

# Study finds no 'skills gap' in Wisconsin labor market

May 31 2013, by Terry Shelton

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Wisconsin's labor market shows no evidence of an existing or impending general "skills gaps," [according to a new analysis](#) by a team of graduate students at UW-Madison's La Follette School of Public Affairs.

The students analyzed the supply and demand for labor by building projections for both overall levels of [educational attainment](#) and specific [occupations](#) and by using present-day economic indicators.

"This is a very good study," says Robert Haveman, professor emeritus of public affairs and economics, who oversaw the study produced in the Workshop in Public Affairs for the Wisconsin Legislative Council. "It presents strong evidence that there is no general '[skills gap](#)' problem in the state, although in certain places and for certain jobs there may be a problem. Perhaps these few problem areas are the ones that we hear about anecdotally."

In their primary analysis, the students focused on the available labor supply at different levels of educational attainment and compared the supply to the expected number of openings for specific occupations projected by the Wisconsin Department of Workforce Development from 2012 to 2020. The students projected the number of labor force entrants at different degree levels based on graduates from Wisconsin schools, making adjustments for workforce participation and migration.

"This analysis indicates a shortage of labor in Wisconsin for projected job openings that do not require post-secondary [formal education](#), an

excess of associate's, bachelor's, and master's degree holders for the projected job openings, and a relatively small shortage of doctoral and professional degree holders" the study finds.

"If anywhere, the '[skills gap](#)' exists for occupations requiring the state's lowest skill workers," Haveman says.

Phil Sletten, one of the graduate students who authored the report, notes that the students designed the skills analysis to focus on state policy.

"We used [educational attainment](#) to measure labor skill levels because legislators can directly influence state education policy, while they may only be able to incentivize private employer training," Sletten says, adding that comprehensively measuring private training can be difficult.

The students also analyzed the projected supply for nine occupations for which the Wisconsin Department of Workforce Development expects high demand between 2012 and 2020. They projected the number of graduates with degrees or certificates relevant to the occupations, projected major skills gaps in computer science and information system-related occupations and in human resources-related occupations.

"When we considered the supply of educated workers in high demand occupations, we only found skills gaps in only a few key areas, most notably in computer science," Sletten says. "There may be other skills gaps in other occupations, but those occupations are not the ones that DWD projects to be in very high demand and require some post-secondary education."

The students' analysis of economic indicators shows that in occupations like bartenders, taxi drivers or sales clerks, a very high proportion of employees hold degrees beyond the high school level. For example, about 60 percent of people employed in bartending and retail clerking

have some form of post-secondary education or training.

"People with high school degrees or less who could hold these jobs are being bumped even further down the job ladder, many into unemployment," Haveman says.

The team of four students, comprised of Sletten, Megan Loritz, Ben Nerad, and Jennifer Cunha, spent a semester studying the issue for a capstone project as part of completing their master's degrees in public affairs.

The students also offer suggestions for DWD to measure future skills gaps. Specifically, the [students](#) offer suggestions for DWD's Labor Market Information System, which is under development and aims to inform employers, job seekers, and educators about the Wisconsin [labor](#) market.

"We think DWD has a great opportunity to build supply projections into the [Labor](#) Market Information System based on the model we developed," Sletten says. "If DWD is able to obtain information on graduates from Wisconsin institutions directly, develop more sophisticated projection methods than ours, and include more individual [occupations](#) in the analysis than we included in ours, policymakers could have frequent, detailed snapshots of the projected skills gaps in the state."

The [students](#) also recommend a commission to explore methods of creating more demand for workers holding bachelor's degrees in the state and enhancing programs to ease and inform worker transitions between high school, college, and the workforce.

Provided by University of Wisconsin-Madison

Citation: Study finds no 'skills gap' in Wisconsin labor market (2013, May 31) retrieved 26 April 2024 from <https://phys.org/news/2013-05-skills-gap-wisconsin-labor.html>

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