



BUSINESS AS A CHANGE AGENT FOR HIGHER EDUCATION

By [Justin Yancy](#)

Higher Ed Dive
January 22, 2024

There are challenging realities confronting higher education and its ability to both address today's talent gap and equip individuals with the skills needed to secure promising salaries and upward mobility. Businesses, too, face similar challenges to find workers with specific skills across every field to address employment gaps and support our local and national economies. Here in Texas, for example, we are leading the nation in job growth, however, employers face challenges in filling open positions due to a middle-skills gap largely attributable to less than 25% of our students earning a post-secondary credential by the age of 24.

While many of today's headlines are dominated by contentious divisions that cloud the opportunity to find solutions, through direct collaboration between these two sectors there is fertile common ground to address the factors contributing to both declining enrollments in higher education and the workforce skills gap. This partnership between business and higher education is critical to meeting our nation's economic imperatives.

We are facing a paradox in what the public perceives about the value of higher education versus what college enrollment and completion data tell us. Recent public opinion research acknowledges the value of post-secondary pathways yet enrollment has been in decline for the past decade. A strong bipartisan majority of Americans believe education beyond high school advances graduates' careers, and that more high-quality employers would be attracted to their state if more people had degrees. However, confidence in higher education has fallen to 36% and the reality of the out-of-pocket cost of college, which represents the leading and growing barrier to college attendance, cannot be ignored.

Yet, we know that those who earn a degree will earn about \$1 million more over their lifetime than U.S. adults with no college degree, on average. Unfortunately, this statistic does not resonate among learners. Business leaders in particular have the incentive to show learners how degrees provide a return on investment for themselves, as well as for the economy.

With all this in mind, it's crucial for higher education to drastically rethink its approach to the credential programs available to today's students in order to make a more direct connection to employment opportunities that will

lead to financial stability. Many students today fall into non-traditional categories including parenting students, adult learners returning from a substantial break in education and workers looking for specific skill-credential pathways, and each of these groups faces unique challenges. Business leaders across the country understand these challenges and have been vocal but need to speak up now more than ever.

Steps can be taken to highlight the common ground between what businesses and higher education systems are facing and what they respectively need from each other to advance and succeed:

Continuously Shine a Light on What Is Already Working

We see this with the current boom of short-term and stackable credential and certificate programs, and with states and institutions making the intentional effort to have business leaders weigh in on the curriculum and training including dual enrollment and work-based learning programs. With the advancement of such legislation as the Bipartisan Workforce Pell Act, opportunities for greater collaboration between employers and higher education institutions exist to pave the way for more avenues to better jobs and higher wages.

Invest in Opportunities and Intentional Partnerships

More and more, the public is demanding skills-aligned opportunities that yield self-sustaining wages and economic stability. Institutions that actively partner with business leaders to offer internships, apprenticeships and skills-based training will be better positioned to thrive through their direct investments to build a talent pipeline that meets our nation's workforce needs. And by using data to structure programs based on learner outcomes, employment rates and job market trends, students will be provided with the skills needed by employers in the short- and long-term to ensure they will reap the "wins" from these shared partnerships, along with colleges and businesses. With the passage of House Bill 8, Texas is transforming our community college system by conditioning state funding primarily on the completion of credentials of value that provide students with a return on investment within 10 years and incentivizing a focus on high-demand fields based on labor market data.

Change the Narrative About the Value of Education

The cost of education is a known barrier to pursuing credentials and it negatively impacts the workforce as demonstrated by the growing skills gap. Affordability is a challenge we all need to take on so students can focus on the long-term benefits of a degree. Here in Texas, our state's strategic plan for higher education sets a goal that



95% of students will graduate with no undergraduate student debt or manageable levels of debt in relation to their potential earnings. Business leaders and higher education stakeholders alike play a role in championing policy change to alleviate the financial burden on students and supporting the intentional inclusion of employer input into curriculum, training and support. This would allow students to see their return on investment and have confidence that their college experience has prepared them for sustainable employment opportunities and financial stability. Making education accessible and affordable with a clear track to jobs and career growth is a worthwhile component of a thriving workforce.

These strategies to support learners and employers alike are in the best interest of our respective states and the broader nation. Intentional partnerships with business leaders can improve higher education's image problem and revitalize our economy