



AED Government Affairs Office
121 North Henry Street
Alexandria, VA 22314
Telephone: 703.739.9513
Facsimile: 703.739.9488
E-mail: aeddc@aednet.org

Invest in the Next Generation of Skilled, Technical Workers

The construction equipment industry is facing a technician shortage that threatens to undermine growth and efficiency for distributors and their customers. The problem is not limited to the equipment industry; other sectors from aviation to energy to medicine to manufacturing face similar skilled technical worker shortages. While businesses, schools, and government must work more closely together at the local level to address the skills gap, the federal government can play an important role in addressing the workforce crisis.

For Americans, the pathway to high-growth, high-demand careers is no longer exclusively through four-year bachelor's degrees. Through career and technical education (CTE) programs and the expansion of science, technology, engineering and math (STEM) initiatives beyond traditional academic disciplines, policymakers can create robust talent pipelines to support the core industry jobs that form the backbone of the economy.

Congress must get people to work and invest in the future economy by supporting technical education programs that are connected to the needs of employers.

- According to a study by Accenture and the Manufacturing Institute, 80 percent of manufacturers report a moderate or serious skills shortage and project two million new jobs will go unfilled in the next decade. This lack of qualified applicants results in an annual loss of 11 percent of earnings.
- Nine out of ten respondents to AED's 2014 Business Outlook Survey indicated they were actively trying to fill mechanic positions and nearly 80 percent expected to grow their overall workforce in the next year. Survey participants rated "finding new talent" as the most important challenge in terms of impact on their business – ahead of taxes, Obamacare and regulatory burdens.
- Middle-skill jobs (those that require training beyond high school but not a bachelor's degree) will be a significant part of the growing economy. The Georgetown University Center on Education and the Workforce reported in 2013 that nearly one third of all jobs created by 2020 – more than 16 million – will require some secondary skills training.
- Despite the indicators that technical skills will drive the American economy in the future, the National Skills Coalition reported in 2011 that federal funding for career and technical education had declined by nearly 30 percent in inflation-adjusted terms since 1998. The main vehicle for investment in technical training programs, the Carl D. Perkins Career and Technical Education Act, has been operating at static levels since 2012 and is long overdue for full reauthorization. Congress should update the law to ensure that technical education is more demand driven and not solely academic. That means including employers in curriculum development so skills taught by schools match business needs and emphasizing practical workplace experience as a key element of the education process.