

Middle-Skills Credential Supply Greatly Misaligned with Projected Job Demand in Most US Labor Markets

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(Washington, DC, May 29, 2024) For US labor markets to operate at peak potential, the skills of a local area’s workforce must align with the needs of its industries. Yet in most US labor markets, the supply of middle-skills credentials is greatly misaligned with the projected job demand. As the latest report from the Georgetown University Center on Education and the Workforce (CEW) demonstrates, in half of local labor markets nationwide, at least 50% of all middle-skills credentials would need to be granted in different fields of study to fully align middle-skills credential production and projected labor demand through 2031.

The Great Misalignment: Addressing the Mismatch between the Supply of Certificates and Associate’s Degrees and the Future Demand for Workers in 565 US Labor Markets examines the extent to which middle-skills providers are awarding credentials in fields that align with local workforce needs. As of 2020–21, there were almost 4,800 middle-skills providers nationwide, spread unevenly across the 565 local labor markets described in the report. These providers, primarily community colleges, often explicitly design their programs to serve local workforce needs, but pressure to meet these needs continues to grow.

“Middle-skills workers are vital to the American economy and to their local communities, and we need to do a better job of ensuring that middle-skills providers are meeting the needs of their local labor markets,” said Jeff Strohl, lead author and CEW’s director. “Roughly 30% of annual job openings through 2031 will go to workers with an associate’s degree, a certificate, or some college credit but no degree. But the current distribution of certificates and associate’s degrees across programs of study differs significantly from the expected distribution of job openings for middle-skills workers.”

One major factor contributing to misalignment is the large proportion of credentials that have little or no direct connection to a specific occupation. More than 25% of all middle-skills credentials are granted in programs with no direct occupational match, including programs in liberal arts, general studies, and humanities. People may pursue these credentials for reasons other than workforce preparation, such as anticipated transfer to a four-year institution.

Higher levels of misalignment at the local level are also associated with fewer middle-skills providers operating in a geographic area. Overall, urban areas have stronger credentials-to-jobs alignment than rural areas because the larger number of providers in urban areas can award a more diverse mix of middle-skills credentials. On average, very rural labor markets are served by two providers offering middle-skills programs, compared with an average of 26 providers in very urban labor markets. CEW researchers identified two possible reasons for stronger alignment in labor markets with more providers: direct competition and complementarity.

“Our analysis indicates that complementarity plays a bigger role than direct competition in improving credentials-to-jobs alignment. We find stronger alignment at the community level than at the institution level, which suggests that institutions with different but complementary strengths are working together to address the labor market’s needs,” said Zack Mabel, report co-author and director of research at CEW.

Credentials-to-jobs alignment is also strongest when middle-skills education and training are delivered by a mix of institutions primarily conferring certificates, associate’s degrees, or bachelor’s degrees. Urban areas are more likely than rural areas to have enough providers to achieve a strong institutional mix, even within the same state. In Michigan, for example, the difference in credentials-to-jobs alignment is stark between the Detroit metro area and the sparsely populated Charlevoix, Cheboygan, and Emmet Counties. To achieve perfect alignment with future occupational demand in the area, the 51 institutions in and around Detroit would need to collectively redistribute 44% of the certificates and associate’s degrees granted across programs of study. In contrast, North Central Michigan College, the lone provider for Charlevoix, Cheboygan, and Emmet Counties, would need to redistribute almost two-thirds (65%) of its middle-skills credentials.

While urban areas experience stronger credentials-to-jobs alignment overall, there is substantial variation in alignment among urban areas. For example, the level of credentials-to-jobs misalignment is more than 70% higher in Los Angeles than in Atlanta. Part of this disparity can be attributed to the share of credentials conferred in each labor market in programs with no occupational match, which is twice as high in Los Angeles (36%) as in Atlanta (18%).

Geography also plays a significant role in racial/ethnic gaps in access to middle-skills providers and in credentials-to-jobs alignment. American Indian/Alaska Native adults are four times as likely as working-age adults in other racial/ethnic groups to live in an area with no middle-skills service provider, and living on tribal lands explains only some of this difference. However, 71% of American Indian/Alaska Native adults who do have access to local providers reside in communities with relatively strong alignment. Nearly 75% of Black/African American adults live in communities with relatively strong credentials-to-jobs alignment, the highest proportion of any racial/ethnic group. In contrast, only 58% of Hispanic/Latino adults live in communities with high levels of alignment. This proportion is significantly lower than that of all other racial/ethnic groups.

The report concludes with policy recommendations to help middle-skills providers respond to the needs of their students and local economies. These recommendations include strengthening coordination and cooperation across local providers, improving data practices so efforts to boost credentials-to-jobs alignment are well-informed, investing in counseling and programmatic efforts that improve pathways to careers, and improving career preparation and transfer pathways to bachelor’s degree programs in fields with no direct occupational match.

To view the full report and an online searchable tool to assess your local labor market’s credentials-to-jobs alignment, visit: <https://cew.georgetown.edu/greatmisalignment>.

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