

Mind the Gap: U.S. Skill Gaps by Industry

Third Way's original analysis brings together five types of data that provide evidence on the existence of skills gaps. Any one type of data on its own has its shortcomings, but viewed holistically, these datasets make clear which industries are most challenged to fulfill skill requirements. Our analysis shows that health care, professional and business services, and education face the most serious gaps between skilled labor demand and the number of skilled workers ready to fill open jobs.

	Job Fill Rate Is it taking employers a long time to fill open jobs with skilled candidates?	Wages Are employers raising wages, possibly to attract skilled candidates?	Education & Credentials Do too few Americans have the formal training sought by employers?	Employer Surveys Do employers say skill gaps are a major problem?	State Analyses Do state assessments of labor supply and demand find regional skill gaps?	The Gap What can all this tell us about the supply of skills for each industry?
Health Care & Social Assistance Nursing, Home Aides, Day Care Workers	⬇️	⚠️	⬇️	⬇️	⬇️	Major shortages exist, and will increase as people age
Professional & Business Services Tech Services, Accountants, Managers	⬇️	⬇️	⬇️	⬇️	⬇️	Shortages exist, mostly in tech-related occupations
Education Teachers, Assistants, Administrators	⬇️	⚠️	⚠️	⬇️	⬇️	Major mismatches exist, with shortages in STEM
Manufacturing Quality Control Technicians, Supervisors	⬇️	⚠️	⬇️	⬇️	⚠️	Shortages exist and will increase with retirements
Financial Activities Bankers, Real Estate Agents, Insurers	⬇️	⬇️	⚠️	⬇️	⬆️	Shortages are increasing as labor market tightens
Information Publishers, Broadcasters, Data Support	⬇️	⬇️	⚠️	⚠️	⚠️	Shortages exist, mostly in data support occupations
Construction Engineers, Builders, Plumbers, Electricians	⚠️	⚠️	⚠️	⬇️	⬇️	Shortages vary based on regional demands
Trade, Transportation & Utilities Retail, Truck Drivers, Installation	⚠️	⚠️	⚠️	⬇️	⚠️	Minor shortages could increase with retirements
Leisure & Hospitality Restaurant Staff, Hotel Staff, Entertainers	⬆️	⬆️	⬆️	⬇️	⬆️	No gap, but increasing demand for workers
Natural Resource Extraction Loggers, Miners, Oil & Gas Extractors	⬆️	⬆️	⬆️	⬆️	⬆️	No gaps observed at the national level
Agriculture Crop and Animal Producers	N/A	⬆️	⬆️	N/A	⬆️	No gaps observed at the national level

⬇️ Significant gap or shortage ⬇️ Moderate gap or shortage ⚠️ Neutral or mixed evidence ⬆️ No gap or shortage appears in this data

Original analysis by the author of data from: U.S. Bureau of Labor Statistics (BLS) Job Openings and Labor Turnover Survey, Occupational Employment Statistics, and Occupational Outlook; U.S. Census Bureau American Community Survey; multiple surveys of employers; and state Workforce Innovation and Opportunity Act (WIOA) strategic plans submitted to the U.S. Department of Labor. Industry categories are based on BLS Supersector categories, with the following modifications made to better reflect categories captured in the data: the Education and Health Services supersector was split into Education and Health Care & Social Assistance categories, and the Natural Resources & Mining supersector was split into Natural Resource Extraction and Agriculture categories.

© 2017 Third Way. Free for re-use with attribution/link