Helping Job Seekers Connect with Employers
How State Policymakers Can Support Competency-Based Approaches
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Competencies are the knowledge, skills, and abilities needed for particular jobs.

Competency-based approaches in postsecondary education can include ways to
1. adapt curriculum so that it delivers and measures in-demand competencies, and/or
2. improve the signaling of competencies to employers.

State policymakers can encourage the adoption of competency-based approaches by signaling the importance of labor-market outcomes, introducing proficiency-based education in K–12 schools, adopting enhanced quality standards, and building the evidence base.

State policymakers can also support education and training providers exploring competency-based approaches by cultivating communities of practice, analyzing and disseminating information on local labor markets, and helping identify and fund data systems to track and communicate competencies.

Credentials, such as college degrees, certificates, and professional licenses or certifications, are supposed to help job seekers signal what skills they bring to the workforce. But this signaling functioned better decades ago, when credentialing was simpler, fewer people went to college, and workers changed jobs less often.

Now, with some 738,000 unique credentials in the US, employers are having a harder time understanding the value and meaning of each credential and whether the person who holds it is right for the job. Students also need a better way to communicate what they have learned in terms that employers value and recognize, especially if they do not complete their degree.

One solution gaining ground is using competencies rather than credentials as “currency” in the labor market. Competencies are the knowledge, skills, and abilities students gain from their education, training, and experience and that employers need for particular jobs. Focusing on competencies clarifies the link between education and work. And students who do not graduate or who do not want to be pigeonholed by their degrees can still get value out of their coursework by communicating their competencies rather than their credentials.

STATE POLICYMAKERS CAN TAKE

Moving toward a competency-based system is not easy, and state policymakers can play a particularly important role in creating an environment where postsecondary education and training providers have the support, flexibility, and resources to explore competency-based learning. This could be accomplished through legislation, regulatory changes, policy guidance, or programmatic support.

Based on interviews with more than 20 experts who are pioneering competency-based approaches, we identified steps that state policymakers can take to support their spread.

1. Signal the importance of labor-market outcomes. Although many training programs track their students’ labor-market outcomes (such as job placements and earnings), colleges have been more traditionally focused on completion and degree attainment, meaning that curricula and transcripts might not be designed with job requirements (and thus competencies) in mind. States could encourage a shift in thinking by better using data on earnings, student debt, job placements, and other such metrics to make decisions. For example, states can review data from the
federal College Scorecard or their own longitudinal education and workforce databases. Policymakers could use these data to inform decisions about funding formulas and priorities and could make data on labor-market outcomes more easily and publicly accessible.

2. Emphasize competencies for postsecondary education and employers. Policymakers can craft legislation that (1) encourages colleges and universities to be more transparent about the competencies their programs impart and the labor-market outcomes they achieve and (2) incentivizes skills-based hiring approaches among employers. States can also provide targeted financial support to education providers to develop and test competency-based practices.

3. Start in K–12 districts and schools. Proficiency-based education in K–12 districts and schools introduces a competency-based approach early on, ensuring students move ahead by demonstrating their knowledge and skills rather than by having spent a certain amount of time in a seat. This approach can smooth the transitions to postsecondary and workforce success after high school.

4. Adopt competency-based education quality standards. The Competency-Based Education Network has developed a framework to evaluate competency-based education programs. States can apply this framework not only in their assessments of competency-based education programs but also to other academic and career and technical education programs.

5. Build evidence on competency-based approaches. Perhaps the clearest way to make a strong case for competency-based approaches is to demonstrate its comparative advantage in achieving student outcomes such as persistence, completion, job placement, and earnings. States can set aside money for evaluation to ensure that institutions can measure their early efforts and build an evidence base.

6. Support communities of practice. State governments can convene faculty and staff from postsecondary education and training providers to identify shared challenges and eliminate policy barriers to implementing competency-based approaches. States can also provide resources to support statewide communities of practice.

7. Analyze local labor markets. Education and training providers may not know which jobs are in demand in local labor markets, how competencies map to the credentials they offer, and what competencies job seekers need to obtain in-demand jobs. States can negotiate access to proprietary job-listing data (such as from Burning Glass or Indeed) that can provide valuable insights into these questions and lower the cost for education and training providers that want to use these data. States can also perform local labor-market analyses and provide them to education and training providers.

8. Increase capacity of education and training providers. Postsecondary education and training providers face many practical and technical challenges to tracking and communicating competencies. States can help education and training providers by identifying data solutions and negotiating cheaper contracts or rates that could lower costs for individual providers.

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**ADDITIONAL READING**

This fact sheet draws from the Urban Institute brief “Better Connecting Students to Jobs: A Guide for Policymakers to Encourage and Support Integrating Competencies in Postsecondary Education and Training.”

https://urbn.is/2TG6Ddq

Also, check out the US Department of Education’s College Score Card for data on earnings and debt by program and institution:

https://collegescorecard.ed.gov/