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JEC Explores A Record Number of Job Vacancies

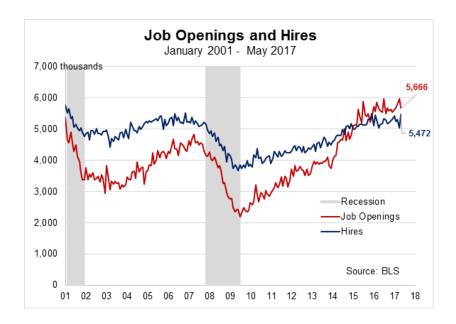
Joint Economic Committee Chairman Pat Tiberi (R-OH) held a committee hearing entitled "<u>A Record Six Million U.S. Job Vacancies: Reasons and Remedies</u>" on July 12, 2017. At the hearing, JEC members discussed reasons for the record-setting number of job vacancies in the United States and how American workers can be better matched to the available job opportunities.



Chairman Tiberi <u>explained</u> that while topline jobs numbers look positive, many workers remain on the sidelines:

"I've heard from many employers in Ohio and around the country that they are struggling to fill good-paying job vacancies. These employers tell me about people not being able to pass drug tests and people not having the skillset to qualify ... In the United States we must find better ways to equip young people and workers of all ages with marketable skills and the ability to adapt to changing market demands as they progress through their careers."

Looking at the disparity between job openings and new hires shows the reality of the situation.





Ms. Diana Furchtgott-Roth, a senior fellow and director of the Economics21 Program at the Manhattan Institute, further describes the reality of the labor market:

"So our labor force participation rate right now is 62.8 percent and it has been around 66-67 percent in the past. Some people say that this is because all the baby boomers are retiring but really the 55 and over labor force participation rate is rising. It's the 25-54 [group] that we're concerned about."



<u>Dr. David Harrison</u>, president of Columbus State Community College, <u>explained</u> the leadership role community colleges can play in addressing the job vacancies for employers and providing people with pathways to successful careers:

"The gap between open jobs and qualified employees is widening and the reasons are many. The nation's workforce is becoming more diverse. We've overemphasized the Bachelor's Degree as the only pathway to success for young people and our educational system has been slow to respond ... Filling these six million jobs is possible with the right combination of strategies including elevating the associates' degree to prepare more people for more high-demand jobs and expanding regional public-private partnership between K-12, community colleges and employers.

He also highlighted the unique partnerships and innovative programs that are producing measurable results at Columbus State.



<u>Scot McLemore</u>, manager, talent acquisition at Honda North America, described programs Honda enacted that partner with local school systems and community colleges to attract students to high-demand careers and emphasized the importance of continued education for workers. He explained measures that can be taken:

"One step Congress can take immediately is to reauthorize the <u>Carl</u> <u>D. Perkins Career and Technical Education Act</u>, which recently passed the House of Representatives. The current version of the bill will help encourage more collaboration between stakeholders to ensure students have a pathway to a relevant and meaningful technical career."

Congressman David Schweikert (R-AZ) <u>asked</u> witnesses about characteristics of those workers left on the sidelines and began a conversation about the changing employers' needs and how to better align post-secondary education and certification licensing requirements to better meet them.

Congressman Francis Rooney (R-FL) cited a <u>study</u> that described the employment situation and <u>asked</u> Ms. Furchtgott-Roth how to encourage people to enter the workforce. She described how expanded public assistance programs actually discourage work force participation.

Congressman Darin LaHood (R-IL) <u>questioned</u> panelists about the disparity in available jobs between rural and urban areas and how to urge employers to create jobs where workers are and encourage workers to migrate to where jobs are open.

Witnesses agreed that partnerships between employers, educators, and adaptable policy like the <u>Carl D. Perkins Career and Technical Education Act</u> are essential to ensure workers have the skills employers are looking for. Increased workforce participation and productivity are critical to accelerating growth and improving opportunities for American families.

Watch the entire hearing <u>here</u>.

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