

THE UDEMY SKILLS GAP INDEX:

Mind the (Skills Perception) Gap

Evaluating perceptions vs. reality when it comes to how Americans view their skills

Executive Summary

The skills gap is an undeniably charged topic in discussions of the workforce and current economic climate in America. President Barack Obama made the gap a key discussion point in his economic recovery agenda and [charged](#) [1] Vice President Joe Biden with leading an initiative to “help individuals get trained with skills businesses need now and then placed in good, middle class jobs.”

The “skills gap” refers to a disparity between the skills Americans have and those employers are seeking. While the concept of a “skills gap” has steadily gained traction, just who is impacted – and the best option for closing the gap – remain a matter of some debate.

There is much data available about the struggles employers face when trying to hire skilled workers, including the highly cited annual survey by the [ManpowerGroup](#) [2], but little in the way of how workers perceive their own skills.

This survey sought to answer several key questions:

- Do workers feel there is a skills gap?
- Who is most impacted by the skills gap?
- How does the skills gap impact workers’ lives?
- What steps are workers taking to adopt new skills?

The following report is based on a survey of 1,000 people in the United States and was commissioned by Udemy and conducted by ResearchNow.

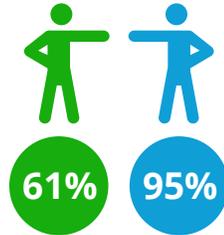
1 White House Skills Report, http://www.whitehouse.gov/sites/default/files/docs/skills_report.pdf

2 Manpower Talent Shortage Survey, <http://www.manpowergroup.com/wps/wcm/connect/manpowergroup-en/home/thought-leadership/research-insights/#.VBcGzi5dWpJ>

Summary of Research Findings

Strong perception gap on the skills gap

- Sixty-one percent of Americans believe there is a skills gap, but do not see themselves as part of the problem: 95 percent believe they are qualified or overqualified for the positions they hold



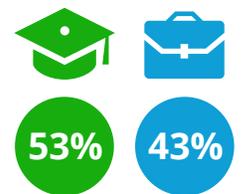
- This adds a new dimension to the recent Talent Shortage Survey released by [ManpowerGroup](#) earlier this year which found that 40 percent of U.S. employers report difficulty filling positions



- Men (68 percent) have a stronger belief of the existence of a skills gap than women (55 percent)



- Millennials are less likely to believe they need new skills as compared to other age groups: 53 percent of millennials said they feel they already know everything they need to know to do their jobs - compared to 43 percent of Baby Boomers



- 1946-1964 (Baby Boomers)
- 1965-1980 (Generation X)
- 1981-2000 (Millennials)

The cobbler's children have no shoes: Californians least secure in nation regarding tech skills

- Nearly a third (31.6 percent) of Californians say tech skills are their biggest weakness at work



- Forty-five percent of Californians admit to lying on their resumes, LinkedIn profiles or interviews regarding their skills



- More than half of Californians who lost out on a job or promotion say it is due to lacking tech skills



- Californians are also most inclined to turn to tech to solve their skills insecurities: compared to the national average, more Californians have taken an online course to improve their skills



Additional key findings

- College will get you that first job but it may not help you once you are there: while almost half of Americans say their higher education helped them get their first job, more than a third believe they use less than 10 percent of what they learned in college in the workplace
- Need a new skill? More than half of survey respondents turn to online courses for learning
- Hardly working to find work: 36 percent do nothing (such as taking an online course, attending networking events or visiting a recruiter) to boost chances of getting hired

Where perception does not meet reality

One thing is clear: when it comes to the skills gap, most Americans think “it’s not me – it’s you.” Americans have heard of the skills gap and believe that it exists, but do not see gaps in their own skill sets. This presents a challenge to employers who are struggling to find workers to fill open positions. If Americans do not realize they have a problem, how can they take steps to correct it?

If things are going well at the office, workers are less inclined to feel insecure regarding their positions. But with [August numbers](#) [3] showing “little” new growth, that may change, increasing the imperative for workers to adopt new skills and maintain their value.

Work experience shapes views of skills gap

The survey reveals that professional experience is a key determinant of how workers feel about the skills gap. The more workers see of the professional landscape, the more likely they are to be aware of missing skills. Millennials, who have spent little time in the workforce, are significantly less likely than Baby Boomers to believe they need skills improvement. Workers who make \$100,000-\$150,000 a year believe significantly (71 percent) above the national average

(61 percent) in the existence of a skills gap. The salary point is typically associated with mid-level executives, suggesting they have seen the existence of the skills gap first hand in their own employees.

California as a bellwether

We were particularly struck by the extent to which Californians feel more strongly than the national average on everything from how insecure they feel in their tech skills to whether lacking a skill has prevented them from making more money in the workplace (48 percent of Californians say a lack of skills has held them back, as compared to 35 percent nationally).

California is the technology hub of the country and tech is among the state’s primary economic drivers. As more and more states seek to expand their own tech economies, what is happening in California may serve as a valuable indicator of what is to come for them. Californians, who naturally have more exposure to tech advancements, are more likely to see gaps in their own skills. In California, it seems, “the more you know” means “the more you’re aware of what you don’t know.”

But just as Californians are more likely to be aware of what they do not know, they are more likely to take steps to close that gap. Of the Americans who say they have had to learn a new skill for their jobs, Californians are more than twice as likely than the national average to have paid for an online course than the national average (13.2 percent nationally as compared to 31.5 percent in California).

Are Employers Doing Enough?

With the difficulty companies are having finding qualified candidates according to the aforementioned ManpowerGroup Survey, the question becomes, “are companies investing in the necessary tools to help bridge the skills gap for new or existing employees?” Close to 25 percent of respondents said their employers are not doing enough to help them bridge the skills gap, with 20 percent saying that

3 Bureau of Labor Statistics, <http://www.bls.gov/news.release/pdf/empisit.pdf>

their jobs are changing too quickly for them to keep pace. More than half also said that they need to learn more about their current jobs.

To help address perceived shortcomings in employer-provided training, many are taking personal and professional skills development into their own hands. Californians are more likely to pay for online courses to improve their skills for professional reasons, and we anticipate that number to grow nationally in the short term. As more and more workers lose out on job opportunities or promotions due to lacking skill sets, they will seek options for adopting new skills.

Conclusion

The data clearly indicates that the more time you have in the workforce, the more likely you are to see gaps in your skillset. If California's tech economy is any indication of a larger trend coming for the United States, our need for adult

skills development will only grow more urgent over time. We predict that, as a result, more individuals and employers will invest in building skill sets to enable workers to compete in today's global workforce. One of the first places Americans will go to build skills? Online.

Methodology

Research for "The Udemy Skills Gap Index: Mind the (Skills Perception) Gap" was conducted by ResearchNow, which, between August 15-18, 2014 surveyed 1,000 Americans between the ages of 18 and 65 on their thoughts, perceptions and attitudes toward the skills they believe they possess as well as how these skills impact their professional lives. The margin of error for this study is +/- three percent.