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26 CCRC COMMUNITY COLLEGE
RESEARCH CENTER

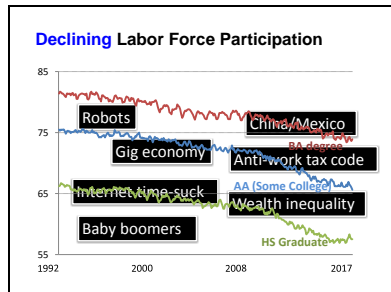
**What are the Emerging Labor Markets?
What Does that Mean for Programs
Community Colleges Should Offer?**

Clive Belfield
June 2017

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1. **The** emerging labor market?
 1. Evidence on **where earnings gains are high** for students
 2. Predictions using labor market evidence and **trend studies**

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From CAPSEE evidence across 9 state-wide community college systems for millions of students in the labor market post-2010:

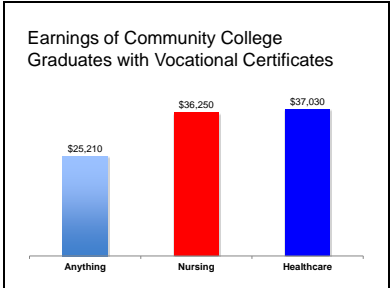
- 1) Earnings gains from **health (related) awards** are **almost always highest**
- 2) Other vocational awards yield relatively high earnings, but **gains vary** by program, award, and gender
- 3) **No difference** between completing an AA in Arts and dropping out

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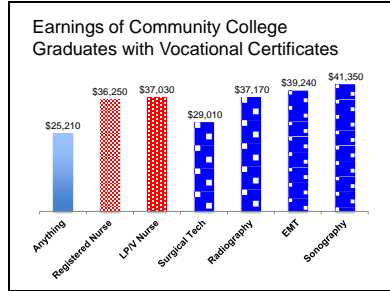
Relying on evidence from labor market studies is **problematic**:

- 1) Labor market **contexts are volatile**
- 2) Jobs are **"dynamic skill-task combos"**
- 3) **Occupation** is vague/heterogeneous
- 4) Loose **predictions/models**
- 5) **Productivity** is diverging from wages

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Baby boomers are retiring until 2029:

- Retirees are now 15% of population
- Their expenditures on health are double the population average (with total annual spending ~\$1 trillion)

By 2050, retirees as % of population:

U.S.	21%	China	27%
Brazil	21%	India	15%
Russia	26%		

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Earnings gains are especially strong for community college students who complete awards in **health, nursing (and health-related)** fields

What **else** do we need to know?

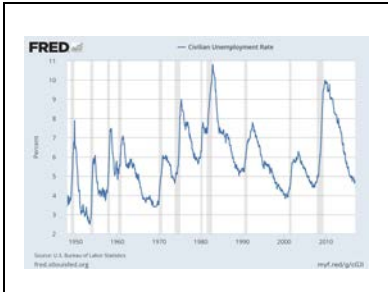
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Surplus Material

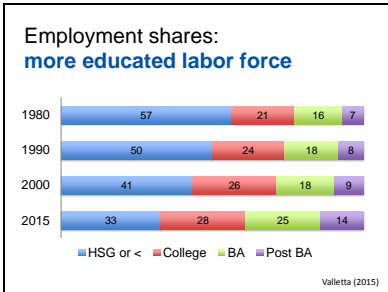
Following slides show:

- Volatile labor market
- Growing education of labor force
- Generality of tasks performed by workers
- Skills required by employers
- Skill mix desired by employers
- Poverty of occupational models

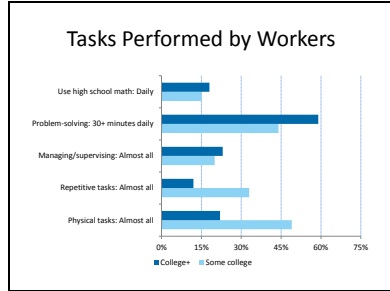
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Skills Required by Employers

Table 1: Description of Job Skills

Skill	Key words and phrases
Cognitive	Problem Solving, Research, Analytical, Critical Thinking, Math, Statistics
Social	Communication, Teamwork, Collaboration, Negotiation, Presentation
Character	Engaged, Dependable, Self-Motivated, Time Management, Meeting Deadlines, Energetic
Writing	Writing
Customer Service	Customer, Sales, Client, Retail
Project Management	Project Management
Organizational Management	Organization, Leadership, Management (of projects), Monitoring, Staff
Financial	Budgeting, Accounting, Finance, Cost
Computer (general)	Desktop, Spreadsheets, Common Software (e.g. Microsoft Word, PowerPoint)
Software (specific)	Programming language or specialized software (e.g. Java, SQL, Python, etc.)

Note: Information prepared at the author's request by Deming and Kahn.

Deming and Kahn (2017)

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Skill Mix Employers Want

Deming and Kahn (2017):

- Percent of job ads requiring skill:

Cognitive	37%
Social	36%
Cognitive and social	25%
- "Substantial variation in skill requirements across ads"
- Cognitive and social skills are complementary

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Substantial Variation Within Occupations

Deming and Kahn (2017):

- *Occupations do not map to skills*: Less than 10% of variance in skill requirements explained by occupation
- *For each occupation skill differences matter*: skill requirements explain wages within occupations

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Occupational Mapping Suggests a Lot of Over-Education

See Gittelman, Monaco, & Nestoriak (2016)

Handel (2016): 32% of US workforce is overeducated: too many BA+, BA, and some college

Completely at odds with evidence on returns to college

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