

— TOP TAKEAWAYS —

Fighting Degree Inflation

THE U.S. ECONOMY IS SUFFERING FROM A SEVERE WORKER SHORTAGE

- Currently, millions of people are unemployed despite millions of open positions. The labor force participation rate stands below pre-pandemic and pre-Great Recession levels.
- Worker shortages exist across nearly all industries, regardless of skill level. Occupations and industries requiring specialized skills and training are dealing with more severe labor shortages.
- Millions of non-college-educated people could be gainfully employed in upwardly mobile careers, but degree requirements stand in their way. Many could obtain desired skills without ever stepping onto a college campus.

DEGREE INFLATION HAS ACCELERATED OVER THE PAST DECADE

- “Degree inflation” refers to when employers seek a bachelor’s degree as minimum education for positions that previously required less education. The actual skills and expectations of the job have not materially changed.
- Degree requirements operate as a filter to reduce the pool of applicants for a position and a **proxy** for certain hard and soft skills such as critical thinking, teamwork, and communication through writing.
- A bachelor’s degree joins other forms of credentialing, such as occupational licenses, in creating a significant barrier to opportunity for many people.

EMPLOYERS CAN FIGHT DEGREE INFLATION

- A college diploma does not guarantee higher productivity; relevant experience can be more valuable. Increasingly private and some public employers are removing diploma requirements for different jobs.
- In lieu of degree requirements, employers should audit their hiring process, look for talent in non-traditional places, and groom talent in-house.
- Combating degree inflation can reverse shrinking labor force participation, boost productivity in the public and private sectors, and expand middle-class opportunities to people who are excluded from pathways to upward mobility.

Click [HERE](#) to read the policy focus and learn more about degree inflation in the U.S.