

Credit: NASA/MSFC/David Higginbotham

Skills gap

Refers to the supply-side mismatch between opportunities and skills, whereby employers are unable to fill positions because they cannot find qualified candidates.

The nature of work and the economy are changing. New jobs are being created, triggering a demand for technological skills across industries and all worker skill levels. Advancing technology is also disrupting and shrinking traditional middle-skill jobs in favor of new ones. These new middle- and high-skill jobs are clustering in and near certain urban areas,¹ leaving many Americans geographically disconnected from opportunity. Not only do the skills earned today have a shorter shelf-life than in the past,² but the traditional employer-employee relationship is changing as some work becomes more short-term and project based. As conditions continue to shift, American workers are finding it harder than ever to earn a good life.

Technology matters more than ever. As artificial intelligence (AI) becomes more integrated into the medical field, for example, radiologists are working alongside machines to improve patient care. Employers are unable to find enough qualified candidates to fill positions in emerging and growing industries, while middle-skill jobs made up 53 percent of the U.S. economy in 2015, only 43 percent of workers were trained at the level employers required.³ Key drivers of this disparity are both the “skills gap” and the

1. [Holzer, Harry \(2015\), “Job Market Polarization and U.S. Worker Skills: A Tale of Two Middles”, Economic Studies, Brookings Institution](#)

2. [Eggers, William D., Hagel, John and Sanderson, Owen \(2012\), “Mind the \(Skills\) Gap”, Harvard Business Review](#)

3. [Stephens, Rachael, “Mind the Gap: The State of Skills in the U.S.”, Third Way](#)

Opportunity gap

Refers to demand-side biases or hiring policies that place a greater emphasis on degrees over real world experience, causing qualified candidates to be overlooked.

Examples include degree inflation, the exclusion of workers with criminal records, and exclusion of those with differing abilities or mental illness.

“opportunity gap,” which lead to worker shortages in many industries. This constrains economic growth, the earning potential and upward mobility of workers, and the creation of new industries and businesses.⁴

In many cases, workers are unaware of or unable to access opportunities to build new skills and become qualified for open positions in growing fields. However, employer biases for overqualified candidates, and a failure of the labor market to properly value all work, contribute to the persistence of these perceived shortages.

The New Democrat Coalition has identified several key challenges that are widening the skills and opportunity gaps:

- **Workers in certain industries and segments of the workforce are more vulnerable to technological disruption.**

The labor market is becoming less mobile and dynamic. The workforce is aging, and new jobs are often concentrated in more expensive urban and suburban areas while rural and poorer communities are left behind.⁵

Low-skill workers are significantly more vulnerable than high-skill workers to disruption and are less likely to have access to tools to help them find new work.

- **Firm-worker matching needs to be improved.**

Many employers report that candidates do not have the skills necessary for the jobs available in part because:

- Hiring requirements do not always match the skills necessary to perform a job. This often manifests in businesses requiring higher educational attainment for candidates than necessary.
- Many skills learned outside of traditional pathways are difficult to effectively communicate on a resume.
- Some workers do not possess the necessary skills to perform jobs in growing industries and fields.
- Employers are investing less in job training for their workers than they did in the past.⁶
- Many Americans, including those with criminal convictions or fighting addictions, are automatically or effectively disqualified from many jobs. Because the criminal justice system incarcerates a disproportionate number of people of color, this is a pronounced challenge in minority communities.

4. [Stephens, Rachael, “Mind the Gap: The State of Skills in the U.S.”, Third Way.](#)

5. [Bloomberg \(2017\), “New America and Bloomberg Announce Commission’s Findings on the Future of Work”, Press Release](#)

6. [Executive Office of The President \(2015\), “Economic Report of the President” with the “Annual Report of the Council of Economic Advisors”, Transmitted to Congress \(Obama Administration\)](#)

Career and Technical Education (CTE)

A term applied to schools, institutions, and educational programs that specialize in skilled trades, applied sciences, modern technologies, and career preparation.

CTE aims to provide students with in-demand technical skills, as well as to prepare them for post-secondary degrees and credentials in in-demand careers.

Examples of CTE programs include technical secondary and post-secondary classes, employability classes, and on-the-job training through internships and apprenticeships.

- **Existing models of education are not meeting the needs of some students and workers.**

Some students and workers are not learning the skills they need to compete in the changing economy:

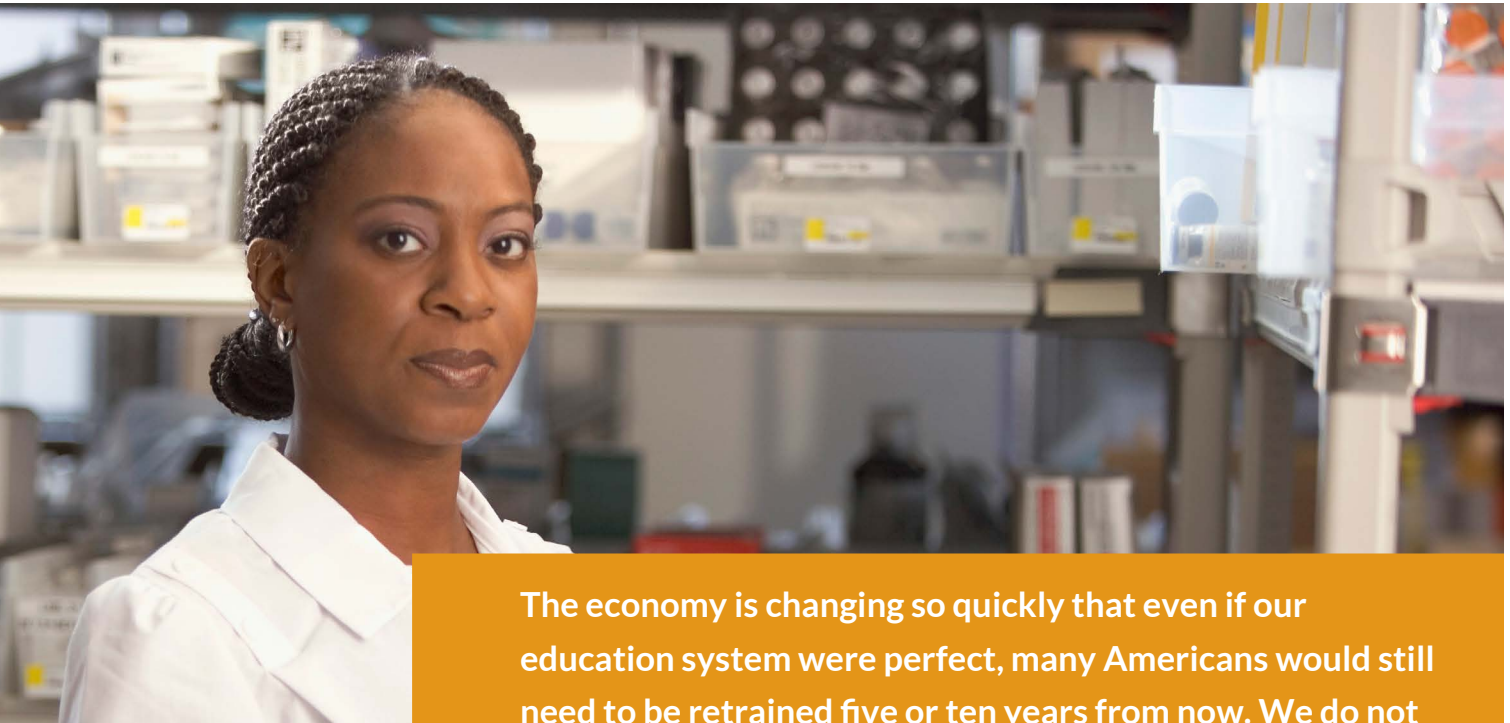
- The economy is changing so quickly that even if our education system were perfect, many Americans would still need to be retrained five or ten years from now. We do not invest enough in early science, technology, engineering, and mathematics (STEM) education, and our STEM education is not evolving as quickly as technology.
- We must also recognize the importance of, and continue to invest in, education that develops "soft" skills, such as critical thinking, creativity, and interpersonal skills that cannot be easily automated⁷ and are transferable across all industries and job functions.
- We do not invest enough in training workers likely to be displaced by automation for work in expanding industries.
- Various economic drivers have caused higher education costs to continue rising faster than inflation and wages.
- Current professional licensing and credentialing practices are often burdensome and restrictive.
- Career and technical education (CTE) can provide pathways to middle-skill, middle-income careers, but not enough students pursue this secondary and post-secondary educational option.
- Our current culture of education does not place enough value on technical education or lifelong learning.
- Parents, academic advisors, and students do not possess the necessary information to understand the value of apprenticeships, community college, and CTE.
- Existing CTE programs do not always prepare students for the workforce or align with local employers' needs.

To better understand the challenges and opportunities of 21st century skills training and workforce development, the New Democrat Coalition's Future of Work Task Force held a public forum⁸ on July 19, 2017. It featured Harry Holzer, Professor of Public Policy at Georgetown; Byron Auguste, CEO and Co-founder of Opportunity@Work; Portia Wu, Director for Workforce Policy for Microsoft; and Julie Peller, Executive Director of Higher Learning Advocates. The panelists discussed the growing skills

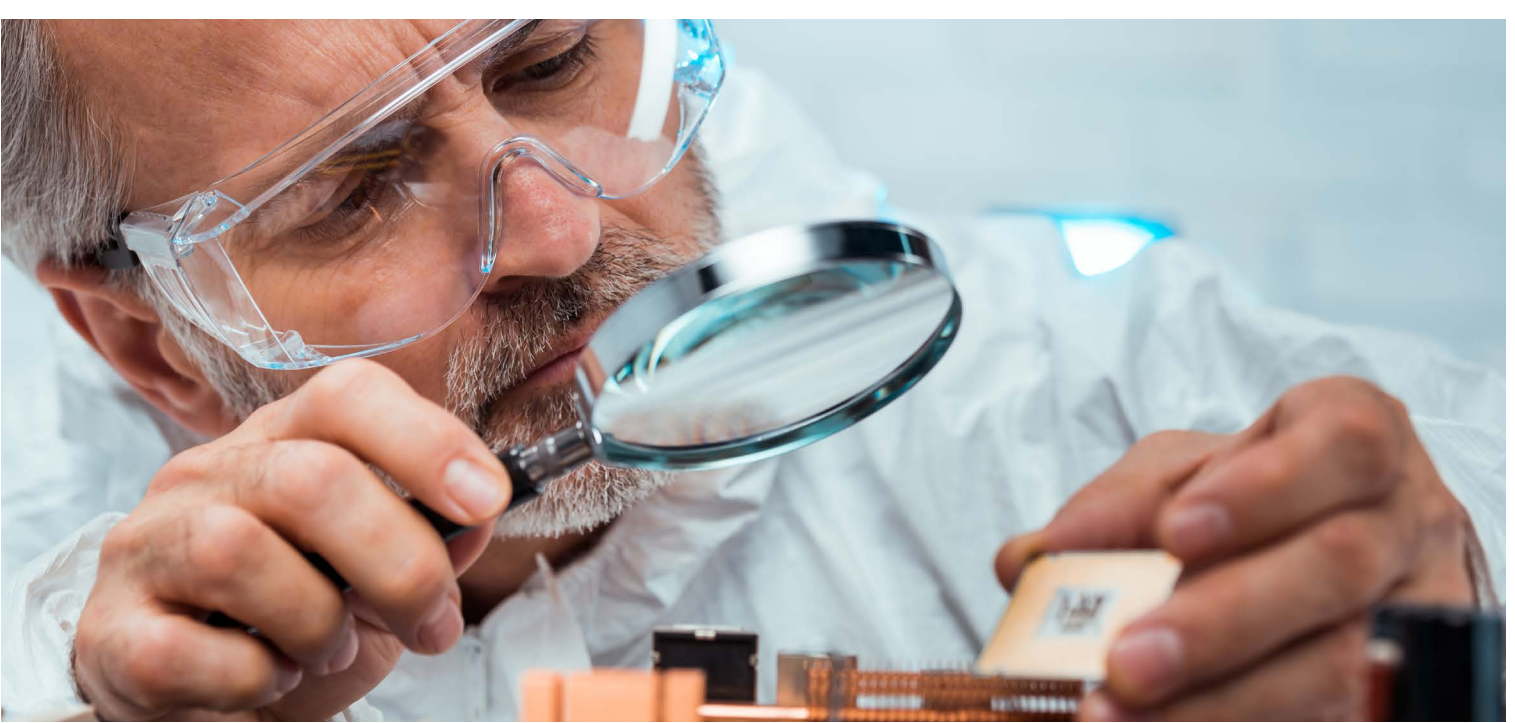
7. [Nedelkoska, L. and G. Quintini \(2018\), "Automation, skills use and training", OECD Social, Employment and Migration Working Papers, No. 202, OECD Publishing, Paris](#)

8. [New Democrat Coalition \(2017\), "How Congress Can Help Americans Succeed in the Economy of the Future", Medium](#)

gap and how to close it. Task Force Members and staff have also met with policy, industry, and thought leaders in the field, including Colorado Governor John Hickenlooper; Rhode Island Director of Labor and Training Scott Jensen; Swiss Ambassador Martin Dahinden; Director of The Hamilton Project, Jay Shambaugh; and Professor of Economic Policy at the Harvard Kennedy School, Jason Furman. From these discussions, we have identified several key principles and policies to give all Americans the opportunities to succeed in the changing economy.



The economy is changing so quickly that even if our education system were perfect, many Americans would still need to be retrained five or ten years from now. We do not invest enough in early science, technology, engineering, and mathematics (STEM) education, and our STEM education is not evolving as quickly as technology.



PRINCIPLES FOR EXPANDING OPPORTUNITIES IN THE CHANGING ECONOMY

The New Democrat Coalition believes Americans are looking for the opportunity to earn a good life. To better prepare all Americans for the changing economy, we must change our approach to education. Learning must become lifelong, and our educational systems updated with input from the public, private, and non-profit sectors. We must either adapt and take advantage of this moment, or risk being left behind.

Investing in human capital and the skills of our workers is paramount to driving wage growth, productivity, and improving the standard of living for all Americans.

Investing in human capital and the skills of our workers is paramount to driving wage growth, productivity, and improving the standard of living for all Americans. The New Democrat Coalition recommends several policies to provide American workers with more opportunities to succeed organized around three core principles:

Give every American access to the tools to succeed in the 21st century economy

Advancements in technology have already caused consequential shifts in the kinds of jobs available to workers. These shifts will bring opportunities for some, but could leave others behind. Educational attainment is key to success in the new middle-skill jobs in expanding industries such as healthcare, information technology (IT), construction, and high-tech manufacturing.⁹

Workers will not always be able to afford the investments needed to keep pace with changing skills demands, and many companies do not have the capacity or incentive to invest in training workers who may take their skills elsewhere. Policymakers can bridge the gap by encouraging the private sector to make further investments in their workforce.

We must expand high-quality, shorter-term, flexible educational opportunities that offer transferable, widely applicable skills and credits and clear career pathways.

Remove obstacles for Americans to access middle-skill jobs and close the opportunity gap

Important to bridging the skills gap is better identifying the talent that exists within the current workforce. In some instances, employers screen out qualified candidates because they are unable to properly evaluate their experience or establish screens that unwisely preclude an entire category of workers.

Yet some careers will require workers to pursue additional training. As career and technical training, credentialing, and certification testing programs are developed and updated, workers should be able to transfer earned skills between states, industries, companies, and educational programs.

Create a culture of lifelong learning and make it easier for Americans to invest in their future

Our higher education system was designed for full-time students, but today's student looks very different. Between 1989 and 2008, 70 to 80 percent of college students were working while taking classes, with 40 percent of undergraduates and 76 percent of graduate students working full-time.¹⁰ Research has found that 26 percent of under-

9. Stephens, Rachael, "Mind the Gap: The State of Skills in the U.S.", Third Way

10. Carnevale, Anthony, Smith, Nicole, Melton, Michelle and Price, Eric W. (2015), Georgetown University McCourt School of Public Policy, Center on Education and the Workforce "Learning While Earning: The New Normal"

Upskilling

Refers to the teaching of or learning of additional skills by workers. This can be done for personal and professional development, as well as to adapt to changing skills demands within a profession. [The Aspen Institute has partnered with Upskill America](#) to encourage employers to invest in upskilling for their employees.

graduate students are raising children.¹¹ Over a quarter of students enrolled at a post-secondary level take distance learning classes, such as online courses.¹² Furthermore, as technological progress accelerates, the shelf-life of applicable workforce skills, or the period of time skills remain relevant and applicable, has shrunk to five years and will likely continue to shrink.¹³ The skills a worker learns before entering the workforce often do not apply as technology and shifts in the labor market change the nature of their work.

When a student—either before entering the workforce or far into their career—does pursue a college degree, they should have options that can conform to their schedule.

Education should be lifelong, stackable, and exist on a continuum.

Education should be lifelong, stackable, and exist on a continuum. In other words, the skills and knowledge a worker receives should be universally recognized and interoperable with additional education and training a worker may receive in the future. For example, a student or worker who participates in career training should have the opportunity to apply those credits to other training programs, or pursue an Associates or Bachelor's degree. Similarly, a worker or student with a two- or four-year degree should have the flexibility to acquire new skills in credentialing and training programs as needed. As the shelf-life of technical skills continues to decline, new technology is integrated into workstreams, and new skills become in demand, companies and workers should adapt by developing and participating in frequent, short-term upskilling opportunities.

11. Gault, Barbara, Reichlin Cruse, Lindsey, Noll, Elizabeth, Sykes, Mary, Talbourdet, Lauren and Eckerson, Eleanor (2016), "[Child Care for Parents in College: A State-by-State Assessment](#)", Institute for Women's Policy Research

12. National Center for Education Statistics (2016), "[Fast Facts: Distance Learning \(Fall 2014\)](#)", U.S. Department of Education

13. Eggers, William D., Hagel, John and Sanderson, Owen (2012), "[Mind the \(Skills\) Gap](#)", Harvard Business Review



POLICY ACTION PLAN TO GIVE AMERICANS THE TOOLS TO COMPETE IN THE CHANGING ECONOMY

Integral to achieving these goals will be expanding access to and availability of high-quality, affordable, flexible, skills-oriented learning and education, such as apprenticeships and credential and certification training and testing. The lifelong student should be the focus, allowing new and existing workers to build on a foundation of skills that adapts to labor market changes. Today's workers may have to upskill as frequently as every five years.

It must become the norm for employers and workers to approach learning as a lifelong experience and a priority investment.

It must become the norm for employers and workers to approach learning as a lifelong experience and a priority investment. Skills received must be transferable, flexible, affordable, and provide quantifiable value to students and workers. Employers also must

Soft skills

Sometimes referred to as noncognitive skills or employability, are a combination of social, emotional, and behavioral skills such as communication, teamwork, perseverance, problem solving, emotional judgement, and ethics

Hard skills

Sometimes referred to as cognitive skills, are teachable abilities that are quantifiable, including technical skills, math skills, and reading skills.

update their hiring practices to recognize the existing skills in the workforce. Sometimes, a requirement on a resume outweighs an evaluation of a candidate's ability to do a job. For the labor market to perform properly, and for the good of the economy, employers, and American families, we must value the skills and experience of workers, not just academic pedigree. We will offer several policy proposals to help build a culture of lifelong learning that expands the options for students and workers without committing them to a rigid career path. The nature of learning must change with the nature of work.

Give every American access to the tools for success in the 21st century economy:

Provide students and workers with universal basic skills: To prepare our workers for the future, we must provide all Americans with a set of universal basic skills. In the 21st century economy, workers should be prepared with critical thinking, digital, and job-specific skills – including business fundamentals and industry knowledge, as well as personal skills.¹⁴

- **Invest in STEM education.** Employers value the critical thinking skills that workers obtain through liberal arts educations, but we must strengthen our STEM pipeline. Technical skills, such as computer science, are now a fundamental requirement across many fields. Giving students early experience with computer science and coding could help prepare them with fundamental skills for a variety of careers.

A report from Third Way found that a diverse range of industries face qualified-worker shortages, particularly in healthcare and social assistance (e.g. nursing), professional and business services (e.g. tech services), and educational positions in STEM.¹⁵

- **Emphasize and value “soft” skills, which are harder to automate.** We need to focus on teaching students “soft” skills that cannot be automated, including people skills, creativity, foreign language skills, and critical thinking skills.¹⁶ Workers who possess both “soft” and “hard” skills are particularly competitive.¹⁷ And while investment in STEM is important, STEM fields are not immune from automation. With our aging popu-

14. Stephens, Rachael, “Automate This: Building the Perfect 21st-Century Worker”, Third Way Report

15. Stephens, Rachael, “Mind the Gap: The State of Skills in the U.S.”, Third Way

16. Nedelkoska, L. and G. Quintini (2018), “Automation, skills use and training”, OECD Social, Employment and Migration Working Papers, No. 202, OECD Publishing, Paris

17. Whitmore Schanzenbach, Diane; Nunn, Ryan; Bauer, Lauren; Munford, Megan; and Breitwieser, Audrey (2016), “Seven Facts on Noncognitive Skills from Education to the Labor Market”, The Hamilton Project, Brookings Institution

Experiential learning

Refers to education that develops skills and knowledge through direct experiences outside of a traditional academic setting. This includes apprenticeship programs, internships, or other hands-on learning.

Career matching

Involves providing better data and transparency to help job seekers identify in-demand skills for different fields, as well as helping employers access and identify qualified candidates.

lation and more women joining the workforce, there will be a dramatic increase in the demand for home healthcare workers, child care workers, and other types of home care work—fields which often require both kinds of skills.

- **Provide work-based learning during high school** to give students more exposure the labor market through experiential learning and better career matching. Colorado, for example, established Launch My Career Colorado,¹⁸ a tool to help students and workers assess the value of different degrees and certificate programs to achieve their career and education goals. The tool can be used to identify growing job markets and the degrees and certification programs that will appropriately prepare students. It can also be used to compare future earnings against the investment required to obtain the necessary degrees.

Academic advisors, parents, and students must have access to information about their options and the value of apprenticeships, community college, career training, and other educational opportunities.

Invest in career training programs at the federal, state, and local levels: Career and technical education, including credentialing programs and certification testing at community colleges and through innovative, newer programs, present excellent opportunities for students and workers of all ages and skillsets to learn and grow. We must directly invest federal dollars in the expansion of programs that have successfully assisted students and workers and encourage state and local investments tailored to local needs.

- **Modernize federal investment in Career and Technical Education (CTE):** In June 2017, the House unanimously passed Rep. Raja Krishnamoorthi's bipartisan Strengthening Career and Technical Education for the 21st Century Act, which will help more Americans get relevant skills by making upgrades and investments in secondary and post-secondary career education. This includes career-training programs, which can help more Americans gain the knowledge and skills they need. It also aims to improve alignment between educational organizations and employers, and encourages a focus on employability skills, work-based learning opportunities, and meaningful credentialing. The Senate must pass this important legislation.
- **Reorient post-secondary education and workforce development programs to prepare workers with career-ready skills:** Programs focused on skills training, post-secondary education, and workforce development were created for an economy in which people often worked their entire careers at one company or industry.

18. [Launch My Career Colorado](#)

Post-secondary education needs to be adapted to the careers of the 21st century by working with the private sector to develop career-ready curricula and programs that are updated continuously based on the success of graduates and changing employer needs

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Evidence shows that the most successful workforce development programs teach skills in high demand for local markets.¹⁹ Partnerships between post-secondary educational institutions, such as community colleges, and industry can increase access to information and data on the skills needed for in-demand fields, and can give training programs the resources and infrastructure to adapt to changing labor market trends.

- **Invest in apprenticeships developed through partnerships between industry and educational institutions.** Skills acquired through registered and more innovative apprenticeships must be portable. To achieve this, employers and educational and training institutions must be engaged in developing standards for these programs recognized across industry and other educational and training institutions. Working closely with the private sector and labor unions, community colleges can play a valuable role in facilitating apprenticeships, ensuring quality and establishing an interoperable system of credentials. We believe all apprenticeships should culminate in a degree, nationally recognized or industry-wide certification or credential, and that federal investment should expand models of success.

Several New Democrat Coalition Members have introduced legislation investing in post-secondary education and to encouraging employers and state and local governments to invest in apprenticeships and workforce development, including Rep. Seth Moulton's CHANCE in Tech Act, Rep. Terri Sewell's Workforce Development Tax Credit Act, Rep. Annie

19. Guvenen, Faith (2018), "Stagnation in Lifetime Incomes: An Overview of Trends and Potential Causes", The Hamilton Project, Brookings Institution

Kuster’s Workforce Development Investment Act, Rep. Rick Larsen’s Youth Access to American Jobs Act, and Rep. Norma Torres’s Job Opportunities Between our Shores (JOBS) Act.

Community colleges play a critical role in preparing workers for many middle-skill jobs.

Increase federal funding to community colleges in exchange for greater accountability: Community colleges play a critical role in preparing workers for many middle-skill jobs. Increased funding to community colleges delivering career-ready skills should be tied to strengthening their occupational and workforce programming. Additional funding should be based on programs oriented toward student success, including programs that are targeted to high-demand fields and those that have support services to help disadvantaged and underperforming students. Federal resources should also take into account measures of success including job-matching rates for students after graduation. This will require accountability measures focused on outcomes, such as completion, post-graduation employment, earnings, and the skills and knowledge of students.

Unfortunately, because community college students often face significant financial and personal challenges, they often are unable to complete their degrees.²⁰ While completion rates for students in bachelor’s degree programs grew from 55.4 to 59.6 percent from 2002 to 2014, they actually declined for two-year institutions from 30.5 to 27.9 percent²¹. The Department of Education can play a role in helping community colleges build “guided pathways,” or focused student assistance to encourage course completion and career pathways, to help students complete their degrees or transfer into more appropriate programs.

Remove obstacles to access middle-skill jobs and close the opportunity gap:

Expand competency-based hiring: “If you can do the job, prove it and we will hire you.” What if this were the motto for more middle-skill jobs? For many employers, the history listed on a worker’s resume holds greater significance than proof they can do the job. Organizations like Opportunity@Work engage with employers across the country to reform hiring practices and help workers access affordable pathways to gain the skills they need.²²

20. Deming, David (2018), “To increase college completion rates, invest directly in public postsecondary institutions”, Brookings Institution

21. Deming, David (2017), “Increasing College Completion with a Federal Higher Education Matching Grant”, The Hamilton Project, Brookings Institution

22. Opportunity at Work

Degree inflation

Refers to employer preference or requirements for four-year degrees for jobs traditionally held by middle-skill workers. Harvard Business School released a [report](#) that further investigates this trend.

We must lower unnecessary barriers for workers and enable them to access jobs based on demonstrated competency.

We must lower unnecessary barriers for workers and enable them to access jobs based on demonstrated competency. Expanding this approach to hiring will help give entry-level and low-skilled workers access to middle-skill jobs. According to a report by the analytic software company Burning Glass, 65 percent of open positions for executive secretaries and assistants require a bachelor's degree even though only 19 percent of workers currently in those positions hold such a degree. This degree inflation²³ occurs in other fields like IT help desks or construction supervisor positions. It is bad for workers and bad for employers who ultimately take longer to fill positions with inflated requirements.²⁴ This trend may begin to subside as the labor market tightens, forcing employers to reevaluate hiring criteria. But it is clear that a bias for higher educational attainment does play a real role in preventing workers from accessing jobs for which they are qualified.

In this area, the federal government can lead by example. The Office of Personnel Management (OPM) should ask federal agencies to review classifications of all positions and, where possible, scale down unnecessary education requirements with competency evaluations to measure necessary skills.

Congress can also authorize competitive grant programs in workforce and economic development to reward states that reduce their four-year degree requirements and other restrictive hiring requirements, supplementing them with skills-based hiring practices. These hiring practices give Americans with less academic pedigree a fair shot to be hired into government and government contractor career paths.

Accelerate the deployment of nationally-recognized credentialing standards:

Credentialing standards and certification testing programs must be developed with private, public, and educational institution stakeholder involvement. Support from the institutions that train workers and the industry groups and companies that employ them will enable credentialing requirements to more quickly adapt to evolving technology and market demands, and will ensure credentials are widely

23. [Deutsch, T., Blackwood, D., Eshun, T., & Alexanian, Z \(2017\), "New Report: Degree Inflation Hurting Bottom Line of U.S. Firms, Closing Off Economic Opportunity for Millions of Americans", Press Release, Harvard Business School](#)

24. [Burning Glass Technologies \(2014\), "Moving the Goalposts: How Demand for a Bachelor's Degree Is Reshaping the Workforce"](#)

recognized. Nationally and industry recognized credentials, certifications, and licensing will promote mobility by enabling workers to more easily move between companies, industries, and across state lines while broadening the pool of qualified candidates.

The federal government should develop infrastructure for registering, accrediting, and credentialing new programs through the Departments of Education and Labor to ensure high quality for both participants and for their future employers. Other strong models include standard credentials developed in industry associations and consortiums, and state and military certifications and programs.

Veterans trained and equipped with skills for high-demand jobs face the challenge of entering the civilian workforce where their training is often not recognized under state and federal certification standards. In the 114th Congress, Rep. Denny Heck introduced the Collaborating for Economic Reintegration of Troops (CERT) Act, which would establish a commission to develop new, uniform licensing and certification standards to help veterans transition to civilian life and high-demand occupations, while avoiding conflicting state-based occupational licensure and experience requirements. A veteran who has driven a military truck under fire half-way across the world can probably handle driving a truck at home.



The federal government should develop infrastructure for registering, accrediting, and credentialing new programs through the Departments of Education and Labor to ensure high quality for both participants and for their future employers.

Ban the box

Refers to policies that prevent applications for employment, housing, benefits, insurance, loans, and other services from asking if an applicant has ever been convicted by a court. The goal of these policies is to highlight an applicant's qualifications without the stigma of their arrest record.

Expand the pool of eligible workers: Many Americans are automatically disqualified from or overlooked for many job opportunities. Millions of Americans are prevented from accessing good jobs due to past criminal convictions or arrest records. More must also be done to include women and people of color who are underrepresented in STEM fields. In addition, workers in many states may lose their professional licenses and ability to work if they fall behind on their student loans. We must implement policies that give more Americans more opportunities, not less.

- **Provide a fresh start and value potential.** According to the National Employment Law Project, there are approximately seventy million Americans with prior arrest records or criminal convictions.²⁵ Many of these individuals are frequently rejected by employers despite their qualifications. This is particularly troubling in cases in which crimes committed were minor, occurred a long time ago or have been remediated through the criminal justice system.

Studies show that men who have served time in prison or have been convicted of a felony are more likely to be unemployed, regardless of age, ethnicity, or educational attainment. While research estimates that eight percent of the U.S. population have a felony conviction,²⁶ the Department of Justice does not maintain a national database of this population, making it incredibly difficult to understand the economic impacts of a felony conviction. Rep. Seth Moulton petitioned the Department of Justice and the Census Bureau to aggregate data to better understand the institutional barriers that exist for this population.

Thirty-one states and hundreds of cities and towns across the country have adopted “ban the box” policies so that employers consider a job candidate’s qualifications first, without the stigma of an arrest or criminal record. However, in many cases this has resulted in decreased employment for black and Hispanic men without criminal records.²⁷ Congress must pass comprehensive criminal justice reform to ensure those seeking to better themselves and provide for their families can do so through meaningful employment.

- **Protect worker’s ability to earn.** In twenty-two states, those who default on their student loans have their professional and/or driver’s licenses suspended. These individuals often rely on their licenses to either perform their work or commute to jobs, which provide income to pay back their

25. [National Employment Law Project, Ensuring People With Convictions Have a Fair Chance to Work Campaign](#)

26. [Flurry, Alan \(2017\), “Study estimates U.S. population with felony convictions”, UGA Today, University of Georgia](#)

27. [Doleac, Jennifer \(2016\), “Ban the Box’ does more harm than good”, Op-Ed, Brookings Institution](#)

loans.²⁸ Congress should act, potentially by amending the Higher Education Act as it is reauthorized this Congress, to prohibit this practice and ensure that workers are still able to earn, rather than forcing them further into debt.

- **Enable access to work.** More must be done to attract and retain diverse talent in traditionally difficult to access careers. Because of historical biases and other systemic factors, women and people of color lack representation in STEM fields.

Research has shown that improving diversity not only expands opportunity for workers but also improves business performance.

Research has shown that improving diversity not only expands opportunity for workers but also improves business performance. Furthermore, many workers—such as those who are primary caregivers or have disabilities—are prevented from participating in the labor force, widening economic inequality and the gender wage gap.

- **Provide access to job training for those most vulnerable.** Currently under the Supplemental Nutrition Assistance Program (SNAP), adults without dependents can receive no more than three months of nutrition assistance within three years if they are not in an employment training program or working at least 20 hours a week. But states are not required to offer their unemployed citizens an opportunity to participate in a job training program. The SNAP Work Opportunity Act, introduced by Rep. Suzan DelBene, would apply the three-month limit for eligibility only if a person who could not find a job was offered a training or assistance opportunity. This ensures those who are looking for work will no longer be penalized because their state does not offer job training or a work program.

Create a culture of lifelong learning and make it easier for workers to invest in their future

Reform federal worker training and dislocation programs: The federal government spends billions of dollars on programs to help unemployed workers find new

28. Silver-Greenberg, Jessica, Cowley, Stacey and Kitroeff, Natalie (2017), “When Unpaid Student Loan Bills Mean You Can No Longer Work”, New York Times

work. In 2010, the U.S. Government Accountability Office (GAO) found that there were 47 employment and training programs with combined appropriations of \$33.8 billion.²⁹ One of the main federal programs that helps displaced workers is Trade Adjustment Assistance (TAA), which was established to retrain workers displaced by globalization. However, many reports have called into question the effectiveness of programs like TAA. Indeed, the current system does not cover contingent workers, can discourage retraining, and can discourage dislocated workers from starting new businesses.

Workforce assistance programs, such as TAA, should be expanded to address displacement due to broader economic trends, such as technology. Programs should not necessarily distinguish between the causes of displacement, but rather the impacted individuals and communities.

Federal workforce programs should be flexible, innovative, and responsive to changing workforce needs, allowing workers to transfer skills across companies and industries.

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The government should audit existing workforce development programs, working with state and local governments and industry, to identify and expand the most effective programs and delivery models. Less effective programs should be reformed or replaced by new approaches that support job-seekers more effectively and that can attract employer investment.

Make upskilling and going back to school easier: In today's economy, workers need to continually upskill in order to succeed. To achieve this, flexibility is key: certification testing and skills training programs should be built around an accessible delivery model with clear, strong career pathways, adaptable to the schedules of working individuals and students. In order to upskill, many workers need additional support such as child and elder care.

Because many workers do not live near educational opportunities, we also need

²⁹ U.S. Government Accountability Office (2011, January), "Multiple Employment and Training Programs."

to expand access to broadband to assist individuals in developing skills and earning credentials. Furthermore, for students pursuing two- and four-year degrees, we must incentivize educational institutions to develop more programs with schedules and formats that work for working students.

Incentivize employers to invest in worker upskilling: Employers used to invest more in training their workers, but over time, that has declined precipitously.³⁰ There has been a recent trend among some employers reinvesting in worker training, and public policy can help speed-up these investments through incentives. For employer based training to provide the most value to workers and employers, they should be developed in collaboration with industry stakeholders and educational institutions. Credentialing and certification programs built in partnership with industry can be more responsive to labor market demands without sacrificing the value of student-oriented education. Training programs developed through sector-based partnerships between industry, community colleges, and other organizations have proven particularly successful.³¹

We should develop policies that reward companies for good behavior: valuing human capital and investing in their workers.

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- **The tax code** should be realigned to better incentivize companies to hire and invest in people rather than favoring capital expenditures. We recommend:
 - i. Lifting the current cap on employer contributions to outside employee educational and training costs. Currently, employers can deduct up to \$5,250 in training costs at universities, technical schools, and community colleges per employee each year.

³⁰. Executive Office of The President (2015), "Economic Report of the President" with the "Annual Report of the Council of Economic Advisors", Transmitted to Congress (Obama Administration)

³¹. Holzer, Harry (2015), "Higher Education and Workforce Policy: Creating More Skilled Workers (and Jobs for Them to Fill)", Economic Studies, Brookings Institution

- ii. Allowing employees who do not itemize their deductions to deduct training and certification costs from taxable income.
- iii. Reforming the tax code to encourage employers to provide student loan repayment for employees by allowing student loan payments to be fully tax deductible. This Congress, Rep. Suzan DelBene helped introduce the Higher Education Loan Payments for Students and Parents Act, or HELP for Students and Parents Act, which would allow employers to contribute to their employees' student loan debt or college savings accounts pretax, and provide a tax credit to employers based on 50 percent of these contributions. Rep. Scott Peters introduced the Employer Participation in Student Loan Assistance Act in 2018 to incentivize employers to help their workers' pay down student debt through a tax-exempt employer benefit.
- iv. Senator Mark Warner and Rep. Raja Krishnamoorthi were joined by several colleagues in introducing the bicameral Investing in American Workers Act this Congress, which encourages employers to invest more in quality skills training for their workers. The legislation would create a tax credit for increased training expenses directed at lower- and moderate-income workers.

We should facilitate the creation of worker-owned, employer-matched savings plans called Lifelong Learning Accounts.

- **Training programs:** In Rhode Island, the Department for Labor and Training (DLT) has partnered with companies to directly solve the labor pipeline challenge through the Real Jobs Rhode Island program.³² Companies hire candidates lacking the necessary skills or credentials, but who possess other valuable qualities. The DLT then either directly trains or pays for the training of these hires using a combination of foundation, state, and federal money. Other states have established similar programs. We encourage states to build training programs that partner with industry to identify and fill labor market needs.

Establish lifelong learning savings accounts to help workers save money for education and job training. We should facilitate the creation of worker-owned, employer-matched savings plans called Lifelong Learning Accounts. The federal

³². [Rhode Island DLT Real Jobs Rhode Island program](#)

government could model policy based on the lifelong learning accounts of Maine and Washington, which grow over time through payroll deductions and encourage employer contributions through outcome based tax incentives. Rep. Derek Kilmer will reintroduce the Skills Investment Act to establish a national lifelong learning account model.

Support and encourage new ways to finance education, especially as Congress works to reauthorize the Higher Education Act and considers how to make post-secondary education more affordable, accessible and accountable.

The cost of higher education has increased 63% since 2006.

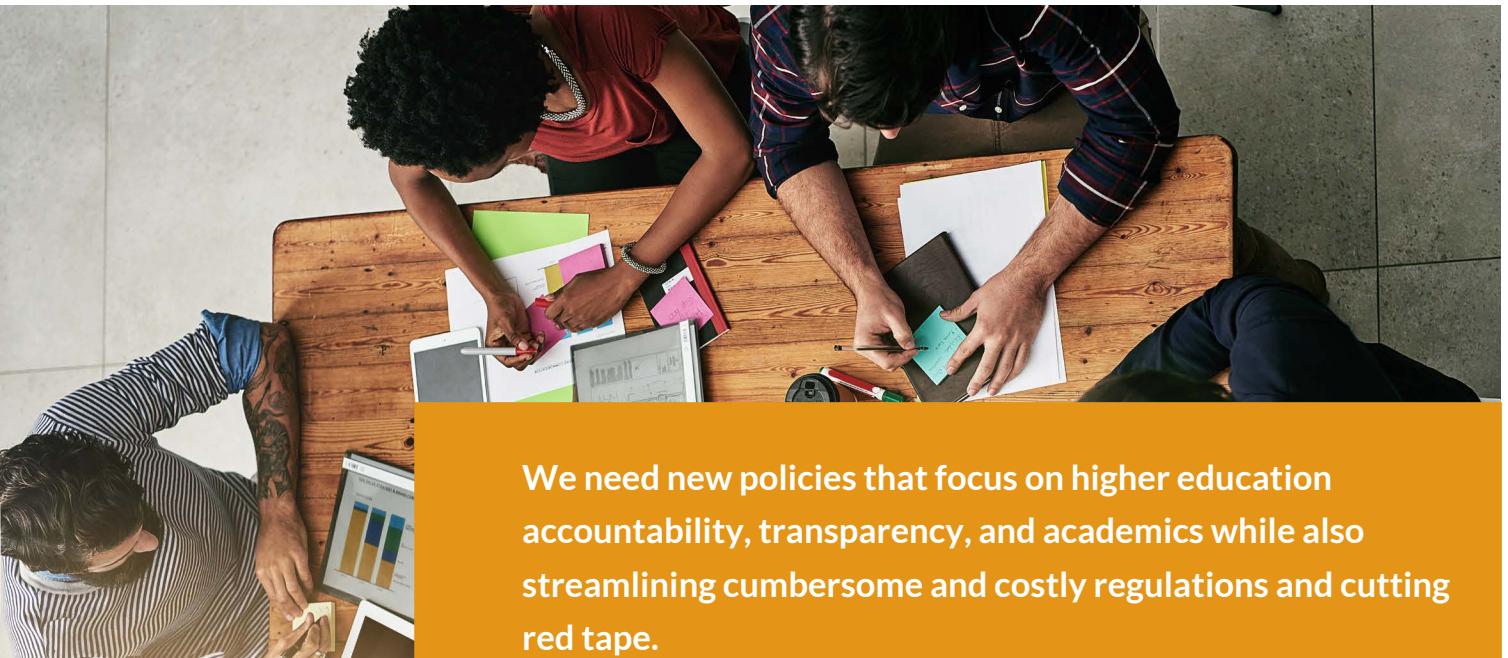
- **Reform Pell Grants and expand the use of federal financial aid.** The cost of higher education has increased 63 percent since 2006, outpacing available federal financial aid and making college unaffordable for many Americans.³³ In general, more federal financial aid, whether through Pell Grants or other programs, should be made available to keep pace with these rising costs associated with education. Congress should allow Pell Grants to be used year-round and to pay for additional options, like high-quality CTE, credential programs, and other innovative post-secondary education options. Only programs that are providing value to students and taxpayers and have proven they are meeting labor market demands should be eligible for federal financial aid. To ensure clear accountability measures are in place, and to prevent the use of Pell Grants by for-profit programs that offer little or no value to students, high-performing programs should be registered and accredited with the Department of Labor and the Department of Education.
- **Expand flexibility of 529 College Savings Accounts to include more post-secondary options.** This Congress, Rep. Donald Norcross introduced the Opening Paths to Invest in Our Nation's Students (529 OPTIONS) Act, which would allow students and workers to use a 529 account for costs associated with apprenticeships and associated credentials and certifications. This approach can be expanded for non-apprentices enrolled in certification and credentialing programs.
- **Bring more innovation into financing and lessen the burden on students.** A finance mechanism to consider is the Income Share Agreement (ISA) model, in which investors or funds finance a predetermined amount of a student's education costs in exchange for a set percentage of their future income over a specified period of time. Structured properly, ISAs can mitigate the financial downside risk for students by reducing reliance on debt and providing a grace period and possible repayment forgiveness

33. Bureau of Labor Statistics, *The Economics Daily*, "College tuition and fees increase 63 percent since January 2006 on the Internet", U.S. Department of Labor

if a student's income is below a certain level. ISAs can also increase the accountability of post-secondary educational institutions by linking repayment to student outcomes. No student should go bankrupt pursuing their education. The federal government could appoint a regulatory body to oversee ISAs and ensure that consumer protections and quality assurances are in place.

Purdue University's Back a Boiler program³⁴ is an ISA model that supplements traditional financial aid to students from a blind fund within a larger trust developed by investments and donations from alumni and other investors. It is critical that more work be done assessing and implementing appropriate results-oriented, risk-sharing educational financing models. Reps. Jared Polis, Seth Moulton, Terri Sewell, and Kyrsten Sinema have cosponsored the ISA Act supporting the expansion of ISAs and establishing more federal oversight.

Make higher education more effective and accountable: We need new policies that focus on higher education accountability, transparency, and academics while also streamlining cumbersome and costly regulations and cutting red tape. For example, Rep. Jared Polis's College Transparency Act, introduced this Congress, would lift the ban on the sharing of student-level data at educational institutions, allowing students and families to access information that would help them to select the right school.



We need new policies that focus on higher education accountability, transparency, and academics while also streamlining cumbersome and costly regulations and cutting red tape.

34. [Purdue University, Back a Boiler](#)

Federal policy should also leverage the power of private and public data to help educational institutions and private-public partnerships shape training and higher education curricula, and provide more information to workers, students, and their families about outcomes after graduation. In the future, data should be able to answer: What career paths and programs helped students and workers best adapt to automation and artificial intelligence? What additional skills did workers most need, and how did they acquire them?

Congress is currently working to reauthorize the Higher Education Act. This presents an opportunity to ensure our nation's institutions of higher education are providing value by equipping students with the knowledge and skills they need to be successful.

The Coalition will continue to explore innovative policies that support the development and education of our students and workers as they prepare for the changing economy. Addressing the skills and opportunities gaps will require collaboration between policy makers, industry leaders, and educational institutions.

Our approach must be holistic, encouraging companies to reform hiring practices, giving workers the skills they need, making education and training accessible and affordable, and raising the prestige and cultural value of educational pathways that focus on career ready skills. Everyone deserves a chance at the American Dream.



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