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Employers bet hiring for skills, not degrees, could level the playing field

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Bloomberg

Nearly one in five job postings nationwide did not require a degree in 2022, up from 15% in 2021, according to a LinkedIn hiring report.

The tech industry mythologizes certain college dropouts, like Bill Gates, Steve Jobs and Mark Zuckerberg.

Others can't get a foot in the door.

As employers **diversify their workforces**, an increasing number are rethinking long-held hiring standards around the need for a four-year college degree. Advocates of the strategy say that the city could do more to lead the charge, since it has tasked employers, especially those in the tech industry, with offering a path to real economic opportunity to a greater number of local residents.

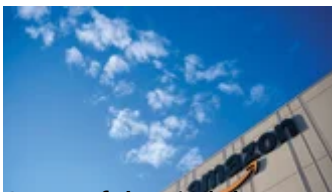
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“Many job seekers have the skills to do a broad range of jobs but in a lot of cases they aren’t being considered for those roles,” said Abbey Carlton, vice president of social impact at jobs marketplace Indeed. “Who is getting left behind becomes a question of equity.”

The change could have a singular impact in New York City, according to a [new policy analysis](#) by think tank Center for an Urban Future, since only 25% of Hispanic New Yorkers, 30% of Black New Yorkers, and 49% of Asian New Yorkers hold a bachelor’s degree or higher, compared to 68% of white New Yorkers.

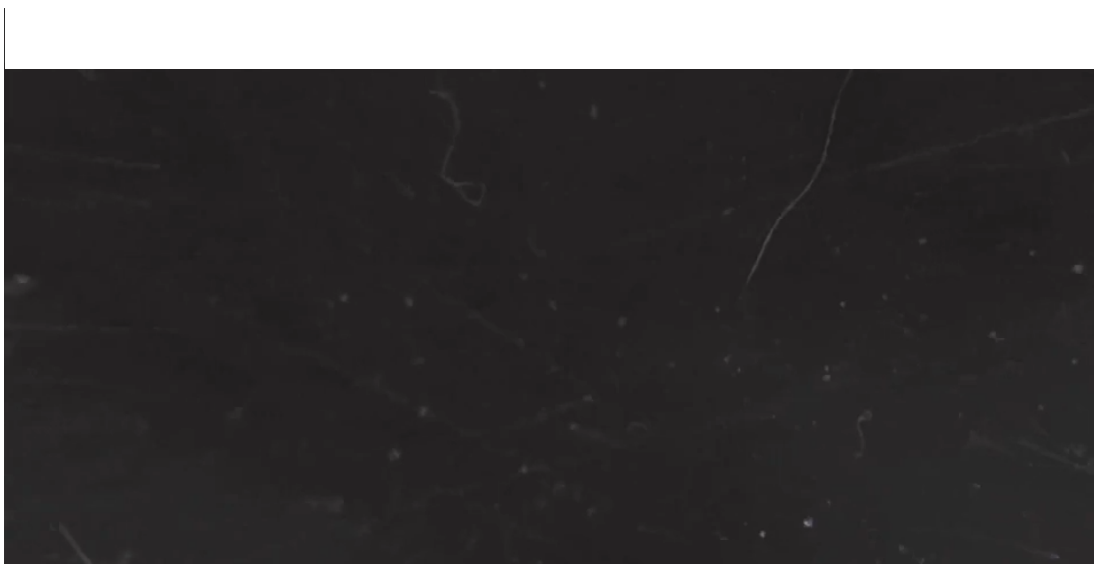
“It might be the greatest untapped opportunity to build an equitable economy in New York,” said Center for an Urban Future’s Executive Director Jonathan Bowles. “Tens of thousands of New Yorkers are being shut out of good jobs.”

Nationwide, nearly one in five job postings did not require a degree last year, up from 15% in 2021, according to a LinkedIn report about skills-based hiring published earlier this year. Local data on skills-based hiring is not available. Notably, the Black unemployment rate was at 12.2% for the first quarter of 2023, compared to 1.3% for white workers according to an [analysis](#) of Current Population Survey data from the U.S. Census Bureau by New School economist James Parrott.

How skills-based hiring works

Bowles said the goal of his analysis is to help more New York employers “take the plunge” into skills-based hiring by building a set of best practices and data to show that workers hired without a 4-year degree can succeed as well as those working similar jobs with college degrees.

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Companies, he said, have relied on the degree as a kind of proxy for the hard and soft skills that four years in university can confer. But in fact, many jobs inside companies require specific skill sets that aren't learned in the classroom, such as programming, data analysis or information security.

City employers are beginning to respond. A group of 30 executives at the New York Jobs CEO Council has promised in the summer of 2020 to hire 100,000 low-income New Yorkers, a goal that includes some skills-based hiring, such as a partnership with Queensborough Community College, the city and Amazon to offer non-degree training programs in Amazon Web Services that can lead directly to jobs at BNY Mellon and Deloitte. Manhattan West-based Accenture has grown a skills-based apprenticeship program that does not require a four-year degree and prepares participants for entry-level positions. Google, Amazon, IBM and EY are other local firms that have done some skills-based hiring at a small scale, Bowles said. As recently as four years ago, he said almost no companies were doing this.

Indeed, which has New York offices in Midtown, removed degree requirements for the majority of its job profiles and has added functionalities to allow hiring managers—

including its own—to match job seekers with available positions based on skills rather than degrees.

“Since we made the changes, I’ve gotten to meet with and hire people who hadn’t made it that far in the process otherwise,” Carlton said of her own recent experience hiring. Carlton said it was impossible to pinpoint the total number of office-type jobs that list degree requirements but don’t really need them. She believes it is a substantial number. Many occupations in finance, tech, engineering and healthcare don’t really require a degree, she said.

One of Bowles’s recommendations is that the city itself ought to be a leader in the trend. Nearly a dozen states, including Colorado, Virginia and Pennsylvania, have removed degree requirements for municipal positions, said Carlton.

“It would send such an important signal that New York City is leading by example,” Bowles said.

Last spring, Mayor Eric Adams’ administration released an [economic blueprint](#) for its time in office. In the report, the administration said its biggest imperative for the tech sector is partnering with the industry to meet the growing need for a diverse and local workforce.

In September, Mayor Adams and School Chancellor David C. Banks unveiled the Career Readiness and Modern Youth Apprenticeship program, an initiative that connects 500 public school students to apprenticeships that pay between \$15 and \$25 per hour. The program is supported by JPMorgan Chase, Accenture, Amazon and Bloomberg Philanthropies, among others.

How job seekers get their skills

Dominique Hamilton has gone through almost a decade of hard times that included dyslexia, cancer, on-the-job injury and the threat of eviction from her Bedford-Stuyvesant apartment.

But this year, through a technology training program run by Goodwill Industries of Greater New York and Northern New Jersey, her luck changed.

“I fell in love with data and [software engineering](#),” Hamilton said. She is now planning to attend local hackathons and has gotten involved in the tech community on the social media site Discord as she searches for a junior web development job. “They turned me into a complete nerd,” she said of the staff at Goodwill’s program, which is a non-degree

offering called Bridge to Tech that supplements tech training with numeracy and literacy teaching, computer equipment and social support.

Hamilton said the program was challenging and sometimes stressful but she now feels ready for her first tech job. Landing that job is something of a test of how well skills-based programs can work, since making skills accessible to residents is just one part of the equation.

“Sector and training partners say they just want people with great skills and some kind of credential who are willing to commit and focus,” said Gregory Morris, CEO of the New York City Employment and Training Coalition, a group of 220 workforce-training organizations across the city’s industries. “I hear, ‘you have to be ready,’” he said. “But how do the communities get ready for the tech sector?”

The Goodwill program, for example, received only \$250,000 in discretionary funding from the City Council this year, after getting \$1 million for three years running as part of an allocation for a tech bridge program in the HRA Career Services program, funded by the city’s expense budget.

Morris said the cut felt like a blow to the promise of tech workforce training. The program serves 100 people a year, one-quarter of whom are 45 or older and 70% of whom are Black. More than eight in 10 graduates have found full-time jobs afterwards, and many complete certificates like the Google IT credential as part of the program.

Morris said he could not calculate a total amount of spending that is going into skills-focused technology training programs in the recently passed [city budget](#) and said that there had been gains in certain areas under his purview, like summer youth employment and in-school job training. But all-around budget decreases “told a story of very thin investments in workforce development,” he said. Councilmember Jennifer Gutiérrez, chair of the Committee on Technology, said that more could have been done to bulk up skills-training programs. “If we couldn’t grow the investments, at least we should be maintaining them,” she said. Goodwill is currently searching for alternative sources of funding.

Carlton agreed that there was work to be done to make sure that people who want to acquire skills have a way both to get them and to communicate them to employers. Almost two-thirds of respondents to an Indeed survey [published this spring](#) said they believed they had been overlooked for a job they would otherwise be qualified for because they did not have the college degree listed in the description.

“Job seekers are saying, ‘I know I can do the job. If I can just get in front of the employer, I can convince them,’” Carlton said.

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