

SNAPSHOT

Workforce Alignment in Tennessee

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Workforce alignment occurs when the supply of qualified workers matches up with employers' demands. This report identifies the agencies involved in promoting workforce alignment in Tennessee. OREA also analyzed the types of credentials earned by graduates of public postsecondary institutions as a way of measuring workforce alignment.

Key players

Workforce alignment requires collaboration across multiple organizations and state agencies. Some agencies (such as the Tennessee Department of Education, the Tennessee Higher Education Commission, the Tennessee Board of Regents, and the Tennessee Department of Labor and Workforce Development) are **supply-focused**, meaning they work with students, graduates, and job seekers to ensure they find high-quality employment. Other organizations, such as the Tennessee Chamber of Commerce and Industry and the Tennessee Department of Economic and Community Development, are **demand-focused**, meaning they work with employers to ensure their workforce needs are met. Tennessee also has several **research-focused** agencies; these organizations (including the Boyd Center for Business and Economic Research and the Office of Evidence and Impact) oversee workforce-related data and analyze whether certain workforce policies are effective.

Workforce alignment in Tennessee: What the data shows

Workforce alignment is improving: OREA analyzed credentials earned by graduates of Tennessee's public postsecondary institutions between 2016 and 2018. About half of all graduates between 2016-2018 earned high-demand credentials. The percentage of high-demand credentials earned increased between 2016 and 2018: 41 percent of graduates earned a high-demand degree in 2016, compared to 53 percent in 2018.

Alignment varies by field: The percentage of graduates who earned high-demand degrees varies based on program field. On the high end, 100 percent of credentials in the transportation and materials moving field were linked to high-demand jobs. Meanwhile, none of the credentials in the liberal arts and sciences, general studies, and humanities field were linked to high-demand jobs. While about one in six graduates earned a liberal arts degree, this field's prevalence is not necessarily cause for concern. Most of these graduates earned an associate degree that is designed to transfer into a four-year program, rather than go directly into the workforce. Future workforce alignment research could exclude those who choose to further their education after graduating.

TCAT credentials were most closely linked to high-demand occupations: 85 percent of TCAT diplomas and 73 percent of TCAT certificates were linked to a high-demand occupation, considerably higher than any other type of credential. These relatively high percentages may be because TCAT programs can quickly adjust program offerings based on workforce needs. Most TCAT programs take about 12-16 months to complete, meaning there is little time for labor market changes to occur between the time a student enrolls and graduates.

Policy options

Focus on (and refine) existing workforce alignment efforts: During OREA's interviews, three state-focused organizations noted the importance of focusing on (and in some cases refining) Tennessee's existing workforce alignment programs, such as the Drive to 55 and the Jobs4TN website.

Continue to research workforce alignment and expand data collection efforts: New data efforts could pave the way for more robust workforce alignment analyses. Examples include interstate data partnerships or employers submitting more detailed occupation data to the Department of Labor and Workforce Development.

Use workforce alignment data when making academic and career decisions, but recognize data limitations: Two-thirds of the occupations that were considered high-demand in 2016 were no longer considered so by 2020. Individuals who work with prospective students should acknowledge the volatility of the labor market.