

HUMAN CAPITAL

Greater Washington's Knowledge Workers

A Study by the
Greater Washington Initiative



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What is a Knowledge Worker?

- New term first coined in 1950s
- Members of a well-educated labor force that use, analyze, and develop ideas and information in daily work
- Referred to as “creative class” by Dr. Richard Florida of George Mason University
- Also includes artistic and innovative workers
- Focuses on what they “do,” not where they work



Why Focus on Knowledge Workers?

- Regional economies that attract an educated workforce are best positioned for future growth

	Knowledge Workers Per 100K Residents [†]	GRP Per 100K Residents (2004)	2005 Median Household Income
Greater Washington	18,680	\$5.4 billion	\$74,708
Large metros with <u>most concentrated</u> knowledge workforces (average of 8)	15,790	\$4.9 billion	\$59,583
Large metros with <u>least concentrated</u> knowledge workforces (average of 7)	10,900	\$4.1 billion	\$49,132

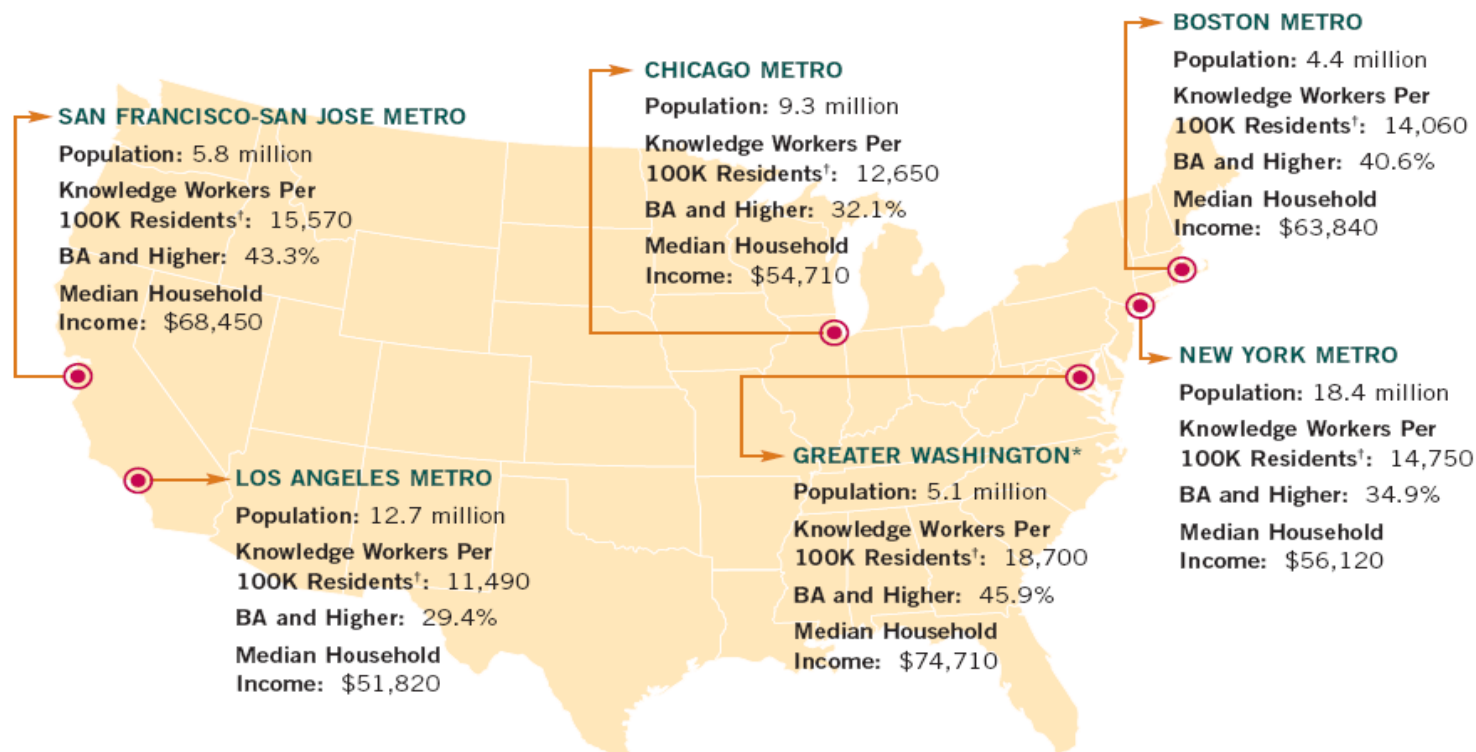
Source: U.S. Census, American Community Survey, 2005. Bureau of Labor Statistics, 2005. Global Insight, 2004. GWI Analysis, 2007.

† Does not include self-employed individuals.



About the Study

- Compares the knowledge workforce of Greater Washington to 5 competing areas:



Source: U.S. Census, American Community Survey, 2005.

[†]Does not include self-employed individuals.

*For this study, Greater Washington does not include Anne Arundel and Howard Counties because they are not included in federal definitions of the region.



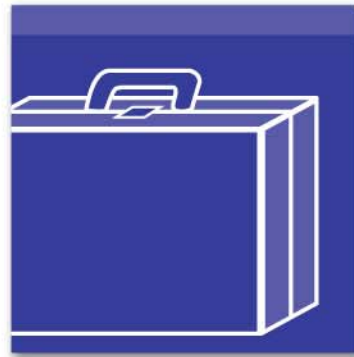
About the Study

- Focuses on 5 major categories of the knowledge workforce:
 - Professional Services
 - Information Technology
 - Education & Research
 - Media, Arts & Design
 - Healthcare



Study Overall Findings

- Greater Washington ranked 1st overall in knowledge workers among metros over 1 million
- Ranked 1st per capita over benchmark regions in
 - Professional Services
 - Information Technology
 - Education & Research
- Ranked 1st per capita in 10 of 18 job categories among benchmark regions



PROFESSIONAL SERVICES



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Key Findings – Professional Services

- More than **360,000 professional services workers**
- 20% are **self-employed** and **80,000 freelance**
- **Highest concentration** per capita of business consulting and advertising workforce of benchmark metro areas
- 5,900 PR workers added since 1999
- **Forecast** = 500,000 professional service workers by 2014

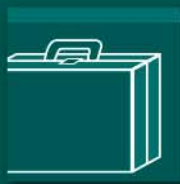


Key Findings – Professional Services

- #1 in:
 - Advertising & Marketing
 - Business & Financial Services
 - Environmental Services
 - Human Resources
 - Legal
 - Real Estate
- #2 in Engineering
- Facing shortage of accountants, CFOs, directors of finance, etc.



INFORMATION TECHNOLOGY



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Key Findings – Information Technology

- Nearly **220,000 information technology workers**
- **51%** IT services; **49%** computer programming
- **43% increase** in IT professionals between 1999-2005
- **Forecast 28%** growth in IT workers by 2014

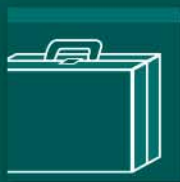


Key Findings – Information Technology

- Well *above national average in computer programming*
 - 6x computer scientists
 - 4x software engineers
- IT services workers also above national average
 - 4x computer systems analysts
 - 3x network administrators
- Region graduates 4,300 annually
- 9,700 job openings annually



EDUCATION & RESEARCH



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Key Findings – Education & Research

- Almost **179,000 education and research workers**
- More **researchers** per capita than benchmark regions, with a 22.5% increase since 1999
- Region's future growth needs require an **additional 44,000 education workers**
- Huge demand for elementary school teachers
- Education workers declined by nearly 15,000 since 1999



MEDIA, ARTS & DESIGN



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Key Findings – Media, Arts & Design

- Nearly **73,000 media, arts & design workers** – more than half self-employed
- New York is no longer the *only* place for the “creative class”
- **Highest number of technical writers** of any leading metro area
- **Commercial arts** workforce growing 8x national average
- More commercial design workers per capita than benchmark metro areas



HEALTHCARE



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Key Findings – Healthcare

- Over **211,000 healthcare workers**
- Healthcare workforce is the region's greatest challenge
- 30% fewer nurses than national average
- Since 1999, the region has **lost 4,800 nurses**
- Shortage of over 3,800 medical services workers annually
- Number of **dentists and pediatricians above national average**
- In social services, child care providers increasing, but still 15% below national average



Overall Workforce Need

> Not enough local graduates for demand: Although the region graduates 60,000 students each year, in some professions, there are not enough students graduating from the region's 50 colleges and universities to meet demand from Greater Washington's employers. Employees coming from other regions or educational backgrounds help meet the demand.

2005 JOB OPENINGS AND DEGREES CONFERRED IN GREATER WASHINGTON

Professional Category	Education Level	2005 Graduates	2005 Job Openings
Accounting	Associate's	100	1,240
Accounting	Bachelor's or Master's	1,060	1,740
Education	Associate's	170	1,360
Information Technology	Associate's	620	920
Information Technology	Bachelor's or Master's	3,710	8,680
Nursing & Healthcare	Associate's	1,310	5,610



Summary & Topics for Discussion

- Greater Washington's knowledge workforce is strong and competitive
- Region emerging as leader in advertising, information technology, and writers
- Increasing need for:
 - Qualified financial services workers
 - School teachers
 - Healthcare workers
- We must focus on quality of life to stay #1

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What we learned from area discussions

- To Address the workforce shortage we need to both produce and attract talent
- The cost of producing Tech & Health workers is much higher than other degrees
- Healthcare workers must be produced locally
- Interface between business and higher ed broken
- Businesses must work more collaboratively to address the human capital challenges
- Marketing the region is even more critical to companies to help in recruiting talent