

National Labor Market and Workforce Development Trends



NATIONAL
GOVERNORS
ASSOCIATION

The National Governors Association

Founding

The May 1908 meeting of President Theodore Roosevelt and governors led to the creation of the National Governors Association.



Photo: The first meeting of the nation's governors, convened by President Theodore Roosevelt in Washington D.C., 1908.

What We Do

The National Governors Association (NGA) is the bipartisan organization of the nation's governors. Through NGA, governors identify priority issues and deal with matters of public policy and governance at the state, national and global levels.

The NGA Center for Best Practices is the only research and consulting firm that directly serves governors and helps governors and executive branch leaders develop and implement innovative solutions to public policy challenges. Our Government Relations team ensures that states are a strong voice in Washington, D.C. We also provide management consultative services to both new and incumbent governors, their senior executive staff and trusted advisors.

The NGA Center for Best Practices

Services:

- Customized Technical Assistance
- Facilitation & Strategic Planning Support
- Multi-State Consortia and Peer Learning
- Research & Published Reports

Program Areas:

- Behavioral Health
- Children & Families
- Cybersecurity
- Energy
- Environment
- Healthcare Delivery
- Homeland Security
- Infrastructure
- K-12 Education
- Land Management, Agriculture, Wildlife, & Rural
- Postsecondary Education
- Public Health
- Public Safety & Legal Counsels
- **Workforce Development & Economic Policy**



NGA Workforce Development Technical Assistance Program

- 42 states and territories participating
- Biannual Workforce Development Symposiums
- Timely publications on key issues
- Additional services:
 - State board meeting facilitation
 - Best practice presentations
 - Customized research
 - Monthly network calls
 - Weekly newsletters

To learn more, visit our [website](#) and contact jporter@nga.org

United States Labor Market

Unemployment Rate: **3.8%**

August Change in Payroll Employment: **+187,000**

Labor Force Participation Rate: **62.8%**

Annual Change in Average Hourly Earnings: **4.3%**

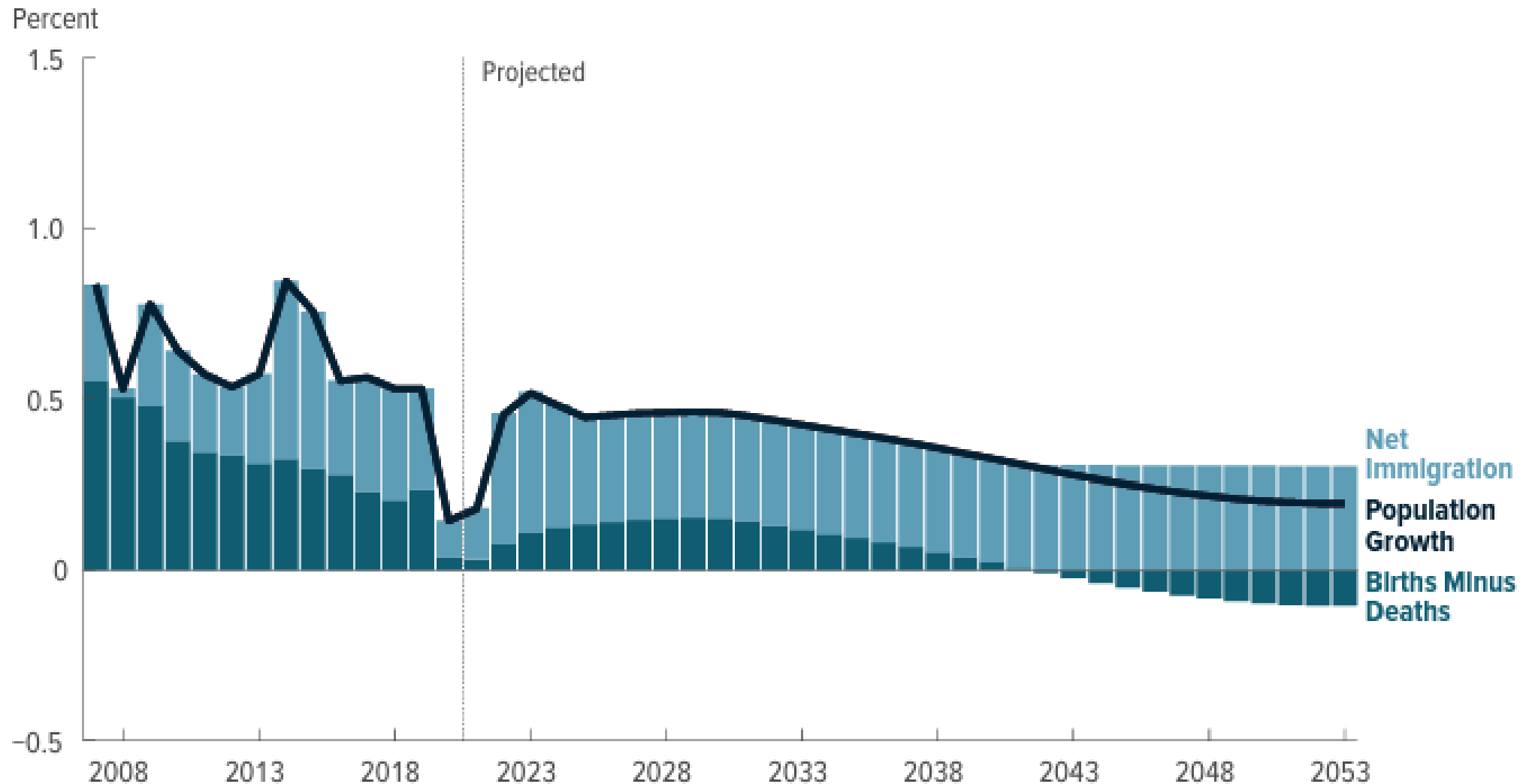
Unemployed Individuals to Job Openings: **0.7**

Month	Hires	Separations
July 2022	4.1%	3.8%
Aug 2022	4.2%	4.1%
Sept 2022	4.1%	3.8%
Oct 2022	4.0%	3.8%
Nov 2022	4.1%	3.9%
Dec 2022	4.0%	3.8%
Jan 2023	4.1%	3.8%
Feb 2023	4.0%	3.8%
Mar 2023	3.9%	3.9%
Apr 2023	3.9%	3.6%
May 2023	4.0%	3.8%
June 2023	3.8%	3.6%
July 2023	3.7%	3.5%

[Total nonfarm hires and separations rates, seasonally adjusted](#)

Who's Available to Work?

Population Growth and Its Underlying Factors



Source:
[Congressional Budget Office](#)

Civilian Labor Force Participation

Group	2002	2012	2022	2032
Total, 16 years and older	66.6	63.7	62.2	60.4
16 to 24	63.3	54.9	55.6	51.3
25 to 54	83.3	81.4	82.4	81.7
55 and older	34.5	40.5	38.8	37.4
Men, 16 years and older	74.1	70.2	68.0	65.2
Women, 16 years and older	59.6	57.7	56.8	55.9
White	66.8	64.0	62.0	59.9
Black	64.8	61.5	62.2	60.4
All other groups ⁽¹⁾	66.8	63.9	64.2	63.6
Hispanic origin	69.1	66.4	66.3	65.3
Other than Hispanic origin	66.2	63.2	61.4	59.2

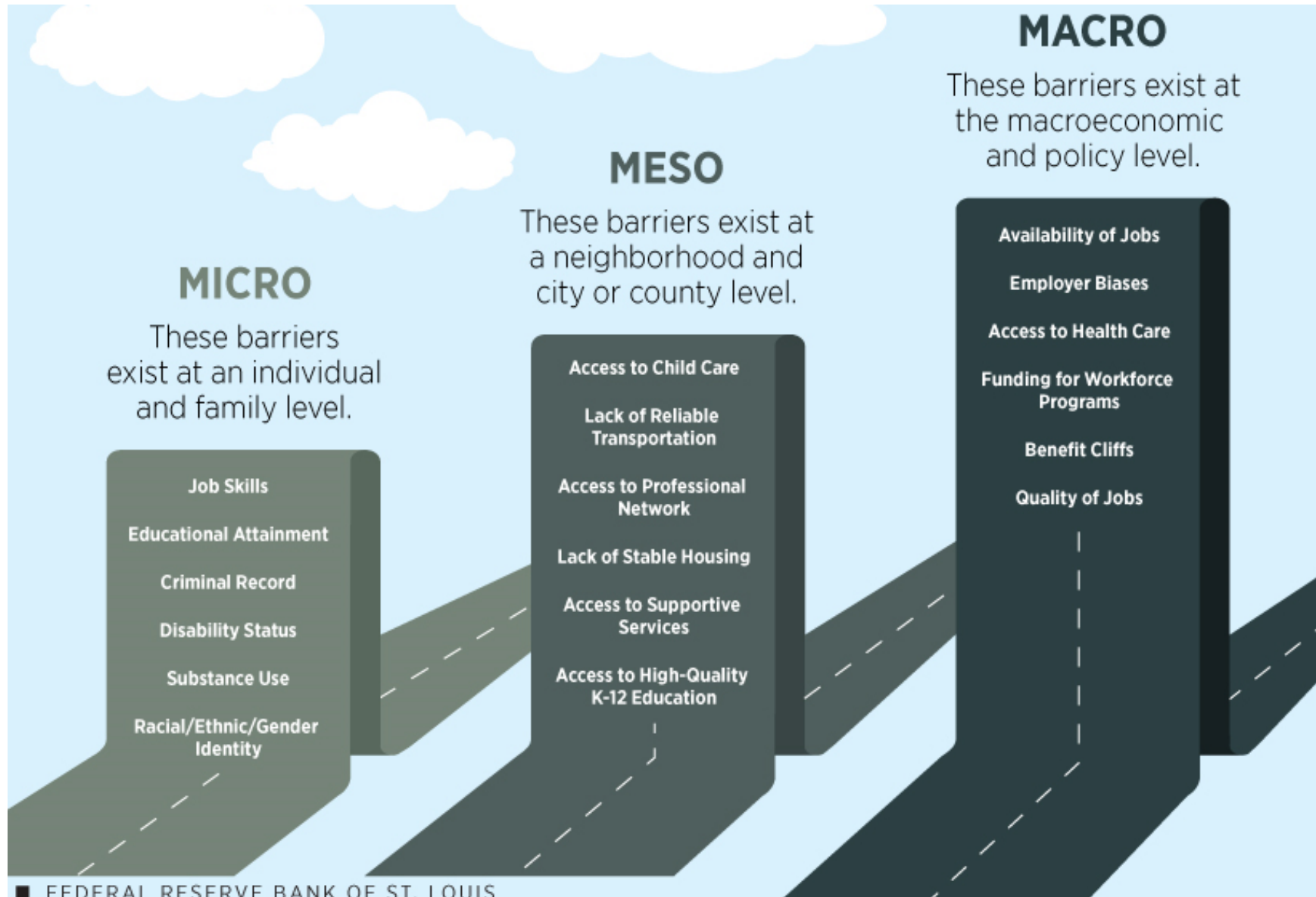
(1) The "all other groups" category includes (1) those classified as being of multiple racial origin and (2) the race categories of (2a) Asian, (2b) American Indian and Alaska Native or (2c) Native Hawaiian and Other Pacific Islanders.

Source: [Employment Projections program, U.S. Bureau of Labor Statistics](#)

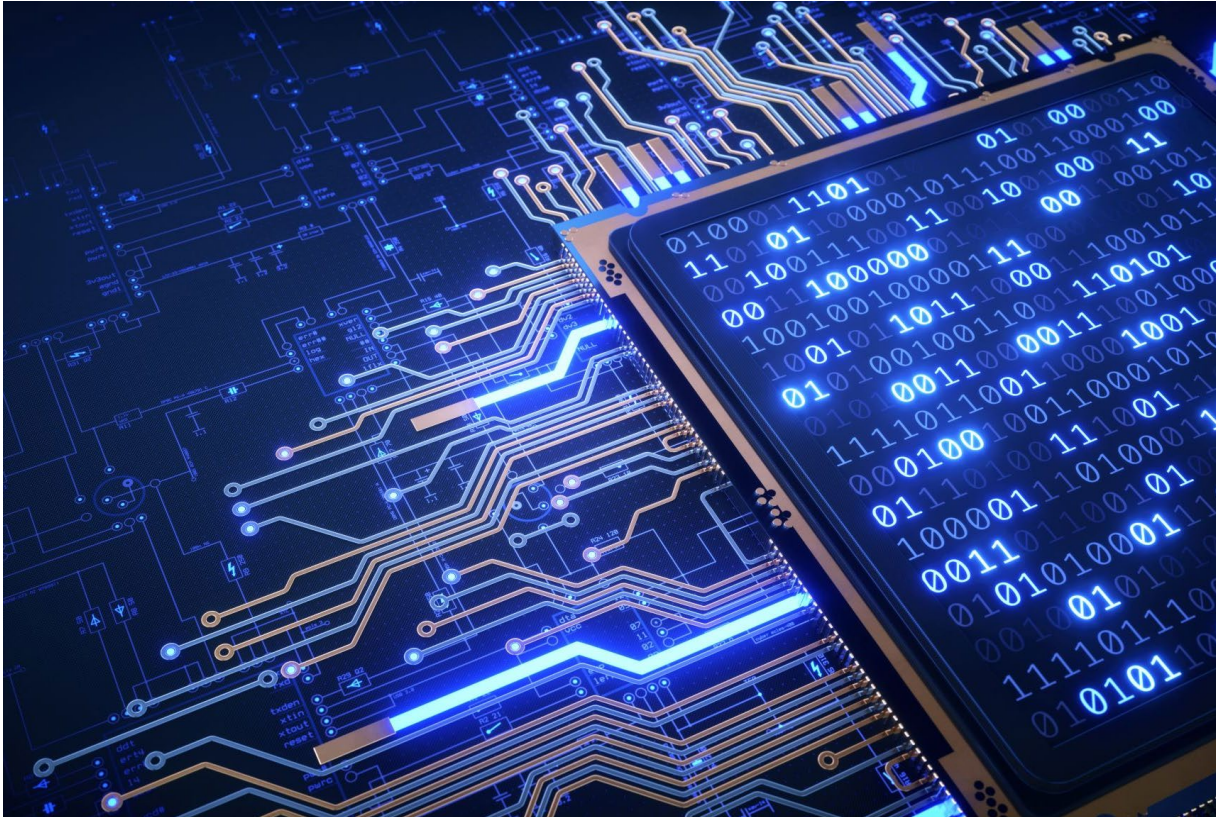
Reason for Detaching from the Workforce

- Retired: **59.3%**
- Sick or Disabled: **13.9%**
- Don't Want to Be Employed At This Time: **6.6%**
- Caring for a Child: **6.6%**
- Laid off or furloughed: **3.7%**
- Caring for an elderly person: **2.5%**
- Lack reliable transportation to work: **2.2%**

Barriers to Work













What Does Work Look Like?



Skills Shift, Skills Based Hiring



Top 10 skills on the rise

- | | |
|---|---|
| 1.  Creative thinking | 6.  Systems thinking |
| 2.  Analytical thinking | 7.  AI and big data |
| 3.  Technological literacy | 8.  Motivation and self-awareness |
| 4.  Curiosity and lifelong learning | 9.  Talent management |
| 5.  Resilience, flexibility and agility | 10.  Service orientation and customer service |

Type of skill

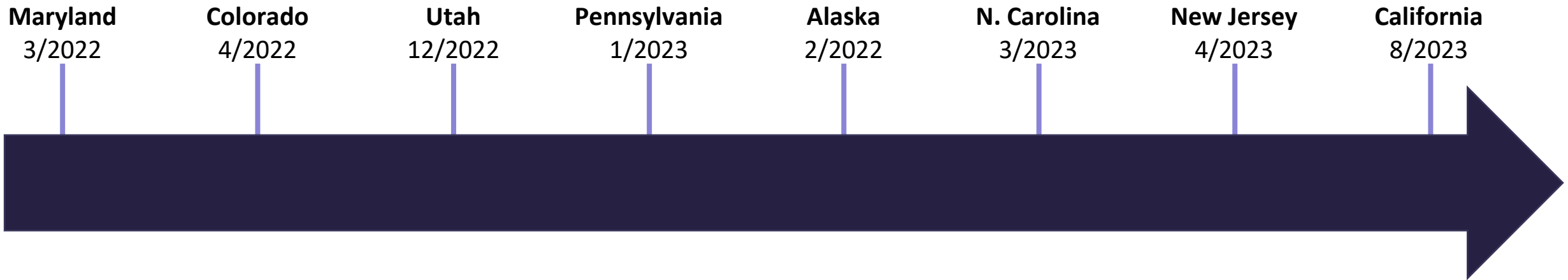
 Cognitive skills  Self-efficacy  Management skills  Technology skills  Working with others  Engagement skills

Source
World Economic Forum, Future of Jobs Report 2023.

Note
The skills judged to be increasing in importance most rapidly between 2023 and 2027

Skills Shift, Skills Based Hiring

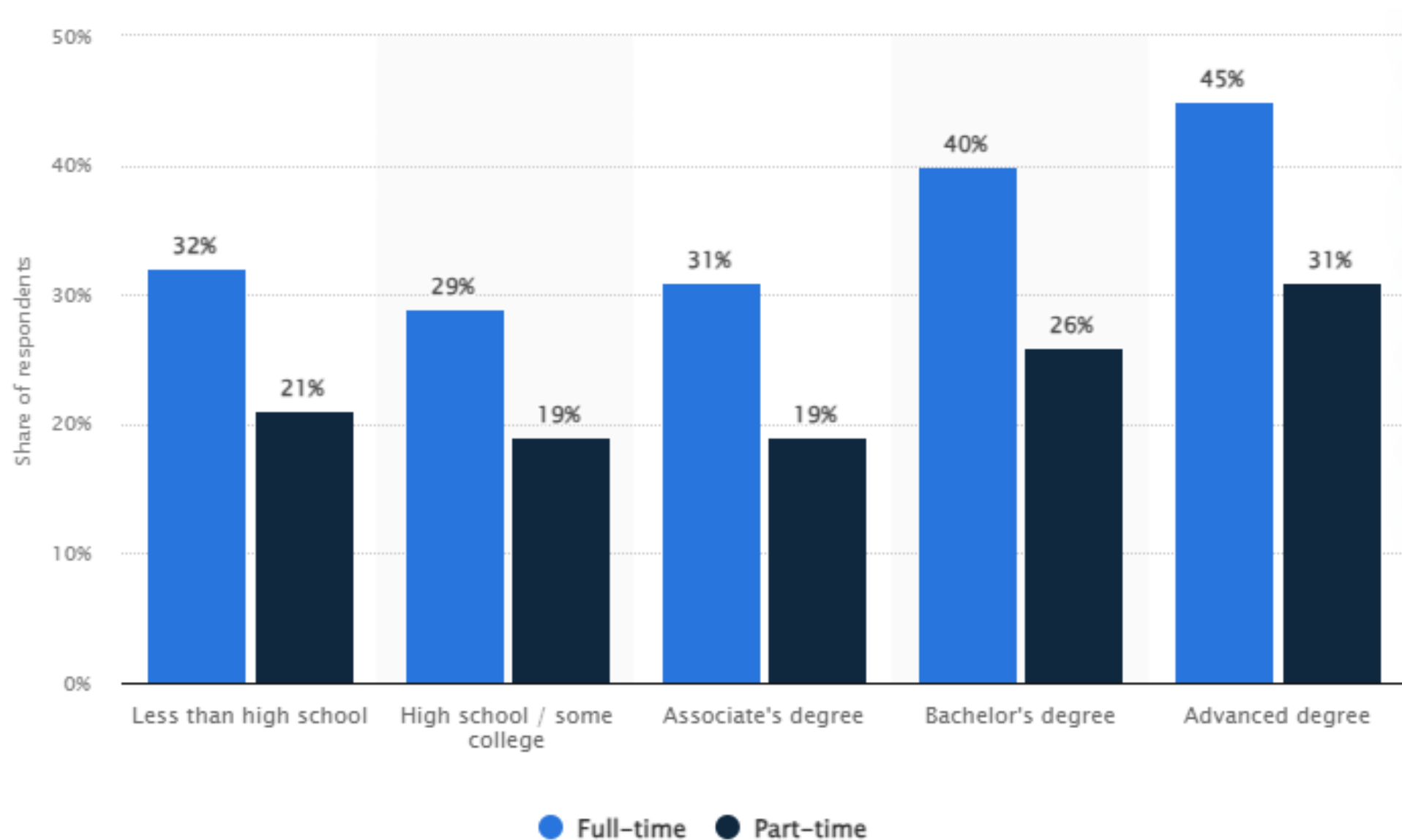
Rollbacks of Degree Requirements in State Jobs



Remote Work

- Increase in employer demand for remote work since 2016: **400%**
- Remote job postings listed in 2022: **3.5 Million**
- Increase since 2020 of workers living and working in different states: **40%**
- Working a hybrid schedule for jobs that can be done remotely: **41%**

Availability of Remote Work by Education, 2022



Artificial Intelligence

- AI is impacting all sectors
- Increased understanding of AI as increasing workers' capacity and improving job quality
- May remove more mundane tasks, require increased cognitive skills

Top AI Skills across All 113,568 AI-Related US Postings

Artificial Intelligence Skills	Share of Postings (2023 YTD)
Machine Learning	69%
Artificial Intelligence	51%
Apache Spark	13%
Natural Language Processing	13%
Deep Learning	12%
TensorFlow	9%
Computer Vision	8%
PyTorch (Machine Learning Library)	7%
Machine Learning Algorithms	6%
Artificial Neural Networks	4%
Autonomous Vehicles	4%
Robotic Systems	4%

Governor Action on Artificial Intelligence

- **WI Governor Evers**: EO to create the Governor's Task Force on Workforce and Artificial Intelligence
- **TX Governor Abbot**: Signed legislation forming an Artificial Intelligence Advisory Council
- **CA Governor Newsom**: EO to study the development, use and risks of generative artificial intelligence

Federal
Legislation
Impacting
Workforce

**Infrastructure Investment
and Jobs Act (IIJA)**

CHIPS and Science Act

**Inflation Reduction
Act (IRA)**

Governor Action to Leverage Federal Investment

- **PA Governor Shapiro**: EO to reserve at least 3% of all funding PA receives from IIJA and IRA to fund workforce training
- **OH Governor DeWine**: The Broadband and 5G Sector Partnership will design and distribute curriculum and training programs and drive career awareness in telecommunications
- **MI Governor Whitmer**: Formed the Semiconductor Talent Action Team to create semiconductor-specific curricula and investments

Meeting the Moment through Strategic Planning and Innovation



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WIOA Policy Levers

1. Set, communicate, and execute the state's **vision** and priorities for workforce development
2. Direct resources toward those priorities by building **partnerships** and aligning funding, such as leveraging authority over funding formulas and Governor's Reserve funds
3. Ensure quality service delivery to employers and jobseekers by overseeing system performance and **accountability**



[*How Governors Can Execute Their Vision for Workforce Development \(NGA, 2023\)*](#)

*The **upcoming WIOA four-year strategic planning process** offers an opportunity to collaborate across business leaders, agencies and community stakeholders to **develop an aligned workforce strategy** that incorporates best/emerging practices and federal programs.*

Workforce Strategic Planning Collaborative

Objectives

- Inform and facilitate Governors' leadership in developing strategic workforce plans
- Provide NGA members direct access to inform the federal process, such as development of the indicators ETA uses to review and approve state plans
- Provide NGA members with planning tools that are federally approved, and accompanying technical assistance, to facilitate the development of comprehensive four-year strategic plans



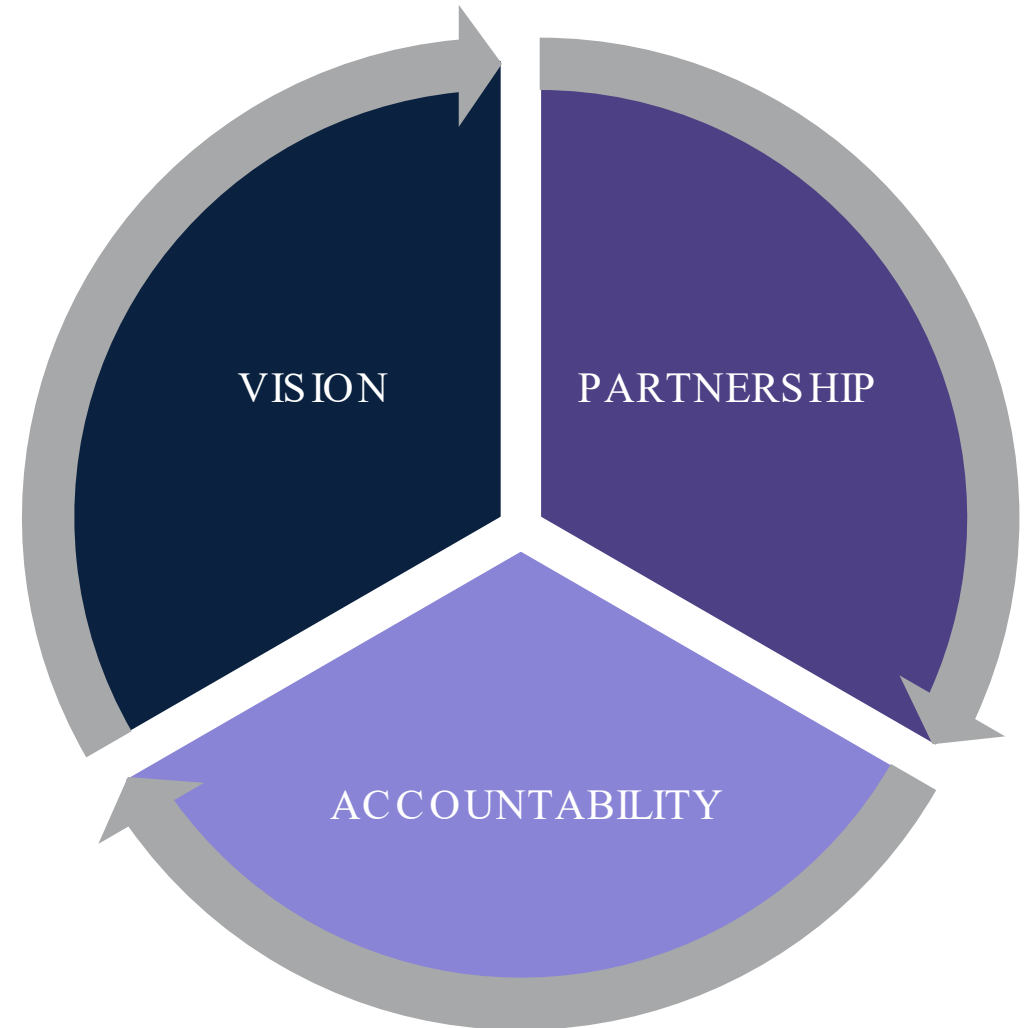
Learn more and sign up for project updates: www.nga.org/wspc

NGA High-Performing State Workforce Board Framework

High-performing state workforce development boards move beyond compliance to focus on **strategy**

To do this, they fulfill three key roles:

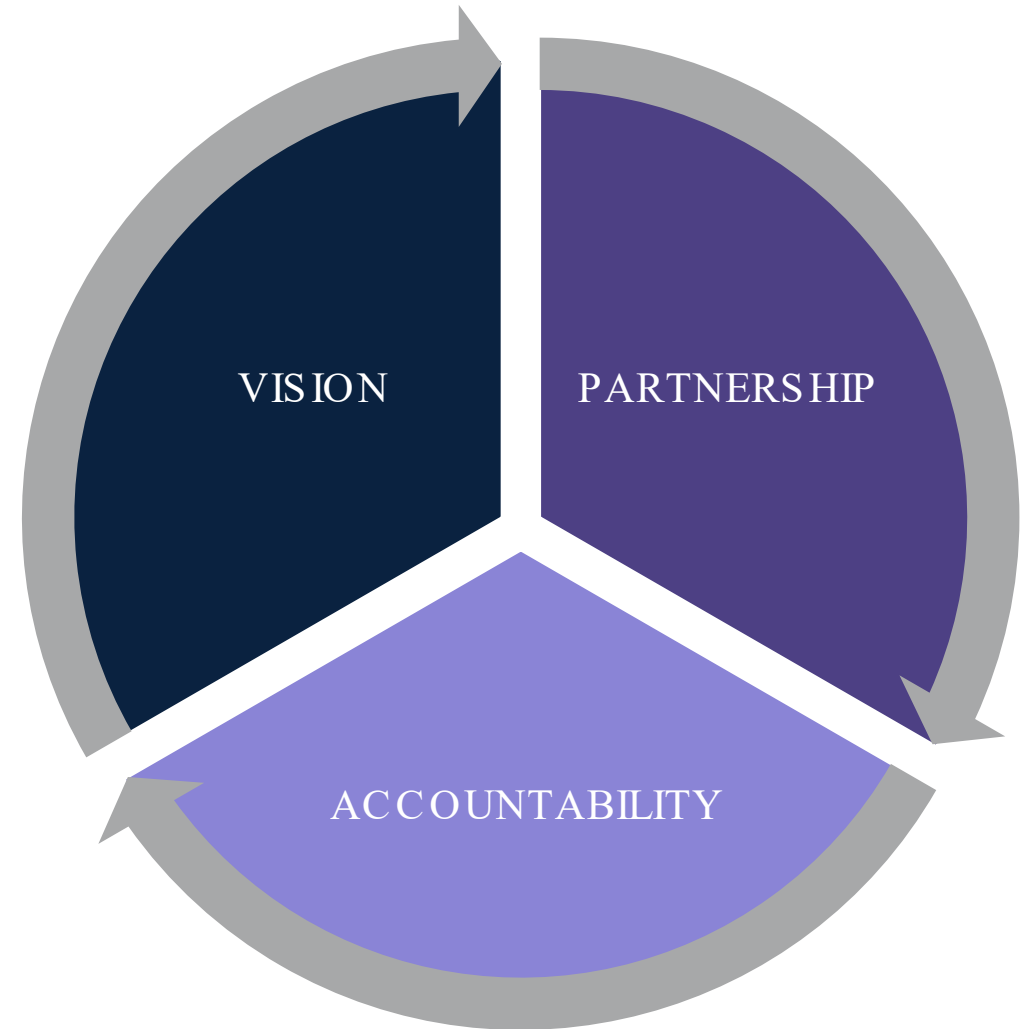
- **Connector:** set, communicate and align stakeholders around a shared **vision** for the entire workforce system
- **Convener:** model and manage strategic **partnerships** that achieve the vision
- **Conductor:** use data and accountability systems to keep the system **accountable**



NGA High-Performing State Workforce Board Framework

Expected Outcomes:

- **Business needs** are met
- **Workers' needs** are met
- **Policy and program development** is driven through state and local boards
- **Policy and resource alignment** is improved
- **WIOA compliance** objectives are met
- **Data on performance** and user feedback support continuous improvements



Reducing Barriers & Increasing Access

- Short-term credentialing programs
- Rapid upskilling programs
- Skills-based hiring
- Wraparound services such as childcare, transportation, housing
- State Examples:
 - **Career ConneCT**: \$70M short-term reskilling and credentialing initiative to prepare up to 8,500 workers whose employment was affected by COVID-19 to transition to careers in in-demand sectors
 - **North Dakota Regional Workforce Impact Program**: \$15M for locally led solutions to unique regional needs: training, career exploration, talent attraction, wraparound services, etc.
 - **Michigan Tri-Share**: State-funded program that splits the cost of childcare equally among employer, employee and the state
 - **Wisconsin Workforce Innovation Grant Program**: \$100M for regional projects with long-term solutions to workforce challenges created by COVID-19

Strengthening Sector Strategies

- Priority sectors for Governors: energy, infrastructure, construction, healthcare, childcare, teachers
- NGA federal principles: increasing WIOA Governor's Reserve to expand sector partnerships
- Tool for maximizing new federal investments through IIJA, CHIPS, and IRA
- Employers steer while the public workforce system rows
- State examples:
 - **Opportunity Now Colorado**: \$85M in grants to create and expand innovative talent pipeline strategies
 - **Ohio Industry Sector Partnership Grants**: \$5M+ in grants to seed and accelerate sector partnerships in priority sectors
 - **Future Ready Oregon**: \$200M package including three statewide industry consortia (healthcare, technology, and manufacturing) coordinated by state workforce board

Prioritizing Digital Equity & Digital Skills

- Interagency coordination and planning
- Data collection
- Collaboration with community-based organizations
- Digital navigation
- Alignment with federal investments (Digital Equity Act and Broadband Equity, Access, and Deployment Program)
- State Examples:
 - **[North Carolina Digital Equity Grants](#)**: \$10M for state government and higher ed; \$14M for local governments, CBOs, and non-profits for a range of digital inclusion activities
 - **[Pennsylvania Digital Literacy and Workforce Development Grants](#)**: \$3.5M in grants through WIOA Governor's Reserve for digital literacy skills to obtain/maintain employment
- NGA Resources:
 - [Lessons Learned In Workforce Innovation: How Six States Are Planning To Advance Digital Skills For Equitable Economic Participation](#)
 - [Using Data To Advance Digital Skills: A State Playbook](#)
 - [Leveraging The Digital Equity Act To Advance Digital Skills: A Guide For Business Leaders To Partner With State Policymakers](#)

Scaling Apprenticeship, Pre-Apprenticeship, and Youth Apprenticeship Programs

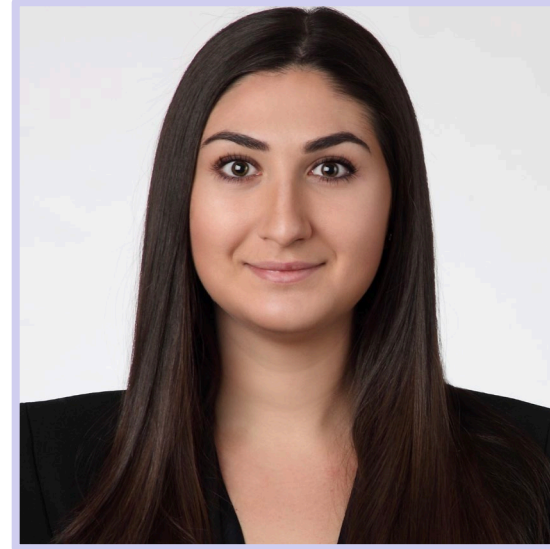
- Receiving increased investment from the federal government
- Critical role in IIJA, CHIPS, IRA implementation
- Opportunity for states to serve as a model employer
- State examples:
 - **Colorado Executive Order 2022 027**: Directs agencies to develop strategies for increasing the number of apprentices working within state agencies by 20%
 - **Georgia High Demand Career Initiative**: Incentivizes employers to upskill workers through apprenticeship programs in high-demand industries, including manufacturing
- NGA Resources:
 - [Leveraging Registered Apprenticeship to Build a Thriving and Inclusive Economy: A Playbook for Governors](#)
 - [State Policy Playbook to Advance Youth Apprenticeship](#)

Questions & Discussion

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