

THE CAREER-READY GRADUATE

WHAT EMPLOYERS SAY ABOUT
THE DIFFERENCE COLLEGE MAKES

ASHLEY P. FINLEY

AAC&U

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With a foreword by Lynn Pasquerella

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Amid escalating culture wars marked by burgeoning polarization and partisanship, and in the aftermath of a once-in-a-lifetime global pandemic, a changing portrait of American values has emerged.

This shifting landscape includes a dramatic decline in confidence in public institutions, including higher education—once considered a cornerstone of the American dream. According to a 2023 Gallup poll, only 36 percent of those surveyed had “a great deal of confidence” or “quite a lot of confidence” in higher education, down from 48 percent in 2018 and 57 percent in 2015. This trend comes at a time when college enrollments have reached their lowest point in more than a decade and attempts to redress the growing economic and racial segregation at colleges and universities are being undermined by governmental overreach into the academy. From the imposition of educational gag orders prohibiting the discussion of so-called divisive concepts and the banning of diversity, equity, and inclusion programs to the US Supreme Court striking down the use of race-conscious admissions, legislative mandates limiting academic freedom and institutional autonomy are posing an existential threat to the distinctly American tradition of liberal education and its mission of educating for democracy.

Despite the reality that earning a college degree still holds the greatest potential for social mobility, especially for those

at the lowest socioeconomic rungs, the politicization of higher education has fueled both skepticism and mistrust. In this post-truth era, when controlling the narrative ostensibly matters more than the facts, a persistent mantra, grounded in the notion that campuses are advancing a progressive liberal agenda at the expense of conservative voices, dominates the discourse. Yet, beyond partisan-fueled rhetoric, bipartisan concerns regarding the high costs of college and the long-term financial impact of student loan burdens are widely expressed across all subgroups. In addition, many Americans worry that higher education is failing to prepare students with the skills and competencies necessary for them to flourish, grow, and advance in the twenty-first-century workforce.

AAC&U has long recognized the critical importance of aligning educational outcomes with workforce needs as essential for catalyzing student success after graduation and for national economic growth and competitiveness. Indeed, since 2007, the association has promoted ongoing dialogue between employers and educators about what constitutes workforce preparedness, alongside surveying employers on what they think graduates need to know for career success.

As our research on employer attitudes has evolved, AAC&U has distinguished itself by delving into the nuances of the perceptions of CEOs and hiring managers, focusing not only on desired skills but on mindsets and dispositions as well. And while others have begun to ask questions about microcredentials as alternatives or supplements to a college degree, AAC&U goes deeper by situating microcredentials in relation to the high-impact practices that have proven to be effective in promoting college completion and success throughout a graduate's lifetime. Further, although surveys from the field have examined workforce preparedness, AAC&U's research examines gaps across specific learning outcomes to identify where the most progress is needed. In the process, the research offers an analysis of an expanded list of college experiences that employers are seeking, such as work-study, leadership roles, and internships.

Especially thought-provoking are the insights gleaned on the future of the workplace from differences in data points based on the age demographic of the employers surveyed. Yet, perhaps the most groundbreaking and

impactful findings from this report are those indicating how employers feel about students having access to learning environments that promote freedom of thought. Beyond affirming the value of a liberal education in preparing students for success in the workplace, employers responding to this survey value the free exchange of ideas essential to excellence in liberal learning. The report suggests that limiting what can be discussed in college classrooms not only hinders students' learning but also harms their marketability and employability.

These and other findings from AAC&U's latest employer survey are intended to promote conversations among stakeholders around the economic value of liberal education and how colleges and universities can best prepare students to thrive in work, citizenship, and life. We look forward to collaborating with you to achieve our shared objective of fostering student success for every graduate across all institutional types.

Lynn Pasquerella
President, American
Association of Colleges
and Universities

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This report presents findings from an online survey of 1,010 employers, including executives and hiring managers, conducted in May 2023.

The survey was developed by the American Association of Colleges and Universities (AAC&U) in collaboration with our research partner, Morning Consult. The survey is part of AAC&U's longitudinal efforts to examine the ways in which employers value dimensions of a college education in light of evolving workforce needs. The findings reflect employer perspectives on the outcomes and experiences that matter for career success and the degree to which recent college graduates are prepared to succeed. Employers were also queried on their thoughts regarding recent trends affecting higher education, specifically the emergence of microcredentials and legislative efforts to limit what can be taught and discussed in college courses.

Employers see value in a college education that emphasizes the skills, experiences, and dispositions that enable flexibility and breadth of ability, along with depth of learning.

Eight in ten employers agreed either strongly or somewhat that higher education is preparing graduates to succeed in the workforce and that getting a college degree is worth it, despite the cost in time and money. More specifically, employers strongly supported those aspects of a “well-rounded” college education that they believe contribute directly to workforce

preparedness and enhance the value of a college degree. These include approaches to teaching and learning that involve students in the hands-on application of ideas, encourage them to think for themselves, engage them in independent inquiry, expose them to a wide variety of topics and disciplines, and enable them to participate in community-based experiences. Seven in ten employers indicated they would be either more or much more likely to hire a candidate who held a job or work-study position, completed an internship or apprenticeship, or was in a leadership role while in college.

Consistent with previous AAC&U research, employers surveyed demonstrated that they value a college education that delivers knowledge and skills that are both broad and deep. More than nine in ten employers, for example, agreed that it is either “very” or “somewhat important” for graduates to have gained knowledge through interdisciplinary study and by addressing “real-life” problems while in college. While nine in ten employers agreed that knowledge gained through study in STEM (science, technology, engineering, and math) fields is either very or somewhat important, eight in ten also endorsed knowledge gained through study of the liberal arts (arts, humanities, and social sciences) as similarly important. Additionally, when identifying strong job candidates, at least three-quarters

of employers are looking for evidence of the following “very important” skills: oral and written communication, critical and creative thinking, complex problem-solving, teamwork and the ability to work with diverse others, and digital literacy and data analysis.

Employers also highly value students’ cultivation of a range of dispositions while in college. For example, more than three-quarters of employers believe drive/work ethic, motivation and initiative, and resilience and persistence are very important for success in the workplace.

Colleges and universities are falling short in meeting employer expectations on workforce preparedness.

While approximately eight in ten employers agreed that recent college graduates are prepared to succeed in entry-level positions and to advance at their organizations, employers perceived notable opportunities to improve on college graduates’ preparedness on specific skills. On average, just half of employers thought that college graduates were “very prepared” for the workforce with regard to specific skills, such as oral and written communication, critical thinking, and complex problem-solving. The most notable gaps between the relative importance of certain skills and perceptions of college graduates’ preparedness were found for oral communication, adaptability and flexibility, and critical thinking. Conversely, almost no gap exists in employers’ high estimation of the importance of “utilizing technology and digital media platforms” and college graduates’ preparedness to deliver on that skill.

Younger employers continue to be champions for not just a college education, but one that is holistic, community-oriented, and anchored in the liberal arts.

As found in our 2021 report, employers under the age of 40 tend to perceive the value of particular elements of the college experience, and the college experience overall, in dramatically different ways than employers aged 50 and above. For example, younger employers reported being far more likely to consider hiring job candidates with certain

high-impact experiences, such as undergraduate research and engagement in community-based or globally focused projects, than older employers. Relative to employers aged 50 and above, younger employers also placed far more importance on the career relevance of a college education that enables students to develop “a sense of social justice,” the ability to “understand the global implications of actions outside of the United States,” and leadership experiences.

Additionally, although about half of employers under the age of 40 strongly agreed that they are confident higher education is preparing college graduates to succeed in the workforce, fewer than one-third of employers aged 50 and above thought the same. A nearly identical difference was found between younger and older employers in their views on whether college graduates were prepared to succeed in entry-level positions and to advance in their company.

Employers support a future for college learning that involves microcredentials and in which students have the opportunity to engage with diverse perspectives.

An overwhelming majority of employers ranked a degree with a microcredential, in either a technical or broad skill, as more desirable than a college degree alone. And our findings suggest employers themselves are angling to offer these alternative qualifications; nearly three-quarters of employers reported that they were currently offering microcredentials or planned to do so in the future.

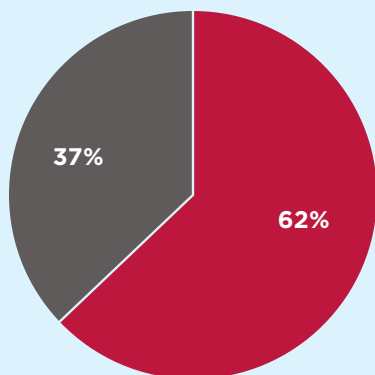
One of the greatest points of agreement among employers of different ages, positions, and even political parties was that college students’ workforce success was strengthened by exposure to a range of topics and viewpoints and that college campuses should be places where all topics can be discussed. About three-quarters of employers indicated that they “would look more favorably on a job candidate with a degree from an institution that was not subject to government restrictions on what students could learn or discuss.”

This report presents findings from an online survey conducted in May 2023. The survey was developed by the American Association of Colleges and Universities (AAC&U), in collaboration with Morning Consult. The survey was administered online by Morning Consult to a sample of 1,010 employers. For the purposes of this study, employers were defined as individuals working full-time who hold a job title of manager or higher and who have been involved in hiring activities over the past eighteen months. To qualify for the study, employers had to have a level of education of at least an associate's degree and needed to work for an organization that employs at least 25 people.¹

FIGURE 1

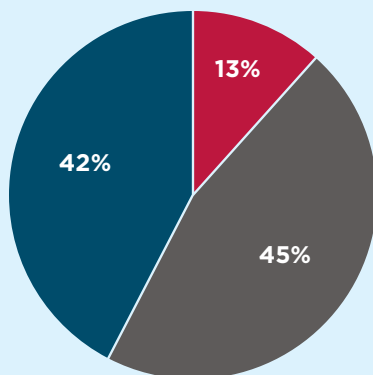
Demographic profile of employers

GENDER



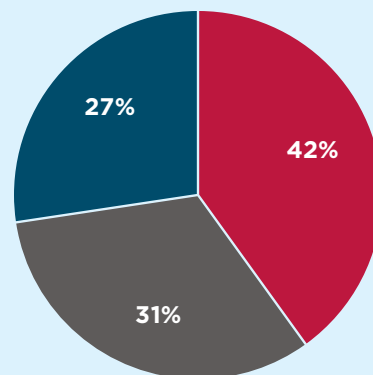
- Male
- Female

EDUCATION



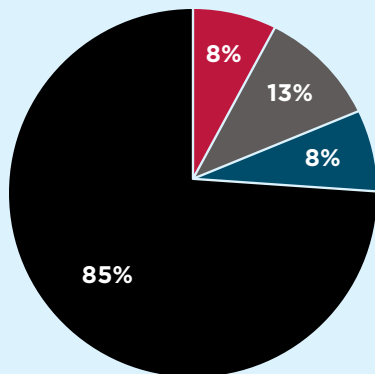
- Associate's Degree
- Bachelor's Degree
- Postgraduate Degree

AGE



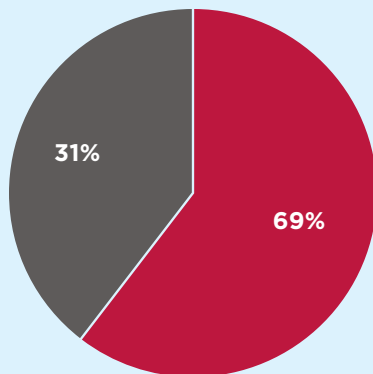
- Under 40
- 41-49
- 50+

RACE/ETHNICITY



- Black
- Hispanic
- Other
- White

JOB POSITION



- Hiring Manager
- Executive

Percentages exceed 100% because respondents could choose multiple categories.

FIGURE 2

Demographic profile of employers under 40 years old vs. employers 50 and above

Employers under 40 years of age are...

more racially and ethnically diverse than employers aged 50 and above (35% vs. 25%, respectively)



more likely to be male, compared with employers aged 50 and above (63% vs. 58%, respectively)

more likely to have a “C-level” role (e.g., CEO, CFO, owner, partner, president, founder, co-founder), compared with employers aged 50 and above (27% vs. 11%, respectively)



more likely to be work in the technology field, compared with employers aged 50 and above (29% vs. 11%, respectively)

But employers under 40 are as likely as employers 50 and above to represent a diverse mix of industry and organizational types.

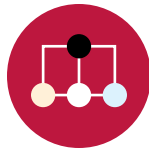


FIGURE 3

Profile of companies and industries represented

**Region**

Northeast	23%
Midwest	20%
South	34%
West	23%

**Company Size**

25-99	21%
100-499	26%
500-999	26%
1,000+	27%

**Type**

Private company	77%
Publicly traded company	10%
Nonprofit organization	5%
Government agency or municipality	8%

**Company Geography**

Local	23%
Regional	23%
National	35%
Multinational	19%

**Industries***

Technology/ Telecoms	25%
Auto/ Construction/ Manufacturing/ Transport	23%
Banking/Finance	14%
Biotech/ Healthcare/ Medicine/ Pharmaceutical	11%
Hospitality/Retail/ Food	9%
Professional services	9%
Other	8%
Government	6%
Engineering	3%
Insurance	3%
Advertising	2%
Legal	2%
Media/ Entertainment/ Publishing	2%
Real estate	2%
Recreation	1%

* Cumulative percentage exceeds 100% because respondents could choose multiple categories.

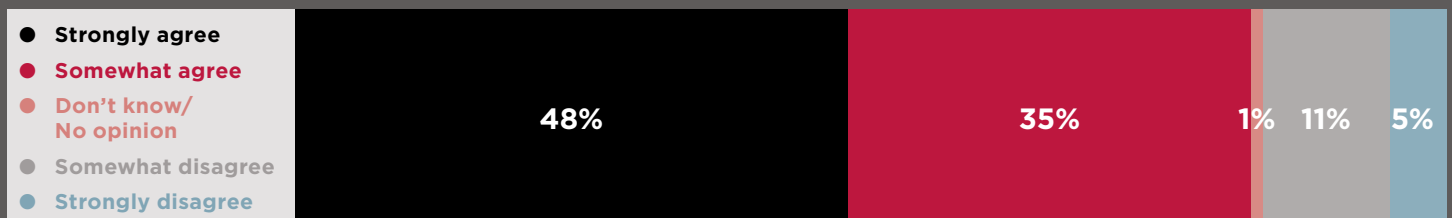
How Employers View the Value of Higher Education and What's Needed for Workforce Success

A AC&U's latest employer findings are arriving at a time when there seems to be a near constant drip of data suggesting the general public is losing faith in higher education. A recent Gallup survey found, for example, that the combined percentage of Americans reporting that they had a "great deal" or "quite a lot" of confidence in higher education was just over a third (36 percent).²

By comparison, this percentage was 57 percent in 2015—a 21 percent decrease over eight years.³ Public perceptions of higher education also reflect broader political and generational divides. For example, just 19 percent of Republicans reported a "great deal" or "quite a lot" of confidence in higher education, compared with 59 percent of Democrats.⁴ Research by Morning Consult also found that while about half of millennials (49 percent), Gen Xers (52 percent), and baby boomers (55 percent) reported that they "tend to trust colleges and universities," only about two out of five (41 percent) Gen Zers said the same.⁵

FIGURE 4

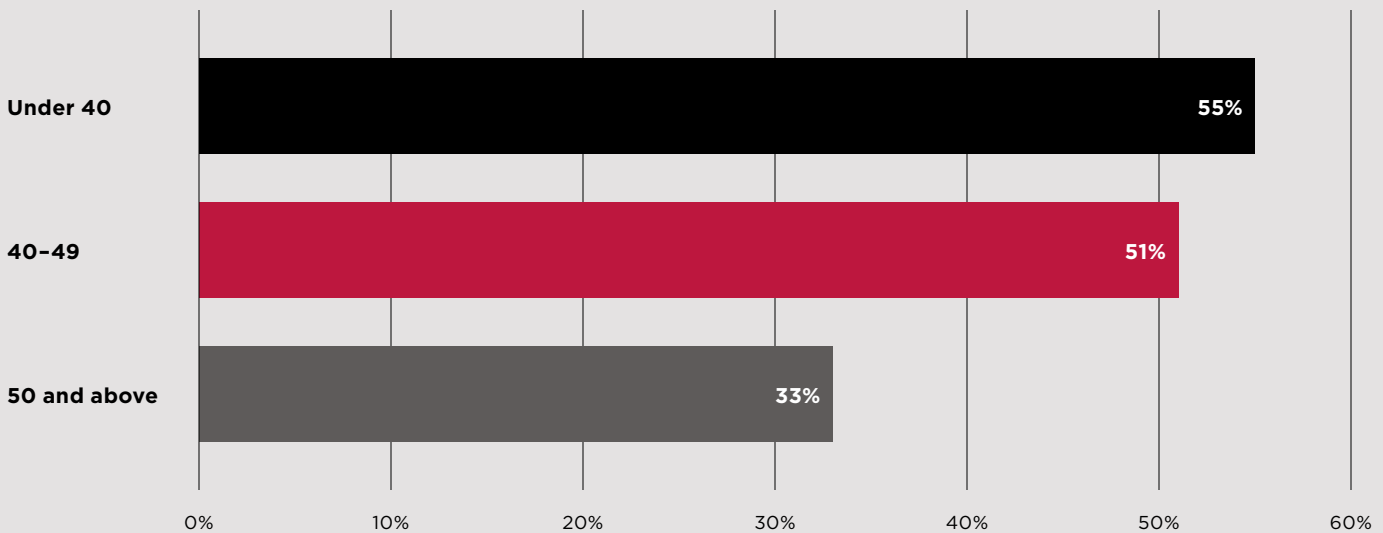
I am confident that higher education is preparing graduates to succeed in the workforce.



But as AAC&U has highlighted in previous reports, employers remain consistent supporters of higher education, both in their confidence in the role that college plays in preparing students to succeed in the workforce and in their belief that a college degree is worth the investment. In 2020, 67 percent of surveyed employers reported having a “great deal” or “quite a lot” of confidence in higher education. In 2023, we wanted to know specifically about the degree to which employers were confident that higher education was preparing graduates for success in the workforce. More than four out of five employers either “strongly” or “somewhat” agreed that they had confidence in higher education’s preparation of graduates for the workforce, with nearly half of all employers strongly agreeing with this statement.

FIGURE 5

Employers under 40 years of age vs. employers 50 and above who “strongly agree” with the statement: “I am confident that higher education is preparing graduates to succeed in the workforce.”



In 2021, 87 percent of employers thought getting a college degree was “definitely” or “probably” worth the time and investment. In 2023, a similar percentage of employers either “strongly” or “somewhat” agreed with the statement: “I think getting a college degree today is worth it, despite the time and money needed to do so.”

FIGURE 6

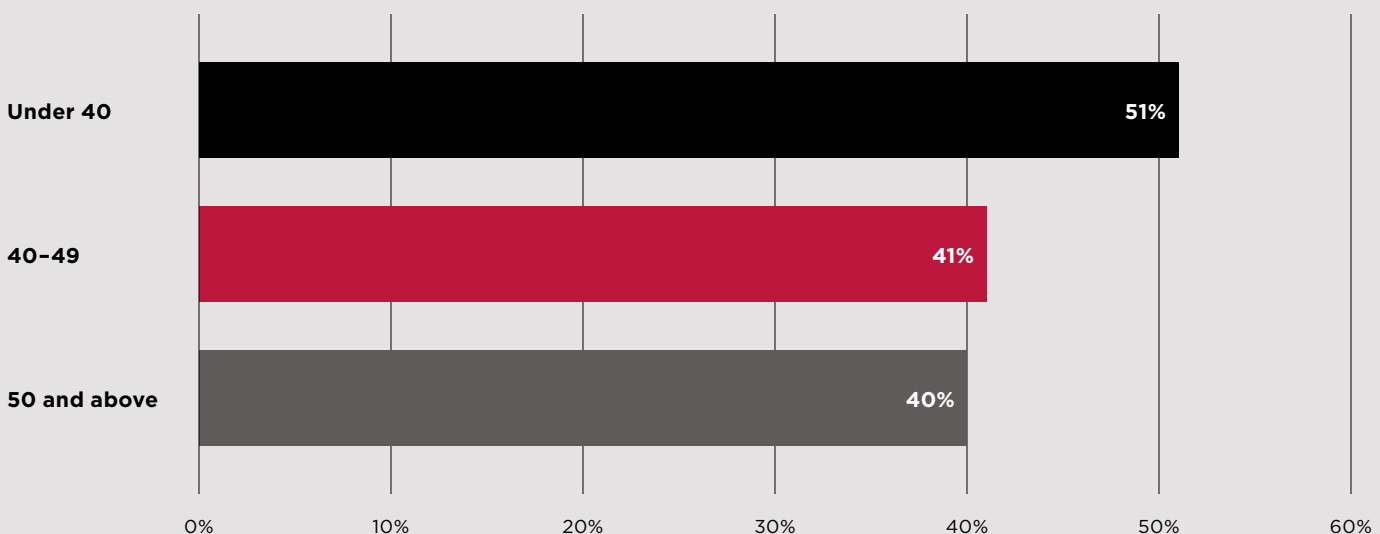
Employers’ level of agreement with the statement: “I think getting a college degree today is worth it, despite the money and time needed to do so.”



Although the age gap was not as wide as for their level of confidence in higher education, there was still a significant 11 percentage-point difference between employers under the age of 40 and employers 50 and above who reported that they “strongly” agreed that a college degree is worth the time and the money.

FIGURE 7

Employers under 40 years of age vs. employers 50 and above who “strongly agree” with the statement: “Getting a college degree is worth it.”



It's not just the provision of skills that makes a college degree valuable for workforce success. Employers also think higher education's approach to teaching and learning matters.

Although employers are highly invested in how colleges and universities prepare students for success in the workforce, the focus of a college education is about more than simply getting a job. In 2021 and again in 2023, AAC&U asked employers about how they view the purposes of higher education. In 2023, employers were asked to indicate the degree to which a series of characteristics of a “well-rounded education” are helping recent college graduates to succeed in the workforce.

While it is of little surprise that nearly three out of five employers (59 percent) said that “hands-on application of ideas” would “help a great deal” for workforce success, it is striking that a similar percentage (56 percent) also reported that a college education that supported the “encouragement to think for oneself” was just as helpful. A core tenet of liberal education—*liber* forms the Latin root of “liberal” and means to “free”—is also evident in over 80 percent of employers reporting that “independent inquiry” either helps somewhat or a great deal for workforce success.

FIGURE 8

Helpful characteristics of a “well-rounded” education that enable college graduates to succeed in the workforce.

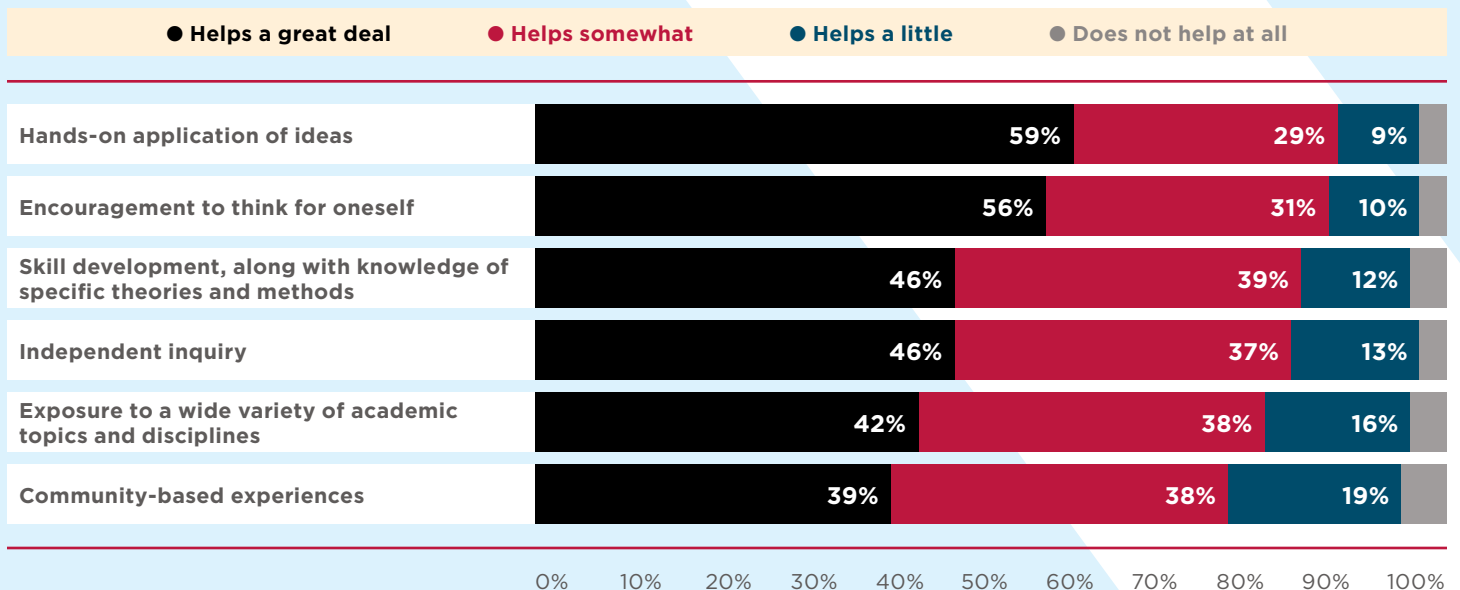
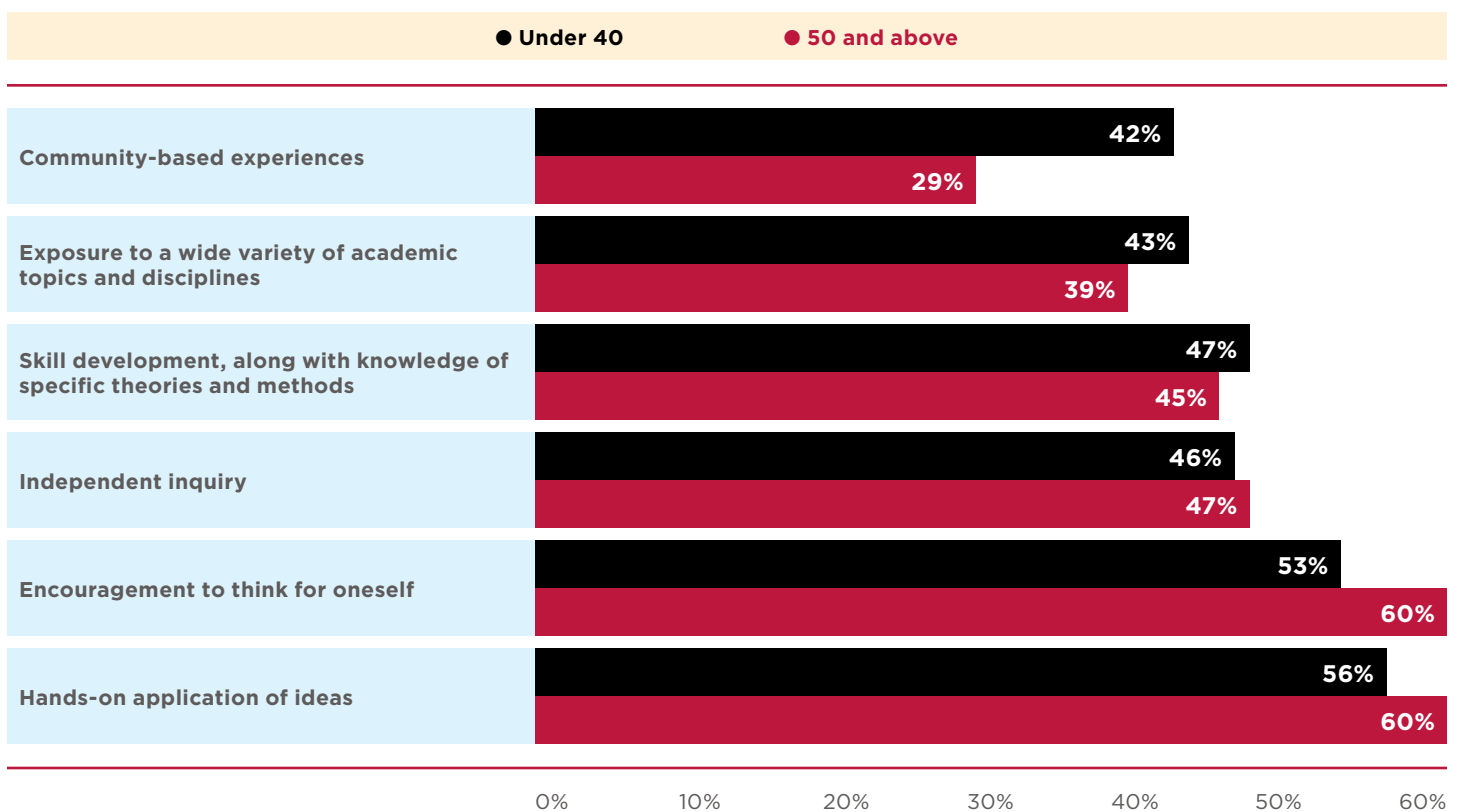


Figure 9 shows several differences by age among younger and older employers in how they view which characteristics of a well-rounded education are the most helpful for workforce success. Employers under 40 years of age, compared with those 50 and above, were significantly more likely to report that “community-based experiences” (+13) help a great deal for workforce success, while employers 50 and above were significantly more likely than their younger counterparts to think the same about “encouragement to think for oneself” (+7).⁷

FIGURE 9

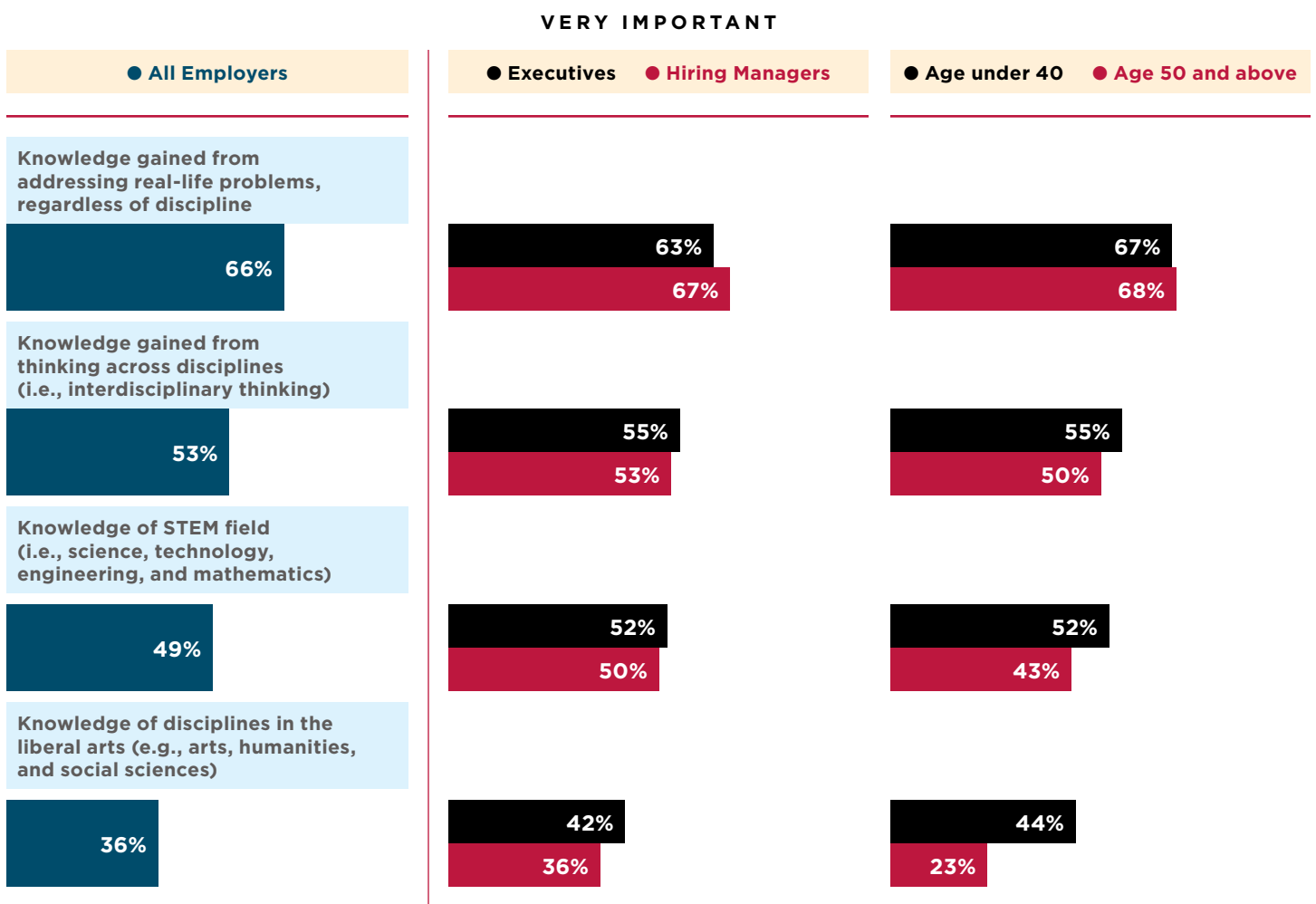
Percentages of employers under the age of 40 compared with employers 50 and above who reported that characteristics of a well-rounded education help “a great deal” to prepare college graduates to succeed in the workforce.



While the above characteristics point to many dimensions of a well-rounded education, that list would be incomplete without knowledge. Curricula, from general education to majors, are often based upon two essential questions: What should students know and what should they be able to do? For the first time in 2023, in addition to asking about the skills that prepare students to succeed in the workforce (i.e., the things students should be able to do), we also asked employers about the types of knowledge that students should possess (i.e., what they should know). The results in figure 10 demonstrate that employers overwhelmingly favor job candidates who can show the acquisition of broad knowledge gained through application to real-world problems and integration across disciplines more than disciplinary-specific knowledge either in STEM fields or the liberal arts. This does not mean, however, that employers do not value disciplinary knowledge. Nearly half of all employers thought knowledge of STEM fields was very important for recent graduates to possess as they enter the workforce.

FIGURE 10

Importance of types of knowledge to be effective workers



When looking at differences among employers, by age or the position they hold in the company, there appears to be broad alignment in terms of the types of knowledge they find very important, with one important exception. For example, executives and employers under the age of 40 see far greater value than hiring managers and employers 50 and above in college graduates having exposure to the liberal arts for career success. This is illustrated by the 21 percentage-point gap between employers under 40, relative to employers 50 and above (44 percent vs. 23 percent, see fig. 10). The gap between executives and hiring managers, though not as extreme (42 percent vs. 36 percent), was still statistically significant.

The learning outcomes that matter for success in college match the skills and dispositions that employers believe matter for workforce success.

For over a decade, each iteration of AAC&U's employer research has queried samples of employers about the degree to which they think certain skills or outcomes are important for workforce success and/or signal a strong job candidate. This list of skills has long mirrored AAC&U's list of Essential Learning Outcomes, which was developed to reflect the knowledge and skills of a liberal education.⁸ Over time, we have modified the list of skills presented to employers to keep pace with workforce trends and the relevance of those trends for student learning. For example, in 2018, the AAC&U employer survey asked employers about the importance of job candidates having the ability to "work independently" and to exhibit "self-motivat[ion], initiative, [and be] proactive." In 2021, we added "digital literacy" to the list of marketable skills. Additionally, building upon the intrapersonal qualities we asked about in 2018 (i.e., the ability to work independently and being proactive), we asked employers to respond to a more expansive list of mindsets, aptitudes, and dispositions. In doing so, we found that the importance employers place on capacities such as "drive/work ethic," "ability to take initiative," "self-confidence," and "persistence" rivaled the importance placed on skills like teamwork, critical thinking, analytical reasoning, and communication. We found much of the same in 2023.

The results in figure 11 show the skills that rose to the top when employers were asked, "When thinking about the skills that are most likely to signal a strong job candidate, how important are the following?" To enable comparisons with AAC&U's 2018 employer report, an indication that a skill was considered "very important" is reflected by cumulative scores of 8-10.

FIGURE 11

Percentages of employers indicating a skill is “very important” in identifying strong job candidates⁹

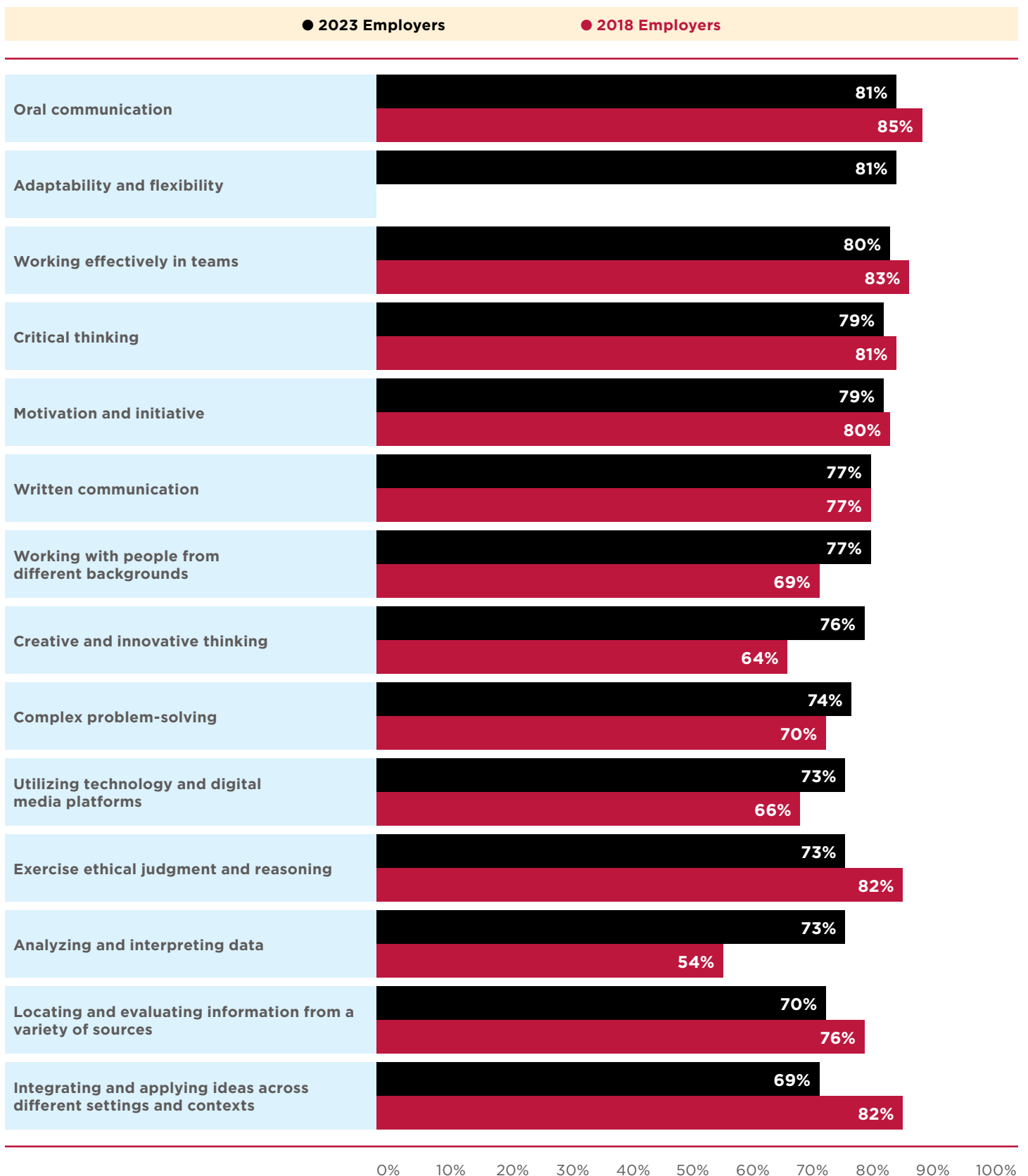
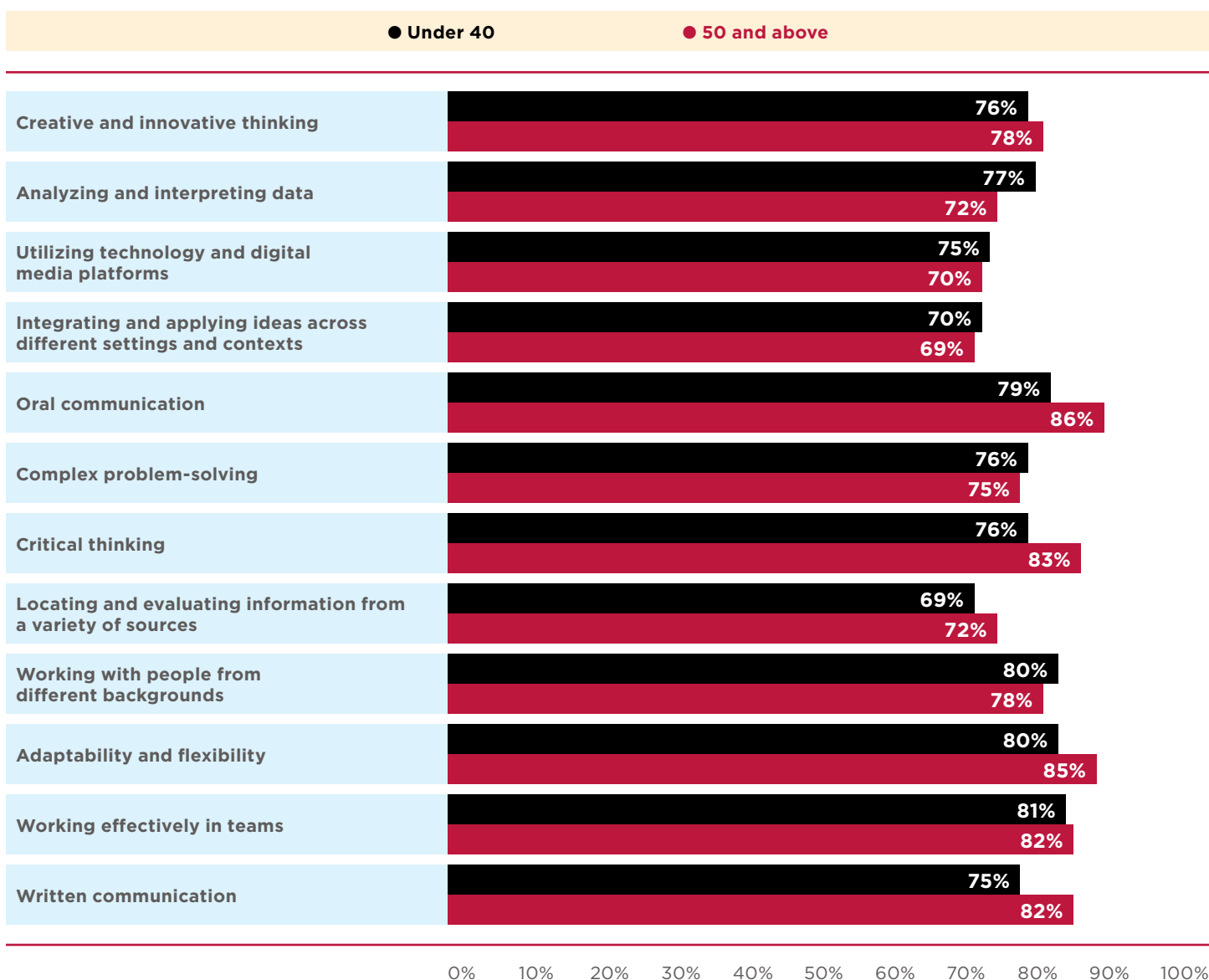


Figure 11 shows that while communication skills, teamwork, and critical thinking remain paramount for employers, adaptability and flexibility are also essential for success. The comparison of 2023 and 2018 findings also reveals that employers are placing increasing amounts of importance on creativity and innovation, the ability to solve complex problems, and the ability to work with people from different backgrounds.

Employers aged 50 and above were significantly more likely than employers under the age of 40 to indicate that written communication (+7), critical thinking (+7), and oral communication (+7) are very important (i.e., scores of 8-10). These age differences, while interesting, should not be taken as a lack of endorsement of these skills among younger employers, however. Without exception, at least seven out of ten employers, regardless of age group, reported all of the skills we identified to be highly important for workforce success.

FIGURE 12

Percentages of employers under the age of 40 compared with employers 50 and above who indicated a skill is “very important”¹⁰



As found in AAC&U's 2021 employer survey, employers are looking for more from job candidates than just their ability to work in teams and apply critical thinking skills. They also want candidates with the mindsets and dispositions to work hard, take initiative, and exercise resilience and persistence.

FIGURE 13

Percentages of employers who indicated a mindset or disposition is “very important” for success in the workplace¹¹

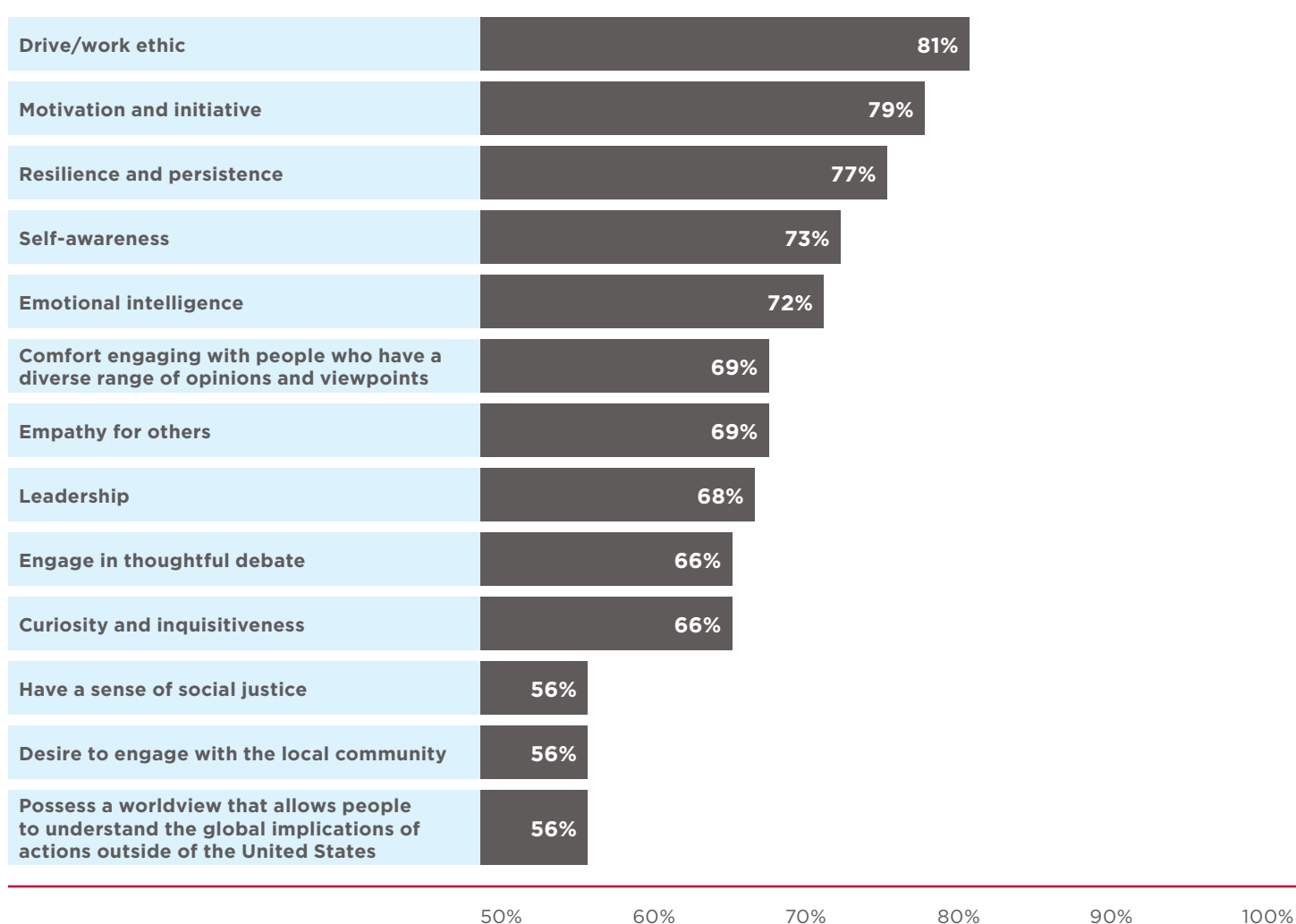
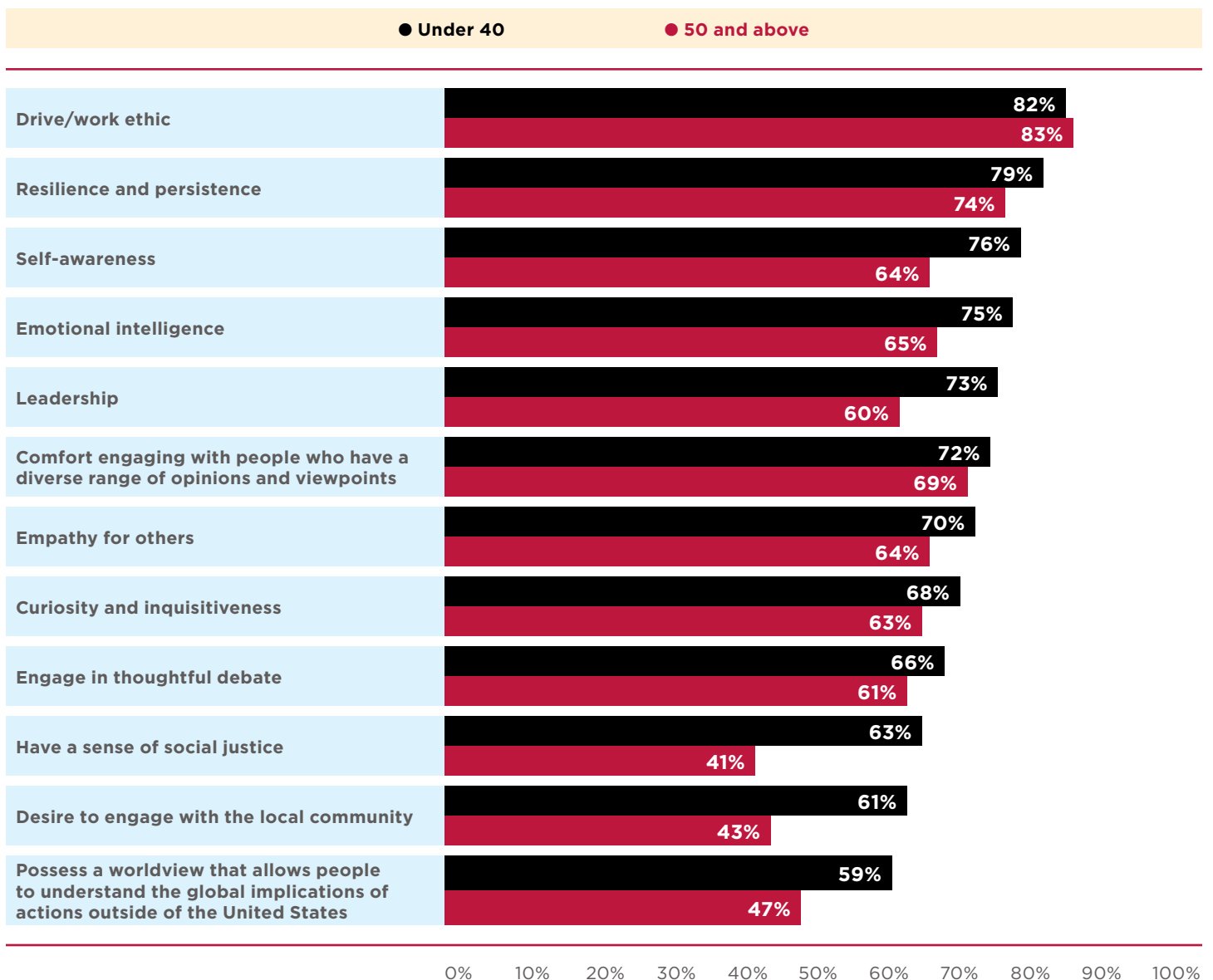


Figure 14 illustrates the ways in which employers differ by age in the importance they place on mindsets and dispositions for career success. Specifically, employers under the age of 40 placed significantly greater levels of importance on students having “a sense of social justice” (+22), desiring “to engage with the local community” (+18), possessing “leadership” (+13) and “a worldview that allows people to understand the global implications of action outside of the United States” (+12), and having “self-awareness” (+12).

FIGURE 14

Percentages of employers under the age of 40 compared with employers 50 and above who indicated a mindset or disposition is “very important” for success in the workplace¹²



High-impact practices are good for learning and for workforce preparedness.

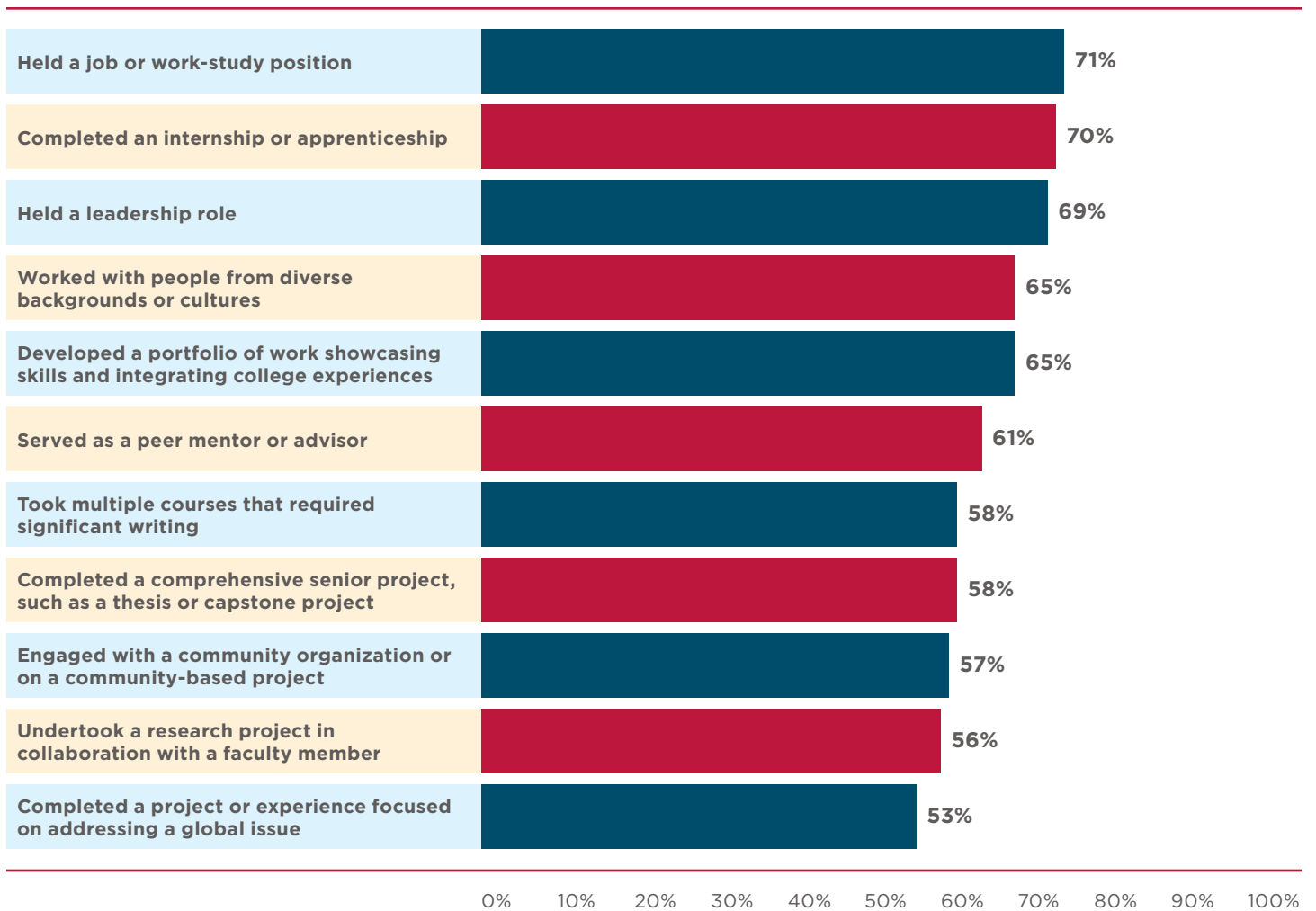
Since 2008, AAC&U has touted the efficacy of a group of educational experiences, known as high-impact practices, that consistently have been shown to positively affect student learning outcomes and success. Most recently, AAC&U researchers have underscored the robust effects of students' engagement in community-based and civic experiences in higher education.¹³ What every college or university should know about high-impact practices is that (1) these practices are more effective in aggregate than in isolation; (2) they benefit all students—particularly those from historically underserved populations;¹⁴ and (3) they help students stand out as job candidates.

In previous employer research, we have used AAC&U's list of commonly identified high-impact practices to understand which college experiences make candidates more attractive to employers.¹⁵ In 2023, we asked employers about a more expansive list of college experiences—those identified as high-

impact practices and a few others that are common campus experiences, such as leadership activities, peer advising and mentoring, and work-study—that may support students' career exploration or preparation. Employers were asked to evaluate each experience on a scale of 0 to 10, on which a “10” indicated they would be much more likely to consider hiring a candidate with that experience and a “0” indicated the experience would have no impact on their decision. While previous AAC&U research has demonstrated that employers look favorably upon high-impact practices, particularly internships, in making hiring decisions, we learned in 2023 just how important work-study and leadership experiences also are to employers. As shown in figure 15, nearly identical percentages of employers indicated they would be “much more likely” to consider hiring a college graduate with these experiences as they were those who had held internships. (“Much more likely” refers to the aggregate percentage of scores from 8-10.)

FIGURE 15

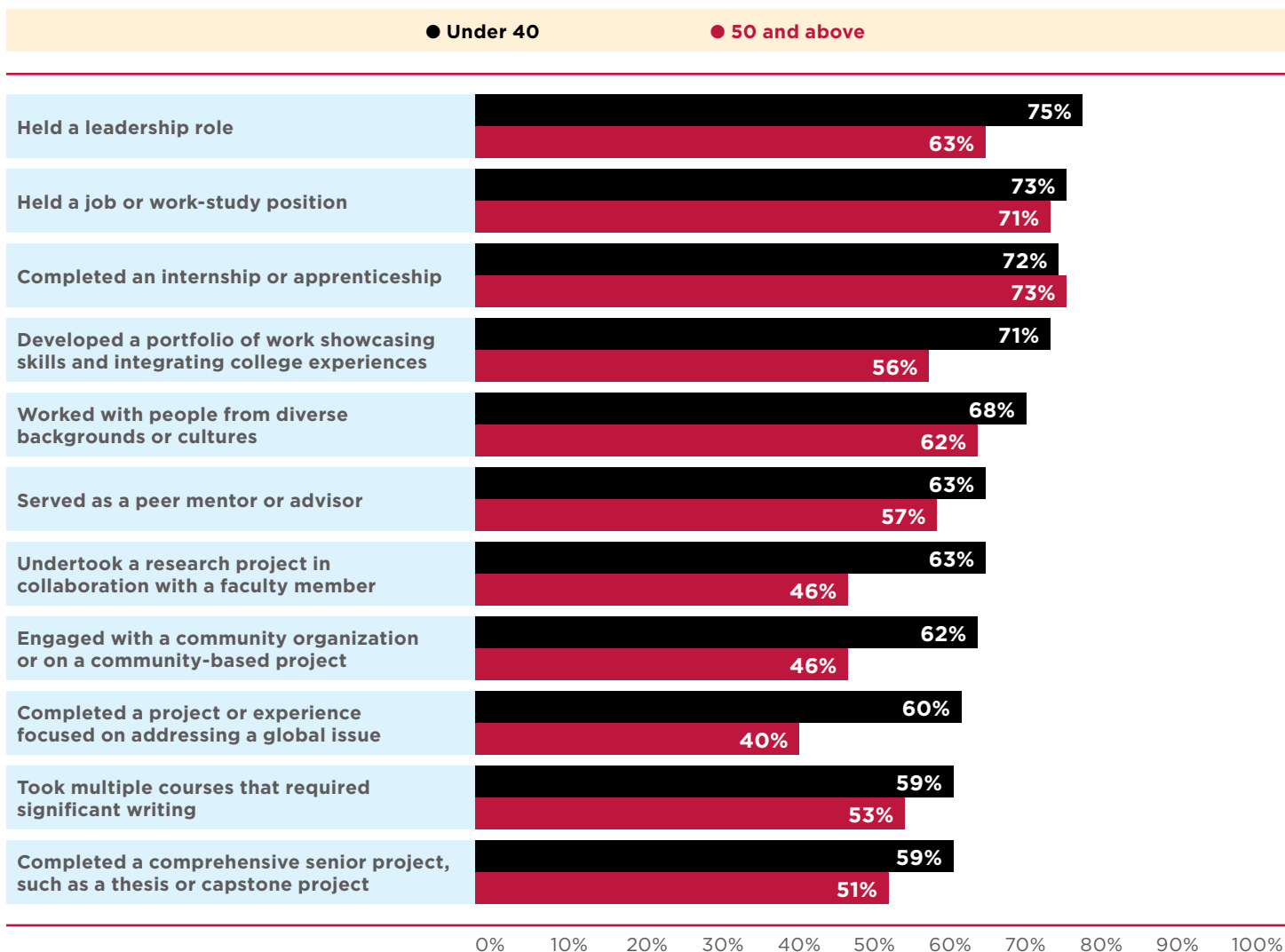
Percentages of employers who indicated they would be “much more” likely to consider a job candidate with particular experiences



As AAC&U has found in its previous employer research, community-based experiences tend to rank toward the bottom of high-impact practices for employers. However, as found in 2021, employers under the age of 40 tend to value these experiences at much higher percentages than employers 50 and above (see fig. 16). Specifically, employers under age 40 indicated they would be significantly more likely than employers 50 and above to consider a job candidate who had “completed a project or experience focused on addressing a global issue” (+20), “undertook a research project in collaboration with a faculty member” (+17), “engaged with a community organization or on a community-based project” (+16), “developed a portfolio of work showcasing skills and integrating college experiences” (+15), and “held a leadership role” (+12).

FIGURE 16

Percentages of employers under the age of 40 compared with employers 50 and above who indicated they would be “more/much more likely” to consider a job candidate with particular experiences



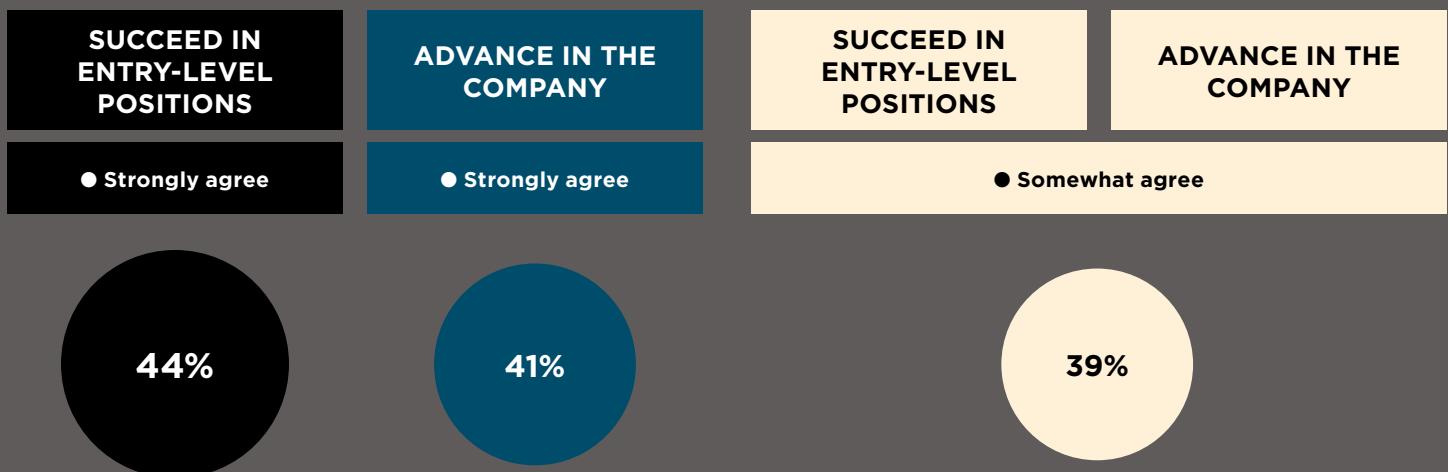
Employer Views on Students' Career Preparation

Employers weigh in on how well higher education is doing in preparing students to succeed in the workforce. The results are decidedly mixed.

For some time, AAC&U has tracked the degree to which employers think college graduates are prepared to succeed in entry-level positions and to advance within companies. Figure 17 shows that more than two out of five employers “strongly agree” that college graduates are prepared to succeed in entry-level positions and to advance. Nearly the same percentage “somewhat agree.”

FIGURE 17

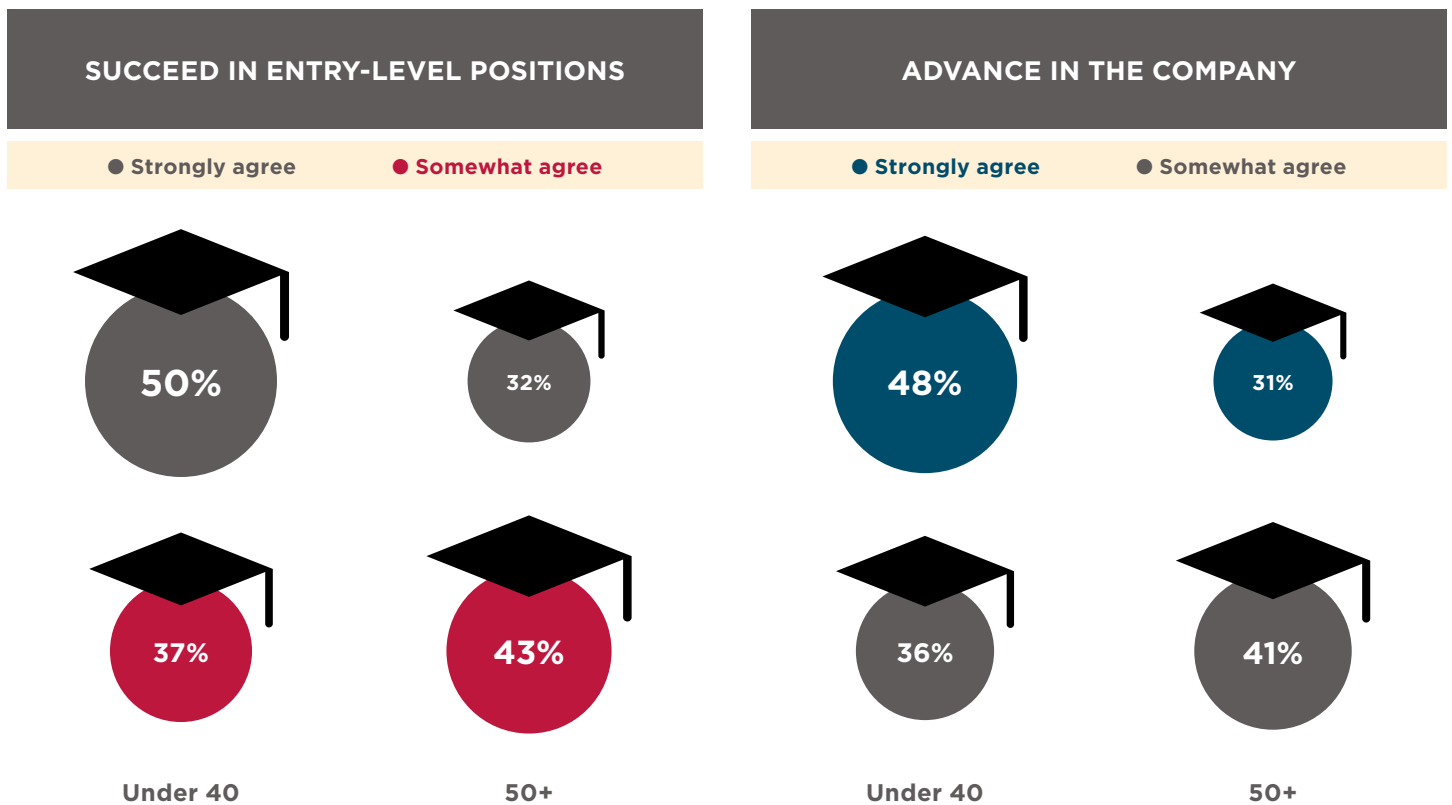
Employers' level of agreement with whether recent college graduates are prepared to succeed in entry-level positions and to advance in the company¹⁶



But, as we have consistently found, generational differences among employers influence their relative optimism with regard to workforce preparedness. Figure 18 shows that although about half of employers under the age of 40 “strongly agree” that college graduates are prepared to succeed in entry-level positions and to advance in their company, fewer than one-third of employers 50 and above think the same.

FIGURE 18

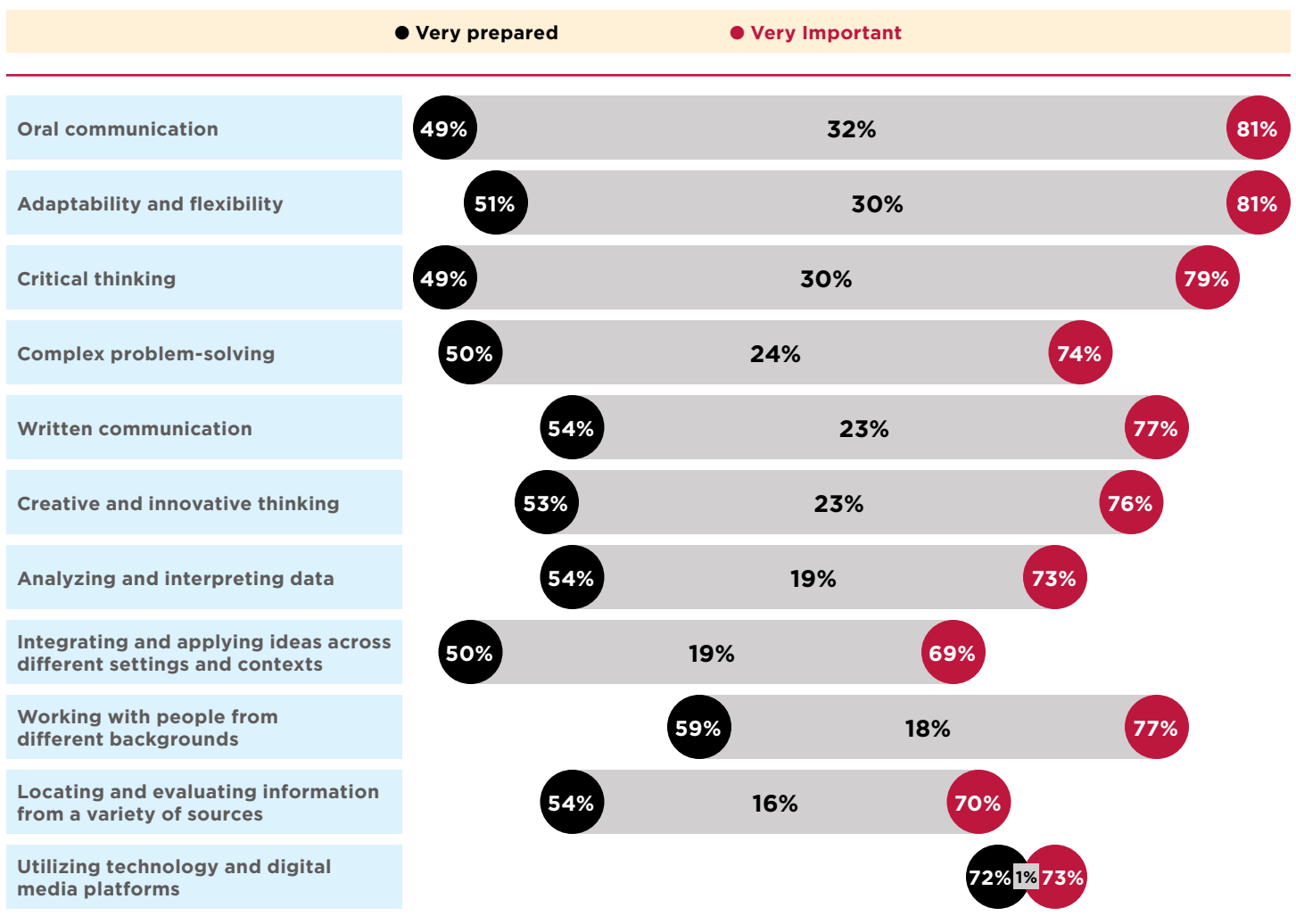
Age differences among employers in their level of agreement with whether recent college graduates are prepared to succeed in entry-level positions and to advance in the company



To better understand employers' general impressions of the preparedness of college graduates for the workforce, we also examined employers' perceptions of graduates' levels of preparation across specific skills. Figure 19 illustrates the degree to which employers perceive college graduates to be "very prepared" on a list of skills, relative to the overall percent of employers who indicated that skill was "very important." The largest gaps between levels of perceived preparation for a skill relative to its perceived importance are observed for "oral communication" and "adaptability and flexibility." Conversely, there is almost no gap in terms of college graduates' preparation to utilize technology and digital media platforms and the degree to which employers regard this skill as "very important."

FIGURE 19

Percentages of employers who indicated a skill was "very important" relative to perceptions that students are "very prepared" in that skill¹⁷



Finally, we asked employers to identify the top three skills that they would like colleges and universities to place the greatest emphasis on to improve college graduates' workforce preparedness. Regardless of age, all employers ranked "critical thinking" as the top skill that colleges and universities should emphasize more. Oral communication, adaptability and flexibility, and complex problem-solving followed, in order, as the most frequently noted skills to emphasize after critical thinking (see fig. 20). Conversely, employers were remarkably aligned in ranking "utilizing technology and digital media platforms," "locating and evaluating information from a variety of sources," and "integrating and applying ideas across different settings and contexts" as the skills least in need of greater emphasis (see fig. 21). These were also among the skills with the smallest preparation gaps (see fig. 19).

FIGURE 20

Top three skills that employers would like colleges and universities to place more emphasis on to improve college students' preparedness

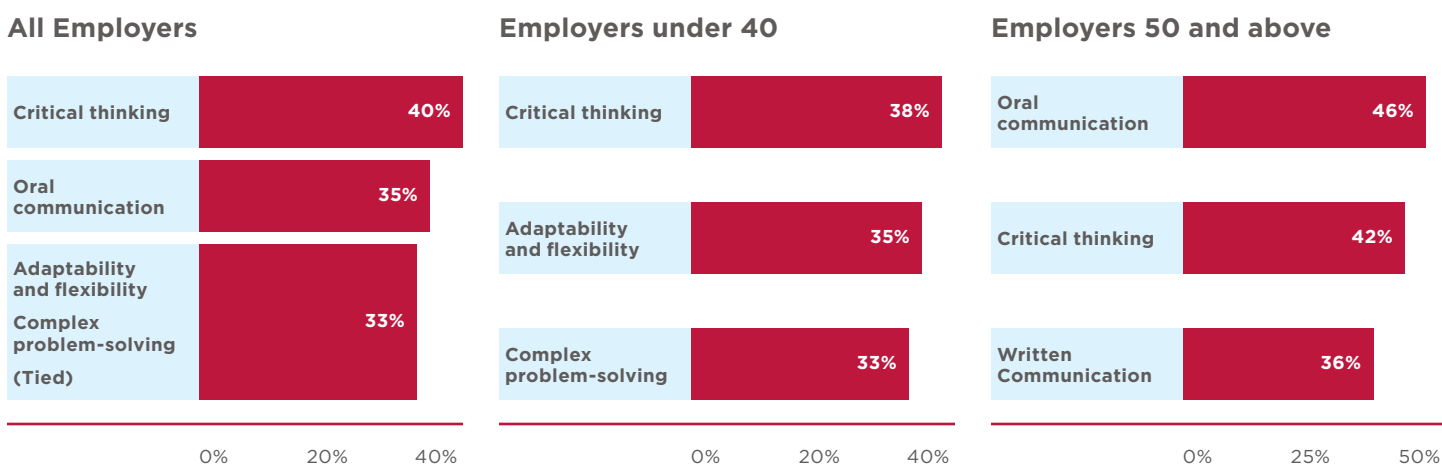
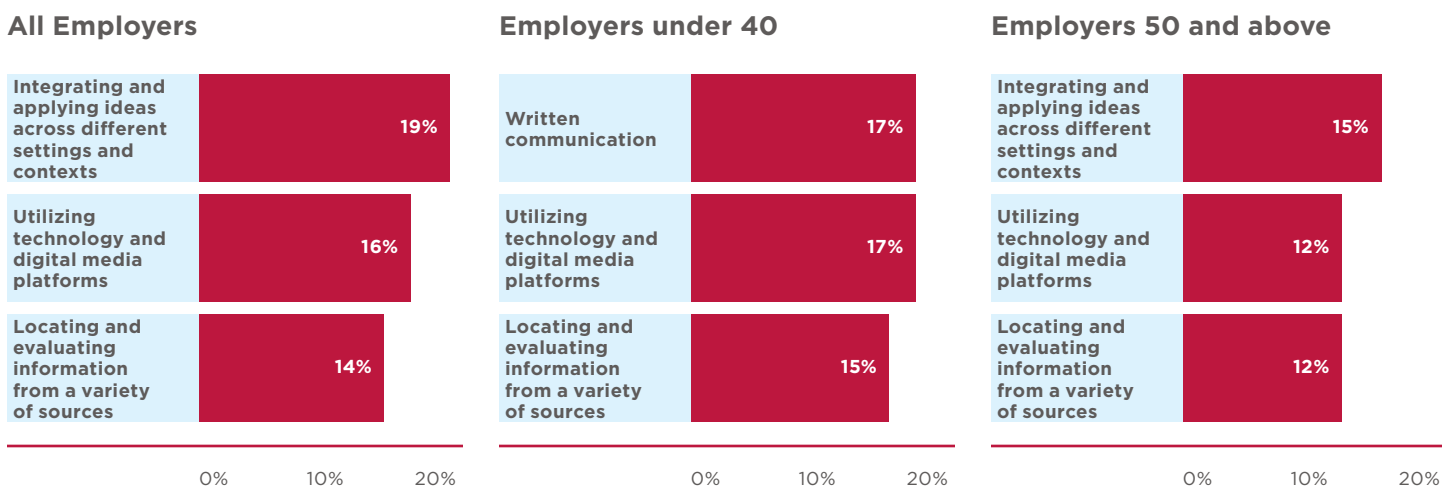


FIGURE 21

Bottom three skills that employers would like colleges and universities to place more emphasis on to improve college students' preparedness



Employer Views on Emerging Trends in Higher Education and the Implications for Preparing Students for Career Success

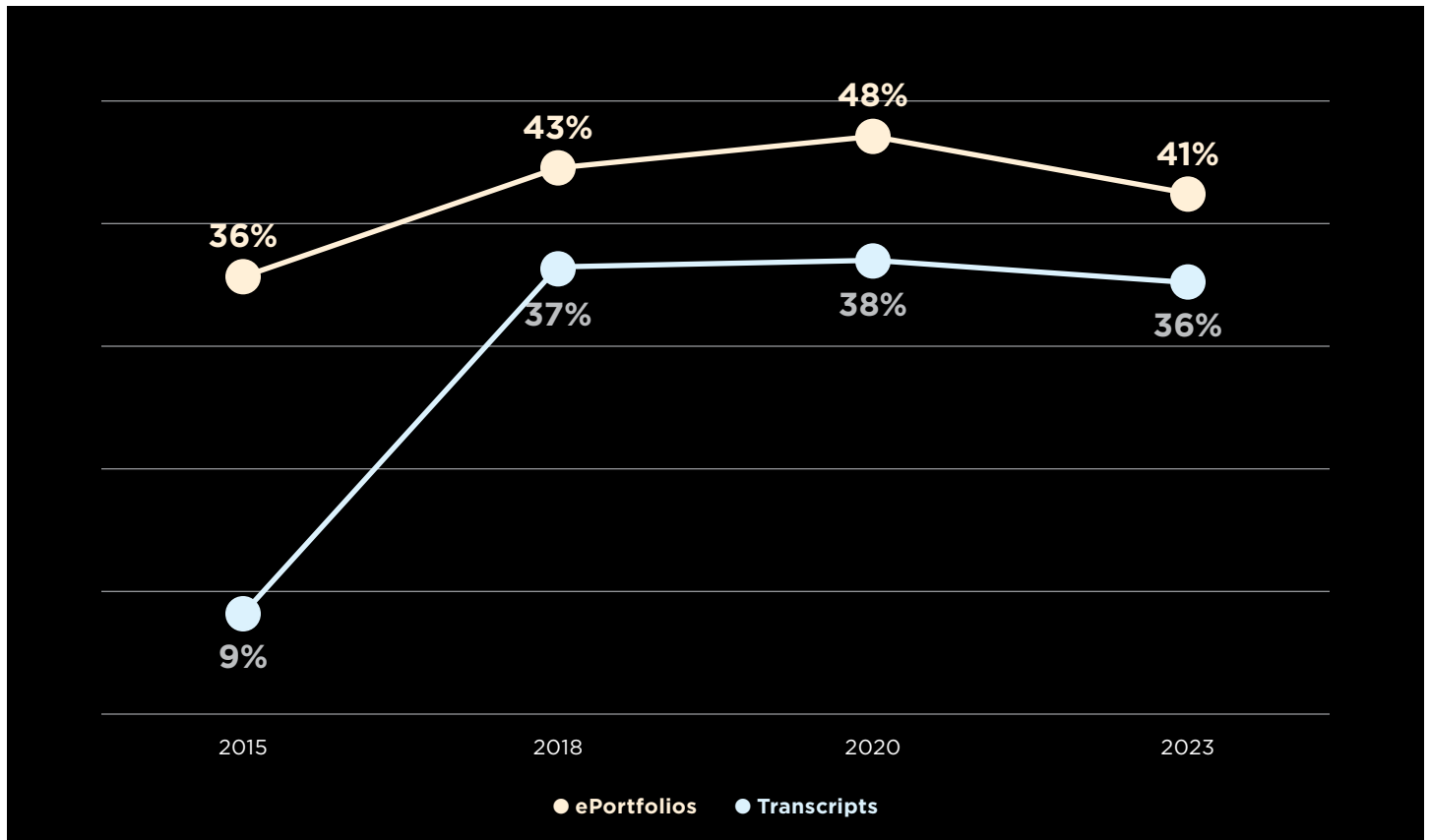
It is a new era for communicating achievement of learning and workforce preparedness.

“**T**he transcript is a record of everything a student has forgotten.” This quote from Tom Black, longtime registrar and former president of the American Association of Collegiate Registrars and Admissions Officers, wonderfully underscores the enduring anachronism that is the college transcript. In an age where broad and transferable skills dominate a rapidly changing economy, the universal document that students have to showcase their learning and marketability is one containing a list of course titles, course codes, and grades—none of which is readily understood by external audiences.

Perhaps this is why, over time, employers have consistently valued the usefulness of ePortfolios—at least as a complement to transcripts—as demonstrations of student achievement. Although we found a slight dip between 2020 and 2023 in the percentage of employers indicating that an “electronic portfolio (i.e., ePortfolio)” would be “very useful” for evaluating candidates, ePortfolios also ranked among the top five experiences that would make employers “more/much more likely” to consider hiring a candidate.¹⁸

FIGURE 22

Percentages of employers who indicated an ePortfolio or transcript is “very useful” in evaluating job candidates



In looking at differences in employers’ views regarding transcripts and ePortfolios, significantly higher percentages of employers under 40 and executives reported that transcripts and ePortfolios are “very useful” for the evaluation of job candidates than employers 50 and above and hiring managers (see fig. 23).

FIGURE 23

Percentages of employers who reported transcripts and ePortfolios are “very useful” in evaluating job candidates

	Transcripts	ePortfolios
Employers under 40	43%	48%
Employers 40-49	38%	41%
Employers 50 and above	23%	30%
Executives	52%	50%
Hiring managers	33%	39%

According to employers, a college degree is not as desirable as a degree and a microcredential.

It is becoming increasingly clear that students' ability to showcase their college learning and achievements will no longer be limited to degrees or transcripts. As noted in a recent article, "Growing numbers of institutions are incorporating microcredentials into their degree programs at all levels (from associate and bachelor's to Ph.D's), as well as into continuing education activities and other educational experiences. Increasingly, graduates (and the employers who hire them) will come to expect the ability to digitally document and present their learning achievements, skills and experiences—and the market will demand that this information is readable and compatible with various systems in the world of employment."¹⁹

Our own investigation of how employers are creating and implementing microcredentials (e.g., badges, certificates, or other competency-based recognitions) suggests three reasons why colleges and universities should be taking this trend seriously.

First, the rapid rise of microcredentials among higher education institutions, state systems, and employers suggests they are likely to be more than a passing fad. Nearly three-quarters (72 percent) of employers in our sample reported that they either were currently offering microcredentials or planned to offer them in the future (see fig. 24).²⁰

FIGURE 24

Percentages of employers who indicated that they currently offer microcredentials or plan to offer them in the future

39%

of employers surveyed currently offer microcredentials

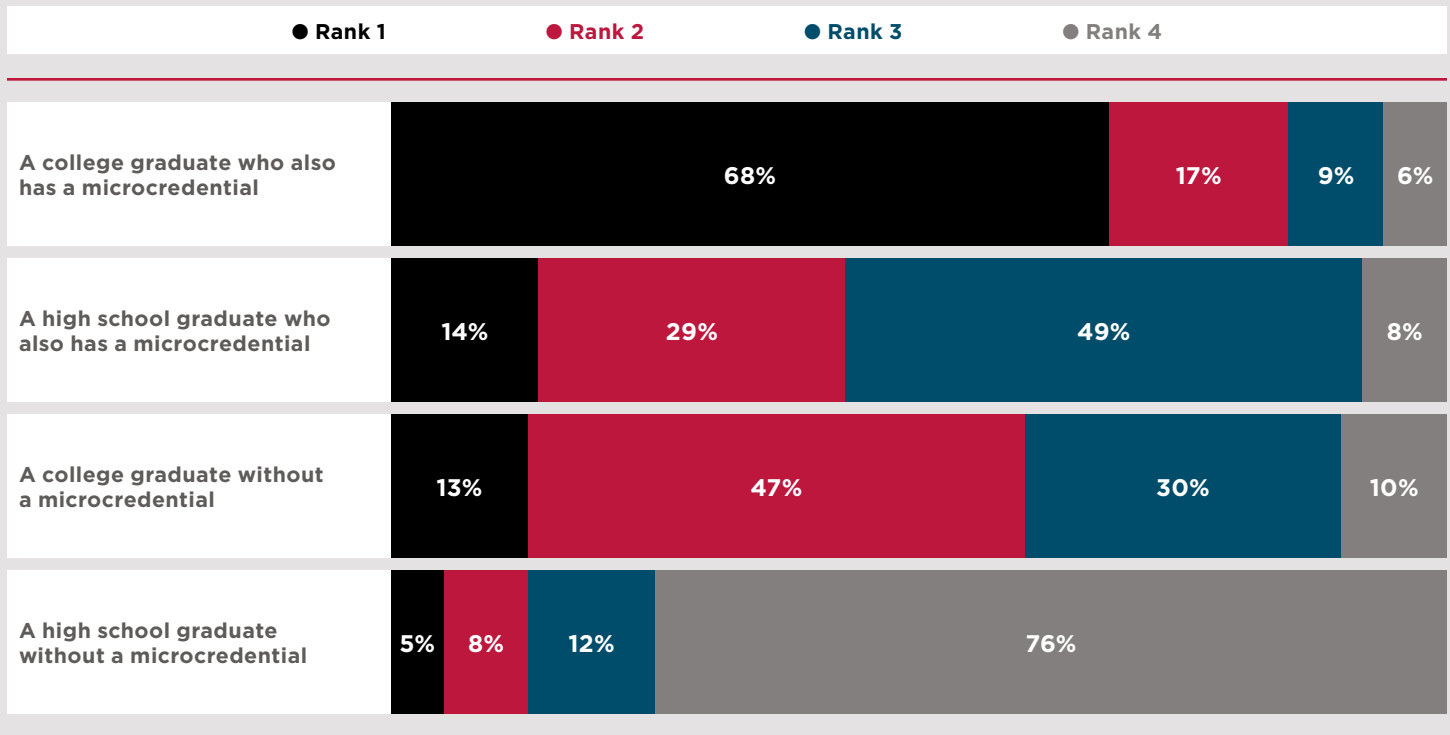
33%

of employers surveyed indicated that while they do not offer microcredentials currently, they plan to in the future

Second, the addition of a microcredential makes a college degree more appealing to employers when hiring for entry-level positions. Figure 25 reflects employers' rankings, in order of preference, of candidates who applied for entry-level positions with the following forms of degree and/or credential.

FIGURE 25

Rankings of candidates for an entry-level position who had obtained one of the following types of degree and/or credential



Nearly 70 percent of employers would prefer a job applicant who has a college degree and a microcredential. This suggests that while a college degree is marketable, adding a microcredential is even better. Nearly identical percentages of employers assigned a top rank to candidates with a high school degree plus a microcredential as those who assigned a top rank to candidates with a college degree and no microcredential. However, when looking at which credentials ranked either first or second, employers clearly favor a college degree, even one without a microcredential, over a high school degree with a microcredential (60 percent vs. 43 percent, respectively). The important message for colleges and universities suggested in these findings is the enormous preference employers see in a college degree with a microcredential over a college degree without one (85 percent vs. 60 percent, respectively).

Third, coupled with a college degree, a microcredential recognizing achievement of a broad skill (e.g., critical thinking, leadership, teamwork, or communication) is viewed just as favorably as a microcredential representing achievement of job-specific technical skill (e.g., fluency in a programming language or data management). As shown in figures 26 and 27, two-thirds (66 percent) of employers overall indicated that a nontechnical microcredential made a job candidate either “somewhat” or “much stronger,” compared with a microcredential in a technical skill (68 percent). Significantly higher percentages of employers under the age of 40 and those who were executives reported that a microcredential of any type, either technical or nontechnical, made job candidates “much stronger,” compared with employers 50 and above and those who were hiring managers.

FIGURE 26

Strength of a job candidate with a college degree and a microcredential in a technical skill

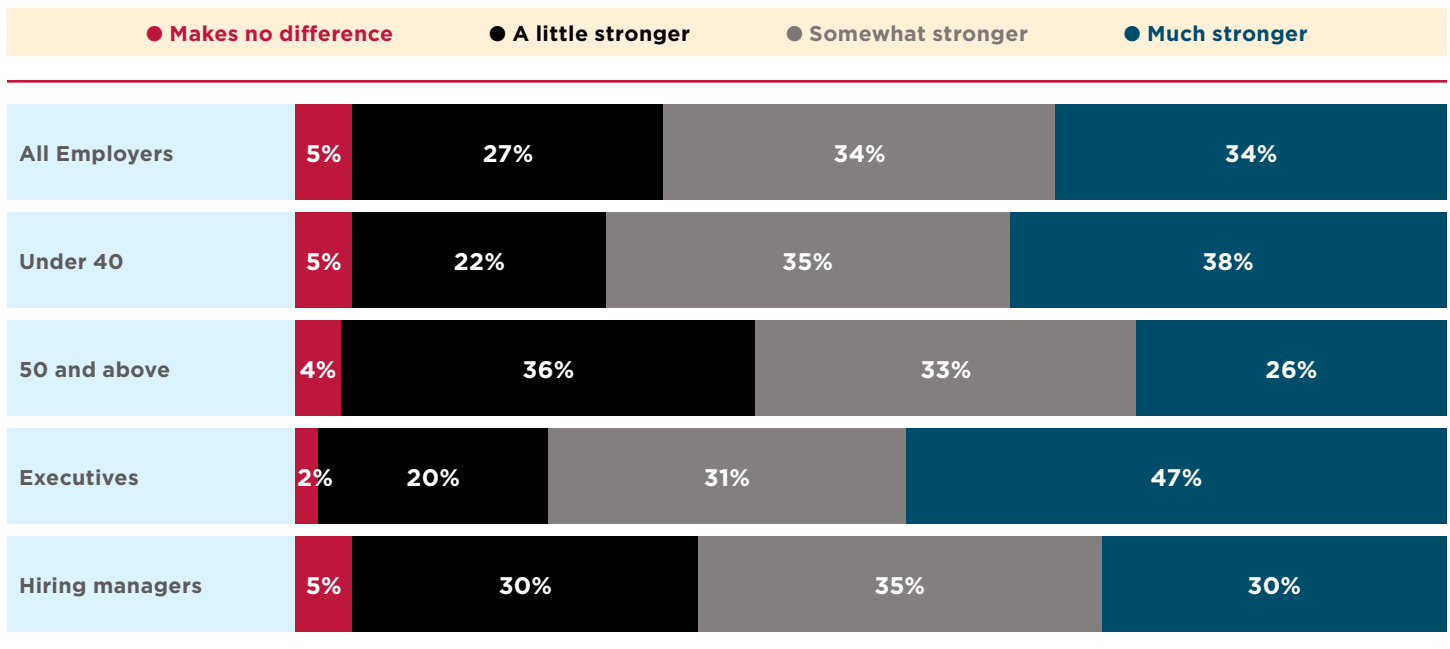
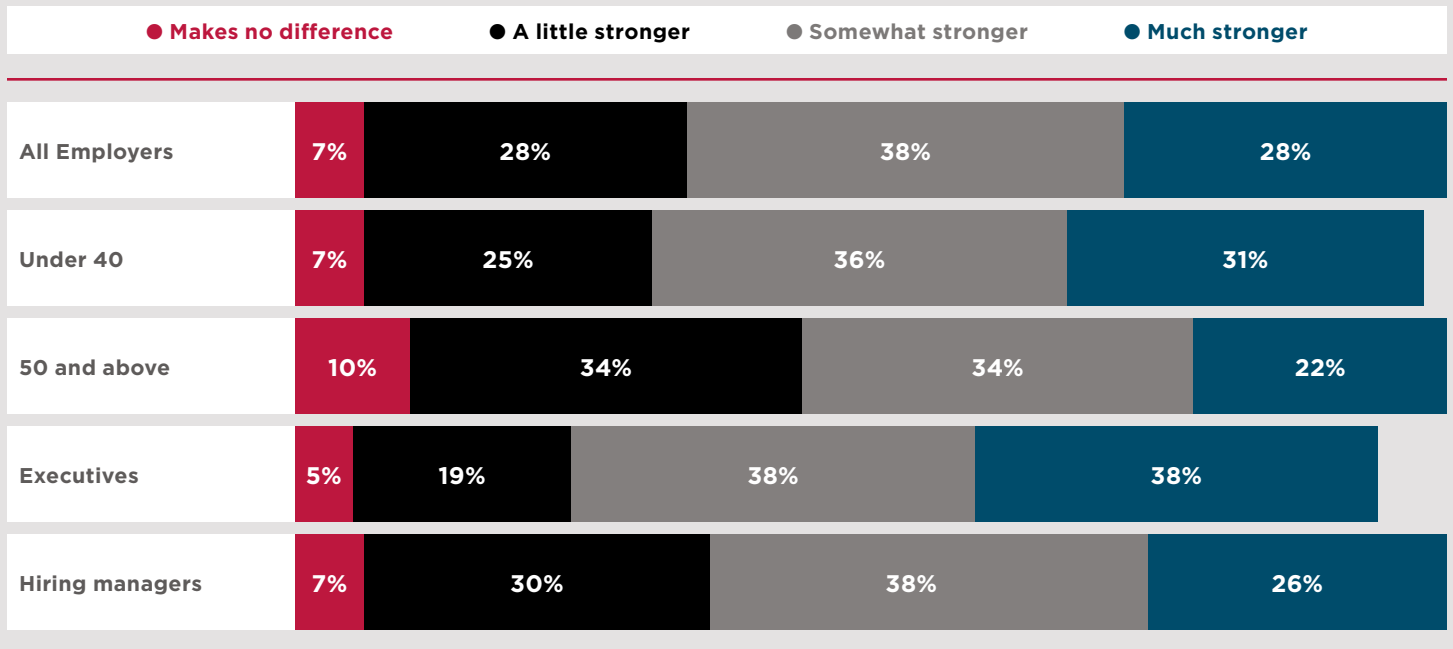


FIGURE 27

Strength of a job candidate with a college degree and a microcredential in a broad skill



Our findings suggest that when states pass laws that limit the topics that can be discussed in college, it undermines students' learning and employability.

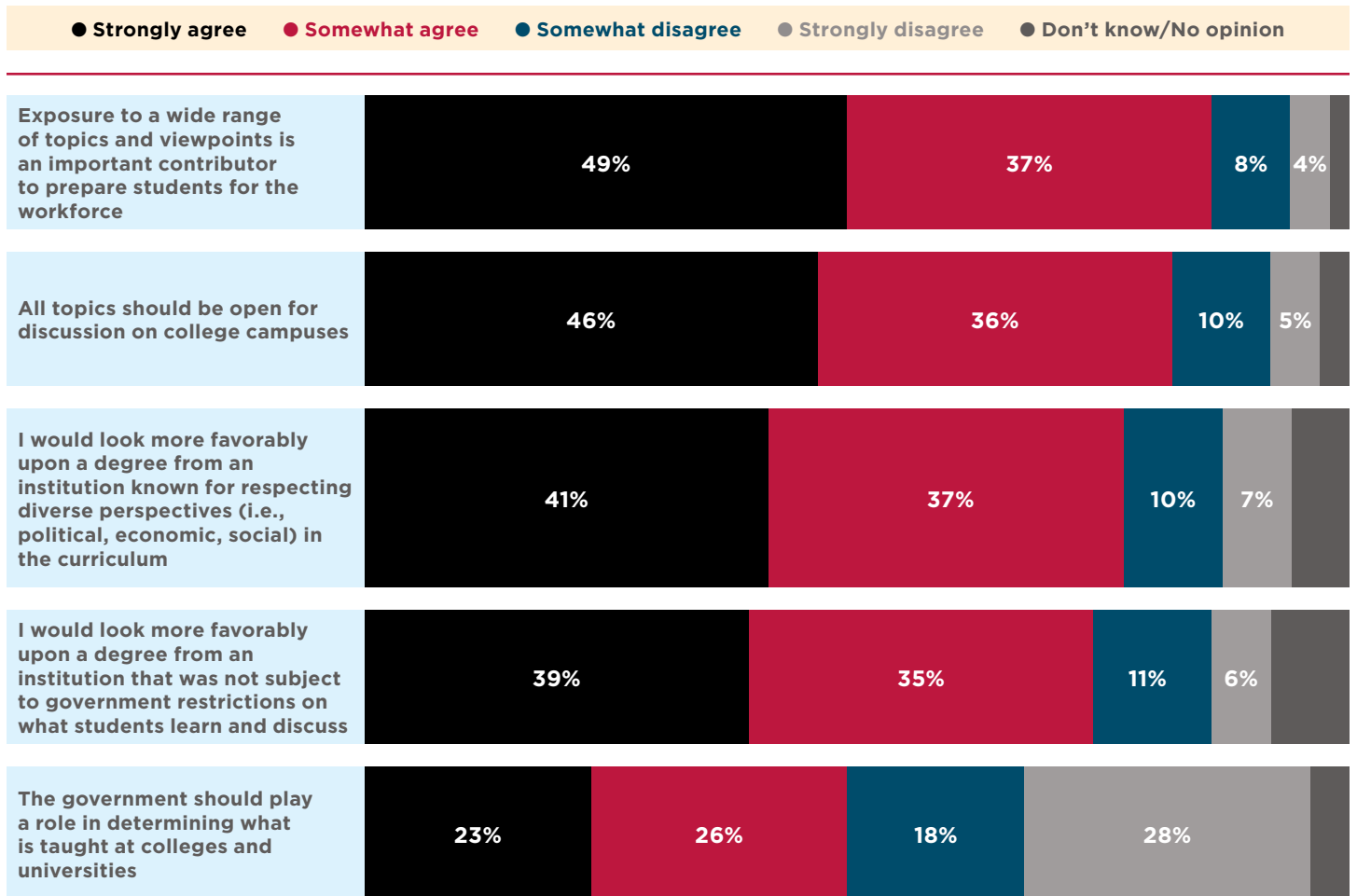
At the core of AAC&U's mission is the fundamental understanding of what it means to pursue a liberal education. Derived from its Latin root, *liber*—to free, a liberal education is an educational philosophy intended to free the mind, to enable students to think for themselves by engaging in hands-on inquiry, dialogue with others, and personal reflection. As such, the counter to this type of education is not one that is of a particular political party; it is simply one that is *illiberal*.²¹ It is an education that indoctrinates and suppresses freedom of thought. For over one hundred years, AAC&U has advanced the idea that all students should have access to a liberal education. Not since the time of McCarthyism and the Red Scare of the 1950s has higher education been so imperiled in its mission to enable the free thinking of students and faculty alike. The proposals and passage of divisive concepts legislation and educational gag orders continue at alarming rates.²² We know that placing limitations on what can be discussed in college classrooms hinders students' learning, but does it also hinder their employability? Our results suggest that it does.

We asked employers to respond to a series of questions related to how they feel about classroom environments in which freedom of speech or the free exchange of ideas is limited. Nearly half (49 percent) of all employers reported that they “strongly agree” that “exposure to a wide range of topics and viewpoints is an important contributor to prepare students for the workforce.”

More than three-quarters (78 percent) of employers surveyed reported that they were at least inclined, either strongly or somewhat, to say they “would look more favorably on a candidate who had a degree from an institution known for respecting diverse perspectives.” Additionally, about three-quarters (74 percent) of employers also indicated that they “would look more favorably on a job candidate with a degree from an institution that was not subject to government restrictions on what students could learn or discuss.”

FIGURE 28

Employers' level of agreement regarding how restrictions on freedom of thought or expression impact employability



Figures 29 and 30 show both the subtle and dramatic ways in which employers' age, position within the organization, and political party affiliation influence their views on whether students' employability is affected by imposed restrictions on classroom discussions and exposure to diverse viewpoints.

In terms of age, the biggest difference between younger and older employers is in the degree to which employers under the age of 40 tended to strongly agree at much higher rates than their older counterparts that the government should play a role in determining what is taught in colleges and universities. When coupled with "somewhat agree," three out of five employers (61 percent) under the age of 40 agree the government should play a role, whereas just over a quarter (28 percent) of employers 50 and older think the same. Executives and hiring managers diverge on both whether the government should influence what is taught in colleges and universities and the degree to which they would look more favorably on a degree from an institution known for respecting diverse perspectives (i.e., political, economic, social) in the curriculum. In both cases, executives were significantly more likely than hiring managers to strongly agree that "government should play a role in determining what is taught in colleges and universities" and they "would look more favorably on a degree from an institution known for respecting diverse perspectives."

The most consistent, and perhaps least surprising, group differences were observed between employers of different political parties. Overall, employers who identified as Democrats were significantly more likely than their Independent and Republican counterparts to strongly agree with statements indicating that career preparation is aided when students have exposure to diverse viewpoints and open discussion. Employers who identified as Democrats were significantly more likely than employers who identified as Republicans or Independents to strongly agree that they would favor degrees from institutions known for respecting diverse viewpoints and would not favor degrees from institutions that were subject to government restrictions. But employers who identified as Democrats were also far more likely than employers who identified as Independents or Republicans to strongly agree that the government should play a role in determining what is taught at colleges and universities.

FIGURE 29

Percentages of employers who agree strongly or somewhat with the following statements by age and position

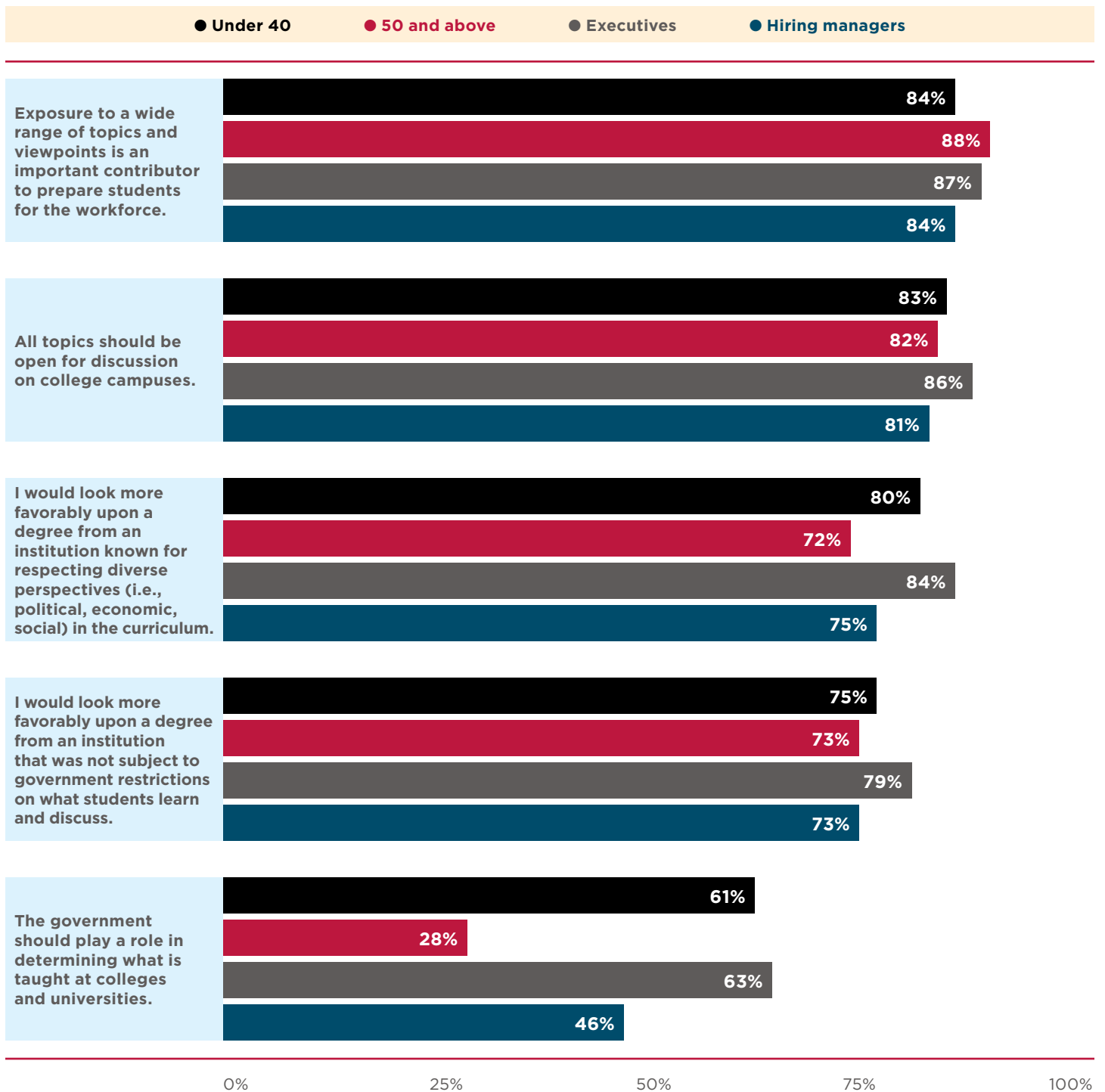
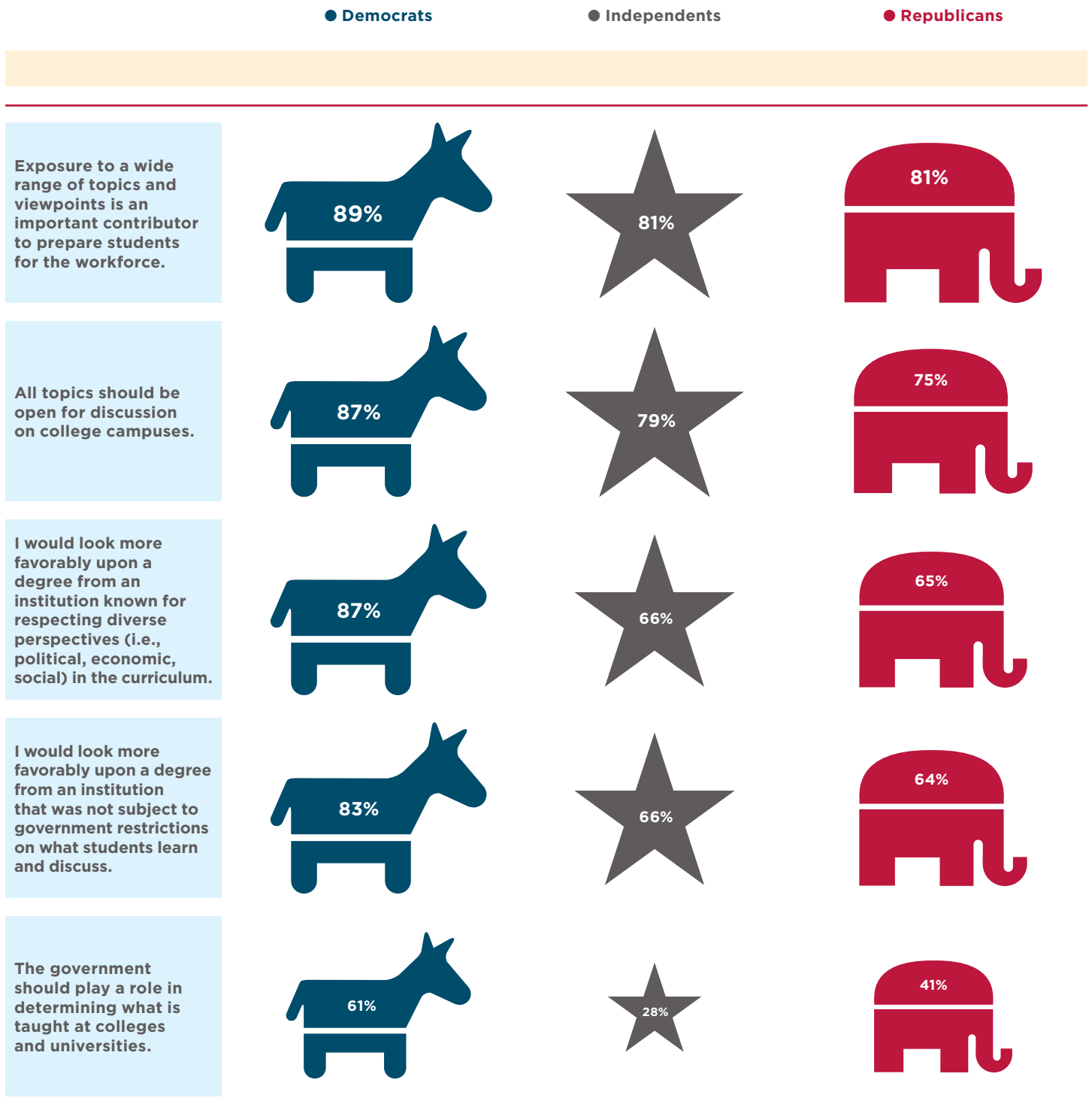


FIGURE 30

Percent of employers who strongly or somewhat agree with the following statements by political party





When it comes to a national conversation on workforce preparedness, higher education should not simply be at the table; colleges and universities should be designing the table.

Campus leaders, faculty, and staff collectively should be more than simply participants in discussions around the future of work. The diverse institutions that constitute American higher education are critical architects and co-designers, alongside industry and community partners, of an economic future in which all students have the opportunity to thrive. The following recommendations are offered as strategies for advancing such efforts.

The foundations for graduates' workforce preparedness begin within the curriculum.

The findings in this report, consistent with research both within and beyond AAC&U, are an endorsement for the necessary acquisition of broad skills among college graduates for long-term success in a rapidly changing, increasingly global economy. But this cannot solely be the work of career center directors and student affairs professionals. Faculty need to play a central role in locating essential skills within curricula to empower students to understand how these capabilities and mindsets can inform career exploration and purpose, especially in the arts, social sciences, and humanities. Beginning with general education and further developed

through students' chosen majors, infusing career connections within curricula offers the kind of real-world relevance needed for the future of learning and for work.

Advising should be a holistic and progressive experience that supports students' integration of experiences and development of purpose.

As underscored in AAC&U's 2021 research and again in 2023, employers are seeking job candidates with not just broad skills but also the mindsets and aptitudes that will enable them to persevere and stay curious. While career preparation must be embedded within curricula, faculty should not have to hold sole responsibility for equipping students with the full range of skills and abilities for future success. To truly resolve the preparation gap shown in this research, advising needs to be reimaged as a mechanism for college, career, and self-exploration. This will require inclusive cooperation across a broad cross-section of educators (i.e., faculty, staff, peer mentors, alumni, and business and community members) to help students make sense of their curricular and cocurricular experiences and to leverage those experiences to envision their future selves.

An internship is not the only high-impact practice that is relevant for students' career development.

Too often, internships are viewed as the only mechanism by which students can gain hands-on, real-world career preparation. Research from the National Association of Colleges and Employers (NACE) has highlighted the significant equity gaps among student populations, particularly those from underserved backgrounds and racial minorities, in access to internships and critical differences in access to paid internships. The findings of AAC&U's report suggest employers see value in a much broader spectrum of job-based or preparatory experiences than internships alone, such as work-study, leadership experiences, and the development of ePortfolios. Among employers in our sample, work-study experiences, specifically, were valued just as highly as internships. Given the amount of work-study and leadership opportunities available on most campuses relative to the range and number of internships offered, expanding ideas about the types of real-world experiences that provide career preparation could be a tool for closing equity gaps among students.

As microcredentials grow in relevance, colleges and universities should be leaders in how these credentials are defined and operationalized.

There is no one solution that will magically shift the tide of public opinion on higher education's return on investment. But microcredentials could help counter these narratives by expanding access to credentials through short-term investments of time and money. Our research echoes that of others in suggesting microcredentials should be a growing priority for colleges and universities in helping students to both build and signal skill attainment. However, it is also a critical moment for higher education institutions to lean into

definitions of quality and assessment of these credentials, ideally in partnership with business and community leaders. For example, AAC&U's VALUE rubrics have been used for over a decade to assess students' skill development through college. These same instruments can also be used to help define and benchmark students' skill attainment at the two- and four-year levels as they enter the workforce. Using the tools and practices that have long advanced students' learning, colleges and universities have the opportunity to position themselves as essential partners in a new era of credentialing for workforce success.

The need to create environments in which students can be exposed to diverse perspectives across a breadth of topics is an imperative for both learning and career success.

Not since the McCarthy era has there been such debate about what should and should not be taught in college classrooms. Our study has revealed that discussion has another important stakeholder: employers. As demonstrated in this research report, there is broad consensus among employers, regardless of age, position, or party affiliation, that the consideration of diverse perspectives is relevant for workforce preparation. This finding is of little surprise to anyone who has held a job. Workplaces are often unpredictable, dynamic, and transitory. Being surrounded by co-workers who think or look just like you is the exception, not the rule. In an expansive global economy, the ability to interact across increasingly diverse contexts, cultures, and backgrounds will only heighten the need for greater levels of empathy and critical listening skills for workforce success. Our findings suggest employers are clear on this point—colleges and universities must be places where those interactions are fostered and sustained.

- 1 Results for the full sample of employers have a margin of error of plus or minus 3 percentage points. Thus, category differences that exceed 3 percentage points are statistically significant. A focus of this report is also a comparison of attitudinal differences between employers under the age of 40 and employers 50 years of age and older. Because sample sizes vary between questions, statistical significance is based on unweighted margins of error for each question, which in the vast majority of cases is between 5 and 6 percentage points. Thus, generally speaking, if differences between employers under 40 and those 50 and older exceed 6 percentage points, the difference is likely to be statistically significant. Specific questions regarding statistical significance can be directed to the author. Percentages displayed in figures may not add up to 100 percent due to rounding.
- 2 <https://news.gallup.com/poll/508352/americans-confidence-higher-education-down-sharply.aspx>.
- 3 It is helpful to note the relative nature of public confidence statistics. According to Gallup, public confidence in higher education ranks below small business, the military, and the police, but above the medical system, the church or organized religion, and the US Supreme Court, <https://news.gallup.com/poll/508169/historically-low-faith-institutions-continues.aspx>.
- 4 <https://news.gallup.com/poll/508352/americans-confidence-higher-education-down-sharply.aspx>.
- 5 Morning Consult, 2022, Special Report: *Most Trust Universities*, <https://pro.morningconsult.com/analysis/most-trusted-universities-gaps-public-trust>.
- 6 A 2021 study conducted by AAC&U and the Bipartisan Policy Center found that while 60 percent of Americans thought a college education was “definitely” or “probably” worth the investment, 87 percent of employers thought the same, https://dgmq81pnhvh63.cloudfront.net/content/user-photos/Research/PDFs/BPC_Fed-State_Brief_R04.2.pdf.
- 7 See Ashley Finley, *How College Contributes to Workforce Success: Employer Views on What Matters Most* (Washington, DC: AAC&U, 2021), pp. 27-29.
- 8 For more information on AAC&U’s Essential Learning Outcomes, see <https://www.aacu.org/trending-topics/essential-learning-outcomes>.
- 9 Percentages are aggregated scores of 8-10 on a 10-point scale, where 10 was identified as “very important” and 0 was identified as “not important at all.” For the purposes of historical comparison with previous AAC&U reports, scores of 8-10 reported in 2023 were considered to be “very important.” The comparison percentage for “adaptability and flexibility” is intentionally missing because that outcome was not included in the 2018 employer survey.
- 10 Ibid.
- 11 Ibid.
- 12 Ibid.
- 13 See Jessica Chittum, Kathryn Enke, and Ashley Finley, *The Effects of Community-Based and Civic Engagement in Higher Education: What We Know and Questions That Remain* (Washington, DC: AAC&U, 2022), <https://www.aacu.org/research/the-effects-of-community-based-engagement-in-higher-education>.
- 14 See Ashley Finley and Tia McNair, *Assessing Underserved Students’ Engagement in High-Impact Practices* (Washington, DC: AAC&U, 2013), <https://www.aacu.org/publication/assessing-underserved-students-engagement-in-high-impact-practices>; and Jessa Valentine, Derek Price, and Haisheng Yang, *High-Impact Practices and Gains in Student Learning: Evidence from Georgia, Wisconsin, and Montana*, Lumina Issue Paper (Indianapolis, IN: Lumina Foundation, 2021), <https://www.luminafoundation.org/wp-content/uploads/2021/03/high-impact-practices-and-gains-in-student-learning.pdf>.
- 15 For a list of AAC&U’s identified high-impact practices, see <https://www.aacu.org/trending-topics/high-impact>.
- 16 In 2021, we asked employers to respond to this question by indicating if “all,” “most,” “only a few,” or “none” were prepared to succeed in entry-level positions or to advance in the company. At that time, 15 percent indicated “all” and 47 percent indicated “most” were prepared to succeed in entry-level positions; 16 percent and 39 percent indicated “all” or “most,” respectively, were prepared to advance in the company.
- 17 Percentages are aggregated scores of 8-10 on a 10-point scale, where 10 was identified as “very important”/“very prepared” and 0 was identified as “not important at all”/“not at all prepared.”
- 18 See figure 15 (experiences ranking).
- 19 See https://www.edsurge.com/news/2023-08-10-higher-ed-should-pay-attention-to-the-corporate-world-s-growing-use-of-skills-data_8/10/2023.
- 20 We did not define the term “microcredential” in the survey, nor did we suggest a form for these credentials (e.g., a badge or certificate). Microcredentials are commonly viewed as short-term, competency-based achievements, which may be stackable, verifiable, and/or industry-specific.
- 21 See AAC&U, 2020, *What Liberal Education Looks Like*, <https://www.aacu.org/publication/what-liberal-education-looks-like-what-it-is-who-its-for-and-where-it-happens>.
- 22 See, for example, PEN America’s tracking of this issue, <https://pen.org/educational-censorship-continues-in-2023>.
- 23 See findings from the National Association of Colleges and Employers (NACE) on equitable access to internship experiences, <https://www.naceweb.org/diversity-equity-and-inclusion/trends-and-predictions/the-class-of-2023-inequity-continues-to-underpin-internship-participation-and-pay-status/#:~:text=NACE%20research%20has%20consistently%20found,and%20unpaid%20interns%20averaging%200.9>.



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