

Slowing secondary education has long-term effects

Certain professions are experiencing acute skill shortages. The most affected industries are accounting, health care and information technology.

These fields have an increased demand but lack the necessary supply of talented professionals. A slowing in secondary education is a key cause of this shortage.

Today's white-collar economy requires additional highly skilled professionals, which creates a shortage in professional labor. In 1969, 40 percent of the work force was white collar, but in 2001, professionals made up more than 75 percent of the work force.

The U.S. is also facing the retirement of the highly trained baby boomer generation. By 2010, 30 million people currently working will be older than 55, and those retiring baby boomers will be replaced by a smaller generation. This smaller pool of workers combined with a slowing in secondary education results in a skilled worker gap.

Today, 85 percent of Americans 25 years old and older have a high school diploma. However, only 28 percent of those people hold a bachelor's degree, and that number is shrinking. Only 15 percent of today's high school seniors will have a bachelor's degree in six years.

In Jacksonville, the percentage of people with a bachelor's degree is only 23 percent.

Those numbers are only compounded by the declining graduation rates for key professional fields, such as accounting

and information technology.

The number of accountants has remained relatively unchanged for several years, at about 131,000, but the number of public companies has grown more than 20 percent in the previous 10 years. Meanwhile, post-Enron reforms, including Sarbanes-Oxley legislation, have only increased the need for public accountants, who play an essential role in monitoring public companies.

Recognizing this need, the Big Four firms — Deloitte & Touche, PricewaterhouseCoopers, Ernst & Young and KPMG — have started outreach programs targeted at eighth graders. Each hopes to promote accounting as a career by showing students how and why their services are needed.

The information technology sector also faces a skilled worker gap due to its history of uncertainty. Between 1980 and 1985, IT graduation rates soared by more than 25,000 students. However, rates declined from 1985 to 1995 because students feared there were no jobs due to the large influx of available labor after the early 1980s. The result was an acute skill shortage before 2000.

There was another increase in IT graduates in 2000 but those rates dropped again by 2005 because of new fears around a slowing economy and the offshoring of IT jobs.

Another factor contributing to the decline in qualified IT labor is the fact that many COBOL programmers are reaching retirement age. More than 75 percent of business data is processed

in the COBOL computer programming language, but some colleges no longer teach COBOL. North America will experience a 13 percent decrease in programmers over the next four years.

Nursing is another field that needs a sharp increase in available labor. Enrollments in nursing programs would have to increase by at least 40 percent annually to replace those expected to leave the work force through retirement. By 2010, the U.S. will need another 1 million nurses to meet expected demand.

Retiring nurses are only part of the problem. Many states, such as California, have passed legislation that requires a nurse-to-patient ratio of 1:6. Like the effect that Sarbanes-Oxley legislation has had on the accounting industry, this nursing legislation will also increase the demand for qualified nurses.

Fluctuation in graduation rates can have long-term effects on our economy as well. We must find ways to encourage secondary education in key fields, otherwise the U.S. may face a shortfall of 14 million skilled workers by 2020.

Professional labor will continue to be an integral part of the economy and today's students need to start preparing for the future.

As the need for professional labor expands, so does the acceptance of temporary placement firms. In the U.S., temporary placement penetrates only 2 percent of the nonfarm payroll. However, the United Kingdom shows a 5 percent penetration. There is plenty of room for additional growth in the temporary placement sector here in the U.S.

Many cultural changes have contrib-

uted to the rise in temporary placement firms. The decline of the "traditional" career path leads the pack.

People are no longer spending 10 or more years at the same job, and it has become relatively acceptable for people to jump from job to job. Temporary placement provides individuals with exposure to different industries and companies.

The temporary worker also has more flexibility when it comes to spending time with his or her family. Many people get health-care coverage through a spouse, which means they do not need a traditional career that includes benefits. Plus, many staffing companies offer temporary employees health-care coverage.

Temporary workers also have greater earning potential because temporary assignments are continually being renegotiated based on up-to-date demand.

The Federal Reserve Bank of New York has said, "the rise in temporary hiring is one of the big structural shifts redefining the job market." The temporary worker has more control and freedom than the traditional employee.

Graduates will have more control and freedom over their careers if they enter into the hot job sectors. The need for white-collar workers is expected to increase, and therefore, individuals in those fields will reap the benefits of supply and demand.

Tyra Tutor is senior vice president of corporate development for MPS Group Inc., a Jacksonville-based staffing and consulting company.

jacksonville@bjsums.com | 386-3521



Viewpoint

Tyra Tutor