

THE RISING STORM HIGHER ED SPECIAL FEATURE

Changing Winds

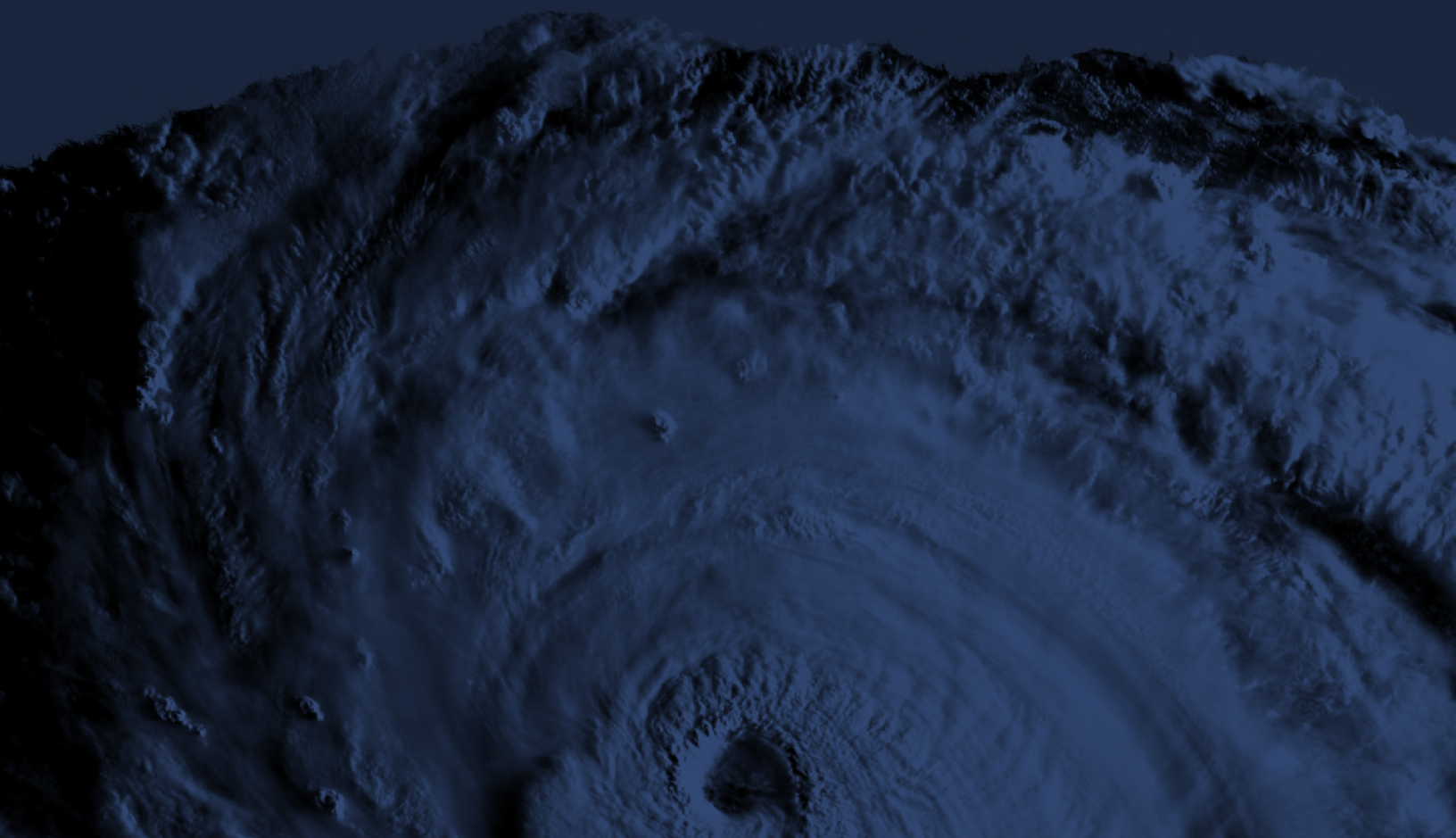
The Looming Labor Shortage:
Anticipating Impacts on Higher Education
and the Future of Work



Keeping the US economy strong requires the right balance of labor and opportunities. *The Rising Storm* highlights two impending challenges to the American workforce: first, the declining population of younger Americans, which jeopardizes employment and college enrollment, and second, the misalignment of workers' skills with employers' needs, especially in critical sectors like healthcare, community services, and construction. Both demonstrate higher education's pivotal role in equipping the next generation of workers with

the skills and knowledge they'll need to thrive in a changing economy.

For decades, economic forecasters warned of a looming shortage of trained STEM workers, prompting herculean efforts to increase highly educated talent in the tech sector. As a result, a majority of young people pursued college degrees, while job seekers of all generations gravitated toward white-collar careers. The pendulum now swings in the opposite direction toward a talent shortage to fill lower-tech jobs.



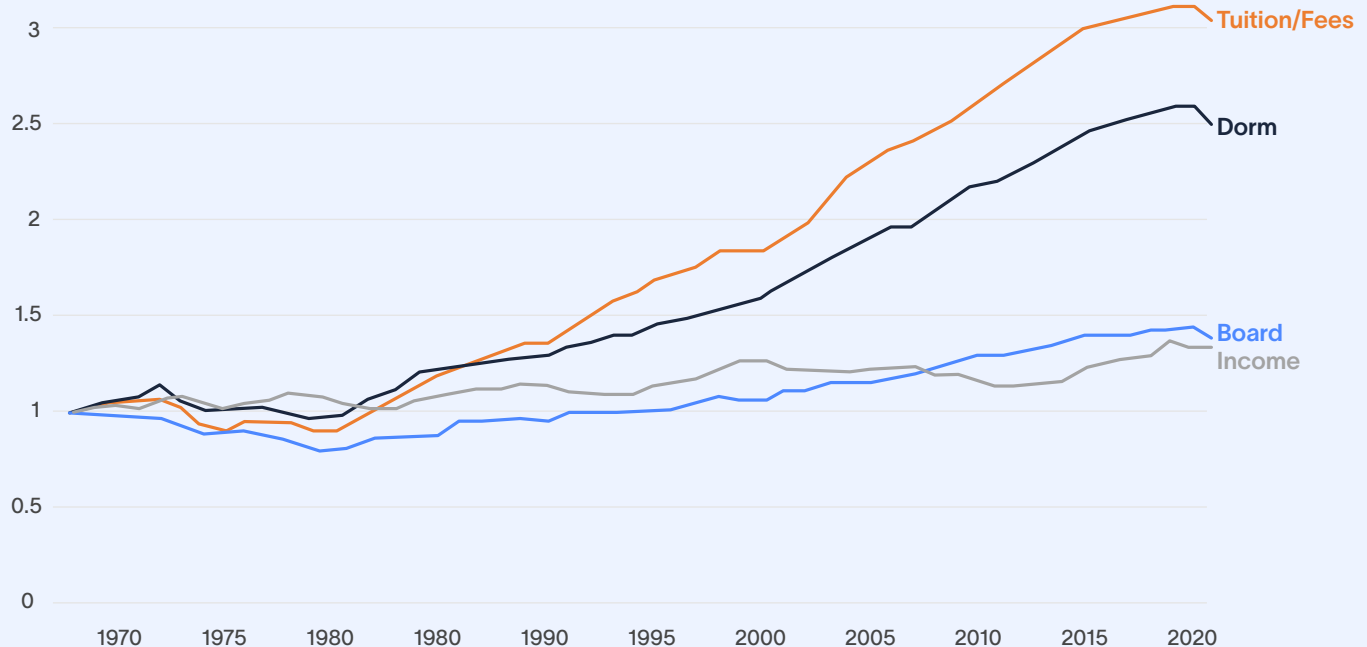
Another recent shift in attitudes toward college and careers is changing young people's plans for the future. Wages and benefits have risen in many careers that don't require college degrees, helping to make those hard-to-fill jobs more attractive. And with that has come greater public funding and attention directed toward raising interest in these roles among young people.

Meanwhile, college tuition rates have steadily outpaced household income growth and driven student debt to new heights. Combine concerns over college debt with uncertainties on return on investment and higher salaries for jobs that don't require a degree, and it stands to reason that more high school graduates are considering alternative paths to a sustaining career.

To demonstrate an attractive value proposition, institutions must strike a balance between meeting the demands of a changing job market and meeting the expectations of students. This presents higher education with additional challenges—but also opportunities.

Following are five points to consider as higher education addresses these critical labor shortages against a backdrop of a declining youth population, rising costs, and lower confidence in the value of a four-year degree.

Since the early 1980s, college costs have risen more than 3 times as much as household income.



Source: Forbes/Erik Sherman

1. Higher education has a vital role to play in preparing workers for skilled trades and lower-tech jobs.

Colleges and universities are already making major contributions to impending shortages in some industries, especially healthcare. More than 2,600 institutions in the US offer [nursing degrees](#), and another 1,000 offer some other type of nursing credential that doesn't require a four-year degree.

Meanwhile, community colleges have long [played a significant part](#) in preparing the nation's workforce of plumbers, electricians, HVAC technicians, and construction workers.

Bachelor's-level four-year degree programs in the skilled trades are less common, but do exist, including the University of Wisconsin-Stout's degree in [construction management](#) and Ferris State University's heating, ventilation, air conditioning, and refrigeration engineering technology and energy management [program](#). These programs, along with those that [offer](#) construction workers a pathway to management positions, provide students with both sector-specific knowledge and durable skills like communication and leadership that are valuable across any career, and could be a sign of what's to come as higher education pivots to support the industries that need workers the most.

Institutions can continue to recruit for these programs by sharing data on career opportunities and earning potential, and expanding accessibility to these offerings with more flexible, online learning modalities where possible.

2. Talent gaps happen when education and training programs don't align with workforce needs.

Given the confluence of challenges like shifting demographics, labor shortages in low-tech fields, and the increasing costs of a four-year degree, higher education can't afford to wait to realign program offerings. Today's labor market provides some colleges and universities with the opportunity to offer programs that equip students with the skills and knowledge to fill these roles.

For some institutions, that could involve creating new offerings to address skills in short supply. For others, it may mean recruiting more heavily for existing programs—or even reevaluating well-established program offerings. Just as the manufacturing sector developed new methods to refine assembly lines, learning providers can help high-demand sectors like healthcare and food service improve efficiency and optimize talent.

3. Institutions can add experiential learning to close the gap between education and work.

The nation needs more people contributing to the economy, and experiential learning lets them do so right out of high school—without foregoing a college education. These “learn-and-earn” opportunities have the potential to ease the tension between work and education, bringing measurable value both to students and employers. This can include both formal and informal partnerships between employers and educators. Internships, for example, give students hands-on job experiences while they're earning credits for graduation. Co-op experiences, like those offered at [Northeastern University](#) and [Drexel University](#), can also help learners blend classroom learning and hands-on experience. Similarly, some businesses and higher education institutions are [providing](#) college credit for work students are already doing. Apprenticeships also provide on-the-job training within the context of a student's career of choice. As Lightcast's [report](#) with Opportunity@Work reveals, apprenticeship programs are on the rise and seeing success across the labor market.

TIP FROM LIGHTCAST

Partner closely with industry leaders and employers. For years, Columbus State Community College has [worked closely](#) with Honda and other major industry leaders to deliver advanced manufacturing training, tailored to the needs of regional employers. This kind of partnership is critical to solving critical skills gaps and getting learners into the workforce more quickly.



4. Non-traditional learners are key to lowering the enrollment cliff.

Amid the demographic shift taking place in the US, institutions can bridge gaps by adding programs that upskill and reskill existing workers. More jobs require at least a basic understanding of emerging technologies like artificial intelligence and machine learning, and colleges and universities can bolster enrollment numbers while helping to prepare mid-career workers. This strategy has the added benefit of helping employers meet their talent goals and giving workers the chance to advance in their jobs or pursue new opportunities.

And as immigration continues to impact the US talent supply, higher education can also look to international students to grow enrollment. The government offers programs to employ recent international graduates, which means that this student-to-labor-force pipeline will serve as a solid solution for all sectors.

TIP FROM LIGHTCAST

Explore smaller increments of learning through microcredentials, etc. This trend has already started, but the coming demographic storm makes it even more imperative. Institutions can continue to lean on graduate programs and continuing and professional education divisions to pilot new credentials and develop just-in-time learning options that can serve working adult learners with smaller, quicker increments of learning. For example, the University of Illinois Gies College of Business is [developing](#) a portfolio of graduate certificates aligned to workforce demand.

5. The “college experience” can go beyond the four-year degree.

In a [survey by Lightcast and Tallo](#), two out of three high school students cited the “college experience” as a primary reason for going to college, ranking it as important as the degree itself. Many young people look forward to the opportunities to develop social capital that come with the traditional four-year experience — living on campus, participating in student activities, attending sporting events, and connecting with alumni.

One way to make high-demand, hands-on careers more attractive is to introduce more of that “college experience” to community colleges and technical training programs. It could also involve creating tighter sister-institution relationships between the two (shared housing opportunities, social events, credit transferability, etc.). Or it might mean [incorporating](#) technical training into a more traditional course of studies, allowing students to finish with both hands-on trade experience and a four-year degree.

TIP FROM LIGHTCAST

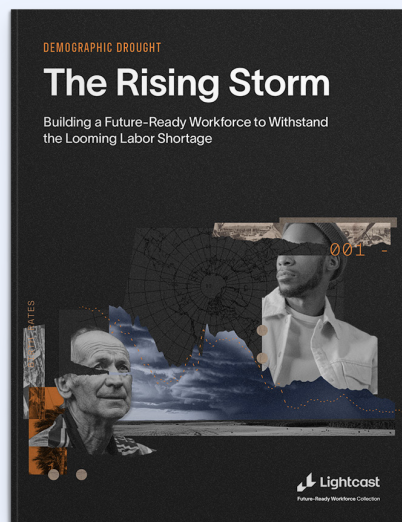
Embrace skills-based learning with innovative offerings. Higher education can play an important role in delivering education and training to learners even if a degree isn’t technically required for a role. For example, much is made of the fact that many so-called “[new collar](#)” jobs don’t require a college degree. Yet we see institutions already playing pivotal roles delivering relevant training and education that equip learners for these types of roles. Purdue University [offers](#) a program in computer infrastructure and network engineering technology, and the Northern Virginia Community College’s [Data Center Operations Program](#) embeds relevant career data on the program page to help prospective students discover related career opportunities. Rochester Institute of Technology offers a bachelor’s degree in [mechatronics engineering technology](#), even though mechatronics is considered a new collar job.



Whether a degree is required for a job or not, knowledge and skills are. Higher education specializes in designing and delivering learning experiences to help people acquire durable knowledge and develop industry-informed skills.

Lightcast can support colleges and universities to adapt to address the critical shortages in our labor force and still provide an equitable and accessible, as well as attractive college experience, a robust education, and a valuable return on investment to all learners.

Scan to Read *The Rising Storm*





We're proud to work with over 1,000 colleges, universities, and ed tech companies that serve learners from all backgrounds.

We help higher ed institutions to optimize program offerings, connect students to programs and careers, and communicate outcomes and impact and demonstrate their value to learners, employers, and communities.

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