

# End The Federal Bias Against Career Education

As many as 4.4 million U.S. jobs are going unfilled due to shortages of workers with the right skills. Many of these opportunities are in so-called “middle-skill” occupations, such as IT or advanced manufacturing, where workers need some sort of post-secondary credential but not a four-year degree.

Expanding access to high-quality career education and training is one way to help close this “skills gap.” Under current law, however, many students pursuing short-term career programs are ineligible for federal financial aid that could help them afford their education. Pell grants, for instance, are geared primarily toward traditional college, which means older and displaced workers – for whom college is neither practicable nor desirable – lose out. **Broadening the scope of the Pell grant program to shorter-term, high-quality career education** would help more Americans afford the chance to upgrade their skills and grow the number of highly trained workers U.S. businesses need.

## THE CHALLENGE:

### THE AMERICAN ECONOMY DESPERATELY NEEDS MORE SKILLED TALENT.

For years, U.S. businesses have complained of a “skills gap” – the inability to find the right talent for the positions they are seeking to fill. Though

some have questioned the existence of these shortages, new research finds that, while some lower-skilled sectors have a surfeit of workers, other industries do indeed face a real – and dire – need for skilled employees.

**Healthcare, finance, and information technology are among the fields with the greatest shortages of skilled workers.**

A study by the U.S. Chamber of Commerce Foundation and Burning Glass Technologies finds that as many as 4.4 million American jobs are going vacant because companies can't find the right employees. More than 1.1 million of these openings are in healthcare, followed by business and financial operations, office and administrative support, sales, and computers and math.

Estimated Worker Shortages by Occupation, 2012-2016

INDUSTRY	NUMBER OF UNFILLED JOBS
Healthcare	1,153,617
Business and financial administration	985,214
Office and administrative support	461,263
Sales	388,857
Computers and math	356,527

Source: U.S. Chamber Foundation and Burning Glass Technologies

**Many openings are in so-called “middle-skilled” jobs that require specialized training or education but not a four-year degree.**

The vast majority of in-demand positions require some sort of post-secondary education beyond high school. In fact, the economy is shedding low-skill jobs even as demand for higher-skill occupations is rising. The Georgetown Center on Education and the Workforce, for instance, estimates that as many as 6.3 million jobs for workers without a high school diploma have permanently disappeared since the recession.<sup>2</sup>

While some of the fastest-growing occupations require advanced schooling and extensive training – such as occupational therapy, physician’s assistant, and nurse practitioner – many well-paying jobs don’t require a four-year degree.<sup>3</sup> These so-

called “middle-skill” jobs currently account for more than half of all U.S. jobs<sup>4</sup> and include such fields as cybersecurity, welding and machining, truck driving, and home health.<sup>5</sup> These jobs might demand an associates’ degree, but, in many cases, instead require a certificate, certification, license, or other industry-recognized credential attainable without attending a traditional college.

### **Federal financial aid for higher education is largely unavailable for career education and training.**

Despite the need for middle-skill workers, current federal policy is tilted heavily in favor of traditional college over career and occupational education. In 2016, for instance, the federal government spent more than \$139 billion on post-secondary education, including loans, grants and other financial aid for students. Yet, of this amount, just \$19 billion went toward career education and training.<sup>6</sup>

---

## **THE GOAL:**

### **EXPAND AFFORDABLE ACCESS TO HIGH-QUALITY CAREER EDUCATION – ESPECIALLY FOR OLDER AND NONTRADITIONAL STUDENTS.**

Restrictions in federal financial aid programs – that shut out many career-focused programs – are a major source of the disparity in federal support for traditional college versus career education and training. Federal Pell grants for low-income students, for example, can be used only for credit-bearing programs offered by accredited schools that last over 600 clock hours and run at least 15 weeks.<sup>7</sup> Many high-quality coding “boot camps,” for instance, often don’t meet this standard; nor do many other occupational courses, such as programs aimed at helping students earn a welding certification or a commercial drivers’ license.

For example, Delaware’s Zip Code Wilmington, a non-profit coding school, offers an intensive computer skills program that has helped students’ salaries jump from an average of \$30,173 to \$63,071. Yet, because Zip Code Wilmington is not a college or university and the coursework is only 12 weeks long, the \$3,000 course is ineligible for Pell funding – which could make it unaffordable for many students.<sup>8</sup>

---

## THE PLAN:

### **BROADEN THE AVAILABILITY OF PELL GRANTS TO INCLUDE HIGH-QUALITY SHORTER-TERM CAREER EDUCATION.**

Congress should expand the federal Pell grant program to include high-quality career education and training programs in fields with demonstrated demand for workers. Making career education more affordable through so-called “workforce Pell” would increase the pipeline for skilled talent, thereby diminishing the “skills gap” among U.S. companies. It would also open new opportunities for older and displaced workers for whom going to college or returning to school is neither practicable nor desirable. And, given the growing recognition that higher education is a lifelong endeavor (rather than one limited to the young adult years), this shift would help modernize federal higher education policy to better suit the needs of students, workers and businesses.

One promising approach is the Jumpstart Our Businesses by Supporting Students (JOBS) Act, proposed in the 115th Congress by Senators Rob Portman (R-OH) and Tim Kaine (D-VA), which would shorten the number of course hours required for Pell eligibility to 150 clock hours over eight weeks but also require that programs lead to an industry-recognized credential and meet other requirements for quality.<sup>9</sup> Quality safeguards would help ensure that fly-by-night credential providers cannot exploit students – helping steer students toward top-flight programs.

Growing the Pell grant program need not come at the expense of higher education funding more broadly; potential sources for funding a Pell expansion include earmarking revenues from the excise tax on large university endowments (included in the 2017 tax bill), or limiting tax-preferred 529 college savings accounts, whose benefits overwhelmingly accrue to the upper middle class.<sup>10</sup>

Although expanding Pell grants to more career education could ultimately make the program more costly, occupational credentials are typically much cheaper to acquire than college degrees, and the ultimate return – more workers in better jobs with better wages – makes the investment worthwhile.

**Contact:**

**Anne Kim** | Vice President, Domestic Policy

[akim@ppionline.org](mailto:akim@ppionline.org) | [@Anne\\_S\\_Kim](https://twitter.com/Anne_S_Kim)

---

# Endnotes

- 1 Restuccia, Dan, Bledi Taska, and Scott Bittle, Different Skills, Different Gaps, Burning Glass Technologies, 2018, available at [https://www.burning-glass.com/wp-content/uploads/Skills\\_Gap\\_Different\\_Skills\\_Different\\_Gaps\\_FINAL.pdf](https://www.burning-glass.com/wp-content/uploads/Skills_Gap_Different_Skills_Different_Gaps_FINAL.pdf).
- 2 Anthony P. Carnevale, Tamara Jayasundera and Artem Gulish, Six Million Missing Jobs: The Lingering Pain of the Great Recession, Georgetown Center on Education and the Workforce, December 2015, <https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/Six-Million-Missing-Jobs.pdf>.
- 3 Chamber of Commerce Foundation and Burning Glass Technologies.
- 4 National Skills Coalition, United States' Forgotten Middle, available at <https://www.nationalskillscoalition.org/resources/publications/2017-middle-skills-fact-sheets/file/United-States-MiddleSkills.pdf>.
- 5 Burning Glass Technologies, "Which Middle Skill Jobs Will Last a Lifetime?" June 20, 2018, available at <https://www.burning-glass.com/blog/which-middle-skill-jobs-will-last-lifetime/>. See also Anthony P. Carnevale, Jeff Strohl, Neil Ridley, and Artem Gulish, Three Educational Pathways to Good Jobs: High School, Middle Skills and Bachelor's Degree, Georgetown Center on Education and the Workforce, 2018, available at <https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/3ways-FR.pdf>.
- 6 Opportunity America/AEI/Brookings Working Class Study Group, Work, Skills, Community: Restoring Opportunity for the Working Class, Opportunity America, 2018, available at <https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/3ways-FR.pdf>.
- 7 20 U.S. Code § 1088, accessed at <https://www.law.cornell.edu/uscode/text/20/1088>.
- 8 Anne Kim, Forget free college. How about free credentials? Progressive Policy Institute, October 2017, [https://www.progressivepolicy.org/wp-content/uploads/2017/10/PPL\\_FreeCredentials\\_2017.pdf](https://www.progressivepolicy.org/wp-content/uploads/2017/10/PPL_FreeCredentials_2017.pdf).
- 9 Office of Sen. Tim Kaine, "Kaine, Portman Introduce Bipartisan JOBS Act to Help Workers Access Training for In-Demand Career Fields," Jan. 25, 2017, <https://www.kaine.senate.gov/press-releases/kaine-portman-introduce-bipartisan-jobs-act-to-help-workers-access-training-for-in-demand-career-fields>.
- 10 Kim.



---

The Progressive Policy Institute is a catalyst for policy innovation and political reform based in Washington, D.C. Its mission is to create radically pragmatic ideas for moving America beyond ideological and partisan deadlock.

Founded in 1989, PPI started as the intellectual home of the New Democrats and earned a reputation as President Bill Clinton’s “idea mill.” Many of its mold-breaking ideas have been translated into public policy and law and have influenced international efforts to modernize progressive politics.

Today, PPI is developing fresh proposals for stimulating U.S. economic innovation and growth; equipping all Americans with the skills and assets that social mobility in the knowledge economy requires; modernizing an overly bureaucratic and centralized public sector; and defending liberal democracy in a dangerous world.

---

© 2019  
**Progressive Policy Institute**  
All rights reserved.

---

**Progressive Policy Institute**  
1200 New Hampshire Ave NW,  
Suite 575  
Washington, DC 20036

---

**Tel** 202.525.3926  
**Fax** 202.525.3941

---

**info@ppionline.org**  
**progressivepolicy.org**