

# THE EXTRA POINT

BY JERRY ROBERTS



## # 1073 College Degrees and the New Job Market

No degree, no problem? Research shows that employers are shifting in greater numbers to a focus on skills, rather than college experience and a degree. What does it mean for job seekers now and at least in the next 5-10 years? I'm Jerry Roberts, and let's dig into this topic, next on The Extra Point.

Skills vs. college, and where are we going from here? An independent nonprofit research center, The Burning Glass Institute, has analyzed millions of online job listings over several years, and their findings have raised eyebrows.

Five years ago, the institute reported that 51% of job listings required at least a bachelor's degree. By last year, that share had declined to 44%, and likely is continuing to fall.

So why are employers resetting requirements in many middle-skilled and even some higher-skill positions? Was it Covid that brought this on? While it's a factor and certainly accelerated the process, this trend pre-dates the pandemic. This would indicate that these resets were intentional, and planned in advance.

I have an opinion as to the "why" and how it spurred the changes in job requirements. I believe Generation Z members, particularly those in high school or recently graduated, have been paying attention to the struggles endured by their older siblings, in trying to pay off massive college-related debt.

The Biden Administration has talked about canceling college loans, and has done so for 700,000 borrowers to the tune of \$17 billion. However, during his presidential campaign, the Democrats were pushing the eventual president to cancel \$50,000 per borrower, and there are 43 million of those. That would set the economy back \$2.2 trillion, and there's not a serious economist drawing breath who thinks that is a good idea.

Unless Gen Z students get a full scholarship or significant financial aid that doesn't have to be repaid, it's got to be frightening to see that they could be facing up to \$200,000 or more in debt four years later, when they earn their degree.

Let's talk options. Instead of traditional college, students could take specialized training, often six months to a year in length, that prepares them for a specific position. This training is often subsidized by employers. Upon completing a course or set of courses, the student is hired at attractive salaries, and carries little to no debt with them.

Another option is a "gap year", where the student enrolls in a program that is a combination of training, interning, and networking. At the end of the year, there are job opportunities for those who want to get into the workforce, or they might opt to attend college.

The gap year gives the student time to make the best decision. The costs I've seen range from \$15,000 to \$30,000 for the year. That's not an insignificant amount, but often cheaper than the first year of college.

I have a family member who is an HR manager in California, and she mentioned that some kids come out of those specialized programs or gap regimens, and get snapped up by companies with starting salaries of \$100,000 or more — and that's to start.

Gap year programs and specialized training moves young people closer to employment faster, and that's good for HR departments that need to bring in talent.

(Con't.)

What does this mean for us? For one, if we have family members off-island, they could find themselves making very good money pretty quickly, even without a degree, and without long-term debt.

For people who seek opportunity in Guam, we can use a similar model. We can re-evaluate jobs to see if a degree really is necessary. Are there alternatives? Can we prepare kids to be effective contributors, without spending four years in college? It's a legitimate question and we need to answer it.

And let's be clear, this is not an attack on colleges. They have their place and always will. That said, they will also have to evaluate their position in the market, and remain relevant at a price point people can afford.

Maybe they'll opt to develop more shorter programs — that specialized training I've referred to.

There's no question that the entire employment picture, how we set requirements for jobs, and how we train people for them, is set for major change. Buckle up.

That's the Extra Point. Be responsible and make something good happen today. For 93.3 and the Ray Gibson Show, I'm Jerry Roberts.

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