

TESTIMONY | Center for the American Worker

REMOVING DEGREE REQUIREMENTS FROM PUBLIC SECTOR JOBS (NE LB1018)

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To the Nebraska Committee on Government, Military, and Veterans Affairs:

Thank you for the opportunity to submit testimony on the benefits of hiring based on a job applicant's skills rather than requiring a college degree. Skills-based hiring pushes back on unnecessary degree inflation, expands access to job opportunities, and better aligns with modern workforce needs. Public sector employers should fully embrace this practice.

Degree inflation—adding educational requirements to jobs that were previously open to any applicants with the necessary skills—has undermined labor productivity, delayed workers' entrance into the workforce, and saddled millions of Americans with student loan debt. The cost of college has far outpaced inflation, and in too many cases, college graduates do not earn a salary that makes what can be a six-figure investment worthwhile. Hiring for skills instead of degrees incentivizes students to pursue training programs and opportunities that actually equip them with the ability to succeed in the workplace.

Skills-based hiring also expands access to job opportunities. Six out of 10 Americans over the age of 25 do not hold a bachelor's degree. That does not mean that these individuals—who disproportionately come from rural communities, economically depressed areas, and minority populations—are unqualified. On the contrary, they are often highly qualified by alternative means, including apprenticeships, self-directed learning, military service, or years of experience in a related role.

Finally, skills-based hiring better aligns with modern workforce needs. Technological advancements continue to reshape entire industries, and four-year degree programs simply cannot keep up with many employers' needs. On-the-job education and short-term, competency-based credentials are often more efficient and effective ways to ensure that workers have the skills employers need—no bachelor's degree required.

When I served as chief of policy to Governor Kristi Noem in South Dakota, we implemented an executive order removing degree requirements from most state jobs. At least 18 other states have passed similar measures, some via executive order and some via legislation. The private sector has adopted similar initiatives—companies like Walmart, Accenture, and IBM now <u>prioritize</u> skills-based recruitment strategies instead of focusing on or requiring college credentials.

Research shows that firms that hire workers based on skills are just as successful as their counterparts, if not more so. McKinsey & Company concluded that "hiring for skills is five times more predictive of job performance than hiring for education." Harvard Business School found that employers rank their employees without college degrees as performing their jobs just as well as those with college degrees.

The modern workforce requires a modern approach to hiring. College degree requirements are often unnecessary and outdated and prevent capable workers from taking jobs in which they would thrive. Hiring based on skills is an America First policy that empowers workers.

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