

# REDUCING THE SKILLED LABOR SHORTAGE:

Funding Online Adult Education  
Focused on High School Completion  
and Career Readiness



# Executive Summary

As the labor shortage wreaks havoc on the American economy and global supply chain, businesses and government agencies are focusing on upskilling existing workers to address the shortage of skilled workers. While skills training is imperative to maintain the current workforce, it only addresses part of the problem. With 11.3 million more jobs available in the United States than there are workers to fill them<sup>1</sup>, maintaining the current workforce does not address the larger problem: that there are simply too few workers to meet employers' needs.

To increase the size of the American skilled workforce, lawmakers at all levels, as well as private enterprise, need only recognize the untapped potential of the approximately 30 million U.S. adults (25 and older) who do not have a high school diploma and are therefore not eligible for entry-level positions in many sectors in need of workers. By funding free online, adult high school education—offered concurrently with career readiness and occupational skills in areas such as manufacturing, childcare, retail, or hospitality—Congress can build a pipeline of adult workers to hard-hit industries.

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# Problem

## America's Labor Shortage

Two years have passed since COVID-19 first disrupted the U.S. economy, and the unemployment rate has returned to pre-pandemic levels<sup>2</sup>, indicating that the demand for workers has been fully restored. However, the size of the workforce remains significantly reduced, with, as noted above, 11.3 million more jobs available than there are workers willing and qualified to fill them.

The current labor shortage has many causes that pre-date, and were exacerbated by, the pandemic. Research by the International Monetary Fund (IMF) determined the three biggest reasons for the current labor shortage are: 1) older workers leaving the workforce (the Silver Tsunami) at an accelerated rate (the Great Retirement), 2) women leaving the labor force to care for their families (the She-cession), and 3) the increased mismatch between the sectors in need of workers and the sectors in which prospective workers are searching for jobs<sup>3</sup>.

Looking forward, two other issues not often mentioned will continue to exacerbate America's worker shortage. The first is the declining U.S. birthrate, which will inevitably affect the decreasing size of the American workforce (the "Sansdemic")<sup>4</sup>. The second problem is America's lower high school graduation rate, which continues to lag behind those of many other economically developed countries and diminishes America's global competitiveness. According to the most recent Federal statistics, the average public high school graduation rate in the U.S. is 86%, with only eight states reporting rates 90% or higher<sup>5</sup>.

**This means that every year, 14% of America's future workforce leaves high school without the knowledge, skills, or credential required to perform any but the most basic job duties.**

These pervasive issues are impacting communities in every state, county, and congressional district.

# Solution

## Effective online high school education programs paired with career education

Today, more than 30 million American adults do not have a high school diploma. Their potential is vastly underutilized because they do not have the minimum education or skills required for entry-level jobs in sectors such as childcare, education, and manufacturing. In other hard-hit sectors, such as retail and hospitality, lack of a high school diploma prevents workers from advancing beyond entry-level positions. If even a fraction of these adults were able to earn their high school diploma while learning career readiness and occupational skills, there would be an influx of motivated workers into the skilled labor force who have proven themselves capable of successful upskilling.

There are several online high schools that award high school diplomas, but only a subset that specifically focus on adult learners, who face a different set of challenges than traditional-aged high school students. Most notably, adults must pay to earn a high school diploma, and they must do this while juggling adult responsibilities like working, paying bills, and supporting a family. In addition, many adults who dropped out of high school must overcome significant reluctance to reengage with the educational system, due to the educational trauma many experienced while failing to graduate high school. Both issues present significant barriers for adults who want to earn their high school diploma.

The most promising educational model employs competency-based learning, by providing remediation until students demonstrate knowledge of the material. Academic coaches provide the support and encouragement adult students need. This model also includes a skills-based, career-focused curriculum that allows the student to earn, in conjunction with their high school diploma, a career certificate in an industry of their choice. Evaluation of this model has shown very promising results, including completion rates ranging from 55% to 75%, with approximately 76% of completers reporting plans to enroll in postsecondary education (e.g., community college and vocational training) programs.<sup>6</sup>

This framework for adult education has been utilized in partnerships with major corporations, public libraries, and correctional institutions. These partners cover the students' tuition either through scholarships or tuition assistance. Thousands of students have earned their high school diploma and career certificates through such partnerships. However, the finite number of scholarships provided by these partners severely limits the number of adults who have access to this program. To impact the labor shortage, this educational program must be made widely available across the U.S. We need Congress to provide funding so that any adult who wants to earn their high school diploma is given the opportunity.

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# Conclusion

## **More funding is needed for adult education if the labor shortage is to be impacted**

We have identified an underutilized pool of approximately 30 million adults whose lack of high school diplomas has prevented them from entering the skilled labor force or matriculating into postsecondary education programs. Partnerships have funded the more than 11,500 students who have earned their high school diploma and career certificate through this program. If the labor force shortage is to be reduced, more adults will need tuition assistance to earn their high school diploma and career certificate.

We propose that Congress writes legislative text requiring state plans to address how they will service adult education. We ask that the framework include requirements for adult high school diplomas that are offered concurrently with occupational skills training, so that students can matriculate into community colleges and skills or trades programs. Congress can achieve this goal by making changes to WIOA, Perkins, Pell Grant and IMLS programs. While these programs currently provide opportunities for students who are ready for postsecondary education, millions of adults do not have the high school diploma required to take advantage of these opportunities.

# References

<sup>1</sup>U.S. Bureau of Labor Statistics, TED: The Economics Daily: Job openings at 11.3 million in January 2022. March 14, 2022, <https://www.bls.gov/opub/ted/2022/job-openings-at-11-3-million-in-january-2022.htm>.

<sup>2</sup>U.S. Bureau of Labor Statistics, Employment Situation Summary, 1 Apr. 2022, <https://www.bls.gov/news.release/empsit.nr0.htm>.

<sup>3</sup>Pizzinelli, C & Shibata, I (2022). Has COVID-19 Induced Labor Market Mismatch? Evidence from the US and the UK. IMF Working Papers.

<sup>4</sup>Hetrick, R., Grieser, H., Sentz, R., Coffey, C., Burrow, G. (2021). THE DEMOGRAPHIC DROUGHT: How the approaching sansdemic will transform the labor market for the rest of our lives. Emsi.

<sup>5</sup>National Center for Education Statistics. (2021). Public High School Graduation Rates. Condition of Education. U.S. Department of Education, Institute of Education Sciences. Retrieved 11 Apr. 2022 from <https://nces.ed.gov/programs/coe/indicator/coi>.

<sup>6</sup>Smart Horizons Career Online Education, Graduate Exit Surveys, 2011–2021



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