



CENTER FOR RESEARCH ON
College-Workforce Transitions

RESEARCH SYMPOSIUM RECAP

Interpreting the Skills Gap Narrative to Inform Student Career Decisions

Friday, September 29, 2017 | 10 am – 1:30 pm
UW–Madison Education Building | Wisconsin Idea Room, 159

KEYNOTE ADDRESS

**#LowerEd – The Troubling Rise of For-Profit
Colleges in the New Economy**

Tressie Cottom, Assistant Professor of Sociology at
Virginia Commonwealth University



**Wisconsin Center for
Education Research**
UNIVERSITY OF WISCONSIN-MADISON

RESEARCH SYMPOSIUM RECAP

#LowerEd: Why a critical view of the 'skills gap' is essential in today's higher education landscape

On September 29, a wide range of individuals from across and outside campus gathered for a research symposium in the Wisconsin Idea Room that brought together three interrelated strands of education-related topics. The multidisciplinary event, sponsored by the Wisconsin Center for Education Research's new Center for Research on College-Workforce Transitions (CCWT), featured three panels and a total of nine presenters, including the keynote speaker Dr. Tressie McMillan Cottom from Virginia Commonwealth University and author of *Lower Ed: The Troubling Rise of For-Profit Colleges in the New Economy*.

The introduction to the event, led by CCWT founder and director, Matthew T. Hora, tethered together the narratives that bridge the three seemingly distinct research areas on the symposium's agenda: (1) the coordination of internships and work-based learning at higher education institutions, (2) addressing the 'skills gap' with labor market data, and (3) the rise of for-profit colleges. Hora, as a recent co-author of *Beyond the Skills Gap: Preparing College Students for Life and Work*, described how the 'skills gap' narrative—which argues that employers are unable to find job candidates with the necessary skills—oversimplifies the role of internships and work-based learning, the labor market, and the types of institutions students attend. Yet, the 'skills gap' frame continues to shape public discourse and policymaking, prompting education researchers, career services staff, and students and faculty alike to question its use in diagnosing problems with the college-workforce transition as well as the implications for doing so. Hora called for the need for other relevant issues and factors to be brought to the discussion table, including but not limited to: co-curricular learning, institutional type and mission, employers' hiring and screening practices, workplace training, how skills are acquired, changes in the structure of the labor market, and other contextual factors such as structural and historical inequality, geography and technological changes including automation, for example.



Panel I: Challenges with Designing Ethical and Effective Internship Programs

Panelist Speakers: The first panel featured Matthew Wolfgram, Assistant Director of CCWT, and Samantha Thompson, a current graduate student in the department of Educational Leadership and Policy Analysis; Kimberly Chan, a recent graduate of Madison College; Michelle Kern Hall, Interim Director of the International Internship Program (IIP) at UW-Madison; and Gretchen Rixie, Manager of Madison College's Career and Employment Services.



Samantha Thompson presented the recent research brief from CCWT, coauthored by Hora, Wolfgram and Thompson, titled, “What do we know about the impact of internships on student outcomes? Results from a preliminary review of the scholarly and practitioner literatures.” Their review highlighted the evidence of internship benefits to students and the important design characteristics of internships. Central to this discussion were the authors’ critiques of the lack of operationalization of internships (terminological imprecision), the need for more (preferably mixed methods) research on the impacts of internships on wages, design characteristics of internship programs and student outcomes, and ethical and legal issues related to employers’ hosting of interns.

Next, Kimberly Chan recounted her experience as a returning adult student changing her occupational field and interning at Liberty Tax during her final semester at Madison College. Chan credited her post-graduation success to Madison College’s career counseling services (especially in-person and phone mock interviews), and the disability resource coordinator. Chan described her personal journey overcoming various obstacles and emphasized the importance for all students to take advantage of career counseling services (as a student as well as a graduate), to complete an internship in their degree area, and to not give up on an internship right away even if it won’t directly lead to a hire.

Michelle Kern Hall reiterated the challenges in defining an internship (describing her own professional use of the term as “workplace experiences”), dealing with student preconceptions, the differences between internships and “volunteering”, and setting expectations and defining internships across international contexts. Kern Hall also described the rise of fee-based/for-profit internship providers that aim to mitigate inadequate placements but transfer the cost to the student, as well as how valuable but unpaid internships will automatically exclude many students.

Lastly, Gretchen Rixie described the present time as “entering an era of internships” as she detailed her role in career services at Madison College and the demand for further support for internship programming. Rixie advocated for the need for internship design to be flexible. For example, Rixie described the challenges facing returning adult students who were looking to further their skills and training in a specialized area, all to drop out of the degree program due to the internship requirement (as they already were working full-time). Rixie also called for additional support structures for marginalized students including students with disabilities and first-generation college students. Rixie also cited a need to better define what an internship ‘is’ as well as the importance of contractual agreements.

Question and Answer Segment:

Q: Should we be thinking about internships as requirements for degrees?

A: **Michelle:** If so, internships need to be for-credit and the need for someone to oversee the fulfillments, requirements, challenges, contracts, liabilities, etc. makes it a difficult scaling issue.

Gretchen: It would be very expensive to do that well. Extensive advising is needed to be successful. Issues with students “jobbing out” of required internships, hence failing to obtain degree, so flexibility is needed.

Kimberly: It was helpful that during her internship she was paid at least the minimum amount required to cover the cost of her credits for her internship.

Q. Can you talk more about social capital and its role in securing internships?

A: **Gretchen:** In internships and employment in general, it is the same. Knowing the right people puts you at an advantage. Gretchen described the utility of a state affirmative action internship program.

Michelle: We need to be aware of the for-profit providers that are serving the students with a lack of social capital—so to avoid students falling into those areas we need to be conscious of scaling and how needed close advising is.

Q: Can you describe the difference between internship vs. apprenticeship?

A: **Gretchen:** Apprenticeships are much more regulated (either by unions or the field itself and individuals are paid while doing the work; the education is “kind of on the side” and limited). Apprenticeships are much more full-time with extremely limited classroom time. Internships are more structured as a complement to the classroom experience (and internships are much less structured than an apprenticeship).

Q: What is the demand/supply for older students who have plenty of work experiences? What does an internship look like for them?

A: **Gretchen:** It varies greatly for returning adult learners. It’s a great way to get connected to the field, but for others they may already be in the field and need to fulfill a job requirement for a degree.

Q: What does it look like on the employer side when a returning adult student has entered the internship market?

A: **Michelle:** Employers do tend to expect 18-22 year-olds when they are looking for interns. The university needs to play a stronger role in advocating for students out of this age range.

Panel II: A Critical Approach Toward the ‘Skills Gap’ Using Labor Market Data

Panelist Speakers: The second panel featured Matías Scaglione, policy analyst, labor economist and Associate Researcher at CCWT; Tessa Conroy, jointly appointed to the Department of Agricultural and Applied Economics at UW-Madison and the Center for Community and Economic Development with UW-Extension; Steven Deller, Professor of Agricultural and Applied Economics at UW-Madison and Interim Director of the Center for Community and Economic Development with UW-Extension; and Laura Dresser, Associate Director of the Center on Wisconsin Strategy (COWS).



Matías Scaglione introduced the second panel discussion by grounding the skills gap idea as a widely misunderstood phenomenon in the United States, as 70% of jobs require a high school degree or less. Scaglione demonstrated with a straightforward scaling measure that there are 15 qualified workers for every four jobs requiring an advanced degree and 25 qualified workers for every 21 jobs requiring a bachelor’s degree. Likewise, 44 out of every 100 bachelor’s degree graduates are employed in jobs that do not require a college education, thus emphasizing a “skills mismatch”, where a worker has more education/skills than their job requires. “We need to start talking less about a lack of skilled workers,” Scaglione added, “and more about the abundance of knowledge and skills and the shortage of jobs for these people.”

Tessa Conroy opened up her discussion by discussing the gender component of the “skills gap” narrative, namely, that over the last three generations, there has been a ‘gender reversal’ in shares of education. For today’s younger generation of workers, in terms of educational attainment, women nearly double men, prompting Tessa to ask, “Are they [women] suffering from a skills mismatch disproportionately? How does this play out in the labor market?” Conroy shared her observations that as women have become bread winners and men have lost the previously typical manufacturing-type employment opportunities, jobs in healthcare and education (referred to as “pink color jobs”) have increased. Noting

these trends, Tessa asked, “how are we serving young men and women in terms of getting trained and matching them with sectors where there will be opportunity for growth?”

Steve Deller discussed the need to look at labor shortages through the labor market, both in supply and demand. “We’ve been looking at this too much from the supply side. We need to look at it from the demand side,” Deller remarked. He further elaborated by describing two types of businesses: (1) businesses that view their employees as their most important asset; and (2) businesses that view their employees as a necessary evil. Deller argues that the “bad” businesses are the ones experiencing the shortages. On the types of businesses in Wisconsin, Deller observed that most are competing by price, asking, “how can we help businesses competing in a price-market improve their profit margin so they can increase wages [for their employees]?” A challenge to this, Deller described, is that firms that are able to pay a higher wage are seeing that wage eaten up by healthcare costs, where employees don’t necessarily “see it in their pockets.” Finally, Deller noted the issue of ‘spatial mismatch, that is, a surplus of workers in one part of the state and a shortage in another. While research previously suggested that in the past people follow jobs, now that trend has changed, where *jobs follow people*. As Deller remarked, “the ability of people to move where a job is located is plummeting.”

Finally, Laura Dresser opened her discussion by critiquing the way the “skills gap” has been defined by economists and used as a blanket statement alongside the impulse of policymakers to blame systems and workers, where education and workers just need to be better. “We need to be more specific so this conclusion isn’t drawn,” Dresser warned, adding that “you can’t talk about skills gaps without talking about wages and job quality. If I am offering jobs at \$1 and I can’t fill those jobs, that isn’t a public policy problem, it’s a quality-of-job problem.” Dresser went on to describe three reasons why manufacturers report skills shortages even though there is little wage evidence of skill shortage: (1) Manufacturers’ relative advantage over the service sector has been falling – both because manufacturing wages are down and because service sector wages are up. This means that the manufacturers are facing greater competition for workers from the service sector but they may not realize that. (2) There is less upward mobility and internal training infrastructure within firms but also in the industry – workers might once have been willing to work in one shop in order to get the experience required to get into a high wage job. But if the high wage job is gone, the incentive to connect with entry-level job has fallen as well. . And (3) Many manufacturers “put temporary agencies in the front door” and often staffing services HR specialists who are in charge of screening are simply not familiar with the structure of jobs in the factory.

Question and Answer Segment:

Q: I’m interested in the gender component of labor. What are you seeing with the role of gender and occupations?

A: **Tessa:** It’s interesting to see so many women in “care” work. We also see that more and more women enter a sector the more that the wages decrease.

Laura: It’s not the jobs in the clinics that drive healthcare. It’s the home care sector—high turnover, low pay. Public policy is keeping the pay of women’s work down, especially in-home health care.

Tessa: Consider that we don’t invest in childcare until a child is five. If you increase childcare availability, women go to work. You also see it in women who have young children and live near their mothers or mother-in-laws—they don’t quit their jobs.

Steve: Think about it this way also—if my mother or mother-in-law is my childcare, I can’t pick up and move for a job, hence going back to the spatial issue. “If policy can’t fit into a tweet, it’s too complex. We fall into this trap of trying to find very simple solutions to very complex problems.”

Q: Is the “soft” skills gap true? Do young people today have soft skills?

A: **Laura:** Soft skills are in response to conditions. Soft skills do not exist independently to the quality of the job. They’re not given in a person; they are an interaction between the employee and the quality of the job.

Q: Can you talk about the relationship between universities, skill gap(s), and the market?

A: **Steve:** It depends on the industry. Different industries look at different skillsets. Based on a study in Illinois from years ago, employers stated that they wanted “good people” with all those soft skills and that they’d get their training in the workplace. But now if I’m looking for someone to run the sandwich assembly line at a fast-food restaurant, I just want you to show up on time. “The problem is that we are grouping all of these industries together.”

Tessa: We do a disservice to our students by simply encouraging them to “follow their passions”, etc. That’s fine, but we also need to be discussing the ways we educate students and their personal finances and their most marketable skills. This isn’t to discredit a liberal arts education.

Matías: The British call soft-skills “attitudes.” Most of the skills gap issues are actually related to attitudes. Internships are important because you are being socialized into the workforce.

Q: Can you discuss skills and employment as related to income distribution?

A: **Steve:** Income distribution and poverty is getting worse. And there is growth in jobs where you don’t even need a high school degree—lower-skills and no-skills jobs. Do we want to be promoting these types of jobs as the economic goals of this state? Or shift over to the other side? Right now the political discourse is trying to keep those lower income folks happy.

Keynote: Lower Ed – The Troubling Rise of For-Profit Colleges in the New Economy

Keynote Speaker: Tressie McMillan Cottom is an Assistant Professor of sociology at Virginia Commonwealth University and Faculty Associate with Harvard University’s Berkman Klein Center for Internet & Society. Her research on higher education, work and technological change in the new economy has been supported by the The Kresge Foundation, the American Educational Research Association, Microsoft Research Network’s Social Media Collective, and the UC Davis Center for Poverty Research. She has published on race/class/gender, education, and technology in the new economy. The New York Times called *Lower Ed* the “best book yet on the complex lives and choices of for-profit college students”.



Tressie introduced her lecture by describing the process and her interests that led to publishing her book, which she described as a “combination of experience and empirical work.” Derived from her dissertation, *Lower Ed* was a result of her interest in the social process in what had resulted in the high-risk credential in the economy. As the “new economy” emerged in the 1990s, a new set of economic conditions entered the labor market, which were confronted by the idea of the “skills gap.” What was the skills gap and what was embedded in it? “It really sort of washes over social and political processes,” Tressie stated, adding, “it was a political problem dressed up as a technical problem.” What happens when a sociopolitical process becomes labeled as a technical problem?

Tressie then presented a Venn diagram depicting her framing of her work—between Rational Choice Theories, Neo-Institutionalism, and Credentialing. Questions guiding her research included, Why for-profit colleges? Why did this expansion happen in the market versus public higher education? What was the enrollment process at for-profit colleges like?

To begin to address these questions, Tressie recounted her experience enrolling in nine separate for-profit institutions, also a step toward better understanding how for-profit college executives were viewing their role in addressing the skills gap.

Tressie illustrated that the for-profit sector disproportionately serves older students, women, African-Americans, Hispanics, and those with low incomes. Women make up 71% of for-profit enrollees—signaling a relationship between how we credential and label within the labor market. According to one for-profit college executive, their institution was “the college for baby mamas.”

“You can’t close the skills gap without credentializing these populations,” Tressie explained, “but these populations are disproportionately being credentialed by for-profits.” Troubled by this, Tressie embarked on *Lower Ed*, which focuses on how structural changes in the way we work, combined with unequal access to “good” jobs, and the risk shift of job training creates a credentialing system exclusively for profit. “This is about ‘who is going to pay for that.’”

Tressie elaborated that for-profit colleges are a negative social insurance program. In this view, a negative social insurance program is where “we share the risk but there’s not benefit from it”—a market-based response to predictable social changes.

McMillan Cottom pinpointed the Personal Responsibility and Work Opportunity Act (1996) as an important opportunity for for-profits. The Act as a major welfare reform, colloquially known as the “Welfare to Work Act”, required individuals either be working or participating in an educational occupational training program. Specifically, the Act did not allow admittance into a degree program—only a credential program. Thus for women who were concerned about remaining eligible for child care rates, for example, a quick solution was to enroll in a for-profit credentialing program.

Noting that the for-profit executives knew their credentializing was in direct response to job insecurity, Tressie recalled one executive stating, “We’re competing with the military and the labor market.” Noting this juxtaposition of the value of education and the process of its attainment, McMillan Cottom said, “students are trapped between the educational gospel and how ‘who they are’ constrains their ability to go to college forever, as the labor market demands,” adding, “we must go to college forever to remain viable workers, even as public financing declines and private employers do not subsidize training or education.”

“It’s really about the social function that for-profit colleges are serving,” Tressie stated. How will we pay for the higher education that the new economy demands?

Question and Answer Segment:

In the question and answer segment of her talk, Tressie talked at length about what non-profit institutions can learn in response to the for-profit sector. When an attendee asked what made for a good for-profit college, Tressie responded that “A good for-profit is a public college”, noting that it is ultimately the pursuit of profit that allows for-profit colleges to spend money in ways that the not-for-profit sector cannot.

Tressie emphasized a strong recommendation for not-for-profit higher education institutions: that becoming a student, or becoming officially affiliated with the institution needs to happen as soon as possible. “We need to shift resources to the front”, McMillan Cottom exclaimed, to help new students and potential students. Given the social benefits allowed for students, and the social role that public higher education institutions have traditionally played, McMillan Cottom reflected that “Every day of delay is a day where something can throw off my plans.”



**Wisconsin Center for
Education Research**
UNIVERSITY OF WISCONSIN-MADISON

The mission of The Center for Research on College-Workforce Transitions (CCWT) is to conduct and support research, critical policy analysis, and public dialogue on student experiences with the transition from college to the workforce in order to inform policies, programs, and practices that promote academic and career success for all learners.

Center for Research on College to Workforce Transitions (CCWT)

1025 West Johnson Street, Madison, WI 53706

For more information contact Center Director Matthew T. Hora (hora@wisc.edu)

ccwt.wceruw.org