



**Opening Statement of Rep. Virginia Foxx (R-NC), Chairwoman
Committee on Education and the Workforce Hearing:
“Competencies Over Degrees: Transitioning to a Skills-Based Economy”
June 22, 2023**

(As prepared for delivery)

Thank you to everyone for joining me today for a hearing entitled, “Competencies Over Degrees: Transitioning to a Skills-Based Economy.” Thank you to the witnesses for travelling from as far as California to testify on such an important issue.

Our economy is rapidly changing, and there is an urgent need to match the competencies of our future workforce with in-demand jobs. Advancements in technology, industries, and the global market are reshaping the opportunities available in America's economy.

Many employers are feeling the effects of America’s economic growing pains as they struggle to access the skilled workforce needed to match the times. There is a growing recognition that the old ways of identifying talent are not working for today’s economy. To address this issue, job creators across the country are shifting to skills-based hiring to broaden the talent pipeline and fill in-demand, good paying jobs.

It is time we reassess the definition of success in our society. Despite nearly two-thirds of Americans aged 25 and older not possessing a bachelor's degree, we have perpetuated the notion that such degrees are the only pathway to the middle class.

It is essential that we acknowledge the immense potential within individuals that transcends any demographic boundaries. We need to speak honestly about the educational paths we offer and prioritize skills acquisition, whether through work experience, military service, community college, certificate programs, or online learning.

At its core, skills-based hiring is based on a simple premise – all learning should count. If a worker has the skills and competencies to do the job, it should not matter how or where they obtained those skills. They should have the opportunity to compete for the job. By allowing all learning to be considered on a level playing field, we can unlock the potential of the millions of Americans who have gained skills through alternate routes. After all, supporting the multiple educational pathways that Americans are choosing will make a difference only if employers are willing to look beyond the bachelor's degree and recognize talent wherever it exists.

The good news is skills-based hiring is gaining momentum as a solution to our workforce challenges. Increasing numbers of employers are removing degree requirements and instead focusing on specific skills and competencies needed for the job. This approach not only widens the talent pipeline but has also proven to be more effective in hiring and retaining a high-performing workforce.

President Trump led the way in reforming federal hiring through executive action, emphasizing skills over degrees. Several states, including Colorado, Maryland, Utah, Pennsylvania, Alaska, North Carolina, New Jersey, South Dakota, Ohio, and Virginia, have also eliminated degree requirements for most state government jobs.

Employers are taking charge by creating their own pathways to identify and recruit skilled workers, including internships, apprenticeships, bootcamps, and on-the-job learning opportunities. These initiatives equip candidates with the exact skills required to excel in their roles.

However, for our workforce system to align with the demands of a skills-based economy, it needs significant updates.

One challenge faced by employers is navigating the landscape of skills-based credentials. With an increasing number of programs and opportunities emerging, consistent and transparent information about credentials and the competencies they indicate is vital. Information on credentials should be funded and accessed easily through the workforce system. In turn, employers would have a greater ability to gauge the skills a worker possesses and determine his or her ability to succeed on the job.

The workforce system can also play a crucial role by providing support in reworking

job descriptions around competencies and utilizing competency-based assessments to verify the skills of jobseekers. In order to help more employers, particularly small businesses, build their own pathways for workers to develop critical skills, the system must place a greater emphasis on employer-led initiatives.

Additionally, we must acknowledge that directly assessing the skills of prospective workers can be more difficult for employers from a legal and regulatory perspective than simply relying on a bachelor's degree as a proxy for ability – despite the fact that degree requirements automatically exclude the vast majority of Americans. Greater clarity and technical assistance on the lawful use of assessments would help more job creators make the shift to skills-based hiring.

In conclusion, our economy is undergoing significant changes, and it is imperative that we adapt. I look forward to facilitating that shift in a bipartisan effort with my colleagues by reauthorizing the Workforce Innovation and Opportunity Act (WIOA). With key reforms to WIOA, we can begin to bridge the skills gap in our nation's workforce.

Let us seize the opportunities presented by a skills-based economy, where individual potential and competency are celebrated above all.