Degrees of Risk:
What Gen Z and Employers Think About Education-to-Career Pathways...and How Those Views are Changing
EXECUTIVE SUMMARY

Parallel Shifts

CHANGE IS AFOOT in the world of work, where more employers—spurred on by a Great Resignation and difficulty finding people qualified to fill key roles—are expressing a desire to look beyond the degree for talent. Yet, many employers are stuck in a rut of looking to the college degree as the primary signifier of workplace readiness, even though there are strong signals that this model has not served them well. Even before the pandemic, research showed that some 80% of Human Resource leaders could not find workers with the skills they needed. In 2022, things are far more dire. Nearly half (47%) of businesses report that they have jobs they simply cannot fill, which greatly exceeds the 48-year average. There are some 11.4 million unfilled positions in the U.S. today, many of which do not require a degree. The impacts of so many unfilled jobs on the economy and the wellbeing of families and businesses has wide-ranging and potentially serious impacts.

At the same time, there is also a shift taking place among Gen Z youth, who are skeptical of the well-trodden high school-to-college route, but are unsure how to navigate the growing array of postsecondary education paths. There were 662,000 fewer students enrolled in undergraduate programs in the spring of 2022 than the previous spring, constituting a drop of 4.7%; a drop of 1.4 million is reported since the beginning of the pandemic. A recent survey of high school students found that the likelihood of attending a four-year college dropped by nearly 20% in less than a year. Nonetheless, when making decisions about their post-high school future, today’s young people still largely tend to default to a college or failure mindset. For some, the assumption that the college degree is the pinnacle of success is so pervasive that, regardless of their own desires, they never discuss other options. We heard this sentiment from a Gen Z respondent in our survey:

“We never even brought up the fact of not wanting to go to college.”

“Ever since we were little, we’ve been drilled that [college] is important and that you cannot miss out.”

—Gen Z respondent
An examination of what is required to make a person employable—and of what professional and educational success looks like—is long overdue.

As a starting point to better understand this landscape, the project Degrees of Risk: What Gen Z and Employers Think About Education-to-Career Pathways...and How Those Views are Changing, was commissioned by American Student Assistance (ASA) and Jobs for the Future (JFF), and conducted by Morning Consult, a market research firm, between January and March of 2022. The research consisted of baseline surveys and interviews to understand current familiarity with and perceptions of non-degree postsecondary pathways from both Gen Z and employer perspectives. This paper also makes recommendations for the way forward to expand high-quality postsecondary options for all learners.

MAJOR FINDINGS

→ Having the right skills is of utmost importance to both groups: Gen Z wants to build skills that will lead to a good job and 81% of employers believe they should look at skills rather than degrees when hiring.

→ There is a desire from employers (68%) to hire from non-degree pathways. Yet, even though most employers (72%) don’t see a degree as a reliable signal for assessing the skills of a candidate, the majority (52%) still hire from degree programs because they believe it is a less risky choice when hiring.

→ As a result, Gen Z students are still defaulting to degree programs because many believe employers favor degrees (37%), and they also fear there is too much risk associated with choosing the wrong non-degree postsecondary path (65%).

Key findings of the Morning Consult landmark study were based on responses from more than 1,500 Gen Z youth and 600 employers between January and March of 2022.
Who We Are

American Student Assistance® (ASA) is a national nonprofit changing the way middle and high schoolers learn about careers and navigate education-to-career opportunities. We believe that exploring career possibilities, as early as middle school, and having equitable access to education-to-career pathways aligned with one’s passions and goals will result in greater confidence and long-term success for all students.

Jobs for the Future (JFF) drives transformation of the American workforce and education systems to achieve equitable economic advancement for all.
What We Learned

→ **81% of Employers agree**
"Organizations should hire based on skills rather than degrees."

→ **74% of Gen Z agree**
"I want to learn skills that prepare me for jobs that will be in demand in the future."

**FINDING 1**

**Employers and high school students are in search of skills.**

Today, fewer employers are seeing a meaningful relationship between a college degree and competency, and some 81% of employers believe that *organizations should hire based on skills rather than degrees.*

It is tempting to view the most in-demand “skills” as a well-defined bucket of tangible—often technical—abilities that add value to the workplace. Yet, the skills employers are looking for today are not necessarily technical in nature. When asked what they look for in entry-level positions, hiring managers report that they look for individuals who have interpersonal skills, are flexible, and are detail-oriented.

Many employers also report they would be open to hiring individuals without a degree if they have the skills needed for the job.

“If an individual is skilled for the task, then a piece of paper shouldn’t matter.” —Employer respondent

Young people are also looking for skills. Nearly three-quarters (74%) of Gen Z youth report that *I want to learn skills that prepare me for jobs that will be in demand in the future.*

And many students seem to believe that college is still the place where people go to unlock skills that are useful on the job. Several students who participated in our focus groups reported that the main reason they want to go to college is to become prepared for a career.
Skills are a Priority

Having the right skills is of utmost importance to both groups—3 in 4 (74%) Gen Z youth want to build skills that will lead to a good job and 4 in 5 (81%) employers believe they should look at skills rather than degrees when hiring.

### 4 IN 5 EMPLOYERS AGREE

That organizations should hire based on skills rather than degrees:

- Employers overall: 42% Strongly agree, 39% Somewhat agree, 15% Neither agree nor disagree
- C-Suite level: 48% Strongly agree, 37% Somewhat agree, 15% Neither agree nor disagree
- Executive-level: 40% Strongly agree, 39% Somewhat agree, 16% Neither agree nor disagree
- Director level: 35% Strongly agree, 43% Somewhat agree, 18% Neither agree nor disagree
- HR level: 35% Strongly agree, 48% Somewhat agree, 17% Neither agree nor disagree
- Manufacturing sector: 39% Strongly agree, 37% Somewhat agree, 20% Neither agree nor disagree
- Construction sector: 55% Strongly agree, 32% Somewhat agree, 11% Neither agree nor disagree
- Health care sector: 35% Strongly agree, 44% Somewhat agree, 20% Neither agree nor disagree
- Technology sector: 45% Strongly agree, 44% Somewhat agree, 8% Neither agree nor disagree
- Financial services sector: 46% Strongly agree, 41% Somewhat agree, 9% Neither agree nor disagree

### 3 IN 4 HIGH SCHOOL STUDENTS AGREE

That they want to learn skills that prepare them for jobs that will be in demand in the future:

- Gen Z HS students overall: 45% Strongly agree, 29% Somewhat agree, 18% Neither agree nor disagree
- Grades 9 & 10: 49% Strongly agree, 28% Somewhat agree, 17% Neither agree nor disagree
- Grades 11 & 12: 42% Strongly agree, 50% Somewhat agree, 19% Neither agree nor disagree
- Male: 46% Strongly agree, 28% Somewhat agree, 18% Neither agree nor disagree
- Female: 45% Strongly agree, 28% Somewhat agree, 18% Neither agree nor disagree
- White: 43% Strongly agree, 30% Somewhat agree, 18% Neither agree nor disagree
- Hispanic: 43% Strongly agree, 32% Somewhat agree, 17% Neither agree nor disagree
- African American: 38% Strongly agree, 27% Somewhat agree, 22% Neither agree nor disagree
- Asian American: 52% Strongly agree, 32% Somewhat agree, 13% Neither agree nor disagree

THE TAKEAWAY

The research shows that people—employers and prospective employees—are seeking skills, and today’s workforce reflects that.

In fact, the global talent shortage stands at a sixteen-year high and a report from the World Economic Forum predicts that half of the global workforce will need to be reskilled in the next five years. Today’s workplaces, though, require skills that are not necessarily being delivered through traditional higher education programs and workers who are not necessarily arriving in roles through traditional hiring practices. Education systems—and students—can widen their scope of postsecondary options to include skills-based learning and credentialing opportunities that are better aligned to the needs of employers. Employers can redefine and ultimately widen the pool of talent available to them by making the transition to skills-based—instead of degree-based—hiring practices.
FINDING 2

The majority of employers and high school students agree that organizations should hire candidates from non-degree pathways.

TODAY, 68% OF employers say that organizations should proactively hire candidates from non-degree pathways.

“We really had to fight...[facilities jobs] don’t require degrees;” one employer explained. “We need to take that out of the job descriptions. ...We don’t want any barriers to moving people up, especially for folks who work for us.”

For employers, a desire to invest in on-the-job training is growing.

“We do not need to limit peoples’ ability to come and work on jobs that we can train people for...which are a lot of jobs...”

—Employer respondent

→ 68% of Employers agree
   “Organizations should proactively hire candidates from non-degree pathways.”

→ 58% of Gen Z agree
   “Companies should hire more high school graduates who have pursued non-degree education pathways.”

Again, it is not just employers who are hoping for change. Fifty-eight percent of Gen Z youth believe that companies should hire more high school graduates who have pursued non-degree education pathways.
When asked why they would pursue a non-degree pathway, many Gen Z focused on the benefits of having multiple options available to them.

“Having multiple potential options is calming. Especially if I change my mind on what I currently want to do.” —Gen Z respondent

THE TAKEAWAY
The research shows a growing need to think outside the degree.

ONLY 44% OF first-time bachelor’s degree recipients complete their degree in four years or less, and for nearly 36% the time to completion ranges from five to ten years. Some 86% of students today receive financial aid; the average student loan balance students will carry over the next four years ranges from $25,880 to $107,520. Young people are increasingly wary of the status quo and many have grown hesitant to enter into the long-term—and often prohibitively costly—contract required to pursue a college education. To that end, some are seeking greater flexibility after high school. Both employers and Gen Z youth are growing more open to the idea of non-degree pathways and credentials that help build skills and certify job readiness on a faster timeline with more manageable implications on day-to-day life.

OVERALL, 80% OF EMPLOYERS AGREE OR STRONGLY AGREE that organizations should be more open to investing in on-the-job training programs for new hires, which varies by sector.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Strongly agree</th>
<th>Somewhat agree</th>
<th>Neither</th>
<th>Somewhat disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Services</td>
<td>44%</td>
<td>44%</td>
<td>9%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Construction</td>
<td>51%</td>
<td>30%</td>
<td>14%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Technology</td>
<td>41%</td>
<td>38%</td>
<td>17%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>29%</td>
<td>46%</td>
<td>20%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Health Care</td>
<td>32%</td>
<td>38%</td>
<td>25%</td>
<td>4%</td>
<td>0%</td>
</tr>
</tbody>
</table>
FINDING 3

Employers and Gen Z are still seeking the “safe” choice.

THE PERCEIVED “RISK” of their choice poses a barrier to considering options beyond a college degree.

→ **54% of Employers agree**

“It is less risky to hire someone with a college degree.”

→ **65% of Gen Z agree**

“I am worried about choosing the wrong education pathway.”

DESPITE A PROFESSED and increasing interest from students and employers in the expanding landscape of postsecondary options and credentials, both groups are still reverting to traditional norms and practices.

A resounding 72% of employers agree that a degree is not a reliable signal of assessing the quality of a candidate.

Still, 54% of employers feel it is less risky to hire someone with a college degree. And 33% of employers report that the risk of hiring the wrong candidate is a significant barrier to hiring a non-degree candidate.

In practice, many employers are still looking for degrees, particularly when they are searching for a specific skill set.

“If [the skills] are very specialized [we would look for someone with a degree],” shared an employer.

“For example, let’s take a marketing major. Marketing is the lifeblood of the company, so we would need someone who can jump in and has those specific skills that can push our business with their education of how to advertise using different online and print media.”
Another employer explained, “A college education shows commitment. It shows the willingness to get to the end.”

Employers who are willing to go outside of their comfort zones and hire someone who did not graduate from college may look for a certain threshold of experience (typically measured in years) in lieu of a degree, and may defer to upper management to make judgment calls. One employee reported that the level of openness to hiring people from non-degree pathways depends “solely on the visionaries” at the organization.

The same skepticism about non-degree pathways exists among Gen Z youth. Many young people perceive that their chances of getting hired without a degree are slim; 37% of respondents say they believe employers favor applicants with a degree. Sixty-five percent of Gen Z say they are worried about choosing the wrong education pathway. Only 31% of Gen Z agree that non-degree education pathways are a better long-term investment than college degrees, and that view varies by race.

Gen Z youth also report that they see a degree as an advantage, even in instances when two people have the same skills. One respondent said they believe that if two candidates possessed similar skills, but one also had a degree, the degree holder would get the job every time.

In addition to perceptions of the value of a college degree, some Gen Z youth believe they would benefit from the networks that often arise from going to college.

“In college...I would see other people like me who are very serious about [their career] and I will start building connections for the future.”
THE TAKEAWAY

The research shows that a desire for non-degree options is toned down by a good deal of hesitancy.

WHILE THE PULL of a college degree remains strong for high school students, ASA research in 2020 showed that 30% of Gen Z youth feel the traditional path of attending college immediately after high school no longer makes sense. However, a fear of the unknown and perceptions of risk often prevent young people from pursuing pathways they perceive to be outside the status quo, particularly at a time when future decision-making can be a major source of stress. Over half of Gen Z reported that they feel anxious (60%), nervous (59%), or overwhelmed (51%) by the decision-making process. The temptation to default to old norms is strong for both students and employers.

A survey conducted by The Society for Human Resource Management (SHRM) and the SHRM Foundation and funded by a grant from Walmart shows that some 45% of workers hold a credential other than a required professional licensure or a two- or four-year degree. Nonetheless, SHRM writes in their report: 

“Executives, supervisors and HR professionals still place a higher value” on college degrees than other credential types. SHRM goes on to say that evaluating non-degree credentials “is seen by some HR professionals and hiring managers as too complicated and too time-consuming.”

The norms and views held by employers and Gen Z (and those espoused in the K-12 education system) can and do impact openness to participating in non-degree postsecondary pathways and using them as hiring and screening tools. Structural barriers also exist in the form of standardized hiring processes, in which checking the “has college degree” box has long been assigned primary importance. Without adequate information about the value and utility of non-degree pathways, and absent an understanding of how to vet and translate them, employers may remain slow to accept non-degree credentials in their screening processes. That hesitancy perpetuates an access barrier that ultimately prevents people from a wide diversity of backgrounds and experiences earned outside the fold of higher education from entering or succeeding in the workforce.
Risk and Barriers

→ Two in 3 (68%) Gen Z high school students say they are concerned about college debt, but a majority (65%) fear the risk associated with choosing the wrong post-secondary path.

→ The top two barriers Gen Z high school students report to pursuing non-degree pathways are family expectations (42%) and their perception that employers favor job applicants with college degrees (37%).

→ There is a desire from employers (68%) to hire from non-degree pathways, but even though most employers (72%) do not see a degree as a reliable signal for assessing the skills of a candidate, the majority (52%) still hire from a degree program because they believe it is a less risky choice when hiring.
FINDING 4

Employers and high school students agree that they need more information about non-degree pathways.

On the student side, nearly three-quarters of Gen Z youth report that high schools should do more to help students understand the non-degree education pathways available. 71% report that they would like more career exploration opportunities in high school, and just 47% report that they had enough information to decide the best plan for me after high school.

Gen Z youth have less understanding or experience with these pathways as compared to employers. A higher proportion of employers report being very familiar or familiar with multiple pathways, compared to Gen Z youth.

Gen Z students report that they want more information about the pathways and that “it’s hard to think of anything else that isn’t college.” One respondent remarked about school that, “They just tell us about the traditional four-year college or just not going to college and the benefits [of going to college].”

“But [learning about] all the paths was eye opening to me...it’s another way to get to your dream.”

—Gen Z respondent

80% OF EMPLOYERS AGREE that they need more information on how non-degree pathways differ.

<table>
<thead>
<tr>
<th>Category</th>
<th>Employers overall</th>
<th>Employers w/1-250 employees</th>
<th>Employers w/250-1,000 employees</th>
<th>Employers w/1,000+ employees</th>
<th>C-Suite level</th>
<th>Executive-level</th>
<th>Director level</th>
<th>HR level</th>
<th>Manufacturing sector</th>
<th>Construction sector</th>
<th>Health care sector</th>
<th>Technology sector</th>
<th>Financial services sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>36%</td>
<td>31%</td>
<td>35%</td>
<td>42%</td>
<td>38%</td>
<td>37%</td>
<td>31%</td>
<td>37%</td>
<td>34%</td>
<td>32%</td>
<td>34%</td>
<td>32%</td>
<td>46%</td>
</tr>
<tr>
<td>Somewhat agree</td>
<td>44%</td>
<td>44%</td>
<td>45%</td>
<td>44%</td>
<td>45%</td>
<td>42%</td>
<td>46%</td>
<td>51%</td>
<td>51%</td>
<td>49%</td>
<td>49%</td>
<td>52%</td>
<td>41%</td>
</tr>
<tr>
<td>Neither agree nor disagree</td>
<td>16%</td>
<td>21%</td>
<td>13%</td>
<td>12%</td>
<td>13%</td>
<td>16%</td>
<td>19%</td>
<td>10%</td>
<td>12%</td>
<td>12%</td>
<td>13%</td>
<td>12%</td>
<td>7%</td>
</tr>
<tr>
<td>Somewhat disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Degrees of Risk  | 2022 WHITE PAPER  | 13
When asked what Gen Z youth recommend to their younger peers, one student shared, “I would recommend looking into all the options because a lot of times people go into things that they didn’t know were things before.”

“You can find something you really enjoy...without having to go to college...doing something you love is really important.” —Gen Z respondent

THE TAKEAWAY

The research shows a growing appetite among both Gen Z and employers for more—and more robust—information about non-degree pathways and credentialing opportunities.

It is increasingly clear that there is an opportunity to build greater awareness in this area. Through the thorough vetting of available options and consistent messaging to students that “non-degree isn’t less-than,” young people can be helped to move from interest to opportunity, and can be spared from the damaging norm of viewing a college degree as the only option of value.

Even if most are unwilling to make moves away from the college degree, the tides are changing in terms of the appetite for information about non-degree pathways. Most employers now say that organizations need more information on how non-degree pathways differ.
A Path Forward

AN APPRECIABLE APPETITE for wider awareness and acceptance of, and reliance upon, non-degree opportunities and credentials already exists among employers and students. Ensuring these pathways and experiences become part of the vernacular in the K-12 career readiness experience seems to be the most pressing challenge. Alongside that comes a challenge to remove the fear of risk that is currently holding many young people and employers alike from pursuing high-quality non-degree pathways and credentials. How can this be accomplished? The answer is sixfold:

ACTION 1
Continued research into the quality, efficacy and value of a wide variety of education-to-career opportunities.

Our study and work to understand the landscape of innovative solutions is one of what must become a greater body of research into the topic. It is critical that any and all options presented to students in the K-12 experience are efficacious. Studying and understanding the quality of options as they relate to long-term outcomes is critical. Then, students should be given a complete picture of how any postsecondary educational or workforce opportunity can form the basis of—or complement—their uniquely personal pathway.

All of this can only happen through the ongoing collection of qualitative and quantitative data. We are hopeful that this paper can serve as one of a number of rallying cries for change, and can help to plant a seed of advocacy not just for a new normal, but for a data-driven new normal that sets more young people up for success in the longer term.
ACTION 2

A narrative change around how options are presented to young people and to the workforce.

The terminology used to explain and present education-to-career options to students, and the explanations of non-degree credentials that are provided to employers, matter very much. As the options themselves proliferate and as public awareness of them grows, it is critical that a shared vernacular exists to ensure that everyone understands both the nature of the options and the value and utility they provide in building and/or certifying skills and competencies. Work to create that shared vernacular is of the utmost importance in driving a “new normal.” It will be critical to ensure that this vernacular is accurate, and resonates with the mindset of Gen Z youth. This means creating messaging that is highly relatable, and that taps into sources of information that are known to influence high school students’ awareness of the wider world.

ACTION 3

Resources to help students, families, and counselors navigate options; and change management resources for employers.

Alongside the thorough vetting and accurate communication of options must come the creation of tools that can help all interested parties navigate those options. Young people interested in pursuing college currently have ample—if poorly centralized—resources that can help them compare majors, see institutional rankings and college graduate outcomes, learn about accreditation, find financial aid opportunities, and get a sense of student life. Save for the websites of non-degree credential providers, few—if any—databases or navigation tools exist by which young people and employers can readily learn about and research these pathways. A similar (or even improved) resource infrastructure as exists for higher education providers will be instrumental in making the process of exploring and choosing non-degree options far less daunting. For employers, standardized processes and tools that can help with change-management around hiring from non-degree talent pools will be critical.

ACTION 4

A commitment to equity.

The college-for-all mindset partly stems from recent decades of well-meaning reform of K-12 curricula, standards, and guidance in the name of equality. This was an understandable response to a long history of schools discriminatorily sorting students. That sorting
often meant students were grouped by race and socio-economic status into college prep tracks and general education tracks with no defined destination. Others were sorted into vocational paths that too often did not emphasize the preparation needed for highly skilled technical jobs and instead served as a “dumping ground” for students deemed not to have the aptitude for high-level learning. Structuring and communicating to students about a singular college prep and admissions path seemed a clear and egalitarian alternative. Ironically, this has had unintended consequences that have created their own—and perpetuated existing—inequities. A college-for-all mindset, in fact, promotes the idea of equality more than equity, and in reality, there is no one solution that is right for every learner, nor will a single solution ensure equity of access to economic prosperity in the long term.

As we now call for better awareness and proliferation of multiple high-quality pathways to economic advancement, we know we must keenly focus on ensuring that such pathways promote true equity. This focus is critical to mitigate the risks of backsliding into tracking. While it is imperative to use longitudinal outcome data to monitor this, there are principles of design and real-time indicators which can help provide guardrails:

- Are there identifiable patterns of race and class segregation in pathway participation which need to be disrupted?
- Is the projected and realized return on investment for students (e.g., cost in relation to future wages) justifiable?
- Do the skills, credentials, or credits that students learn and earn in any given pathway have transferability to and value for progression in other pathways, should learners want to switch midstream?
- Do the credentials students earn in any given pathway provide clear on-ramps to additional credentials to support learning and career advancement?

**ACTION 5**

**A way to measure quality.**

In addition to understanding what pathways exist and how they can be integrated into structures with a focus on equitable access, the sector must rally around the measurement and standardization of quality. Information must be readily available—in a format that’s both easily digestible and readily mappable to current school and workplace structures and processes—about how each option or credential yields a return-on-investment and what kind of career and educational utility a person can expect from it. This information and these signals of quality must be clear and useful both from the student’s and the employer’s perspectives. This information must be sign-posted in a manner that aligns to the widespread understanding of quality, as defined by both groups. Doing so will involve further research into commonly-held perceptions of what constitutes quality of both experience and outcome.
ACTION 6
A change in policy and funding.

→ Increase Investments in Workforce Development
Policymakers should invest in workforce development at levels that support the economic and skill needs of U.S. workers and employers; allow for needed transformation of workforce programs; and bring workforce investments into parity with those of other OECD countries. This includes significantly increasing investments in CTE through Perkins legislation, and in skills development to support high-quality short-term credentials, high-quality stackable credentials, and longer-term degree pathways. This also includes significant investments in the alignment and modernization of our workforce development ecosystem. These investments should be cross-system and focus on scaling reforms in the delivery of education and training, adopting new modes of service delivery, scaling high-quality work-based learning experiences, expanding evidence-based strategies—such as career pathways and

sector strategies, and bolstering comprehensive programs serving young adults ages 16 to 24 who are out of school and unemployed.

→ Expand Access to Existing Financial Supports for Federal Education and Training
Federal financial aid should better meet the needs of today’s students. Policymakers should allow for the creation of student emergency aid grants, the expansion of the federal Pell Grant program to cover high-quality short-term credentialing programs, an increase in available funding for workforce training, and the expansion of Pay for Success initiatives to encourage a focus on strong results for students.

→ Provide Federal Funding for Assessing the Quality and Efficacy of Programs
We must ensure non-degree pathways are a route to good jobs, economic mobility, and positive outcomes. Federal policymakers should fund research aimed at assessing how well short-term programs achieve student outcomes in job placement and median earnings, as well as how well these programs set students up for lifelong learning and future pursuit of additional degrees and/or credentials. So that a diversity of approaches to assessing quality is seeded, funding could go to an array of academic researchers, practitioners, accreditors, nonprofit organizations, and existing and new quality assurance entities, among others.

→ Enact Gainful Employment Rules
The Gainful Employment rule was intended to ensure transparency around student outcomes for non-degree programs. Prior gainful employment regulations measured students’ debt to their earnings upon completion of for-profit postsecondary programs and non-degree programs provided by nonprofit higher education institutions. While the rule was never fully enforced
before being generally rescinded in 2019, its goal was to restrict financial aid eligibility for programs whose graduates did not earn enough to pay down their education debt in a timely manner. A recent U.S. Department of Education proposal would require all post-secondary education providers, both public and private, to report program outcomes with respect to student debt vs. earnings, with penalties only applying to for-profits and nonprofit career programs. This would broaden accountability across the entire postsecondary sector, put data into the hands of students and families as they make education and career decisions, and ensure students are not harmed by bad actors.

→ Invest in Grants to Spur Innovation
As non-degree programs grow in number and scope, the federal government should create a grant program—perhaps through the Fund for the Improvement of Postsecondary Education (FIPSE) authority—to incentivize innovative strategies specifically around non-degree pathways, evaluate their effectiveness, and communicate best practices. These grants should focus on comprehensive solutions to common or widespread areas of concern, encourage action-oriented programs, and support new and as-yet-unproven approaches.

→ Promote Skill-Building
Skill building is essential at every stage of the life journey. Youth need to build foundational skills early and align education to future careers, young adults need more technical and specific workforce skills, and adults constantly need to build skills that align with business needs for the changing workforce. Without strengthening all parts of the continuum, the skills infrastructure will fall short. However, all three of these life stages span the jurisdiction of three different federal agencies.

Policy should ensure that all federal laws impacting youth, older adolescents, and adults stress the importance of continued skill building. The Secretaries across the U.S. Departments of Education, Labor, and Commerce should align federal resources and ensure the federal government plays a strong and coordinated role in building the future workforce and spurring leaders in adjacent sectors to take action. By focusing federal resources on skill building—for both the future workforce and current job seekers—we can ensure a more focused alignment of federal dollars and reinforce the imperative that skill development should be a national priority. The Secretaries should continue to use the bully pulpit to speak and frequently draw attention to this issue, work to align programs and fund sources within their agencies, and convene external stakeholders in education and business to act.

→ Encourage Career Readiness as a Core Component of K-12 Accountability
Federal policymakers should encourage and support states in adjusting their high school accountability standards and metrics by embracing career readiness as a core goal. Currently, the K-12 educational system focuses primarily on traditional college preparation, including using standardized testing to measure student and school performance. While this is still valuable, it does not fully account for student needs to succeed in the labor market. Accountability systems should be reformed to emphasize career readiness and encourage the K-12 system to prepare students for success in other high-quality postsecondary options, such as apprenticeships.
→ **Strengthen Student Supports**
Policymakers should provide guidance, technical assistance, and funding to high schools on how to help every student develop a career plan prior to graduation. Resources should be used to expand the use of tech-enabled career navigation tools in schools, and thereby increase the capacity of career counselors to serve at-risk, low-income, and first-generation students. These are students who are likely to need the most personalized support as they explore career options and learn how to build social networks. Additionally, policy should ensure that young people have the guidance and supports they need to succeed in all postsecondary pathways, such as access to transportation, food, and housing.

→ **Improve Career Navigation and Access to Data**
Young people need accurate and timely information about possible career paths and where to get the education and skills they need. Policy should encourage the expansion of career navigation services that support youth. Policy should also create data systems that encourage sharing across systems and provide easy-to-understand information on the quality of education and training programs, including student outcomes.

**LEARN MORE:**
Visit jff.org/degrees-of-risk to review the study’s full findings, including a deep-dive research report, toplines, and crosstabs among both Gen Z and Employer audiences.
Endnotes

1 The authors acknowledge that the observations and research in this paper related to the college degree and general employer trends are limited in scope to the “desk” workforce, and that, for the overwhelming 80% of the workforce classified as “deskless,” the college degree has rarely—if ever—been a requisite for employment/employability.


6 Nasdaq. “These are the world’s most in-demand skills (and jobs).” (June 6, 2022.) https://www.nasdaq.com/articles/these-are-the-worlds-most-in-demand-jobs-and-skills


8 CNBC. “Just 41% of College Students Graduate in Four Years.” (June 19, 2019.) https://www.cnbc.com/2019/06/19/just-41percent-of-college-students-graduate-in-four-years.html#text=According%20to%20the%20National%20Center%20for%20Education%20Stats%


12 Ibid
