

Skills-First Hiring Tear the Paper Ceiling Campaign Fact Sheet

Who are STARs?

- STARs, workers **S**killed **T**hrough **A**lternative **R**outes rather than a bachelor's degree, are the over 50% of the workforce that have developed valuable skills through alternative routes like military service, community college, training programs, partial college completion, or – most commonly – on-the-job experience.
- STARs are defined as individuals at least 25 years old, currently active in the workforce, and having a high school diploma but not a bachelor's degree.
- STARs make up more than half of the workforce at over 70 million strong.
- STARs are all around us and can be found in every sector of the workforce.
- STARs also reflect our nation's racial and cultural diversity.

62% of Black workers are STARs	54% of Hispanic workers	51% of White workers	66% of rural workers	61% of Veterans
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How do STARs gain their skills?

- STARs develop valuable skills through alternative routes like military service, community college, training programs, partial college completion, or – most commonly – on-the-job experience. Learn more about some of these alternative routes below:
- **Work experience** –
 - Workers without formal credentials are more reliant on their work experience to demonstrate their capabilities, and the development of on-the-job skills is crucial for STARs' wage growth.
 - While entry-level skills are important when launching a career, the development of on-the-job skills accounts for 40% of workers' lifetime earnings. (Source: [Research from McKinsey](#))
- **Skilled credentials & training programs** –
 - There are nearly 750,000 skilled credentials, such as micro-credentials, certificates, and badges. (Source: [Credential Engine](#))
 - Around half of associate's degree holders report they also have completed a non-degree program or credential. Similarly, 3 in 5 adults with some college credit but not a degree have completed a non-degree credential or program. (Source: [Strada Education Network](#))
 - 58% of working-age adults who don't finish college go on to earn a skilled credential.
 - 68% of workers who hold a skilled credential believe it has helped them progress in their careers.
- **Partial college completion** –
 - Up to 32.9% of undergraduates do not complete their degree program. (Source: [Education Data Initiative](#))
 - As of July 2021, the Some College, No Credential (SCNC) population has reached 40.4 million. (Source: data from the [National Student Clearing House Research Center](#))
 - Over 1 in 3 STARs (28 million workers) have completed some college credits without receiving an associate's or bachelor's degree.
- **Apprenticeships** –
 - There are nearly 28,000 apprenticeships (Source: [Credential Engine](#))
 - Today, 40% of workers in new apprenticeships are going into jobs that have historically required a bachelor's degree, creating access to higher-wage jobs for STARs.
- **Military service** –
 - Relative to workers with a bachelor's degree, STARs are more likely to be military veterans (4.6 million STARs) or to be serving in the US Army Reserves (852,000 STARs).

How does the paper ceiling hold STARs back?

- The **paper ceiling** is the invisible barrier – comprised of degree screens, biased algorithms, lack of alumni networks, stereotypes, misperceptions, and more – that holds STARs back from opportunities for upward mobility and limits employers from finding qualified, skilled talent.
- The paper ceiling has severely impacted STARs' economic mobility. Over the last 30 years, the wage gap between STARs and workers with bachelor's degrees has doubled. Adjusted for inflation, STARs now actually earn less on average than they did in 1976. According to a 2022 study by Opportunity@Work, it takes more than 30 years on the job for STARs to earn the same wage that college graduates earn on day one of their careers, even though millions of STARs have demonstrated skills for roles with at least 50% higher salaries than their current jobs.

More about these barriers

- **Degree screens & biased algorithms** – Between 2012 and 2019, 69% of new jobs created were in occupations which require a bachelor's degree or higher for entry. This left only 31% of new jobs available to the over 50% of the workforce who are STARs. [Research by Grads of Life, Accenture, and the Harvard Business School](#) found that as many as 90% of large companies use some form of automated applicant tracking system to screen resumes, filtering out about half of all applications. That same research revealed that more than 60% of employers rejected otherwise qualified candidates because they did not have a bachelor's degree.
- **Stereotypes** – [Research by Opportunity@Work](#) found that over half of managers with a bachelor's degree overestimate the number of workers who have degrees. That's double the level of managers who are STARs, revealing some of the misperceptions that contribute to the paper ceiling.
- **Professional networks** – Without a paper ceiling, two people with equal talent should have equal access to opportunity. Unfortunately, when it comes to finding a job, who you know often matters more than what you know. LinkedIn calls this aspect of the paper ceiling "the Network Gap." [LinkedIn's own research](#) found that 70% of workers get hired at companies where they already have a connection.

Why does this matter?

- The labor market is tight, but there's an opportunity gap, not a skills gap. By hiring based on skills, not degrees, we can close that gap.
- Tearing the paper ceiling can help companies find quality candidates for hard-to-fill jobs, while opening up pathways for upward economic mobility for STARs.
- The companies that actively seek out STARs gain a competitive advantage by hiring from a talent pool that is skilled, adaptable, and reflective of the country's diversity.