



# INVESTING IN A SKILLED AND EDUCATED WORKFORCE

Win-Win Solutions for America's Talent Crisis



LOS ANGELES AREA  
CHAMBER OF COMMERCE



# ABOUT THE REPORT



## THE SITUATION

In today's fast-paced, ever-changing and global economy, a skilled workforce that can move and grow with business is essential to a thriving national economy.

Many companies are investing in the training and development of their employees by offering support for postsecondary education. Tuition assistance, college or career counseling, flexible hours, telecommuting practices and scholarships are examples of benefits that companies offer today. Companies understand these programs help attract qualified talent, retain actively engaged employees, improve efficiency and increase their competitive advantage.

The reality, however, is that while employees want more training and degrees, they often do not take advantage of incentives offered by employers. Barriers for employee participation include: insufficient funds to pay upfront costs; not enough time to invest in additional education; a lack of overall guidance and support from supervisors; and a lack of understanding how educational attainment affects their careers.

## THE OPPORTUNITY

Leaders in business, education and government are convening in local and national communities to address employee challenges in postsecondary degree attainment. These groups have prioritized collaboration between industry and schools, development of apprenticeships and increased investment in employee skills development. These collaborations can identify and address workforce skills needed by business and speed the process for the development of new certifications and degrees.

Furthermore, high growth in industries that require highly trained or specially skilled workers — including health care, information technology, insurance, financial services and biotechnology — is driving increased demand for postsecondary education.

We often get feedback from our business partners, particularly those in the health care, hospitality and technology sectors, that the shortage of skilled employees impacts their efficiency and inevitably their customer satisfaction.

**Gary Toebben**  
President and CEO  
Los Angeles Area Chamber of Commerce

## OUR REPORT

This report explores current trends in business policies and practices that can facilitate employees' attainment of postsecondary credentials and degrees, with the aim of preparing workers to succeed in today's global economy. The Los Angeles Area Chamber of Commerce and UNITE-LA conducted research and prepared this report with funding and support from Lumina Foundation. UNITE-LA is the L.A. Area Chamber affiliate that works to address workforce development policies and programs that support postsecondary education.

As a result of this research, the White House National Economic Council invited the L.A. Area Chamber to partner with them in support of UpSkill America, an initiative President Obama launched during his 2015 State of the Union address, calling on American businesses to invest in training and skill development for our country's frontline workers.



Lumina Foundation is an independent, private foundation committed to increasing the proportion of Americans with high-quality degrees, certificates and other credentials to 60 percent by 2025. Lumina's outcomes-based approach focuses on helping to design and build an accessible, responsive and accountable higher education system while fostering a national sense of urgency for action to achieve Goal 2025. For more information on Lumina, visit: [www.luminafoundation.org](http://www.luminafoundation.org).

## KEY FINDINGS

- Increased alignment between businesses and educational institutions is critical to the goal of increasing postsecondary education attainment.
- C-Suite executives, specifically CEOs, do not commonly drive postsecondary education practices. Usually these practices come from a functional area within human resources (e.g., benefits, learning and development or overall talent management). However, these leaders need to be more engaged to increase opportunities and provide solutions.
- Emerging and adapting industries have high demand for certifications and degrees (e.g., health care, information technology, financial services and biotechnology).
- Community colleges are playing an increasingly important role in providing valuable partnership opportunities for businesses. They appear flexible, highly motivated and willing to actively recruit adult learners.
- Advisory councils and other emerging models of collaboration between business and education can collect workforce development information, identify current skill gaps and develop emerging career pathways.
- Employees are not taking full advantage of current tuition assistance programs. Specific barriers to participation include:
  - 1) Insufficient money to pay upfront costs for school
  - 2) Fear of returning to school
  - 3) Lack of awareness regarding the need for degrees and certifications
  - 4) Not understanding a link between education, their career goals and promotional opportunities
  - 5) Lack of managerial support
  - 6) Competing life demands (e.g., children, parents, household, illnesses)

## THE WAY FORWARD

How do we achieve a win-win for employees and businesses?

### 1. Demonstration of the financial benefits

Businesses must understand that they can benefit financially from a more educated workforce through increased strategic business capabilities, enhanced leadership and talent pipelines and increased employee loyalty. More specifically, C-Suite executives should understand the return on investment (ROI) of employer-sponsored postsecondary education programs.

### 2. Collaboration between businesses and educational institutions

By working together, businesses and educational institutions can ensure that education is relevant and meets ever-changing business needs. To meet employee needs and promote employee advancement, educational offerings must be affordable, accessible and flexible.

### 3. Political advocacy

Advocacy work is needed to influence the status of federal and state policies on tuition assistance, educational grants, loan forgiveness, tax policies and other policy incentives.

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## HAPPENING NOW

Because of Lumina's leadership on this issue, Accenture is developing a ROI formula that calculates the cost and financial returns of existing programs to help organizations measure productivity and profitability. The Chamber will test this formula with participating business partners.

The only way the United States can meet its growing need for talent is to significantly increase America's attainment of high-quality, college-level credentials. It's the only way we can prepare for lasting success in the workplace and in life.

**Jamie P. Merisotis**  
President and CEO  
Lumina Foundation





# RECOMMENDATIONS

## FOR EMPLOYERS

- Increase involvement and communication with employees to support their career planning and connect to the skill needs of the company.
- Develop partnerships with educational institutions to align instructional offerings to minimize skill gaps.
- Examine tuition assistance programs to evaluate:
  - 1) Impact on individual and organizational performance
  - 2) Return on investment and value to the company
  - 3) Demographic utilization of educational attainment programs
- Advocate for the increase of corporate tax incentives. Join advocacy efforts to expand the tax benefits for increased tuition reimbursement.
- Implement practices or join initiatives that can reduce the cost of education for employees.
- Help ensure management support employees' pursuit of education.
- Examine the benefits to your company and employees by participation in the UpSkill America Initiative (funding is available for apprenticeships and other training efforts). Learn more at: [UpSkillAmerica.org](https://www.upskillamerica.org).

Our company is only as good as our employees and it's important that we invest in their growth and development.



**Dan Beckerman**  
President and CEO  
Anschutz Entertainment Group (AEG)

## FOR EDUCATIONAL INSTITUTIONS

- Develop the internal commitment and capability to deliver nimble, responsive and relevant curriculum to address the evolving needs of business industries.
- Develop business advisory councils of local industries and/or leverage existing initiatives.
- Strengthen curriculum in areas that businesses value. Businesses have indicated a need for employees with stronger foundational skills (e.g., communication, presentations, interviewing, interpersonal engagement, critical thinking, conflict resolution, problem solving, and decision-making).
- Negotiate with companies to evaluate their training programs for earned college credit.
- Offer flexible degree programs that provide incremental credentials, also known as “stackable credentials” in the education community.
- Work with businesses to understand the barriers encountered by employees who want to attain a postsecondary degree or credential. Help provide solutions that benefit prospective student employees, their companies and the school.
- Offer more virtual programs that address the demand for online degrees.



For a full copy of the research report, please visit [lachamber.com](https://www.lachamber.com).