Congress of the United States Washington, DC 20515

July 25, 2023

The Honorable Julie Su Acting Secretary of Labor Department of Labor 200 Constitution Avenue NW Washington, D.C. 20210

Dear Acting Secretary Su,

We write to express our concern that many employers across the country are requiring that individuals obtain a college degree to work jobs that simply do not require it. This practice severely harms our ability as a nation to grow the middle class, exacerbates inequality, perpetuates a stigma against those who pursue a skills-based education, and catalyzes our growing student loan crisis. According to Census data on educational attainment, over 60% of working-aged adults in the United States do not hold a bachelor's degree. However, in many cases, employers continue to value degrees over skills, locking millions of skilled workers out of high-quality jobs. In fact, 69% of new jobs created in the last decade required a minimum of a bachelor's degree for consideration.

While a four-year degree is a valuable path for many, 62 percent of Americans have indicated they prefer skills training to a bachelor's degree.⁴ As the cost of higher education programs continue to rise and businesses struggle to fill open positions, our country cannot afford to disregard qualified workers who have developed their skills through alternative pathways. Fortunately, this trend has begun to reverse in recent years as more employers are removing bachelor's degree requirements and shifting to a skills-based approach to hiring.⁵ In addition to broadening the talent pool, research has found that hiring for the relevant skills and abilities is more predictive of job performance and can accelerate the time to hire while improving employee retention.⁶ However, many key industries remain reliant on bachelor's degrees as a shortcut to vetting candidates, with one study showing that nearly half of middle-skilled applicants are being systematically rejected for the lack of a degree.⁷⁸ Given this evidence, we are concerned that some employers continue to utilize hiring methods that automatically disqualify highly skilled and qualified candidates.⁹

Madam Acting Secretary, at a time when the U.S. faces a crisis of labor shortages in critical industries, we urge the Department of Labor to work with Congress on ways to accelerate the shift towards an evidence-based approach to skills-based hiring that will expand opportunities for workers who are skilled through means other than a four-year degree. Not only do we have an obligation to the millions of highly skilled individuals whose employment opportunities are being unfairly limited, but it is necessary for the country to shift to skills-driven hiring practices for the United States to remain competitive in the global economy.

Sincerely,

¹ "Educational Attainment in the United States: 2022." U.S. Census Bureau. 2022. https://www.census.gov/topics/education/educational-attainment/data/tables.2022.List_2016040495.html#list-tab-List_2016040495

² "Tear the Paper Ceiling." *Opportunity@Work*. 2023. <u>https://www.tearthepaperceiling.org/the-paper-ceiling</u>

³ *Id*.

⁴ "Public Viewpoint: COVID-19 Work and Education Survey." Strada Education Network. 2020. http://stradaeducation.org/wp-content/uploads/2020/06/pv-one-pager-062420.pdf

⁵ "Skills-Based Hiring Is on the Rise." *Harvard Business Review*. 2022. https://economicgraph.linkedin.com/content/dam/me/economicgraph/en-us/PDF/skills-first-report-2023.pdf

⁶ "Taking a skills-based approach to building the future workforce." *McKinsey & Company*. 2022. https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/taking-a-skills-based-approach-to-building-the-

⁷ "The Emerging Degree Reset. *The Burning Glass Institute*. 2022. <u>https://www.burningglassinstitute.org/research/the-emerging-degree-reset</u>

⁸ "Hidden Workers: Untapped Talent." *Harvard Business School.* 2021.

https://www.hbs.edu/managing-the-future-of-work/Documents/research/hiddenworkers09032021.pdf

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