

Eleventh Annual Southern Colorado Economic Forum October 11, 2007

Session 2: 10:00AM to 11:00AM

**The Evolution of Your Global Workforce:
Jobs at Risk – Jobs Not at Risk**

Presented by:

Fred Crowley, Southern Colorado Economic Forum

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Selected Sources

- **Brookings Institution, *The Implications of Service Offshoring for Metropolitan Economies***
- **Census Bureau & Bureau of Labor Statistics, various**
- **UNESCO, various**
- **Economic Development America, Fall 2005**
- **Alan blinder, *How Many U.S. Jobs Might be Offshorable?*, March 2007**
- **BLS, *National Compensation Survey*, June 2006**
- ***Progressive Policy Institute, Understanding the Offshoring Challenge*, May 2004**
- **Alan Garner, *Offshoring in the Service Sector: Economic Impact and Policy Issues*, Economic Review, Q3 2004**

Brookings Institute, *The Implications of Service Offshoring for Metropolitan Economies*, February 2007

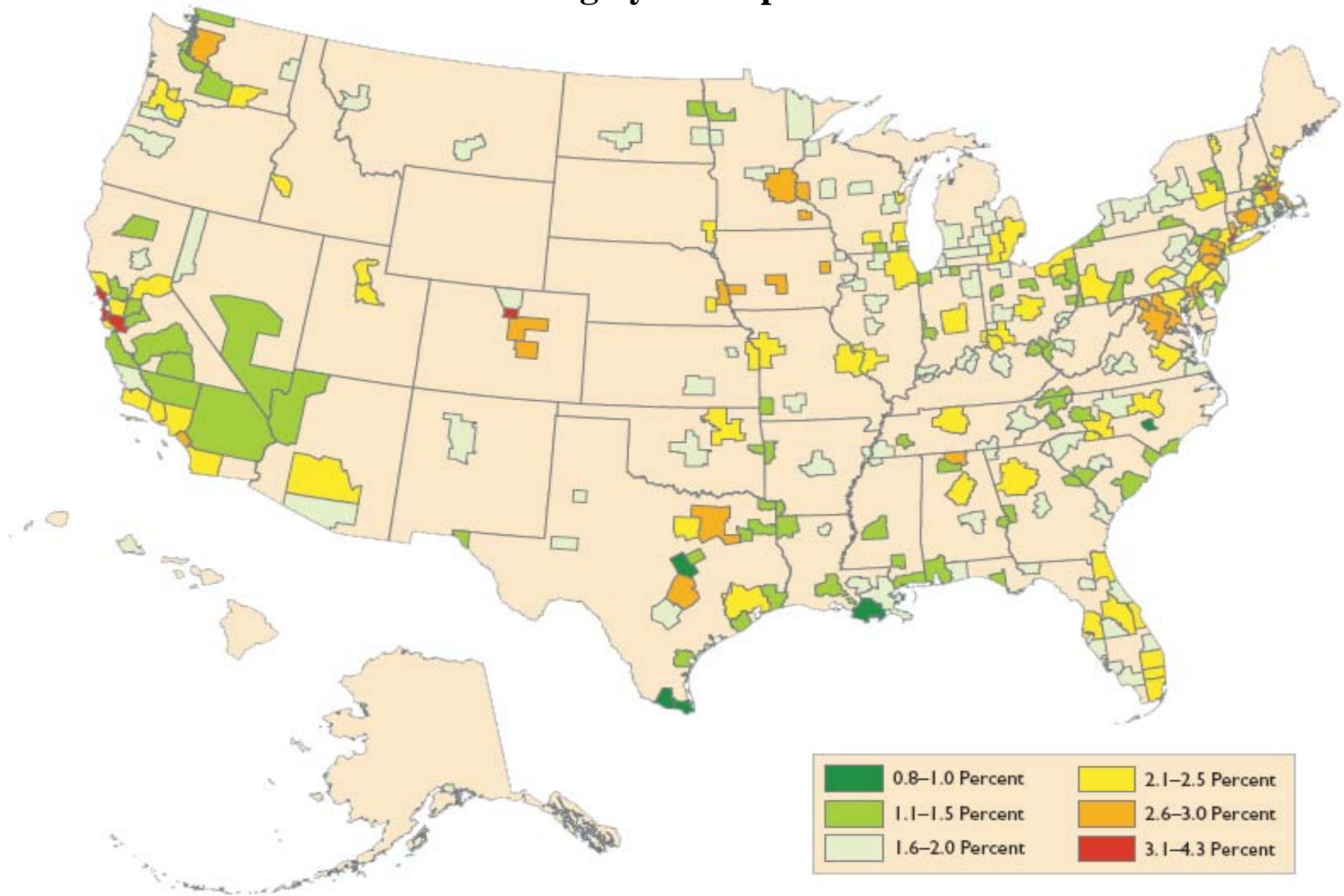
- **Twenty-eight metropolitan areas with 13.5% of the U.S. population are likely to lose between 2.6 and 4.3 percent of their jobs to service offshoring**
- **Areas with large concentrations of information technology service jobs or back-office jobs are most vulnerable**

Sector Vulnerability Indicators

- **Rule based, IT-enabled, routine skills, location independent**
- **High wage to worker productivity ratio**
- **Most job applications are in the private sector**

- **Vulnerable areas include**
 - **Information Technology**
 - **Financial Services**
 - **Health Care**

Service Jobs Offshoring by Metropolitan Area: 2004-2015



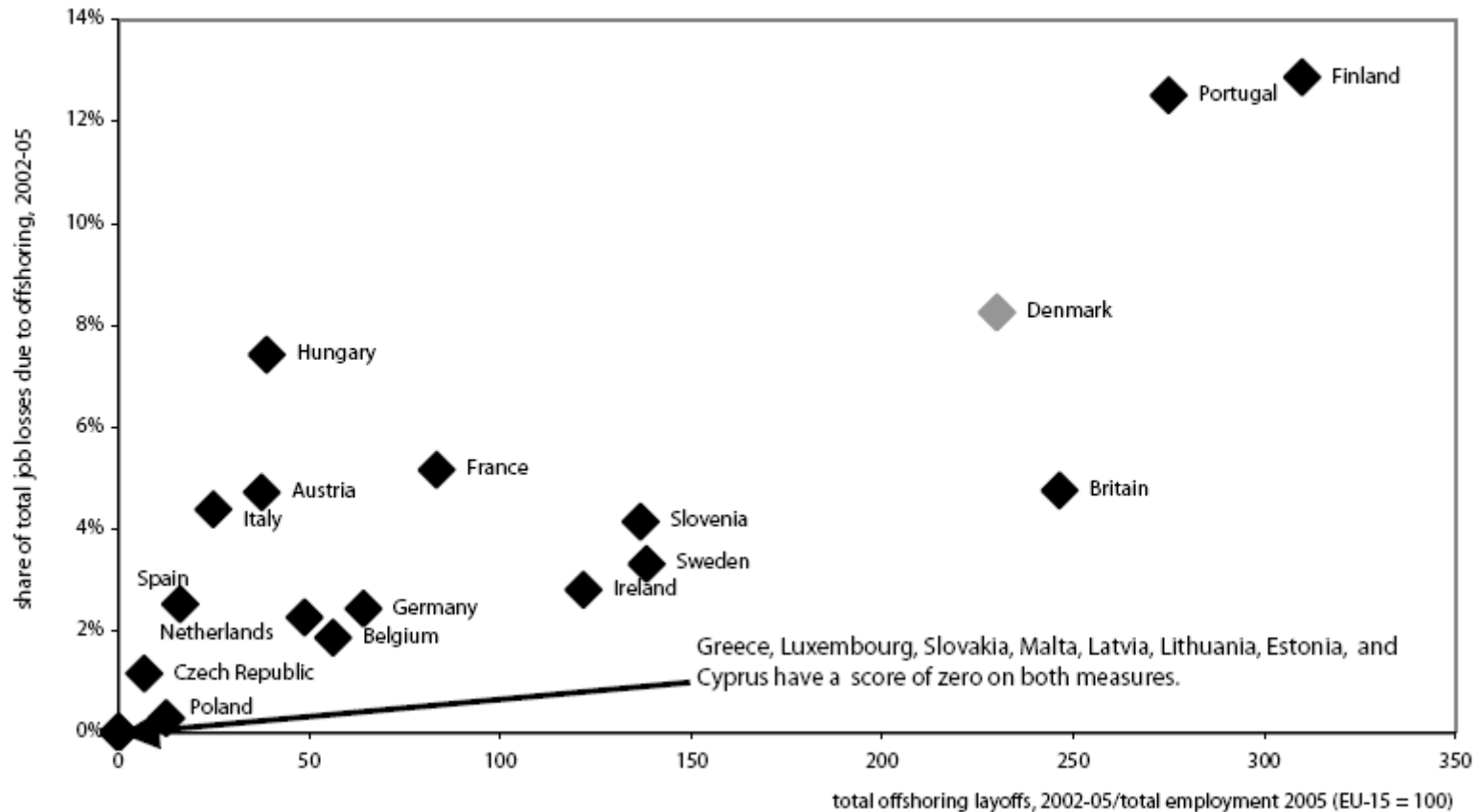
Source: Brookings Institution, *The Implications of Service Offshoring for Metropolitan Economies*

Brookings Institute, *The Implications of Service Offshoring for Metropolitan Economies*, February 2007

- **Locally, we can expect the following by 2015**
 - **Boulder (Group 1) 3.1% to 4.3% of jobs are vulnerable**
 - **Colorado Springs (Group 2) 2.6% to 3.0% of jobs are vulnerable**
 - **Denver (Group 2) 2.6% to 3.0% of jobs are vulnerable**

The Offshoring Problem Is in Europe

Figure 3 Offshoring intensity by EU member state



Source: Offshoring in Europe—Evidence of a Two-Way Street from Denmark
 Peter D. Ørberg Jensen, Jacob Funk Kirkegaard, and Nicolai Søndergaard
 Laugesen

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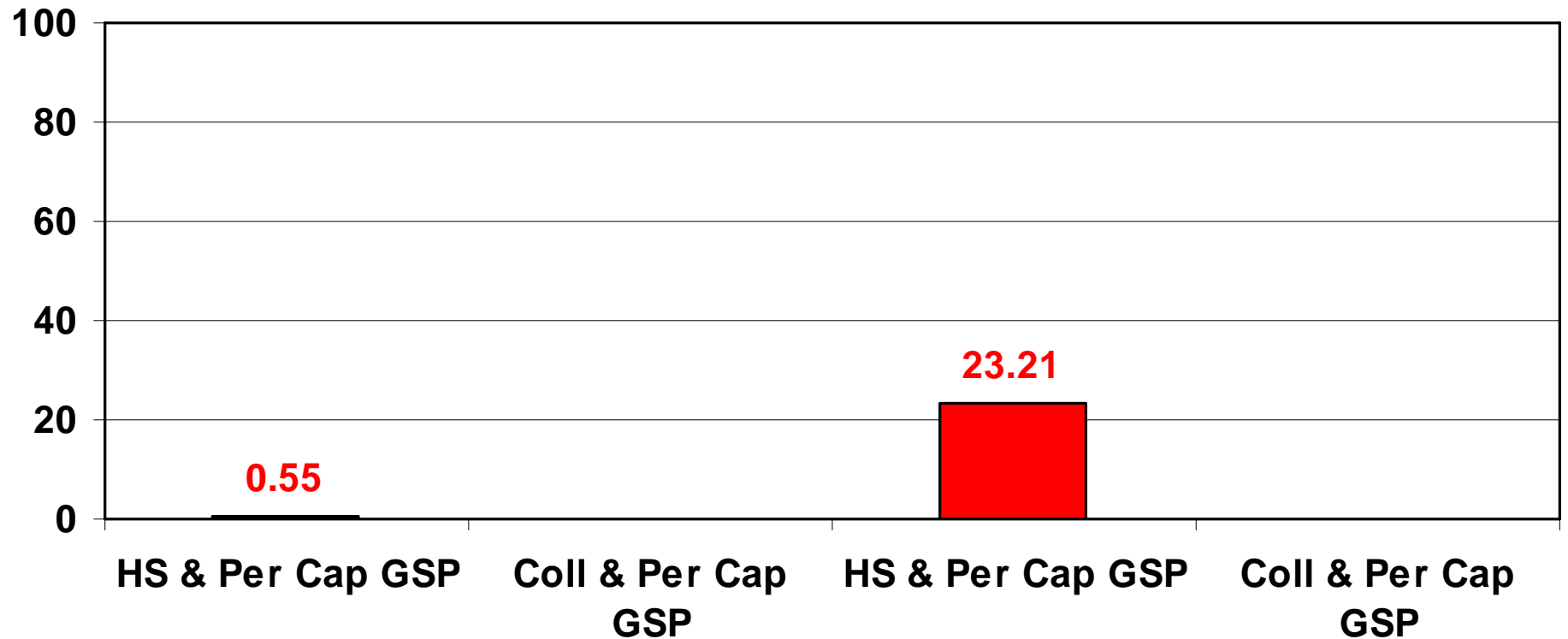


Fighting Back: The Value of Education

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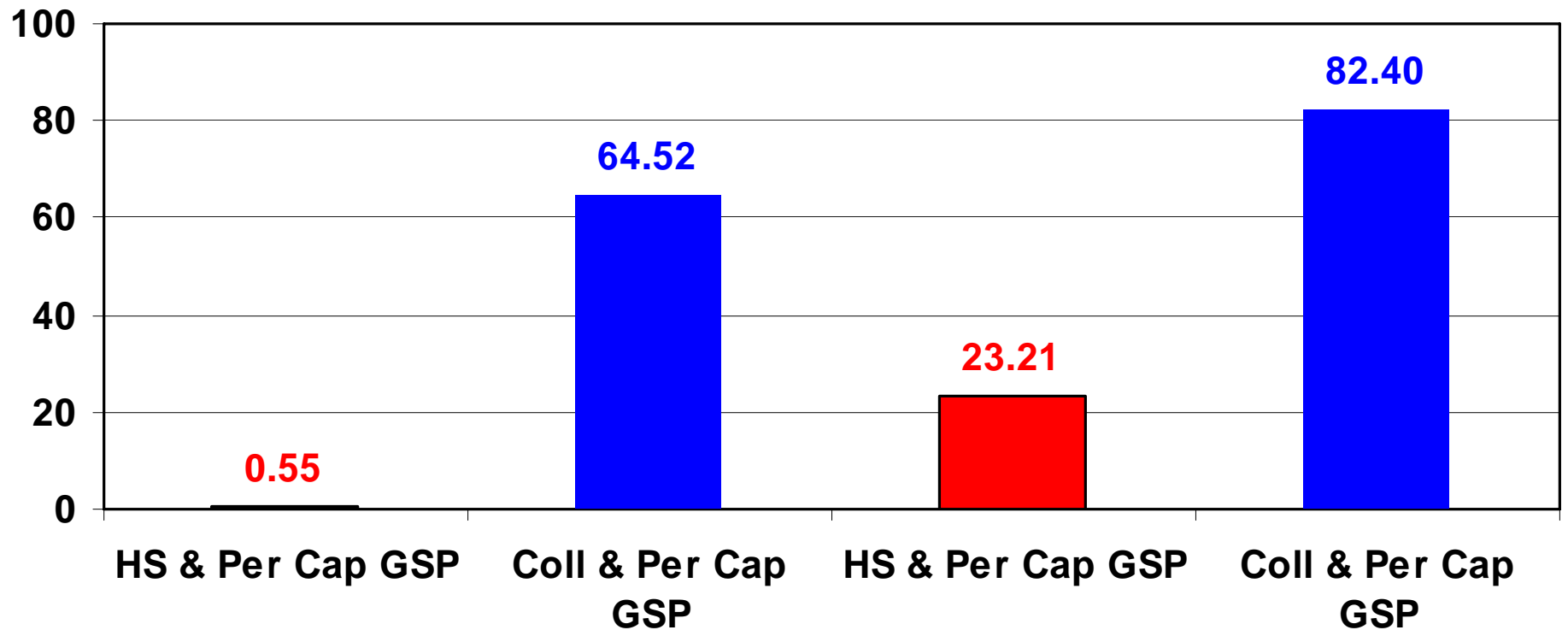
Correlation of Education Attainment with Income in the U.S. (2005)



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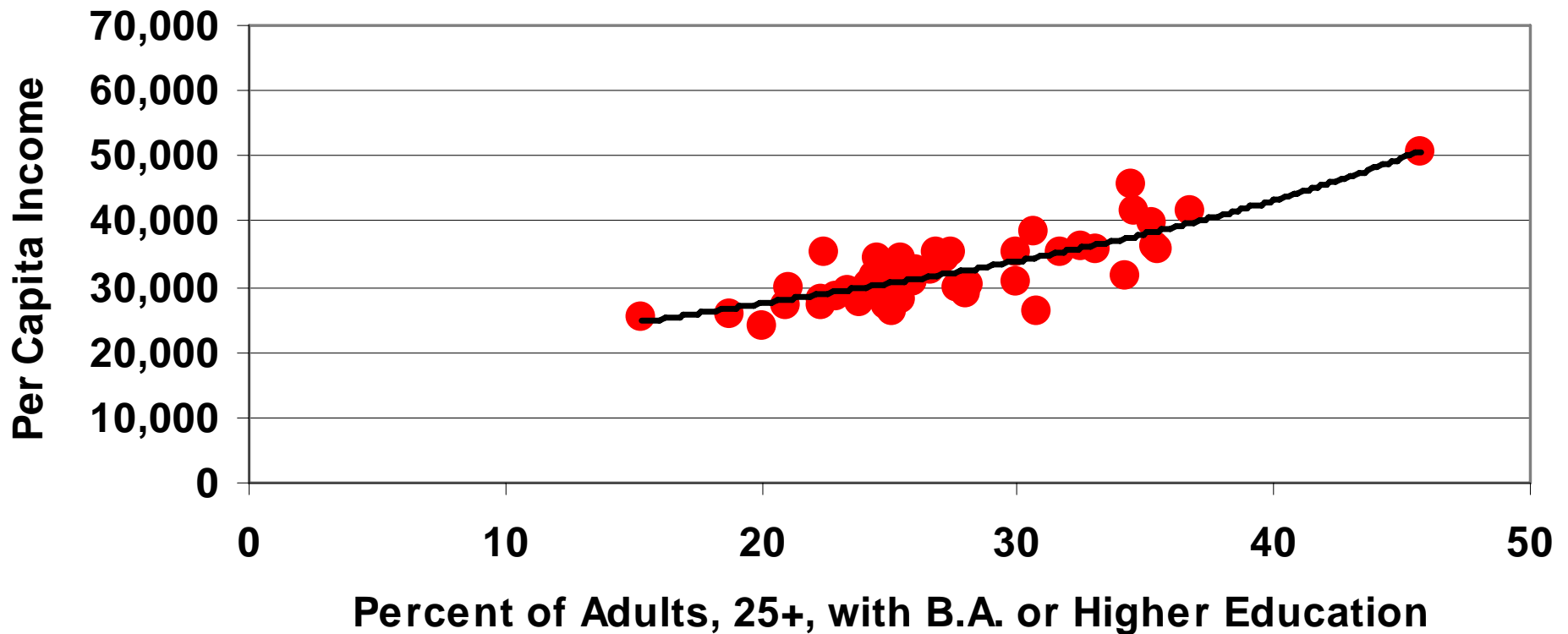
Correlation of Education Attainment with Income in the U.S. (2005)



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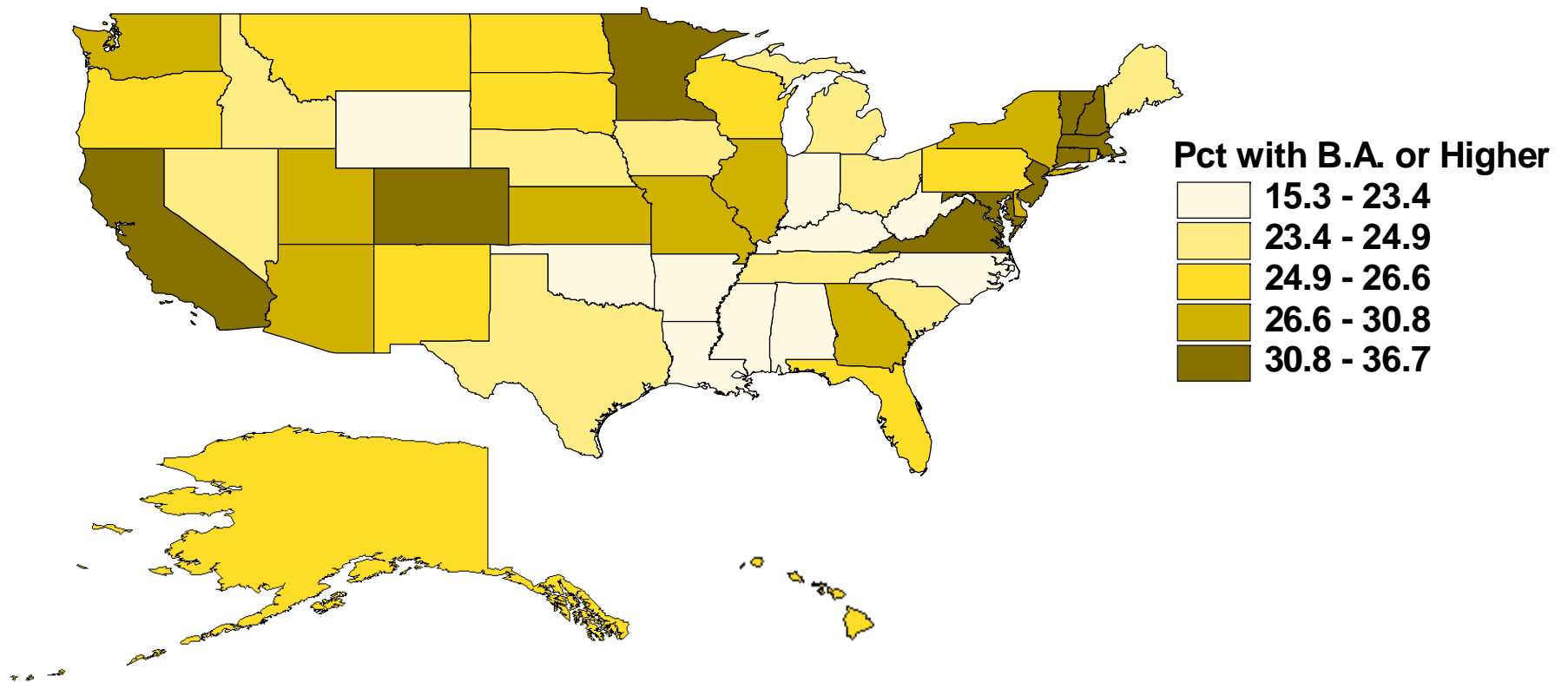
Per Capita Income & Educational Attainment (2004 data) for U.S. States



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Percent of Adults 25+ with B.A. or Higher



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Service Jobs of the Future

	New Jobs by 2014	Income in 2006	Degree Required
Education and Health Services	5,198,000	\$51,720	Yes
Professional and Business Services	4,500,000	\$83,827	Yes
Leisure and Hospitality	2,260,000	\$27,992	Some
Other Services	384,000	\$18,526	Some
Information	364,000	\$70,009	Yes
Financial Activities	1,164,000	\$72,200	Mostly, Yes
Trade, Transportation and Utilities	2,630,000	\$26,694	Mostly, No
Government	2,200,000	na	Some
Total	18,700,000		
U.S. Average		\$35,700	

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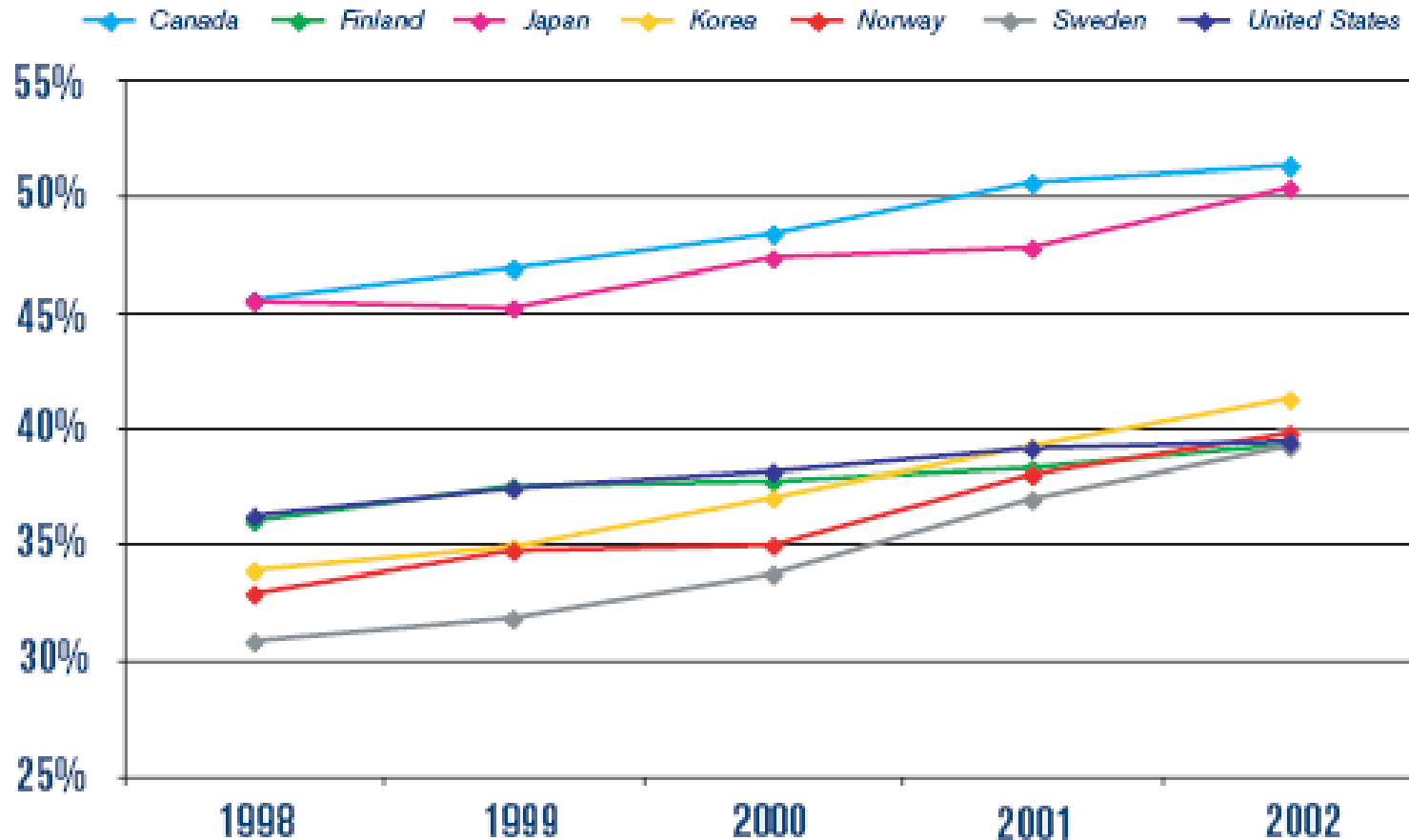


Are We Losing Our Education Advantage?

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Trends in Educational Attainment of the U.S. Population Relative to the Most Educated Countries - Percent of the Young Workforce (25 to 34 Year Olds) with an Associates Degree or Higher



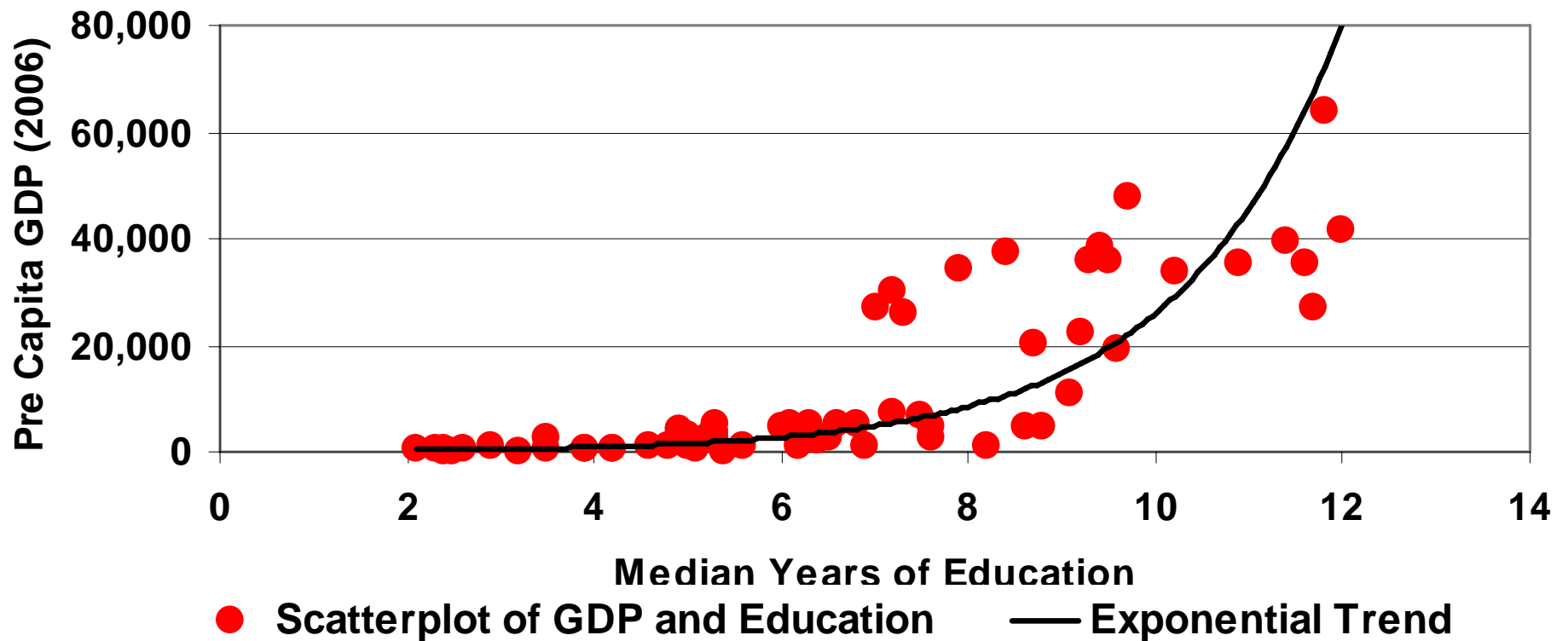
Source: Organization for Economic Co-operation and Development (OECD)

Source: *Myths and Action: What Economic Developers Must Know About Workforce Development and Community Colleges*, Mary Crabbe Gershwin, Ph.D.

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Per Capita GDP (\$) and Median Education Level (Data for 66 Countries in 2005)



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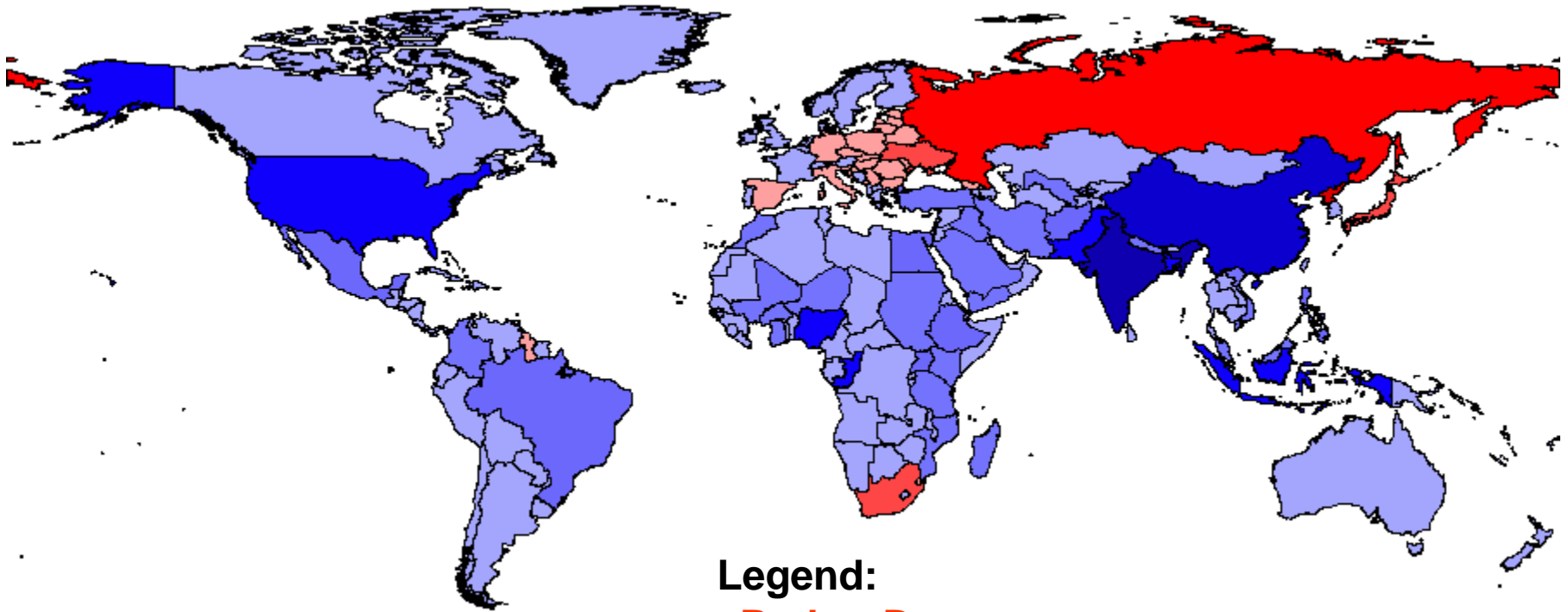


Future Markets

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Population Growth: 2000 to 2030



Legend:
Red **Decrease**
Blue **Increase**

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Source: Census Bureau

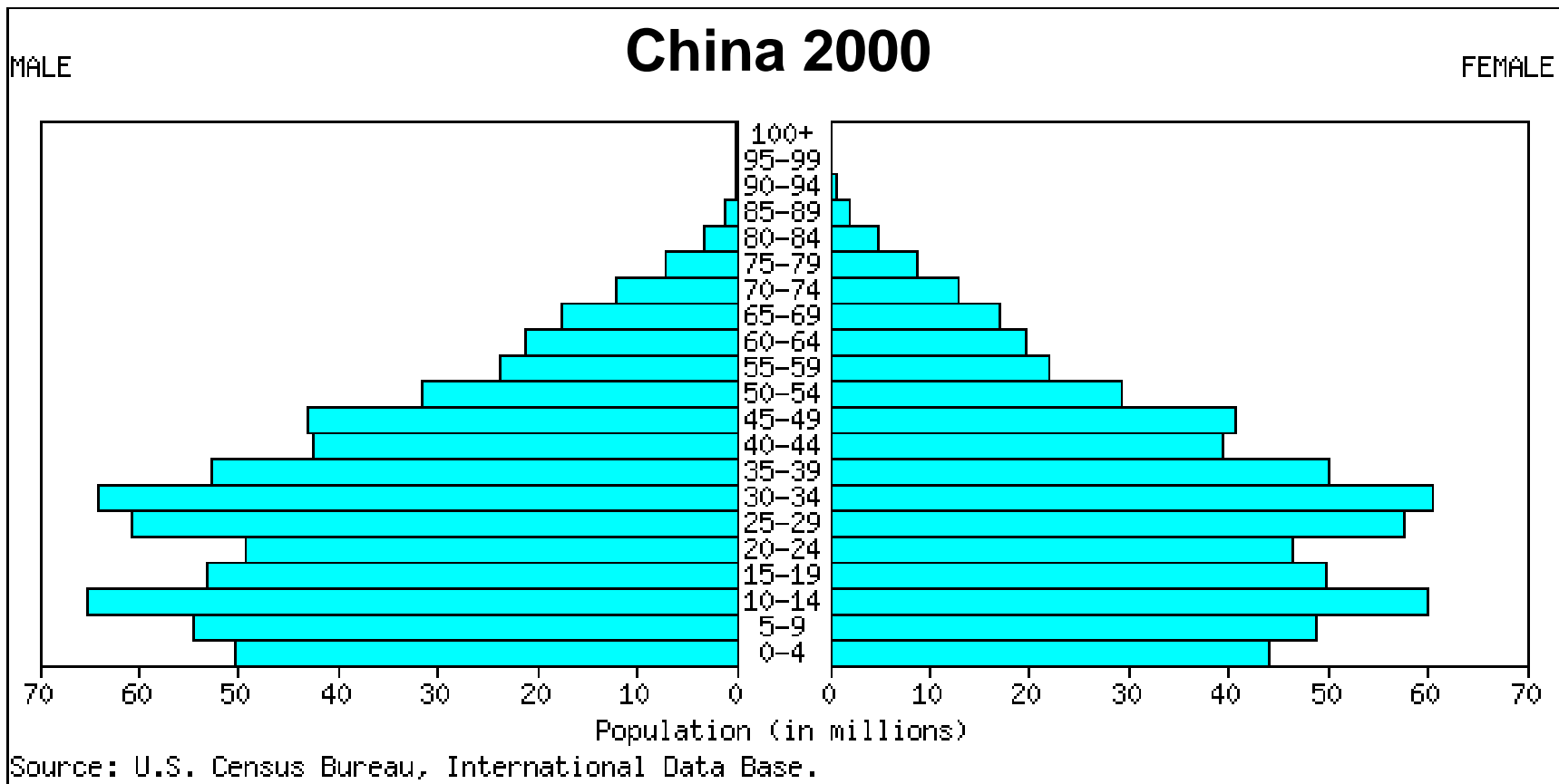


Population and Baby Boomer Patterns: Future Markets

- **China**
- **India**
- **Japan**
- **Germany**
- **Mexico**
- **Russia**
- **United States**

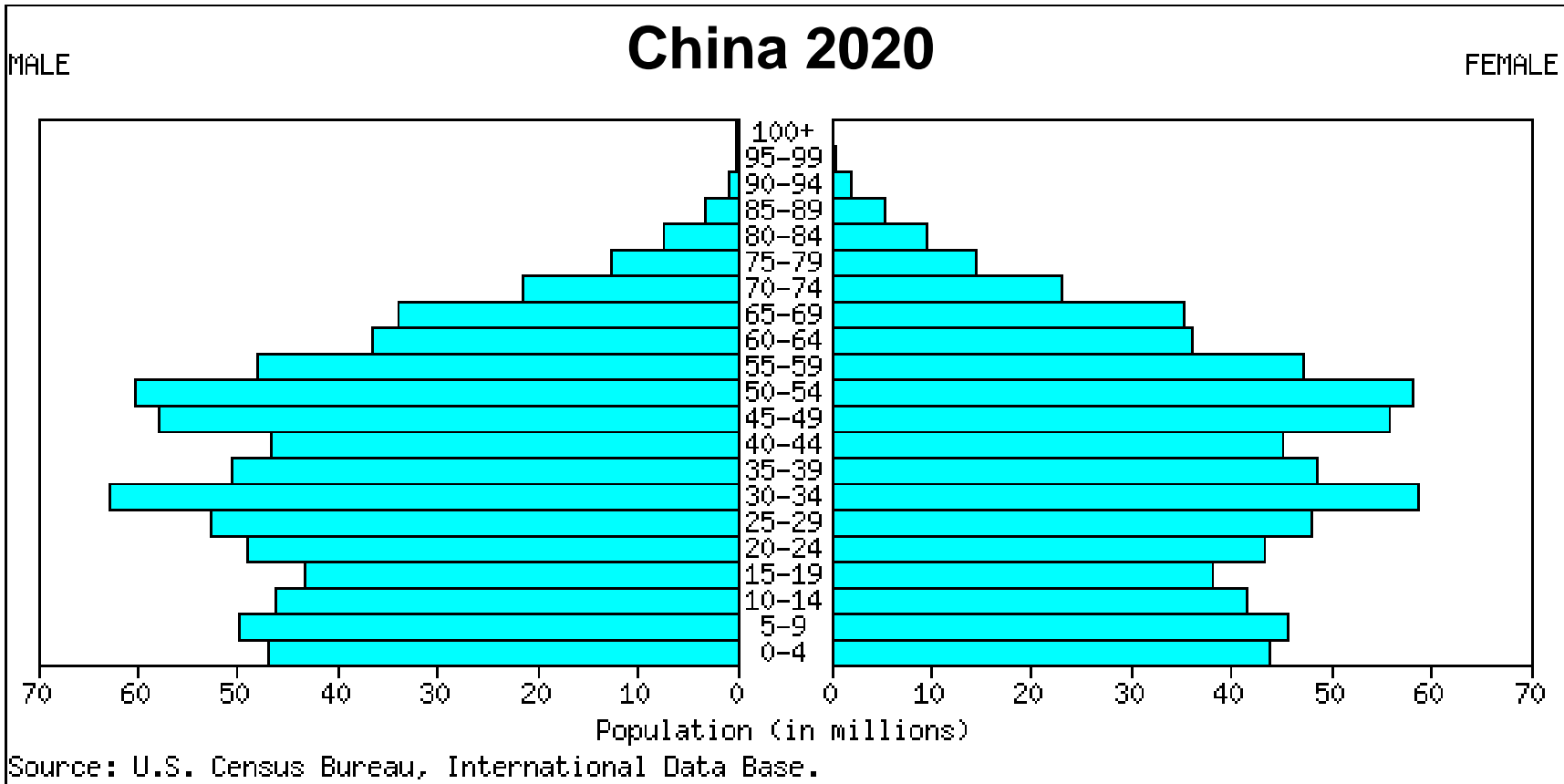
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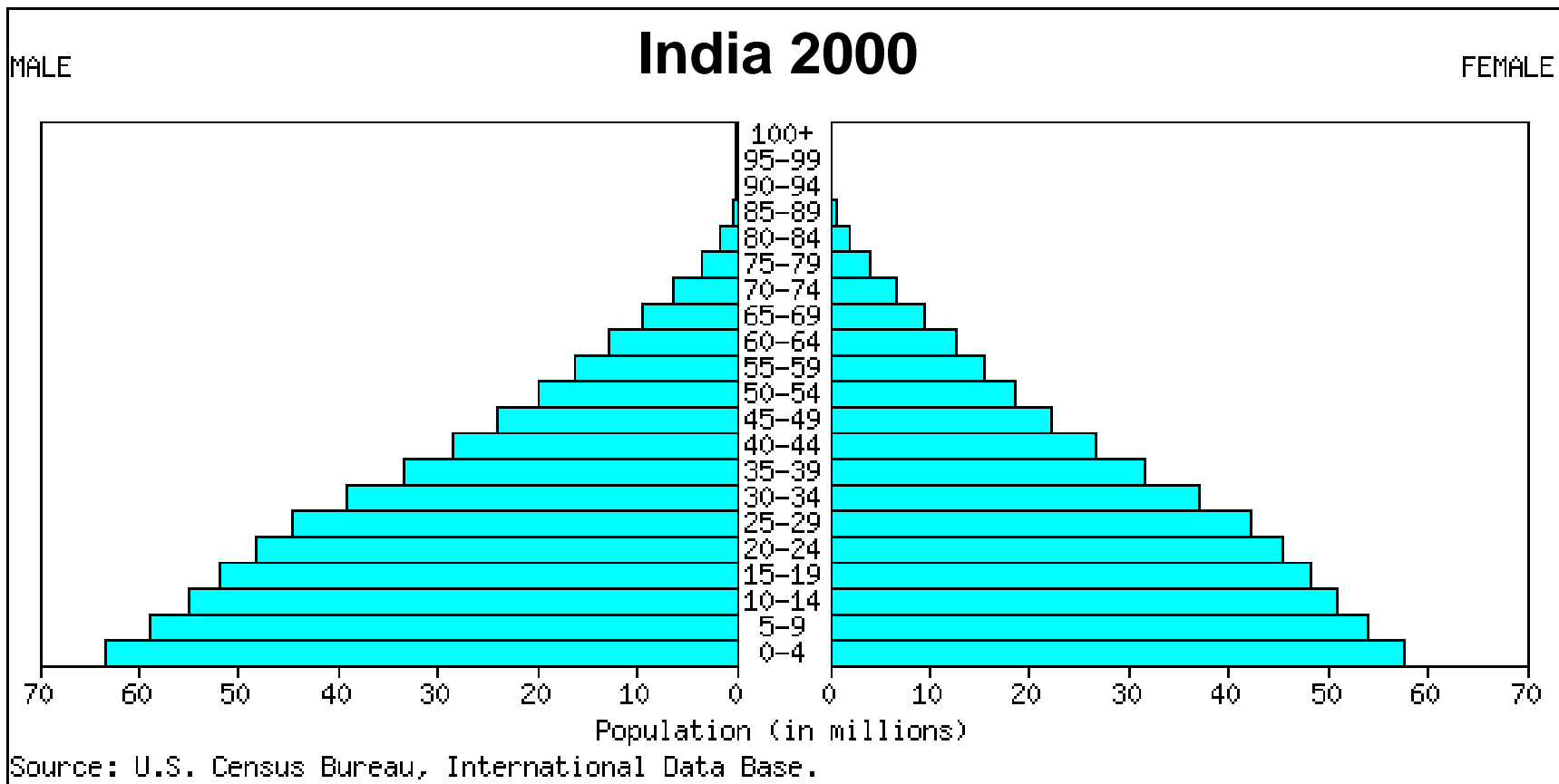
11th Annual Southern Colorado
 Baby Boomers are 36 to 54 years old. Economic Forum





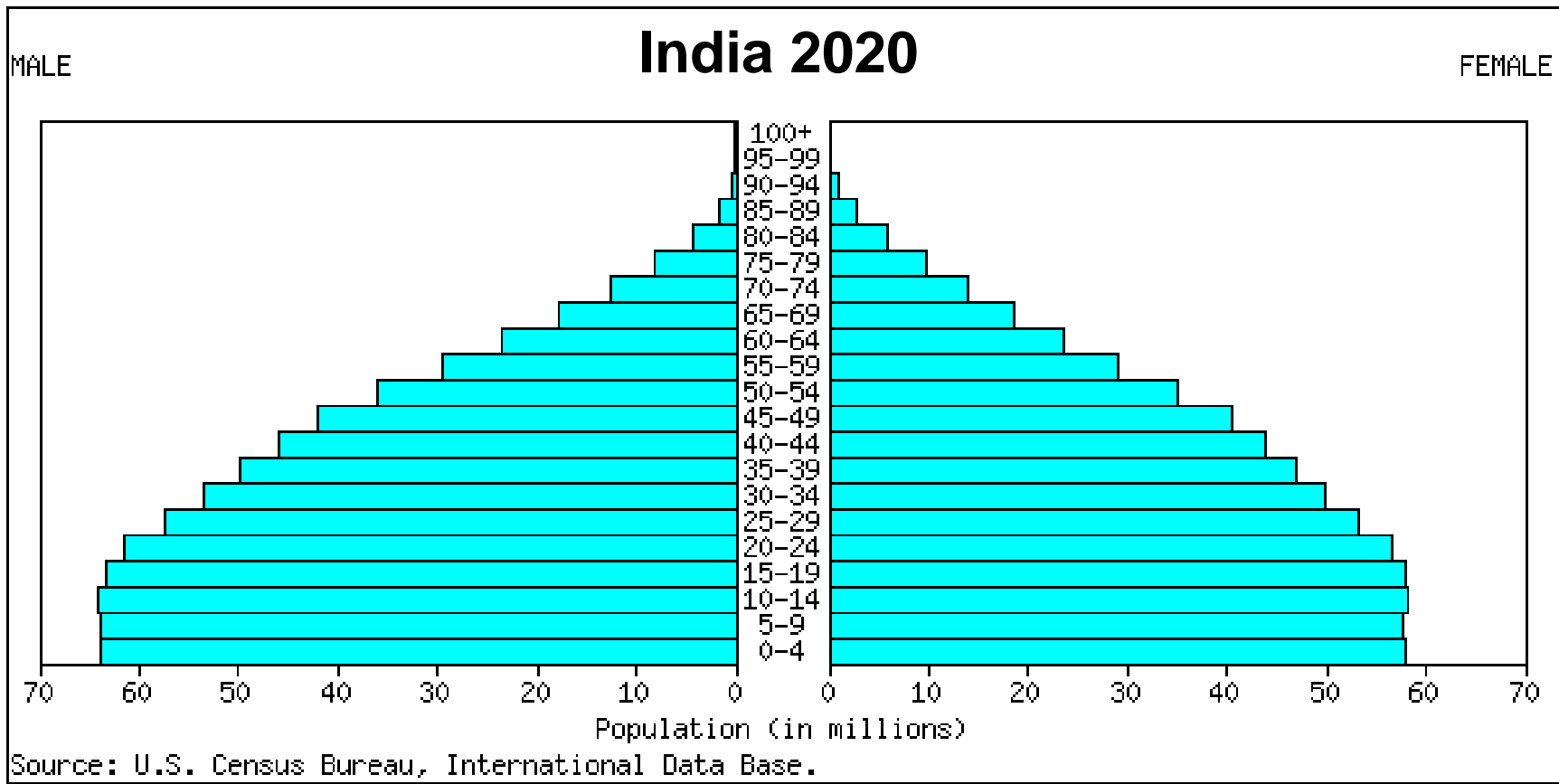
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 Baby Boomers are 56 to 74 years old. Economic Forum





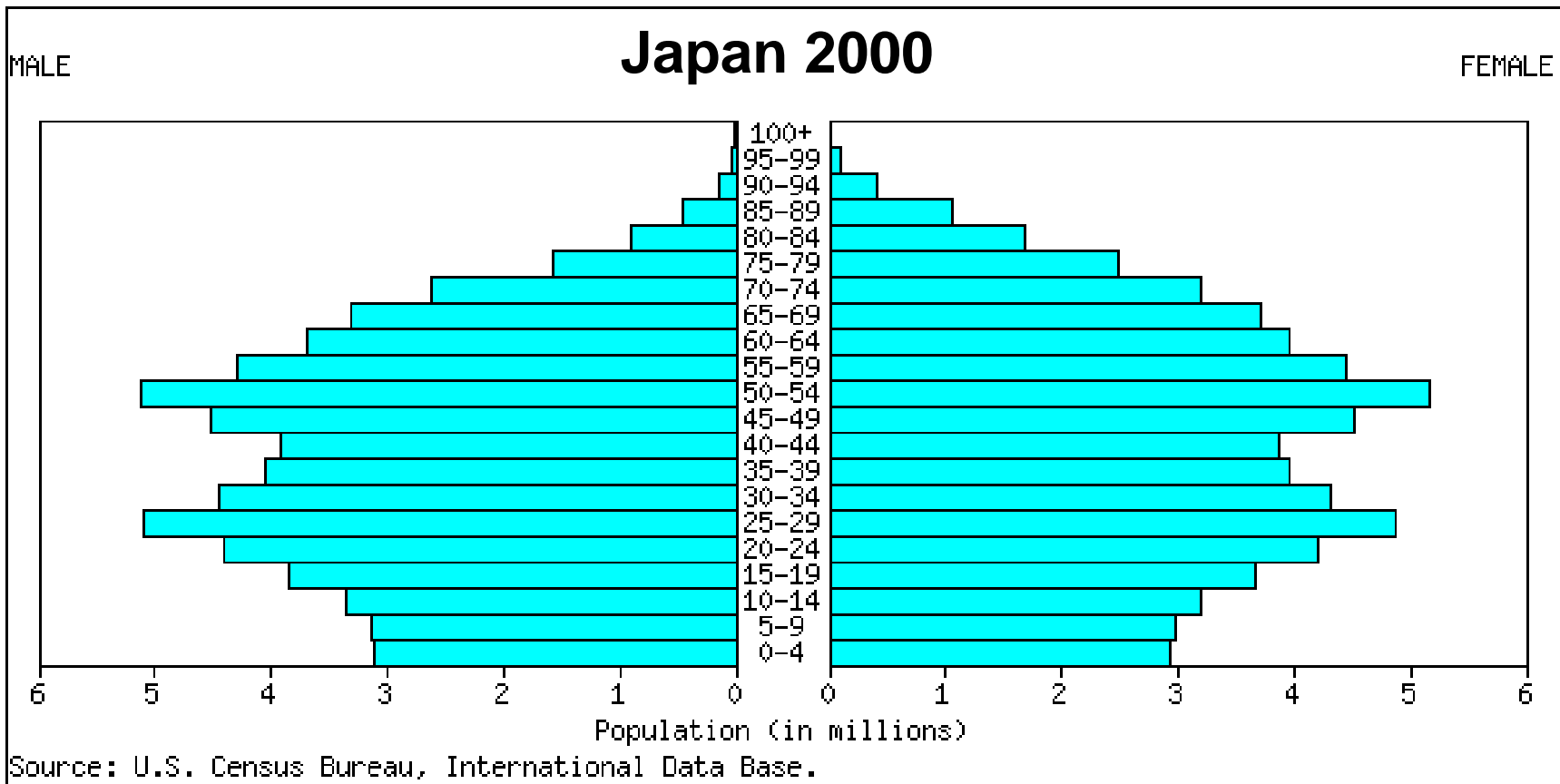
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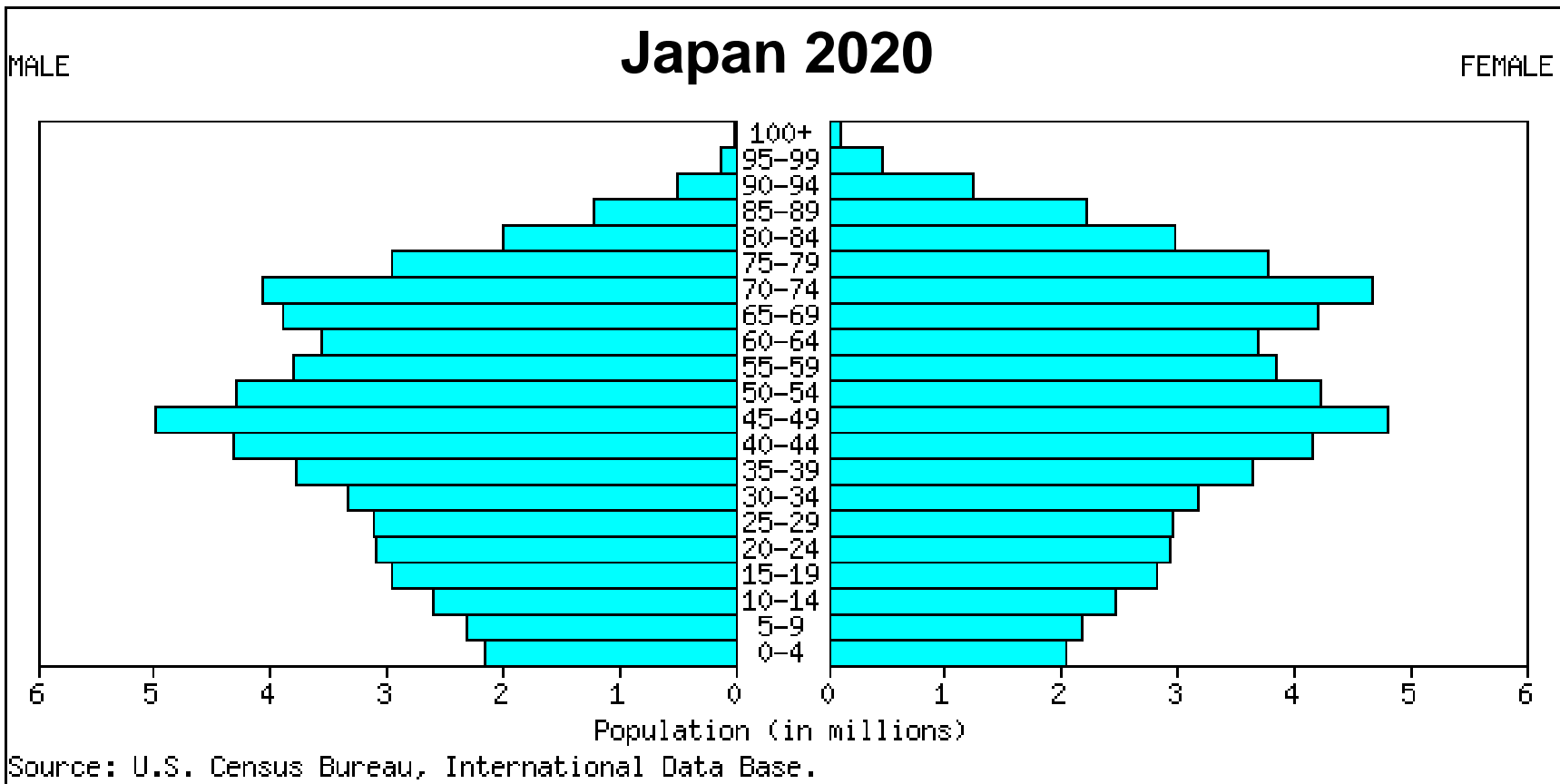
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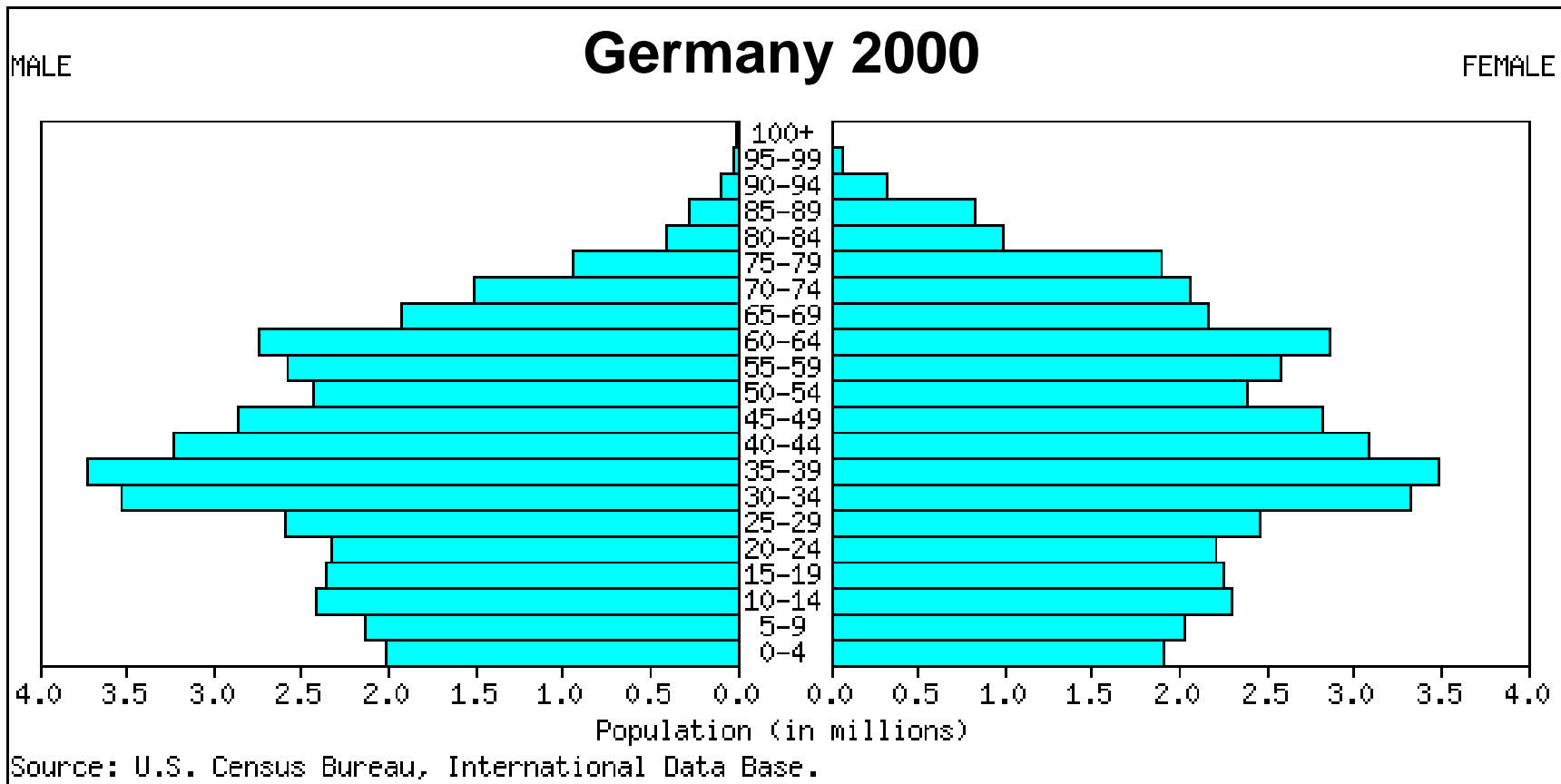
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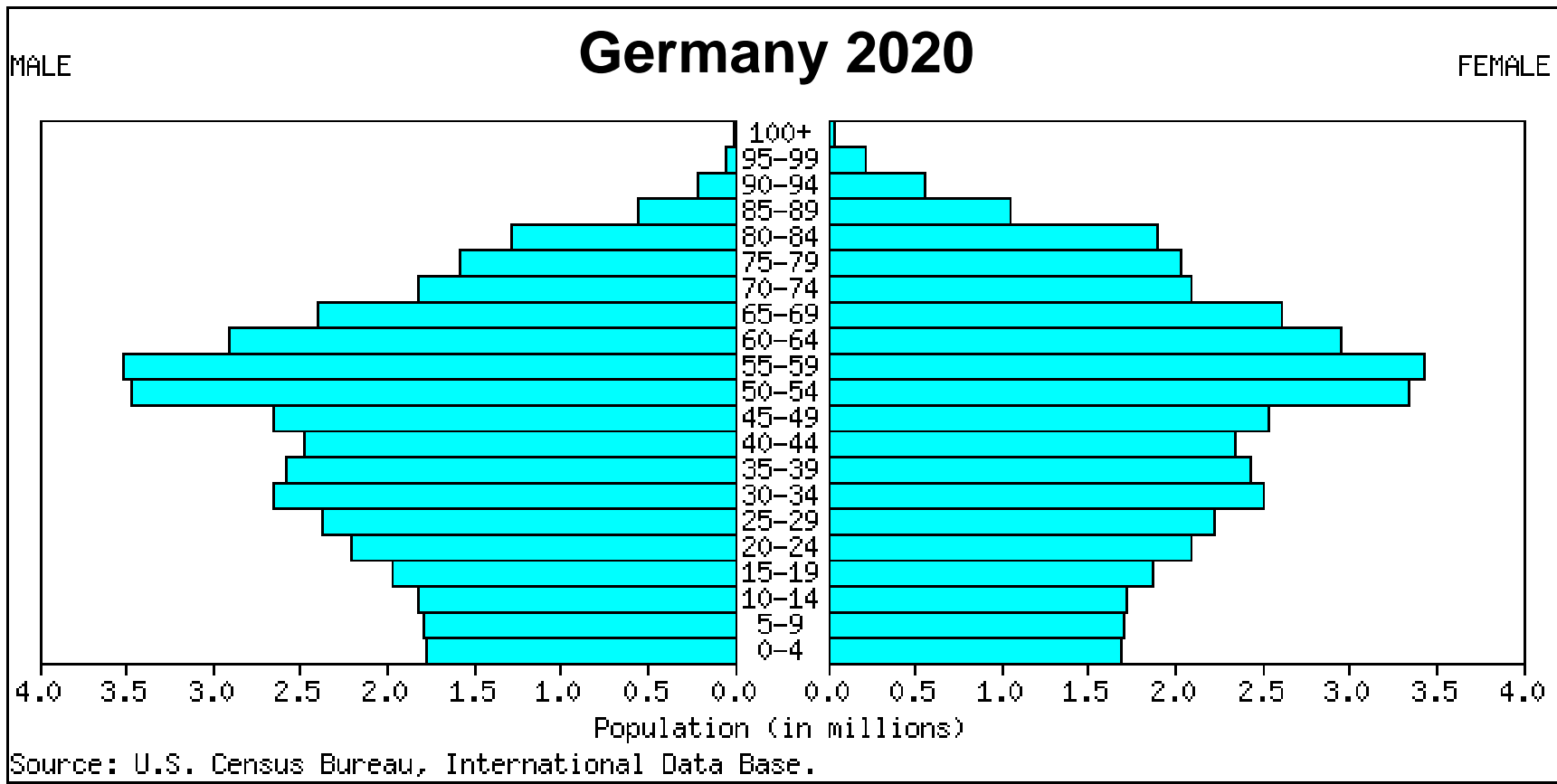
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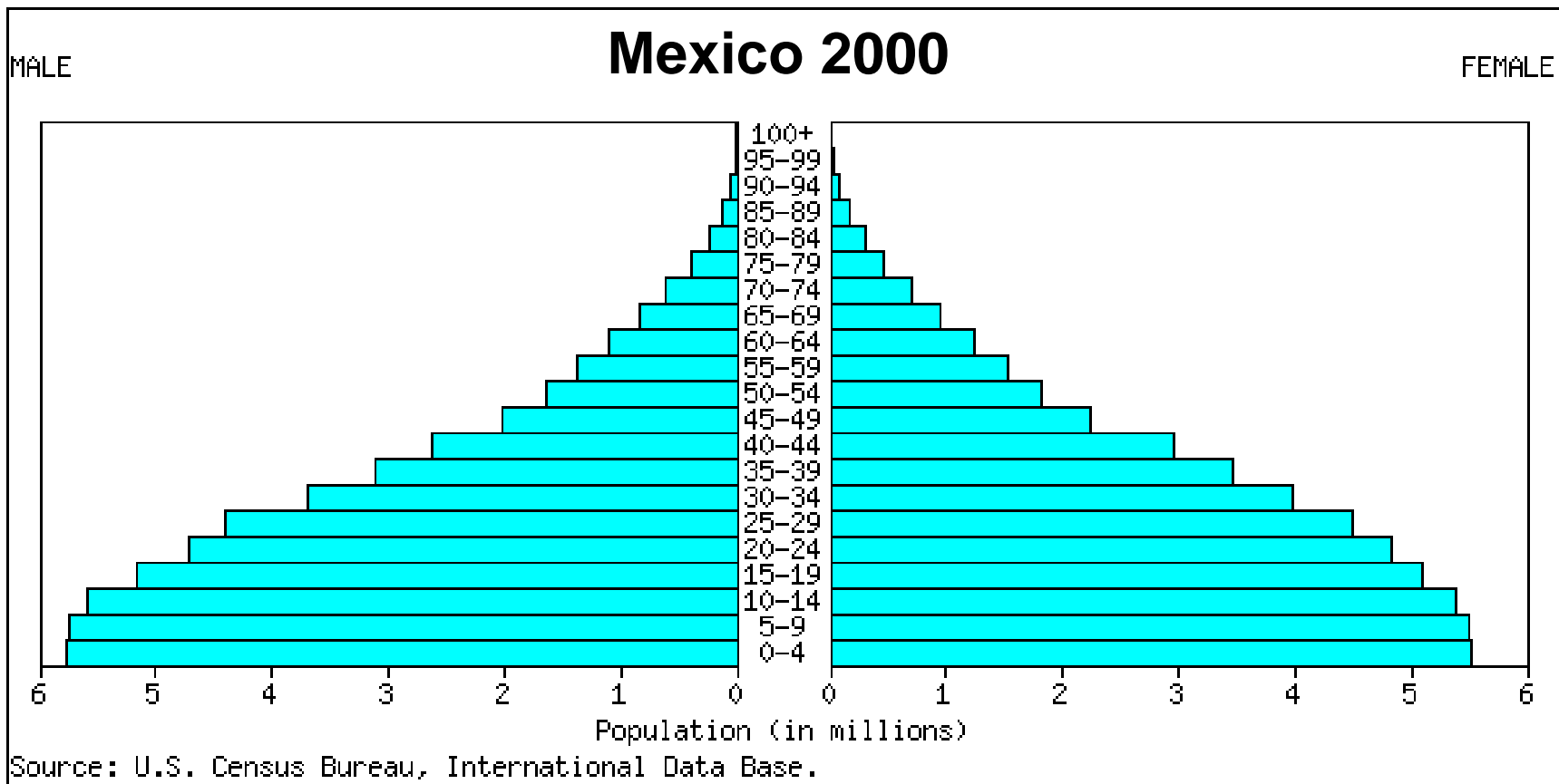
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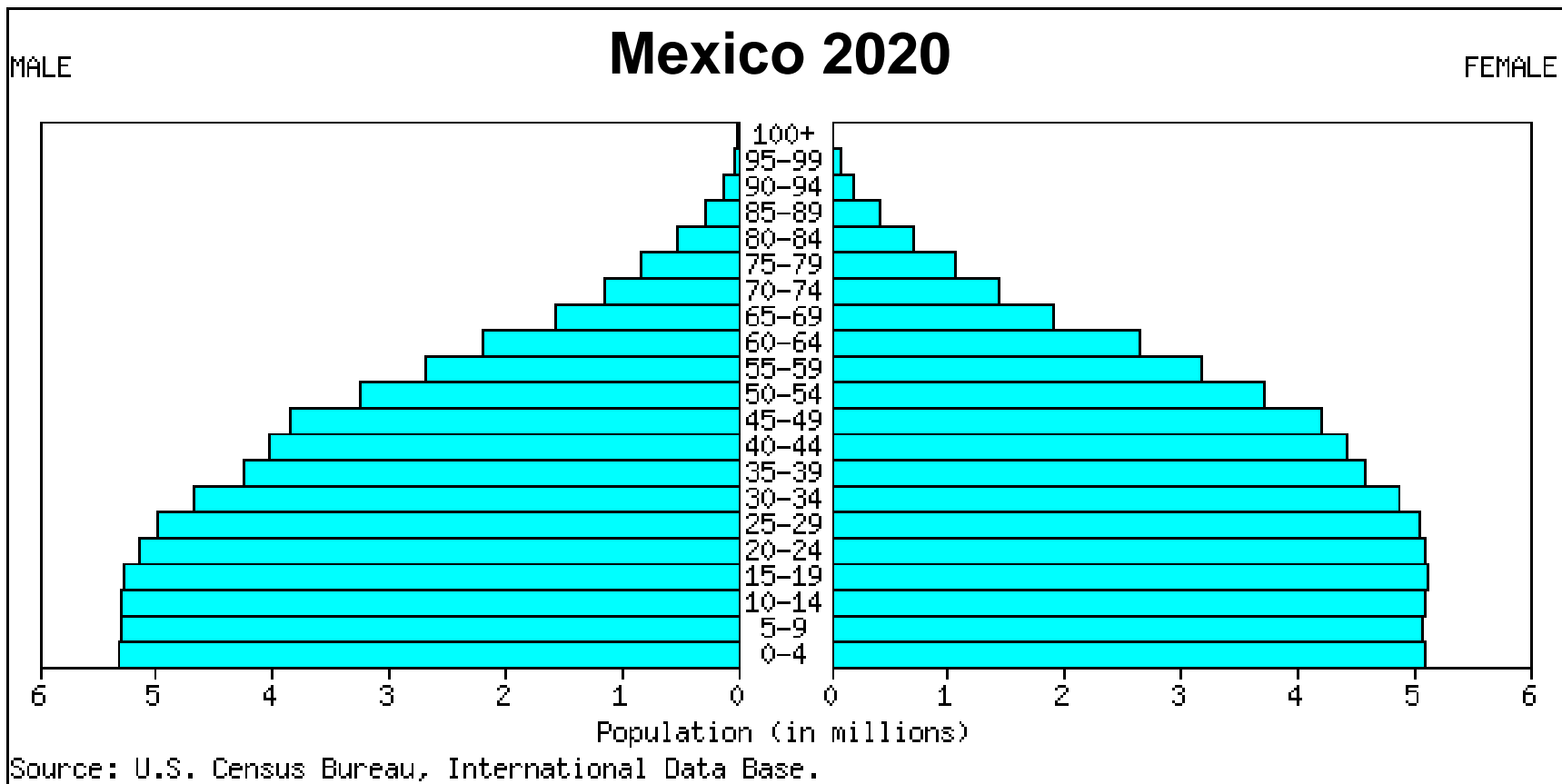
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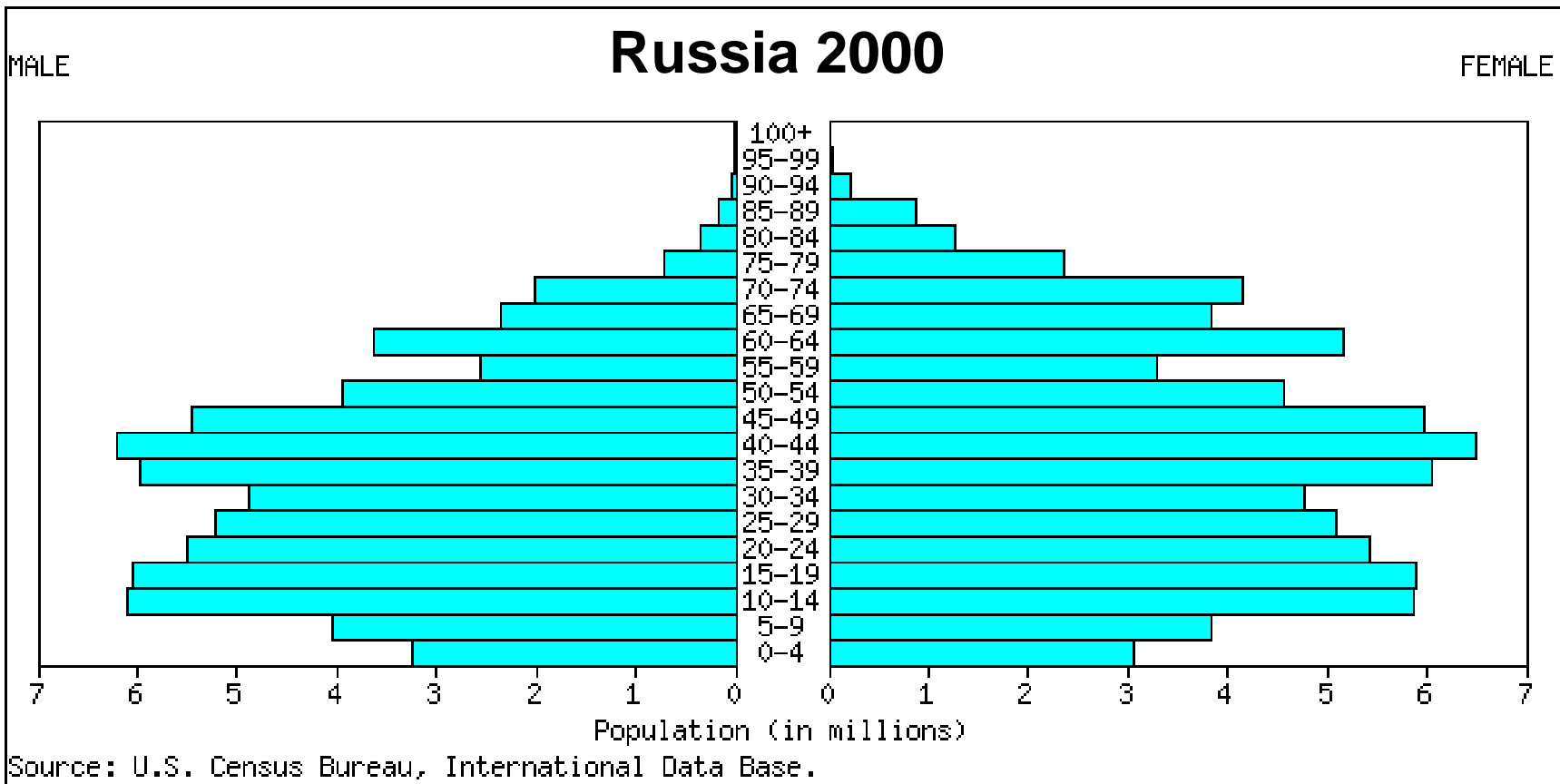
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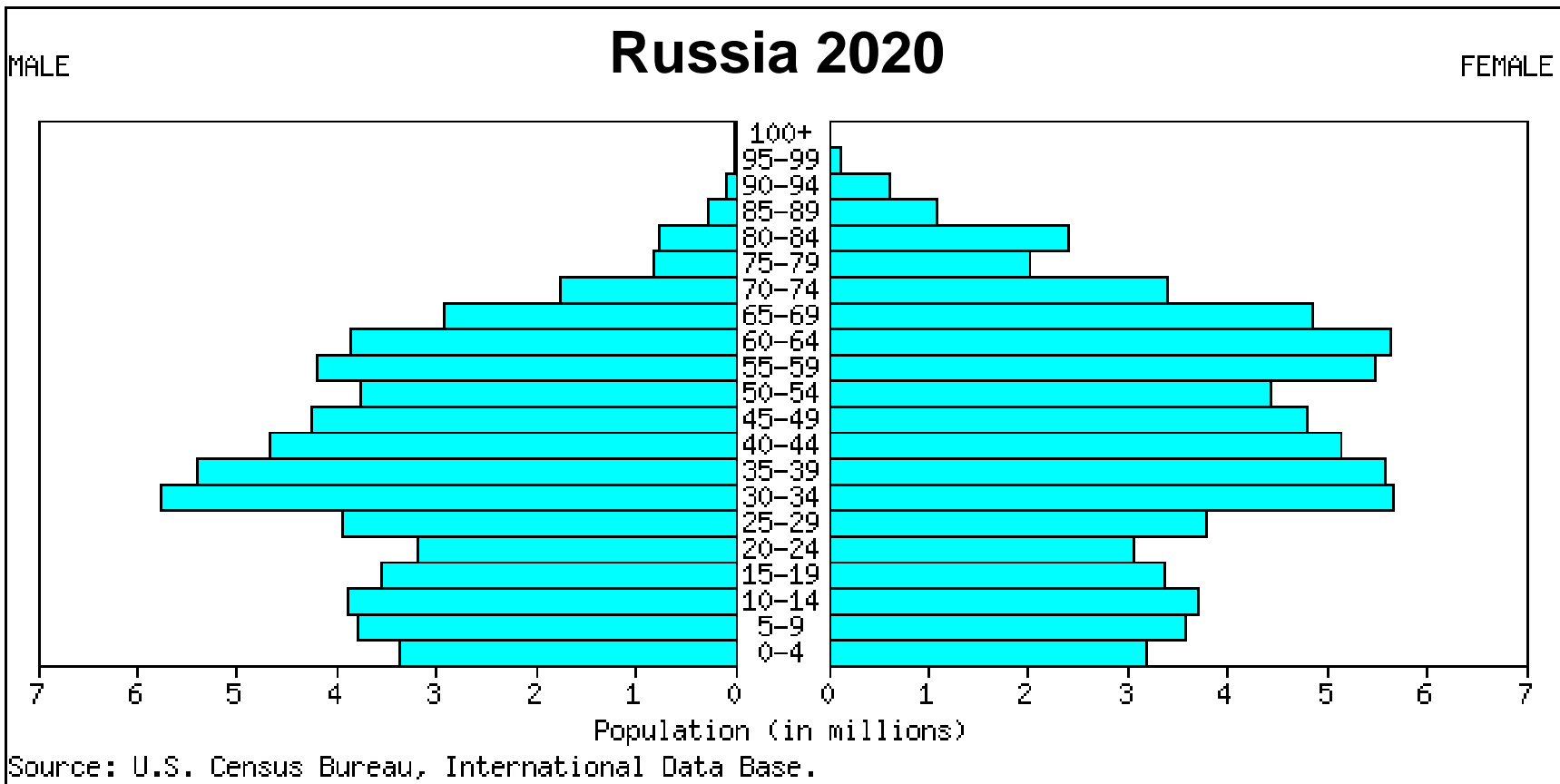
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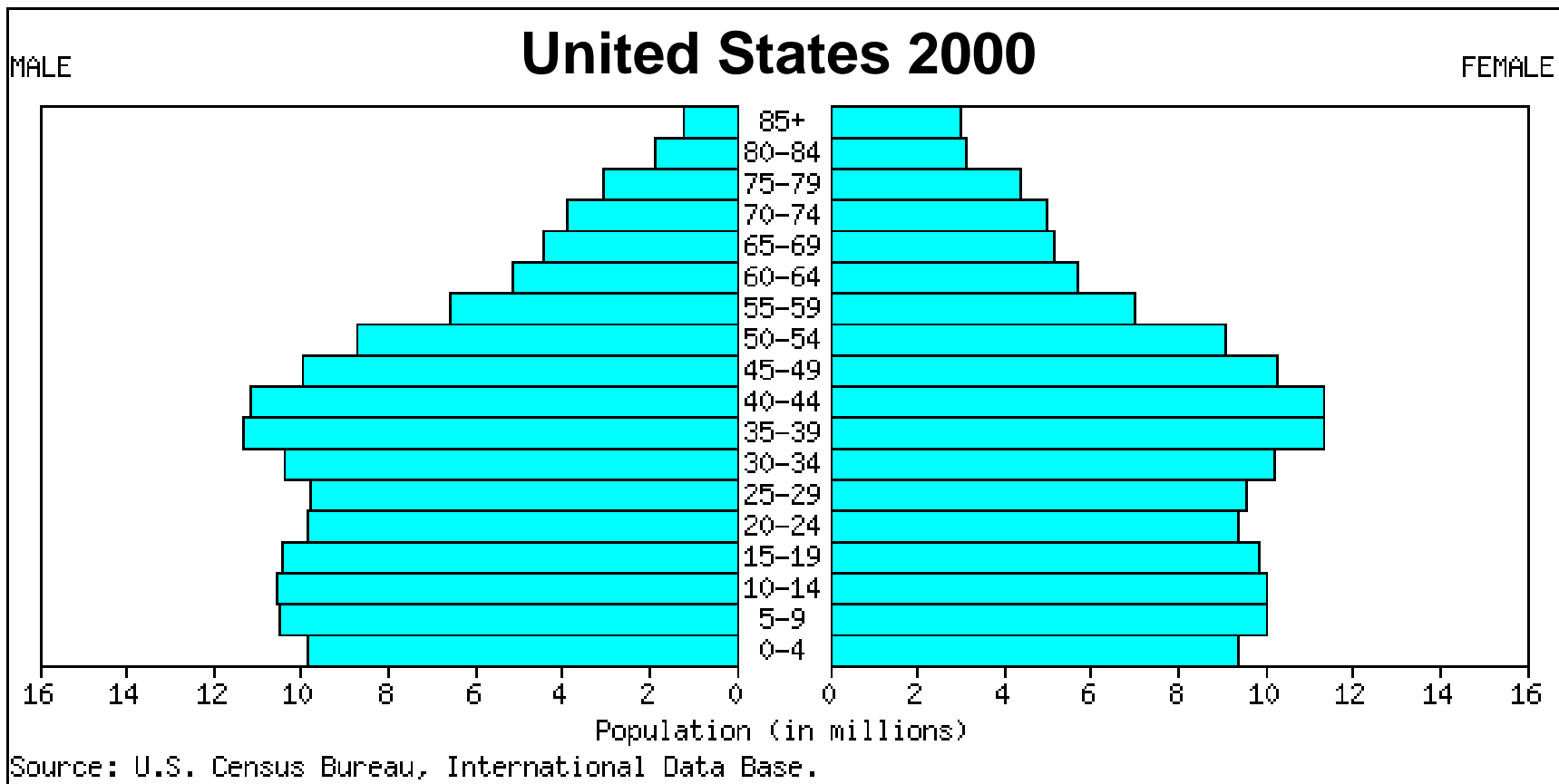
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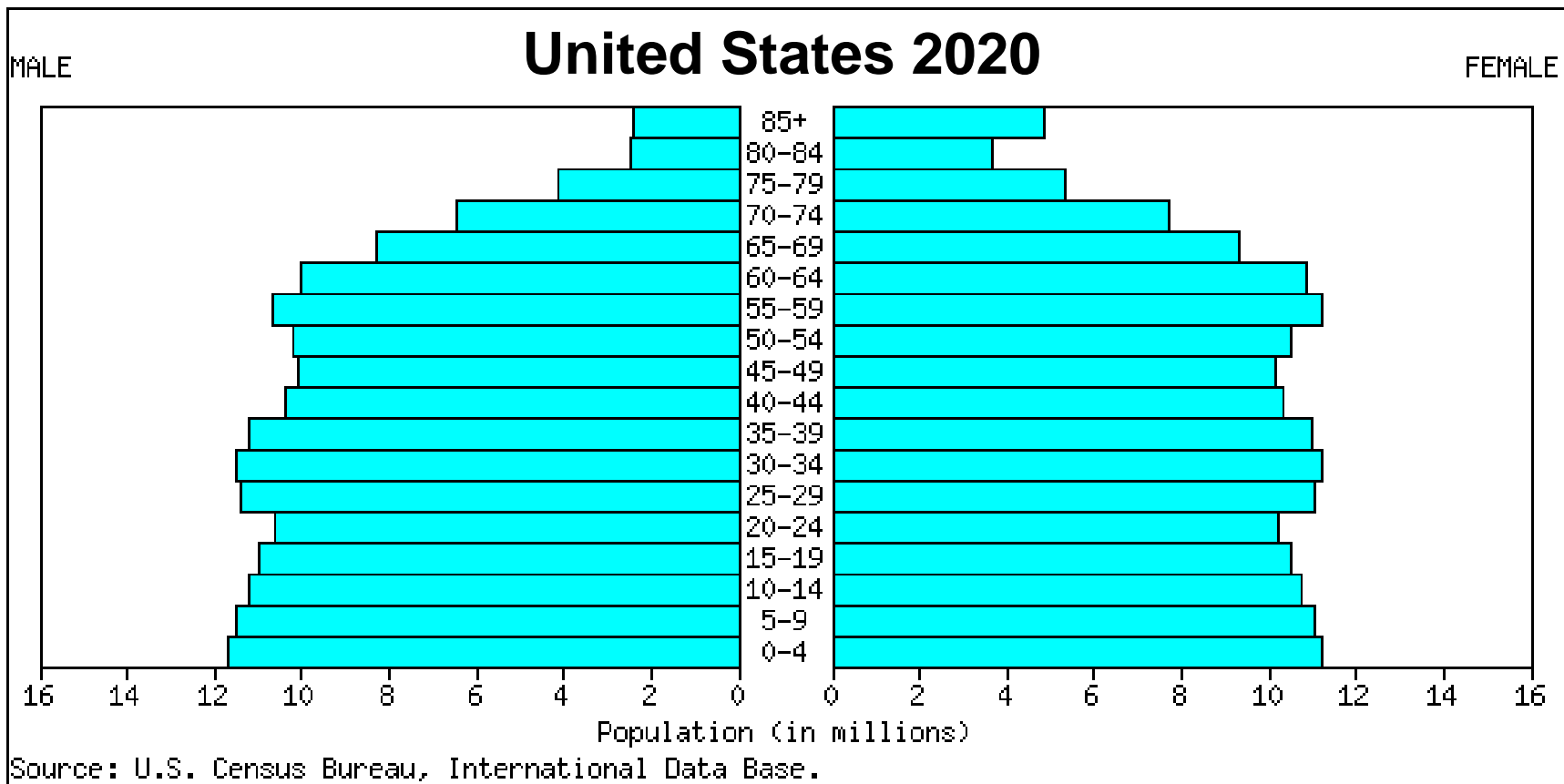
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Summary

- **Offshoring of jobs is here and will grow**
- **Standardized tasks are most likely targets**
- **IT, Finance and Health Care are vulnerable**
- **Education is key to being competitive – we are falling behind**
- **Less developed markets of today are our best targets to repatriate lost jobs in the future**
- **A decline in qualified workers in the U.S. will dictate revisions to our immigration policies**