Your Question:

You asked if we could provide information on workforce credentials. Specifically, you were interested in the stackability of credentials.

Our Response:

Earlier this month, Credential Engine released a **report** detailing nearly a million postsecondary and secondary credentials available in the U.S.. Among the nearly one million credentials, there are over 500,000 non-degree credential programs.

As the economy continues to shift to require more technical skills to enter good jobs, people will need to seek education beyond a high school diploma. **Non-degree credentials** provide an opportunity for individuals to obtain skills that can lead to good jobs. They can also stack on to additional education and credential opportunities. However, ensuring credentials are of **quality**, **value** and **aligned** to high-need and high-demand occupations in an evolving labor market are important considerations for states as they develop educational paths to support people in seeking good jobs.

The following information provides an overview of terms associated with workforce and education credentials, considerations related to quality and value of credentials and state examples of credential paths.

Types and Classifications of Credentials

There are a range of **workforce-relevant credentials** that people can pursue to enter, **grow or transition** in their career. While terms can vary and overlap across state policy and practice, the following classifications provide an overview of the different types of credentials and connections among credential classifications.

Non-degree credentials are certificates, industry certifications, licenses or apprenticeship certificates that provide value to an individual and business. Non-degree credentials can provide **pathways to good jobs** for individuals without degrees.

Certificates are awarded upon the successful completion of a brief course of study, usually one year or less but at times longer. They are generally provided by two-year postsecondary institutions, universities or non-degree-granting postsecondary institutions.

Certifications indicate mastery of or competency in specific knowledge, skills or processes that can be measured against a set of accepted standards. Certifications are not necessarily tied to a specific educational program but are typically awarded through assessment and validation of skills in cooperation with a business, trade association or other industry groups.

License is legal permission, typically granted by a government agency, to allow individuals to perform certain regulated tasks or occupations. A license can be obtained by meeting certain requirements set forth by the licenser; usually, this includes completing a course or assessment.

Degrees are an award or title conferred upon an individual for completing a program or courses of study over multiple years at postsecondary education institutions.

Industry recognized credentials are credentials that are recognized across a particular industry, sought after by employers and receive an endorsement from nationally recognized trade associations or organizations. The credential is an indicator that an individual possesses relevant skills to work within a particular industry.

Micro-credentials are similar to certificates as they require the mastery of specific skills. Generally, micro-credentials are earned by completing a course where specific skills are developed that are relevant to specific jobs within an industry.

Stackable credentials, as defined by the U.S. Department of Labor, are a sequence of credentials that can be accumulated over time to build up an individual's qualifications and help them to move along a career pathway or up a career ladder to different and potentially higher-paying jobs.

Quality and Value Consideration

Regardless of the type of credential, ensuring the quality of the credential path and value for the individual are important considerations. Quality and value considerations are not mutually exclusive and are inherently intertwined.

Quality Considerations

National Skills Coalition released a **report** in 2019 that outlines a series of considerations for building quality non-degree credential programs. The report outlines four criteria for creating quality non-degree credentials:

- **Substantial job opportunities**: Generally, data should be used to identify job openings expected for the occupations associated with the credential. These data sources include but are not limited to occupational employment projections developed by the U.S. Bureau of Labor Statistics and state labor market information offices, projections and job postings data from private organizations, and state job vacancy surveys. To identify the credentials associated with occupations, states may find information at the U.S. Department of Labor, job posting data, state registries of credentials, or through employer focus groups or surveys, among other sources.
- **Transparent evidence of competencies by the credential holder**: The credential's competencies should generally align with competencies that are expected in the occupation or job the individual will hold. The credential should indicate to employers the competencies held by the credential holder. Collaboration across industry and education or training systems can support a process of identifying competencies and ensuring they are relevant to the job the credential holder will enter.
- **Evidence of the employment and earnings outcomes of individuals after obtaining the credential**: Sharing of wage and other outcomes data for credential holders can support individuals in seeking credential opportunities that are of both economic and personal value to the individual.
- **Stackability to additional education or training:** Part of quality is ensuring that credentials that may be of lower value or lower wage potential have connections to future credentials or educational opportunities. The credential does not have to be in a sequence of credentials in a given industry. Instead, the credential should articulate with or otherwise provide credit toward another postsecondary credential.

Value Considerations

In 2018, Education Strategy Group released a **report** that says credentials can have value in two ways: they (1) help an individual find employment or move up in the workforce and (2) accelerate a student's progression into and

through postsecondary education and training. There are clear connections between quality and value. The report details three general considerations for promoting high-value credentials.

- **Identify high-value credentials by**:
  - Building stronger employer signaling analyses to identify the industry-recognized credentials that are valued by using specific criteria.
  - Identifying which industry-recognized credentials count for credit toward postsecondary education and training.
  - Building a cross-sector priority industry-recognized credential list spanning the education and workforce systems.
- **Incentivize attainment of high-value industry-recognized credentials by**:
  - Inspiring and supporting students' high-value credential attainment to show the clear value proposition such credentials offer in the workforce.
  - Recognizing and emphasizing the importance of high-value credentials statewide to communicate to the public that attainment of high-value industry-recognized credentials matters.
- **Collecting and reporting credential attainment data by***:
  - Putting in place high-quality mechanisms to collect and report how many and which students successfully take and pass credentialing exams and earn specific industry-recognized credentials.

In addition to consideration of quality and value, there are **potential barriers** that can impede a person from pursuing workforce education and training. In addition to financial barriers and limited aid for short-term or non-degree programs, there are needs for additional supports to meet familial and professional obligations that may keep people from pursuing workforce education and training.

State Examples

States have created credential paths through legislation, governor action and postsecondary system policy. This list below is not exhaustive but provides a series of examples of how states have created credential paths with considerations of quality, value, stackability and means to overcome barriers.

Alabama: The state established a committee within its workforce development council to bring industry and other experts together to **examine and evaluate specific credentials**. The state uses a set of **data and criteria** to determine if a credential should be included on the state's Compendium of Valuable Credentials.

Indiana: In 2018, the state enacted **legislation** to establish the Workforce Ready Grant. Through the grant, individuals can pursue **stackable credentials** through Ivy Technical College. Individuals can pursue credentials in a range of areas of study that can stack to a certificate or associate degree.

Iowa*: The Iowa Department of Education's **GAP Tuition Assistance Program** provides need-based tuition assistance to applicants that complete non-credit postsecondary credentials tied to in-demand occupations. Applicants must have an income between 150 and 250% of the federal poverty line to qualify. The Iowa Department of Education has created a list of programs that students can receive GAP tuition for. Program outcomes from 2018-19 can be found in the following **report**.

New York: In 2018, the State University of New York Board of Trustees adopted a **policy** to form a micro-credential framework. The trustees have defined aspects of quality for micro-credential programs. As part of the broader micro-credentialing initiative, the trustees adopted **definitions and terms** and a **resource bank** to support the development of micro-credentials. Additional information on the implementation of the micro-credentialing program can be found **here**.

Utah: In 2018, that state enacted [**legislation**](#) to establish the [**Talent Ready Utah Center**](#). The center is charged with a range of workforce-related activities, including developing and analyzing credential programs, including stackable credentials.

Additional Resources

- [**Expanding Opportunities: Defining Quality Non-Degree Credentials for States**](#) (National Skills Coalition, 2019)
- [**Credential Currency: How States Can Identify and Promote Credentials of Value**](#) (Education Strategy Group, 2018)
- [**The Need for Upskilling and Reskilling in a Time of Crisis**](#) (ECS Blog Post, 2020)
- [**COVID-19 Series: Upskilling & Reskilling**](#) (ECS Policy Outline, 2020)
- [**Accelerate Recovery: Prepare Colleges to Serve Out-of-Work Adults**](#) (Education Strategy Group, 2020)
- [**Accelerate Recovery: Ensure All Pathways and Credentials Lead to Real Economic Opportunity**](#) (Education Strategy Group, 2020)
- [**Stackable credentials can open doors to new career opportunities**](#) (Brookings Institution, 2021)