

April 10, 2023

Fellow Governors,

Although the unemployment rate nationwide and in many states is at a record low, the ongoing labor shortage continues to undermine economic recovery. The labor force participation rate remains below pre-pandemic <u>trends</u> – with 1.7 job <u>openings</u> for every unemployed worker, according to the most recent Labor Department data. The labor shortage impacts nearly every sector of the economy, including state governments' ability to serve our citizens. Unless we take action to better align worker skills with employment requirements, millions of jobs will remain unfilled and the potential of millions of workers unrealized.

Governors are implementing a variety of workforce development initiatives to expand pathways to opportunity and build a stronger, fairer economy. In addition to training and apprenticeship programs, the issue of degree requirements is a promising opportunity for action.

In New Jersey and Utah, we have implemented policies to lower barriers to employment by prioritizing practical experience and skills training over degree requirements for state jobs. In New Jersey, we have started a review process for every job that previously required a four-year degree, so we can determine potential employment opportunities for the hundreds of applicants who are rejected each year due to this barrier. In Utah, we determined that 98% of jobs in the state executive branch – or 1,058 – do not require a degree. Instead, the state's hiring managers and committees consider comparable experience as equal to educational qualifications in the evaluation and recruiting process. It's a move that will strengthen state government and serve as a model to employers in the private sector.

Only <u>38%</u> of Americans have a four-year degree. Requiring one makes sense for employment in some fields. But for others, a four-year degree is not the only way – or even the best way – to demonstrate competence. For too many job opportunities, a degree requirement represents a paper ceiling that overlooks qualified applicants who have gained skills through vocational training, community college, military service, and on-the-job experience. Communities of color and rural residents are particularly disadvantaged by degree requirements, which <u>shut out</u> 76% of Black adults, 83% of Latino adults, and <u>75%</u> of rural residents.

Alaska, Colorado, Maryland, North Carolina, and Pennsylvania have taken similar actions, and the list of states is growing.

As Chair and Vice Chair of the National Governors Association, we encourage our fellow Governors to consider reevaluating degree requirements for government jobs in your state. It's a simple step that strengthens the talent pipeline into state government, sets an example for private sector employers, and opens opportunity to so many.

Sincerely,

Phil Murphy

That May

Governor of New Jersey

NGA Chair

Spencer Cox Governor of Utah

NGA Vice Chair