

# Skills for Chicagoland's Future

**Federal Reserve Bank of Chicago**  
**36<sup>th</sup> Annual Economic Outlook Symposium**

**December 2, 2022**



# A Different Approach to Workforce

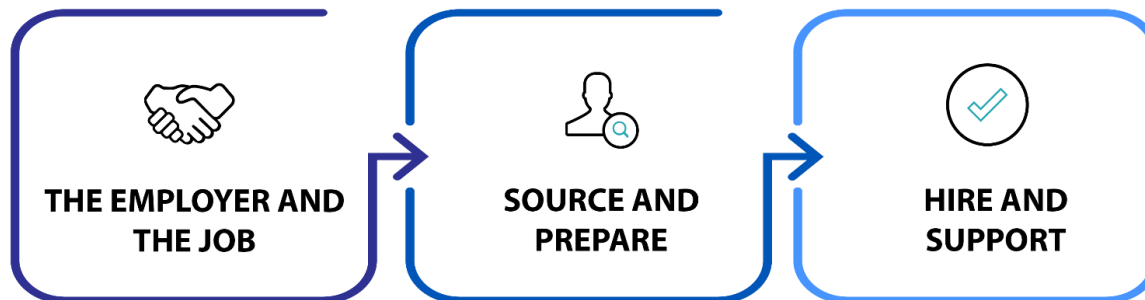
Annually, the U.S. spends \$55 billion on workforce development, yet marginalized populations, primarily low-moderate income and/or Black and Brown communities, experience unemployment rates well above national averages.

## CURRENT "SUPPLY FOCUSED" SYSTEM



FLIP THE CURRENT WORKFORCE MODEL

## SKILLS' JOBS - FIRST MODEL



### The model resolves systemic constraints:

- Barriers to employment
- Biases
- Buy-in from large corporate employers
- Scale, speed, and agility
- Flexible funding

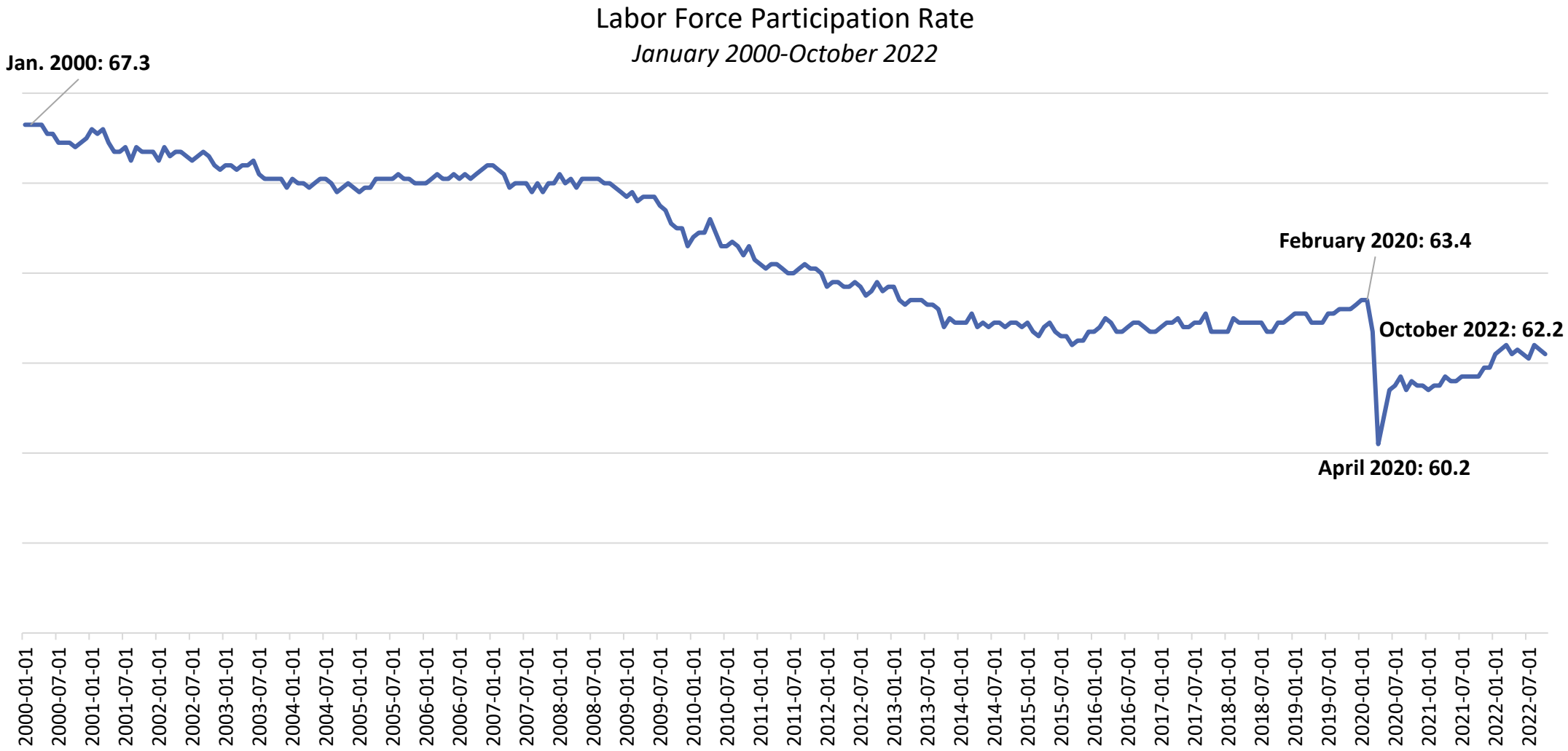
**Labor Force Participation Rate: When Higher UI rates = More People Working**

**Benefits Cliff: When \$40K > \$60K**

**Skills-Based Hiring: When Skills > Degree**

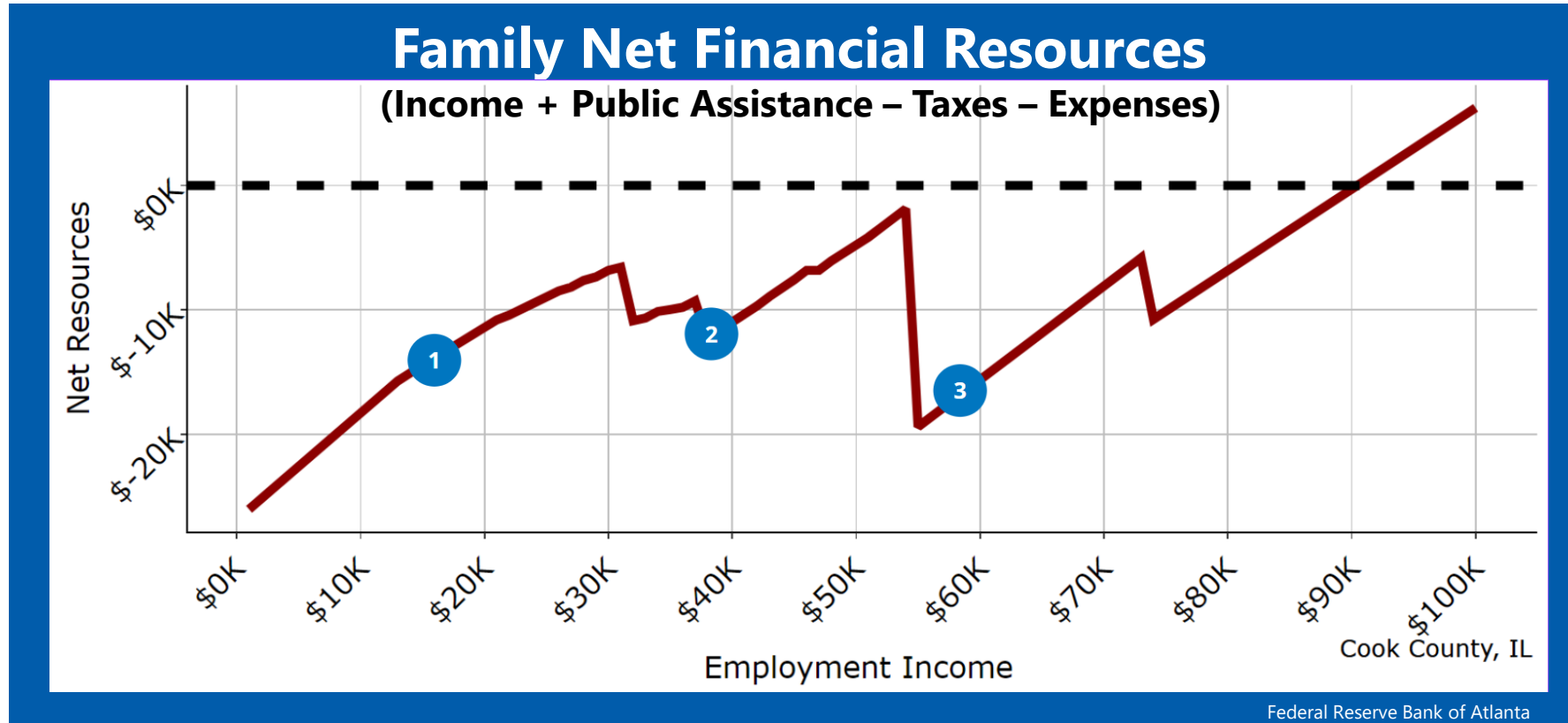
# Labor Force Participation Rate

Labor Force Participation Rate is still 1.2 percentage points below February 2020 levels



Source: BLS

A fictitious 29-year-old single mother with two children (Ages 2 and 10)



Job	Hourly Wage	Annualized Hours	Annualized Wage
1	\$15.40	1,040	\$16,016
2	\$18.42	2,080	\$38,314
3	\$28.00	2,080	\$58,240

## Forbes

The Rise of Skills-Based Hiring and What it Means for Education



*The Emerging Degree Reset: How the Shift to Skills-Based Hiring Holds the Keys to Growing the U.S. Workforce at a Time of Talent Shortage*

## ...HRForecast

Skills-based hiring: why traditional hiring methods don't work anymore



Outdated Mindsets and Degree Stigmas: Cengage Group's 2022 Employability Report Reveals What's Really Causing the Talent Crunch