



Community and Economic Development in North Carolina and Beyond Blog: Improving Higher Education's Role in Workforce Development

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Human capital and talent are increasingly important drivers of regional competitiveness. States and localities recognize that their economic development success is inextricably linked to their ability to cultivate and develop a workforce that has the knowledge and skills required by key businesses and industries. Communities and regions must operate successfully on each side of the human capital equation by both stimulating the demand for skilled workers and ensuring that the supply of workers is sufficient to meet that demand. The goal is to create lots of good jobs and have great workers to fill them. We can find examples of promising workforce development programs in many places throughout the U.S. However, workforce development faces a number of challenges and transitions even as it becomes an indispensable part of the formula for economic development success.

A recent policy brief produced by Harry Holzer, a Visiting Fellow at The Brookings Institution, discusses some of the big issues affecting workforce development in the U.S. Holzer notes key trends such as the decline in certain mid-skill jobs that had been held by workers with a high school diploma or less, and the rise of new middle level jobs that require post-secondary education and/or training. This shift in the education and skill requirements for mid-level jobs has placed higher education, particularly community colleges, at the center of workforce development. The problem is that college completion rates are low for many disadvantaged students and the labor market outcomes and earnings for some graduates entering middle tier occupations can be disappointing.

Holzer mentions some of the newer approaches to workforce development that involve greater collaboration between institutions of higher education and industry to improve labor market outcomes for workers and employers. One is sector-based job training, which I discussed briefly in an earlier post. Another promising approach is to delineate career pathways that enable workers to take a sequence of courses and earn credentials that would qualify them for increasingly higher skill jobs across employers within an industry sector. While Holzer points to some evidence for the success of these approaches, he raises concerns about the scale and quality of the programs and wonders whether many disadvantaged workers are academically prepared to acquire higher level technical skills. He also questions the logic of over-emphasizing sector-specific job training in the context of a rapidly changing global economy.

According to Holzer, these innovative approaches to workforce development can be strengthened by: 1) increased funding for colleges that serve disadvantaged students and stronger incentives for those institutions to improve labor market outcomes for students; 2) a renewed focus on career and technical education and work-based learning; and 3) promoting the creation higher quality jobs. Holzer sums it up as follows:

" What we need, overall, are policies to help fund or incentivize colleges to improve the student skill attainments at the sub-BA and BA levels that the labor market rewards, as well as efforts to improve the numbers of middle-wage jobs they would be needed to fill. "