

“Knocking down barriers to the American Dream is the best thing we can do to build a stronger country and a more just society. Doing it requires a dedicated national effort and, as Ben shows, it can be led from the ground up.”

—MICHAEL R. BLOOMBERG, founder of Bloomberg L.P. and former mayor of New York City

RE

CLAIMING THE AMERICAN DREAM

PROVEN SOLUTIONS

★ *for* CREATING ECONOMIC ★
OPPORTUNITY FOR ALL

BEN HECHT

Proven Solutions
for Creating
Economic Opportunity
for All

RECLAIMING
the
AMERICAN DREAM

BEN HECHT

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INTRODUCTION

My grandparents came to this country at the turn of the twentieth century with absolutely nothing. My parents grew up poor with them. Drafted by the Army at nineteen, my father left his home in Brooklyn to fight in World War II. When he returned, the GI bill enabled him to become the first in his family to graduate college. In 1962, when I was three years old, he got his doctorate from New York University, a professorship at a small, New Jersey public college, and a \$22,000 house with a backyard in the suburbs. My family was living the American Dream.

This ideal, first articulated by James Truslow Adams in 1931, of an upwardly mobile “land in which life should be better, richer and fuller for everyone, with opportunity for each according to ability”¹ certainly has had incredible staying power in the history of our nation and in the hearts and minds of the American people. In fact, by the 1970s, this dream had largely come true for millions of Americans, like my parents and me. Gaps between whites and blacks, and low-, middle- and upper-income Americans, were narrower than they had ever been in terms of income, wealth, and college attainment.

But in retrospect, even as a kid, I knew that the American Dream had its limitations. In July 1967 a week of rioting had set Newark, New Jersey, ablaze. Fresh out of elementary school for summer vacation, my friends

and I would go outside every morning to play in the street. The black smoke billowing down Bloomfield Avenue from Newark to my hometown was an impossible sight to ignore. It's a picture that remains seared in my memory today. Nine months later, in April 1968, Martin Luther King Jr. was dead, and similarly jarring images filled the nightly news for weeks. These experiences drive my work still.

From that time until now, the economic gaps between Americans have widened to levels not seen since the Roaring Twenties. We have all heard the statistics. The vast majority of income now goes to the top one-tenth of 1 percent of the population. Higher-income students are graduating from college at rates six times that of lower-income students. Progress made in closing the economic chasm between white, black, and brown Americans has not only stalled but has been reversed. Blacks now earn 59 cents and Latinos 72 cents for every dollar earned by a white household. The median wealth of white households is twenty times that of black households and eighteen times that of Latino households. Most of America hasn't had a meaningful raise in forty years.

Exasperation with the status quo could not have been more evident in the last presidential election cycle, when decades of economic anxiety and frustration finally seemed to come to a head. The belief that the system is "rigged" against everyday people was undeniably front and center in the minds of many Donald Trump and Bernie Sanders voters. In the wake of the election, we've witnessed that frustration over lack of economic mobility buffet our most basic political norms and institutions in ways that we had not seen in decades. Much of the focus during and after the election has been on the disaffected, white "Trump voter," that is, the millions of Americans with only high school degrees who have faced lifelong struggles in the job market. For them, the promise of the American Dream was deeply internalized; they never expected that they might end up worse off economically than their parents.²

To some extent, it's surprising that this demographic hadn't been more vocal before then. In a widely cited 2015 study, Princeton University professors Anne Case and Angus Deaton found that the mortality rate for white, middle-aged Americans with low educational attainment had risen steadily since 1999.³ The researchers believe that the spike in these deaths,

attributed to drugs, alcohol, suicide, heart disease, and cancer, tells the “story of the collapse of the white, high-school-educated working class after its heyday in the early 1970s and the pathologies that accompany that decline.” These Americans, they argued, live in a “sea of despair.”⁴

But the plight of Americans of color, many of whom never had expectations that the American Dream was meant for them, also was impossible to ignore. The deaths of unarmed black men at the hands of police officers sparked the Black Lives Matter movement and competed for news headlines with the presidential campaign. The rapid spread of this activist platform brought conversations about our deep-rooted racial inequities to the fore.

In this regard, our American Dream has always failed to live up to its idealized promise. As a country with racism in our groundwater—founded upon the destruction of one people and the enslavement of another—racial opportunity gaps have been created and perpetuated by parties, public and private, throughout our history.

The consequences of this history are hard to erase and glaringly evident in today’s racial disparities. Those disparities exist across almost all indicators of economic health and well-being. One of the most obvious examples of this reality is in the enduring legacy of redlining. Redlining—or refusing to make loans to people of color because they lived in certain neighborhoods or restricting their ability to move into majority white neighborhoods—was actually codified in 1936 in the U.S. Federal Housing Administration (FHA)’s official underwriting manual. It was practiced by mortgage lenders all over the country for decades until the passage of the Fair Housing Act in 1968.⁵ By refusing to back loans to people of color, the FHA kept them locked out of the opportunity to build wealth through homeownership, and set a course for the patterns of racial segregation, concentrated poverty and chronic disinvestment that still characterize many U.S. communities today.

Even explicitly race-neutral policies, such as the GI bill, which helped millions of returning veterans, like my father, buy homes and attend college were largely administered at the states’ discretion. As a result, black veterans were overwhelmingly pushed toward vocational and trade schools instead of academic institutions. While 28 percent of white veterans went to college on the G.I. bill, only 12 percent of black veterans did so.⁶ Too

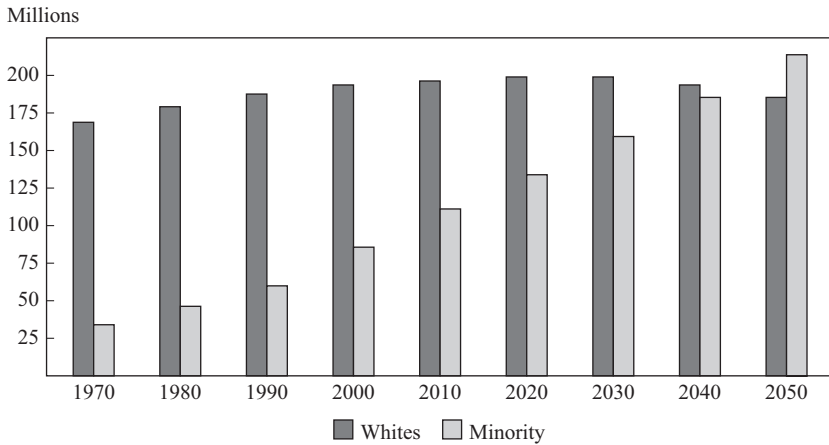
many of today's structures and systems continue to replicate insidious patterns of exclusion.

This disconnect between our nation's stated values—of equality and opportunity for all—and the reality of deep-rooted racial inequities has always represented an immense moral dilemma for our country—one that we've never fully grappled with. But today, because of our rapidly transforming demographics, it poses an economic imperative as well.

From our earliest days, the United States has been a nation of immigrants, the vast majority of whom only came to be considered “white” over time.⁷ As recently as 1970, whites constituted 80 percent of the population (175 million people) with the remaining 20 percent (27 million people) made up of people from different racial groups.

However, the nation's racial composition has been in flux ever since. In fact, by 2050 the United States will no longer have a racial majority at all.⁸ Four states, including California and Texas, as well as Washington, D.C., already have populations with majorities of people of color. In 2010 ten more had majority child populations of color, and more than 35 of the largest 100 metropolitan areas did as well.⁹ The changing racial composition of our population has been acknowledged and discussed for years, but the economic implications of this shift are neither well understood nor broadly acknowledged by the public. According to the Brookings demographer William Frey, increased Hispanic and Asian immigration, combined with a rapidly growing multiracial population, has enabled the U.S. population to continue to grow despite a shrinking white population.¹⁰ Figure I-1 illustrates those changes and projections of population growth. In fact, some cities, such as Scranton, Pennsylvania, and Pittsfield, Massachusetts, would have had a declining population in recent years had it not been for a rapid increase in the number of Hispanic residents.¹¹

This “diversity explosion,” as Frey calls it, is what has enabled us so far to avoid the plight of many other developed countries in Europe and Asia.¹² These countries, marked by low birthrates and little immigration, have been struggling with how to address the economic implications of an aging workforce, an insufficient number of young adults to replace workers when they retire, and a gross domestic product (GDP) that, like most Western economies, is heavily reliant on consumer spending.¹³

FIGURE 1-1. U.S. Population, White and Minority, 1970–2050

Source: U.S. censuses and Census Bureau, various years.

That the U.S. population is still growing gives us a chance to avoid the economic stagnation that other countries face; but that result is by no means guaranteed. Over the past forty years, consumer spending as a percentage of our GDP has actually risen, from 64 percent in the 1970s to 73 percent today.¹⁴ Our economic future, in large part, rests on an ever-increasing number of the fastest-growing segment of our population, people of color, having the economic mobility and financial wherewithal sufficient to sustain such a consumption-based economy by 2050 if not sooner.

A common adage aptly describes our current predicament: Insanity is doing the same thing, over and over again, but expecting different results. If history is to be our guide, then we are truly insane if we think that we can achieve greater economic mobility by staying the course. Our current ways of working have created greater disparities over the past forty years, not reduced them. People of color have fared much worse than whites across substantially every measure, from income and wealth to college completion and debt.

This is not the America any of us want. And it is not one that we must accept. Believe it or not, many of the solutions that we need to revive America as the land of opportunity to reclaim the American Dream for all—already exist. I have seen them myself over the past ten years in my job as

president and CEO of Living Cities, a collaboration of the nation's leading foundations, such as the Bill and Melinda Gates, Ford, and Rockefeller Foundations, and financial institutions, such as Bank of America, Prudential, and Morgan Stanley.

We work with, and have helped channel more than \$20 billion alongside, remarkable public, private, and philanthropic leaders in more than 100 communities across the country. Frustrated with dysfunction and inertia in Washington, D.C., these innovators have been quietly but doggedly developing solutions to our most vexing challenges to upward mobility for low-income Americans, especially people of color—addressing education, jobs, wealth creation, and more. Technology, social networks, and philanthropy have enabled these ideas to spread virally around the country in ways that were impossible even five years ago.

Although much of the nation is wringing its hands in despair over our economic future, and the recent presidential candidates offered few concrete ways to directly address the problems of poor and working-class voters, those answers exist. They have been hiding in plain sight, right in front of our eyes. I know we can restore the American Dream for all Americans because we already are—in places big and small, all over the country.

These are not academic theories relevant only to policy wonks or unique one-offs only possible in wealthy, coastal cities. Each of the examples in the following chapters has been proved time and time again across the country—many, in fact, in hundreds of places, both urban and rural. One such example, early-college high school, has already resulted in tens of thousands of young people in twenty-eight states receiving both a high school diploma and a college degree entirely for free upon high school graduation.

When I talk about these examples—whether at conferences, to corporations, or just to friends in passing—people are incredulous. Inevitably, they ask me the following two questions: “Why isn’t that happening all over the country?” and “What else do we know works that we aren’t doing everywhere?” Now you see why I had to write this book, and why you have to not only read it but act on it.

When implemented together, this set of distinct but interrelated examples provide us with a blueprint for how to overcome the biggest barriers to restoring and reinvigorating the American Dream for all: better

education, more income, increased wealth, greater access to opportunity, and the restoration of a civic commitment to a greater good.

BETTER EDUCATION

Education, long considered the cornerstone of opportunity and upward mobility in America, hasn't been leveling the playing field the way that it used to. In my grandparents' and parents' generations, for example, a free public school education and high school diploma often were all you needed to get a good manufacturing job at a wage that could support your family. In fact, in the 1970s, only 28 percent of jobs required more than a high school education. But tectonic economic changes have resulted in 7 million fewer low-skilled, high-paying manufacturing jobs than existed in the 1970s.¹⁵ These trends show no indication of slowing. By 2020, 65 percent of jobs will require education beyond high school.¹⁶

As our nation's labor market continues to transform, it's more critical than ever that everyone have access to an education that equips them to thrive in our twenty-first-century economy and beyond. Which is why the four education-related solutions presented in chapters 1 through 4 are so promising. We are already enabling hundreds of thousands of Americans to successfully and cost-effectively earn college credits and degrees from wherever they are sitting right now—whether still in high school, enrolled in college, or on the job. These are not people who have dropped out of the system and are very difficult to nudge back in, but instead low-hanging fruit—students who simply need the support from these innovations to succeed. At the same time, we are seeing dozens of places, from Birmingham, Alabama, to Boise, Idaho, that are fixing the entire education system wherever it is broken, so that every citizen, regardless of race, income, or geography, can actually benefit from our nation's great equalizer.

MORE INCOME

Our post-World War II economy was so robust that companies were able to create jobs that paid relatively well, at every skill level. This is something that absolutely amazes me every time that I hear it: from the late 1940s to

the early 1970s, incomes grew rapidly and at roughly the same rate up and down the income ladder, actually doubling for everyone in inflation-adjusted terms. It's hard to fathom that when you look at today's realities. Since that time, the top 0.1 percent of the population has seen their incomes rise by 200 percent while incomes for those in the middle tier saw theirs rise by only 6 percent.

Part of the reason for this disparity is the loss of those 7 million well-paying manufacturing jobs. But it also has a lot to do with the fact that we stopped creating as many start-up companies as we used to. Young companies have historically generated the vast number of new, good-paying jobs—often resulting in 2 million to 3 million jobs a year. Fewer start-ups means fewer available jobs.

Chapters 5 and 6 highlight solutions that address people's pocketbooks, revealing how we have already started reversing that downward trajectory in dozens of places. We have figured out how to get money into the hands of capital-starved start-ups, especially to the fastest-growing group of entrepreneurs, people of color, who have begun creating new and better jobs, whether they live in Des Moines, Iowa, or Salt Lake City, Utah. We have learned how to help young companies exponentially grow their revenues and hire more employees even faster by harnessing local assets, like universities and hospital supply chains, and finding new ways of working together to stimulate economic development, such as innovation districts.

INCREASED WEALTH

Homeownership has a long held a special place in American culture—often considered the paragon of the American Dream come true—in large part because it has been the primary driver of economic mobility for millions of Americans. A recent survey by the Federal Reserve Bank found that a homeowner's net worth today is a whopping thirty-six times that of a renter.¹⁷ That wealth can be tapped for emergencies, like car repairs or to smooth dips in income due to a temporary layoff, but it is also often invested so earnings can be used to help pay for a child's college tuition or

retirement. Wealth means financial security—a gift that can be passed down and be reproduced generation after generation. It's really that simple.

But extending the benefits of homeownership to those Americans historically excluded from them has been much less simple. Throughout our history, redlining, unduly restrictive mortgage financing standards, and predatory lending practices have kept lower-income Americans, especially people of color, from building wealth through homeownership. Today, whites have almost twenty times the wealth of families of color—in large part because of these discriminatory practices. The wealth gap between races would shrink by 30 percent if families of color were as likely as white households to own their homes.

The wealth-building example in chapter 7 shows how we can close this gap using proven approaches that have been working for more than twenty years. In fact, before the Great Recession of 2007, one lender alone, Self-Help Credit Union, helped more than 50,000 lower-income individuals and borrowers of color to become homeowners in forty-eight states. We can and must revive these proven practices, and do so at a scale we have never achieved before, so millions more Americans can build wealth through ownership of their homes.

GREATER ACCESS TO OPPORTUNITY

In many ways, life in post–World War II America was a lot less complicated. For so many Americans—from coal miners to auto workers—lower-skilled jobs were plentiful, nearby, and paid well, and they employed you for life. Opportunity was local, so access was easy.

That way of life has been disappearing now for almost forty years. Simply finding a job and getting back and forth to work has gotten a lot harder. Where you used to be able to open the newspaper to find a job, now you have to both find a job and apply to it online. The job search is becoming increasingly digital at every turn; a recent survey found that 92 percent of employers now rely on social networks, like LinkedIn, for recruiting.¹⁸ The spatial mismatch between where the jobs now are and where workers live has also grown. Today, 11 million Americans travel more than an hour

each way to work, often spending more than 40 percent of their income just to get there and back.¹⁹

And the changing nature of the labor market means that most Americans will have a good chance of facing these challenges time and time again throughout their lives.²⁰ Whereas my father worked at the college in New Jersey for forty years, the average American today stays in a job for just a little over four years.²¹ Whether by choice or by necessity, the reality is that many workers are perpetually looking for the next job, equipped with only the skills they use in their current one. Without Internet access, both finding that next position and learning the skills needed to fill it pose a daunting challenge.

While the American worker has been struggling to adapt to these changes for decades, two new tools in the arsenal—smartphones and high-speed broadband at home—both powered by technology that didn't exist even a decade ago, are empowering people across the country to participate in a labor market that has increasingly transferred to the digital realm. These tools are expanding the “geography of opportunity” available to lower-income workers as never before. Chapter 8 highlights shared-use mobility strategies, often technology enabled, that are bringing new and affordable options for workers to get from point A to B. And as more and more communities across the country, as detailed in chapter 9, expand the reach of broadband Internet access, we are already seeing Americans at every income level use this tool to search, network, and land jobs, as well as to stay current on the skills they will need to advance.

RESTORING AND SUSTAINING A COMMITMENT TO THE GREATER GOOD

As I see it, the idea of America as the land of opportunity was the result of actions we have taken collectively as a society, over 200 years, to ensure that everyone could achieve to the fullest extent of his or her own abilities. At times during our history that has meant affirmatively taking steps such as providing free public schooling and advocating for the GI bill, a program that made all the difference to the millions of veterans like my father. At other times, it meant taking steps to level a playing field that had become

too uneven, like trust-busting companies that were preventing competition, or passing the Civil Rights Act of 1964 that outlawed discrimination based on race, color, religion, sex, and national origin.

Chapters 10, 11, and 12 explain how an ongoing civic commitment to taking the long-term actions necessary for every American to have a chance to succeed is taking hold in place after place. Elected officials at the local level are putting the term “public servant” into action, using their positions to not only rally citizens around a commitment to the greater good but also make government a more effective contribution to it. Extraordinary new efforts, often enabled by technology, are making it easier than ever before for citizens to further strengthen the social fabric by engaging deeply with their government and in their communities. And new tables of cross-sector leaders, many from the business community, are coming together to provide the continuity required for large-scale change and help the community to weather inevitable challenges over time. The virtuous interaction of government, deeply engaged citizens, and a civic infrastructure of diverse leaders is enabling communities to get consistently better outcomes around the things that truly matter to citizens: education, income, wealth, and access to opportunity for all.

The solutions for reclaiming the American Dream are already known—and just waiting to be even more broadly adopted. But it will require that each of us lead from wherever we sit, whether that is as an elected leader, engaged resident, corporate CEO, philanthropist, or investor. Each of us has to exercise whatever authority we have, real or apparent, to establish these solutions in more places. What we’re in desperate need of now is not just any one program or initiative but rather a “new normal,” or new ways of working, everywhere. From education and transit to homeownership and civic participation, this means fundamentally altering the systems that have been failing us abysmally for decades. No laws or regulations have to be changed to create this new normal. The barriers to implementation are simply resistance on the part of individuals to change their own behaviors. Each of us must act now to take the future into our own hands and help to bring every American along with us.

3

BUILD A PATH TO A DEGREE FOR WORKERS ON THE JOB

Detra Wright works in a senior-level position at Anthem, one of America's largest health care companies and the parent of Blue Cross Blue Shield. Just a few years ago, that position felt impossibly far beyond her reach. With only a high school diploma, Wright had transitioned from one low-wage, frontline job to another within the health care field for nearly two decades.¹ She knew that her opportunities to make more money were limited without a college degree, but college never seemed feasible. A single mother since age nineteen, Wright couldn't see a way to shoulder the costs and demands of college courses along with her responsibilities as a single parent.

Wright knew she needed more formal education to get ahead. At the same time, Anthem leadership was also grappling with the fact that, like so many companies across the country, they needed a more highly skilled workforce. Generally, only about a third of Anthem employees have an associate's degree or higher.² And while companies like Anthem often prefer to promote from within, it's challenging to do so when employees have neither the competencies to advance nor accessible pathways to gain those skills.

In 2013 Anthem sought a solution to this problem by offering up to 500 of its employees, on a pilot basis, the chance to earn an online, competency-based college degree from Southern New Hampshire University's College

for America. Not only was the degree built specifically for working adults to teach the skills that Anthem knew were lacking in its workforce; it could also be attained completely debt free, if employees took advantage of Anthem's already existing tuition reimbursement benefit program.

Wright was one of the first 500 Anthem employees to sign up for the pilot. "The tuition was going to be reimbursed at 100 percent. That was the biggest draw, and, it was just the perfect timing," Wright said.³ For years, fear and uncertainty had kept her from pursuing a degree. It wasn't until her own child was off to college and this opportunity presented itself that she realized it was time to give it a try. Fortunately, the College for America programs are uniquely designed to position working adults like Wright for success. What she discovered was that there were no courses, no credit hours, no traditional faculty, and no grades. Instead, the program was self-paced, online, and cost roughly \$3,000 a year. Wright was matched with an adviser who helped her chart her path to a degree and worked with her throughout the entire process.

Wright was able to prove in just four months that she had the competencies needed for an associate's degree. Eight months later she earned her bachelor's degree in health care management with a concentration in global perspectives—all debt free. Wright has since been promoted to her current senior level position at Anthem. "It turns out," Wright said, "life teaches you a lot. I was already aware of a lot I needed to know."⁴

Detra Wright's success is not an anomaly, even within her own company. After an internal study confirmed that 20 percent of Anthem employees who had participated in the pilot program had not only earned a Southern New Hampshire University (SNHU) degree but had already been promoted, Anthem made the program and tuition reimbursement available to all 51,000 employees across the country. Unlike Wright, Darby Conley, another Anthem employee, had tried several times to complete a college degree. She had climbed the ranks from a customer service representative all the way to a manager but realized she couldn't advance further without a degree. It wasn't until the availability of the College for America program that she was able to earn her associate's degree in a way that was flexible and felt highly relevant to her day-to-day work. It was also what it took to propel her to her current role as a director.⁵

Anthem is far from the only corporation to have embraced this approach. Aetna, the insurance giant, has also long been in the vanguard in offering competitive employee benefits. It provides education benefits that help employees to move up the career ladder and out of low-wage frontline jobs, in part, because it has found a powerful connection between employee personal well-being and customer satisfaction.

What the company looks for in their education benefit programs, explains Kay Mooney, vice president of employee benefits and well-being, is a combination of “affordability and accessibility,” so the broadest group of employees can take advantage of them.⁶ When Aetna’s leadership learned of the SNHU College for America program, especially its cost and online access, it seized on the chance to bring it to its employees.

After completing its own due diligence on the program, Aetna offered College for America to its entire workforce. Immediately, over 200 employees joined. More than half of College for America enrollees within Aetna are people of color, the vast majority are women, and a quarter of them earn less than \$35,000 annually (two-thirds earn less than \$50,000).⁷ And although it’s been only a little over a year since the program launched, they’ve already begun to see some proof points of the impact. Of the 200 enrollees, eleven have received their college degree.⁸ One woman received her associate’s degree in a mere ninety days. She’s since enrolled in a bachelor’s program through College for America. Anecdotal evidence shows that those success stories are serving as a source of inspiration for others who may be teetering on the fence about going back to school.

Of the partnership, Mooney reports that implementation was seamless. “[College for America]’s base and expertise was already around health care, and their other major focus areas are around business programs, so it was a natural fit for the skills our employees needed.”⁹

Competency-based degrees—like the one offered by SNHU’s College for America program that has turned thousands of frontline workers into college graduates—have a few distinguishing characteristics. First, they focus on the real-world skills that people need to succeed in their own workplaces rather than evaluating students based exclusively on number of hours spent in a classroom. The curriculum is shaped by faculty as well as

experts in the field, so that students graduate with the specific professional skills necessary to advance within their company.

Second, students advance as they prove that they have mastered certain types of knowledge and skills (competencies). As a result, students can often progress through a degree program in a fraction of the time that it would take at a traditional institution, as Wright did. Students demonstrate their mastery of a specific competency primarily by completing projects that are scored by expert reviewers. The result is that students graduate with something that looks like a traditional transcript, but their transcripts also list projects and associated competencies, which give the employer a more in-depth understanding of the individual's skills. Technology, in particular, allows them to learn at their convenience and more easily balance it with their family and work. The program is online, so as long as employees have access to broadband (addressed in chapter 9), it can be accessed at any time.

Third, tuition is a flat rate, so students pay only for the time they need to prove their competence. This can dramatically reduce the amount of crippling student debt that accrues semester after semester for tuition costs incurred just to accumulate the number of credits required to graduate at traditional universities. In fact, the end cost to the employee, as was the case for Detra Wright, can be nominal, given employer tuition-reimbursement policies—sometimes free, often debt free. What is so attractive to employers is that employees are using this often underused benefit, getting the skills the employee and the employer need.

“This is not merely education for education's sake,” says Julian Alssid, who served as College for America's founding chief workforce strategist.¹⁰ Southern New Hampshire University is one of a growing number of non-profit and for-profit colleges that companies are using to help their employees earn a degree from an accredited school.

I had worked with Alssid for years and considered him one of the country's leading thinkers on workforce development issues; he founded and ran the Workforce Strategy Center for thirteen years, advising states and regions on workforce policy. So when I saw a *Huffington Post* blog post by Alssid, I was surprised to see from his byline that he was working

at a place called College for America. I was eager to hear why he would close down his center and go to a university that I had never heard of.

His answers were fascinating. Alssid explained to me that he had become frustrated with the workforce development field. Among other challenges, states move incredibly slowly. Employers and educators often struggled to work effectively together. In fact, we both acknowledged being stunned by a recent study that found 96 percent of university academic officers believed they were educating students with the skills employers wanted, but only 11 percent of employers thought that was the case.¹¹

Through a mutual acquaintance, Alssid was connected with the team that had been tasked by Paul LeBlanc, the president of Southern New Hampshire University, to build a college offering that would truly partner with employers to advance the skills of their low-wage employees. Alssid became excited about the idea and ended up merging his Workforce Strategy Center with SNHU to help build the team. Founded in 1932, SNHU is a nonprofit university that started as a traditional school with a residential campus. In 2007 it launched SNHU.edu, an online college with 900 students. Those ranks have now grown to more than 80,000 students, second in size only to Liberty University Online among nonprofits.¹² The university designed the College for America program hoping to build on those strengths and help those employers who want frontline workers—estimated to be more than 24 million people nationwide—to have postsecondary education.¹³

What they landed on was a self-paced, online program that has already helped thousands of employees and employers at the same time. Now in its fourth year, College for America offers associate's degrees in health care management and general studies with a concentration in business and bachelor's degrees in management, health care management, and communications. More than 100 employers, like Anthem, Aetna, McDonalds, Gap, and many more, are partnering with College for America. It holds itself accountable for meeting two types of metrics. The first is student focused: pace of mastery, time to degree, graduation rates, and impact on career. The second is employer focused: retention, promotion, and employee and employer satisfaction.¹⁴

From the employer perspective, the program has shown promising results at delivering a high return on investment. Companies like McDonald's Corporation, which has adopted this model and is influencing many of its franchisees to do the same, are seeing how the competency-based curriculum helps employees improve their skills in ways that improve their job performance immediately, even before they get their degrees.¹⁵

Partners HealthCare, which makes College for America available to all its 70,000 employees, believes that it helps employees gain vital, on-the-job confidence. Mary Jane Ryan, the director of workforce development for Partners HealthCare, says the program is "making college graduates out of people who may never have seen themselves as college students before and increasing their professional advancement opportunities."¹⁶

Today, Partners HealthCare offers not only pathways to associate's and bachelor's degrees but also a certificate program that they co-created with SNHU that helps employees gain communication skills, comfort with Excel, data visualization, and project management, among other competencies.

The data on the return on investment for students is equally promising. It is bringing economic mobility to those often the hardest to help. Of the 14,000 students across the country who have been served by College for America since inception, surveys conducted in 2017 revealed that 67 percent were first-generation college students, and 85 percent are over twenty-four years old. Seventy-three percent of the students report having at least one dependent. On average, students are on pace to complete their associate's degrees in just over two years, significantly faster than community colleges where part-time students are often taking five years.¹⁷ Thirty percent of the students identify as African American, and 15 percent identify as Hispanic, significantly higher concentrations than on most college campuses. What's more, 80 percent of the students expect to graduate with less than \$5,000 in debt.¹⁸

"What's so powerful," Alssid says, "is that I'm seeing this approach eliminate the psychological barrier for low-income people who believe that these degrees aren't within their financial reach."¹⁹ He says that some employers may be reluctant to "endorse" an individual college for their employees, but he believes that the partnership between the employer and the

college, whether SNHU or another provider, makes all the difference in the world. “When they make this available in partnership, it raises the completion rate, reduces debt, and has a great chance to result in a promotion.”²⁰

College for America is just one player in the growing field of competency-based learning. One of the early pioneers was Western Governors University (WGU), which originated in the mid-1990s when a number of governors from Western states, frustrated with the status quo expense and inaccessibility of many of their public higher education institutions, wanted to find a way to give residents better and cheaper access to higher education. The answer they landed on was to start their own university, a nonprofit that would make a meaningful competency-based degree accessible at low cost—a flat rate of just \$6,000 a year, with federal financial aid available to help students bear the financial burden. The \$6,000 buys as many courses as a student can complete in two semesters, which is often more than a normal academic course load, meaning that the average student completes a bachelor’s in two and a half years.²¹

Unlike College for America, which gets the majority of its students through direct relationships with employers such as Anthem and Partners HealthCare, WGU students largely come to it by referral of alumni and other students. Similar to College for America, however, WGU identifies the competencies that are needed for its degrees by working with employers. It has standing committees or external program councils of leading employers like Microsoft and Google that continually inform its degrees in information technology, business, health care, and nursing and teacher education.²²

Today, WGU is serving 77,000 students nationwide across all fifty states.²³ And it is successfully serving the students that our systems have been failing: students who are enticed to enroll but receive no supports to ensure that they’re equipped to actually graduate. The vast majority of WGU students already have tried college and failed at least once. The average student is thirty-seven years old. More than 70 percent of the students come from underserved communities, work full time, and need financial aid to attend at all. Without the explicit ties to employer tuition-reimbursement programs, WGU graduates end up with an average of \$17,000 in debt, still considerably less than the national average of \$37,000.²⁴

The results are impressive for employers and employees alike. In a 2016 Harris Poll survey, 94 percent of employers responded that WGU graduates they had hired met or exceeded their expectations.²⁵ As to the efficacy of this approach for economic mobility, 87 percent of students who graduated from WGU are employed in their degree field after graduating, and graduates experienced an average salary increase of \$19,100 within four years (almost three times the national average).²⁶

Based on the successes of institutions like SNHU and Western Governors University, roughly 600 colleges across the country are now in the design phase for their own competency-based education programs. That's up from an estimated 52 institutions last year.²⁷ More and more employers are aggressively moving in this direction too, often in very public ways. While different from the unique degrees that SNHU offers to corporate partners, new partnerships between major corporations and academic institutions have cropped up to take advantage of the symbiotic advantages of educating the workforce. Starbucks is working in partnership with Arizona State University, Chrysler with Strayer University, and Jet Blue with the online educator, StraighterLine, to name a few.²⁸

This is not charity work. American companies, big and small, are in desperate need of a workforce with more skills, and they already employ approximately 24 million frontline workers like Detra Wright and Darby Conley, who are ready, willing, and able to get those skills.²⁹ In addition, in 2017 alone, an expected 2.5 million new, middle-skill jobs will be added to the U.S. workforce; these are jobs that require some post-high school education, but not a four-year degree.³⁰ And this trend is not changing; between 2014 and 2024, it's projected that just shy of 50 percent of job openings will be for what's termed "middle-skill workers," with the same education requirements.³¹

Creating these pathways pays, in terms of employee retention, their ability to promote from within (which surveys show most employers prefer to do), and, ultimately, their bottom line. A study from the Institute for Corporate Productivity found that higher-performing companies were two and a half times more likely than low-performing companies to provide opportunities for entry-level employees to move up.³² Today, thousands of employees all over the country, with dozens of employers paying for their

achieving associate's and bachelor's degrees, are improving their economic condition and the company's performance at the same time. We just need to be doing more of it.

A NEW NORMAL: GETTING A COLLEGE DEGREE ON THE JOB

Two ingredients are necessary for getting millions of existing frontline workers in American companies college degrees right now.

Companies Work with College for America and Similar Organizations and Track the Progress of Their Employees

Companies like Anthem, Partners HealthCare, McDonald's, and Aetna have already done what the thousands of other companies who employ the 24 million frontline workers in the America should do: help their employees get a college degree while on the job, for little or no cost. In short, the employees need the up-skilling for economic mobility, and employers want up-skilled employees and are willing to pay for it. This should be a no-brainer. And now, because of employer-led, competency-based education, it can be.

Every employer with frontline workers and an existing tuition-assistance program should create a feeder relationship with a proven online, competency-based, degree-granting university like the College for America at SNHU.³³ They should work closely with the university to ensure that the competencies taught are the competencies that their company needs. And, as Anthem and Partners HealthCare did, they should promote the program broadly with staff, making it as easy as possible to use the existing tuition-assistance programs so the financial burden is minimized, and highlight the successes that employees, like Wright and Conley, have had advancing within the company as a result of their participation.

Effective use of tuition-assistance programs is critical to the success of this approach both for the employee and the company. Detra Wright's statement that the biggest draw to her participation was that tuition was being reimbursed at 100 percent speaks volumes. Many students won't even try to get a college degree because of the very real statistics that they

hear about the suffocating debt associated with it. Knowing that the company will pay in advance or reimburse them for the tuition eliminates that fear.

A recent study showed that for every dollar companies spend on tuition assistance, they get \$1 back in return and save another \$1.29 through reduced employee turnover and lower recruiting costs, yet few companies maximize their efforts to help employees to use this benefit.³⁴ In 2016 the Institute for Corporate Productivity, in collaboration with the Aspen Institute's UpSkill America, surveyed 365 U.S.-based, nonprofit and for-profit businesses who employ large numbers of frontline workers, to explore what they were doing to develop these employees. The majority of the organizations surveyed employ frontline workers, with 52 percent employing more than 10,000 workers in total.³⁵ Though 89 percent of the companies surveyed offer tuition-assistance opportunities to frontline workers, almost three-quarters are not even tracking how many of their employees actually take advantage of them.³⁶ They should.

Employees Must Take Advantage of These Benefits

Ultimately, this approach won't be successful if employees don't take advantage of tuition-assistance programs. While more than 60 percent of employers offer some form of tuition assistance, on average, only 5 percent of employees participate in them.³⁷ Employee-participation rates will have to keep pace with the growth in feeder partnerships between companies and proven online, competency-based, degree-giving universities. Given the success and very little downside of this new approach, no employee should pass up the opportunity to have their employer pay for their college degree and a better economic future.

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