

2017

# Skills Gap Report



# Inside the skills gap:

## How gender, generation, and geography shape perceptions

Udemy's 2017 Skills Gap Report found that the vast majority of Americans feel the U.S. is facing a skills gap, and more than one in three say it affects them personally. However, looking beyond these numbers reveals a confused workforce struggling to take control in the face of constant change. When it comes to perceptions about and responses to shifting expectations for jobs and careers, the American workforce is divided across gender and generational lines.

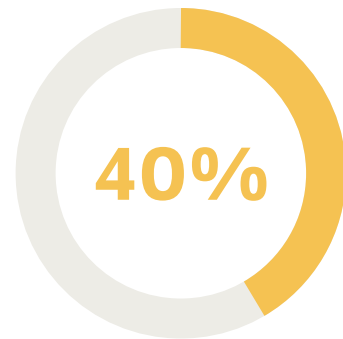
### KEY TAKEAWAYS



Nearly **80%** of Americans agree there is a skills gap



**35%** of Americans stated that the skills gap affects them personally



**40%** say changing skills requirements will have the biggest impact on their job over the next five years

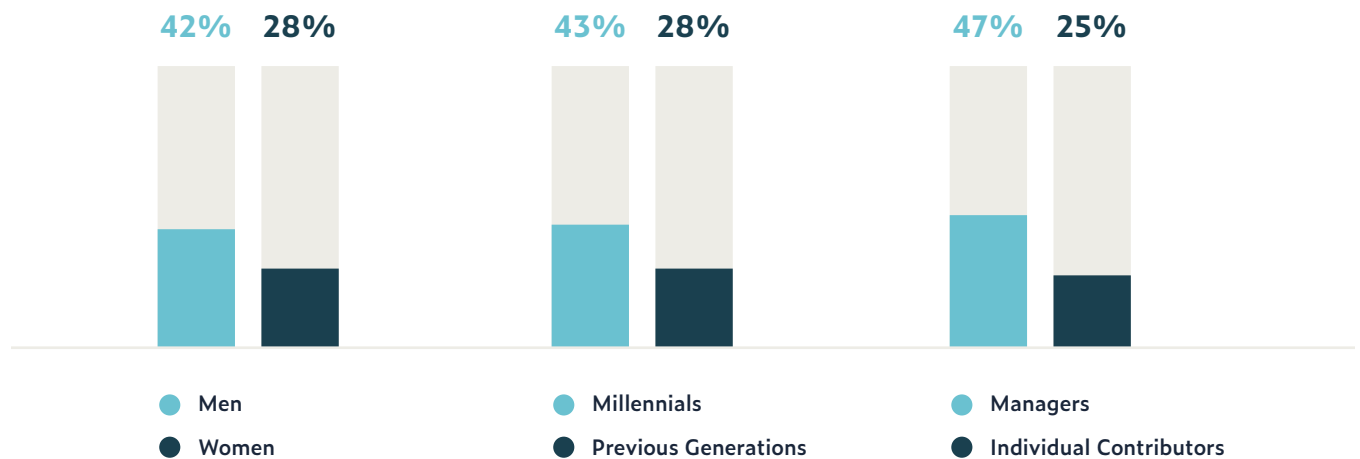
American workers lack a roadmap for managing their careers and making progress in the global economy. New technologies like artificial intelligence have established a foothold in the workplace, and they're driving changes in jobs that are dramatically shrinking the shelf life of relevant skills. Adding to the confusion, U.S. workers identified a lack of reskilling resources and increased drug dependency as the most significant barriers to closing the skills gap. In this environment, many feel they have fewer advancement opportunities than previous generations did and have lowered their career expectations accordingly.

## Leveraging America's can-do spirit

Despite challenges, Americans remain confident in their abilities and are actively reskilling and upskilling, taking on new projects and side hustles to keep their careers moving. Now, it's time for the public and private sectors to join forces with workers so more people, regardless of location or educational pedigree, can take advantage of employment opportunities in the 21st century knowledge-based economy.

Digging deeper into the survey results, it becomes apparent that millennials, men, and managers are feeling the pinch most acutely. But, generally speaking, Americans are still bullish on their own qualifications: 78% say they possess above-average skills for their current jobs. Millennials are the most confident about their job performance, with 74% saying they know everything they need to know to do their jobs, up from 53% when we first surveyed American workers on this topic in 2014.

### DOES THE SKILLS GAP AFFECT YOU?



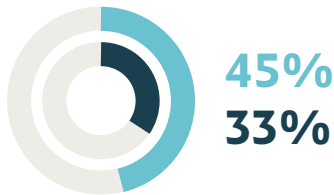
**The broad message is clear:** Americans recognize the skills gap, know they must act to counter it, and are looking to partner with employers and the government to support them.

## The gender perception gap

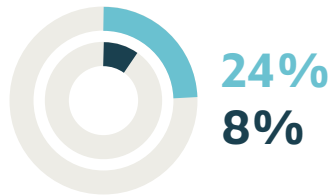
Male workers feel more personally impacted by the skills gap and have revised their outlooks as a result. Men are more likely to view the job market as highly competitive, and they're three times more likely than women to have lied about their skills. Additionally, in the aftermath of the 2008-2009 recession, men have lowered their expectations for professional success more than their female peers.

### THE GENDER PERCEPTION GAP

Have lowered expectations for their career and happiness at work



Have lied about skills on their resume or in interviews



Believe their jobs are limited by geographic location



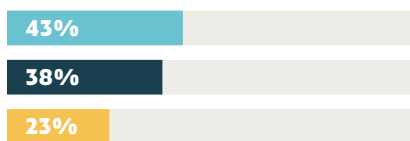
● Men ● Women

## The age perception gap

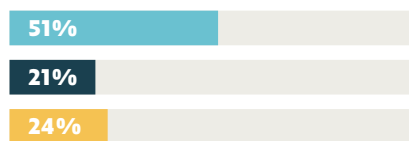
The skills gap looks different to the different generations too, with younger workers feeling more personally impacted and limited in career opportunities than their older coworkers. Millennials are also more likely to have side gigs and have a greater tendency to lie about their skills. Moreover, young people (71%) seem more inclined to believe their education equipped them with the skills they need in their professional lives than their older colleagues (58%), despite feeling more strongly that the skills gap affects them personally.

### THE GENERATION PERCEPTION GAP

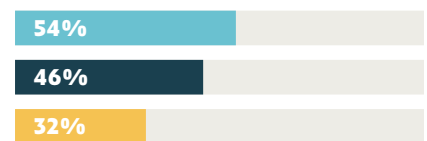
Feel personally affected by the skills gap



Have lowered career expectations



Cite geographic location as limiting their career options



● Millennials ● Gen X ● Baby Boomers

## Confidence in reskilling, less so in paying for it

Despite their different attitudes and perceptions, the majority of American workers give the country's workforce high marks for competitiveness. Two-thirds believe the American workforce is competitive or highly competitive, and 80% have confidence the U.S. can reskill to meet market demands.

However, they're looking for partners in the effort. A third (36%) believe individuals should be responsible for their own reskilling needs, but most agree that the government and employers should be providing financial support to make it happen.

### HOW SHOULD WE PAY TO RESKILL AND RETRAIN THE U.S. WORKFORCE?

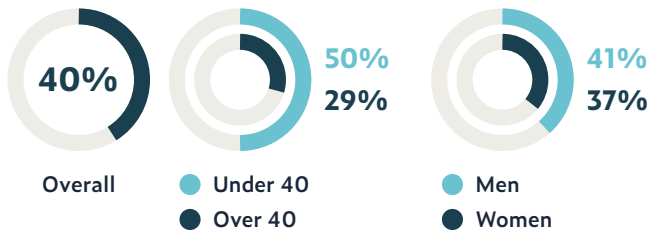
|          | Government funding | Corporate funding | Tax benefit for learning | People pay their own way |
|----------|--------------------|-------------------|--------------------------|--------------------------|
| Overall  | 27%                | 26%               | 34%                      | 13%                      |
| Under 40 | 35%                | 25%               | 31%                      | 10%                      |
| Over 40  | 21%                | 27%               | 37%                      | 15%                      |

## Skills gap survival strategies

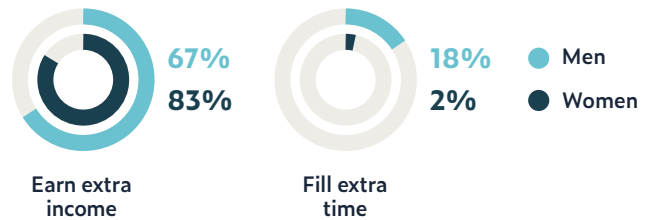
If workers are conflicted about how to manage their skill sets today, they're no clearer on how to direct their careers for the future either. Most (60%) believe required skills will change in the next five years, which will have a significant impact on their careers. This opinion is held even more strongly by men (66%) and younger workers (66%). Fears around automation (22%) and outsourcing (11%) were surprisingly low, considering how much attention these forces get in the media when the "future of work" is up for discussion.

Determined to tackle the gap head-on, many have taken on "side hustles," according to our research. While women mainly take on side gigs for the extra income, men are more likely to be filling free time with their hustles.

### WHO'S HUSTLING ON THE SIDE?



### WHY ARE YOU HUSTLING?



Despite uncertainties about the future of work and even concerns around paying for training, workers are being proactive about reskilling themselves, taking advantage of employer-provided training at nearly the same rate as they're pursuing online courses on their own. According to Udemy's 2017 Workplace Stress Report, U.S. workers have an overwhelming appetite for company-provided skills training, with 89% saying training is important to their long-term career success and well-being.

### WHAT AREAS DO YOU NEED TO DEVELOP TO ADVANCE YOUR CAREER?



## Expectations for the future keep changing; continuous learning is key

The one thing we can say with certainty about the future of work is that required skills will continue to change as technology, automation, globalization, and other factors reshape job functions.

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*How can individuals and businesses survive this change? **Reskilling.***

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Overall, the 2017 Skills Gap Report shows Americans see a bright future for the country and feel they have a lot to offer potential employers. Yet, there are also signals our attitudes around work are changing. Younger workers, in particular, may be starting to recognize that a college diploma won't carry them as far as it used to, and this new reality is pretty scary when you've got decades to go before retirement. Since no one can predict with certainty what exact skills will be needed in years to come—not universities, not government, not employers—today's workers will have to be upskilling and reskilling continuously.

Americans aren't afraid of doing that hard work. They are confident, they are optimists, and they believe in self-sufficiency. But they also recognize when people need a helping hand. This is where employers can step up by investing in their people and promoting a culture of continuous learning. Governments, in addition to encouraging STEM education among current school students, can also do more to help mid-career adults access and pay for reskilling programs. By sharing this responsibility, we can build a workforce that will remain competitive, even in an unknown future.

# 2017 Skills Gap Report: A Global Phenomenon

For the 2017 Skills Gap Report, UdeMy also surveyed full-time employees in five of our most active international markets: Brazil, France, Germany, Mexico, and Spain. We were interested to see how attitudes toward career opportunities, job preparedness, and reskilling align and diverge in today's highly globalized work environment, where different countries' economies can easily impact one another.

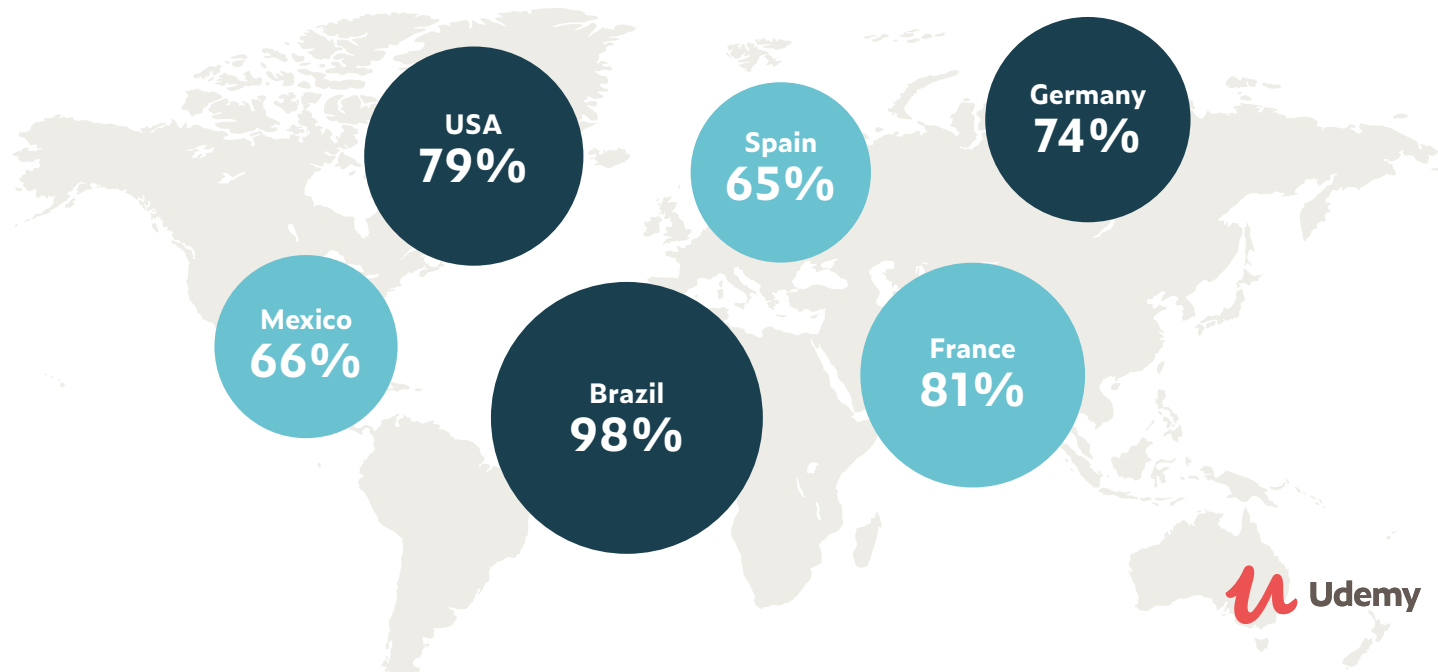
Workers across all markets surveyed recognized that they need to take steps to keep their skill sets current and relevant over the long haul of their careers, and they're looking to their employers and governments for support.

## Skills gap: fact or fiction?

Across the board, the vast majority of workers say there is a skills gap, but the responses vary as to whether it affects them personally. In Spain, Mexico, and Brazil, most have felt the impact, but in the U.S. and France only a third believe they've been affected.

Most people, regardless of country, also feel strongly that they know everything they need in order to perform their jobs, with French workers (75%) the most confident in their current skill sets and Brazilians (54%) the least. Interestingly, people in Mexico (20.5%) and Spain (24%) were most likely to admit to lying on their resumes or LinkedIn profiles or in interviews. In Brazil, where people express the least confidence in their current skills, they're also least likely (10%) to lie about their qualifications.

### DO YOU BELIEVE THERE'S A SKILLS GAP?





## Contradictions abound

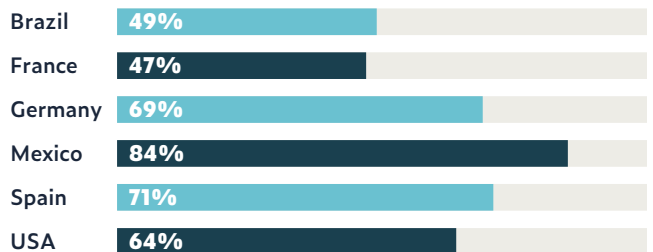
Workers generally express confidence in their country's ability to compete. The numbers dropped when we asked how effective people feel their education was in preparing them for the working world. Mexicans seem most bullish, and the French seem less confident.

Apparent contradictions surface when people are asked about their expectations for the future. For example, Spaniards give high marks to their educational preparedness while expressing doubts about their career prospects and their country's competitiveness, which seems to fit with the larger narrative of people believing themselves to be competent and qualified as individuals but captive to forces holding them back from reaching their full potential. Here, again, we see Mexicans expressing the greatest optimism.

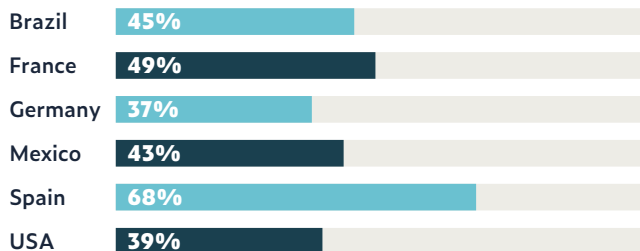
### YES, I FEEL MY COUNTRY'S WORKFORCE IS COMPETITIVE



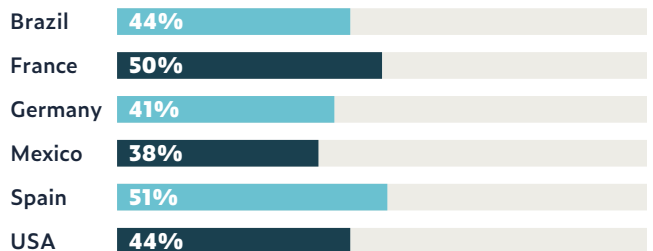
### YES, I BELIEVE MY SCHOOLING ADEQUATELY PREPARED ME FOR MY CAREER



### YES, I HAVE LOWERED MY CAREER EXPECTATIONS



### YES, MY GEOGRAPHIC LOCATION LIMITS MY CAREER OPPORTUNITIES



So far, however, workers in soft economies haven't necessarily discovered and embraced secondary gigs to supplement their incomes. Spain and Germany have the fewest side-hustlers (18% each), while more than half (54%) of Mexican workers report having another gig on the side, perhaps explaining why they're far more optimistic about their career prospects.

## Upskilling for now... or later

When it comes to pursuing additional training, our survey respondents have mixed feelings. Outside the U.S., most still believe required job skills will remain constant over the next five years, and if they are reskilling, they're relying on their employers to make it happen. Half of Mexican respondents believe individuals should be responsible for their own upskilling, and they're also far more likely than other nationalities to be learning online.

What do workers say will get in the way of upskilling? It depends where they live. In France, for example, half of respondents cited "lack of motivation" as the primary barrier to the country's successful upskilling. The U.S., meanwhile, is the only country where drug dependence is considered a factor; 20% of Americans say the opioid crisis will hinder the workforce's ability to reskill.

In an emerging economy like Brazil, workers believe the government should be responsible for upskilling the country's workforce, but those programs clearly don't exist yet—a mere 8% are engaged in government-backed training today. Germany, on the other hand, has a very developed economy and an established track record of vocational and apprenticeship programs feeding into the job market, so it's not surprising that half of Germans believe their employers should take care of upskilling.

### WHO'S RESPONSIBLE FOR YOUR UPSKILLING?

|        | Individuals | Employers | Government |
|--------|-------------|-----------|------------|
| Brazil | 22%         | 23%       | 33%        |
| France | 23%         | 32%       | 31%        |
| Mexico | 50%         | 13%       | 17%        |
| Spain  | 22%         | 23%       | 33%        |
| USA    | 36%         | 27%       | 20%        |

## Perceptions of the skills gap around the world

With the rise of globalization, our individual economies are more interconnected than ever. The world's workforce is becoming aware of the skills gap and taking steps to gain and maintain valuable job skills. These trends may be growing more quickly in certain geographies, but they're definitely present everywhere. And, with the shelf life of job skills continuing to shrink, current trends are likely to pick up steam.

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The U.S. survey was conducted online by Toluna Group on behalf of Udemy in October 2017 among 1,000+ U.S. office workers in full-time jobs who are ages 18 or older. Udemy partnered with local research firms to survey 1,000 full-time workers in their respective countries. Complete survey methodology available upon request.

### About Udemy

With a mission to improve lives through learning, Udemy is a global marketplace for learning and teaching online. More than 17 million students are mastering new skills and achieving their goals by learning from an extensive library of over 55,000 courses taught by expert instructors.

