

Opportunity@Work Policy Agenda

Background: A policy agenda for a skills-based labor market in the AI era

Opportunity@Work is dedicated to advancing economic opportunities for the more than 70 million U.S. workers who are Skilled Through Alternative Routes ([STARs](#)) instead of through a bachelor's degree. At more than half the workforce, STARs are the backbone of the U.S. economy and their economic mobility is key to national prosperity. But for the past several decades, STARs have been blocked by a [paper ceiling](#), losing access to the jobs that have traditionally provided them mobility opportunities. Workers find themselves stuck in jobs even as they demonstrate the skills for higher-wage work. At the same time employers struggle to fill in-demand roles. This unnecessary scarcity benefits no one.

Government leaders have been at the forefront of a movement to tear the paper ceiling and build a skills-based labor market. They recognize that when STARs are not thriving, the economy is not serving workers or employers. Further, as one of the nation's largest employers, they saw that they could not meet their own hiring needs and deliver on their responsibilities to their constituents if they did not change their talent practices. Since 2020, federal administrations have moved to remove unnecessary degree requirements, guided by [Executive Order 13932](#). At the same time, over [30 states](#) and many cities and counties have followed suit, expanding career opportunities for STARs in the public sector.

These actions have begun to [have an impact](#). Our analysis of the first 18 states to take executive or legislative action showed that they opened more good-paying jobs to STARs than they had in the year prior to their commitment. Opportunity@Work calls for a sustained commitment to valuing skills over degrees, aligning public and private systems for learning and earning, and building infrastructure to support lifelong worker growth.



Core policies areas that can advance a skills-based labor market

At Opportunity@Work, we believe a labor market where everyone can work, learn, and earn to their full potential is within reach. STARS — who make up the majority of the U.S. workforce — reflect the broader experience of American workers. By creating a system that works for STARS, we unlock opportunity for all workers.

This policy agenda offers a roadmap towards a skills-based labor market in the AI era. We invite policymakers and government leaders alike to join us in advancing bold, practical reforms across three key policy areas — where change is both necessary and possible.

1

Promote skills as the key measure of value in the labor market

2

Build a skills-based talent ecosystem

3

Expand worker access to skills development opportunities

1 Promote skills as the key measure of value in the labor market.

Employers in both the public and private sector have relied on degrees as a signal of worker capability because we lack the systems and infrastructure to make better value judgements. This overreliance on degrees overlooks millions of capable workers who have gained valuable skills through alternative routes — such as on-the-job experience, military service, partial college, community college, as well as public workforce training. A policy agenda that elevates skills and supports skills-based talent approaches would shift employer behavior and open opportunities for all workers, including the millions of workers who have gained skills through alternative routes (STARS). This approach drives equity, economic inclusion, and a more responsive and resilient labor market.

2 Build a skills-based talent ecosystem.

Public leaders are uniquely positioned to bridge gaps between government, education, workforce, economic development, and industry and foster cross-sector, skills-based workforce alignment. By convening diverse coalitions to co-design shared strategies, they can catalyze coordinated action to adopt common skills frameworks, advance skills-based education, create more accessible learning pathways, and increase employer engagement. These steps ensure education and workforce systems are responsive to employer needs and enable workers to demonstrate in-demand skills.

3 Expand worker access to skills development opportunities.

To ensure a skills-based labor market benefits everyone, we need to put in place the conditions for accessible lifelong learning and skill-building. This includes (1) training — at work, school, and in the community — but also (2) services that facilitate participation — financial aid, childcare, and transportation — as well as (3) services to support job placement — such as career guidance and employee matching. Without these wraparound supports, many, especially STARs and underserved workers, are left behind. Building the infrastructure for lifelong learning enables all workers to navigate economic transitions, access better opportunities, and contribute to a resilient workforce.

We believe that if government leaders and policymakers take on this policy agenda, we can help meet Opportunity@Work's goal of over the next decade, enabling at least 1 million STARs in the U.S. to experience upward mobility by translating their learning into earning — generating more than a \$100B boost in their earnings.

A Roadmap: Building a labor market where everyone can thrive

This ambitious policy agenda requires coordination and collaboration, but the key elements are relatively straightforward. Here are concrete actions to advance the agenda.

1 Promote skills as the key measure of value in the labor market.

To elevate skills and support skills-based talent approaches leaders can take three steps. These actions open opportunities for workers to foster increased access to jobs, economic inclusion, and a responsive labor market.

Recognize skills as the core measure of talent.

- Eliminate unnecessary degree requirements in public sector job classifications by updating minimum qualifications to focus on skills.
- Ensure federal contract solicitations do not require unnecessary degree requirements and encourage skills-based hiring by government contractors.
- Review occupational licensing requirements to remove unnecessary barriers and improve cross-state portability.

Build infrastructure to support skills-based talent systems.

- Appoint a dedicated leader and team to lead the implementation and scaling of skills-based talent strategies across the different agencies employing (HR teams) and/or encouraging skills-based practices (workforce, higher education, etc).
- Allocate dedicated funding (public, philanthropic, private) to build organizational capacity and modernize the public sector's approach to hiring and advancement with skills-based talent strategies.
- Allocate staff to develop expertise and provide technical assistance and implementation support related to skills-based strategies.
- Use AI across HR functions to enable fair talent practices that broaden job access, effectively assess and validate skills, and clarify skills-based pathways.

Invest in data systems and tools that enable awareness of open roles and informed talent decisions.

- Enable potential candidates to be able to filter government job boards by education level and/or skill requirements.
 - Use applicant tracking systems (ATS) and HR information systems (HRIS) with skills-based features.
 - Deploy longitudinal data systems at the federal, state, and local levels to track education and workforce outcomes and inform policy.
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2 Build a skills-based talent ecosystem

Public sector leaders can align government, education, workforce, economic development, and industry to foster skills-based workforce alignment. These steps ensure education and workforce systems meet employer needs and enable workers to demonstrate in-demand skills.

Establish cross-sector, skills-based workforce alignment

- Create and convene more state or regional talent coalitions made up of STARs, employers, education, workforce, labor, economic development, and government leaders to co-design a shared approach and infrastructure for talent.
- Adopt common skills and competencies frameworks to enable employers, educators, workforce agencies, economic developers, and workers to speak the same language and build a cohesive skills-based talent system.
- Develop shared skills-based outcomes and metrics, and encourage regular data reporting to track progress and improve workforce alignment.

Encourage skills-based education design.

- Implement performance-based funding models that reward postsecondary institutions for delivering programs that lead to employment and skill acquisition.
- Fund competency-based education pilots that allow students to progress based on their ability to demonstrate the mastery of skills and knowledge.
- Provide grants or flexibility to create short-term, stackable skill-building pathways that allow learners to re-enter and build on previous learning or experience without starting over.
- Engage employers and create a strong signal and feedback loop with education and workforce partners to align skills with in-demand roles.

Incentivize skills-based employer practices.

- Expand the Federal Work Opportunity Tax Credit (WOTC) or build a localized version to include STARs as one of the eligible groups.
- Require public agencies to align hiring, job classifications, and promotion policies with skills-based practices developed in coordination with STARs, education, workforce, economic development, and industry partners.
- Provide grants or matching funds (public, philanthropic, private) for employers who co-design and host apprenticeships, internships, or work-based learning programs aligned to public training systems.
- Prioritize vendors that use skills-based talent strategies.

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Expand worker access to skills development opportunities

A skills-first labor market requires accessible lifelong learning, encompassing training (at work, school, community), supportive services (financial aid, childcare, transportation), and job placement support (career guidance, employee matching). This infrastructure enables all workers to navigate economic transitions, access better opportunities, and build a resilient workforce.

Advance worker mobility by investing in resources and support services that help workers succeed.

- Support efforts to build career navigation supports to include coaches, tools and support to navigate job and learning pathways.
- Invest in innovative financing models (public, philanthropic, private) that help workers afford learning opportunities across their lifetime that meet their career goals.
- Ensure public assistance programs for learners and workers are accessible, responsive, flexible, and supportive to the needs of individuals to achieve their career goals, while supporting their family responsibilities.
- Enable workers to develop new skills and use AI tools to adapt and strengthen their capabilities as job tasks and labor market demands evolve.

Recognize prior learning and work experience.

- Develop public tools and registries that help learners and employers to translate or convert past college credits, military experience, and work experiences into recognized skills.
- Fund and scale the use of shared skill taxonomies and credential transparency to establish a common language across roles, industries, and systems
- Provide funding to colleges and universities to expand access to and standardize prior learning assessment policies that could support STARs across institutions to ensure consistent acceptance of learning through a variety of routes.

Conclusion

Through these efforts, and others that arise, we will continue to take steps to achieve our goal of rewiring the labor market to allow all workers to reach their full potential by working, earning and learning, especially STARs. Addressing the complexities of today's labor market, in this emerging AI era, requires new approaches and broad collaboration across sectors.

In addition to the initiatives outlined above, we will continue to champion policies that address interconnected challenges, such as access to childcare, transportation, and affordable housing — that impact STARs' success.

Through our expertise and partnerships, we aim to equip policymakers with practical tools and strategies to drive change. Stay tuned for a policy playbook with examples of how to build policies that embody this agenda.

Together, we can ensure that this is the last generation of STARs held back by the paper ceiling.