Credential hurdles: 6 things slowing workers down

Takeaways

When it comes to getting skills needed to earn a good life, workers too often run up against hurdles to getting credentials quickly. In this report, we examine six of those obstacles:

1. Credentials don’t build on each other
2. Lack of opportunities to earn while you learn
3. Lack of credit for prior learning and work experience
4. Limited wrap-around supports for adult learners
5. Not enough employer-sponsored training
6. Burdensome occupational licensing requirements
The rise of technology and automation have led to dizzying changes in our economy and the nature of work. The result? American workers and students—from high school seniors to job-seekers to people who are underemployed—are left wondering if they will be able to succeed in the modern economy. At the same time, a gap exists between the skills workers have and the skills employers need. By 2020, nearly two in three jobs will require some form of postsecondary education, yet only 40% of adults in the US have that level of education. Simply put, too few Americans have the skills and credentials needed to earn a good life.

One of the biggest drivers of this crisis is that our postsecondary education and training system doesn’t do enough to help people earn high-quality credentials quickly—both today and throughout a worker’s career. To provide opportunity to the next generation of workers, this must change. In this report, we unpack six barriers preventing workers from getting credentials rapidly. In a forthcoming paper, we will offer solutions to these problems that can be implemented at the state and federal level.

**Hurdle #1: Credentials don’t build on each other**

Going straight to college remains one of the most popular paths for high school graduates. In 2017, 44% of students enrolled in 4-year colleges in the fall immediately after graduating from high school. And yet, only about 60% will earn a degree within six years. Since a college degree has clear value for workers, we need to continue increasing this number and find ways to increase graduation rates. However, many high school grads and workers may want or need to take a different path, pursuing their education in smaller increments. Yet, in our current system, credentials often don’t build on one another, or “stack.” This makes it difficult for people to combine multiple short-term credentials into a larger credential like an associate or bachelor’s degree.
Stackable credentials could provide significant opportunities for workers. For one, it would let people pursue their educations in more manageable increments. They could periodically re-enter the workforce to earn money and then return to school to continue acquiring skills needed to move up the career ladder. For example, many programs to become a medical assistant can be completed in one year. On average, medical assistants earn $16.15 per hour. By completing additional training during their career, a person can work their way up to becoming a registered nurse, who on average earn $35.36 per hour, and eventually a physician assistant, who earn $50.37 per hour. This training doesn’t necessarily need to be completed all at once and, along the way, a person can take time off from education and training to re-enter the workforce, work in an in-demand job, and earn money.

**Career Pathway Examples**

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<tr>
<th>Advanced Manufacturing</th>
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<tbody>
<tr>
<td>Machinist $23.23/hour</td>
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<tr>
<td>Welder $20.87/hour</td>
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<tr>
<td>CNC Machine Programmer $26.81/hour</td>
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<td>Production Manager $53.16/hour</td>
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<tr>
<th>Health Care</th>
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<tr>
<td>Medical Assistant $26.15/hour</td>
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<tr>
<td>Registered Nurse $35.36/hour</td>
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<td>Physician Assistant $50.37/hour</td>
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<th>Information Technology</th>
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<tr>
<td>Computer Network Support Specialist $32.44/hour</td>
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<tr>
<td>Computer Systems Analyst $44.59/hour</td>
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<tr>
<td>Computer &amp; Information Systems Manager $71.99/hour</td>
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Stackable credentials also align better with the future of work. As automation continues to impact jobs throughout the economy, people will need to upgrade their skills to keep up. Learned skills stay relevant for just ten years. Yet, because credentials too often don’t build on each other, our current postsecondary education system encourages people to only pursue postsecondary education in single, large increments immediately after high school, rather than acquiring skills in smaller increments throughout their careers as their jobs change.
Stackable credentials that are part of career pathways have become more popular in recent years, but this option must become more widely available in our postsecondary system to allow more Americans to earn valuable credentials more quickly.

**Hurdle #2: Lack of opportunities to earn while you learn**

Earn-and-learn programs like apprenticeships have massive potential to help people get credentials quickly, but they are currently an afterthought in the United States. Indeed, many occupations have one- and two-year apprenticeship programs. Upon completion, apprentices receive a portable, industry-recognized credential, and they can often earn credit toward postsecondary degrees while they apprentice. A worker who completes an apprenticeship earns $50,000 a year on average.

> Upon completion of an apprenticeship in mechatronics or machining, an apprentice might receive both a Journeyman certificate and an associate degree in machining or mechatronics. That associate degree could potentially stack toward a bachelor’s degree in engineering later in a person’s career.

Despite these benefits, apprenticeships haven’t caught on in the United States in the same way they have in Europe—leaving many workers without a quick path toward valuable credentials. There are a number of reasons for this. The costs of running an apprenticeship program can range from $25,000 to $250,000 per apprentice. That’s an especially steep burden for small and medium-sized businesses. Many employers lack experience setting up and administering apprenticeship programs. Others may not understand how
apprenticeships can benefit them. Employers often cite a burdensome registration process. And there is still little awareness of apprenticeships among people looking for postsecondary opportunities.

As a result, the US apprenticeship system serves too few industries and doesn’t reach enough people. In 2017, for example, we had 534,000 apprentices—less than a percent of the US population. If we had the same participation rate as Switzerland, that figure would rise to over 8 million. While apprenticeships are common in construction, they are far too rare in industries like advanced manufacturing, information technology, financial services, and health care—all of which are currently experiencing skills shortages. As long as apprenticeships remain few and far between, fewer people will have access to this training model that would provide them with a pathway to an in-demand career.

**Hurdle #3: Lack of credit for prior learning and work experience**

Most learning doesn’t occur in a classroom or in a straight line. Workers may get experience and skills through on-the-job training, during service in the military, at various schools, or in other programs. But people don’t always get credit for prior learning. This means they often have to sit through
material they already learned, increasing the time and money it takes to earn a credential and reducing the likelihood of completion.

This is a problem for adults seeking to begin or return to a postsecondary program. When adult learners receive credit for prior learning, they typically complete their program three to ten months sooner than students who don’t receive credit. Over half of students who received credit for prior learning earned a postsecondary degree within seven years, compared to less than a quarter of students who did not receive credit for prior learning. Adult learners who receive credit for prior learning can save anywhere from $1,605 to $6,000 in tuition dollars.  

Lack of credit for prior learning is a particular challenge for military veterans. Colleges and universities often struggle to understand how military training could apply to civilian courses given that the military and the higher education system use different language to describe courses. Because of this, a veteran seeking to become a paramedic or a nurse might be forced to retake basic courses even though he or she served as an Army medic or Air Force medical technician. A person who worked as a nuclear reactor operator might be forced to retake introductory physics and basic math in order to pursue a bachelor’s degree.
More states are passing legislation related to prior learning, particularly for military veterans. Despite this progress, problems remain:

- Sixty percent of postsecondary institutions have policies on translating prior learning into credit, but the policies are applied inconsistently and vary across institutions.

- While institutions have gotten better at using prior learning assessments, they still remain uncommon.

- People often have to pay fees not covered by financial aid for prior learning assessments, which may deter lower-income Americans who would most benefit from earning a credential.

Awarding credit for what people have already learned in diverse settings can cut down on the time and money needed to earn a credential and encourage people to begin and persist in postsecondary programs.

**Hurdle #4: Limited wrap-around supports for adult learners**

A college student used to be a young adult toting headphones and a backpack. Now, with more adults enrolling in programs to bolster their skills, a student is often older and toting a family and a job. Forty-one percent of students in degree-granting postsecondary institutions are over the age of 25. The enrollment of adult learners increased by 13% over the last decade, and this group is projected to increase another 8% by 2026. Forty-three percent of Pell recipients are age 24 and older, and about 26% of the total college population have dependent children.

The rise in adult learners means that a significant share of people in postsecondary programs are juggling responsibilities outside the classroom, yet there are limited wraparound supports to help these learners complete their credential programs on time. In fact, just 58% of institutions
offer services for these students. Take child care, for example. Though many adult learners are parents, campus child care has declined in every region of the country since 2004. Forty-five percent of student parents attend postsecondary programs at community colleges, but less than half of these facilities have campus-based child care.

Adult learners struggle to find available courses that are convenient for their schedules and fit their life circumstances. Ninety percent of adult learners at community colleges feel that being able to choose courses that fit their life circumstances is important, but only 68% are satisfied with their ability to do so. Transportation can also present significant hurdles for adult learners who need to commute between home, work, and school. On top of these other pressures, many adult learners are intimidated by, and struggle with, returning to a classroom setting.

Because of the competing responsibilities and limited supports that adult learners have, two out of three drop out of college before completing their degree. We won’t be able to meet our nation’s credential needs and provide enough skilled workers for in-demand jobs unless we remove the hurdles adult learners are facing.

**Hurdle #5: Not enough employer-sponsored training**
Americans spend a significant part of their day glued to their jobs. Full-time workers spend over 8.5 hours at work on weekdays and over 5.5 hours on weekend days. With limited time in the day, the ability to get training and skills at work is a critical way to upskill our workforce quickly. Yet the training opportunities that employers provide are not equally available to all employees. Training is more common at larger firms, for employees with higher levels of educational attainment, and for employees who are white. This means that workers who could benefit greatly from skill development, credentialing, and career advancement opportunities are least likely to receive them. And this is despite the fact that the rise of technology and automation in the workplace has changed the nature of many middle-skill and low-skill jobs. On top of this, many workers looking to upgrade their skills may not know which training opportunities are best for them, or how to find this information. While some employers help their workers navigate the system and provide information on in-demand jobs, too many workers are left without guidance.

This lack of employer-provided training is a serious missed opportunity. When employers provide workers with opportunities to build skills and earn credentials in the course of doing their jobs, this can lead to faster credential attainment and help workers move into more advanced and
in-demand jobs at that company. By contrast, workers may be reluctant to participate in outside training and credentialing opportunities if they have to do so while also balancing work and family responsibilities, or if they have to leave their job altogether. Even if workers do choose to participate in outside training opportunities, they may be slow to complete or choose to drop out due to work and family obligations.

**Hurdle #6: Burdensome occupational licensing requirements**

As the economy shifts, jobs will shift with it—and so will workers looking to fill those jobs. Having an occupational license is often tied to employment opportunities, but licensing requirements differ dramatically from state to state. While some states will honor the license a person received in another state, reciprocity does not exist across the board. This makes it difficult for people to bring their licenses with them when they move and forces them to go through time-consuming hurdles to re-qualify for a license in their new state. As with credit for prior learning, occupational licensing hurdles are particularly challenging for military veterans and spouses.
In the early 1950s, less than 5% of US workers were in occupations that required a license at the state level. Today that number has jumped to one in four workers who are in occupations requiring a license. Licensing can involve completing a required number of training hours, having a certain amount of experience, taking an exam, and paying a fee. For example, to become a licensed pipetter in Alabama, a person would need to obtain two years of experience, pass a licensure exam, and pay a $135 fee. While licensing itself is not necessarily bad, the increase in licensing is far from uniform across state lines. For example, 1,100 occupations are licensed in at least one state, but just 60 are licensed in every state.

The lack of harmony in occupational licensing rules across states makes it difficult for workers to keep and re-qualify for these credentials. Take a licensed pipetter in Alabama who moved to Virginia. This person would need to apply for a pipetter license, take an exam, and pay a $230 fee in order to obtain a license as a pipetter in Virginia because Virginia would not recognize the pipetter’s Alabama license. These hurdles exist despite the fact that Virginia currently faces a shortage of pipetters.

Conclusion

Too few Americans have the skills and credentials needed to earn a good life, but our postsecondary system doesn’t do enough to help people earn high-quality credentials quickly. Credentials don’t build on one another, making it difficult for people to combine multiple short-term credentials into degrees. Earn-and-learn opportunities like apprenticeships are an afterthought in the US. Too many people don’t get credit for the learning they’ve done outside the classroom. Limited supports exist for adult learners trying to balance work, school, and family. Employer-provided training isn’t equally available to all employees. And occupational licensing requirements vary by state, making it tough for people to move across state lines and keep their credentials.
In a forthcoming paper, we will outline solutions to these problems that can be implemented at the state and federal level, including bolstering stackable credentials, expanding the US apprenticeship system, providing wrap-around supports for adult learners, harmonizing occupational licensing requirements, and encouraging employers to provide more training opportunities for their workers.

ENDNOTES


16. Author’s calculations based on:


24. Author's calculations based on:


