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New Report Concludes the Pittsburgh Region Must Reinvent its Workforce or Risk Losing the Competition for Talent

Employers, Educators and Policymakers are Called to Take Action to Assure Opportunity for Today's Workers and Students Preparing for Careers

Changing Demographics – including a Wave of Retirements – and Demand for New Skills for Changing Jobs are Driving a Shift that's Critical to the Region's Ongoing Competitiveness

(PITTSBURGH – May 4, 2016) – Employers, educators and policymakers across the Pittsburgh region must immediately accelerate efforts to educate, train, retain and attract talent for more than one million jobs that – by 2025 – will need to be filled by existing and upcoming workers to meet anticipated demand. The [Allegheny Conference on Community Development](#) called for this action in a first-of-its-kind report which it commissioned, *Inflection Point: Supply, Demand and the Future of Work in the Pittsburgh Region*. The report was released today at a meeting of regional CEOs and Human Resource Directors.

Within the next 10 years:

- The Pittsburgh region's workforce will undergo a complete and dramatic transformation due to worker retirements, economic growth and occupational transitions.
- The current supply is predicted to be insufficient due to Baby Boomer retirements and expected job growth, and that is complicated by a need to upskill workers across the entire workforce.
- Specific occupations that are in demand today will be even more so in the years to come – such as those in certain types of healthcare and information technology. At the same time, some occupations are likely to disappear.

“The future of work in the region represents an enormous challenge for employers, but it's also an unprecedented opportunity for existing workers and our up-and-coming workforce found in K-12 and post-secondary education,” said Bill Demchak, chairman, president and CEO of The PNC Financial Services Group, Inc. Demchak is also vice chair of the Allegheny Conference and chair of its Workforce Strategy. “The region's workforce will be undergoing a dramatic transformation – one that has already begun. Technology is a big driver of this change, and it's redefining the skills needed to be successful on the job. Every employer and worker must keep pace with this rapid change to remain competitive. We are at a critical moment for the future of our region.”

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Complicating the region's challenge is the reality that more than 290,000 Baby Boomers – 22 percent of all workers – are over 55 and are, or will soon be, eligible to retire from the workforce. On a positive note, the number of Millennials (18- to 34-year-olds) in the region's population is growing faster than the U.S. as a whole. But even with more young people here, there is a shortfall for replacing those who are retiring or transitioning in their current work.

“The numbers don't add up in our favor,” said Dmitri Shiry, managing partner of Deloitte LLP's Pittsburgh office and chair of the Allegheny Conference's working group which led the production of the report. “Right now, the region's workforce is being impacted by 29,000 retirements every year. When you couple that with an additional annual demand for 5,000 people to fill new jobs being created and hold that total up against an average annual supply of 26,000 high school seniors – the future of labor supply – we're short 8,000 workers. Roll the clock forward a decade, and the Pittsburgh region may find itself short more than 80,000 people required to meet the needs of employers here. And we believe that is a conservative projection.”

Inflection Point notes that the region's current investment in and approach to talent attraction will not be enough given the competition from other regions that face similar demographic challenges, and calls for employers in the region to combine and heighten efforts to attract in-demand talent.

To grow our workforce, **employers across the region – established and emerging businesses** – must take immediate action to:

- Retain more of the 40,000-plus students who graduate annually from regional colleges and other post-secondary training institutions (half leave for opportunity elsewhere, year after year – the number is even higher, at two-thirds, when looking at four-year institutions alone – a retention rate that significantly lags that of competing regions). Employers need to work more closely with post-secondary education institutions to better inform students of opportunities in the region before they graduate and be willing to hire them when they do.
- Elevate those in the region who are unemployed and under-employed to fill open positions.
- Retain and upskill workers already here.
- Attract experienced workers for the most in-demand occupations, such as those in IT, from elsewhere.

“A war for talent is heating up among regions across the country. Not only are they trying to keep their talented people, they are trying to attract ours. We can't afford to lose or leave anyone behind who has the desire, capacity and skills to be a part of the Pittsburgh region's workforce,” said Dennis Yablonsky, the Conference's CEO.

Inflection Point also recognizes that other key constituencies in the region, in addition to employers, need to be aware of – and capitalize on – opportunities. These include:

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- **Educators**, who have told the business community of the need for improved two-way communication, must take advantage of emerging opportunities – which the Allegheny Conference will be spearheading – to connect with employers. Employers and educators both must also commit to combining resources and expertise with business to prepare the K-12 and post-secondary future workforce, as well as assist the existing workforce with training/upskilling. The Allegheny Conference is developing a digital career awareness hub to help students visualize career paths to in-demand jobs in the region.
 - **Job seekers, existing employees and young people** must take advantage of the opportunity already in the region – more than 20,000 open jobs, on average, posted daily on ImaginePittsburgh.com. They must also step up efforts to improve existing skills or get new ones, with particular emphasis on digital and customer service competencies – both of which will cut across many of the jobs of the future.

“We may be on the leading edge of a workforce shortfall, but we also intend to be on the leading edge of addressing this challenge. The Allegheny Conference cannot do this alone, but our members are committed to providing the necessary leadership to take this challenge head-on,” said Yablonsky. He noted that Allegheny Conference staff will be meeting with civic and business leaders and educators across the region’s 10 counties in coming months to review the report in person and assist with mapping out actions that need to be taken.

“To be successful, this is going to require the engagement of everyone in the region. We have the right assets and talent in place, but a new course must be set by the end of the decade, if not sooner. Otherwise, every gain we’ve made in recent years to transform our region’s economy could erode rapidly through competition from other regions, market forces and technological change. By working together – a hallmark of the Pittsburgh region – we can do this. I still believe our best days are ahead.”

The Allegheny Conference, one of the U.S.’s foremost civic leadership organizations focused on improving the economy and quality of life in the 10-county Pittsburgh region, collaborated with Boston-based [Burning Glass Technologies](#), a leading labor market analyst and the Council for Adult and Experiential Learning (CAEL) to produce the *Inflection Point* report. At the core of the report’s research and analysis was input gathered from focus groups with 130 CEOs and HR directors from 85 regional companies and educational institutions combined with traditional employment metrics and big data capabilities, including artificial intelligence algorithms, to parse thousands and thousands of job postings across the Pittsburgh region. The complete *Inflection Point* report, an interactive PDF, is available at [AlleghenyConference.org](#).

The [Allegheny Conference on Community Development and its Affiliates](#) – the Greater Pittsburgh Chamber of Commerce, the Pennsylvania Economy League of Greater Pittsburgh and the Pittsburgh Regional Alliance – work in collaboration with public and private sector partners to improve the economy and the quality of life in southwestern Pennsylvania.

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