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FutureReady States Profile: North Carolina



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Intro

North Carolina has long been a destination for talent. With its world-class universities, longstanding reputation as a research powerhouse, and consistent rankings as a national leader for business, the state has become a magnet for skilled workers.

State leaders point to a strong economy and the job growth that has come with it. But they are clear-eyed about tensions that have emerged amid economic expansion. Opportunity has not been equal across North Carolina, a state whose diverse regions include tourist destinations along the eastern coast, rural swaths near the western mountain ranges, and a thriving urban crescent in between. The state has benefited from attracting talent while also developing the workforce from within. The future, however, depends on its ability to develop even more of its own highly qualified workers and find untapped talent.

That imperative is reshaping how the state thinks about education and workforce development. It's also fueling a data-driven approach for meeting employers' evolving needs and preparing more residents to thrive in today's job market. A growing number of high-demand, high-wage jobs driving the state's economy require specialized education and training beyond high school, but not necessarily a college degree. Although North Carolina is well known for its universities, policymakers increasingly view short-term credentials as key to strengthening the talent pipeline.

Across the range of sectors fueling the state's economy—including healthcare, life sciences, finance, and professional and technical services—the state is investing in programs that align directly with in-demand occupations that foster economic mobility.

North Carolina's Challenge

North Carolina's economy has shown growth for decades and continues to outpace national trends. But there are signs it is slowing, and some sectors are shrinking due to technological advances and other factors. Officials say a more intentional strategy is needed to fill some 600,000 job openings each year over the next decade—including a projected 7.5 percent growth in occupations requiring a non-degree postsecondary credential.

To meet that demand, North Carolina officials have set an ambitious goal: By 2030, at least 2 million residents ages 25–44 will have a high-quality industry-recognized credential or college degree. North Carolina has made significant progress toward its 2030 goal of 2 million North Carolinians ages 25–44 holding an industry-valued credential or postsecondary degree.

Though educational attainment has ticked up in recent years, 41 percent of residents in that age range—more than 1.2 million North Carolinians—still lack a post-high school degree or credential. With many industries creating or offering tens of thousands of jobs that require learning beyond high school, short-term credentials can provide one of the fastest pathways for growing the pool of skilled workers. But the state's focus is on quality, quantity, and alignment with the labor market demands. Only credentials that show sufficient value in the job market qualify for student aid and higher levels of state funding.

"North Carolina's economy is growing, but our talent pipeline has to grow with it," said Cecilia Holden, president and CEO of myFutureNC, a statewide nonprofit focused on increasing postsecondary attainment and strengthening education-to-workforce alignment. "Reaching the state's 2 million by

2030 goal means creating clear pathways to industry-valued credentials and degrees that lead to good jobs and economic mobility. Short-term credentials can be a powerful part of that strategy when they are aligned with employer demand and give people a foundation to continue building skills throughout their careers."

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Cecilia Holden, president and CEO, myFutureNC

That strategy—supporting the programs most likely to lead to good jobs and meaningful career pathways—seems self-evident. But it presents challenges in a system that has long been fragmented and difficult to navigate. Short-term credential programs are offered by multiple providers, including community colleges, K-12 career and technical education programs, workforce boards, and private entities. Each provider has its own definitions of quality, data systems, and ways of tracking and reporting outcomes. To better coordinate the system, state agencies, higher education institutions, and workforce partners joined forces under the North Carolina Workforce Credentials Advisory Council. Since 2021, the council has been working to clearly identify the employer-valued credentials that lead to good jobs.





North Carolina's Approach:

The state's bipartisan vision for short-term credentials is straightforward: Every North Carolinian should have affordable access to training that leads to an industry-recognized credential aligned with high-growth or high-demand jobs and a family-sustaining wage. To realize that vision, the state must identify which credentials lead to good jobs, communicate and deliver training opportunities to the public, and align funding to ensure broad, statewide access to those opportunities.

As part of Lumina Foundation's FutureReady States initiative, the council translated its previous patchwork of non-degree credential lists into a unified, standardized portfolio that is consistent across institutions that offer non-degree short-term training. This list includes four categories to differentiate between non-degree credentials that are "foundation," "gateway," "career," and "advanced." The list also recognizes those critical to the basic functioning of the economy that may not meet wage thresholds. The council adopted common definitions across state agencies and training partners to ensure consistency in reporting, messaging, and use of related funding.

North Carolina uses labor-market data, employer validation, and tools such as "Star Jobs" to identify pathways that lead to strong career opportunities. Developed by the North Carolina Department of Commerce, Star Jobs rates occupations—not credentials—based on wages, projected

growth, demand, and education and skill requirements. Occupations are evaluated both statewide and regionally, recognizing that labor-market conditions vary across North Carolina. The credentials council then uses labor-market information and employer input to identify priority non-degree credentials that are valued by employers and connected to in-demand occupations.

Occupations in the three- to five-star range are those to which the state directs most of its workforce resources. The council is now working to enhance statewide credential lists for regional industries with distinct technical requirements. The application process requires evidence of industry engagement, including employer or trade-association validation, job and wage information, and evidence that the credential is used as a hiring preference.

Public access to the ratings information is available through a free digital tool, [NCcareers.org](https://www.nccareers.org). State officials hope that by highlighting the many jobs and pathways that can lead to good-paying, sustainable careers, they can improve the public's perception of short-term credentials. The platform supports the state's new mandate that every student have a career development plan beginning in eighth grade and revised prior to high school graduation. The platform serves adults as well, providing a portal into the programs that can help them build new skills or advance in their current career.

Signs of Progress

Since 2019, the number of North Carolinians ages 25–44 with a postsecondary degree or credential has grown by 19%, with 1.72 million North Carolinians now holding a post-high school credential or degree. Of the state's 100 counties, 85 have seen an increase in the share of residents with a postsecondary degree or credential attainment—proof that progress extends beyond the urban centers where economic growth has been most visible.

State policy and funding are shifting as well, underscoring the growing importance of short-term credentials across the workforce landscape. In July, the legislature passed more than \$57 million in recurring state funding to update the funding model for community colleges. Now, instead of a singular focus on coursework leading to a degree, community college funding favors programs aligned with high-demand, high-wage jobs. This makes short-term credentials a more viable option for tens of thousands of state residents.

North Carolina is also one of a handful of states to offer financial aid for individuals pursuing employer-valued credentials. In

this year's budget, the state doubled funding appropriated for Short-Term Workforce Development Grants to \$2 million, which helps defray student costs for pursuing a credential endorsed by the NC Workforce Credentials Advisory Council.

The state is also strengthening its education-to-workforce data infrastructure, linking information across education, credentials, and employment to better understand how programs and credentials translate into workforce outcomes. These data can help policymakers, educators, and employers evaluate what is working and make more informed decisions about where to focus resources.

In addition, NCcareers.org was redesigned last year, making it easier for middle and high school students to create their career development plans, aiding novice job seekers, and supporting experienced workers who seek career advancement or a career change.

Looking Ahead

North Carolina is well positioned to meet and even exceed its 2030 goal to total 2 million postsecondary credentials among the state's 25–to 44-year-olds. There is still work to do, however, in identifying and tracking high-value credentials—those that lead to high-demand, high-wage jobs—and in keeping employers actively involved in the process.

State officials are now preparing to build systems that will respond quickly to changing workforce demands through rapid adjustments in the ongoing tracking and maintenance of the credential lists. This year, state leaders have already put forward a unified credentials list, recognizing four tiers—Foundational, Gateway, Career, and Advanced—using wage, job opening, and minimum education criteria and identifying critical service credentials. This approach has both expanded the visibility of the full spectrum of credentials offered and also provided added focus on those credentials with more immediate, tangible value in the workforce.

The underlying conviction animating the work is that education never ends—that learners will need to return to the system multiple times throughout their careers. That means the system's infrastructure must work as well for a 42-year-old displaced worker as it does for a 13-year-old exploring career options. And the data systems need to be aligned well enough so that any learner at any point in their education journey can

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Cecilia Holden, president and CEO, myFutureNC

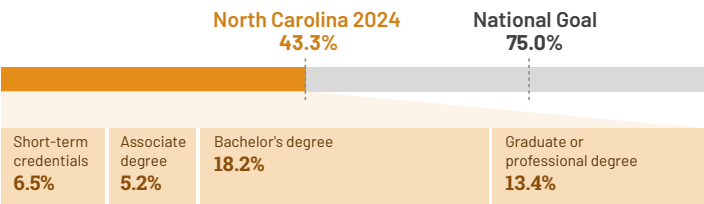
see which credentials will move them forward, what they're worth in the job market, and what additional education and training that learner might pursue to advance in their career.

“We need to make sure people can clearly see which education and training options connect to real opportunities,” Holden said. “A short-term credential can be an entry point, a next step, or part of a longer pathway. The goal is not simply to earn one credential and stop, but to give people the ability to keep building skills, advance in their careers, and adapt as the economy changes.”

North Carolina Snapshot

Credentials of Value Share in North Carolina

Among 4.5m people ages 25-64 in the labor force



Measured as the share of the labor force with a post-high school degree, certification, or certificate and are making at least 15% more than the national median annual salary of a high school graduate. Source: Lumina Foundation's A Stronger Nation, 2025

Definition of Credentials of Value:

North Carolina identifies credentials of value using labor-market information, including the Star Jobs methodology, along with employer validation. The system—which rates occupations based on wages, projected growth, and number of job openings—assigns star ratings, as follows:

- 1 Star:** Limited career potential; generally below-median wages with little required training.
- 2 Stars:** Building block career; below-median wages requiring entry-level skills or basic education.
- 3 Stars:** Solid career; near or above-median wages with steady or mixed growth.
- 4 Stars:** Strong career; above-median wages with positive employment growth.
- 5 Stars:** Excellent career; top-earning jobs with strong growth and robust prospects.

Partners and Collaborators Supporting Short-Term Credential Efforts

- NC Workforce Credentials Advisory Council (NC Community College System, NC Department of Commerce, NC Department of Public Instruction)
- myFutureNC
- NC Office of the Governor
- University of North Carolina System Office
- NC Independent Colleges and Universities
- NC Association of Workforce Development Boards
- NC Business Committee for Education
- ApprenticeshipNC
- NC State Education Assistance Authority
- NC Longitudinal Data Service
- NC Department of Health & Human Services
- NC Chamber of Commerce
- Economic Development Partnership of North Carolina

Priority or Emerging Industry Sectors

Aerospace and defense; automotive, truck and heavy machinery; biotechnology and pharmaceuticals; business and financial services; energy; furniture; food processing and manufacturing; information technology; plastics and chemicals; and textiles



Meeting Regional Workforce Needs

In a state as geographically diverse as North Carolina, there's a risk in creating a single credential list built primarily on statewide data: Such a list is likely to omit training programs needed for some jobs in signature regional industries.

The Star Jobs methodology anchoring the state's credential tiers is rigorous, but its ratings are based on large-scale demand thresholds that may undervalue community needs.

For example, consider Drexel, a small town in the foothills of the Blue Ridge Mountains, where furniture manufacturing has been a defining industry for generations. The craftspeople who work in those plants may need credentials tied to woodworking machinery, cabinet fabrication, and upholstery. Those specialized skills are highly valued locally, and essential for those employers to stay competitive.

Near Cape Fear, shipbuilding, marine technology, and maritime trades support a regional economy that is unique to the coastal region. A marine systems technician credential may be indispensable to a shipyard in Wilmington but only a blip when assessed in relation to statewide demand data.

There's a similar dilemma in including occupations with inherent "social value" that are critical to a growing economy but do not meet wage thresholds. Early-childhood educators and Certified Nursing Assistants are good examples: vital jobs, but relatively low-wage.

The North Carolina Workforce Credentials Advisory Council, which evaluates and approves credentials for inclusion on the statewide list, has a process to address these issues while maintaining rigorous standards.

Any solution should provide a pathway for credentials tied to regionally important industries to qualify for the statewide list when supported by local employer validation. The council addressed the challenge for occupations in the "critical service" category by applying a special designation that recognizes their broader value to the economy. A comparable approach could allow credentials for specialized local industries to be considered without requiring them to meet a statewide numerical threshold. These credentials can be submitted with letters of support or other validation from local employers demonstrating that the demand is genuine, even when it is concentrated within a particular region.

The council's intentional focus on the outliers is a practical acknowledgment that local industries are the fabric of small communities, often fueling their economy across generations.

"North Carolina needs a framework that is rigorous enough to guide investment and flexible enough to respond to regional employer demand," said Cecilia Holden, president and CEO of myFutureNC. "The goal is to make sure learners can see which credentials lead to real opportunity, while employers have confidence that education and training are aligned with the skills they need."

FutureReady States – Priorities

The FutureReady States initiative is a key element of Lumina Foundation's bold new goal: by 2040, 75 percent of U.S. adults in the labor market will have a degree or other credential of value leading to economic prosperity. The FutureReady States—Alabama, Colorado, Connecticut, Illinois, Louisiana, Michigan, Mississippi, New Jersey, North Carolina, Tennessee, Texas, and Virginia—are receiving technical support to develop shared strategies and measurable goals to ensure that short-term credential programs deliver positive outcomes for learners and employers. The FutureReady States are taking a customized approach focused on three general priorities:

- Conducting a landscape analysis of short-term education and training opportunities and the various funding sources for institutions and learners.
- Identifying opportunities for strengthening pathways, such as defining “stackability” and creating more seamless alignment between degree and non-degree programs.
- Developing strategies to improve the return on investment for short-term credential programs, such as defining standards for credentials of value, building out data systems, and tracking job and wage earnings for specific credentials.

Lumina Foundation 2040 Goal – A Stronger Nation

In a changing world, education is more important than ever. Lumina Foundation believes that higher education should be a tool for opportunity, helping people create a better, more prosperous future for themselves and their families. That's why Lumina has set a bold new goal: By 2040, 75 percent of adults in the U.S. labor force will have college degrees or other credentials of value leading to economic prosperity.

To do so will require helping a greater proportion of the adult population to tap into the many education and training

options available beyond high school. Short-term credentials are an essential part of that equation, but they must reflect high-quality preparation and demonstrate a direct link to good jobs and better wages.

Nearly three dozen states are funding 111 active initiatives for improving the short-term credential ecosystem, at a total of \$8.1 billion, according to the latest data compiled by HCM Strategists with funding from Lumina. That's up from last year's total of 70 initiatives in 32 states totaling \$5.6 billion.



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