

# FROM EDUCATION TO EMPLOYMENT

HR at the Helm Connecting  
Education, Skills, and Opportunity

FEBRUARY 2026

## INTRODUCTION

Employers nationwide struggle to find workers with the skills they need. Many students and job seekers feel unprepared to enter or advance in the workforce. This disconnect reflects a growing mismatch between labor market demands and what education and training systems produce.

A recent SHRM analysis underscores the persistence of this challenge by considering a world in which job seekers are constrained to matching to a job posting aligned with their most recent occupational experience. Under that constraint, this analysis found that 26.5% of unemployed people could not be matched to a posting aligned with their most recent occupational group because there were insufficient job postings in that group as of July 2025.<sup>1</sup> This reflects a misalignment between workers' skills and employers' needs, rather than a simple shortage of available workers.

At the same time, more than a quarter of organizations (28%) reported that filling full-time roles now requires new skill sets.<sup>2</sup> Nearly half of those employers (47%) said these are existing positions that have been redesigned to incorporate new capabilities.<sup>3</sup> Together, these trends highlight how rapidly evolving skill demands — driven largely by emerging technology — are reshaping jobs. Workers and employers must continuously adapt to remain competitive.

In his Feb. 5, 2025, testimony before the House Committee on Education and the Workforce, SHRM President and Chief

Executive Officer Johnny C. Taylor, Jr., SHRM-SCP, characterized the education-to-employment pipeline as “leaky, broken, and busted.” Taylor’s assessment reflects what HR professionals and business leaders experience daily: difficulty filling roles, growing investments in training, and frustration that traditional secondary and postsecondary institutions often fail to produce students with the requisite skills to be job ready.

*“Repairing the pipeline requires educators, policymakers, and HR leaders to work in lockstep so learners can transition seamlessly into meaningful careers.”*

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**Chief Administrative Officer, SHRM**

Taylor’s testimony identified three segments of the pipeline to illustrate where the system falters most clearly. Higher education is leaky, producing credentials that do not consistently align with workforce demand. K–12 education is broken, leaving too many graduates without the foundational or work-ready skills they need. And access to untapped talent pools is busted, with outdated policies and practices keeping millions of capable people on the sidelines.

This paper examines these challenges, explains why HR must play a central role in addressing them, and outlines practical solutions that employers can implement in

<sup>1</sup>Source: Help Wanted: Understanding the U.S. Labor Shortage, SHRM, 2025.

<sup>2</sup> Source: 2025 Talent Trends: Skills, SHRM, 2025.

<sup>3</sup> Source: 2025 Talent Trends: Skills, SHRM, 2025.

coordination with education and workforce partners.

## CORE ISSUES IN THE PIPELINE

### Leaky, Broken, and Busted Talent Pipelines

Education and talent development systems in the U.S. are failing to keep pace with workforce needs. Students graduate unprepared, employers cannot fill open roles, and millions of skilled workers remain on the sidelines. Nearly 70% of employers reported ongoing difficulty filling jobs, echoing levels seen in 2016.<sup>4</sup> Skills gaps restrict innovation, slow productivity, and raise operational costs.

Addressing these challenges requires a concerted effort to realign education, skills, and work across three interconnected pipelines: K-12 education, higher education, and untapped talent. Through strategic coalitions, advocacy, and practical solutions, SHRM is mobilizing HR professionals, educators, employers, and public policymakers to build a resilient talent ecosystem. Now is the time for a bold effort to connect learning to opportunity and ensure that talent is no longer wasted or overlooked. Talent is everywhere, but opportunity must be intentional.

## PIPELINE 1: K-12 EDUCATION

### Balancing Academics and Skills — and Losing Both

The K-12 pipeline is broken. Over the past century, the U.S. education system has repeatedly shifted the degree of its emphasis on vocational training in K-12 education, reflecting broader changes in views about the purpose of schooling and the rise of compulsory attendance. In the early 20th century, vocational education became more integrated into schools as children no longer learned trades from their parents, who were working in industrial settings. Early critics raised concerns that vocational programs narrowed students' education, reinforced class distinctions, and risked limiting students to a single career path.

Over time, vocational courses also gained a reputation as a track for students who were failing in traditional academic settings. As the economy grew more complex, scrutiny of vocational training intensified, particularly around insufficient academic instruction. By the turn of the century, increased emphasis on academic standards and testing reshaped priorities, and for the past 25 years, school districts have worked to balance vocational skills training, college readiness, and core academic instruction.<sup>5</sup>

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<sup>4</sup> Source: 2025 Talent Trends: Recruiting, SHRM, 2025.

<sup>5</sup> This paragraph offers a high-level overview of the historical role of vocational training within the broader U.S. public education system. It does not attempt to capture the full scope, nuance, or

variation of vocational or primary and secondary education throughout U.S. history and instead is intended to provide contextual background on the evolution of this educational pathway for the purposes of the discussion in this white paper

This has resulted in, over time, many school systems moving away from vocational education and hands-on learning, which once gave students a practical foundation for entering the workforce directly after high school. Robust co-op programs, career and technical education (CTE), and trade-focused pathways have diminished in many districts, leaving students with fewer opportunities to build job-relevant skills before graduation.

Currently, students are graduating without essential skills for the workforce. Vocational, trade, and co-op programs have declined, leaving many without practical skills for immediate employment after completing high school.

## Reading, Math, and Readiness Gaps Persist

Foundational skills such as reading remain a challenge, with roughly two-thirds of both fourth-graders and eighth-graders not proficient, according to the National Assessment of Educational Progress (NAEP).<sup>6</sup> Similarly, recent federal surveys of adult skills indicate that more than a quarter of U.S. adults perform at the lowest literacy levels. These trends have lasting labor market implications because students who struggle with reading often face barriers to training, advancement, and workplace adaptability.

### Building Literacy from Youth to Adulthood

Primary and secondary school-aged children must learn to read, which requires targeted changes to the curriculum. Achieving this goal will take a sustained, concerted effort.

However, this does not mean that adults who struggle with literacy lack support. The Adult Education and Family Literacy Act represents the largest federal investment in adult education and literacy. The AEFLA is authorized as Title II of the Workforce Innovation and Opportunity Act and is administered by the Office of Career, Technical, and Adult Education within the U.S. Department of Education. In addition, many states operate their own adult literacy programs to supplement federal efforts and meet local workforce needs.

Learn more on the National Coalition for Literacy website.

These challenges grew during the COVID-19 pandemic. Prolonged school closures and uneven access to remote learning disrupted in-person instruction and caused a nationwide learning loss. An Education Recovery Scorecard report found students in grades three through eight lost half a grade level in math and a third in reading between 2019 and 2023.<sup>7</sup> In short, students lost about half a year of math learning and a third of a year in reading during the pandemic.<sup>8</sup> These losses widened existing achievement gaps and further limited students' readiness for postsecondary education and the workforce.

The most recent NAEP results confirm these ongoing deficits. Fourth-grade reading proficiency has dropped to approximately 31% and eighth-grade math achievement remains far below pre-pandemic levels, highlighting

<sup>6</sup> Source: The Nation's Report Card, National Center for Education Statistics, 2024.

<sup>7</sup> Source: The First Year of Pandemic Recovery: A District-Level Analysis, Education Recovery Scorecard, Erin Fahle et al, 2024.

<sup>8</sup> Source: The First Year of Pandemic Recovery: A District-Level Analysis, Education Recovery Scorecard, Erin Fahle et al, 2024.

both the scale and persistence of learning gaps.<sup>9</sup> However, this is not a new issue. The disconnect between the education system and workforce needs — particularly in response to an increasingly technology-driven and sophisticated economy — has been monitored for decades. As noted in a 2007 journal article, “The statistics indicate that the literacy skills of the American workforce are not sufficient to produce the level of worker needed to support a growing and increasingly complex economy.”<sup>10</sup> Further underscoring the implications for the workforce, the article explained that “national trends reflect the mismatch between the needs of the workplace and the literacy levels of the population of workers. Low literacy levels in the workforce erode productivity and limit the global competitiveness of U.S. firms.”<sup>11</sup>

Nearly two decades after that publication, roughly 28% of adults — approximately 59 million people — continue to struggle with basic reading skills, according to the National Governors Association.<sup>12</sup> Within a survey conducted by the Barbara Bush Foundation for Family Literacy, which focused on perceptions of adult literacy, employers reported that adult literacy is not easily defined, yet they are experiencing its impacts firsthand.<sup>13</sup> Survey respondents indicated that low literacy contributes to likely billions of dollars in lost revenue each year; nearly 1 in 3 employers reported that their employees do not possess the minimum level of literacy required to perform their jobs effectively; and that navigating digital tools is a consistent challenge for employees across key industries.<sup>14</sup>

Foundational skills such as reading comprehension and math form the cornerstone of workforce readiness and long-term employability. These skills are required across nearly all occupations, meaning gaps have broad and cascading implications for employers, as noted in a Congressional Research Service report.<sup>15</sup> The report further emphasizes that nearly all jobs carry minimum education or literacy requirements, underscoring the essential role of fundamental skills — including critical thinking, writing, speaking, and active learning — in effective job performance across the modern workforce.<sup>16</sup>

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<sup>9</sup> Source: U.S. Chamber Foundation Calls for Action on K-12 Learning Gaps, Signals Economic Risk, U.S. Chamber of Commerce Foundation, 2025.

<sup>10</sup> Source: Literacy Education and the Workforce: Bridging a Critical Gap, Journal of Jewish Communal Service, Nancy T. Fisher and Leonard C. Schneider, 2007.

<sup>11</sup> Source: Literacy Education and the Workforce: Bridging a Critical Gap, Journal of Jewish Communal Service, Nancy T. Fisher and Leonard C. Schneider, 2007.

<sup>12</sup> Source: Empowerment Through Adult Literacy: Policy Pathways for Governors, National Governors Association, accessed December 30, 2025, <https://www.nga.org/meetings/empowerment-through-adult-literacy-policy-pathways-for-governors/>

<sup>13</sup> Source: Empowerment Through Adult Literacy: Policy Pathways for Governors, National Governors Association, accessed December 30, 2025, <https://www.nga.org/meetings/empowerment-through-adult-literacy-policy-pathways-for-governors/>

<sup>14</sup> Source: Empowerment Through Adult Literacy: Policy Pathways for Governors, National Governors Association, accessed December 30, 2025, <https://www.nga.org/meetings/empowerment-through-adult-literacy-policy-pathways-for-governors/>

<sup>15</sup> Source: Skills Gaps: A Review of Underlying Concepts and Evidence, David H. Bradley et al., CRS Report R47059, 2022.

<sup>16</sup> Source: Skills Gaps: A Review of Underlying Concepts and Evidence, David H. Bradley et al., CRS Report R47059, 2022.

## Skills You Can't Automate — and Employers Need

Critical power skills such as problem-solving, critical thinking, adaptability, and communication are often overlooked, further limiting workforce readiness. Workforce data highlights these issues; over 1 in 4 organizations (28%) said that full-time positions hired in the last year required new skills, and the main reasons were organizational growth and changing technology.<sup>17</sup> Yet, 3 in 4 organizations reported that it is somewhat or very difficult to find people with the needed skills, and 30% of organizations said candidates lack the right power skills.<sup>18</sup> Employers recognize that human-centered skills are key. Complex problem-solving, judgment, decision-making, and social skills are in higher demand than technical skills.<sup>19</sup> Nearly half of employers said they expect these skills to be the most important over the next five years, but more than three-quarters struggle to find candidates with them.<sup>20</sup>

Power skills are widely seen as essential for career success. Students, emerging professionals, and hiring managers all agreed that skills such as critical thinking, communication, problem-solving, and collaboration are very important.<sup>21</sup>

### How Skills Gaps Hold Us Back

Taken together, these trends underscore that foundational and power skills are essential to workforce readiness. Students need meaningful opportunities to develop practical skills through CTE, co-op programs, apprenticeships, and trade-focused pathways. As emerging technologies and the growing use of AI continue to shape our world, schools must also develop curricula that include digital and AI literacy to meet the demands of the modern workforce and economy. Without

#### Promising Models Demonstrate That Different Outcomes Are Possible

Model programs such as North Carolina's Aspire Trade High School demonstrate the impact of hands-on, practical education. Aspire Trade High School in North Carolina combines core academics with hands-on training in fields such as heating and cooling, plumbing, welding, and medical assisting. Graduating students receive both a high school diploma and a trade certificate, with many participating in apprenticeships with local employers.

This school, and others like it, show how early exposure to practical skills and employer engagement can create clear pathways from education into stable careers. Moving to policy priorities, expanding Perkins Act support, and providing competitive grants to offset costs for businesses partnering with schools to deliver CTE programs are essential. Promising models demonstrate that different outcomes are possible.

<sup>17</sup> Source: 2025 Talent Trends, SHRM, 2025.

<sup>18</sup> Source: 2024 Talent Trends, SHRM, 2024.

<sup>19</sup> Source: 2025 Talent Trends, SHRM, 2025.

<sup>20</sup> Source: 2025 Talent Trends, SHRM, 2025.

<sup>21</sup> Source: Expectations and Realities: Preparing the Next Generation of Talent for the World of Work, SHRM, 2024.

intentional focus in these areas, students will lack the understanding and the tools needed to succeed in an evolving workforce.

Employers increasingly seek candidates who combine strong foundational abilities with human-centered, power, and durable skills. Without sustained focus in these areas, skills gaps will persist, limiting individual opportunity, organizational growth, and national competitiveness. Schools must prioritize future-ready curricula that integrate academic learning with practical, job-relevant skills. Interest in work-based learning has grown at the federal, state, and local levels, but much of the responsibility for workforce preparation has shifted downstream to community colleges. This shift creates a critical gap during the high school years, when foundational and technical skills should be introduced and reinforced.

Closing this gap will require collaborative, data-driven solutions to strengthen K-12 workforce readiness. Schools should embed skills development across curricula, expand apprenticeships and career pathways, and support increased federal investment in initiatives such as artificial intelligence education and CTE programs. For employers, persistent foundational skills gaps limit access to internal training pipelines, slow onboarding, and reduce workforce flexibility.

## **PIPELINE 2: HIGHER EDUCATION**

### **Missing Employability Factor, Where the Higher Education Pipeline Breaks Down**

The higher education pipeline is leaky. Higher education remains a critical foundation for career development in many fields, but too often, graduates leave school without the skills needed to meet current labor market demands. This gap stems from academic programs that do not keep pace with evolving workforce requirements and from a reduced emphasis on experiential learning opportunities, leaving students unprepared for industry changes.

Opportunities for hands-on learning — both within and beyond the traditional university setting — are limited, reducing students' connections with employers and their ability to develop skills aligned with local workforce needs. Cost barriers also persist, pricing many people out of further educational attainment. Taken together, these challenges result in rigid coursework that often fails to build foundational competencies or adapt to inevitable shifts in workforce demands — even within the typical four-year degree timeline.

Additionally, there are noted demographic changes within higher education from enrollment to graduation that impact this valuable talent pipeline. According to a Kenan Institute report, “females accounted for 60 percent and males were responsible for 40 percent of the net growth in the U.S. college educated population over the past four years.”<sup>22</sup> Looking at the demographic breakdown

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<sup>22</sup> Source: Recent Demographic Shifts in the U.S. Working Age College Education Population, Kenan Institute Report, 2026.

even further, “college educated White male population grew by a paltry 1.4 percent between 2020 and 2024, which is consistent with the notion that a whole generation of American males have given up on college.”<sup>23</sup> This decline by white men is not exclusive to higher education, with “experienced decline at all other levels of education attainment during [2020-2024], including at the high school or less, some college, and associate degree levels.”<sup>24</sup>

## Degrees Without Experience: The Erosion of Work-Based Learning

U.S. universities remain vital sources of talent — particularly for emerging professionals — despite growing misalignment between academic offerings and labor market needs. Many students pursue postsecondary education expecting direct employment outcomes, yet graduate with degrees that do not align with available jobs or in-demand skills. At the same time, the nature of work continues to evolve, often faster than traditional degree programs can adapt.

This mismatch has been widely documented. Research from the Strada Education Foundation showed that, despite a historically tight labor market, underemployment among college graduates remains persistently high. One year after graduation, 52% of graduates were underemployed, and even a decade later, 45% remained underemployed.<sup>25</sup> The economic consequences are

### Aligning Education with Real-World Skills

Statewide initiatives, such as North Carolina’s myFutureNC, set statewide attainment goals to ensure that a sufficient amount of residents hold college degrees or industry-valued credentials by 2030. It tracks progress annually.

This effort illustrates how intentional alignment between education systems and labor market demand can benefit students, employers, and regional economies alike.

significant: Graduates employed in college-level roles typically earn about 88% more than workers with only a high school diploma, while underemployed graduates earn only about 25% more than those with no education beyond high school.<sup>26</sup>

Internships, externships, and cooperative education have long served as critical bridges between higher education and employment, yet participation remains limited and uneven. SHRM research found that more than 3 in 5 U.S. workers (61%) have never participated in an internship.<sup>27</sup> Only 23% reported completing a paid internship and 21% completed an unpaid internship — highlighting both low overall participation and persistent access barriers.<sup>28</sup>

<sup>23</sup> Source: Recent Demographic Shifts in the U.S. Working Age College Education Population, Kenan Institute Report, 2026.

<sup>24</sup> Source: Talent Disrupted: College Graduates, Underemployment, and the Way Forward, Strada Education Foundation and Burning Glass Institute, 2024.

<sup>25</sup> Source: Talent Disrupted: College Graduates, Underemployment, and the Way Forward, Strada Education Foundation and Burning Glass Institute, 2024.

<sup>26</sup> Source: Talent Disrupted: College Graduates, Underemployment, and the Way Forward, Strada Education Foundation and Burning Glass Institute, 2024.

<sup>27</sup> Source: March 2025 Current Events Pulse, SHRM, 2025.

<sup>28</sup> Source: March 2025 Current Events Pulse, SHRM, 2025.

This limited uptake contrasts sharply with the value of these experiences. Among workers who did participate in internships, 82% reported that the experience played an important role in preparing them for the workforce.<sup>29</sup> Despite this evidence, experiential learning is too often treated as optional rather than embedded within degree requirements. Limited employer partnerships, inconsistent academic credit, and weak coordination between faculty and industry further restrict access to meaningful work-based learning opportunities.

Data from the U.S. Bureau of Labor Statistics data confirms that higher levels of educational attainment are generally associated with higher earnings, but the long-held assumption that a college degree alone ensures workforce success has become less reliable.<sup>30</sup> The connection between degree attainment, employment outcomes, and the university's role in facilitating career readiness is often unclear. Although career services offices are nearly universal, their effectiveness is uneven. Gallup found that only 43% of students consider their university's career services to be helpful, and only about half of college graduates reported ever visiting their campus career services office at all.<sup>31</sup>

As a result, many students graduate with academic credentials that signal completion — but not readiness — while employers face longer onboarding timelines, reduced workforce flexibility, and narrower pipelines for early-career talent. As the Strada Education Foundation summarized:

Many students choose college under the assumption that a degree will unlock a lucrative career and secure their place within the middle class. Employers, in turn, rely on colleges to supply qualified talent. ...However, the promise of higher education is not always fulfilled. While college graduates typically enjoy a significant advantage in the labor market over those with only a high school diploma, many find themselves grappling with an unexpected reality — a disconnect between their academic achievements and their economic prospects.<sup>32</sup>

Higher education institutions must be better positioned to prepare graduates for real-world careers while expanding employers' access to skilled talent.

## Underused Pathways Beyond the Four-Year Degree

Education and workforce preparation increasingly extend beyond traditional four-year universities, yet many of these pathways remain underutilized and poorly integrated. Internships, joint degree programs, apprenticeships, and re-engagement pathways — particularly targeting adult learners with some college experience but no degree — are essential to meeting labor market demand. However, as demand grows for flexible, skills-focused education, many postsecondary systems

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<sup>29</sup> Source: March 2025 Current Events Pulse, SHRM, 2025.

<sup>30</sup> Source: Earnings and Unemployment Rates by Educational Attainment, U.S. Bureau of Labor Statistics, 2024.

<sup>31</sup> Source: One in Six U.S. Grads Say Career Services Was Very Helpful, Gallup, 2016.

<sup>32</sup> Source: Talent Disrupted: College Graduates, Underemployment, and the Way Forward. Strada Education Foundation and Burning Glass Institute, 2024.

remain structured around traditional, full-time students — leaving nontraditional learners underserved.

Apprenticeships, employer-aligned programs, industry certifications, and alternative delivery models are often fragmented, difficult to navigate, or treated as peripheral to core academic missions. SHRM data underscores this underutilization: Only 22% of organizations reported offering or partnering with registered or customized apprenticeship programs.<sup>33</sup> Yet, among that relatively small group, 82% indicated their apprenticeship programs have been somewhat effective or very effective at addressing talent shortages — highlighting apprenticeships as a high-impact but underleveraged talent pipeline.<sup>34</sup>

Even when innovative programs exist, they are frequently limited in scale or weakly connected to regional workforce strategies. The lack of coordination among education providers, employers, and state systems slows reskilling efforts and constrains labor market responsiveness, particularly in high-demand sectors and communities facing acute talent shortages.

Many degrees continue to function as broad signals of attainment rather than clear indicators of job-ready skills, which leaves employers to infer capability and learners uncertain about workforce value. This disconnect has fueled the growth of industry-recognized credentials, certificates, and alternative learning pathways outside traditional degree programs. Employer behavior reflects this shift: Nearly one-quarter

### **Expanding Access Through Workforce Pell Grants**

A major development in higher education policy is the creation of the Workforce Pell Grant program, developed through the U.S. Department of Education's Accountability in Higher Education and Access Through Demand-Driven Workforce Pell Committee.

This initiative, enacted under President Donald Trump's Working Families Tax Cuts Act, will allow students enrolled in short-term credential programs to access federal funding beginning in July 2026. The program provides federal funding for short-term credential programs, typically 8-15 weeks, that teach high-demand and skills-based competencies.

The program expands access for nontraditional learners and those pursuing pathways beyond a four-year degree while reducing financial barriers. Accountability measures will ensure programs maintain high-quality outcomes and graduates gain the skills needed for well-paying, in-demand jobs.

SHRM supported the expansion of Workforce Pell Grants in the One Big Beautiful Bill Act because it increased access to high-quality, short-term, career-focused education aligned with real workforce needs. By supporting industry-relevant training with strong employment outcomes, this provision will help HR leaders address skills gaps, strengthen talent pipelines, and enable workers to advance their careers while keeping businesses competitive.

<sup>33</sup> Source: 2025 Talent Trends, SHRM, 2025.

<sup>34</sup> Source: 2025 Talent Trends, SHRM, 2025.

(27%) of organizations have removed degree requirements for some roles, and roughly 30% of civilian jobs in 2023 required no minimum formal education.<sup>35,36</sup>

Despite their growing importance of alternative, skilled credentials, they often lack clarity, consistency, and portability. Although 90% of HR professionals reported that credentials improve hiring outcomes and 87% of executives agree they signal workforce readiness, uneven quality and limited alignment continue to undermine their full potential.<sup>37</sup> Without stronger coordination, clearer skill signaling, and intentional integration into workforce systems, education pathways beyond the four-year degree will remain fragmented — forcing learners to piece together credentials on their own and leaving employers to navigate an increasingly opaque talent marketplace.

Without stronger alignment, clearer skills signaling, and greater portability of credentials, higher education risks further fragmentation — which leaves learners to assemble credentials on their own and employers to navigate an increasingly opaque talent marketplace.

## PIPELINE 3: UNTAPPED TALENT

### Skilled, Capable, and Overlooked

The untapped talent pipeline is broken. Millions of skilled workers remain underutilized due to bias, misconceptions, and outdated employment practices. Untapped talent includes veterans and military-connected families, caregivers, people with disabilities, older workers, people with criminal histories, and opportunity youth. These people bring in-demand skills and strong potential returns on investment, yet employers frequently lack the understanding, infrastructure, and strategies needed to fully engage them.

### Who Is Ready to Work but Still Left Out?

The scale of untapped talent is significant. The SHRM Foundation defines untapped talent as people who are willing and able to work but face persistent barriers to employment or advancement. Across these populations, underutilization is driven less by skills gaps and more by misaligned hiring norms; limited awareness of support needs; and insufficient systems to support recruitment, onboarding, and retention.

Each year, approximately 200,000 U.S. service members transition to civilian life with leadership, technical expertise, and operational experience.<sup>38</sup> Yet, veterans and other members of the military community — including National Guard and Reserve members as well as military spouses — often encounter difficulty translating military skills into civilian roles. Employers and recruiters frequently

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<sup>35</sup> Source: 2025 Talent Trends, SHRM, 2025.

<sup>36</sup> Source: Navigating the Transition to Civilian Life, General Services Administration, Performance.gov, <https://www.performance.gov/cx/life-experiences/navigating-the-transition-to-civilian-life/>

<sup>37</sup> Source: The Rise of Alternative Credentials in Hiring, SHRM and SHRM Foundation, 2022.

<sup>38</sup> Source: Completing the Mission: Best Practices for Recruiting and Hiring Veterans, SHRM, 2024.

lack the tools and training to interpret military experience, resulting in missed opportunities for both workers and organizations.

### **Turning Service into Opportunity and Opportunity into Success**

Fully realizing the value that veterans and other members of the military community brings requires a deliberate effort to translate military experience into civilian career opportunities.

North Carolina for Military Employment (NC4ME) is a nationally recognized public-private partnership established by the then-governor in 2015 to make North Carolina the No. 1 state for military employment. NC4ME leverages the state's workforce development infrastructure and technology to deliver an employer-centric approach that connects military talent to meaningful careers and business needs.

Through NC4ME, employers are educated on the business value of hiring military-connected talent; equipped with accredited HR training to recruit, select, and retain high-performing candidates; and supported by targeted initiatives that bridge the gap between military experience and civilian workforce readiness. The program also directly connects employers with skilled, job-ready military talent to drive measurable business results.

By focusing on the demand side of the employment equation, NC4ME complements the many programs preparing veterans for civilian careers while ensuring that opportunity meets readiness.

Military spouses face compounded challenges: frequent relocations, employment gaps, and misconceptions about availability or long-term commitment contribute to unemployment rates nearly five times higher than the national average.<sup>39</sup> Many spouses move every two years and are often excluded from veteran-focused hiring initiatives that fail to account for their distinct needs. Despite these barriers, military spouses consistently demonstrate adaptability, resilience, and a variety of professional experience — attributes that remain undervalued in traditional hiring and retention models.

Older workers represent another large and growing pool of underutilized talent. SHRM research found that the populations aged 55-64 and 65 and older nearly doubled in size, with the 65-and-older group continuing to grow rapidly.<sup>40</sup> But hiring, training, and advancement systems often prioritize younger workers, while retirement policies, inflexible schedules, and age-

based assumptions limit older workers' continued participation. The result is the loss of institutional knowledge and experience at a time of persistent labor shortages.

People with disabilities also remain significantly underutilized despite rising labor force participation. As of July 2025, nearly 35.9 million people with disabilities ages 16 and older live in the U.S., including 8.9 million labor force participants and 8 million employed people.<sup>41</sup> Although participation rates are at relative highs, workers with disabilities represented fewer than 5% of U.S.

<sup>39</sup> Source: Military Spouses to Gain More Job Ops Thanks to Growing Employment Partnership, Department of War, 2023.

<sup>40</sup> Source: Labor Force Snapshot: Older People in the U.S. Labor Force, SHRM, 2025.

<sup>41</sup> Source: Labor Force Snapshot: People with Disabilities in the U.S. Labor Force, SHRM, 2025.

workers.<sup>42</sup> Many employers lack accessible hiring practices, inclusive workplace design, and clear accommodation processes. Stigma and uncertainty about perceived costs or complexity continue to deter full inclusion, despite strong evidence that most accommodations are free or low-cost, and that workers with disabilities are high-performing and reliable contributors.

People with criminal histories represent one of the largest untapped talent pools, with approximately 1 in 3 U.S. adults affected.<sup>43</sup> Yet, blanket exclusions and risk-averse hiring policies routinely disqualify qualified candidates without regard to skills, rehabilitation, or job relevance. Many of these people have developed resilience, problem-solving abilities, and practical skills through alternative training and real-world experience. Absent systems to fairly assess qualifications and support reentry, employers miss access to a motivated and loyal workforce.

Opportunity youth — young people ages 16 to 24 who are neither in school nor employed — make up more than 12% of the roughly 40 million people in this age group in the U.S.<sup>44</sup> These individuals are disconnected from formal education or work, but they bring energy, adaptability, and a strong willingness to learn. Persistent biases related to age, race, and perceived reliability — combined with limited entry-level pathways and support structures — prevent many from gaining a foothold in the labor market, despite evidence that opportunity youth perform well when provided with structured opportunities.

## Underemployment Driven by Barriers, Not Ability

Across all untapped talent populations, the pattern is consistent: Employment gaps reflect not a lack of capability, but a lack of understanding of what these workers need to enter, succeed, and remain in the workforce. Employers frequently lack the systems, policies, and supports required to recruit, onboard, and retain these individuals — including accessible hiring processes; skills translation; and flexible scheduling, career pathways, and manager training. Without intentional strategies to address these gaps, organizations will continue to overlook capable workers, constraining labor force participation, narrowing talent pipelines, and limiting long-term workforce resilience.

## SOLUTIONS TO STRENGTHEN THE PIPELINE

### HR-Driven Strategies to Prepare Talent for the Workforce

Bridging the gap between talent supply and workforce needs requires a proactive, coordinated approach — and HR professionals are central to this effort. HR sits at the intersection of hiring, employee development, and workforce planning, giving leaders unique insight into which skills are

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<sup>42</sup> Source: Labor Force Snapshot: People with Disabilities in the U.S. Labor Force, SHRM, 2025.

<sup>43</sup> Source: Just Facts: As Many Americans Have Criminal Records as College Diplomas, Brennan Center for Justice, 2015.

<sup>44</sup> Source: U.S. Interagency Working Group on Youth Programs: Prevalence, Youth.gov. <https://youth.gov/youth-topics/opportunity-youth/prevalence>

missing, which credentials matter in practice, and where education or training systems fail to align with real-world needs.

By leveraging this perspective, HR can translate employer requirements into actionable strategies that shape curriculum, credentialing, and workforce policy, ensuring people are prepared for evolving roles while organizations gain access to the skills they need to remain competitive.

## **K-12 Education: Building Foundational and Technical Skills Talent for the Workforce**

Essential to strengthening the K-12 pipeline is HR as they understand how education ultimately translates into work. Through career awareness, mentoring, job shadowing, and work-based learning, HR professionals help students see how classroom learning connects to real roles and real careers. By articulating which foundational skills — such as literacy, communication, adaptability, and problem-solving — are essential across industries, HR provides schools with concrete guidance on what “work readiness” truly means. HR can steer students toward CTE pathways that lead directly to employment or further training, rather than abstract or misaligned outcomes.

Working with guidance counselors, HR leaders can also support workshops for families that clarify career options, earnings potential, and alternatives to the traditional four-year degree. These conversations are critical in shaping expectations and helping families understand the full range of viable, high-quality pathways available to students. By defining and validating employability skills, such as attendance, teamwork, communication, and professionalism, and partnering with schools to embed industry-recognized credentials like IT support, manufacturing safety, or project management into coursework, HR ensures that learning reflects labor-market realities. HR professionals are ultimately responsible for interpreting credentials and experience in hiring decisions; they are the ones who translate education into opportunity.

Investing in vocational and technical education equips students with practical, job-relevant skills while preserving multiple postsecondary options, including apprenticeships, certificates, and degrees. Early exposure to industry-aligned curricula and emerging technologies strengthens long-term workforce readiness and reinforces the education-to-employment pipeline. HR can help shift perceptions of vocational pathways by highlighting their rigor, economic value, and relevance in a modern, skills-driven economy.

By engaging directly with educators, students, and families, HR ensures that young people graduate with both academic readiness and employability. In doing so, HR lays the foundation for a future-ready workforce — one where students are not only educated, but prepared to navigate careers that span industries, evolve over time, and meet the demands of a changing economy.

## Higher Education: Designing Workforce-Aligned Pathways to Employability

HR is essential to ensuring that higher education produces graduates who are ready for work. Through real-time labor market feedback loops, HR can provide colleges and universities with regular insights drawn from job postings, interviews with recent graduates, hiring outcomes, and workforce planning. HR can also establish agreements in which students who complete aligned programs receive priority consideration or guaranteed interviews, strengthening the connection between learning and hiring.

By partnering with colleges and universities, HR leaders help ensure academic programs reflect current and emerging skills requirements. Through service on advisory boards and support for internships, apprenticeships, and other experiential learning, HR aligns postsecondary education with real-world labor market needs.

Institutions can deepen this alignment by embedding work-based learning into degree pathways, offering stackable credentials, and creating flexible options for both traditional students and working adults. HR plays a critical role in connecting these systems to employer needs, ensuring graduates possess relevant skills, including digital and AI literacy. While public policies that support short-term credentials, expanded Pell Grant eligibility, and employer-provided education assistance can accelerate completion of high-value programs, HR expertise is what translates these opportunities into meaningful workforce outcomes.

As in K-12, HR professionals help ensure students graduate with both academic readiness and labor-market relevance. A stronger focus on employability — being skills-ready and gaining early exposure to careers that translate across industries, including the HR profession itself — is essential. For students who do not plan to pursue graduate or professional degrees, pathways to employment must be explicit. This means helping students understand how their degrees translate for employers, how to communicate skills through resumes, and how experiences such as internships, externships, and project-based learning build credible, marketable capabilities. HR is uniquely positioned to provide direction and advise on all of these competencies.

Finally, HR leaders can source real business challenges for capstone courses, which are the culminating projects in a degree program where students integrate and apply the knowledge and skills gained throughout their studies. By shaping these experiences around real workplace needs, HR ensures capstones serve as a true bridge between academic theory and professional practice, enabling students to graduate with applied, job-ready experience. These strategies position HR as an active architect of postsecondary pathways, ensuring that degrees and credentials lead directly to employability.

## Untapped Talent: Designing Inclusive Pathways to Work

Millions of capable and motivated workers remain underutilized in the U.S. labor market, including veterans and military spouses, older workers, people with disabilities, people with criminal histories, and opportunity youth. HR professionals are essential to identifying and removing the

barriers that prevent these individuals from entering, succeeding, and remaining in the workforce. This work extends far beyond recruitment. It includes reassessing hiring practices, adopting skills-based approaches, supporting workplace accommodations, implementing phased retirement options, translating military experience, and investing in targeted training programs that align with real job requirements.

These solutions position HR not merely as a recruiter, but as the system designer responsible for ensuring that talent is not excluded by unnecessary barriers or flawed assumptions. HR plays a critical role in dismantling practices that equate ability with pedigree, uninterrupted career paths, or traditional credentials. By redesigning screening tools to eliminate degree inflation and emphasize skills-based assessments, HR ensures candidates are evaluated on what they can do — not outdated norms.

HR can also create structured reentry programs for caregivers, the military community, and older workers that include coaching, phased expectations, and peer support, recognizing that gaps in employment do not signal diminished capability or potential. By building clear crosswalks that translate military service, caregiving, and informal experience into recognized competencies, HR makes invisible skills visible and valued. In doing so, HR replaces exclusion with opportunity and ensures that readiness, not resume convention, determines who gains access to work.

By establishing intentional systems for recruitment, onboarding, and retention, HR ensures that untapped talent can access sustainable career pathways. Work-based learning, upskilling and reskilling programs, and flexible career options expand participation, while HR can advocate for policies that connect public investments to real workforce needs. Employers who intentionally engage these populations gain access to high-performing, loyal talent while strengthening organizational resilience and long-term competitiveness.

#### **Harnessing Untapped Talent**

The SHRM Foundation believes that every person holds unique, catalytic potential if given the opportunity to succeed. By empowering employers to embrace innovative hiring, training, retention, and workplace support practices, we can unlock this potential, driving both economic growth and individual impact. The SHRM Foundation offers SHRM-backed Specialty Credentials and certificates to equip you to embrace skills-first talent management strategies and source, hire, support, and retain a broad spectrum of untapped talent.

Learn how to embrace future-forward talent management with [SHRM Foundation trainings](#).

## **HR as the Bridge to Inclusive Talent Pipelines**

The education-to-employment pipeline cannot be repaired without HR, which defines skills, shapes pathways, removes barriers, and ensures every stage of learning connects to real work. Across all pipelines, K-12, higher education, and untapped talent, HR is uniquely positioned to bridge education and employment. HR leaders provide real-time insights into workforce needs, translate employer requirements into actionable guidance for educators and policymakers, and design

systems that enable talent to succeed. Schools, employers, and government cannot close the skills gap independently; alignment occurs only when HR professionals connect these systems in ways that reflect how people learn, work, and transition into careers.

By embedding business, and particularly HR, expertise throughout education and workforce development strategies, decision-makers responsible for investments and implementation can better ensure that individuals are prepared for evolving roles, access to high-quality career pathways is expanded, and businesses are equipped with the skilled talent they need to remain competitive in a rapidly changing economy.

## CONCLUSION

### Creating Opportunity Through HR Leadership

The education-to-employment system is not keeping pace with today's labor market needs. K-12 schools are not consistently preparing students, higher education remains misaligned with job demand, and millions of capable individuals remain disconnected from opportunity. HR professionals have a direct and necessary role in fixing this system.

By working in partnership with educators, policymakers, and community organizations, HR leaders can help rebuild a pipeline that produces job-ready workers, supports business growth, and expands opportunities for people at every stage. The path forward requires coordination, flexibility, and leadership — and HR is uniquely positioned to lead that effort.

However, incremental change is not enough. To ensure lasting impact, stakeholders must commit to bold, systemic transformation — reimagining education, embracing skills-based hiring, investing in lifelong learning, and removing barriers for untapped talent. HR professionals are uniquely positioned to lead this effort, leveraging workforce data, strategic planning, and partnerships with educators, policymakers, and community

organizations. Success will require clear metrics, continuous feedback, and measurable outcomes, such as increased workforce participation, reduced skill gaps, and smoother transitions from education to employment.

As technology and skill demands evolve rapidly, proactive HR leadership is essential to prevent talent gaps from widening and to ensure organizations remain competitive. By strengthening talent pipelines today, HR can fuel innovation, support economic growth, and ensure communities benefit from a fully engaged and skilled workforce.

By taking these steps now, organizations not only address current talent shortages but also build a more adaptable, resilient, and future-ready workforce — one prepared for the challenges and opportunities of tomorrow.

#### Learn more through SHRM resources:

- [SHRM's E2 Initiative: The Education-To-Employment Pipeline](#)
- [Widening Pathways to Work](#)
- [Scholarships, Mentorship, Apprenticeships, and Award](#)
- [Ready for Success: Adopting a Skills Mindset in Employment Practices Toolkit](#)