



## The Role of Business in Promoting Educational Attainment: A National Imperative

### OVERVIEW

*Fewer than 40 percent of Americans have a college degree. As the economy grows ever more dependent on a highly skilled workforce, this statistic speaks volumes about the future prosperity of the nation and its least-advantaged members. It also raises a critical question: What is being done to improve the educational attainment of our workforce?*

Through a generous grant from Lumina Foundation, the Committee for Economic Development of The Conference Board (CED) addressed this question and examined how employers in four metropolitan regions are supporting the education of their employees. CED's study was conducted as part of Lumina Foundation's Goal 2025 initiative to mobilize employers and metropolitan areas to help increase employees' postsecondary attainment from 38.7 percent to 60 percent by 2025.

Focus groups were held with business representatives between January and April 2014 in Memphis, Detroit, New York City and Miami, followed by a series of additional interviews to gain a more in-depth understanding of the cities' economic climates and opportunities. Attendees ranged from small, family-owned firms to global Fortune 500 companies and represented an array of industries, including finance, manufacturing, healthcare, entertainment, and logistics.

### FINDINGS

#### Business Practices and Challenges

Employers today offer more incentives than ever for postsecondary degree attainment through tuition reimbursement, company-sponsored programs, and other initiatives. Employers do so for many reasons. Tuition benefits help companies stay competitive in attracting employees. Educational benefits and training opportunities may contribute to higher staff retention and higher satisfaction at work. Many employers in our research offer educational opportunities to their employees because continuous learning is part of their corporate culture. Others have clear career pathways that are linked to educational attainment and training.

However, opportunities may not always reach the employees who most need support in pursuing degrees or other credentials because of lack of awareness about opportunities. Employees with the least amount of education may also struggle to take advantage of the existing offerings due to financial, familial, or other time commitments. Employers also face challenges financing such offerings, particular during tight economic times.

Regardless of the challenges, many employers remain committed to looking for ways to support the education and skill development of their

employees. Many employers are partnering with higher education institutions, including online and other flexible programs that allow for educational advancement customized to employee preferences and schedules. Our research highlights a number of partnerships between employers and local community colleges and four-year colleges that are working to ensure programming is directly linked to the skills local employers need. By establishing formal partnerships, each party can ensure that current employees have access to educational opportunities aligned with the workplace and that employers have access to new skilled employees.

These long-standing partnerships can be a boon for both schools and businesses, but they do not come easily. Many companies, even those that have established successful partnerships, report that such arrangements often take a great deal of time and effort on the part of company and education leaders. Successful arrangements require communicative and committed parties and can be facilitated by chambers of commerce or other business-support organizations.

Perhaps most importantly, findings in this report stress the importance of “place” and suggest that broader city or metropolitan strategies are critically important for mobilizing employers to support their employees’ educational attainment.

## KEY RECOMMENDATIONS

### For employers:

- Educational benefits can be the determining factor in whether or not an employee earns a degree or credential.
- Think broadly about the return on investment for spending on education and skill development.
- Company leadership and communication matter.

### For community college and university partners:

- Higher education must help employers see a return on their investments.
- Institutions should be flexible, responsive to employer needs, and able to move quickly.
- Work to ensure that the cost of credential or degree attainment is affordable, and support working students to degree completion.

### For employees:

- Let your employer know about your goals.
- Look for credit-earning training opportunities.

### For policymakers and city leaders:

- Provide political will.
- Chambers of commerce or other business membership organizations can serve as conveners and connectors among training providers and local employers.
- Business and intermediary organizations can help provide examples of model partnerships between higher education and employers, and innovative ways companies have of supporting their employee education and skill development.



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