

Public Sector and People & Organizational Performance Practices

The upskilling imperative: Required at scale for the future of work

Survey results highlight Americans' willingness to change jobs and occupations—if they can gain the needed skills.

This article is a collaborative effort by Kweilin Ellingrud and Nora Gardner, with Claire Le Barbenchon, Julia Du, and Ryan Luby, representing views from McKinsey's Public Sector Practice.



Amid overall uncertainty, including about [the future that AI will bring](#), two things are clear. One, jobs and occupations will change as new technologies are used to handle and support more tasks. The transition to AI is already underway, according to the results of the latest McKinsey American Opportunity Survey (AOS) in which roughly 20 percent of employed respondents say that they have used gen AI for work purposes. Two, as work transforms amid the adoption of new technologies, upskilling that enables occupation switching will be even more important than it is today.

Fortunately, US workers have historically been highly adept at modifying what they do for work, and the US labor market has shown itself to be nimble and adaptable relative to some advanced-economy peers. Between 2016 and 2019, [Americans changed occupations nearly three times as often as Europeans](#) did. The COVID-19 pandemic era was a period of greatly accelerated occupational change in Europe, but the United States continued to outpace it even then. The latest AOS data (sampled in August 2024) found that 17 percent of employed US respondents have switched to a different occupation since March 2020 (see sidebar, “Our methodology”).

Our methodology

This article is based on a 20-minute Ipsos survey conducted on behalf of McKinsey between August 5 and August 27, 2024. A sample of 9,560 adults aged 18 and older from the continental United States, Alaska, and Hawaii was interviewed online in English and Spanish via the probability-based Ipsos KnowledgePanel, with supplemental sampling from Ipsos online nonprobability panels. Included in the total sample were oversamples in nine states or metropolitan statistical areas (MSAs). The US Census-based approach was intended to provide a truly representative sample to understand both the patterns in office attendance and the preferences about the working-model policies across key demographics. To reflect the population of the United States as a whole, post hoc weights were made to the population based on age by gender, race/ethnicity, education, census division, and household income characteristics. Each oversampled area was also weighted to reflect the population characteristics of the state or MSA. Opt-in respondents also had set weight calibrations with respect to how much TV they watch, their internet usage, whether they use the internet to express political beliefs, and their frequency of trying new products. Prior years of the McKinsey American Opportunity Survey were conducted entirely via Ipsos's nonprobability online panel. As such, trend data may be disrupted by the transition to the more representative KnowledgePanel sample. This article reflects insights based on available information as of August 27, 2024, that have not been independently verified and are inherently uncertain. Future results may differ materially from any statements of expectation, forecasts, or projections.

Of currently employed AOS respondents, 44 percent say that they are willing to change occupations. While this figure is lower than the one seen in 2021 (when it was nearly 50 percent), it illustrates the robust interest that Americans have in pursuing more pay and more hours—the primary motivations for an occupational switch.

While the track record of US workers to change occupations bodes well for the future, there's a problem: Of employed respondents willing to change occupations and open to a new job, 45 percent say that their need for more or different work experience, relevant skills, credentials, or education was the top barrier to finding a new job. Of those employed respondents who are unwilling to change occupations but looking, planning to look, or open to looking for new jobs, 28 percent identify the same top barrier. This need for upskilling is far and away the top obstacle to occupational change that respondents cite.

This article delves into the upskilling that could enable a more flexible, adaptive, and fit-for-the-future American workforce. By examining respondents' interest in occupational change, desire for upskilling, and obstacles to getting their desired apprenticeship, education, licensing, or training, we hope to illuminate a workforce deficit and inspire reflection on how it could be improved. We conclude by offering ideas for how companies, educational institutions, nongovernmental organizations (NGOs), and public programs could respond to workers' desire for upskilling and support a workforce transformation.

The American workforce has historically embraced occupational change—and welcomes it

Prior McKinsey research has revealed that advanced economies around the world share [the persistent problem of tight labor markets](#), including in [infrastructure development](#) and construction. Aging populations have put more pressure on labor pools, and even against a backdrop of uncertainty, there is persistent demand for workers in specific areas, such as healthcare. McKinsey Global Institute research suggests that by 2030, [roughly 10 percent of the American workforce may need to switch occupations](#), about a two-percentage-point increase from before the COVID-19 pandemic.

The pandemic era was a time of accelerated job and occupational switching in many parts of the world, including the United States, as companies closed, workers faced new risks, remote-working opportunities opened, and societies faced general upheaval. Although a historic view of AOS survey data reveals that job switching has subsided since the pandemic, the era had a lasting impact. Over a third of employed respondents in the third quarter of 2024 say they have switched jobs since March 2020, and nearly a fifth report having changed occupations (Exhibit 1).

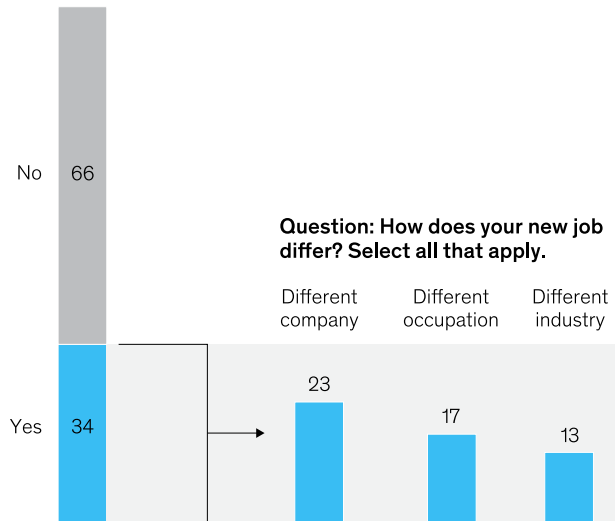
Unsurprisingly, younger respondents—who have invested the least amount of time in one field of work—are the most enthusiastic about changing what they do for a living, with 60 percent expressing willingness. But perhaps surprisingly, the willingness to try something new was

Exhibit 1

Since March 2020, 34 percent of employed respondents have switched jobs, and among those, half have switched occupations.

Share of employed respondents, %

Question: Have you changed jobs since Mar 2020?



Source: American Opportunity Survey, summer 2024 (n = 9,446)

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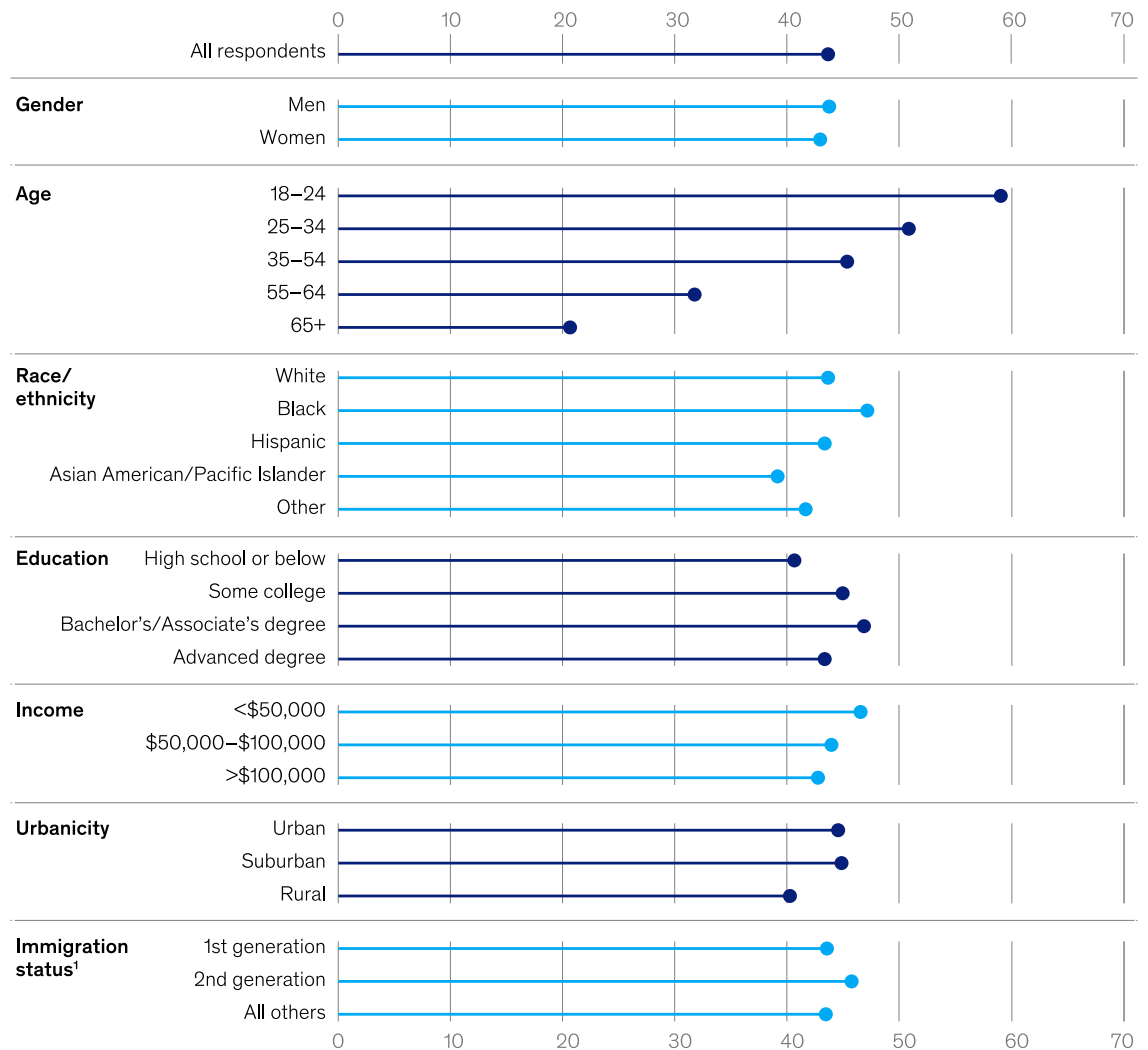
consistently high across genders, races, and even educational attainment and income levels. The only group that diverged substantially was workers aged 55 and above, who may feel that they have invested too much time and are too close to retirement to make a change worth their while. Even so, a third of those aged 55 to 64 and over a fifth of those aged 65 or older were also willing to change occupations (Exhibit 2).

People willing to switch occupations are seeking a better financial future. When asked what motivates them to find a new job, 68 percent of workers who report willingness to switch occupations and being open to a new job are motivated by desire for more pay or hours, and 35 percent are motivated by better career opportunities. These figures are 13 and 12 percentage points higher, respectively, than those of their counterparts who aren't willing to switch occupations.

Exhibit 2

Across different racial, educational, and income groups, 40 to 50 percent of workers are willing to switch jobs.

Those willing to switch occupations, % of employed respondents



¹Survey response options: 1. I am an immigrant to the US (born outside the US); 2. I am 2nd generation (born in the US, a child of an immigrant); 3. all others.
Source: American Opportunity Survey, summer 2024 (n = 5,277)

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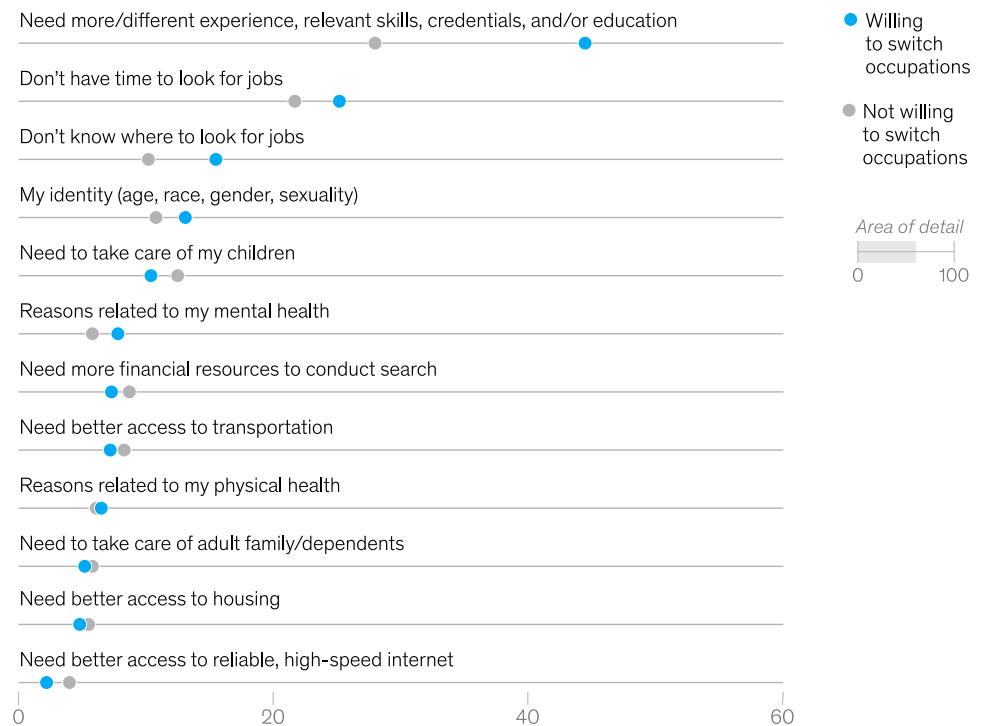
The missing ingredient for occupation switching: Upskilling

With tight talent markets in crucial industries including infrastructure, construction, and healthcare—and a job market that is changing as [gen AI adoption](#) continues—a flexible and adaptable US workforce bodes well. But, by a considerable margin, respondents who are willing to switch occupations and are open to a new job cite the need for more or different work experience, credentials, education, or relevant skills as the greatest obstacle to finding new employment. This group needs upskilling—both quickly and at scale (Exhibit 3).

Exhibit 3

Upskilling is the key barrier for those willing to switch occupations when looking for employment.

Of employed respondents, top barriers to finding employment,¹ %



¹From the following list, please select the biggest barriers in your search for a new job. You may select up to 3 choices.
Source: American Opportunity Survey, summer 2024 (n = 3,164)

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Reflecting the desire for upskilling, workers willing to switch occupations are slightly more likely (one to three percentage points) than their counterparts who aren't willing to switch to have pursued upskilling in the past and are ten percentage points more likely to seek upskilling opportunities.

A variety of workers want to upskill, creating a desirable talent pool for employers

Of respondents overall, 42 percent express interest in upskilling or say that they are currently looking for upskilling opportunities. But within particular cohorts, interest in upskilling is even higher, revealing pockets of eagerness and motivation that could be intriguing for employers.

Upskilling interest varies with age, with young workers particularly eager (63 percent of workers aged 18 to 24 and 53 percent of those aged 25 to 34). Cohorts of historically underrepresented groups are also more likely to desire upskilling, with 54 percent of Black respondents and 49 percent of respondents identifying as both Hispanic and Asian American or Pacific Islander reporting interest—over 12 percentage points more than their White counterparts. Additionally, lower-income (under \$50,000 in annual household income), urban, and first- or second-generation-immigrant cohorts are eight, eight, and 16 percentage points, respectively, more likely than their respective high-income, suburban or rural, and nonimmigrant counterparts to seek upskilling. Even among the comparatively less enthusiastic cohorts (excluding respondents aged 35 and older), interest in upskilling hovers within a few percentage points of 40 percent (Exhibit 4).

Workers looking to upskill represent a highly motivated, desirable pool of talent for employers. Although this group is largely focused on improving their career prospects, “personal interest in learning something new” ranked as the second-most-frequently-cited motive for upskilling, with over 40 percent of upskilling-interested workers ages 25 to 64 selecting it. Given the tight labor environment, experienced workers who are also enthusiastic and willing to upskill may prove to be particularly valuable for employers. Employers may also benefit by exploring broader pipelines, including younger workers and immigrants.

Workers face time and cost barriers to upskilling

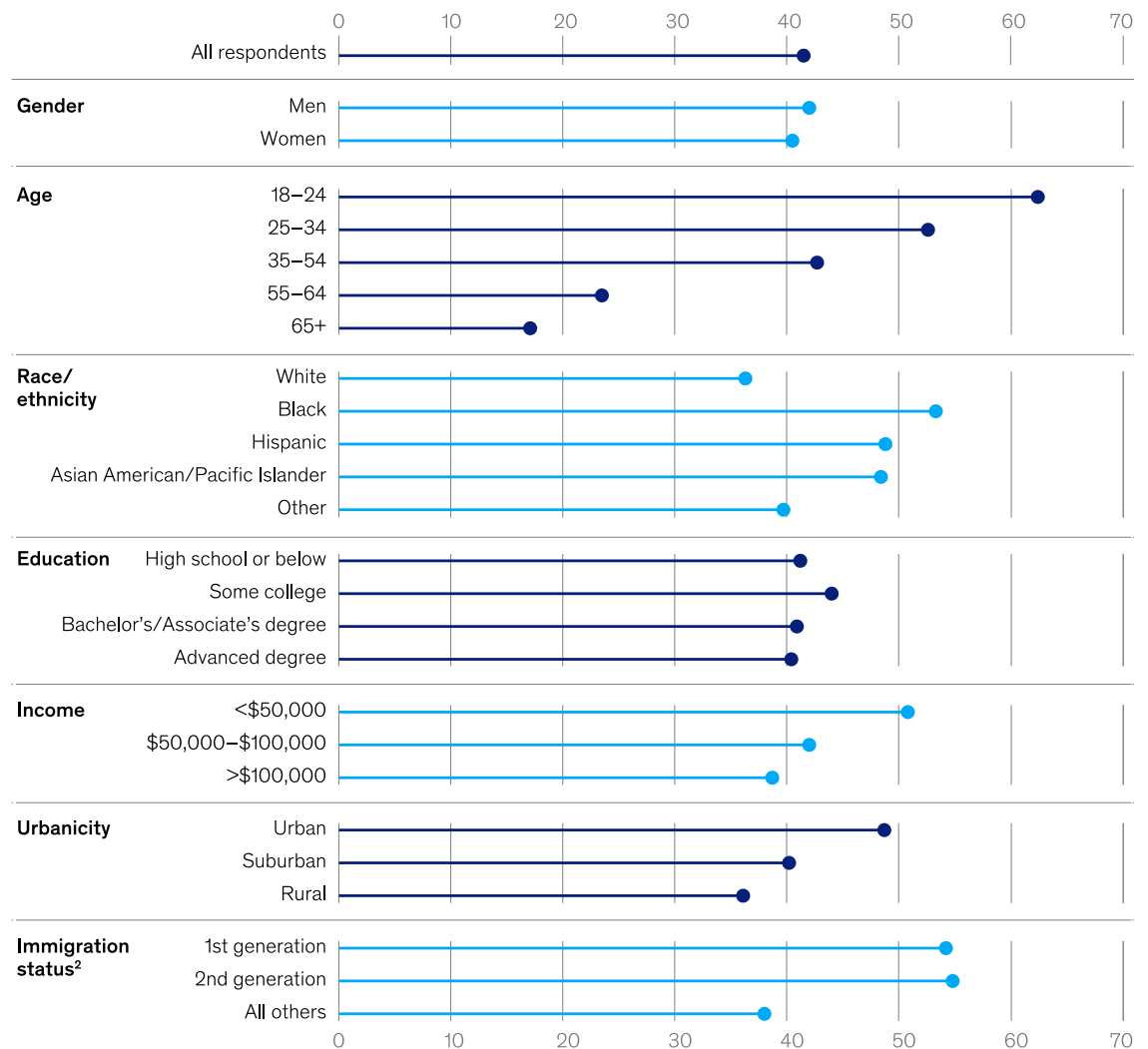
Given the widespread desire for upskilling, it's unfortunate that nearly half of the respondents interested in it cite time and cost commitment as potential barriers to completion, far more than they cited any other barrier.

Time is a particular challenge for more experienced, established workers, with roughly half of respondents aged 35 to 64 with annual household incomes greater than \$100,000 citing it as a barrier. After time and cost of education, the next two most-frequently-cited obstacles are both financial: access to financial support and the opportunity cost of lost wages. Access to transportation is also a challenge for 14 percent of respondents aged 18 to 24, 13 percent of respondents earning less than \$50,000 annually, and 11 percent of Black respondents. By contrast, across all respondents, 6 percent indicate that transportation is a challenge.

Exhibit 4

Young, lower-income, immigrant, and Black workers are particularly interested in upskilling.

Current interest in upskilling,¹ % of employed respondents



¹Are you currently planning to pursue any future training, education, or credentialing opportunities?

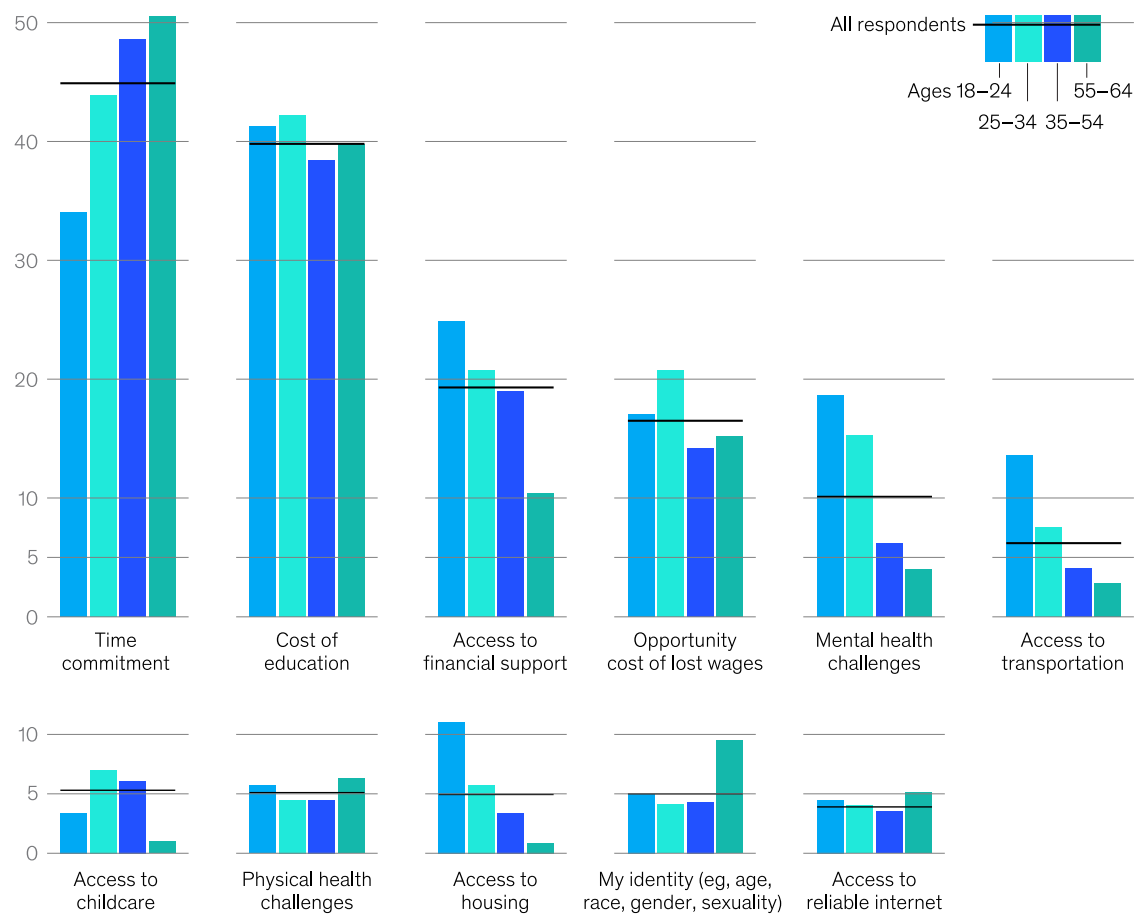
²Survey response options: 1. I am an immigrant to the US (born outside the US); 2. I am 2nd generation (born in the US, a child of an immigrant); 3. all others.
Source: American Opportunity Survey, summer 2024 (n = 5,277)

Notably, 10 percent of all respondents say that mental health obstacles are a challenge, though younger respondents are nearly twice as likely as their counterparts to cite this problem. This data is consistent with findings from the McKinsey Health Institute that [younger generations are more likely to say they suffer from poor mental health](#) compared with other generations (Exhibit 5).¹

Exhibit 5

Respondents of all ages identify time and cost as the top potential barriers to completing upskilling.

Potential barriers to completing upskilling,¹ % of employed respondents interested in upskilling



Note: Excludes respondents ages 65 and older because of insufficient sample size of those looking for/interested in upskilling.
¹What, if any, do you see as possible barriers to completing a potential training, education, or credentialing opportunity? Please select up to 3 choices.
 Source: American Opportunity Survey, summer 2024 (n = 2,567)

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¹Erica Coe, Andrew Doy, Kana Enomoto, and Cheryl Healy, "Gen Z mental health: The impact of tech and social media," McKinsey Health Institute, April 28, 2023.

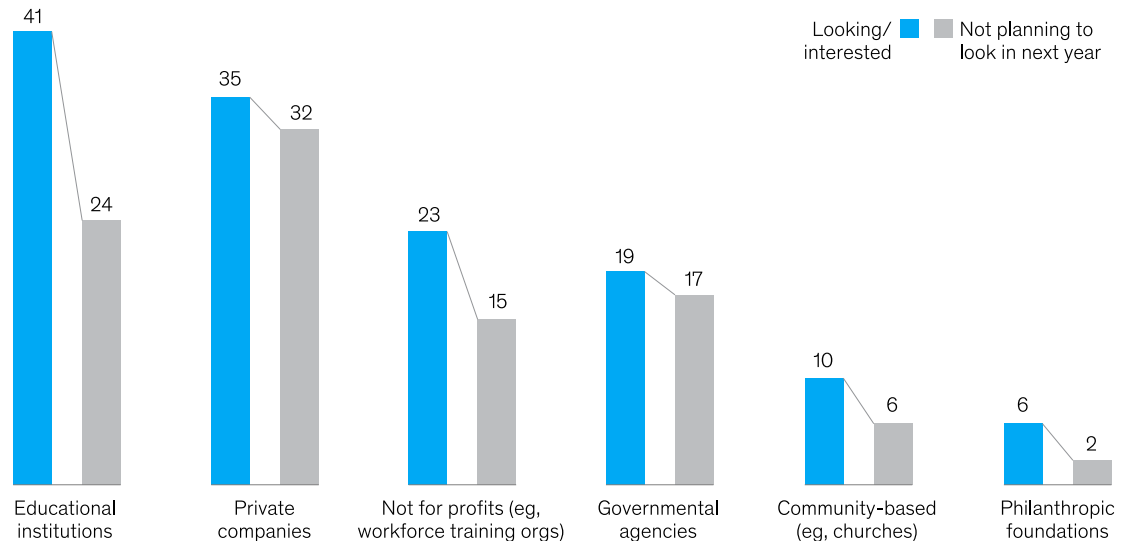
Companies have a substantial role to play in the coming upskilling wave

Private employers and not-for-profit organizations have the opportunity to [take a large role in an upskilling wave](#). Respondents seeking to upskill in the near future most frequently look to educational institutions (41 percent), private companies (35 percent), and not-for-profit organizations (23 percent) for support in accessing skills and job opportunities. Of respondents not planning to upskill within the next year, 32 percent say that they would seek support from private companies (Exhibit 6).

Exhibit 6

Private employers and not-for-profit organizations can play a significant role in the coming upskilling wave.

Of employed respondents interested in upskilling, the organizations they seek support from to access job opportunities or skills, % of respondents



Source: American Opportunity Survey, summer 2024 (n = 2,567)

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Workers and employers can collaborate to achieve upskilling goals

Given that workers confront time and cost barriers to upskilling, it stands to reason that many hope to [receive training while on the job with private companies](#). Companies may be well situated to work creatively with their employees' schedules and to offset costs—particularly when the companies themselves stand to benefit from more-skilled workers. Likewise, companies can be attuned to their employees' career goals and can help them acquire the skills they need to realize them.

Employers and NGOs can tailor upskilling methods to address specific constraints and goals

Employers and not-for-profit organizations seeking to design [upskilling opportunities](#) can tailor their outreach methods and program structures for their target audiences. Part-time programs or self-paced, asynchronous training may enable time-stressed workers to engage, while programs hosted as free video series online may enable young workers to start upskilling with few barriers to entry.

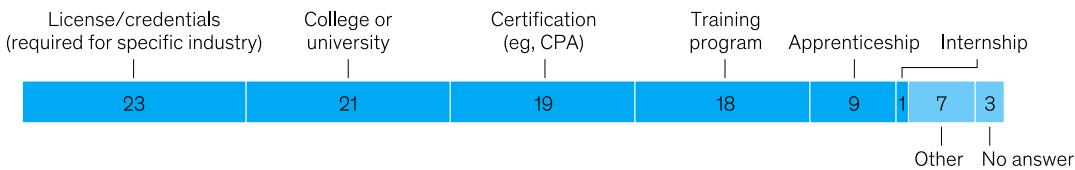
Survey data reveal that older workers (aged 55 to 64) prefer online platforms, such as Coursera, for certifications more than their younger counterparts do. While younger respondents prefer these platforms as well, more of them are open to learning via social media, such as on LinkedIn and YouTube, relative to their older counterparts. Organizations can zero in on such nuances within their target audiences to help craft the most attractive offerings.

Although certification, college and university education, licensing and credentialing, and training options are the most popular means of upskilling, the specific type of upskilling desired depends on the target occupation. For example, respondents interested in business or financial operations seek certification (such as becoming certified public accountants) most frequently. Those seeking to switch into management occupations are more varied in their upskilling interests, ranging from licensing and credentialing to certification and training (Exhibit 7).

Exhibit 7

There are multiple ways to upskill into different occupations.

Of employed respondents interested in upskilling, the type of training, education, or credentialing opportunities they are most likely to pursue, % of respondents



Note: Figures may not sum to 100%, because of rounding.
Source: American Opportunity Survey, summer 2024 (n = 2,567)

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Employers, not-for-profit organizations, and educational organizations can focus on eliminating the barriers—primarily lack of time and money—to a more upskilled workforce. In addition, they can conduct outreach to potential workers (such as by hosting career fairs and having alumni speak to their employees) to find workers who would be attracted by upskilling programs.

To offset time constraints, employers can offer flexible work arrangements and help with transportation (such as providing employee shuttles). In partnership with employers, NGOs can offer tailored career-diagnostic and reskilling programs. They can also assist through job placement initiatives with large employers.

The AI-enabled future of work will demand even more occupational switching than has occurred in recent years. But American workers have a long record of being more willing than their advanced-economy peers to switch jobs and occupations. And they are voicing high rates of willingness to switch even more—especially when they can benefit in terms of more pay, better hours, or more career growth. Results from the AOS show that the primary things holding them back from the upskilling opportunities they need are time and money or forgone wages.

Addressing the upskilling impasse isn't simple, nor is it insurmountable. A concerted effort to improve options for American workers can be a catalyst for the occupational change needed to match today's workforce and skills to the jobs of the future. It's time to get started on solutions.

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This article was edited by Katy McLaughlin, an executive editor in the Southern California office.

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