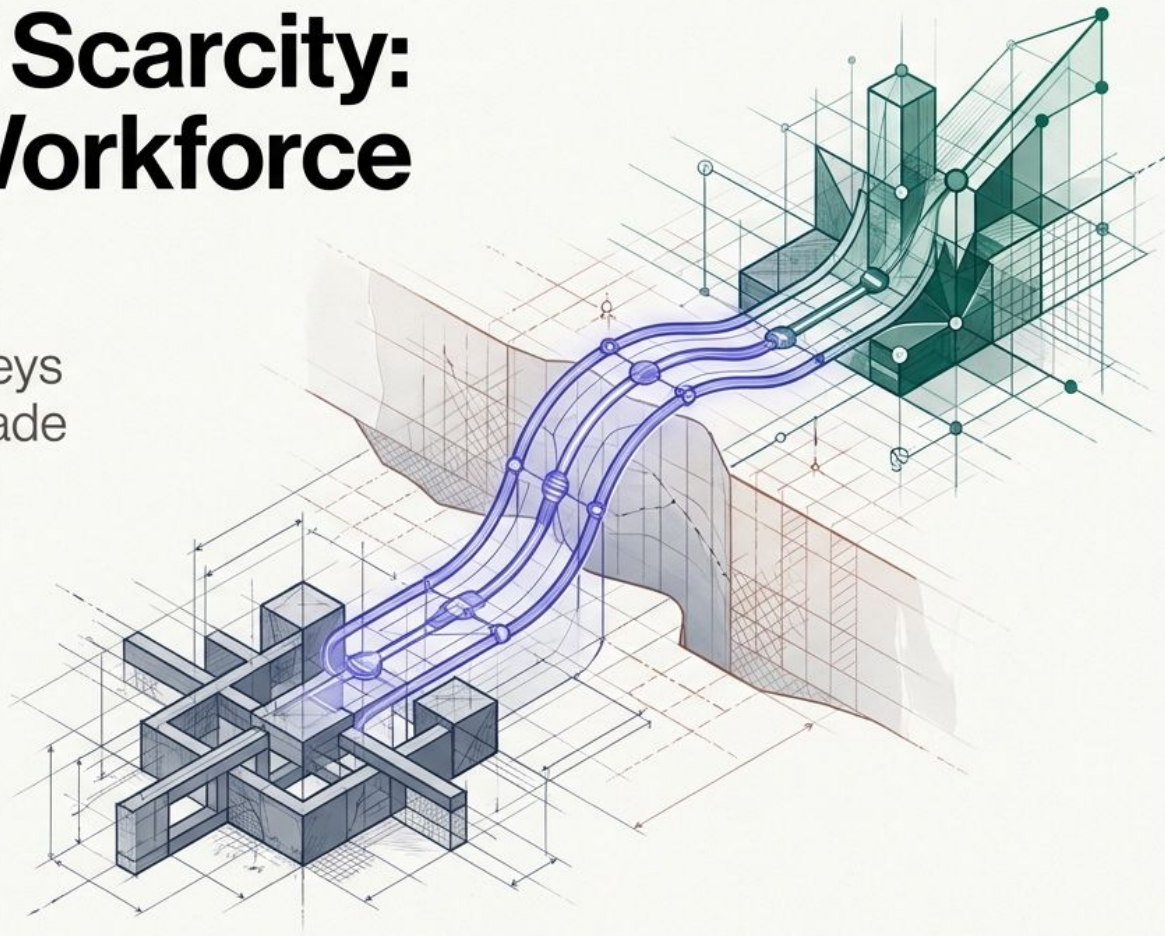


Mobility, Not Scarcity: The AI-Era Workforce Reallocation

Why employers hold the keys
to navigating the next decade
of talent transitions.



Synthesized from the research of
J.H. Westover & McKinsey Global Institute
(2025–2035 Projections).

The Dominant Narrative vs. The Structural Reality

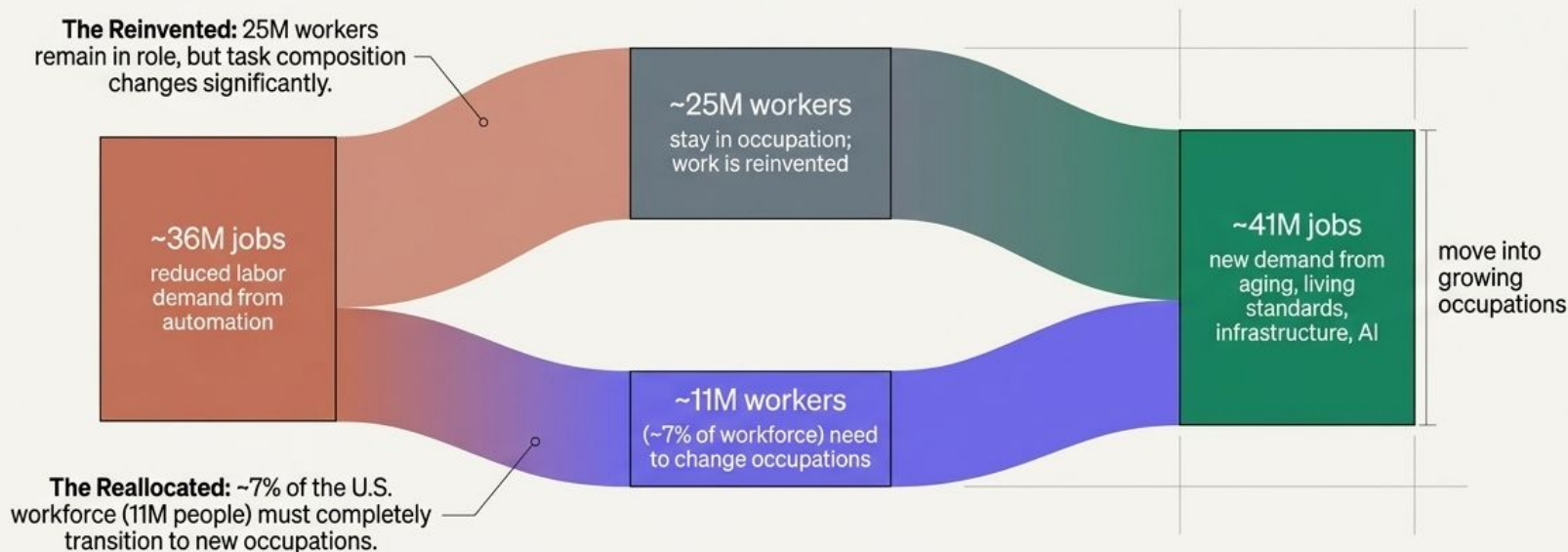
The Subtraction Story:
**AI will take
all the jobs.**

The public debate focuses entirely on job loss, ignoring the structural growth forces of an aging population, infrastructure renewal, and AI expansion itself.

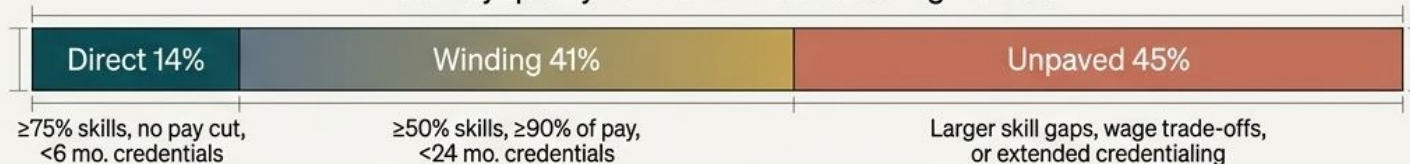
+41M New Jobs
- 36M Displaced
= Net Economic Gain

The real story is net positive. By 2035, the U.S. economy is projected to generate more roles than it eliminates. The challenge is not a lack of work, but moving people to it.

The Workforce Reallocation Engine (2025–2035)



Pathway quality for the ~11M transitioning workers



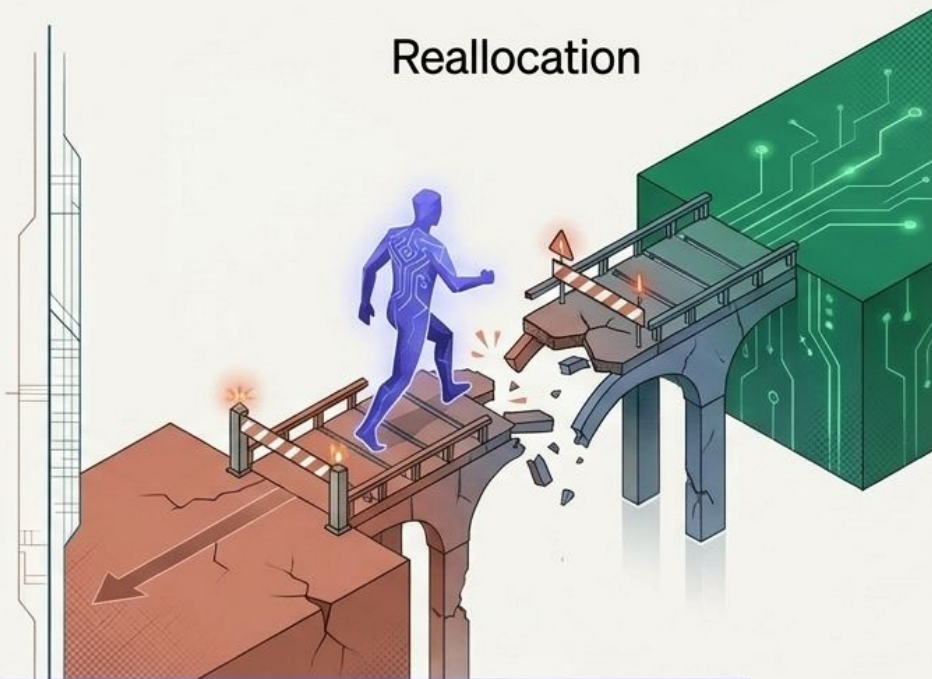
Base-case estimates for the United States, 2025–2035. Data from Ramírez et al. (2026).

The 11 Million: A Crisis of Logistics, Not Scarcity

Reinvention



Reallocation



Core Insight: The next decade's challenge is mobility, not scarcity.

The destination jobs exist, and only 3% of transitioning workers face a pay cut if they can complete the journey. If jobs exist but people cannot physically or financially reach them, the economy stalls.

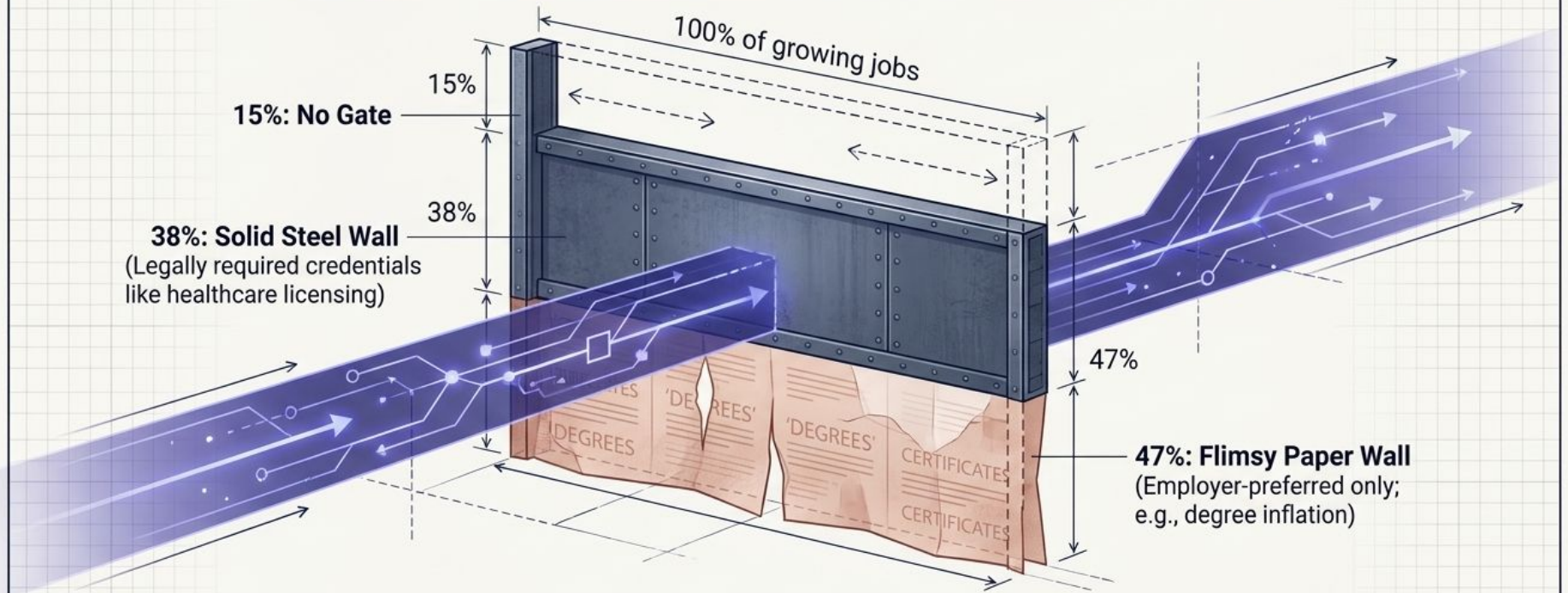
Diagnosing the Routes: 86% of Pathways are Structurally Broken

The Pathway Quality Diagnostic

Pathway Type		% of Transitioning Workers	Skill Overlap	Time to Credential	The Equity Gap
Direct	✓	14%	>75%	<6 months	40% of top wage earners have this route.
Winding	—	41%	>50%	Up to 24 months	Moderate friction.
Unpaved	⚠	45%	Massive gaps	Extended	90% of lowest-wage workers face this route.

Takeaway: Transitioning without deliberate employer intervention is a privilege reserved primarily for high-wage, highly educated workers.

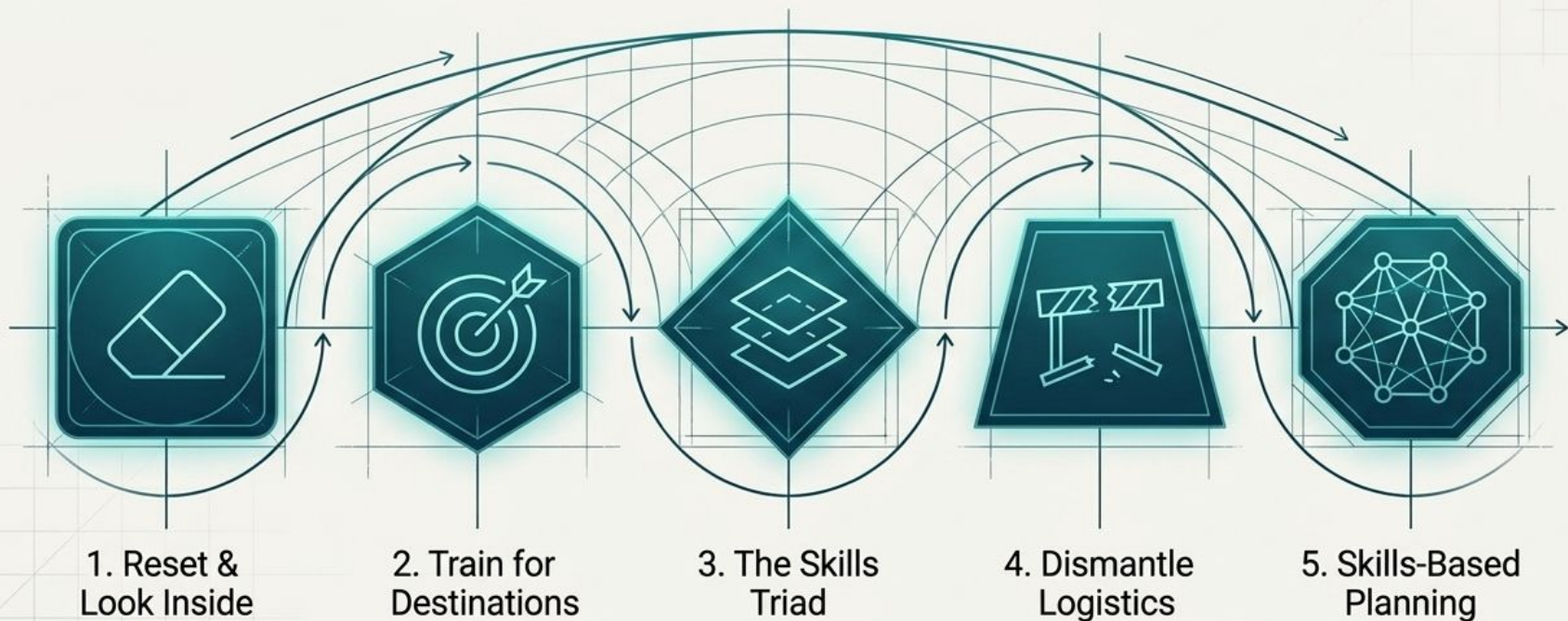
The Artificial Bottleneck: Who Built the Wall?



Core Insight: Employers are choking their own talent supply. 85% of growing jobs require credentials, but nearly half of those are entirely voluntary. By enforcing 'paper walls' (degree requirements for jobs that do not legally require them), organizations screen out 70 million STARs (Skilled Through Alternative Routes).

Pivot to Action: The Employer's Playbook

Organizations that architect these pathways will secure their workforce; those relying strictly on external hiring will pay more for less.



Playbook 1: Reset Requirements & Look Inside

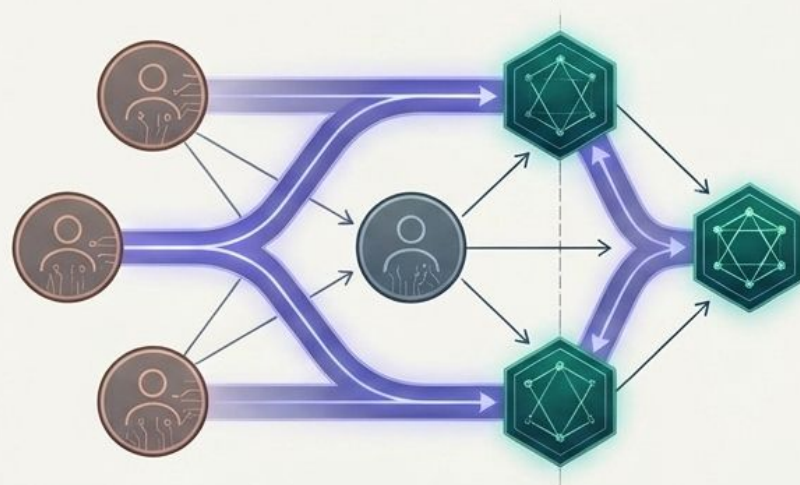
Erase the Paper Wall



Action: Conduct credential audits. Substitute relevant experience for degrees.

Case Study: State of Maryland eliminated 4-year degree requirements for thousands of IT and admin roles, instantly expanding their talent pool.

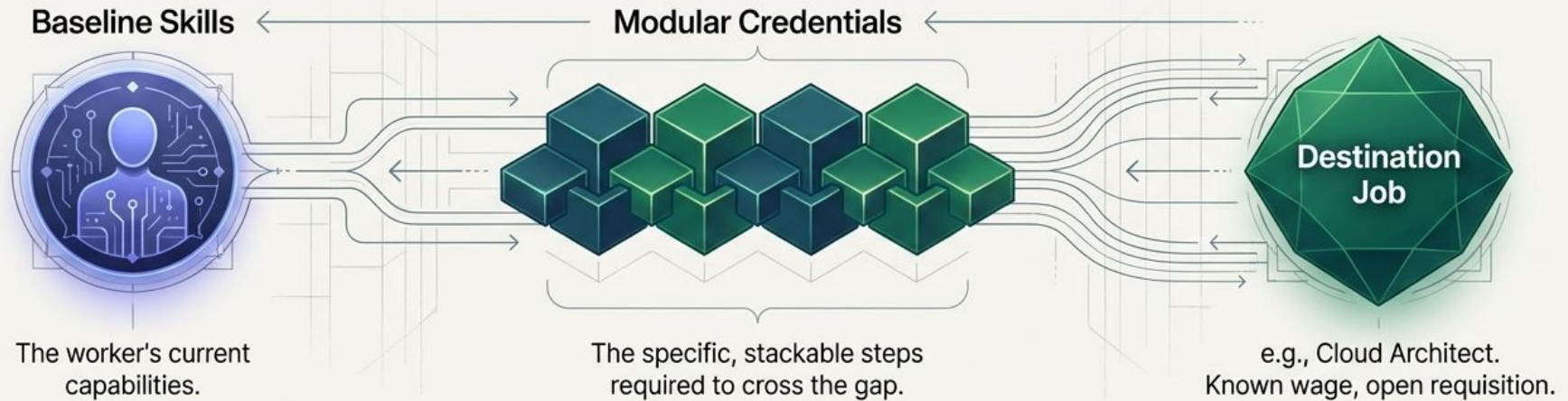
The Talent Marketplace



Action: Implement open internal talent marketplaces. Post roles openly rather than using managerial slotting.

Case Study: AT&T avoided costly external hiring by mapping existing employee skills and redeploying them into growing cloud infrastructure roles.

Playbook 2: Train for Destinations, Not Just Awareness



Action Items

- ⊕ Abandon generic upskilling.
- ⓑ Tie every training investment to specific growing roles with known wages.
- Ⓢ Utilize earn-while-you-learn apprenticeships.

Evidence

- Project QUEST (San Antonio): Built healthcare pathways by partnering with employers to train low-income adults specifically for known, in-demand occupations with employer-designed curricula, resulting in massive, lasting earnings gains.

Playbook 3: The AI-Era Skills Triad



The Core Insight



Essential skills widen job reach.
Enabling skills unlock higher pay.
Empowering skills sustain survival.

The AI Imperative



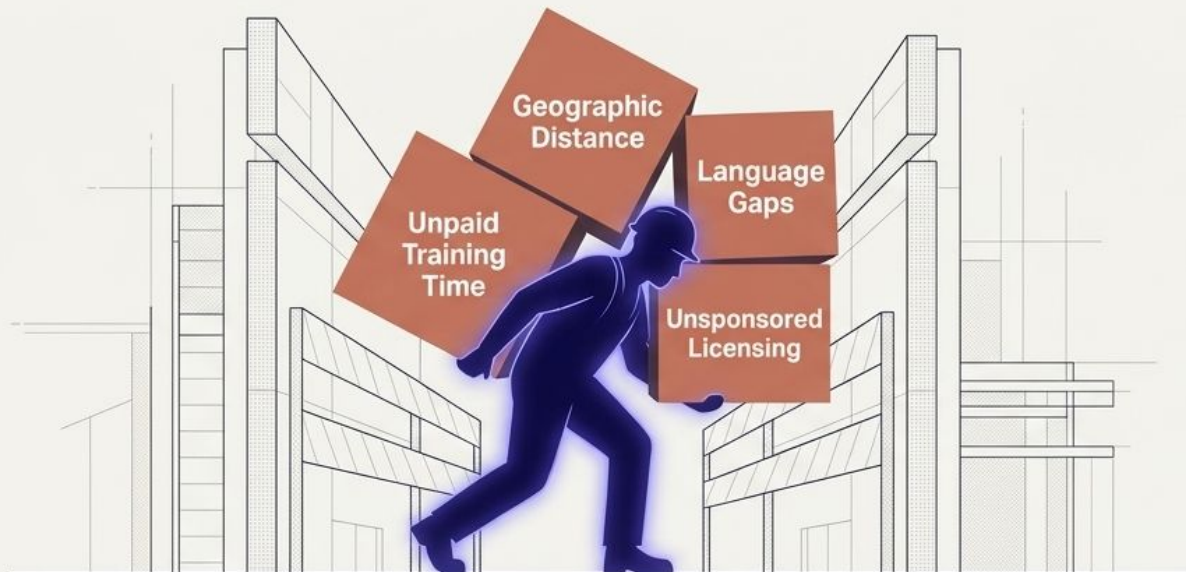
Demand for AI fluency has spiked 11x since 2022.

The Risk Warning



Generative AI is an accelerator for novices (boosting lower-skilled agent productivity by 34%), but a severe liability for experts if used outside its capabilities without role-specific judgment. Training must be task-specific, not generic.

Playbook 4: Dismantle the Non-Skill Logistics



Core Insight:

A perfectly designed pathway on paper is useless if the worker cannot afford to walk it. **Organizations must subsidize the logistics of mobility.**

Action Item 1

Compensate lower-wage workers for training time.

Action Item 2

Directly sponsor legally required occupational licenses (vital for the 96% of growing healthcare roles).

Action Item 3

Offer local training tied to regional job growth.

The Recalibrated Psychological Contract

The Organization

The Talent

The Old Model

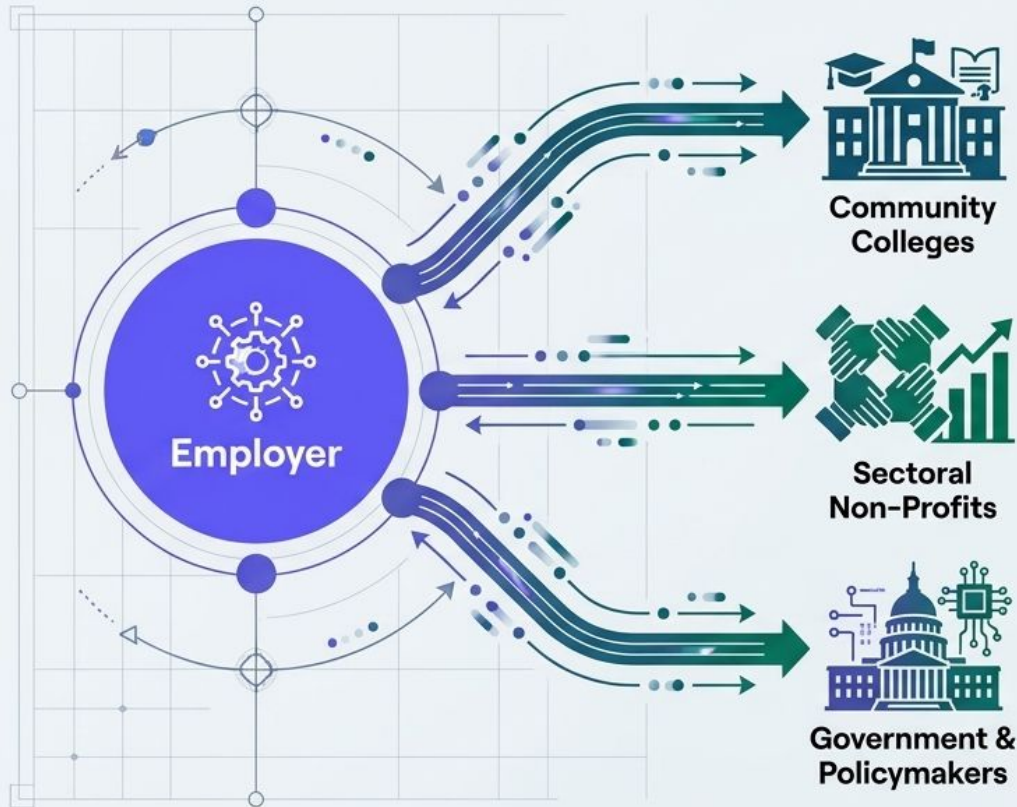
Loyalty in exchange for static stability.

The New Model

Adaptability in exchange for employability.

The Aha Moment: Over 70% of roles face reinvention. The era of the static job description is dead. Organizations can no longer survive as passive consumers of ready-made talent. They must become active producers of capability. Employers guarantee transparency and learning investments; employees guarantee ongoing adaptability and continuous reinvention.

Long-Term Horizon: The Multi-Stakeholder Ecosystem



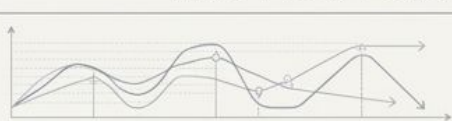
Core Insight:

No single organization can architect the entire U.S. reallocation.

- ✓ Actively share skill-demand data.
- ✓ Co-design stackable curricula with local educators.
- ✓ Partner with proven sectoral training non-profits (e.g., Per Scholas, Year Up).
- ✓ Lobby government for occupational licensing reciprocity.

Executive Blueprint: Architecting the Reallocation

The New Baseline



The U.S. economy faces net positive job growth by 2035, but **11M workers** require total occupational reallocation. Because **86%** of these transitions face structurally broken pathways, **employer intervention** is the only viable solution to future talent scarcity.

The 5-Part Playbook



Audit & erase unnecessary paper credential walls.



Deploy **internal talent marketplaces** before external hiring.



Backward-map training to specific, known destination roles.



Train the Skills Triad, anchoring on role-specific AI judgment.



Subsidize the logistics (time, licenses, geography) of mobility.

Final Takeaway: The coming decade is defined by **mobility**. Those who wait for ready-made talent will face **artificial scarcity**.