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Career and Technical Education Reform Needs More Than Money

Current programs don't meet labor market needs

By Hannah Wing and Ben DeGrow

Summary

Employers should have a larger role in shaping career and technical education programs.

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Over the summer, Gov. Gretchen Whitmer and Detroit Mayor Mike Duggan announced a campaign to remove stigmas about skilled trades jobs, marking the latest effort in Whitmer's mission to close the so-called skills gap in Michigan. The governor has also called for increasing per-pupil funding for K-12 career and technical education from \$50 to \$487 per student. While well-intentioned, these initiatives may simply increase enrollment and spending for ineffective programs. In short, Michigan students and employers need a more serious reform of career and technical education.

As college enrollment continues to decrease and education and business leaders have paid more attention to the skills gap, many politicians have touted the need for reform. Yet despite the impressive rhetoric, they have done little to change the framework that has led us to this point, and what goes by the name of "reform" has mainly consisted of increased funding for the same system. Predictably, we get the same poor results.

In career and technical education, students can receive hard skills training that leads to specific industry certifications and job opportunities.

In CTE programs provided through public schools, students pursue technical knowledge through work-based learning in agriculture, finance, manufacturing and other areas. In the 2017-18 school year, 110,316 high school students enrolled in 2,001 different CTE programs across the state. About 40% of them completed a program.

Students who enter the workforce with a high school diploma and complete a CTE program have starting salaries that are, on average, \$2,200 greater than those of their peers with no CTE training. For individuals who then earn an industry certification or two-year degree, the average starting wage premium is even larger: \$5,500.

Unfortunately, CTE programs often don't prepare students for what employers want. A recent study by the Fordham Institute compared employment by industry to the related fields of CTE coursework students take. It specifically looked at students who have a concentration — meaning they completed at least three courses in a particular field — and jobs. Hospitality and tourism in metro Detroit, the study found, employs 11.7% of local residents but constitutes only 2.8% of CTE concentrations, and the manufacturing field makes up 10.1% of jobs yet accounts for just



A better approach to technical and career education would help many students.

2.4% of concentrations. Conversely, transportation, distribution, and logistics accounts for 20.4% of concentrations but only 7.6% of jobs.

Michigan's CTE programs, by and large, do not align with the employment needs of businesses, which may be one reason why some employers struggle to fill skilled trade positions. One reason for the mismatch is that schools do not respond to market signals, such as wages and job shortages, when determining what programs to offer. Curriculum is set, ultimately, through a political process, so changing a program in response to a skills gap takes a long time.

In addition, school districts face few incentives to make sure their programs respond to the labor market. A school's funding is based on the number of students enrolled, regardless of their outcomes beyond graduation.

Schools, then, may not be the best-equipped entities to run CTE training. And why should students be limited to what their local school can provide? Businesses should play a crucial role in educating students for employment too, as they have the best access to information about what jobs and skills are in demand. Employers also have strong incentives to make sure educational programs are useful, as they directly benefit from a well-trained workforce. Ideally, local businesses and school districts should team up to make CTE programs more effective.

Even better would be to widen the options available to students, beyond just their local K-12 school district. One possibility is the Education Freedom Scholarship, a new funding stream currently proposed in Congress. It would create annual federal tax credits for donations to state-based scholarships. Students pursuing a technical education could use these privately funded scholarships to pay for short-term job training programs, transportation to worksites, personal equipment needed for some jobs, and a variety of other services that would help them take advantage of the training opportunities that businesses have to offer.

Schools must prepare a wide variety of students for many different paths after graduation — no easy task, for sure. Therefore, we shouldn't place the burden of filling jobs mostly on them. If Michigan wants to get serious about preparing all kids to succeed, it should do more than just expand the current, ineffective system. Schools and businesses must collaborate if we want to educate students for diverse opportunities beyond the schoolhouse door. They, and we, will be better off.

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