



Rationale for Making Career Readiness the Top Priority of American Education

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As documented below, there is ample evidence that career development is an urgent issue that requires much higher priority and bolder attention within U.S. education system than it has received in the past.

To help implement career development as the first goal of American education, the U.S. needs to require all students to have a personalized career pathway plan by Grade 9 assisted by a new cohort of a National Career Development Association (NCDA)-credentialed Career Development Advisor (CDA) in every high school and a NCDA-credentialed Career Development Coordinator (CDC) in every county and state capital.

If those measures are implemented, they will contribute to substantial savings to students, added tax revenue, and reductions in college debt. Examples of those savings are offered below. As shown at the conclusion of this paper, these examples alone would have an economic benefit of nearly \$1 trillion annually. With a cost of \$2.4 billion annually to fully deploy CDAs and CDCs, the ROI on that investment would be 388:1.

Lack of Student Preparation for the Workforce

- Student do not feel adequately prepared
 - 58% say their time at school "should adequately prepare" them for the workforce
 - 35% say "college was effective" in preparing them for a job
 - 20% feel "very prepared" for the workforce
- Students seeking assistance
 - 67% want more internships and professional experience
 - 61% want classes designed to help build career skills
 - 58% want more time to focus on career preparation¹

Low Full-time Employment Rates for Young Adults

- 2014 employment rates young adults (20-24): 69.4% full-time, down from 77.4% in 2000ⁱ
- 2013 employment rates for young adults (25-34): Overall, 65% were employed full-timeⁱⁱ

SAVINGS EXAMPLE: *If the full-time employment rate for young adults (20-24) increased from 70% to 85%, their added income would be \$55 billion and added tax revenue would be \$11 billion.*

Skills Gap

- About 3.6 million jobs are left unfilled due to a lack of relevant knowledge and skills in the workforceⁱⁱⁱ

Less time in jobs and Frequent Job Changes, due Partly to Pool Alignment between Student Interest and Available Jobs

- Average worker: 4.4 years in each job^{iv}
- Young adults: 2.2 years in each job^v
- Misalignment between student career interests and available high-demand jobs: Only 40% of ACT-tested high school grads interested in the five fastest-growing career fields.^{vi}

Scarcity of Effective Career Counseling

- Only 3%: Asked to rank 12 influences on their future career pathways, 23,000 high students: 64% selected "Own interests/Experiences," while only 3% selected "Counselors."^{vii}
- The current average student/guidance counselor ratio in the U.S. is 479 to 1 rather than the recommended 250 to 1^{viii}
- Counselors spend 48% of their time on college placement and 35 percent on high school achievement^{ix}
- "Finding and keeping a job is an important skill *for which there is little in the form of formal structured preparation.*"²

Student Disengagement

- Many students do not see the purpose of learning and lose interest
- 76% of elementary students are engaged
- Just 44% in high school are engaged³

High Dropout and Prolonged Graduation Rates

- High school 4-year "on-time" graduation rates: 80% (2011-12)^x
- Six-year completion rate for bachelor's degrees: 59% of first-time, full-time students^{xi}
- Three-year completion rate for associate degrees: 29% of first-time, full-time students^{xii}
- The U.S. has the highest college dropout rate in the world^{xiii}

SAVINGS EXAMPLE: *Increasing the national high school graduation rate to 90 percent would boost annual home and auto sales as much as \$16.8 billion and \$877 million and federal and state tax revenues by as much as \$1.3 billion and \$661 million, respectively.*^{xiv}

SAVINGS EXAMPLE: *Each extra year of college beyond four years for B.A. or 2 years for A.A. costs students an average of \$19,000 in college costs and \$40,000 in lost income, i.e. \$60,000 per year. If half of the 20 million students enrolled in college saved that amount, the national savings per year would be \$600 billion and added tax revenue would be \$120 billion.*

² "America's Young Adults," American Institutes for Research 2014

³ Global Pathways Institute, 2016

Soaring College Costs

- College loan debt has ballooned from \$844 million in 2010 to \$1.3 trillion in 2015^{xv}
- Average Class of 2016 graduate has \$37,172 in student loan debt, up six percent from last year.⁴
- \$20,234: Average annual total tuition fees, room and board for full-time undergraduate students in degree-granting institutions^{xvi}

SAVINGS EXAMPLE: *If half of the 20 million students enrolled in college completed their BA in four Years and AA in two, at an average of \$6,116 in college debt accumulation per year, their combined college debt would be reduced by some \$102 billion annually.*

Substantial Economic Costs

- More than 1 million students every year fail to graduate from high school with their peers.
- Opportunity youth (Neither in school not working): Aggregate taxpayer burden of opportunity youth is \$1.56 trillion, aggregate social burden is \$4.75 trillion.^{xvii}

SAVINGS EXAMPLE: *There are about 3,570,000 opportunity youth. If 50% of them were employed at the average full-time wage (\$17,460) for young adults (20-24), the gain in income would be \$31 billion with added tax revenues of 6.2 billion.*

TOTAL SAVINGS FROM JUST THESE EXAMPLES:

\$693 billion in added income
\$137 billion in added revenue
\$102 in reduced college debt

Overall economic benefit: \$932 billion annually

COST

One new NCDA-certified Career Development Advisor in Every U.S. High School - \$2 billion
One new NCDA-certified Career Development Coordinator in Every County and capital - \$400 million

TOTAL Cost: \$2.4 billion

ROI: \$927 billion divided by \$2.4 = 388:1

MSSC is a nationwide industry-led 501(c)(3) non-profit training and certification body for the front-line workforce in advanced manufacturing and logistics. See www.msscusa.org for details.

⁴ National Student Loan Debt System 2016

FOOTNOTE REFERENCES

- ⁱ Workforce Readiness Survey of nearly 1000 college students by Hanover Research, McGraw-Hill 2015
 - ⁱⁱ "The Condition of Education: Annual Report 2015," National Center for Education Statistics, U.S. Department of Education
 - ⁱⁱ NCES, op. cit.
 - ⁱⁱⁱ *Pathways to Prosperity*, Harvard Graduate School of Education, Cambridge, 2011
 - ^{iv} "Occupational Outlook Handbook 2015", " Bureau of Labor Statistics, U.S. Department of Labor
 - ^v BLS, op. cit.
 - ^{vi} "Issues in College Success," ACT, Iowa, 2009
 - ^{vii} "Attracting the Next Generation Workforce," Manufacturing Institute/SkillsUSA/Educational Research Center of America, 2015, Washington DC, p. 3
 - ^{viii} "ASCA National Model," American School Counselor Association, <http://www.ascanationalmodel.org/>
 - ^{ix} "Higher Education: Gaps in Access and Persistence Study," NCES, 2012
 - ^x Trends in High School Dropout Rates, Compendium 2015, NCES
 - ^{xi} NCES, op. cit.
 - ^{xii} NCES, op.cit.
 - ^{xiii} NCES/IPEDS 2014
 - ^{xiv} Alliance for Excellent Education, 2015. www.all4ed.org
 - ^{xv} "The Growth in Student Debt," Pew Research Center, 2015
 - ^{xvi} NCES, Trends in High School Dropout Rates, Compendium 2015
 - ^{xvii} "The Economic Value of Opportunity Youth," Corporation for National & Community Service and White House Council for Community Solutions, p. 2, Washington DC, 2012
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