



A traditional college degree may not be the ticket to success for future workers. This photo shows the view from the portico of the University of Minnesota's Northrop Auditorium. (File photo: Bill Klotz)

Rethinking the 4-year degree for future workers

By: William Morris July 19, 2019 4:19 pm

Despite historic workforce shortages, it's not always easy for new workers to break into the job market.

At a Workforce Solutions Forum hosted Wednesday by the Minnesota Chamber of Commerce, author and investor Ryan Craig spelled out the many challenges facing new workers, and in particular those with college degrees. America's higher education system, he said, has three major and interconnected issues: poor degree completion rates, enormous costs and, worst of all, the very real chance that completing a degree won't be enough to launch a career.

In fact, by one estimate from the Federal Reserve Bank of New York, 45% of new college graduates are under-employed. That's not just "the classic trope of the liberal arts graduate working as a Starbucks barista," Craig said, but a reality even for graduates in supposedly high-demand degree areas.

"A lot of even computer science and STEM graduates are finding that the skills that they learned in their degree programs really aren't applicable to what employers are seeking and having then to be unemployed for a couple of years in a frontline service job," Craig told attendees.

Since underemployment tends to make it more difficult to get better jobs later, the effect can snowball and cripple the future earnings potential of new graduates.

“Millennials are suffering, if you look at the economic numbers, in terms of wealth, in terms of income, in terms of homeownership, even in terms of new business creation, at a time when it should be easier than ever to start businesses, because in many cases, all you need is a computer to do so,” Craig said.

Although Craig’s talk touched on a number of improvements that colleges can make to better serve their students, he sees potential in other models that sidesteps traditional educational institutions entirely. Craig’s equity fund, [University Ventures](#), is investing in so-called “last-mile” training programs and boot camps tailored specifically to produce workers ready to contribute to employers from day one, and building relationships with employers that want to remove the friction from the hiring process.

“We think entry level hiring in many cases is kind of broken in our country,” Craig said. “When things break, we kind of like to outsource them to specialists. What we’re seeing here is the beginning of outsourcing of entry level hiring.”

Such programs won’t replace traditional degrees, at least at first, but in decades to come, sending one’s children to a four-year degree program costing hundreds of thousands of dollars might go the way of the debutante ball and other discarded traditions.

“In hindsight, given all the uncertainty around technological change in the future of work, it will seem incredible millennials were taking on all that debt at one time at such a young age,” Craig said. “The fact that young people were encouraged to load up on debt just as they were starting in careers will seem bizarre and anachronistic, and a practice that primarily benefited higher education institutions more than the millennials they aim to serve.”