



## HR Survey: The Skills Gap is Slashing American Businesses' Bottom Lines

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HERNDON, Va.--(BUSINESS WIRE)--Feb. 4, 2020-- K12 Inc.'s Destinations Career Academy [has released a new survey](#) of HR decision-makers revealing that the skills gap is causing American businesses to hemorrhage money in pursuit of the right talent – and that it will continue to be a drain on resources over the next decade.

Ninety-four percent of HR decision-makers say an inability to find highly qualified candidates is impacting business growth, despite how much they're pouring into training and recruitment: Fifty-six percent report spending between \$10,000-\$100,000 on each, and nearly a quarter of medium-sized (250-999 employees) and large (more than 1,000 employees) businesses are spending \$500,000-\$1 million on recruitment alone.

What's more, approximately one-third of respondents say this isn't enough; despite these levels of spending, sixty-eight percent predict that in the next 5-10 years, a scarcity of qualified IT talent will negatively impact their business.

But IT-related technical skills aren't the only thing recruiters are looking for: The skill 51% of HR decision-makers are primarily after is work ethic – the skill 42% say candidates lack. Other soft skills such as communication (49%) and teamwork (43%) also rank high on the wish list of hiring teams, but more than 40% of respondents indicate today's candidates are coming up short in both areas.

"Inadequate skills training is looming over the American economy," said Dr. Shaun McAlmont, K12's President of Career Learning Solutions. "Fortunately, we can address this issue by turning our attention to K-12 curriculum and ensuring that students are learning the skills that will be critical for success on an individual level, in today's evolving workplace, and in our global economy."

To compensate for the skills gap, companies are putting even less emphasis on college degrees. When it comes to screening candidates, having a two- or four-year college degree ranked below "workplace experience in a similar work setting," "prior industry-relevant work experience," and "soft skills/professional skills." Only 15% ranked a college degree as the first thing they look for.

More than just wishing for talent that isn't there today, companies appear willing to invest in making sure tomorrow's candidates get the right skills: 96% report that companies should be offering more apprenticeships and internships to prepare high school students for careers.

"Now that we know what employers really value, it's time to make sure our education system steps up by making college just part of the broader conversation about students' futures," said McAlmont. "Better skills training in middle school and high school through career readiness education programs like project based learning and workplace experience will be critical to address the skills gap."

That same skills development should continue after individuals are in the workforce, HR decision-makers say. More than 90% of respondents agree that current and potential employees could benefit from developing new skills through outside education programs.

"It's promising to learn that companies want to play a role in preparing future talent with meaningful opportunities earlier on in their education, and that they recognize the opportunity to expand professional development offerings," said McAlmont. "K12's recent acquisition of [Galvanize](#), one of the country's top providers of workforce training in software engineering and data science, will help bring to scale these kinds of in-career skill development offerings."

More details on the survey, including an infographic can be found at [newsroom.k12.com/HRsurvey](https://newsroom.k12.com/HRsurvey).

### About K12

K12 Inc. (NYSE: LRN) helps students of all ages reach their full potential through inspired teaching and personalized learning. The company provides innovative, high-quality online and blended education solutions, curriculum, and programs to students, schools and enterprises in primary, secondary and post-secondary settings. K12 is a premier provider of career readiness education services and a leader in skills training, technology staffing and talent development. The company provides programs which combine traditional high school academics with career technical education through its Destinations Career Academies. Adult learning is delivered through K12's subsidiary, Galvanize, a leader in developing capabilities for individuals and corporations in technical fields such as software engineering and data science. K12 has delivered millions of courses over the past decade and serves students in all 50 states and more than 100 countries. The company is a proud sponsor of the [Future of School](#), a nonprofit organization dedicated to closing the gap between the pace of technology in daily life and the pace of change in education. More information can be found at [K12.com](#), [destinationsacademy.com](#), [jobshadowweek.com](#), and [galvanize.com](#).

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