SHEEO

Aligning Higher Education and Work: Data, Policy and Pathways to Mobility

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Setting the tone for tonight's conversation

The Core Challenge
- Many degree programs still lack direct alignment with labor market needs, leading to skill gaps for employers and underemployment for graduates.
- The opportunity to use real-time labor market data to adapt curricula more quickly.

Pathways to Economic Mobility
- Higher ed is still one of the most effective levers for upward mobility, but benefits are uneven across race, gender, and income groups.
- Stronger partnerships with employers and work-integrated learning (internships, apprenticeships) can improve graduate outcomes.

Data-Driven Decision-Making
- Reliable data on wages, employment rates, and career progression should guide both student choices and institutional planning.
- Need for transparent, accessible dashboards to help students see ROI by program and institution.

Setting the tone for tonight's conversation (continued)

Avoiding Narrow Definitions of Success
- While alignment with workforce needs is critical, we must avoid reducing higher ed to job training alone.
- Critical thinking, adaptability, and civic engagement remain essential to a healthy democracy and resilient economy.
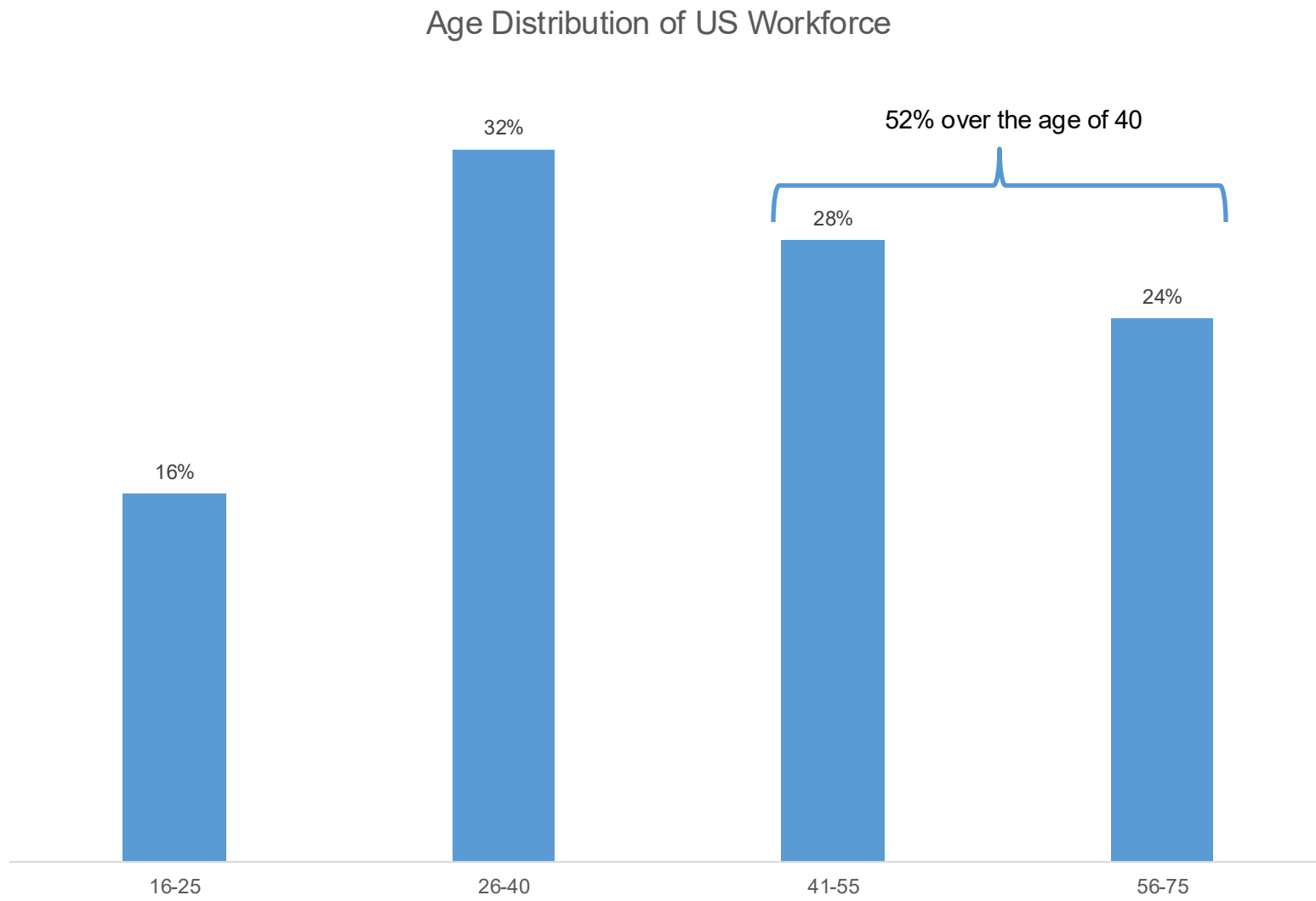
Action Steps for Stakeholders
- Advocate for funding models that reward both access and positive career outcomes.
- Build faculty-industry partnerships to keep curricula relevant.
- Push for policy that includes equity metrics to ensure gains are broadly shared.
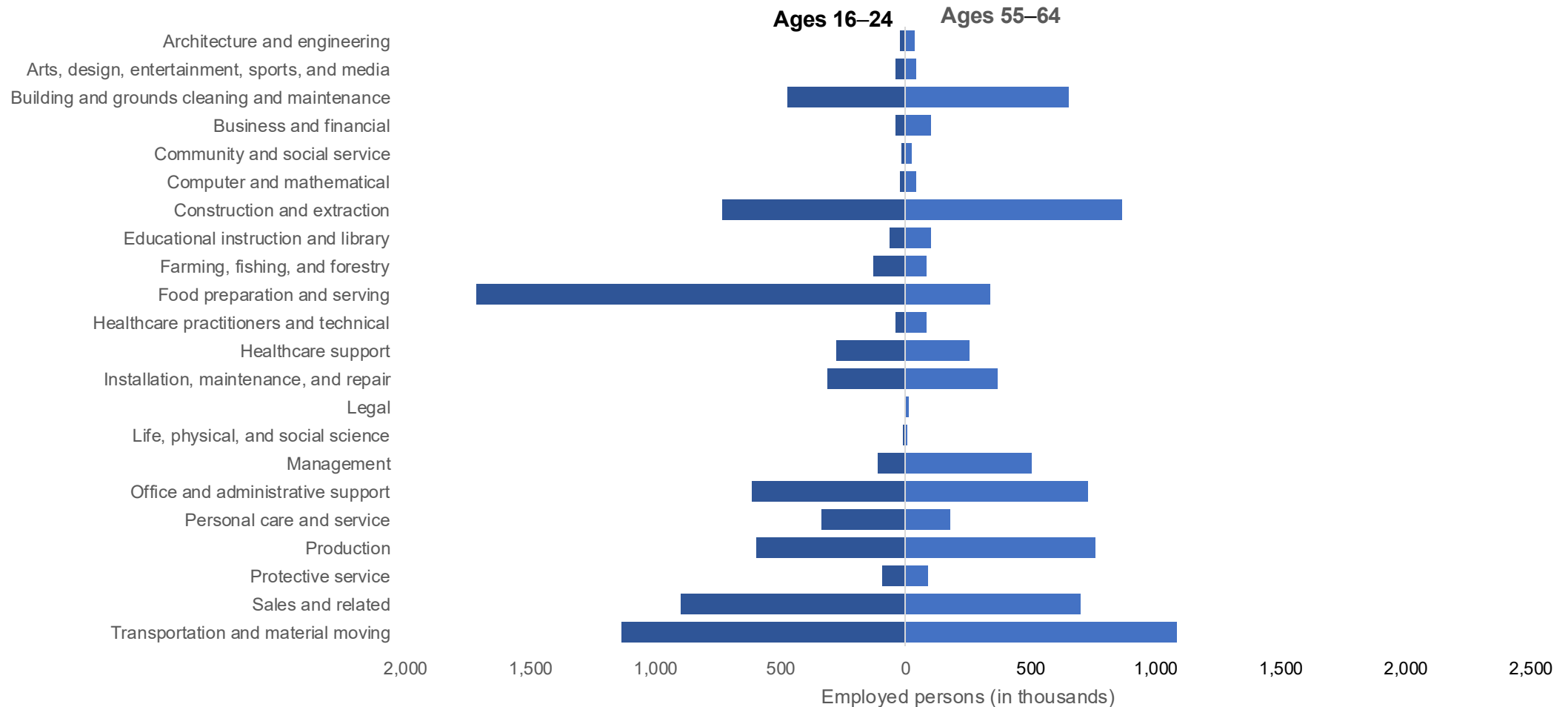
The Role of Policy
- Federal and state policy can accelerate alignment through funding incentives, grant programs, and accountability measures.
- The "One Big, Beautiful Bill" introduces pathways for targeted program funding, especially in STEM, healthcare, and skilled trades.

Demographic challenges

Age Distribution of US Workforce

52% over the age of 40

32%

28%

24%

16%

16-25

26-40
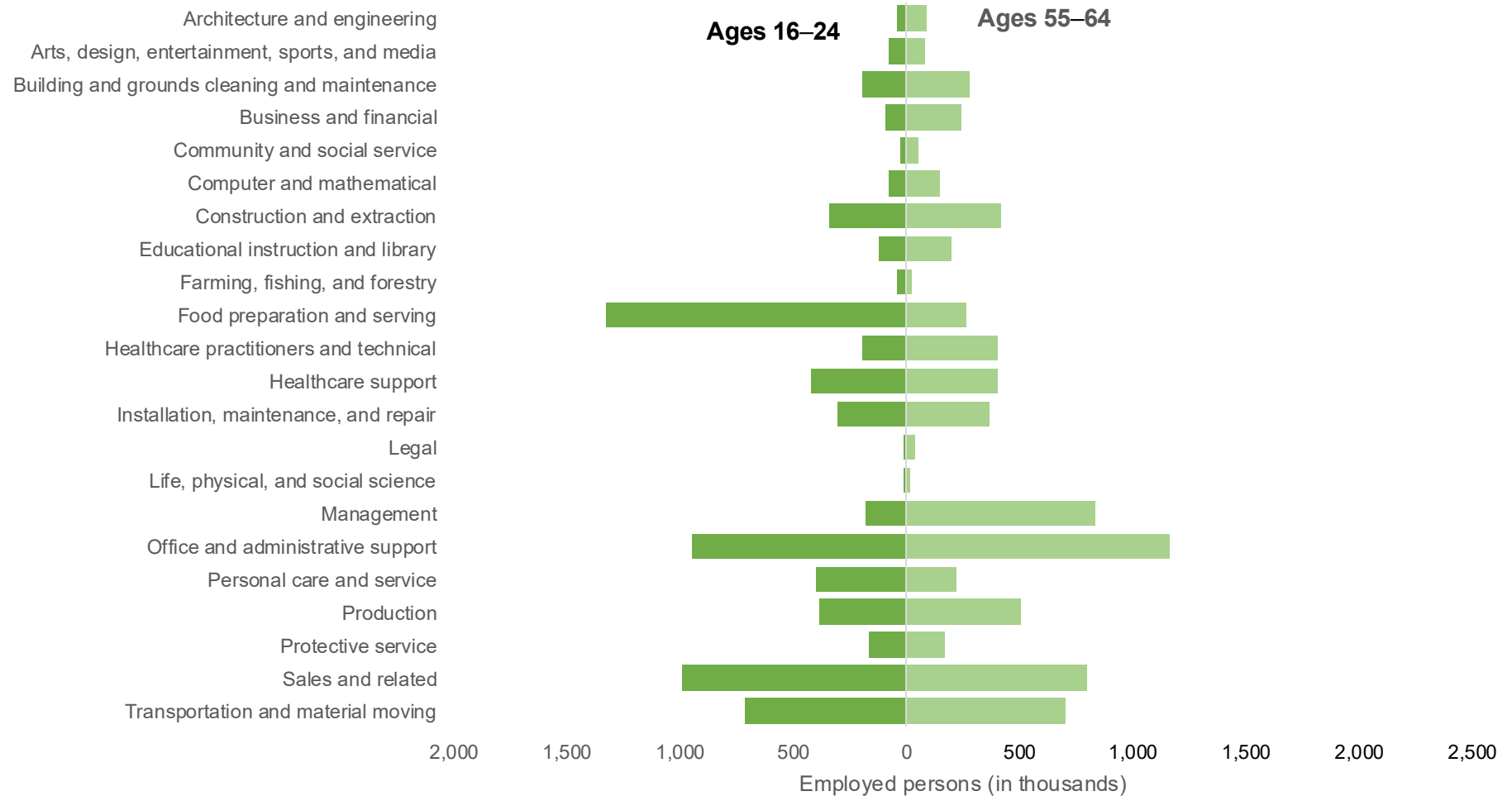
41-55

56-75

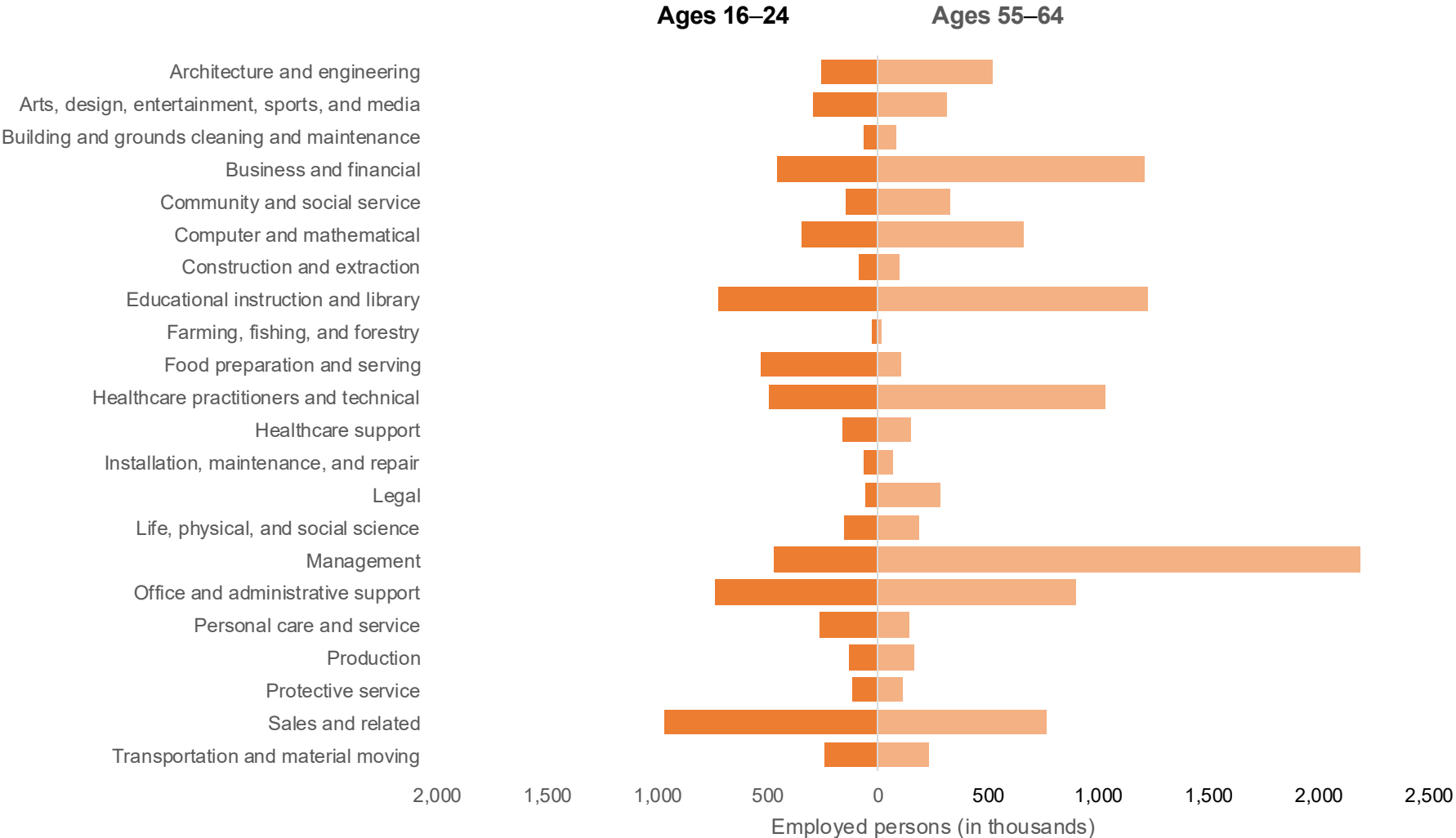Georgetown University Center on Education and the Workforce

Occupational distribution of income and outgoing workers with a high school diploma or less

Occupational distribution of income and outgoing workers with some college and or an Associate's degree

Occupational distribution of income and outgoing workers with a Bachelor's degree or higher

Ages 16–24   Ages 55–64

Architecture and engineering
Arts, design, entertainment, sports, and media
Building and grounds cleaning and maintenance
Business and financial
Community and social service
Computer and mathematical
Construction and extraction
Educational instruction and library
Farming, fishing, and forestry
Food preparation and serving
Healthcare practitioners and technical
Healthcare support
Installation, maintenance, and repair
Legal
Life, physical, and social science
Management
Office and administrative support
Personal care and service
Production
Protective service
Sales and related
Transportation and material moving

2,000   1,500   1,000   500   0   500   1,000   1,500   2,000   2,500

Employed persons (in thousands)

One Big, Beautiful Bill (2025)

(Signed into law July 4, 2025 — major overhaul of student lending and institutional accountability)

Political and Economic Context

- Supporters frame it as a **taxpayer protection bill** that balances access with fiscal responsibility.

- Critics warn it could **reduce graduate education access** for lower-income students and **pressure smaller institutions** with already-thin margins.

- Part of a broader trend: shifting federal higher-ed support **away from unlimited borrowing and toward measurable ROI**.

Student Loan Changes — Caps, Restrictions, and Eliminations

Lifetime borrowing caps introduced:
- $100K maximum for graduate degrees.
- $257,500 overall borrowing limit (including undergraduate and graduate).

Graduate PLUS loans will be eliminated starting 2026 — reduces access to high-interest, unlimited graduate borrowing.

Tighter repayment plan rules:
- Only select income-driven repayment (IDR) plans remain.
- No new enrollments for certain generous IDR options after a cutoff date in 2026.

Policy intent: Reduce risk of lifelong debt burdens, push institutions to manage tuition growth, and encourage program completion.

Pell Grant Expansion — Workforce & Short-Term Training

Pell eligibility extended to **short-term workforce programs** (e.g., skills bootcamps, vocational certificates) that meet quality standards.

Stricter eligibility requirements for both students and programs to receive Pell.

Seen as a shift toward **job-aligned, career-ready training**, especially for nontraditional and working adult learners.

Institutional Accountability — Linking Aid to Outcomes

Colleges face stricter performance metrics:
- Graduation rates.
- Job placement outcomes.
- Earnings of graduates relative to debt.

Schools falling below benchmarks may lose eligibility for federal aid — a big threat to underperforming institutions.

Federal government gains more leverage to **push transparency on tuition, debt, and earnings data**.

Addressing Geographic and Industry Variations

- Regional economic conditions and industry sectors affect labor market opportunities and should inform education and training programs.
- Engage data use to tailor local strategies for workforce development.

Supporting Alternative and Flexible Pathways

- Certificates, apprenticeships, and non-traditional credentials alongside degrees to provide multiple routes to mobility.
- Stackable credentials and lifelong learning.

Transparency and Accountability

- Increased transparency in postsecondary outcomes, wage data, and program effectiveness to inform student choice and policymaking.
- Use of metrics that measure not just enrollment but job placement, earnings, and career progression.

Leveraging Technology and Innovation

- Emerging digital tools and platforms can enhance data collection, analysis, and delivery of education-to-workforce pathways.

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