Questions for the Record from
REPRESENTATIVE Frederica S. Wilson

Committee on Education and the Workforce
Full Committee Hearing:
"Competencies Over Degrees: Transitioning to a Skills-Based Economy"
Thursday, June 22, 2023
10:15 a.m.

Representative Frederica S. Wilson (D-FL)

Questions for All Witnesses

1. **What are your own organizations—who are leaders and innovators in credentialing and work-based learning—doing to address the gap that exists in soft skills acquisition, such as team building, communication, collaboration, etc., which are also in high-demand by our employers?**

Opportunity@Work is a nonprofit social enterprise whose mission is to expand access to career opportunities for STARs - the 70+ million talented U.S. workers who are "Skilled Through Alternative Routes," (STARs) rather than a bachelor's degree. We conducted an extensive analysis of worker skills in the U.S. labor force and found that over 30 million STARs have the skills today for higher wage jobs. We are sharing this data with the field to challenge the narrative that STARs are "low skill;" to change perceptions, and to shift common hiring practices that rely heavily on degree attainment.

Workers acquire skills,including valuable "soft skills", through on-the-job learning or work experience.[1] These include skills such as active listening, service orientation, and critical thinking. Workers cite on-the-job learning as critical for their professional development, while team managers routinely look for work experience and applied skills when recruiting for new roles.[2] Work experience sends a clear signal about a worker's knowledge and abilities to accomplish specific tasks.[3] Figure 1 illustrates the transferability of skills from one job to another similarly skilled but higher paying job.

[1] This analysis for this study of work experience as a job market signal is detailed in Peter Blair, Tomas Castagnino, Erica Groshen, Papia Debroy, Byron Auguste, Shad Ahmed, Fernando Garcia Diaz, Cristian Foschiatti, "Searching for STARs: Work Experience as a Job Market Signal for Workers without Bachelor's degrees," National Bureau of Economic Research Working Papers, March 2020.

[2] The State of American Jobs," Pew Research Center, 2016. And "Strada-Gallup Education Consumer Insights," Education Consumer Survey, 2018.

[3] Reach for the STARs, Opportunity@Work, 2020.

Figure 1. Skills-based pathways in the U.S. labor market suggest the majority of STARs have skills for significantly higher wage work, today[4]

This figure shows the high skills overlap between two sales roles. The first is accessible to STARs, while the second is less so. About 96,000 STARs have made this transition in the five-year period from 2017 to 2021.

Figure 1 illustrates the skill similarity between two common jobs. We used skills data sponsored from the Department of Labor to determine the skills demonstrated on a job, and infer that a worker in that job has those skills. In this example, the retail salesperson is in an entry level, low wage job, which has significant skill overlap with the sales representative, a middle-wage job. The first role is overwhelmingly filled by STARs while the second has an overrepresentation of workers with bachelor's degrees. Given the similarity of skills across these two jobs, we could expect to see large numbers of retail salespeople transition to the higher wage sales representative role: in reality, we do. Yet, STARs do not make this transition with the same frequency as workers with a bachelor's degree.

The problem, therefore, is not a lack of soft skills among low-wage workers, but rather that these skills are underestimated and overlooked. Our analysis demonstrates that many low-wage jobs require key foundational skills critical to 21st-century jobs, such as service orientation, social perceptiveness, active listening, time management and interpersonal communication. These are skills that employers often cite as missing in their search for talent at many different wage-levels. We argue that the skills exist in the U.S. labor force, but that there is an opportunity gap which requires alternative approaches to talent acquisition and development are needed to unlock them.

2. **How would you propose collaborating with leaders in higher education, particularly at large urban, public, minority-serving institutions, so that they benefit from some of your proposed models?**

Higher education is a critical pathway to higher wages in the U.S. labor market as it always has been, and will continue to be. It should not, however, be the only pathway to higher

[4] Ibid.

wages and job mobility. A workforce ecosystem that supports workers to gain skills - from any pathway - and translate those learnings to earnings is critical to a resilient and innovative workforce ecosystem that will meet the needs of American businesses in the coming years. To meet the skilling needs of our workforce, we need more affordable access to college as well as alternative models that are efficient, flexible, and affordable.

3. **How can we begin, even before college, to foster collaboration between formal curriculum tracks and competencies, credentialing, and organizations like yours?**

   My own experience with my 5,000 Role Models program has shown that we cannot wait until students reach higher education.

High school education fosters critical skills for all workers in the U.S. labor force but employers have limited understanding of those skills and young workers have even less information about how to leverage those skills for jobs that open economic opportunity. To help employers see these skills, and also effectively signal their needs to STARs and potential STARs, we need better data and better program models. Such improvements require a serious investment in our federal workforce data infrastructure as well as in alternative programming such as apprenticeship programs and credentialing bootcamps.

First, data infrastructure improvements are critical; all labor market participants need trustworthy, granular, timely, and accurate data on occupations, vacancies, unemployment, wages and skill needs longitudinally, and across geographies.

Our current official labor market data are trustworthy but have long lags and/or provide insufficient skill, occupational and geographic detail to guide many decisions. We could do much better by enhancing, combining, and analyzing data currently collected by the states for administering the Unemployment Insurance (UI) program. The Bureau of Labor Statistics (BLS) already collects employer-level UI data for the Quarterly Census of Employment and Wages. BLS and over 20 states have an effort underway to expand this capacity for processing worker-level records under the Wage Records Program initiative.

BLS and the states need funding to speed up this effort and allow all states to participate. With these data collected and curated on an ongoing basis, BLS can provide more detailed and granular statistics and evaluators can produce better and faster studies of program impacts. Then workers and employers will have better data to guide their decisions, program officials will have better input for allocating their efforts, and policymakers will have better evidence about policy effectiveness and gaps that need to be addressed.Only with 21st century data can the country ensure that its institutions, policies, and programs efficiently

support a dynamic and equitable labor market in the 21st century.

Second, increased investments in alternatives to college can open broad opportunities to high school graduates. Take the example of apprenticeship programs, which have long offered employers a means to build a reliable pipeline of workers with specific job skills, but remain underutilized in the U.S. compared to other countries.

Apprenticeships offer paid, work-based skills development through hands-on, employer-directed training often supplemented with classroom instruction. They typically last one to six years and result in credentials or occupational certificates. Approximately 600,000 workers were enrolled in apprenticeship programs in 2021, a fraction of the nearly 11 million students attending bachelor's degree programs full-time, and the vast majority of these apprenticeships are in the trades. Apprenticeships have historically been a reliable route to good jobs for STARs and they are overwhelmingly used by STARs — in 2021, nearly nine out of 10 participants in registered apprenticeships were STARs.

When apprenticeships expand to new roles, STARs see new opportunities and, our analysis suggests, they take advantage of these openings. In original research conducted by O@W, and Lightcast, we found a significant expansion since 2010 in both, formal registered apprenticeships and informal ones across a wide range of job roles and industries. Specifically, we found sustained growth in apprenticeships for roles that currently pose hiring challenges for employers. Apprenticeships for high-volume jobs, like pharmacy technicians and sales representatives, have grown steadily over the past 10 years, as have apprenticeships for jobs that are relatively new to the labor market, like cybersecurity analyst, or require a unique skill set, like healthcare roles. Where we saw this growth, we also saw active participation by nontraditional candidates for these roles - particularly STARs, women, and workers of color. This growth suggests employers are reaping benefits from these investments and with further collaboration, can strengthen the opportunities for workers coming out of high school to achieve more job mobility.