

Ramona Schindelheim, WorkingNation editor-in-chief:

You are listening to Work in Progress. I'm Ramona Schindelheim, Editor-in-Chief of WorkingNation. Work in Progress explores the rapidly changing workplace through conversations with innovators, educators and decision-makers, people with solutions to today's workforce challenges. The demand for talent in the American labor force has never been higher, and a recent study forecasts that in just a few years, the majority of jobs in the US will require some type of post-high school credential, such as a college degree or an industry-recognized certification. Lumina Foundation has long been on a mission to help students and workers attain not just any credential, but a credential of value that will lead to long-term economic stability and prosperity. The organization recently set a new goal of helping 75% of the American labor force obtain that credential of value by 2040. President and CEO, Jamie Merisotis sat down with me to discuss what's at stake for learners and workers, the challenges they face in getting those credentials and Lumina's strategy to reach its goal. I start by asking Merisotis whether we've seen any progress in recent years and the number of people getting a family-sustaining credential after high school.

Jamie Merisotis, Lumina Foundation president & CEO:

There's a lot of good news in terms of changes over the last 15 or 18 years in terms of educational attainment. So since 2008, post-high school educational attainment for adults 25 to 64 has increased from 38% to 55%. It's one of the greatest social progress examples that we can see in the last 20 years, and in part that's led to literally millions of adults being able to get more education training, get new and better jobs in their field, earn more money, and in general, become better citizens and participants in their community. So we've made a lot of progress even though we face many fresh challenges in the current environment.

Ramona Schindelheim, WorkingNation editor-in-chief:

So what do you think has led to that progress, because I saw some stats before. There was like 38% of adults, working-age adults, 17 years ago had a certificate, industry-recognized credential, a high school degree, and now we've made progress as you've indicated. How have we gotten where we are?

Jamie Merisotis, Lumina Foundation president & CEO:

I think the biggest thing that has changed in this time period is that we've been clear about what we're trying to achieve. Historically, we were very focused on improving access to higher education really from post-World War II in the GI Bill until 2008 when we started focusing on national attainment goals. The fundamental focus in post-high school learning was increasing access. We made a lot of progress on access, but we didn't solve the access problem for the country. At the same time, we realized a decade and a half ago that we needed to be clear about the fact that we needed more people to actually achieve these credentials, complete their learning, and actually get the credentials.

And I think the biggest thing that changed, I think was two things. First, a mindset shift among state and college leaders. They were historically very focused on improving enrollment and access and opportunity. That switch to focusing on making sure that people complete and actually get their credentials. And that led to a significant increase, particularly the state focused, in my opinion.

The other was being clear across a wide array of actors, business leaders, local community leaders, federal and national leaders, et cetera, that increasing attainment really matters. It matters both to individuals and to society because it powers our economy, it strengthens our democracy, et cetera. So

those things, I think, really drove a lot of the change in that big delta that we've seen in a relatively short period of time.

Ramona Schindelheim, WorkingNation editor-in-chief:

That's great that we've made access more achievable for people, people having opportunities, there's a bigger awareness, but in your mind, that's not big enough. So you've set new goals. What are your new goals?

Jamie Merisotis, Lumina Foundation president & CEO:

Well, one of the things that's changed in recent years is that confidence in higher education is declining. We've done some polling with Gallup that shows that only 36% of Americans have quite a bit or a great deal of confidence in higher education. That's a 20 percentage point drop in just five years. And that declining confidence, I think, is in part due to rising costs. There's been a long-term challenge in terms of increasing costs. There's doubts about job opportunities, and in many ways there's concerns about connection to the labor market because of artificial intelligence, because of other things that have caused people to question whether a degree is really worth it.

So the new goal that we've focused on is ensuring that 75% of adults in the US labor market will have degrees of other credentials of value leading to economic prosperity. And one of the things that's shifting in this new goal is we're not only increasing the bar, but we're actually making sure that these credentials have value. And I think that question of value, what is value in the current environment? What would it be long-term is a very important part of the equation. But the idea that we haven't solved the access problem, nor have we solved the attainment problem, but we now have to make sure that we continue to focus on access, continue to focus on attainment, and ensure that the access and the attainment leads to value is a very important part of our forward-thinking in terms of what the country needs.

Keep in mind all of this is driven by the context that the Georgetown Center on Education and the Workforce says that 72% of jobs by 2031 will require post-high school credentials of some type. So that target isn't just a sort of long-term aspirational goal. It's really driven by the data of what the country needs.

Ramona Schindelheim, WorkingNation editor-in-chief:

So when you talk about value, what is the value you're looking at? Is it financial? Is it a long-term career or both?

Jamie Merisotis, Lumina Foundation president & CEO:

Well, people pursue a higher education, they want to get a degree or a certificate or a certification to improve their lives. And so we believe that these degrees and other credentials have to have real benefits, things like higher wages, things like the opportunity for career growth and advancement, but we also need to make sure that these credentials have value long-term in terms of people being adaptable, being able to be effective participants in their communities, being able to change as society changes, as AI changes things, et cetera.

We have a short-term problem, which is that value in terms of the way you can define it at a national level, the only data we really have that is consistent is wages, it's income. But we believe that it's a necessary but not sufficient measure of what value is. But we will be reporting on that going forward because we think it's the right starting place. But this is a classic case, and we went through this when

we designed our goal in 2008 for 2025. You're sort of building the bicycle as you're riding it to help develop better data systems so that we can be talking about wages, so we can be talking about career growth, so that we can be talking about impacting community. That's the objective long-term. But this idea that we want people to focus on value in terms of the credentials, not simply having whatever the credential is is really important.

Ramona Schindelheim, WorkingNation editor-in-chief:

And I also wanted to point out, I think the number I saw, the income is at least 15% higher than the national average for those with only a high school diploma. So there is at least a beginning bar for that.

Jamie Merisotis, Lumina Foundation president & CEO:

That's exactly right. So the floor, as you point out, the beginning bar, is that one way to measure credentials of value is that the wages have to be at least 15% more than you would make with a high school credential. If you measure attainment without that measure, we are at 55% right now. So from 2008 to 2023, we went from 38% to 55%. If you then add the value measure, it takes you to about 44%. So you can see that some of these credentials don't add that wage value, and we think that that's a necessary component of defining what a credential of value is. Though as I said over time, we hope to be clearer about what else constitutes value besides the wages. But that's one way of looking at it.

Ramona Schindelheim, WorkingNation editor-in-chief:

And the industry recognized credentials, there's so many stories that we've been telling here at WorkingNation like an apprenticeship or even a Google certificate or an equivalent of that where you then can walk into a business or through a union and then you can get a good job and you don't have to have the college degree, but you have some knowledge that's going to set you apart from others.

Jamie Merisotis, Lumina Foundation president & CEO:

Well, what's really important in our view is that people are able to earn family-sustaining wages that allow them to have stability in their lives, but that also gives them a chance to continue to grow. So we believe that these shorter-term credentials do provide that. The quality ones certainly do provide that. The ones that add the wage benefits, et cetera, do that. At the same time, they create pathways for further learning, which leads to greater advancement. The truth is you do earn more and you have more stability and greater long-term security and ultimately prosperity if you get higher credentials. But it doesn't mean that everyone should start aspiring to a bachelor's degree or something else. It could be that they need this industry-recognized credential to get them into the labor force or to get them onto the ladder of opportunity. That gives them that stability, those family-sustaining wages, and then that allows them the opportunity to grow over time, continue to pursue their learning while they're working in order to help them become even more successful.

Ramona Schindelheim, WorkingNation editor-in-chief:

You were just now talking about college degrees and the lack of maybe faith in them. What does higher ed need to do to be able to fix that lack of trust?

Jamie Merisotis, Lumina Foundation president & CEO:

I think from higher education's perspective, I think we need to seriously look at redesign. I think we need to think first and foremost about the questions of affordability. The fact that for too many people, long-

term the increasing tuition and other costs have far exceeded family incomes, have far exceeded inflation, and that over time it's had a corrosive effect on people's willingness to pursue post-secondary education because they're looking at the cost-benefit.

One part of it is that they've got to do a better job of making college more affordable, but they also need to be clearer about what these degrees, certificate certifications actually prepare you for. This question of what is education for I think is a very important part of the equation for the college and universities, and being clearer about this credential prepares you for these kinds of careers, for these kinds of opportunities is a very important part of this because long-term work changes learning is going to continue to be a very important part of what you do as an adult, not just what you do as someone earlier in your life. But from my perspective, I think that colleges and universities need to make relevance and what the credentials prepare you for much clearer.

Ramona Schindelheim, WorkingNation editor-in-chief:

I was talking to someone recently, and I think it was at South by Southwest EDU, about that idea that going into the job market coming out of a four-year institution, sometimes employers want you to have some kind of experience, work experience. Do you think colleges can maybe do a little bit more work-based learning so that they can give them that experience?

Jamie Merisotis, Lumina Foundation president & CEO:

I think work-based learning is a growing part of what many college and universities are starting to think through. We have these institutions that are work colleges where you literally work and get your credential at the same time, but I think applied learning is really important. There's this phrase that we've seen now in some bachelor's degree granting institutions where we're trying to prepare people for purposeful work, and by purposeful work, it means that you actually have career-ready skills that you can apply. So you have the credential, you are a good critical thinker, a problem solver, a communicator, you advanced your understanding of ethics, all of these generalizable things that long-term make you very successful as a worker. But also being clear about what the shorter term skills are, whether it be tech skills, skills in science or math or whatever the field may be, graphic design, being clearer about those specific skills and the more generalizable, durable skills as I like to call them, I think is really important. You're seeing more of that work-based or work-relevant learning being incorporated into the curriculums of many colleges and universities.

Ramona Schindelheim, WorkingNation editor-in-chief:

One of the things you also mentioned in your goals is expanding access. And we've talked a little bit about affordability and also whether or not you get some relative experience, but there are students from low-income backgrounds, rural communities, communities of color, and getting them access to this higher ed or credentialing seems to be a bit of a challenge, especially in today's environment, which is not emphasizing those populations.

Jamie Merisotis, Lumina Foundation president & CEO:

Yeah, I think one of the challenges long-term has been that access is a combination of things. It is financial barriers, it is academic barriers, and it is other barriers. They are social and other barriers that get in the way. And so it's like a three-legged stool of things that create barriers to access, finance, social, and academic. And we tend to focus a lot on the finance side, which is true because costs are high, but we tend not to focus on the real-life circumstances of the students or their shortcomings academically, making clearer that for these students who are, as you said, low-income or rural or

coming from communities of color or what have you, creating more assurance that the process itself is simpler and easier for them to get through so that admissions isn't difficult, so that we actually provide the right kinds of tutoring or mentoring or support so that we provide the right opportunities for them to be successful, both when they get in, but also to help them get through is really important.

Ramona Schindelheim, WorkingNation editor-in-chief:

I talked to a lot of organizations and trying to increase this access to opportunity is a goal, a mission of many of these organizations. Color isn't a part of it and ethnicity isn't a part of it. It is a lot to do with the societal structure as you were talking about, coming from a low-income background or maybe a family that doesn't have the ability to support that student or young adult in their career pathways. Is there something more you think we can do societally to help make those pathways easier?

Jamie Merisotis, Lumina Foundation president & CEO:

Conceptually, I think the important principle here is fairness. I think the American dream has always been premised on the idea that you should be given an opportunity to succeed, and that's really about fairness, and that fairness should not reflect barriers based on whether you are a woman or whether you are from a rural community or whether you are a person of color or whether you are an immigrant, or whether you are low-income. All of those things I think are about fairness. And so I think designing our societal strategies around these ideas of fairness is really important. Racial discrimination is one of those factors. It's a very important factor. We have significant evidence of racial discrimination and difference based on race and ethnicity. That's really, really important to address and not avoid.

At the same time, I think it's important to talk about these issues of what historically people refer to as equity, but that word has gotten very complicated to talk about now as really about issues of creating fair opportunity for people, a fair shot at succeeding. And I think those are the kinds of things we need to do, whether it's through federal policy or state policy or what your employer does for you or what happens in your community, fairness should be an important part of how we make sure that we provide those opportunities to succeed.

Ramona Schindelheim, WorkingNation editor-in-chief:

So you described this as urgent. What's at stake if we are not elevating this training and education for our population?

Jamie Merisotis, Lumina Foundation president & CEO:

The demand for talent in American society has never been higher, and you can see that in lots of indicators, whether it be in terms of our global economy, whether it be in terms of our social stability, our shared values, when it comes to et cetera. So the demand for talent is very high. The payoffs for meeting that demand from a societal and individual perspective are extraordinary. It's not only that you make more money as an individual or that you get a better job. It's that others benefit from the fact that you make more money or have a better job. We're a more productive society. People who make more money contribute more in taxes. Those individuals are able to participate more in their communities. They're able to volunteer, they're able to vote, they're able to participate in the work that they want to do with their families in the communities, and all of those things are really important to our shared wellbeing, to our shared prosperity, our economic prosperity as a society.

There's an urgency to this task because we are unprecedented challenges, artificial intelligence, changing global dynamics, lots and lots of factors that are getting in the way of progress and advancing

talent. But as human beings, advancing our talent is really the most important thing that we could do in order to help both improve our individual wellbeing, but also our shared wellbeing. That's why it's so urgent.

Ramona Schindelheim, WorkingNation editor-in-chief:

And you brought up artificial intelligence, just one of the many technologies that continue to evolve. And when we talk about students, they're not just kids. We're talking about adults, some of them with experience already, but having to adapt to this new technology and continue to learn.

Jamie Merisotis, Lumina Foundation president & CEO:

Yeah, I think the thing about artificial intelligence is that there is a continuum. So technology has changed work now for the better part of two centuries, and artificial intelligence is the latest, greatest example of that technology actually impacting society in general and impacting progress for society overall. Artificial intelligence capacity, however, is more disruptive because it can do some of the things that humans do, not only faster and at a greater level of accuracy, but some of what artificial intelligence can do now mimics some aspects of human behavior, which is why the integration of things like these large language models, these ChatGPT type things with robotics and things like that are changing work much more rapidly than they have in the past. So when people talk about the future of work, what they're really talking about is the changing nature of work because of the changes that artificial intelligence and other technologies are bringing. It's why we need to make sure that the learners both understand the technology, understand how to use it, but also understand where their human skills and talents compliment what the technology does.

Humans are better at some things than technology. We are compassionate, we are ethical. We are interpersonal communicators. We are critical thinkers in ways that the machines can't be. And from that vantage point, I think understanding how to use artificial intelligence to make our lives better is very important. That includes being a student, being a worker, being a participant in our democracy. All of those things are really important. But artificial intelligence on its own is not going to solve society's problems. We have to work with the technology in order to achieve shared wellbeing.

Ramona Schindelheim, WorkingNation editor-in-chief:

And Lumina Foundation has set these goals you're hoping to achieve by 2040, but you can't do it alone. How are you bringing together all the organizations, the employer, the educators, nonprofits, civic leaders to help make this goal achievable?

Jamie Merisotis, Lumina Foundation president & CEO:

One of the things we've learned from our experience over the last 15 or 17 years is that you have to have a big tent in order to achieve these outcomes. States play a very important role because states historically and contemporarily are the primary providers of education, both K-12 and public higher education. So states are a very important part of that. But states have to work in collaboration, as you said, with employers, with K-12 schools, with colleges and universities, with community-based organizations and with the federal government in order to achieve these outcomes. And our task at Lumina is to be a sort of honest broker to actually help these organizations create common platforms to increase access, to help more students succeed and graduate, to help make sure they get these credentials of value and ultimately, from our vantage point, help higher education continue to redesign itself so that we actually are delivering higher value for students and higher value for society because

these credentials reflect real and relevant learning that allow them to be successful in work as well as in life.

Ramona Schindelheim, WorkingNation editor-in-chief:

That was my conversation with Jamie Merisotis, president and CEO of Lumina Foundation. I'm Ramona Schindelheim, Editor-in-Chief of WorkingNation. Thanks for listening.