

***New Bostonians Summit
Boston, March - 2010
Alvaro Lima***



the story:

increasingly, there will be more people looking for their glasses than people able to find them...

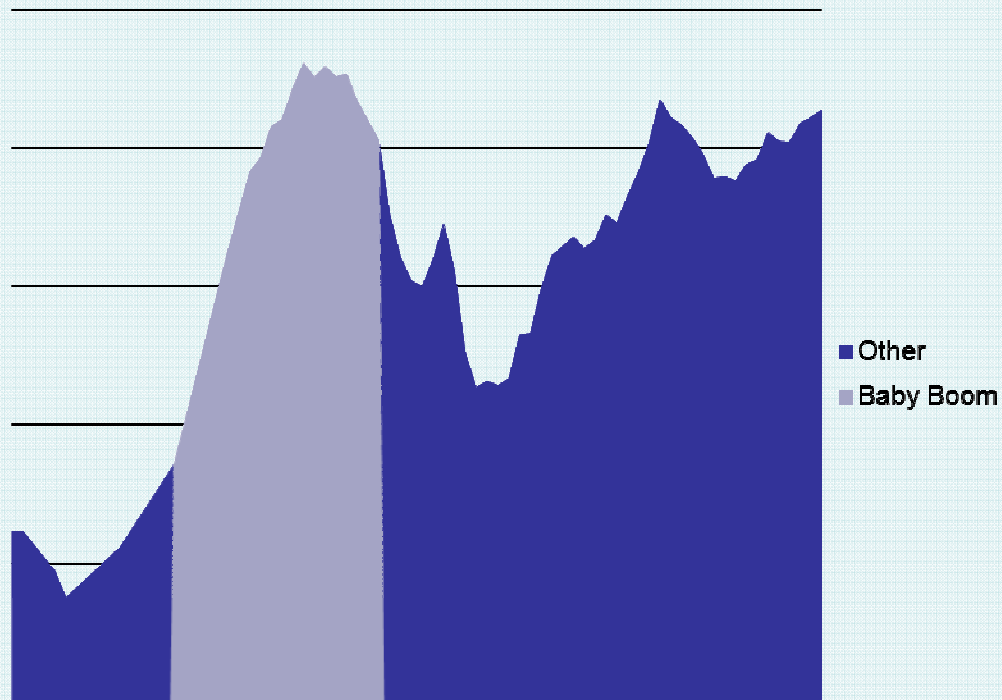


... this story is driven by three factors:

- the disproportionate size of the baby boom generation;

**1/3 of all Americans
- 76 million people -
were born between
1946 and 1964**

The Baby Boom – 1946 - 1964



- increasing longevity of the population;

a hundred years ago, only 4% of the U.S. population was over 65, today it is 14% and rising



... and declining birth rates

after peaking at 3.7 in mid-1950, the average number of children per woman in the U.S. has declined to 2 (replacement rate is 2.1)

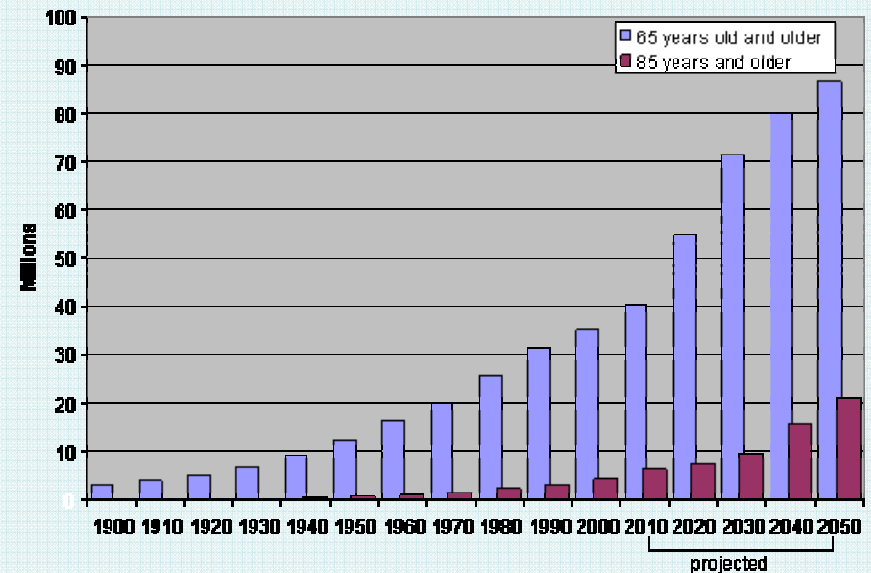


... this is the story. What are the consequences?

unless birth rates change dramatically, we will have

*a shortage
of labor ...*

Number of Americans 65 Years of Age and Older: 1900-2050



Source: US Census Bureau

... the shortage of labor:

- 14.6 million jobs will be created between 2008 and 2018 (Northeastern University, 2010);*

- assuming no dramatic change in the birth rate, labor force participation, and immigration, - 5.0 to 5.7 million jobs will go vacant in this period (Northeastern University, 2010);

** new nonfarm payroll jobs*



*... whatever the solution is,
immigrants will be a part of it,*

and this ,

*creates a shortage
of skills...*

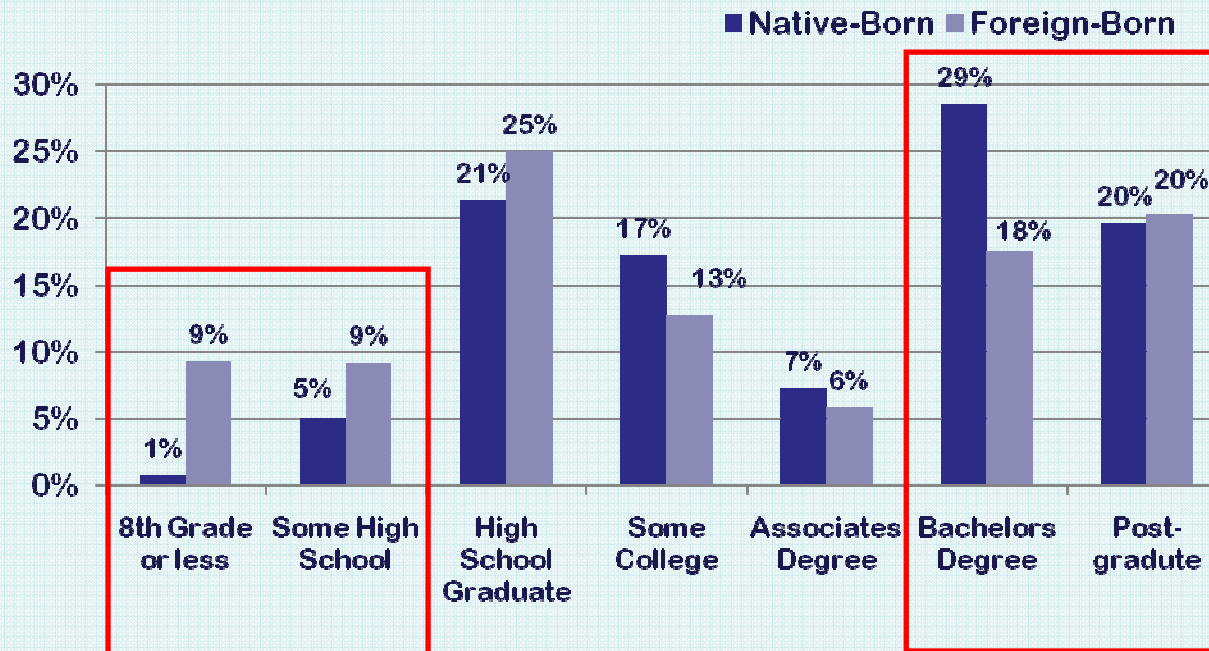


*two aspects –
educational
attainment and
language
proficiency
are key to close these gaps*

■ *overall, there are significant differences in the educational levels of Metro Boston's native and foreign-born workforces:*

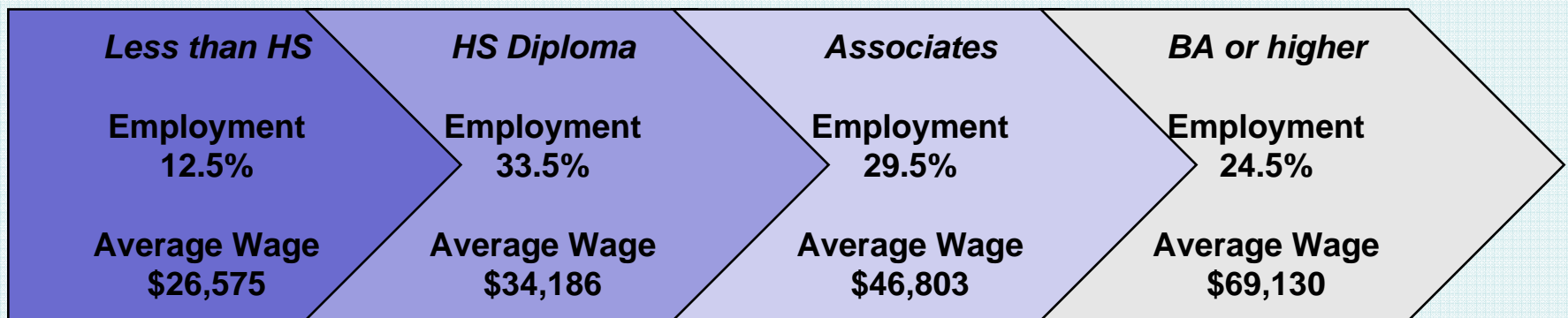
- 18% of Metro Boston's foreign-born workforce has less than a high school education, compared to 6% of the native-born workforce;
- Close to ½ of the native-born workforce has a 4-year college degree or higher compared to 38% for the foreign-born workforce.

Educational Attainment by Nativity Status-Metro Boston's Workforce



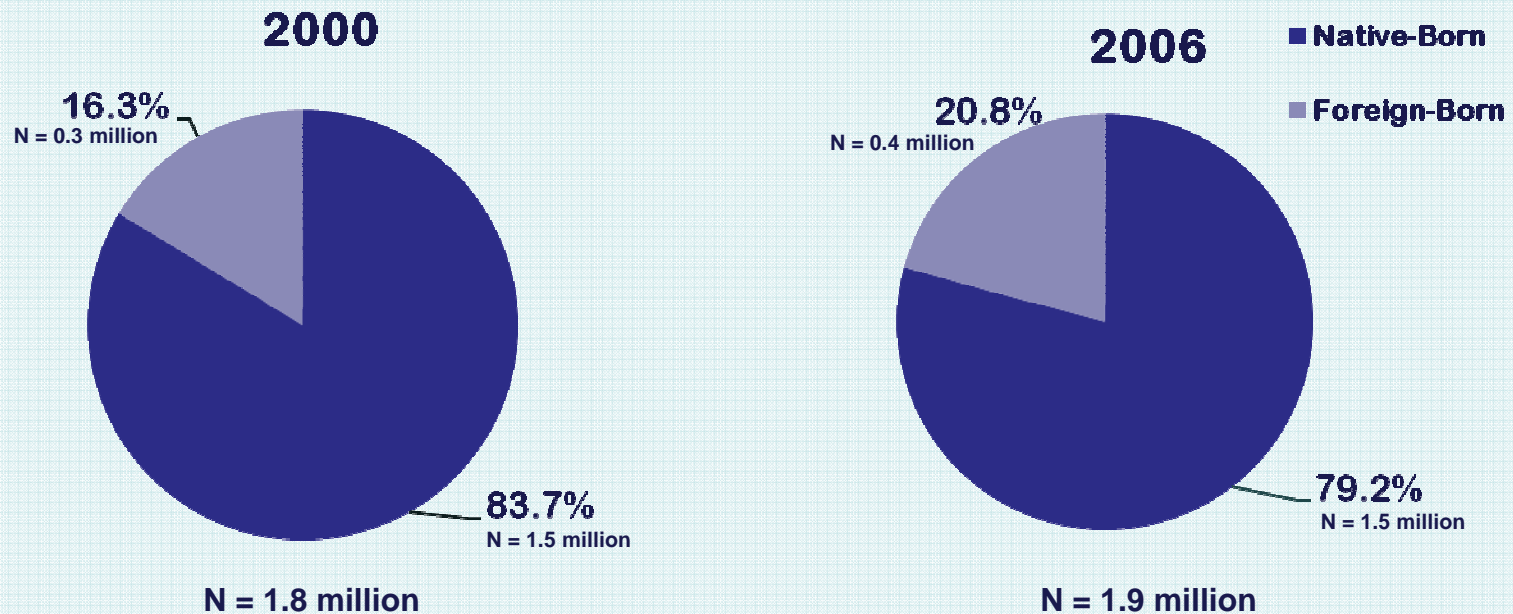
- ***there is a clear connection between educational requirements and income:***
 - **Close to 88% of all jobs in the labor market require at least a high school diploma;**
 - **Jobs requiring a college degree pay 2½ times more than jobs requiring less than a high school education;**
 - **While there are jobs available to people with limited education, these jobs pay dramatically less than jobs requiring even modest amounts of advanced education.**

All Jobs by Educational Requirements in Metro Boston-2004



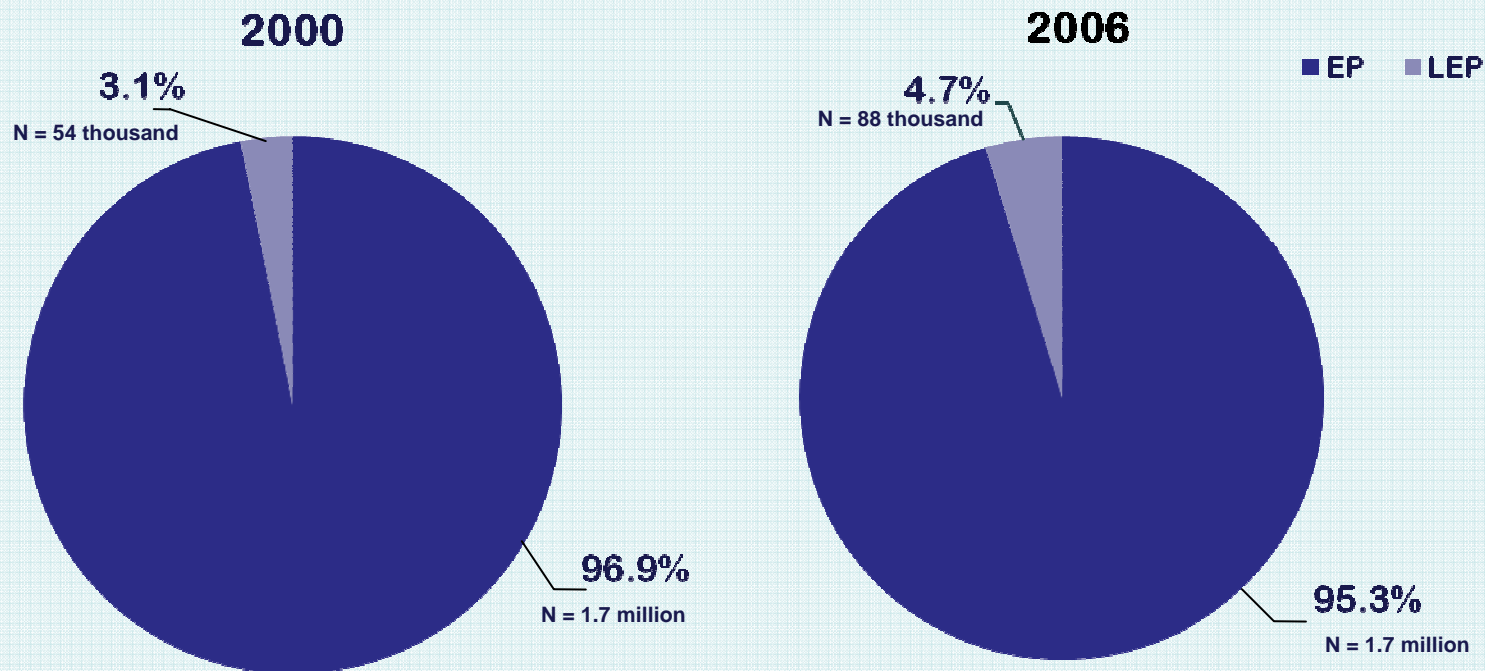
- *between 2000 and 2006, Metro Boston's foreign-born workforce increased by almost 94,000 people (an absolute increase of approximately 32%):*

Nativity Breakdown-Metro Boston's Workforce- 2000 and 2006



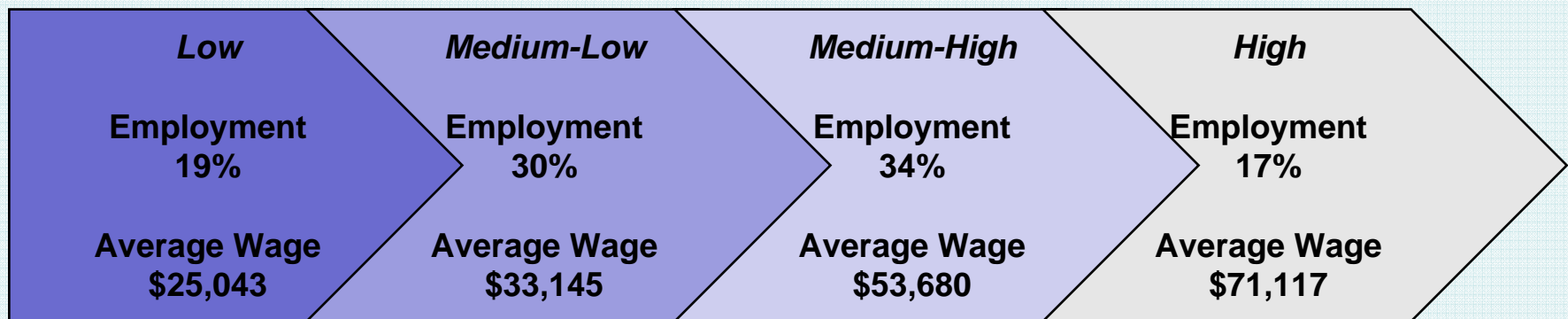
- *in 2000 close to 55,000 members of Metro Boston's workforce had limited English language proficiency (LEP). By 2006 this number was close to 88,000;*
- *during this period, the foreign-born workforce grew 32% while the workforce with LEP grew 37%.*

English Language Skills-Metro Boston's Workforce - 2000 and 2006



- *overall, 64% of all jobs in the labor market fall in the medium-low or medium-high language skill categories;*
- *the highest language skill category pays almost 3 times more than the lowest language skill category;*
- *while there are jobs available to people with limited language skills, these jobs pay dramatically less than jobs requiring even modest language skills.*

All Jobs by Language Skill Requirement in Metro Boston - 2004

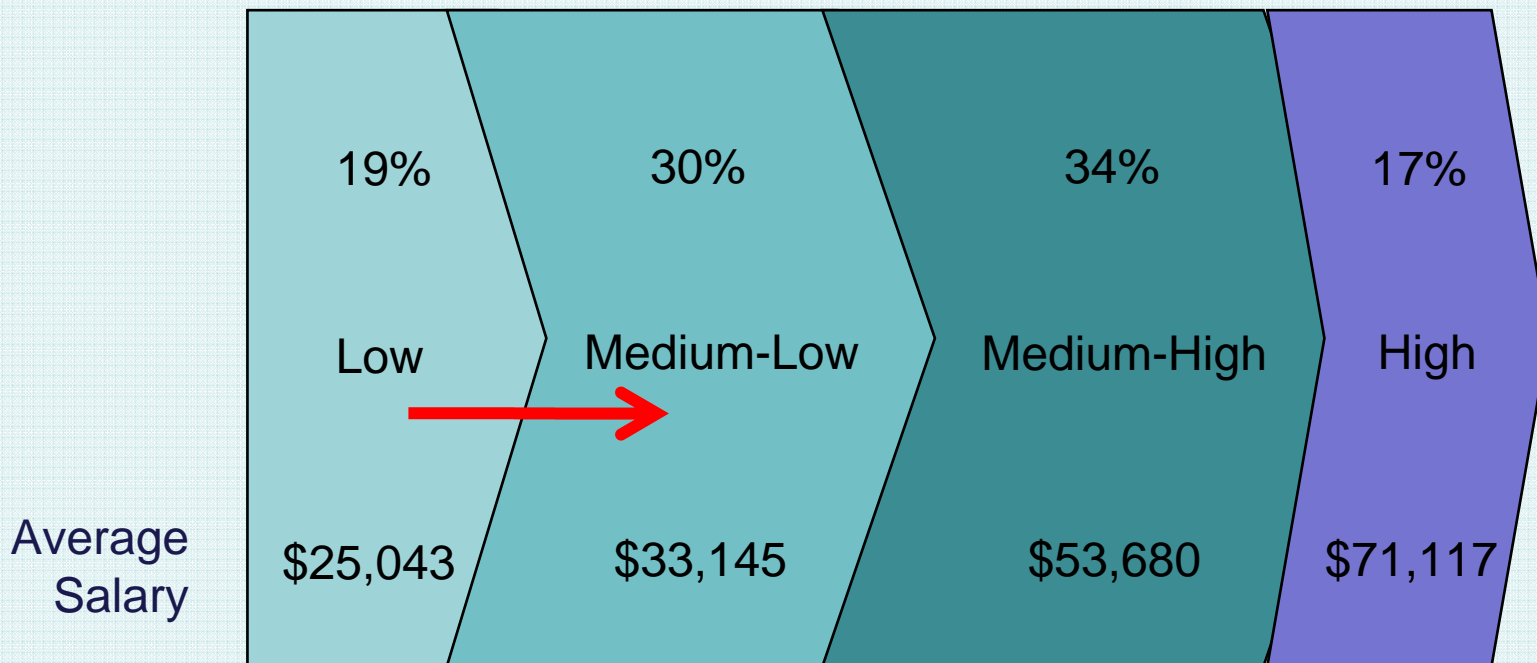


*now imagine we
upgrade language
skills and
educational
attainment
by one level*



...If the 88,000 workers with limited English language skills were to move up one level...

Key Characteristics of Occupations by Language Skill Requirements - All Industries



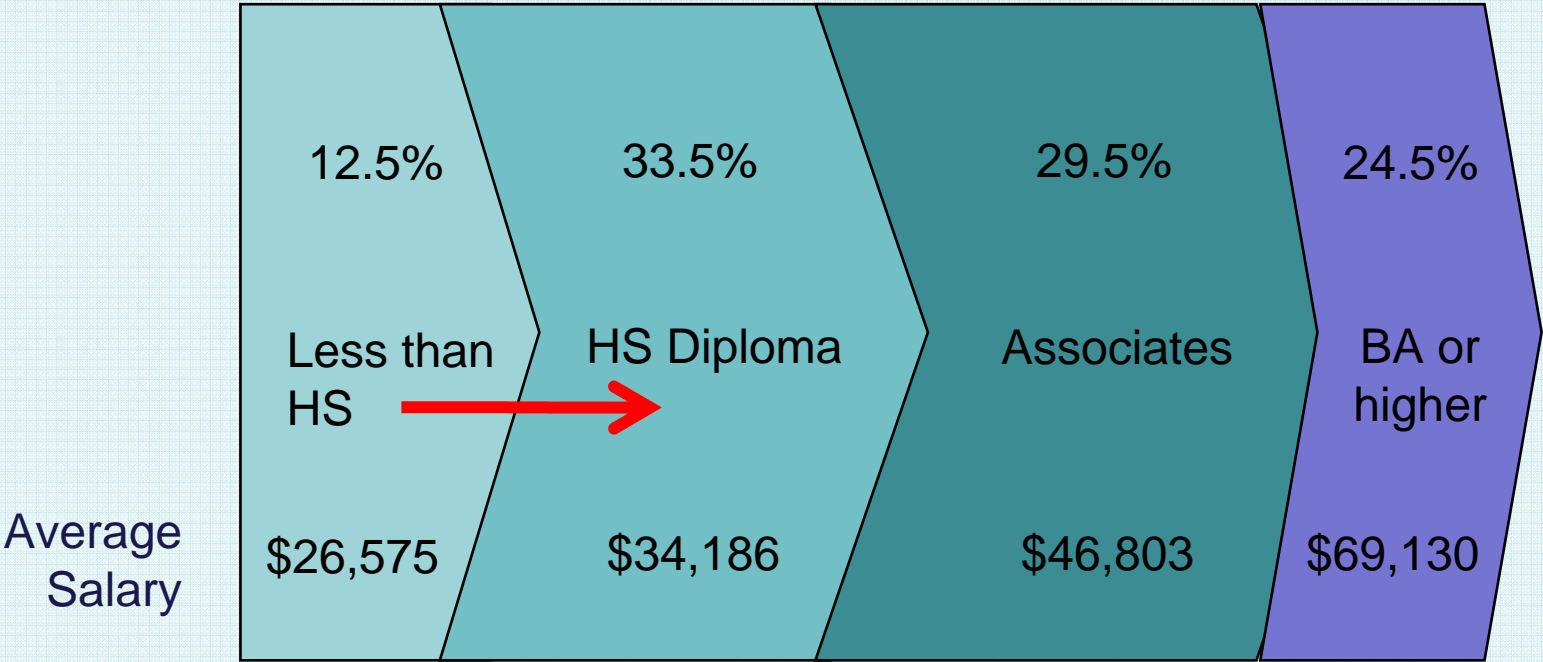
Note: Metro-Boston 2004

...the impact of their additional expenditures will be:

- direct and indirect income **increases** by \$871 million
- increased spending **creates** 4,673 new jobs
- GRP **increases** by \$552 million
- \$54 million **more** in federal, state and local revenues

...If the 72,000 immigrant workers with less than a high school education were to move up one level...

Key Characteristics of Occupations by Language Skill Requirements - All Industries



Note: Metro-Boston 2004

...the impact of their additional expenditures will be:

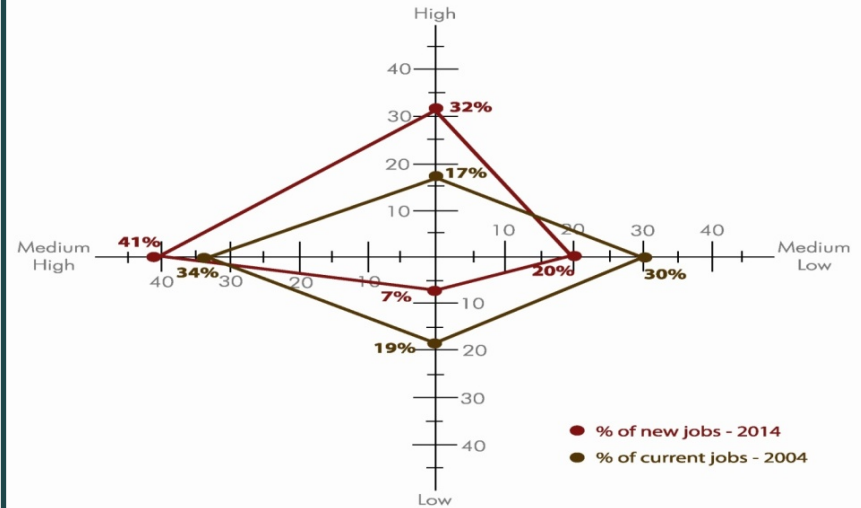
- direct and indirect income **increases** by \$674 million
- increased spending **creates** 3,628 new jobs
- GRP **increases** by \$426 million
- \$42 million **more** in federal, state and local revenues

*...additional investment in
ESOL and EDUCATION
is absolutely necessary
because the economy is
changing*

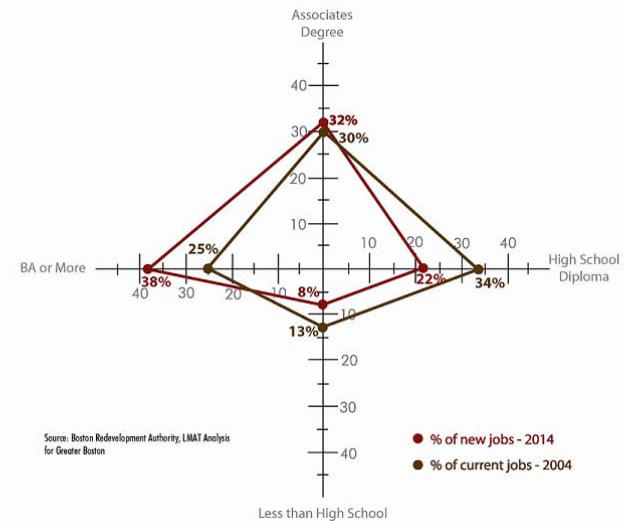
...and higher skills will be needed...

employment growth is much greater in occupations requiring high and medium-high language skills and an associate degree or more...

SUMMARY: LANGUAGE SKILLS IN METRO BOSTON'S LABOR MARKET



Educational Requirements for Greater Boston, 2004-2014



Source: Boston Redevelopment Authority, LMAT Analysis for Greater Boston

...these problems repeat themselves in the next generation ... and that is why we are here to today

www.bostonredevelopmentauthority.org