

A Record Six Million U.S. Job Vacancies: Reasons and Remedies

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Chairman Tiberi, Ranking Member Heinrich, Vice Chair Lee, and members of the Joint Economic Committee, thank you for the opportunity to speak to you today on the reasons and remedies for the six million job vacancies that currently exist in the United States. I am David Harrison, President of Columbus State Community College, and I firmly believe that community colleges are uniquely positioned to lead the way in closing this gap for employers and in providing people with pathways to careers offering a family-sustaining income.

Community Colleges are Purpose-built to Meet the Nation's Most Urgent Challenges

The gap between the jobs employers are trying to fill and the qualified employees available to fill them is widening, and the reasons are many. The nation's workforce is becoming more diverse, and employment practices haven't kept pace with changing demographics. We have over-emphasized the bachelor's degree as the starting point to a successful career, escalating student loan debt without a proportional positive impact on the labor force. And our educational system has been slow to respond to changes in both demographics and employer needs.

You may be surprised to learn about today's college student. Three-quarters of U.S. college students commute to class while balancing jobs and family responsibilities.¹ Almost half are financially independent, and many have financial dependents of their own.² These students work hard. At Columbus State, 65 percent of our students work 20 or more hours per week. Their education is an important priority, but it isn't always their most urgent priority. These are the very students who are the solution to the vacancy problem, and we need to think differently about how to better equip them for career success.

Community colleges are purpose-built to meet two of the nation's most urgent challenges: unmet workforce needs and rising student debt. Community colleges and universities play distinctly different roles, and have substantially different business models. Community colleges are committed to access. We are inclusive, not exclusive. Our open admission policies serve students of all ages and backgrounds. First-generation students, low-income students, students of color, adults in transition, and armed forces veterans thrive in our environment. They obtain employable skills and do so with little or no debt.

¹ Complete College America, *Time is the Enemy*, 2011.

² Lumina Foundation, *Today's Student*, 2015.

Community colleges work closely with employers to ensure that our programs are aligned with the high-performance workplace. Emphasizing both the collective value and economic earning potential of the associate degree and technical certificates provided by community colleges is a critical part of the remedy to the employment gap problem.

I am pleased to share with you today promising practices we have developed in Central Ohio built on a strong culture of public-private partnerships.

The Columbus Region Driving Workforce Solutions through Public-Private Partnerships

Columbus State has grown into one of the largest and most comprehensive colleges in Ohio, serving students from more than 130 countries and all 88 Ohio counties. The College contributes nearly a billion dollars annually in regional economic impact, and has earned recognition as a trusted steward of taxpayer and tuition dollars. We do this while maintaining our commitment to expanding access to an affordable, high-quality education for an increasingly diverse student body. We have a partner-first focus at Columbus State, and have forged strong partnerships with employers, K-12 districts, and with universities to ensure a high-quality, affordable education for all students.

As a region we have momentum, and we are starting to gain a national reputation as a place where business leaders, public officials, and higher education leaders work together on innovative solutions. Public-private partnerships are the cornerstone to the success of our region.

Examples include:

- *The Columbus Partnership*, an organization of more than 60 CEOs from the region's leading businesses and institutions, whose primary goal is to improve the economic vitality of the Columbus Region. It has been a catalyst for public-private partnerships that enable the region to take on big issues in a focused, collaborative way leading to measurable results that make a difference in people's lives. The success of the model inspired the Harvard Business School to develop a case study designed to teach emerging leaders the power of collaboration as demonstrated in Columbus.³
- *Columbus 2020*, which serves as the economic development organization for the 11-county Columbus Region, works in partnership with state and local partners to add new jobs and generate capital investment, raise per capita income, and establish the region as a destination for investment. Based on this 10-year plan, the Columbus Region is on pace to have the strongest decade of economic growth in its history.
- *The Central Ohio Compact*, conceived and convened by Columbus State, is a collective impact partnership of K-12 districts, colleges and universities committed to the goal of having 65% of adults hold a postsecondary credential by 2025 through alignment among educational sectors and with the needs of the region's business and economic development priorities.

³ Rivkin, Jan W. "[The Columbus Partnership.](#)" Harvard Business School Case 715-462, May 2015.

Columbus State Leveraging Partnerships to Advance the Region

I want to take this opportunity to thank you for the support you have provided higher education, and Columbus State specifically. At Columbus State we have leveraged federal funding to build partnerships with employers and K-12 districts to improve alignment between education and the high-performance workplace. Our portfolio includes grants from the National Science Foundation (NSF), the U.S. Department of Education, and the U.S. Department of Defense. NSF's Advanced Technological Education (ATE) program is a catalyst for community college innovation focusing on associate degree and certificate programs that align with high-growth fields. Columbus State currently has NSF ATE grants in advanced manufacturing, electric vehicle technology, cybersecurity, data analytics, mobile technology, and other fields. We are the only community college in the U.S. selected for the U.S. Department of Education's *Investing in Innovation (i3)* program, which will fund an aggressive expansion of programs designed to enhance college and career readiness in schools with a high percentage of low-income families. The program will impact more than 10,000 students in seven school districts in and around Columbus. Federal program like these provide an organizing framework for focused partnerships between K-12, higher education, and employers. Thank you for your confidence in community colleges to lead these regional efforts. Your confidence is well-placed.

At Columbus State our focus is on student success and workforce innovation, ensuring that we deliver value to students, families, and taxpayers. We have worked hard to reduce costs and ensure affordability for students, while allocating resources to improve student success and completion.

- We did not raise tuition for 6 ½ years, foregoing nearly \$30,000,000 in tuition revenue.
- From 2008-12, the cost of tuition at Columbus State dropped by nearly eight percent when adjusted for inflation.
- 76 percent of our students have zero student loan debt.

We have reallocated institutional resources to focus on student success, and we're seeing results. In the past four years we have closed the performance gap for low income students by 50 percent and for students of color by 24 percent. We had our largest graduating class in Columbus State's history last year, though our enrollment is nowhere near historic highs. And the number of credentials awarded to African American students increased by more than 11 percent in the past year.

These results have garnered Columbus State national recognition. Of the 1,200 community colleges in America, we are the only one involved in three prominent national initiatives. In 2015 we were named one of only 19 *Leader Colleges* nationally through the *Achieving the Dream* network in recognition of three successive years of improving student success. We are one of only 30 colleges nationally selected as part of the *American Association of Community Colleges Guided Pathways* initiative, a Gates-funded project establishing best practices in student success and completion, to be replicated throughout the U.S. We are one of only 20 colleges selected as a

Right Signals college, a *Lumina Foundation* program ensuring that certificates and degrees are closely aligned with regional employment needs. In short, we have done our homework. We are now implementing an aggressive plan to graduate more students and help them move directly into a high-growth career or transfer to one of our great university partners to complete their bachelor's degree.

As I mentioned, community colleges are purpose-built to address the challenges of student debt and unmet workforce needs. Columbus State is addressing both of these challenges through creative partnerships.

Community Colleges are the Answer to Reducing Student Debt

Student loan debt figures are startling. Nationally, total student debt now exceeds \$1.3 trillion. The average debt of bachelor's degree holders is over \$37,000 and it will take these graduates an average of 21 years to pay off those loans.⁴ Students who are borrowing the most money in many cases are those who can afford it the least. Community colleges are the solution to this problem. Better utilization of community colleges in bachelor's degree education would dramatically reduce the average debt load of university graduates.

Columbus State has established its own regional 2+2 policy through a program called *Preferred Pathway*. Six years ago we partnered with The Ohio State University to provide guaranteed admission to Ohio State for our graduates, and created deeper alignment of curriculum, advising, and other processes. Soon other universities including Ohio University, Miami, Capital, Columbus College of Art and Design, Franklin, Ohio Dominican, Ohio Wesleyan, and Otterbein joined the partnership, making *Preferred Pathway* one of the most productive 2+2 partnerships in America. By completing the freshman and sophomore year at Columbus State, the *Preferred Pathway* partnerships save students between 30-45 percent on their tuition expenses. That's a savings of between \$12,000 and \$75,000 on bachelor's degree tuition, depending on the university. The savings is even greater when you factor in expenses for room and board.

Universities are eager to partner with Columbus State because our students do very well when they transfer. When comparing students who follow a 2+2 pathway to a bachelor's degree, those students who start at a community college graduate at a higher rate (74%) than do those who start at four-year institutions (63%).⁵ Earning the associate degree before transferring is an important factor in bachelor's degree completion. The four-year graduation rate for Columbus State students who transferred to Ohio State after earning their associate degree is 82 percent, compared with 66 percent for those who transferred prior to earning the associate degree.

⁴ OneWisconsin Institute, Impact of Student Load Debt on Homeownership Trends and Vehicle Purchasing, June 2013.

⁵ The National Student Clearinghouse® Research Center™, 2013.

Community Colleges are the Remedy to the Skills Gap

The six million job vacancy problem is solvable with the right combination of strategies, including:

- Elevation of the associate degree and technical postsecondary credentials to prepare more citizens for high-demand occupations.
- Regional public-private partnerships between K-12, community colleges and universities, and employers.
- Targeted investments from the federal government that enable promising regional practices to be brought to scale

Associate Degree Attainment as an Important Solution to the Workforce Misalignment

As a nation, we have over-emphasized the bachelor's degree as the only successful path for recent high school graduates. The "*bachelor's degree for all*" mentality has not served most young people well, as more than half are reaching the age of 25 without a job or a career-ready credential.⁶ The focus on the bachelor's degree does not reflect employer need, nor predict potential earning accurately. Demand for associate degree graduates has grown 3 times the rate as that of the bachelor's degree. Harvard University predicts that there will be an overwhelming majority of jobs that require technical skills or associate degree level preparation, while only 33 percent of jobs will require a bachelor's degree.⁷

For every occupation that requires a graduate degree, there are two jobs that require a bachelor's degree, and seven more jobs that require a two-year degree or certificate.⁸ We are seeing these same projections locally. There are 270,000 high-wage, focused-skill jobs in Columbus that require an associate degree. These jobs are expected to grow by 10,000 every year.⁹ These jobs pay well. In some fields, graduates with associate degrees earn \$11,000 more on average their first year after graduation than bachelor's degree graduates. Nationally, over 29 million jobs paying \$35,000 to \$75,000 a year require an associate degree or professional certificate.¹⁰ In Columbus, associate degree graduates can earn an average wage of \$50,000 and those who wish to pursue a bachelor's degree often do so through employer-funded tuition reimbursement programs.¹¹

⁶ Pathways to Prosperity. Jobs for the Future and the Harvard Graduate School of Education. 2011.

⁷ The National Science Foundation, 2012. PI Conference by Jane Oates, Assistant Secretary ETA, Department of Labor. Symonds, W., Schwartz, R., & Ferguson, R., February 2011. Pathways to Prosperity: Meeting the Challenge of Preparing Young Americans for the 21st Century.

⁸ U.S. Bureau of Labor Statistics, Occupational Handbook, 2012-13.

⁹ JPMorgan Chase New Skills at Work, Skills in Demand Report, 2015.

¹⁰ Center on Education and the Workforce, Georgetown University, September 2012.

¹¹ JPMorgan Chase New Skills at Work, Skills in Demand Report, 2015.

Central Ohio Public-Private Partnerships Lead the Way in the Region

In Central Ohio, we recognize the need to do things differently in order to achieve better results. Columbus State is the convener of employers, local government, and other leaders to develop a growing talent pipeline in Central Ohio. We have assembled a Workforce Advisory Council comprised of business leaders from target industries to develop a regional strategy to open opportunities for all to participate in the emerging economy. The strategy focuses on three workforce categories:

- Emerging Workforce – recent graduates and others entering employment for the first time;
- Transitional Workforce – mature workers who are in declining industries or re-joining the workforce, such as military veterans;
- Incumbent Workforce – those currently employed whose skills must grow as technologies and other factors change.

Public-private partnerships have led to a foundation of innovation that is showing promise in Central Ohio for each of these groups.

The Emerging Workforce

American Electric Power (AEP) and the AEP Foundation established the *Credits Count* program with Columbus State with a \$5 million grant. This investment enables Columbus State to partner with Columbus City Schools to develop career exploration opportunities for middle school students, prepare high school students to become college-ready as quickly as possible, and enable them to earn post-secondary credentials while still in high school in STEM-related fields. The *Credits Count* program will reach 3,000 students.

JPMorgan Chase selected Columbus State and the *Central Ohio Compact* as one of nine international partners to implement their New Skills at Work initiative. This \$2.5 million grant enables Columbus State to advance the model of grade 9-14 career pathways throughout Central Ohio.

We have partnered with Honda of America to develop a talent pipeline of electro-mechanical engineering graduates to address an urgent need. This co-op program enables students to start while still in high school, work at Honda as students, and transition to full-time employees upon completion of their associate degree. Students pursuing further career development, earn their bachelor's degree in engineering through the *Preferred Pathway 2+2* partnership with Miami University, with their tuition paid by Honda.

In addition, state policy in Ohio has been adopted to advance career pathways in high schools and deeper alignment between secondary and post-secondary education. *College Credit Plus* enables high school students to begin taking college coursework as soon as they are ready.

Columbus State has leveraged the public-private partnerships described above to quickly come to scale. Last year more than 4,800 high school students enrolled at Columbus State through *College Credit Plus*. They were from 140 high schools in 60 school districts spanning 11 counties. Extensive adoption of *College Credit Plus* both shortens time-to-degree and maximizes savings to students and families. We expect this growth rate to continue as more students and families look to Columbus State for a high-quality, affordable pathway to their future.

The Transitional Workforce

We won't close the six million jobs gap by just focusing on young people. Current demographic projections do not favor the magnitude of growth required in the labor market to fuel economic expansion. Across the nation there are projected decreases in public elementary and secondary school enrollment. In Ohio it is projected that we will experience a 3.6 percent decline in enrollments and a 3.8 percent decline in high school graduates.¹² **Simply stated, every member of our community will need to be fully equipped with employable skills if we are going to close the vacancy gap.**

This must include strategies to help military veterans and others in transition, as well as initiatives to address employment barriers due to transportation, child care, health care, drug screening, homelessness, and re-entry to the workforce after incarceration. These factors not only keep us from closing the employment gap, they contribute to growing income inequality. The Columbus region is one of the fastest-growing areas in the Midwest; however, in spite of the rapidly expanding economy, we are ranked second behind Austin, Texas among the worst cities for income mobility and neighborhood disparity.¹³

Here again, public-private partnerships in Central Ohio are focusing on these issues.

Along with other colleges and universities in Ohio, we have partnered with the *Insurance Industry Resource Council* which includes 13 leading Ohio-based insurance companies to prepare the industry for the 26,000 jobs that will be open over the next five years. This partnership has resulted in an educational pathway that mirrors the professional career path in the industry, ranging from a claims certificate to a graduate program in insurance. The program has been designed to attract mature workers in transition, including military veterans. Nationwide Insurance has had a specific focus on bringing veterans into their organization, hiring more than 1,000 into entry-level and professional track occupations.

The City of Columbus partnered with Columbus State to establish a program called *FastPath* designed to quickly get un- and under-employed adults into the workforce. Programs in construction, healthcare, culinary arts, and early childhood education are helping adults in transition enter or re-enter the workforce. *FastPath* is part of a "two-generation strategy" as the partners provide assistance to parents re-entering the workforce while providing enrichment programs for their children.

¹² National Center for Education Statistics Projections by State, 2003 through 2015.

¹³ Florida, Richard; *The New Urban Crisis: How Our Cities are Increasing Inequality, Deepening Segregation, and Failing the Middle Class-and What We Can Do About It*, 2017.

The Incumbent Workforce

The six million jobs figure is actually understated when you consider the skills gap that exists within companies among their current employees. This issue is critically important in technology-dependent industries that are prevalent in Central Ohio, like financial services, healthcare, and manufacturing.

Columbus State partnerships are playing a prominent role in incumbent workforce strategies as well. Our faculty are assigned full-time at Honda's facility to train their current workforce, with the credentials gained mirroring career advancement in the Honda organization.

No field is changing as rapidly as information technology, where even recent Computer Science graduates face the need to re-skill to remain competitive. Columbus State is one of only two community colleges in the U.S. partnering with Amazon Web Services and their AWS Educate platform to bring Cloud computing principles into our curriculum in a fundamental way. This partnership will enable us to build Cloud skills into our certificate and associate degree programs, and will also provide a framework to help current programmers, data analysts, and cyber-security professionals transition to Cloud architecture. We are working closely with CIOs of early Cloud-computing adopters to address this need as rapidly as possible as thousands of IT professionals need training to fully utilize these new technologies. And most recently, Columbus State is among the six community colleges nationally chose by Apple Inc., to launch their *Swift* application development curriculum to teach students elements of app design and gain critical skills in software development and information technology.

The Federal Government's Role

The federal government can play an influential role in solving this problem. Earlier this year, Senators Portman and Kaine introduced an innovative bill called *the Jumpstart Our Businesses by Supporting Students (JOBS) Act*, which would expand Pell Grant eligibility to cover high-quality, short-term job training programs to help low-income individuals prepare for high-wage jobs. Creative programs like this can impact many students quickly, as the local infrastructure with community colleges and employers is already in place in most regions of the U.S.

Federal investment can be catalytic in bringing together regional stakeholders for a common purpose. In 2016 Columbus competed against 77 cities nationwide to win the *Smart City Challenge*, receiving a \$40 million grant from the U.S. Department of Transportation and \$10 million from Vulcan, Inc. to develop and deploy innovative, high-tech transportation systems that improve access to jobs, enhance logistics, and transform Columbus into an epicenter for intelligent transportation systems (ITS). This federal investment served as a catalyst for additional public-private partnerships in the region, with the total now exceeding \$500 million in private sector and local investments in accelerating the *Smart City* objectives, called *SmartColumbus*.

The federal government could launch a similar strategy to address the skills gap in America. A *21st Century Talent Challenge* could provide seed money to regions to develop a strategy targeting high-growth industries and creative approaches to connecting the emerging, transitional, and incumbent workforce for successful careers. Federal investment in a regional, collaborative workforce development approach would bring to scale proven practices that have been launched by public-private partnerships in regions like Central Ohio, and provide a repository of best practices for other regions to adopt. Such funding would provide the venture capital needed to tackle the complexity of this workforce misalignment and the support of multiple stakeholders will be required to make noticeable impact.

Conclusion

This is a moment in time for community colleges. Community colleges are teaching colleges with an emphasis firmly on student learning, economic growth, and the development of employable skills with a foundation in employer partnerships. Better utilization of community colleges in bachelor's degree education would reduce costs for students and accelerate them into the workforce as they continue to pursue further education. Finally, and most critically, our ability to leverage existing strong public-private partnerships between community colleges and employers is essential in closing the nation's skills gap and filling the six million vacancies. Columbus State and America's community colleges stand ready to help in this important economic development challenge.

Thank you for this opportunity to speak with you on this important topic.