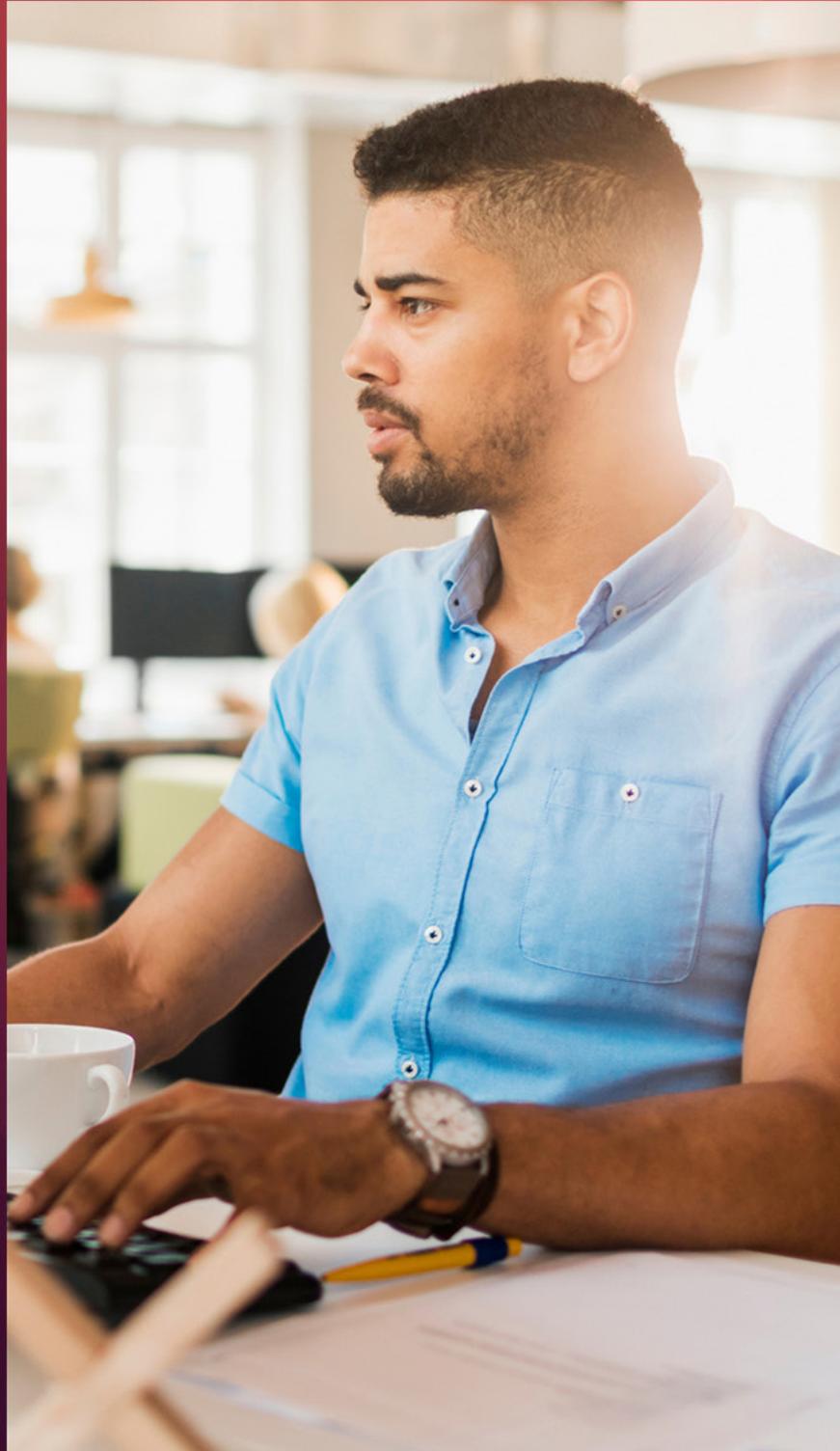


2017

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

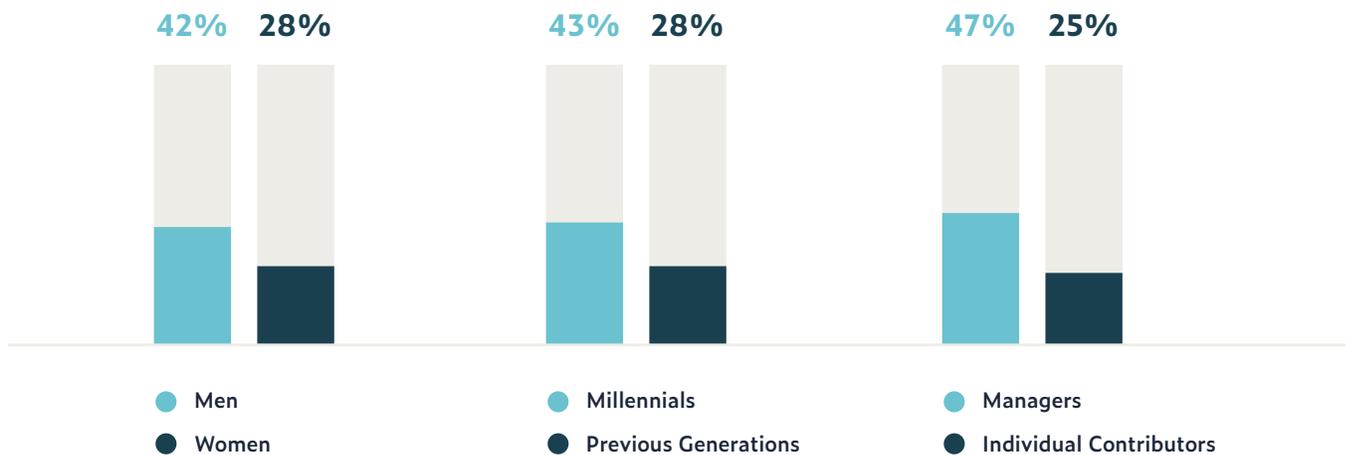
American workers lack a roadmap for managing their careers and making progress in the global economy. New technologies like artificial intelligence have established a foothold in the workplace, and they're driving changes in jobs that are dramatically shrinking the shelf life of relevant skills. Adding 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?



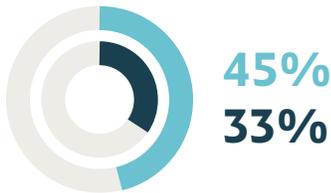
The broad message is clear: Americans recognize the skills gap, know they must act to counter it, and are looking to partner with employers and the government to support them.

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



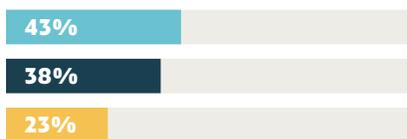
● Men ● Women

The age perception gap

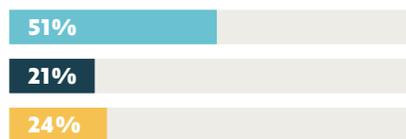
The skills gap looks different to the different generations too, with younger workers feeling more personally impacted and limited in career opportunities than their older coworkers. Millennials are also more likely to have side gigs and have a greater tendency to lie about their skills. Moreover, young 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

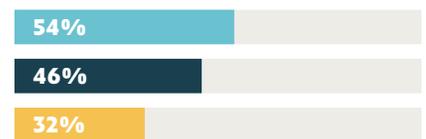
Feel personally affected by the skills gap



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. More than 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?

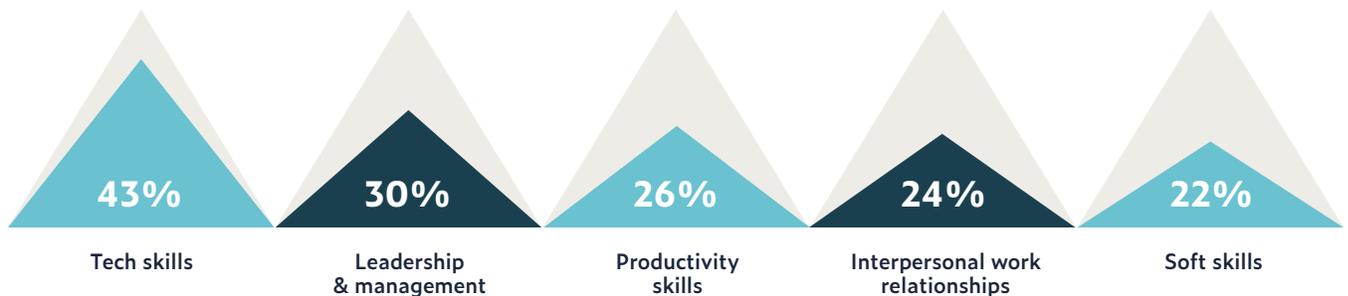


WHY ARE YOU HUSTLING?



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.

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

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.

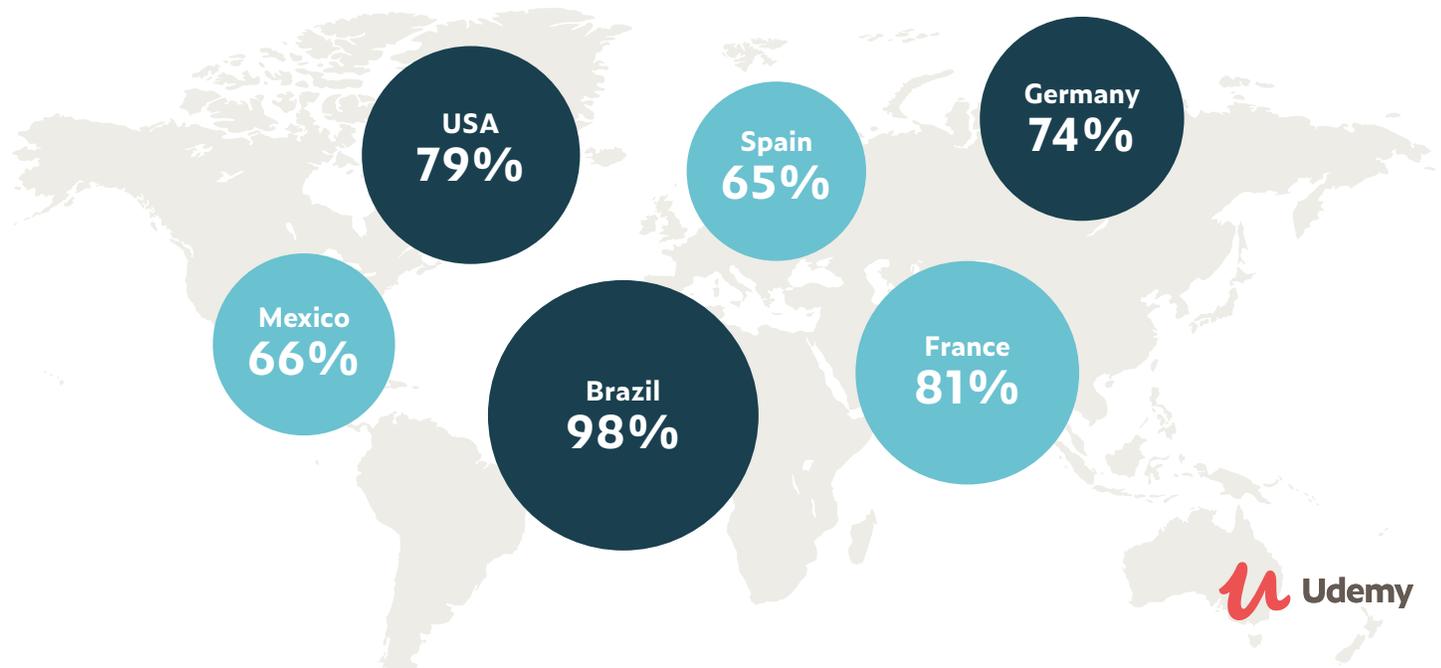
Workers across all markets surveyed recognized that they need to take steps to keep their skill sets current and relevant over the long haul of their careers, and they're looking to their employers and governments for support.

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.

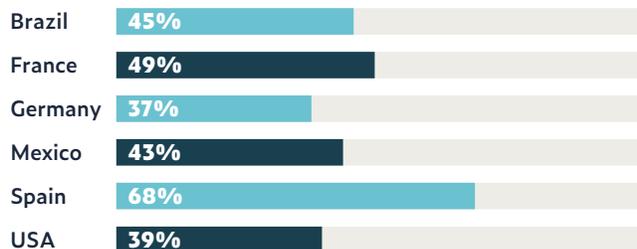
YES, I FEEL MY COUNTRY'S WORKFORCE IS COMPETITIVE



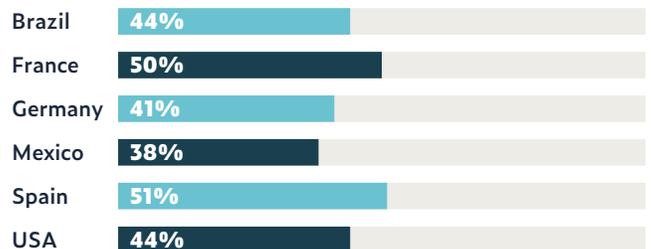
YES, I BELIEVE MY SCHOOLING ADEQUATELY PREPARED ME FOR MY CAREER



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.

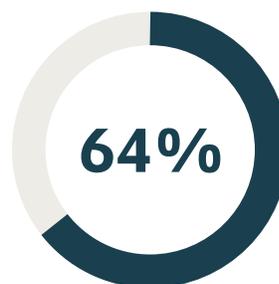
2017 Skills Gap Report: Brazil

Labeled as one of the up-and-coming BRIC countries more than 15 years ago, Brazil has been on many economists' radars. While the economy is beginning to recover since it entered recession back in 2014, it is interesting to see how the average Brazilian worker feels about their skills and career potential.

- Two-thirds of Brazilians feel personally affected by the skills gap. At the same time, 95% rank their own skills as average and above average.
- 31% feel the government should have primary responsibility for reskilling the Brazilian workforce, followed closely by employers (24%), and traditional institutions of education (23%).
- Even with poor-quality training, a turbulent economy, and changes in the workplace, 58% feel that the Brazilian workforce can be retrained successfully to meet those challenges.
- 64% of Brazilians surveyed have turned to online courses on their own to advance their careers, while only 36% say they've used training provided by their employer.
- 43% believe their geographic location may limit their career opportunities.
- 86% of Brazilians have a second job to earn extra income; most Brazilian side-hustlers are between 18 to 30 years old.
- Half of Brazilians surveyed think the government should pay for retraining programs and resources, far more than those who endorse a personal tax credit (27%), cost to businesses (17%), or individuals paying out of pocket (2%).
- 45% of Brazilian workers have lowered their expectations for their career prospects in recent years.



98% of Brazilians say there's a skills gap



64% are investing their own money in online training to advance their career

Research methodology:

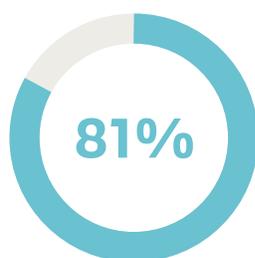
Udemy partnered with local research firms to survey 1,000 full-time workers in their respective countries. Complete survey methodology available upon request. More Udemy research findings available on research.udemy.com.

2017 Skills Gap Report:

France

France's economy is starting to see growth. The leadership elected in June has passed labor reforms that have been welcomed by the business community. However, even though the economy is improving and unemployment has decreased by 1.2% in October, French workers don't seem to feel that these initiatives are bringing a positive change for them and continue to have concerns.

- 81% of full-time French employees believe there is a skills gap, but only 32% say it affects them personally and 65% rate their current skills above average.
- There's not overwhelming confidence in France's ability to compete in the global market, with only 56% deeming the country as competitive or highly competitive.
- The French still believe overwhelmingly (74%) that France's workers can be successfully upskilled to meet the job market's demands. What's the biggest hindrance to France's upskilling? It's a lack of motivation, according to 49% of respondents.
- More than half (53%) of French workers expect the skills required in their jobs to change in the next five years.
- The French are attending specialty bootcamps at a far greater rate than any other country surveyed. 57% say they turn to bootcamps for new skills, while 13% are taking online courses and 22% get training through their employers.
- Almost half (49%) have lowered their career expectations, in light of the country's economic health over the past decade, while just over half (54%) feel they have fewer opportunities than workers in previous generations.
- Less than half (48%) of all respondents agree that their education has equipped them with the skills required for today's workforce. It seems that, more than ever, education and training need a substantial reform, and new ways to teach and learn.



81% of full-time French employees believe there is a skills gap



32% say it affects them personally



65% rate their current skills above average

Research methodology:

Udemy partnered with local research firms to survey 1,000 full-time workers in their respective countries. Complete survey methodology available upon request. More Udemy research findings available on research.udemy.com.

2017 Skills Gap Report: Germany

In Germany, unemployment is low and productivity is high these days. We were curious to research whether workers think the country can maintain this momentum and how they're future-proofing their careers. Most Germans seem to have a mixed outlook.

- 76% of Germans believe they're completely qualified for their jobs, and 69% believe their schooling prepared them adequately for their careers.
- Surprisingly, Germans aren't as convinced of other workers' skills: 74% believe there is a shortage of qualified German workers, and 59% doubt Germany can successfully reskill its workforce to close the skills gap and meet future market demands.
- When it comes to reasons for this skills gap, overall most (47%) point to inadequate schooling, followed closely (46%) by workers being inflexible (e.g., won't relocate), lack of quality training, and lack of on-the-job training.
 - Digging in deeper, people in western Germany believe worker inflexibility is what's really to blame for the skills gap (49%), compared with only 34% of easterners.
- Most Germans (85%) are acutely aware that the skills required for their jobs will change over the next five years.
- In a country with strong apprenticeship programs and vocational training, perhaps it isn't surprising that 51% believe employers should take responsibility for upskilling Germany's workforce (61% in the eastern part of Germany). And even more (68%) think companies should underwrite training costs.
- Generally, Germans are staying positive. 37% have lowered their career expectations in recent years.

GERMANS AREN'T AS CONVINCED OF OTHER WORKERS' SKILLS:



76% believe there is a shortage of qualified German workers



59% doubt Germany can successfully reskill its workforce to close the skills gap and meet future market demands

Research methodology:

Udemy partnered with local research firms to survey 1,000 full-time workers in their respective countries. Complete survey methodology available upon request. More Udemy research findings available on research.udemy.com.

2017 Skills Gap Report: Mexico

Our research found lots of confidence, optimism, and personal initiative among Mexican workers. Compared to other countries surveyed, Mexicans were more likely to say individuals should take responsibility for their own upskilling, and they also are seeking out training opportunities on their own at a greater rate. However, 46% of Mexican people think that changing job requirements will have the biggest impact on their careers over the next five years.

- 66% of full-time employees believe there is a skills gap in the Mexican workforce, and the same number believe they are personally affected by it. These figures are also consistent for men and women.
- More than any other country, half of Mexico’s workers say that individuals should take responsibility for their own reskilling, but they support the idea of getting help paying for it.
 - 43% think government should put funding toward the effort.
 - 22% say business should chip in.
 - 20% say it should come as a tax credit.
- Mexicans aren’t just giving lip service to their belief in personal responsibility; 74% say they’ve taken online courses on their own, far more than workers in other countries surveyed.
- 75% of Mexican respondents rate the country’s workforce as competitive or very competitive, but 46% think that changing job requirements will have the biggest impact on their careers over the next five years.
- Mexico’s workers rate their job skills highly, with 75% considering themselves above average. The majority also believe their schooling prepared them adequately for the workforce. Yet 20% admit to lying on their resume or LinkedIn profile or in interviews.
- 43% of Mexicans say they’ve lowered their career expectations due to widespread unemployment over the past decade.
- Mexicans were also more likely to have a side hustle than workers in other countries. 54% have gigs on the side, and the vast majority of them are doing it for extra income.
- 35% of Mexican people would first opt for online courses to learn new skills, while just 10% would go to a traditional classroom or back to school.

More than any other country, half of Mexico’s workers say that individuals should take responsibility for their own reskilling, but they support the idea of getting help paying for it.



43% think government should put funding toward the effort.



20% say business should chip in.



20% say it should come as a tax credit.

Research methodology:

Udemy partnered with local research firms to survey 1,000 full-time workers in their respective countries. Complete survey methodology available upon request. More Udemy research findings available on research.udemy.com.

2017 Skills Gap Report: Spain

Spain's economic woes have been well-documented in recent years. After enacting policies of austerity, the country emerged from a recession in 2013, but unemployment remains high and wages have not increased. Spanish workers may feel less optimistic than other nationalities, but they still have confidence in their country's ability to compete and trust that their education has prepared them well.

- 65% of Spanish employees surveyed believe there is a skills gap in the Spanish workforce, considerably lower than what workers say in other countries. Only 57% of those who recognize the gap say it affects them personally.
- A majority of 63% of respondents rate the Spanish workforce as competitive or very competitive. At the same time, Spaniards have lowered their career expectations far more than people in other countries surveyed.
 - 68% of workers in Spain have downgraded their career outlooks, compared to Brazil (45%), France (48.5%), Germany (37%), Mexico (43%), and the U.S. (37%).
 - 58% of Spanish respondents said they have fewer opportunities to advance than workers in earlier generations.
- Spaniards are also less confident in their own skills than people elsewhere. Compared to places like France (65%) and Mexico (75%), only 42% of Spanish workers rate their skills above average. There's an interesting gender split in this response too: 62% men vs. 38% women in Spain believe their skills are above average.
- Spanish believe their government should be responsible for upskilling the workforce more than businesses or individuals. Almost half (46%) also think the government should fund training efforts.
- 71% say their schooling prepared them adequately for their careers, but 27% say they would attend a vocational program if they could go back and do it differently.

Spaniards are also less confident in their own skills than people elsewhere. Compared to places like France (65%) and Mexico (75%), only 42% of Spanish workers rate their skills above average. There's an interesting gender split in this response too: 62% men vs. 38% women in Spain believe their skills are above average.



Research methodology:

Udemy partnered with local research firms to survey 1,000 full-time workers in their respective countries. Complete survey methodology available upon request. More Udemy research findings available on research.udemy.com.

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.

