

The Great Mismatch

Hamilton County, Indiana – workforce 2026–2040. An executive summary of four institutional research modules synthesizing demographic, AI displacement, and worker-mobility data into a single strategic picture.

SERIES MODULES

2.1 Retirement Bow Wave
2.2 AI Exposure Index
2.3 Permeability Audit
2.4 Capstone Scenario 2025–2040

AUDIENCE

Hamilton County Commissioners;
Carmel, Fishers, Noblesville, Westfield
city leadership; IHC board; partner
institutions (Ivy Tech, school
corporations, hospitals); employer
community

PUBLISHED

2026-05-22
Hamilton County Data Hub
investhamiltoncounty.com

IN ONE PAGE

Hamilton County Carries Both Sides of the Mismatch

In May 2026, Indeed Hiring Lab economists Felix Aidala and Laura Ullrich published a national projection arguing that the 2026–2040 U.S. labor market will be defined not by overall shortage or surplus, but by structural mismatch — sectoral unemployment in AI-exposed industries (Information, Financial Activities, Professional Services) coexisting with persistent shortages in healthcare, construction, and government. Hamilton County is the structural test case. The county's decade of growth concentrated employment in the sectors AI threatens. Simultaneously, the institutional employers keeping the county functioning face the steepest retirement bow wave with no AI relief.

The Great Mismatch Local Study Plan — four research modules built from BLS QCEW Hamilton 2023, BLS-OES Indianapolis MSA May 2024, Census Job-to-Job Flows 2020–2024, Eloundou et al. (2023) SOC-6 GPT exposure scores, Lightcast Hamilton-specific demographics (2026-05-21 pull), and Hamilton County demographic data — produces a single integrated picture of where Hamilton's workforce is headed and what IHC's program portfolio should do about it.

21,893

RETIREMENT EXITS
2026–2032

Path C (Hamilton-specific). 13.5% of base.

52,029

WORKERS IN AI-
EXPOSED JOBS

32.3% of Hamilton workforce. \$3.27B at risk.

3,549

ANNUAL
SHORTAGE-SECTOR
HIRES NEEDED

*Healthcare +
Construction +
Education + Public
Admin.*

+12.3%

2040 EMPLOYMENT
GROWTH (WORST
CASE)

*Population growth
overwhelms AI
displacement.*

THE CENTRAL FINDING

Hamilton County employment *grows* through 2040 under both Aidala-Ullrich AI scenarios — replacement (+12.3% by 2040) and augmenting (+26.8%). The Carmel/Fishers

population engine produces a structural worker inflow that exceeds even worst-case AI displacement. But the **composition** transforms dramatically.

Three sectors contract under the worst-case (Replacement) scenario: **Information (-12.6% by 2040), Professional & Technical Services (-3.6%), Finance & Insurance (-2.1%)**. These are the same three sectors Aidala-Ullrich identify as the national AI displacement front — and the exact sectors Carmel and Fishers' decade of growth concentrated. The county's white-collar suburb identity is structurally diluted under this scenario.

Shortage sectors absorb the population inflow: **Construction (+24.4% by 2040), Public Administration (+27.2%), Education (+18.0%), Healthcare (+17.9%)**. Growth here doesn't resolve the shortage — it deepens it, because the credentialing pipeline cannot expand as fast as demand. The annual replacement task across these four sectors is roughly **3,549 jobs per year — 21,300 over the 2026–2032 window alone**. Today's credentialing pipeline output is materially smaller.

THE STRATEGIC UPSHOT

Hamilton County's workforce problem is not a hiring problem in the traditional sense. It is a **credentialing-pipeline capacity problem** requiring multi-year, multi-partner program design. The Workforce Pell Grant program (USED final rule effective 2026-07-20) is the federal funding rail designed for this exact challenge. IHC's response — the Workforce Pell Alignment Protocol adopted 2026-05-21 — runs every program proposal through a 7-step structural rubric to identify which IHC artifacts can be restructured into Pell-aligned written arrangements with accredited partners (default: Ivy Tech Community College).

SERIES MODULES

Four Reports, One Picture

Each module is independently publishable and addresses a distinct empirical question. Together they form the analytical platform IHC's program portfolio decisions sit on through 2030.

MODULE 2.1 · PUBLIC REPORT

Hamilton County Retirement Bow Wave 2026–2032

21,893 retirement exits projected 2026–2032 (Path C, Hamilton-specific via Lightcast). 13.5% of the 167,197-job employment base; 2.48% annualized. Five sectors carry 51% of total exits. Three "Bucket 1" shortage sectors (Healthcare, Education, Construction, Public Admin) face **6,796 stacked exits** on top of existing staffing shortages. Hamilton's white-collar Finance/PBS sectors skew *older* than national (counter-intuitive Path C finding — 25.4% age-55+ in Finance vs. 21.7% national); Healthcare and Education skew *younger*.

[Hamilton_County_Retirement_Bow_Wave_2026-2032.html](#) / [.pdf](#) · 7 pages + Path C addendum

MODULE 2.2 · PUBLIC REPORT

Indianapolis MSA AI Exposure Index 2026

32.3% of Hamilton workforce — 52,029 workers, \$3.27B annualized wages — sit in occupations with significant generative-AI exposure. Hamilton's MSA-localized employment-weighted E1 exposure (0.304) exceeds the MSA aggregate. Sectoral ranking validates against Aidala-Ullrich national findings: top 3 exposed (Information / PBS / Finance) and bottom 3 (Construction / Accommodation / Agriculture) match exactly. Carmel/Fishers' Bucket 2 concentration carries above-national AI exposure AND above-national retirement exposure simultaneously.

[Indianapolis_MSA_AI_Exposure_Index_2026.html](#) / [.pdf](#) · 7 pages

MODULE 2.3 • PUBLIC REPORT + INTERNAL PROPOSAL

Hamilton County Sectoral Permeability Audit

Census J2J 2020–2024 data shows MSA workers **do not easily move between sectors**. Top 5 origin sectors carry 58.2% of all MSA worker flow. **Healthcare is the leaky bucket** – simultaneously #1 shortage destination AND #1 source of MSA worker outflow (14.85% of flow). Finance & Insurance has the lowest mobility (125 outflows per 100 workers/year) – confirming Aidala-Ullrich reallocation friction. Education is the most sealed shortage sector (201/100/yr) – credentialing barriers create one-way doors. Includes Appendix A: **Ivy Tech Co-Brand Proposal** with scoped expansion plan for joint Module 2.4 publication if Mike advances the partnership conversation in Q3 2026.

[Hamilton_County_Sectoral_Permeability_Audit_2026.html / .pdf](#) • 7 pages + Ivy Tech appendix

MODULE 2.4 • CAPSTONE PUBLICATION

The County That Built the Mismatch — Hamilton County Scenario 2025–2040

Synthesis of Modules 2.1–2.3 into Hamilton sectoral employment scenarios. Under Aidala-Ullrich replacement (worst case AI): **+12.3% total growth to 187,725 jobs by 2040**; Information -12.6%, PBS -3.6%, Finance -2.1%; Construction +24.4%, Education +18.0%, Healthcare +17.9%, Public Admin +27.2% (highest gain – driven by population-side demand). Under augmenting (optimistic case AI): +26.8% total. **The 24,000-job difference between scenarios at 2040 = the policy stakes of the AI question for Hamilton County specifically**. Immigration is the dominant sensitivity variable.

[The_County_That_Built_the_Mismatch_2025-2040.html / .pdf](#) • 7 pages, flagship

BY THE NUMBERS

How Hamilton County Looks in 2040

Aggregate Hamilton employment grows from 167,197 (2025) to 187,725 (2040, replacement scenario) — a +12.3% expansion. The transformation lies in the composition. Six sectors shown below illustrate the swing.

SECTOR (2-DIGIT NAICS)	2025 EMP	2040 EMP (REPL.)	Δ %	DIRECTION	BUCKET
Information (51)	2,422	2,117	-12.6%	↓ Contract	AI-exposed
Professional, Scientific & Technical (54)	15,156	14,615	-3.6%	↓ Contract	AI-exposed
Finance & Insurance (52)	16,436	16,098	-2.1%	↓ Contract	AI-exposed
Health Care & Social Assistance (62)	22,968	27,080	+17.9%	↑ Expand	Shortage
Educational Services (61)	11,366	13,410	+18.0%	↑ Expand	Shortage
Construction (23)	9,282	11,544	+24.4%	↑ Expand	Shortage
Public Administration (92)	4,644	5,905	+27.2%	↑ Expand	Shortage
Accommodation & Food Services (72)	17,877	22,107	+23.7%	↑ Expand	Steady
Manufacturing (31-33)	8,478	9,551	+12.7%	↑ Expand	—
TOTAL Hamilton County	167,197	187,725	+12.3%	↑ Expand	—

3

SECTORS CONTRACTING

Information, PBS, Finance — Aidala-Ullrich's predicted front

4

SHORTAGE SECTORS EXPANDING

Population-driven demand exceeds credentialing capacity

24K

JOBS AT STAKE ON AI SCENARIO

Replacement vs. augmenting difference at 2040

TWO TRAJECTORIES, ONE SET OF POLICY LEVERS

Hamilton County cannot pick its AI scenario — the path is determined by federal policy, employer adoption, and AI capability development through 2030. What Hamilton can control is the *response*: program design, credentialing pipeline expansion, partner MOU structures, and the operational use of the Workforce Pell rule. The Bucket 1 credentialing demand exists under *both* AI scenarios. The question is how fast IHC + Ivy Tech + the school corporations + the hospitals + the trades pipelines can collectively expand to meet it.

WHAT IT MEANS

Six Strategic Implications

The Great Mismatch series produces six interlocking implications for IHC's program portfolio, partner conversations, and elected-official briefings. Each is operationally specific and time-anchored.

1 **The Workforce Pell Alignment Protocol becomes IHC's standing decision framework.**

Every new IHC program proposal, every existing program refresh, and every grant application now runs through a 7-step structural rubric (artifact classification → hard thresholds → partner identification → IHC role decomposition → Governor approval pathway → outcome data infrastructure → recommendation). The protocol is filed at `ihc-internal/governance/Workforce_Pell_Alignment_Evaluation_Protocol_2026.md`; the auto-trigger lives in standing `CLAUDE.md`. First-pass inventory of all 9 current IHC programs/artifacts: `Workforce_Pell_Alignment_Inventory_2026-05-21.md`.

2 **The Ivy Tech partnership becomes a multi-program MOU, not a per-program negotiation.**

Four restructure targets (InvestAbility, InvestOnward, Manager Accelerator, Re-Entry Workforce) all point to Ivy Tech as default credentialing partner. The capstone confirms sustained Bucket 1 hire demand through 2040. A multi-program MOU with anticipatory written-arrangement structures is more efficient than sequential negotiation. Q3 2026 outreach to Christina Collins (Ivy Tech) recommended; Module 2.3 Appendix A scopes the case for joint capstone authorship if Mike advances the conversation.

3 **IHC as Registered Apprenticeship Program (RAP) Sponsor is the highest-leverage governance move.**

The Re-Entry Workforce Initiative is the strongest case in the IHC portfolio for RAP sponsorship. The $\leq 49\%$ wraparound ceiling (vs. $\leq 25\%$ for non-RAP-sponsor partners) is genuinely needed because the justice-involved population's wraparound load (case management, court coordination, recovery-friendly

employer interface) exceeds what a standard written-arrangement structure can carry. Q4 2026 proposal recommended with outside counsel review.

4 **Readiness Assessment + Veterans Pathway become discovery surfaces for Indiana Pell-approved programs.**

As Indiana's Workforce Pell program list publishes (post 2026-07-20 effective date), these Workforce Resource Navigator components should surface the right programs to the right populations with funding-pathway coordination logic (Pell + GI Bill + VR&E for veterans; Pell + state aid + IHC wraparound for general). Build wire-up follows Pause Directive close-out (target Q3 2026).

5 **The Manager Accelerator restructure conversation should happen.**

MDL at 16 contact hours is structurally incompatible with Workforce Pell's 150-hour minimum. If Kate and IU Tobias choose to restructure into a multi-cohort 150+ hour sequence, it would become the only Bucket 2-facing IHC program in the portfolio with a federal funding rail. The PBS contraction projection in Module 2.4 makes the structural uncertainty for corporate management training real. Q3 2026 conversation recommended.

6 **Public Administration is the quiet emergency that should reach the County Commissioners and four municipal city managers.**

Public Admin's 16.6% six-year retirement exit rate is the highest among shortage sectors; the capstone projects +27.2% Public Admin employment growth by 2040 — the largest percentage gain in the inventory. There is no consumer market signal to attract replacements because the employers are governments. A board-level briefing to Hamilton County Commissioners and the city managers of Carmel, Fishers, Noblesville, and Westfield is recommended Q3 2026.

FOR SPECIFIC AUDIENCES

Who Should Engage With This Work

The Great Mismatch series is designed for four audience tiers. Each is served by a different combination of modules.

TIER 1 — HAMILTON COUNTY COMMISSIONERS + MUNICIPAL CITY MANAGERS

The Public Administration finding (16.6% retirement exit rate + 27.2% projected growth) is your specific operational concern. The county and four municipal governments face a workforce challenge that does not show up in employer surveys because you *are* the employer. Recommended reading: this Executive Summary + Module 2.4 capstone Section 05 (strategic implications). A dedicated Commissioner Briefing is being prepared as a companion document.

TIER 2 — IHC BOARD, HCEDC BOARD

The full series serves as the analytical platform for IHC's 2027 program portfolio and the August Board V4 Decision Register ratifications. Recommended reading: Modules 2.1, 2.2, 2.4 capstone, Workforce Pell Inventory, and this Executive Summary as the navigator.

TIER 3 — PARTNER INSTITUTIONS (IVY TECH, SCHOOL CORPORATIONS, HOSPITALS)

The credentialing pipeline expansion required to meet Hamilton's 3,549/year shortage-sector hire demand is jointly your work. Ivy Tech specifically: see Module 2.3 Appendix A for the co-brand expansion proposal. School corporations: Module 2.1 + 2.4 Education sector projections. Hospitals (Riverview, IU Health North, Ascension St. Vincent): Module 2.1 + 2.4 Healthcare projections + Module 2.2's RN, MA, surgical tech, CNA AI-exposure profiles.

TIER 4 — EMPLOYER COMMUNITY + CHAMBER PARTNERS

The Carmel/Fishers Bucket 2 concentration risk (Finance, PBS, Information) is your specific exposure. Recommended reading: Module 2.2 (AI Exposure Index, top occupations and sectoral concentrations) + Module 2.4 capstone Section 02 (two scenarios). Chamber partners (OneZone, Fishers, Noblesville Chamber, Westfield Chamber) should integrate the Manager Accelerator restructure conversation per implication #5.

WHERE THE FULL SERIES LIVES

DOCUMENT	TYPE	PAGES
This document — Executive Summary	Handout (cross-tier)	5
Hamilton_County_Retirement_Bow_Wave_2026-2032.html / .pdf	Public report (Module 2.1 + Path C addendum)	7 + 1
Indianapolis_MSA_AI_Exposure_Index_2026.html / .pdf	Public report (Module 2.2)	7
Hamilton_County_Sectoral_Permeability_Audit_2026.html / .pdf	Public report + internal proposal (Module 2.3)	7
The_County_That_Built_the_Mismatch_2025-2040.html / .pdf	Capstone publication (Module 2.4)	7
hamilton-implementation/academic-research/09-Workforce-Development-Apprenticeships/USED-2026-Workforce-Pell-Final-Rule-Notes.md	Federal rule notes	—
ihc-internal/governance/Workforce_Pell_Alignment_Evaluation_Protocol_2026.md	Standing rubric	—
ihc-internal/governance/Workforce_Pell_Alignment_Inventory_2026-05-21.md	9-program inventory	—
ihc-internal/governance/decision-log/2026-05-21-workforce-pell-alignment-protocol.md	V4 Decision Record	—
ihc-internal/strategy-internal/Hamilton_County_Great_Mismatch_Local_Study_Plan_2026.md	Master plan (research design memo)	—

FOR QUESTIONS, DATA REQUESTS, OR BRIEFING SCHEDULING: Invest Hamilton County · Mike Thibideau, President & CEO · investhamiltoncounty.com. The complete series and all underlying analytical code are available to Hamilton County employers, school corporations, municipal

governments, and partner organizations on request.

METHODOLOGICAL DETAIL: Each module's full methodology, caveats, and underlying analysis code is documented in Section 06 of the respective report. v2 expansion path scoped in Module 2.4 Section 06.

HAMILTON COUNTY DATA HUB · GREAT MISMATCH EXECUTIVE
SUMMARY · 2026-05-22