graduates**.
- ▣ Since 1992, the number of **college-educated workers has increased from 27 million to 44 million**, compared with **no increase for those with only a high-school education**.

U.S. Department of Labor's September 2010 "[Back to College](#)" report

America's Leaky Talent Pipeline

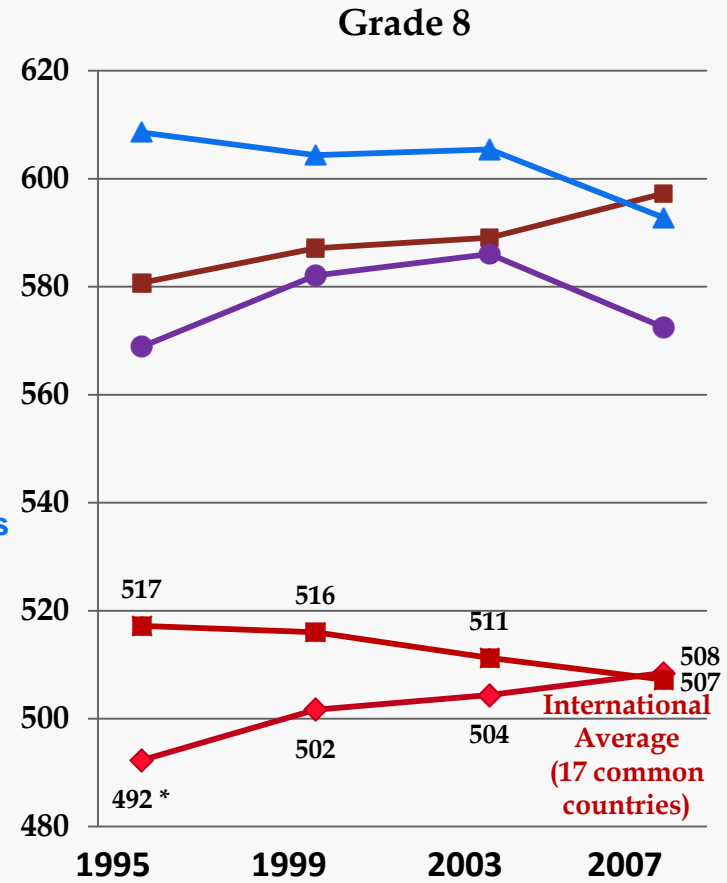
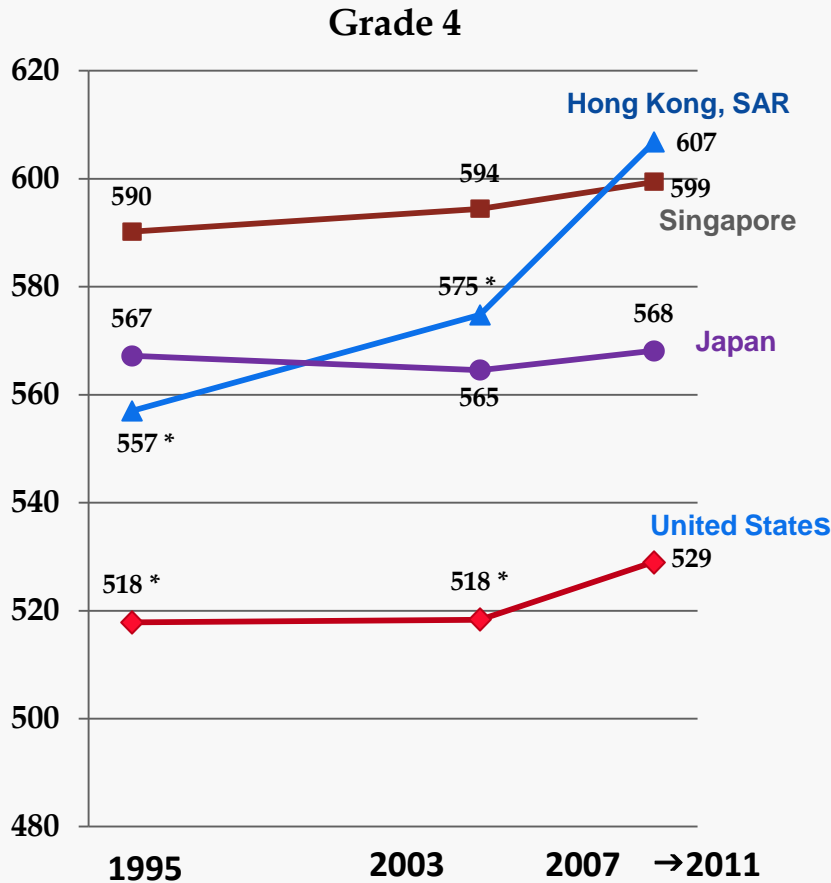
America's STEM Talent Pipeline Is Constricted



- Only 34% of entering U.S. 9th grade students are prepared in math
- Out of every 100 students who enter 9th grade:
 - **68** graduate on time from high school
 - **42** enter college
 - **19** earn an associate degree within three years or bachelor's degree within six years
 - **Less than 3** major in a STEM field

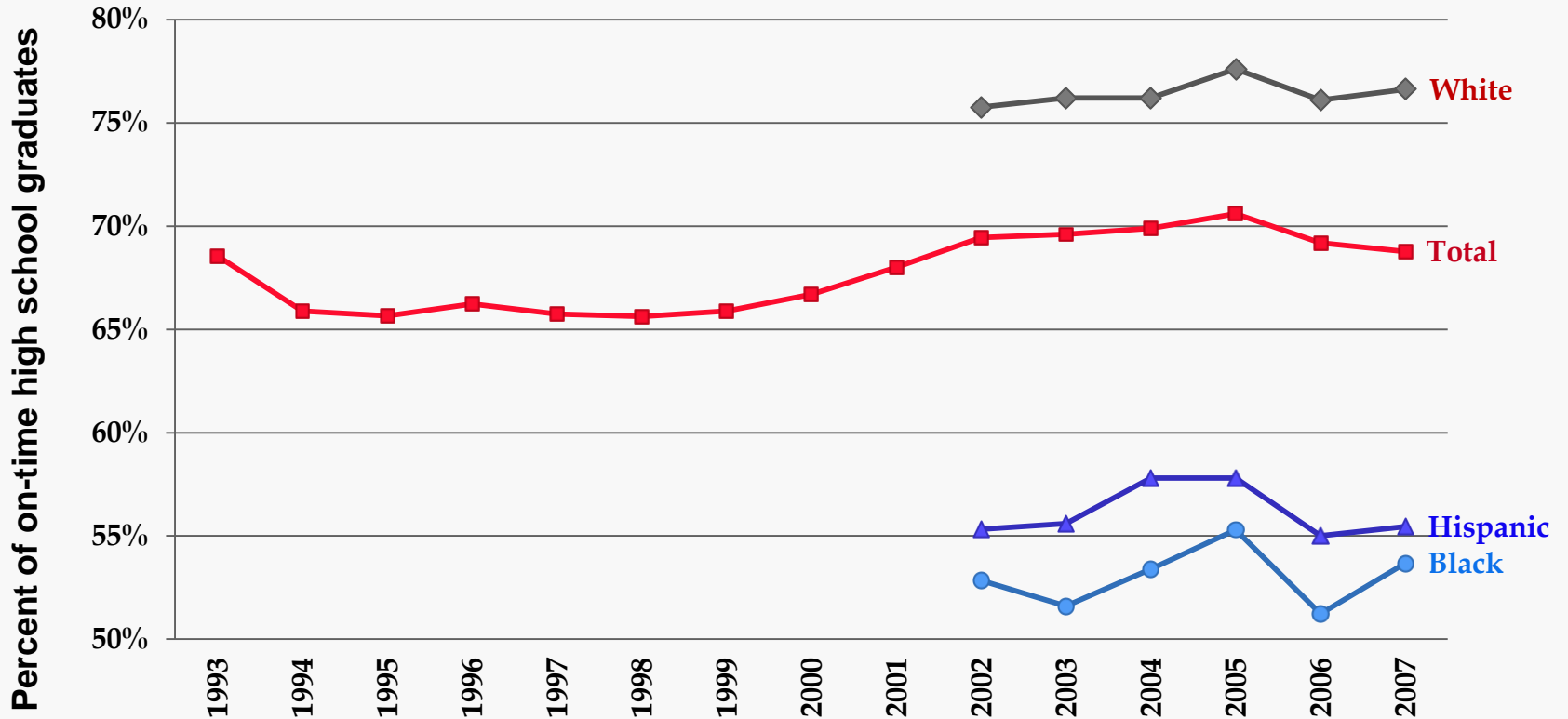
MATHEMATICS PERFORMANCE ON TIMSS 4TH AND 8TH GRADE

USA and Top 3 Countries



50 different countries have participated in this international assessment. For the international average, this chart includes only the 15 countries (grade 4) and 17 countries (grade 8) that participated in each administration shown.

U.S. HIGH SCHOOL GRADUATION RATES 1993-2007 BY RACE/ETHNICITY



Data compiled from the Education Counts database (www.edcounts.org) using the Cumulative Promotion Index (CPI) data. In this calculation, graduation rate is defined as the percentage of an entering 9th grade cohort that graduated four years later.

PERCENT OF U.S. ADULTS WITH AT LEAST AN UPPER SECONDARY EDUCATION

Rank	Age 55 - 64	Age 45 - 54	Age 35 - 44	Age 25 - 34
1	United States (89)	Czech Republic (90)	Czech Republic (94)	Korea (98)
2	Czech Republic (85)	United States (89)	Korea (93)	Slovak Republic (94)
3	Switzerland (83)	Slovak Republic (88)	Slovak Republic (93)	Czech Republic (94)
4	Germany (82)	Poland (87)	Poland (91)	Poland (93)
5	Slovak Republic (81)	Germany (86)	Sweden (90)	Canada (92)
6	Canada (80)	Canada (86)	Canada (90)	Sweden (91)
7	Norway (78)	Switzerland (85)	United States (89)	Switzerland (90)
8	Poland (76)	Sweden (84)	Switzerland (88)	Finland (90)
9	Sweden (75)	Finland (82)	Finland (88)	United States (88)
10	Austria (71)	Hungary (79)	Germany (87)	Austria (88)

2009 SURVEY OF EMPLOYERS: 61 % SAY SKILL SHORTAGES MAKE IT DIFFICULT TO FILL JOB OPENINGS DESPITE THE RECESSION

- Employers expect that education requirements and the need for advanced skills will increase in the coming years
 - Nearly 2/3 of surveyed employers anticipate hiring employees who have an Associate's Degree or higher in the next 4 years, but data shows that only 39% of the population has these degrees.

- Employers see a significant gap between their needs and their workers' skills, and say that the gap is affecting productivity
 - More than half of employers say this gap affects 16% or more of employees.
 - One in five employers say the gap affects 25% or more of their employees.
 - Although employers continue to see the greatest skill deficits in "soft skills" such as personal accountability for work, self-motivation and strong work ethic, the most important expected change in job requirements over the next four years is more advanced technical skills and higher qualifications.

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#1 How to Establish Your Online Brand

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CHALLENGES/OPPORTUNITIES

- Keeping aging workers with necessary skills in the workforce
- Increasing and redesigning workforce education and training
- Repairing and fortifying the education system
- Welcoming foreign talent



AVOIDANCE IS NO LONGER AN OPTION

