



GREATER WASHINGTON PARTNERSHIP

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FOR IMMEDIATE RELEASE

July 7, 2020

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Capital Region Faces a Huge Tech Talent Shortage

Nearly half of new tech roles and nearly two thirds of “tech adjacent roles” could go unfilled by 2025. The solution? Build a more diverse workforce.

Washington, D.C.— The Capital Region is expected to add more than 130,000 digital tech jobs over the next five years, but the demand for tech talent continues to outpace supply, according to a new study released today by the Greater Washington Partnership. The analysis, “The Capital Region Faces a Huge Tech Talent Shortage,” produced with support from McKinsey & Company, finds the talent gap will only continue to widen, unless much more is done to create a robust tech talent ecosystem that makes deliberate connections between digital tech pathways and diverse learners.

“Given the challenges our nation and our region are facing due to the ongoing effects of COVID-19, growing the region's digital tech talent pipeline is an economic imperative,” said **Jeanne Contardo, Vice President and Managing Director of the Capital CoLAB**. “What this analysis brings to light is that expanding the pipeline requires a sustained and collaborative approach, leveraging the strengths of all our partners. There is a clear and immediate need for an expansion of the Capital CoLAB’s work and as we move forward, we must ensure that those hardest hit by the economic crisis, individuals with lower incomes, people of color, and women have greater access to digital skills opportunities.”

The Greater Washington Partnership’s Capital CoLAB – an action-oriented partnership of business and academic institutions that develops the talent needed across the greater Washington area – partnered with McKinsey & Company on a tech talent market diagnostic of the Capital Region. The goals of the analysis were to identify labor market imbalances among tech and tech adjacent occupations and use that data to assess the supply-demand gap of the regional workforce between now and 2025. The analysis also identified implications and strategies to guide Capital CoLAB



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programs and address the digital tech workforce imbalances by expanding the digital tech pipeline with a laser focus on equity and inclusion.

The issue brief highlights five key findings about the Capital Region's digital tech workforce:

1. By 2025, the forecasted supply gap is about 50% for tech talent and about 67% for tech adjacent talent.
2. Demand for tech talent is broad across many occupations, but especially concentrated among a few occupations, including Software Developers (for applications & systems software), Computer Systems Analysts, and Information Security.
3. Workers need to improve their digital literacy to execute the same tasks as before, and automation will enhance this need.
4. Though the Capital Region's tech and tech-adjacent workforce is more diverse than that of our peers, Black, Hispanic, and Latino tech workers are underrepresented compared with the region's workforce overall.
5. There is likely a greater share of small employers hiring for tech roles in Baltimore and Richmond, indicating a need to consider regional variation as we craft a talent strategy.

The analysis also examines tech talent using a broader lens through which the tech workforce is defined in terms of tech creators and tech users. This specific approach seeks to understand ever evolving demand for digital tech skills beyond just IT job opportunities. By examining both "tech" (occupations that *develop* technology) and "tech adjacent" (occupations that *use* technology extensively) the analysis better captures real demand and supply needs, which will better inform strategies and program development to prepare the next generation of workers.

"The research shows the Capital Region contains all the right elements to expend its potential and continue to be a competitive market for tech talent," **said Nora Gardner, Managing Partner, McKinsey & Company.**

"By infusing the findings of the analysis into the Capital CoLAB's strategy moving forward, it has the potential to better address the supply and demand imbalances, prioritize investments to boost competitiveness, diversity and collaboration and further support innovation and progress in the region," **added Brooke Weddle, Partner, McKinsey & Company.**





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The Greater Washington Partnership will host a webinar with our knowledge partner, McKinsey & Company, on **Tuesday, July 14, 2020**. During the webinar the report authors will take a deeper dive into the data and tech talent market diagnostic of the Capital Region.

You may access the full report on the Partnership's website [here](#).

About the Greater Washington Partnership

The Greater Washington Partnership is a first-of-its-kind civic alliance of CEOs in the region, drawing from the leading employers and entrepreneurs committed to making the Capital Region—from Baltimore to Richmond—one of the world's best places to live, work and build a business. Working in collaboration with leaders across our communities, the Partnership connects and leverages the region's extraordinary assets to advance inclusive, actionable solutions that strengthen the Capital Region as a leading global region and center for commerce and innovation.

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