

Helping people gain the skills they need to compete for jobs can transform lives – and strengthen economies. **That's why we are developing the talent of today with the skills for tomorrow.**

**NEW SKILLS AT WORK**

JPMORGAN CHASE & CO.

# CLOSING THE SKILLS GAP WITH NEW SKILLS AT WORK

As communities around the world work to rebuild their economies, many face a paradox: persistent, high levels of unemployment on the one hand, and large numbers of unfilled jobs on the other. And there is little available data about employer demand to inform programs that prepare people for the workforce.

**The reason?** A shortage of workers with the skills employers are demanding due, in large part, to a lack of alignment between workforce training programs and the needs of local employers.

**The result?** Economic growth is inhibited, and millions of productive people find themselves unable to compete for the jobs they need to support themselves and their families.

## HIGH LEVELS OF UNEMPLOYMENT

Despite economic recovery, unemployment rates remain elevated around the world.



**12.2%**

**unemployment rate in the Euro area** – and the rate is nearly twice as high for young people under age 25.<sup>1</sup>

**7.3%**

**U.S. unemployment rate**, with a rate of 15.1% for people aged 16 to 24.<sup>2</sup>

## FUELED BY THE SKILLS GAP

Some number of job vacancies is natural in healthy, well-functioning economies, but the inability of employers to find workers with the right skills is a growing contributor to job vacancies and unemployment.

NEARLY

**2** MILLION

**jobs are sitting vacant in Europe.**<sup>3</sup> Nearly 4 million unfilled jobs in the United States.<sup>4</sup>

**1/3**

**of the U.S. unemployment rate is due to the imbalance between workers' skills and open jobs.**<sup>5</sup>

ESTIMATED

**85** MILLION

**global shortage of high- and middle-skilled workers by 2020**<sup>6</sup> – and 58% of global CEOs said they were concerned that a key skills gap could limit their growth prospects.<sup>7</sup>

## JPMorgan Chase's Response

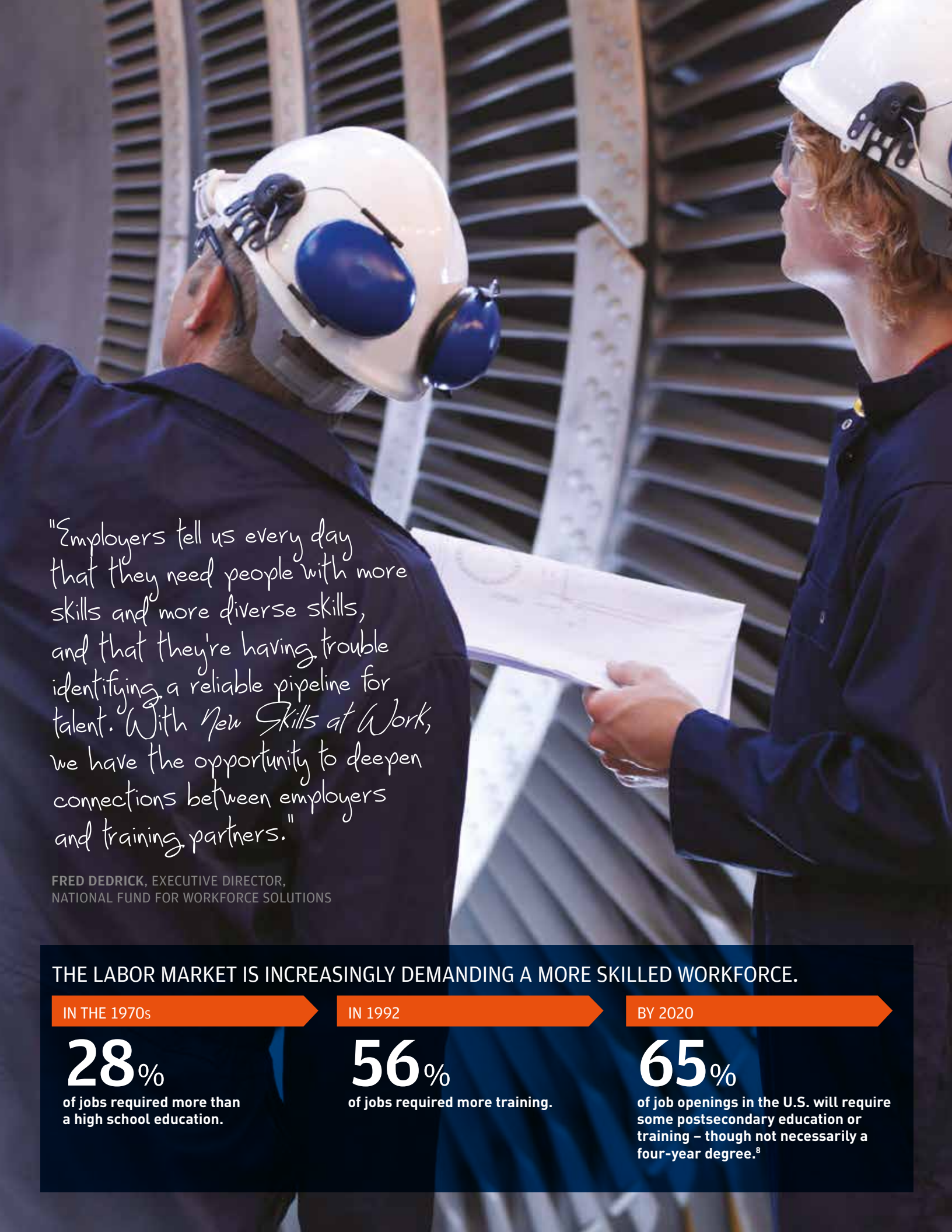
### **NEW SKILLS AT WORK**

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**\$250** MILLION

To help address this challenge, our initiative is aimed at closing the skills gap through:

- **Innovative, data-driven analysis** of skills demand and supply gaps in local markets
- **Targeted investments** to strengthen and scale the most effective workforce training programs that, based on the data, meet the employment needs of each community
- **Cross-sector convenings** to encourage collaboration, share findings and formulate strategies



"Employers tell us every day that they need people with more skills and more diverse skills, and that they're having trouble identifying a reliable pipeline for talent. With *New Skills at Work*, we have the opportunity to deepen connections between employers and training partners."

FRED DEDRICK, EXECUTIVE DIRECTOR,  
NATIONAL FUND FOR WORKFORCE SOLUTIONS

## THE LABOR MARKET IS INCREASINGLY DEMANDING A MORE SKILLED WORKFORCE.

IN THE 1970s

**28%**

of jobs required more than a high school education.

IN 1992

**56%**

of jobs required more training.

BY 2020

**65%**

of job openings in the U.S. will require some postsecondary education or training – though not necessarily a four-year degree.<sup>8</sup>

# JPMORGAN CHASE'S RESPONSE

Around the world, employers, educators, policymakers, training organizations, and others have recognized the critical importance of tackling the skills gap. *Helping people develop the skills they need to compete for today's jobs can transform lives and strengthen economies.*

Through *New Skills at Work*, JPMorgan Chase will use its resources, expertise, and global reach to help inform and accelerate efforts to support demand-driven skills training. The goal of our \$250 million, 5-year initiative is to help build economies that grow by investing in people so that workers and industries have the skills to compete and prosper in the global economy.

## OUR STRATEGY

## HOW WE WILL IMPLEMENT IT



### Build a Demand-Driven System

**More opportunities for collaboration between employers and trainers will make the system more effective.**

*New Skills at Work* will bring together employers, training partners, policymakers, funders and others to share information, identify best practices from around the world, and support sector partnerships. The aim is to encourage on-going collaboration, support existing public and private efforts, develop shared plans in individual communities or regions, and highlight innovative approaches that can be replicated.

**National partners:** The Aspen Institute's Opportunity Youth Incentive Fund and the National Fund for Workforce Solutions in the U.S., and the Institute for Public Policy Research (IPPR) in the U.K.



### Invest in the Best Training

**The best community colleges and training organizations align their programs with employer needs.**

Guided by insights gained through *New Skills at Work* research, JPMorgan Chase will make targeted investments to build the capacity of proven, demand-driven training partners and help them scale their programs. Our goal is to help more young people and adults attain the credentials that position them to compete for skilled employment opportunities and can put them on a career pathway.

**National partners:** The National Academy Foundation, Participle, Year Up, and YouthBuild



### Rely on Data and Provide It

**Better data on local skill supply and demand is essential.**

*New Skills at Work* will support data-driven analyses that inform training organizations, employers and policymakers as they develop effective workforce development programs.

Workforce Readiness Gap Reports will examine the sectors within local markets that drive current and forecasted economic growth and assess whether existing training programs are producing enough skilled candidates for available jobs. *New Skills at Work* will also support research on employment trends, skills development and innovations across Europe.

**National partners:** Jobs for the Future in the U.S. and IPPR in the U.K.

## James Hooten, YouthBuild Louisville Class of 2009

I joined YouthBuild Louisville the day before my 25th birthday. There, the staff reached out to me with love and support, helped me rebuild my life, and further my education. Before I came to YouthBuild I was pretty much going downhill. But through the program, I received my GED and got my Pre-Apprenticeship Certificate Training from the Home Builders Institute. I also got the confidence to go to community college and start my own business.

Today, I am the owner of Hooten Home Services, an eco-friendly residential and commercial remodeling company. Recently, I earned my Building Performance Institute building analyst certification, which means I can also do energy audits of my customers' homes.

I am proud of myself. It's not the cards you're dealt. It's how you play them.

## Jay Hammonds, Year Up Bay Area Class of 2012

I was raised by a friend of the family, who adopted me when I was four. After going to college for a year, I ran out of money. Coming home, my goal was to get a decent paying job at the grocery store. Until I learned about Year Up.

Through the program, I was assigned an internship at Facebook. As an intern, I took the skills and technical abilities I acquired at Year Up and combined those with a tenacious work ethic and a desire to soak in every bit of knowledge I could. Immediately after completing my internship, I was hired by Facebook as an IT Support Technician. Less than six months later, I was promoted to Executive Support Technician.

The opportunities earned at Year Up are tremendous and completely life changing. With every job Year Up graduates earn, and every Fortune 500 name we add to our résumés, we show those around us – in our neighborhoods and in the executive suites – that this is possible.



# OUR PARTNERS

JPMorgan Chase has identified an initial set of best-in-class partner organizations for *New Skills at Work*, and we will add new local and regional partners in the coming months. We will also work with a third-party evaluator to measure our impact: How many people got the skills they needed to secure employment? Did we help create more demand-driven workforce systems? Did we mobilize other employers to engage in this issue?

## NEW SKILLS AT WORK

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### NATIONAL ACADEMY FOUNDATION (NAF)

prepares young people for college and career success, reaching more than 62,000 students across the U.S. For over 30 years, NAF has refined a proven model that provides high school students with access to industry-vetted project-based curricula, work-based learning experiences, and relationships with business professionals.



### ASPEN INSTITUTE'S OPPORTUNITY YOUTH INCENTIVE FUND

is a U.S. funding collaborative that is bringing stakeholders together from all sectors of the community to improve education and employment outcomes for young people who are neither enrolled in school nor employed.



### YOUTHBUILD USA

supports 264 programs that help low-income 16-to-24-year-olds to rebuild their communities and their lives. YouthBuild students are given the opportunity to work full-time for a year toward their GEDs or high school diplomas while learning job skills by building affordable housing in their communities and preparing for postsecondary success.

"We need to prepare generations of youth and adults to meet the demands of college and careers, so they can apply their knowledge and contribute with confidence to their companies, communities and families. JPMorgan Chase's investment will strengthen the foundation of economic prosperity by helping thousands of individuals align their education with career opportunities."



JD HOYE, PRESIDENT,  
NATIONAL ACADEMY  
FOUNDATION

"The private sector is critical to job training. We need business owners working with educators and non-profits to match growth sector needs with employee skills."

**MELODY BARNES**, FORMER ASSISTANT TO THE PRESIDENT AND DIRECTOR OF THE WHITE HOUSE DOMESTIC POLICY COUNCIL AND CO-CHAIR OF THE *NEW SKILLS AT WORK* ADVISORY COUNCIL



## LEADERSHIP

The JPMorgan Chase Global Workforce Advisory Council will advise on the development, implementation and evaluation of *New Skills at Work*. Chaired by Jamie Dimon, JPMorgan Chase Chairman and CEO, and co-chaired by Melody Barnes, former Director of the White House Domestic Policy Council, the Council will bring together a group of private sector, non-profit, education and workforce development thought leaders to ensure the effectiveness of the effort.

Chauncy Lennon, PhD, JPMorgan Chase's Senior Program Director for Workforce Development, will lead *New Skills at Work*. He joins JPMorgan Chase from the Ford Foundation, where his grant-making focused on promoting economic advancement for low-income workers by improving access to workforce development and work support programs.

### INSTITUTE FOR PUBLIC POLICY RESEARCH (IPPR)

is a leading U.K. think tank, with a strong track record on labor market and workforce policy research. IPPR's current research includes a project that aims to understand the impact of youth unemployment in different European countries.

### JOBS FOR THE FUTURE (JFF)

promotes education and workforce strategies that expand opportunity for youth and adults struggling to advance in the U.S. today. JFF and its partners are committed to doubling the number of low-income individuals who attain postsecondary credentials.

### THE NATIONAL FUND FOR WORKFORCE SOLUTIONS

partners with businesses, communities, and philanthropies to develop employer-driven workforce strategies to help low-wage workers and jobseekers obtain career opportunities, while creating talent supply chains that close skills gaps and strengthen local economies.

### PARTICIPLE

is a social enterprise working throughout the U.K. to address the most pressing social challenges of our time. Participle's Backr platform uses social networks to create career opportunities and momentum for people in and out of work.

### YEAR UP

is a U.S. non-profit organization that enables urban young adults to move from poverty to professional careers in one year. Year Up connects motivated young people with employers in need of talent, and works to change perceptions, business practices, and public policies that limit access to opportunity.

### WOMEN LIKE US

helps build better futures for women who want to work after having children. The London-based organization provides career advice and support for women, particularly from low-income backgrounds, looking for flexible or part-time employment.



"The most important thing we can do as a company is invest in the economic prosperity of our communities. If we can help close the skills gap, we can reduce unemployment and be a force for broadly shared economic opportunity."

**JAMIE DIMON**, CHAIRMAN AND CEO, JPMORGAN CHASE & CO.

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- 2 U.S. Bureau of Labor Statistics, October 2013.
- 3 European Commission. *European Vacancy Monitor*, Issue No. 11, November 2013. See <http://ec.europa.eu/social/BlobServlet?docId=11089&langId=en>
- 4 U.S. Bureau of Labor Statistics, October 2013.
- 5 Estevão, M. and Tsounta, E. (2011). *Has the Great Recession Raised U.S. Structural Unemployment?* IMF Working Paper (WP/11/105). See [www.imf.org/external/pubs/ft/wp/2011/wp11105.pdf](http://www.imf.org/external/pubs/ft/wp/2011/wp11105.pdf)
- 6 Mourshed, M., Farrell, D. and Barton, D. *Education to Employment: Designing a System that Works*. McKinsey Center for Government. See <http://mckinseysociety.com/education-toemployment/report/>
- 7 PwC and The Atlantic Council (2013). *Dealing with Disruption, Adapting to Survive and Thrive: 16th Annual Global CEO Survey*. See [www.pwc.com/gx/en/ceo-survey/2013/assets/pwc-16th-global-ceo-survey\\_jan-2013.pdf](http://www.pwc.com/gx/en/ceo-survey/2013/assets/pwc-16th-global-ceo-survey_jan-2013.pdf)
- 8 Carnevale, A., Hanson, A. and Gulish, A. (2013). *Failure to Launch: Structural Shift and the New Lost Generation*. Center on Education and Workforce, Georgetown University. See <http://cew.georgetown.edu/failuretolaunch/>

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