



Opening Statement of Rep. Brett Guthrie (R-KY), Chairman, Subcommittee on Higher Education and Workforce Development Hearing on “Closing the Skills Gap: Private Sector Solutions for America’s Workforce.”

Since the Great Recession 10 years ago, the American workforce has experienced a growing shortage of skilled workers with the current deficit clocking in at over six million workers. Businesses and industries are struggling to hire qualified candidates for job openings in a phenomenon known as the skills gap. In a 2015 survey of over 40,000 employers worldwide, participants reported that the top three reasons they have difficulty filling open jobs are a lack of available applicants, lack of technical competencies, and lack of experience.

This shortage of skilled employees can be seen in our own job market data. On the face of the Department of Labor’s April jobs report, the outlook appears rosy. Unemployment is all the way down to 3.9 percent and the economy is adding thousands of new jobs each month. But when you dig a little deeper, the numbers reveal that the labor force participation rate remains low with only 63 percent of working-age Americans participating in the workforce. In other words, there are plenty of in-demand jobs available, but individuals with the skills and qualifications needed to fill them are scarce.

Faced with these challenges, private sector businesses and industries have taken matters into their own hands and are devising creative approaches to bridge the skills gap.

Many companies are establishing partnerships with schools to develop programs that strengthen employees’ proficiencies and align their skills with industry needs. In a 2014 survey of U.S. executives involved in workforce development, 77 percent of executives reported that their business was affiliated with a four-year college or university, 32 percent were partnered with a community college, and 31 percent with a technical or workforce development program.

Some businesses have put an emphasis on approaches that combine on-the-job learning and classroom-based instruction like apprenticeships, while others are relying more heavily on industry-recognized certifications and credentialing to build their workforce and hire candidates with applicable skills.

(More)

These are just a handful of initiatives that private sector companies are taking to equip workers with the skills they need to succeed in high-skill, high-wage, and high-demand fields.

The skills gap phenomenon is an issue that this committee has paid close attention to over the past several years, and members have already taken steps to advance policies to complement workforce development initiatives already taking place in the private sector.

Last year, this committee favorably reported and the House of Representatives unanimously passed H.R. 2353, the *Strengthening Career and Technical Education for the 21st Century Act* to improve career and technical education to equip students with the skills they need for in-demand jobs while providing working Americans with a path to success.

In December 2017, this committee also favorably reported H.R. 4508, the PROSPER Act – higher education reform legislation. The PROSPER Act will expand student access to and participation in industry-led earn-and-learn programs and apprenticeships, and it will bolster partnerships between businesses and institutions of higher education.

These legislative initiatives will be instrumental in closing the skills gap, but members of this committee will greatly benefit from hearing more about the solutions emanating out of the private sector to strengthen our national workforce and fill good-paying jobs.

I look forward to hearing from our panel of witnesses and from other members of the subcommittee today as we explore industry-led solutions to close the skills gap.

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