

“Keeping California’s Edge: The Growing Demand for Highly Educated Workers” is a new study released by the Campaign for College Opportunity and the California Business Roundtable. The study is unique for two reasons: 1) it analyzes California industries and occupations likely to generate the most new jobs requiring a highly-educated workforce and 2) it studies the impact those workers will have on California’s economy and specific industries. The study was conducted by researchers Dr. Robert Fountain, Marcia Cosgrove and Petra Abraham of California State University, Sacramento’s Applied Research Center.

Methodology

This study projects out to the year 2022, using two major foundations of existing data:

- **Education Specific Occupational Data:** The report is built on a detailed analysis of U.S. Bureau of Labor Statistics (BLS) and California Employment Development Department (EDD) data on changes in occupation-education requirements and industry-occupation composition as reported by employers for the period 2002 through 2012. The report extends those projections through 2022 using a linear model.
- **Models of the Future California Economy:** The report uses two models of the future California economy, one developed by the UCLA Forecast Project and the other by the EDD, which anticipate both the growth in the economy, as well as changes in the industry composition of the economy. It also makes use of the IMPLAN economic model, which is widely recognized for projecting economic impacts.

Key Findings

- California industry will demand more workers with high levels of education. Because the state’s economic success in the world relies heavily on its highly-educated workforce, Californians must find a way to meet this surging demand – or risk losing the state’s competitive edge.
- Jobs requiring higher education are growing faster than overall employment. Today, 1 in 4 California jobs require an Associate Degree, Bachelor’s Degree or higher. In the near future, 1 in 3 of the new jobs generated will have such a requirement. Demand for jobs requiring a college degree will grow by 48%, while jobs not requiring a degree will grow by 33%.
- Three industries will **require the largest number** of highly educated workers, and therefore have the most at stake: technical services, education and healthcare.
- Three other sectors will face **significant economic impacts** if California doesn’t keep its competitive edge: finance, manufacturing and information.
- The increasing demand for highly educated workers combined with the loss of the retiring highly-educated Baby Boomers is equal to more than 3 million new workers: which is more than the population of the cities of San Diego, San Jose and San Francisco combined.
- Highly educated workers have big economic impacts. A 1% increase in the share of population with a Bachelor’s degree, combined with a 2% increase with an Associate degree or some college, results in \$20 billion in additional economic output, \$14 billion in value added, \$1.2 billion more in state and local tax revenues annually, and 174,000 new jobs created.
- California needs a sustained focus on higher education – ensuring that Californians are prepared in our community colleges and universities to serve as the nurses, teachers, engineers and other workers who will keep our economy strong.