

# REDUCING OPPORTUNITY GAPS, UNLEASHING POTENTIAL

RYAN STOWERS

The Great Resignation. Quiet quitting. These terms made their way into our lexicon over the last couple of years, but the way Americans work, and where and whether they do, has been shifting for years.

Certain industries, manufacturing among them, have had persistent employment gaps, and many job opportunities have remained unfilled. Private-sector employers, postsecondary educators, and government officials have tried to fill these job openings. The federal government, for example, spends nearly \$19 billion each year on job training programs, while employers probably spend more than \$100 billion. Meanwhile, many people simply have given up looking for a job. In fact, the nation's labor force participation rate declined from 66 percent to 62 percent over the last generation, indicating that millions of potential workers have dropped out of the workforce.

Millions of people are missing the chance to use their talents to enrich their own lives and the lives of others. This represents a lot of human potential left on the table, and missed opportunity can lead to human misery. Working Americans spend most of the day at their jobs, so if what

people do is not connected to who they are, it strips them of their dignity. This can lead to a host of problems, including burn-out, anxiety, and depression, leaving the workforce altogether, addiction, and even suicide.

It is time we rethink our approach to learning and work and create a new paradigm for solving employers' skills gaps and individuals' opportunity gaps.

## **THE PARADIGM SHIFT: DISCOVERY FIRST, DEVELOPMENT SECOND**

School is a place where people can acquire the knowledge and skills that will help them contribute to the economy and to society. However, learning to do something is not the only (or even first) goal of education. Classrooms and campuses also are—or should be—places where individuals can discover who they are, what they are good at, what drives them, and what

kind of contribution they want to make in their world.

Although every human is unique, the country's existing learning-to-work system trains people in the same way manufacturers develop products: by putting them through a standardized system that spits them out in finished form in a certain amount of time.

This cookie-cutter system prioritizes seat time and degree acquisition and rarely gives learners the opportunity to explore how they can contribute to society. Educators do not always offer the kind of hands-on experience and direct feedback learners need in order to discover their talents and passions. After they graduate, instead of being allowed to explore how they can contribute, people often get more of the same standardized approach from their employers and from a society that encourages workers to follow a predetermined career path up the ladder of success.

Students and parents, along with educators, employers, and policymakers, should think of skills attainment and credentialing as byproducts of the larger mission—to unlock the potential of each person. If we as a society are going to reduce opportunity gaps, we will need first

to enable each person to discover how to pursue meaningful success based on who they are as an individual, and then develop programs and platforms that help them turn their aptitudes and passions into useful skills that enable them to succeed in their own lives and contribute to the lives of others.

American workers are ready for a new paradigm. They want jobs that give them meaning and appeal to who they are as individuals. According to McKinsey & Company, 70 percent of Americans define their sense of purpose through work. A 2021 study by Populace, a nonprofit research organization, concluded that “the American workforce values work as a way to not only materially provide, but also to nourish a sense of self.”

For most Americans, the goal of working is more than to earn a salary. Right now, however, too many people are mismatched: they have a job, but their job is not connected to who they are. As a result, they do not find purpose in their work beyond earning a paycheck. This failure to find fulfillment in work has contributed to the fact that nearly half of Americans are currently thinking about quitting their job and that only 34 percent

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#### ABOUT THE AUTHOR

**Ryan Stowers** is the Executive Director of the Charles Koch Foundation, where he partners with education entrepreneurs to remove the biggest barriers holding people back from reaching their potential. CKF supports postsecondary education initiatives that allow learners to discover, develop, and deploy their unique aptitudes and gifts to benefit themselves and others, as well as research that explores key related social issues, such as immigration, criminal justice, and economic progress. Stowers serves on the national advisory boards of Utah State University's John M. Huntsman School of Business and Utah Valley University's Woodbury School of Business, and on the board of directors of the Bill of Rights Institute and the Institute for Humane Studies.

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of employees in the US feel fully engaged in their work and workplace.

Roy Spence, who is chair and co-founder of the company that produced culture-changing initiatives like the “Don’t Mess with Texas” campaign, believes he’s identified the main thing that keeps learners from exploring their desired career and education pathway: marketing. While speaking with local high school students, he discovered that many of them did not know about the well-paying jobs available in the rolling hills of central Texas. They also had no idea how much the jobs paid and were not aware that they did not need to go into debt to gain the skills needed to fill them.

Spence started the Make It Movement (MiM) in 2021 in Austin, Texas. Instead of setting up a training program to prepare students for any kind of job opportunity, Spence and the MiM created an assessment tool to help individuals—first, by discovering more about themselves and their passions, and second, by connecting them to skills-building opportunities that would help them capitalize on those interests. The MiM has been so successful in Austin that the organization is now expanding to other parts of the state and country.

Programs like MiM acknowledge that, if a young person goes into computer programming when they would rather work outside in nature, it can make them unhappy and leave them unexcited about working. By flipping the focus—that is, first identifying the individual’s talents and then developing their skills—the program increases the likelihood that workers will stay in the workforce, create value for themselves and others, and build fulfilling careers that are a good match with their unique potential.

By recognizing the power of helping each person discover their purpose and build on their natural aptitudes, we will be able to use the billions of dollars now spent on developing skills to close the current

skills and opportunity gaps. Individual employees and students, educators, employers, and policymakers all must play a part in this cultural shift.

Let’s explore the role for each group.

## **THE INDIVIDUAL’S ROLE: BUILD A CAREER FROM PURPOSE**

Changing the way we think about learning and work starts and ends, of course, with the individual.

High school and college students, workers pursuing certificates to advance in their current occupation, and parents considering a midlife career shift will benefit from being introspective and honest about their interests and aptitudes, and then making their decision about a career. The first steps toward reducing opportunity gaps is for people to be able to research their options and ask questions, such as where they want to work and why, what they are good at (or not), and even what gets them out of bed in the morning.

To many Americans, these questions may seem reserved for people from higher-income families. What about putting food on the table? The perception is that most Americans do not have the luxury to ask these questions.

Here is the truth: people can have both.

The more a person can match their job with their gifts and passions, the more likely they are to be both happy and successful. In fact, research suggests that being happy at work can lead to a higher income, and it may even reduce income inequality. People who are excited by their field of work are more likely to stay in that industry and create their own ladder to success. Research also suggests that people with a sense of purpose at work live longer.

Populace has explored the connection between work, a paycheck, and a sense of purpose. In its American Workforce Index,

the organization asked Americans which attributes of a job mattered most to them. The number-one priority was compensation, but three of the top ten responses had to do with finding purpose at work: people want to feel personally interested in their work, they want to enjoy their time at work, and they want to feel that their job is more than work, that it is a calling. Populace also found that American workers who have achieved more of these priorities in their current jobs give their lives a higher rating than those who have achieved fewer of their priorities.

Rethinking how we approach learning also can reduce opportunity gaps. The top-down, standardized education system in the US teaches Americans that, unless they go to college, the bulk of their learning will occur in early adulthood. However, more than half of Americans over age of 25 never went to college or never earned a degree. Therefore, young people, parents, and employers must challenge the mental model that learning stops at some point in life and embrace the model that learning is in fact a lifelong endeavor. Parents can start delivering this message to their children early on, but others in the ecosystem must echo the fact that personal transformation and self-actualization are not just for the young or the privileged.

### **THE EDUCATOR'S ROLE: PROVIDING SPACE TO DISCOVER PURPOSE**

The role of secondary and postsecondary schools and educators is to encourage individual learners to uncover their natural aptitudes, gain knowledge and skills, and begin to understand their purpose—in their life and in their work.

At the Intentional Life Lab, the guiding principle is that free and creative individuals who choose their work based on their own interests and aptitudes make the world a better place.<sup>1</sup> The Lab's innovative

curriculum was developed by Rajshree Agarwal and Sarah Wolek. For decades, Agarwal has studied human enterprise as the primary cause of thriving individuals, economies, and societies. Wolek spent years working in the private and public sectors and has found that individuals who lead intentional lives enable the organizations they work for to deliver on their goals more fully. Wolek says, "Our goal is to facilitate a student's self-discovery, cultivate a holistic approach to life, and help them develop and apply a creative growth mindset to themselves."

The Lab currently offers four courses. Students who take "The Intentional Self" examine who they have been, who they are now, and who they want to become, which guides their development of a personal plan of action. In "Choosing Your Major and Career," students explore their abilities and aspirations and align their choice of a major and a career with the dual goal of creating self-esteem and providing value to others. In "Entrepreneurial Leader," students work in teams to identify solutions to problems that are personally meaningful to them. The fourth course, "Careers in Impact," enables students to find jobs in the private, public, and nonprofit sectors that will enable them to have a positive impact on society. All of these courses are regularly oversubscribed.<sup>2</sup>

As Agarwal explains, "A university is and should be a marketplace for ideas... Fostering enterprising individuals and enabling their growth in [the] intellectual, psychological, and economic realms is a responsibility I take very seriously."

The Intentional Life Lab offers college students a fresh approach, but what about the non-traditional learner? The average college student today looks very different from the bright-faced 18-year-old we traditionally picture. Millions of students are working part- or full-time, raising children, and caring for elders, thus they need an education that fits their unique lifestyle

and circumstances. Personalized learning models will help these learners uncover their gifts and unique passions without the heavy financial burden of acquiring new skills.

PelotonU, which was founded in 2012 in Austin, Texas, takes a multifaceted approach to supporting individuals who work full-time jobs while earning an accredited, marketable credential. It matches students with the best and most affordable online universities, offers a community-based local learning environment, and pairs each student with a full-time coach who offers encouragement and accountability. PelotonU's low-cost, high-quality "hybrid college" approach helps working adults complete college faster and less expensively. Average tuition expenses are \$6,000 per year, compared to \$11,039 for a public in-state school in Texas.

Other individualized education programs are helping people advance in their chosen fields. They enable learners to access new opportunities and earn a higher income doing what they love, while also addressing jobs gap in certain industries.

Take Reach University. Reach has partnered with the local school systems in Louisiana and Arkansas to help paraeducators become full-time, fully accredited teachers while still working in their existing jobs. This effort is helping these two states address their teacher shortages, and the paraeducators will earn higher wages when they move to full-time teaching.

Reach also helps schools hire teachers whose backgrounds are similar to their students'. More than one-third of Reach's participants are people of color, which is significant because the school districts they work in have high minority student populations. In Arkansas in 2020-2021, more than two-thirds of the school districts did not employ a single Black, Indigenous, Hispanic, or Asian teacher, despite the fact that 40 percent of the students are from those racial groups. At least half of the

Reach educators who work with predominantly Black student populations are themselves people of color.

The Reach program costs participants just \$75 a month. So far it has produced more than 700 new teachers in Louisiana alone. Based on its success in the education sector, Reach is exploring how it can close skills gaps in manufacturing and nursing. The organization recently received a \$6.9 million grant from the US Department of Education to continue its work with educators in Louisiana.

Educators help learners discover and develop their unique passions and aptitudes. But what comes after graduation? Americans spend about one-third of their lives at work. If learning is to be a lifelong pursuit, employers must play a significant role in helping people define and live out their purpose.

### **THE EMPLOYER'S ROLE: RECOGNIZE THAT PURPOSE AND PASSION MATTER TO YOU AND YOUR EMPLOYEES**

According to the annual State of the Workplace Study by the Society for Human Resource Management, employers consistently rate finding employees with the right talent as one of their top concerns. One way to solve those challenges is to develop value-adding roles that foster employees' individual purpose, passion, and aptitudes.

We know happier employees are more productive. Gallup has estimated that employers lose \$322 billion each year in turnover and lost productivity due to employee burnout. According to a study released in 2022 by the University of Warwick, happy workers also are more likely to stay in their jobs. According to Warwick professor Andrew Oswald, when Google invested in employee support, worker satisfaction rose

by 37 percent. “Making workers happier really pays off,” Oswald concluded.

When supervisors and CEOs view their employees as capable of contributing to the company’s success and then back up that recognition by treating workers with dignity and respect, great things can happen: companies can attract qualified, capable candidates who are engaged in their work; employees can earn a paycheck and also build self-worth and purpose; and communities and societies can improve and prosper. Employers can develop human resource policies that indicate that they care about each employee’s growth and dignity, and explore ways to help their employees sharpen their skills and pursue their passions.

Companies also can signal that they are open to helping people who have not gone through the traditional education system. This can include changing hiring policies, such as requiring a college degree or specific work experience, which will open employers’ doors to thousands of new applicants and improve workplace inclusion. This also will create opportunities for people who have no degree but do have the skills or aptitude to fill a job successfully.

Many of these barriers are artificial anyway. While a college degree has long been perceived as a signal of quality assurance and a way to reduce risk in hiring, a Harvard Business School study found that, while a majority of companies pay college graduates between 11 percent and 30 percent more than non-degree-holders, those same employers report that non-graduates with the right skills perform nearly or equally well on critical dimensions, such as time needed to reach full productivity and to earn a promotion, level of productivity, and amount of oversight required. In fact, some of the country’s largest employers are starting to realize that a degree does not ensure quality and in many instances is not necessary. As the *Wall Street Journal* re-

ported, Delta Air Lines, IBM, and dozens of other corporations have already done away with degree requirements for certain jobs. This shift is overdue since, as noted above, so many Americans who have talents and valuable experience never complete or even attempt a degree.

Employers also should consider second-chance hiring. More than 70 million people living in the United States have criminal records, and nearly 600,000 individuals are released from prison each year. Giving individuals with a criminal record a chance at a job when they have the skills and talent to fill them is another way to signal that a company prioritizes individual development, growth, dignity, and self-actualization. There is mutual benefit here as well; according to the Society for Human Resource Management, about two-thirds of human resource professionals said their organization has hired individuals with criminal records. Of those, 85 percent said those workers perform at least as well in their jobs as their workers without a criminal record.

Many of today’s workers expect their employers to help facilitate their individual development by providing resources, training, and on-the-job experiences to help them advance to the next level. And to be clear—employers should not think this demand is coming only from white-collar workers. According to a 2022 McKinsey & Company survey, frontline employees, defined as those who make less than \$22 an hour, “are ambitious and eager to climb the career ladder.” Indeed, more than 70 percent of those surveyed have applied for career advancement opportunities with either their current employer or a different company.

Walmart is one company that is rethinking its advancement opportunities for frontline workers. Since introducing the Live Better U program in 2018, Walmart has taken an individualized pathway approach to workforce development. The

program offers all part- and full-time US-based associates the chance to earn a degree or learn new trade skills without going into debt. It also offers participants a customized dashboard that provides data-driven personalized recommendations and access to academic coaching. More than 52,000 associates have participated in Live Better U and 8,000 have graduated.

Some employers may worry that helping their employees discover their aptitudes and develop skills means they will decide to leave the company. With more than half of US employees already thinking about leaving their jobs, it is more likely that helping their employees will have a significant upside for employers. In its 2019 *Workforce Learning Report*, LinkedIn found that 94 percent of employees said they would stay at a company longer if that company simply invested in helping them acquire new skills. As consulting firm Gartner has advised, “People want purpose in their lives—and that includes work. The more an employer limits those things, the higher the employee’s intent to leave.”

In today’s world, workers and non-workers alike expect companies to focus on more than the bottom line. Moreover, helping employees capitalize on their aptitudes and passions will create a virtuous cycle of mutual benefit. Being known as an employer who helps its employees take advantage of growth opportunities can be a competitive advantage in attracting talent. (This culture also can create a boomerang effect: an employee may leave, but return at some point, even quite quickly, to the company that enabled their growth.) And, as employees move on to positions (inside or outside the company) more suited to them, the companies that have a reputation for putting people first will be able to attract the workers they need to replace them.

## **THE POLICYMAKERS’ ROLE: ELIMINATE RULES THAT KEEP PEOPLE FROM PURSUING PURPOSE**

Policymakers also have a role to play in helping American workers discover and pursue their natural passions, aptitudes, and purpose.

As employers, states—like their private-sector counterparts—need to end college degree requirements. Maryland was the first state to implement this change, and Utah and Pennsylvania have announced similar moves.

Another impediment that needs to change is the practice of requiring licenses for various professions, which has increased astronomically over the last three generations. In the 1950s, only 5 percent of US jobs required an occupational license; today that number is 30 percent. To reduce opportunity gaps, policymakers must reform occupational licensing laws that prevent entrepreneurs from using their innate skills to create a business and serve a community. While it makes sense for some professions to have requirements that ensure practitioners know what they are doing, requirements for barbers, florists, morticians, and others in the service industry only make it more difficult for individuals to find fulfilling work.

Policymakers also must reform the Office of Federal Contract Compliance Programs regulation for applicants and candidates, which makes it difficult for employers to hire non-traditional candidates. It drives companies to lean on static, “objective” measures such as holding a college degree, simply so they can avoid wrongful hiring litigation. Research by the Society for Human Resource Management is also instructive here. The organization found that federal contracting degree requirements are a major factor in companies continuing to require that employees have a college degree so that their workforce will

make their federal contract bids more competitive.

Federal policymakers must change this rule and move away from education as the only hiring criteria and embrace the skills and experience an applicant acquired outside the classroom.

A paradigm shift of this magnitude will require all pillars of society—individuals, families, educators, employers, and policymakers—to work together. Clearly it will be difficult, but it has been done before.

### **HOW A BOTTOM-UP SOLUTION LED TO CULTURAL CHANGE**

Nearly 20 years ago, a civil rights organization called All of Us or None started a movement that challenged the stereotypes employers held about people with criminal convictions. Those involved with All of Us or None were primarily formerly incarcerated people and their families—people who had direct experience with the consequences of employer bias.

The inability to find work is one of the biggest factors in the high recidivism rate in the United States. A 2012 study found that formerly incarcerated people who had been working for one year had a recidivism rate of just 16 percent; this compared to a 52.3 percent rate for unemployed individuals. The organization's solution was straightforward: ask employers to offer a job to the best candidate based on their qualifications, not on their history with law enforcement. The All of Us or None families started with public-sector employers, and within five years one state, Minnesota, had agreed to shift its policy. The movement grew from there as philanthropists, policymakers, community organizations, and employers came on board and, as noted above, major US employers have since changed their policies.

This small grassroots group did not start with millions in the bank; instead, it offered a simple way to close the opportunity gap for millions of Americans. The courage of these disruptors, combined with the power brought to the movement by policymakers, community activists, philanthropists, and employers, helped people who otherwise may have been trapped forever in the criminal justice system and enabled them to participate in the US workforce.

Changing a culture is difficult, but if the right stakeholders are willing to work together to bring about change, it can be done. We will see fewer workforce gaps when individuals are enabled to discover and use their own aptitudes and passions to contribute to society, and when educators, employers, and policymakers create bottom-up solutions that help each person develop the skills that match their unique purpose. What's more, by creating a new paradigm around learning and work, we can reduce the number of people who drop out of the workforce and begin to address the burnout, anxiety, depression, and other ills that today plague too many Americans.

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- 1 The Intentional Life Lab is a program of the Ed Snider Center for Enterprise and Markets, a center for excellence at the University of Maryland Robert H. Smith School of Business.
  - 2 Agarwal and Wolek are now developing two new courses. "The Future of You, Business, and Society" will enable students to connect the dots between their own goals and responsible and ethical business practices as they work to address social and economic challenges. "Challenge Your Thinking/Challenge the Conversation" will provide students with a framework to question their core assumptions and beliefs, and learn to engage in respectful and reasoned discourse with others who have different ideas.