



ACCREDITING COUNCIL FOR INDEPENDENT
COLLEGES AND SCHOOLS

UNDEREMPLOYED IN AMERICA

HOW THE UNDEREMPLOYED VIEW SKILLS AND EDUCATION

OVERVIEW

The economic downturn of the past several years has made a significant impact on employment and career prospects for an entire generation of Americans of different education levels.

This generation of young adults – those ages 21 to 35 – thought a degree was a guarantee to securing a job. Labeled as members of the “underemployed generation,” they often have jobs unrelated to their desired career path – and earn much less than they otherwise would.

The current level of underemployment for many in this generation has fundamentally changed American society and forced them to rethink the benefits of a post-secondary degree. With a competitive job market, young adults are seeking career-focused education as a means to secure employment in high-demand fields such as healthcare, technology and business.

In February 2013, FTI Consulting surveyed 1,279 underemployed Americans ages 21-35 who met the following criteria:

- Are currently unemployed, looking for work and workforce skills acquisition; or
- Are working in a job that does not require their current level of education; or

- Are working in a job that requires their current level of education, but are seriously considering a career change that would require additional training or a new degree

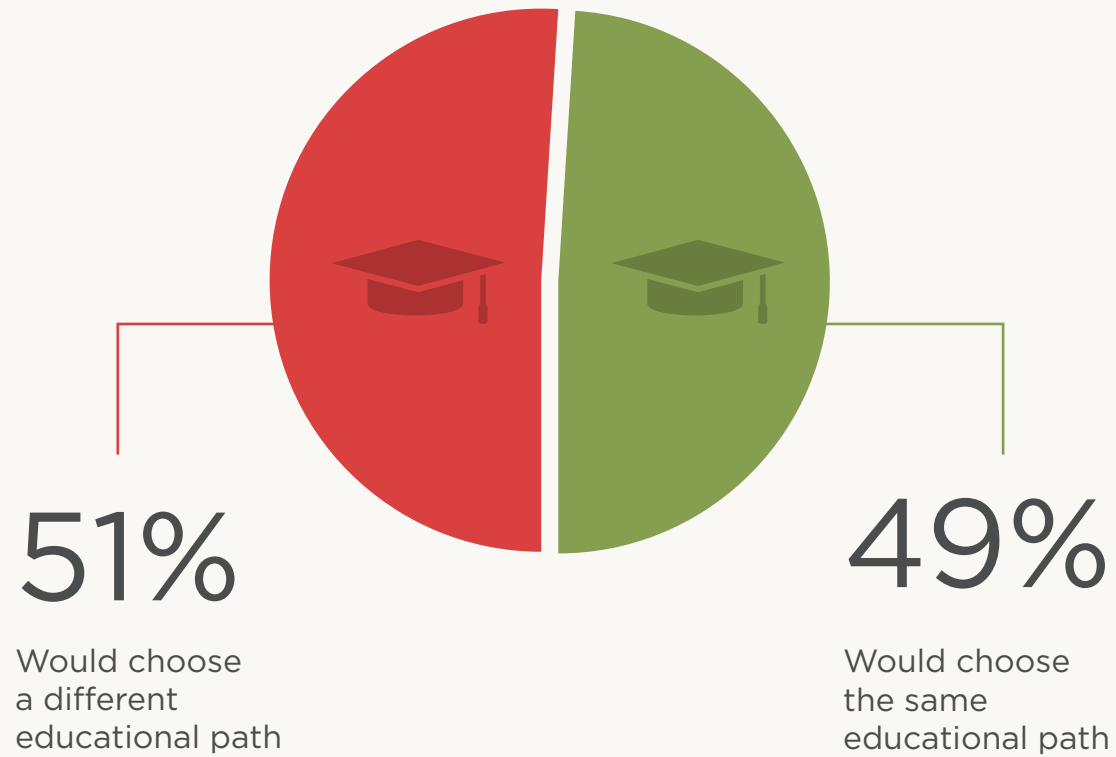
Among the key findings: Many young Americans have education-related regrets and lack enthusiasm for their current – and often “mismatched” – jobs. The survey also examined the realities of today’s job market, which favors those with practical skills and experience.

This was the second installment of research commissioned by the Accrediting Council for Independent Colleges and Schools (ACICS) to better define the expectations and needs of students and employers. In December 2011, ACICS released its Workforce Skills Reality Check based on a survey conducted by FTI Consulting of 1,006 hiring decision-makers.

Both of these research studies can be found at www.acics.org.

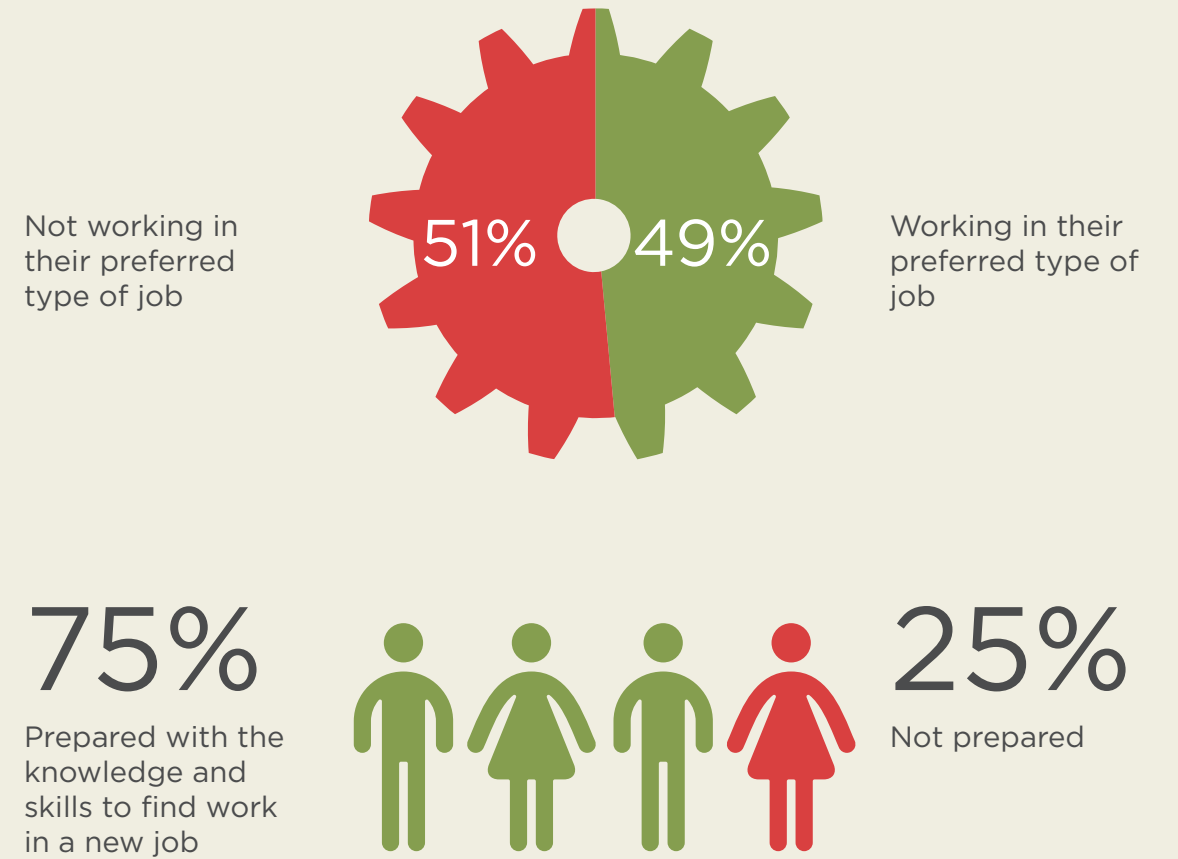
WISHING THEY TOOK A DIFFERENT PATH

As they assess their experience with the post-secondary education system, many young Americans express some level of “buyer’s remorse” about their educational path and say they would choose a different one if they could.



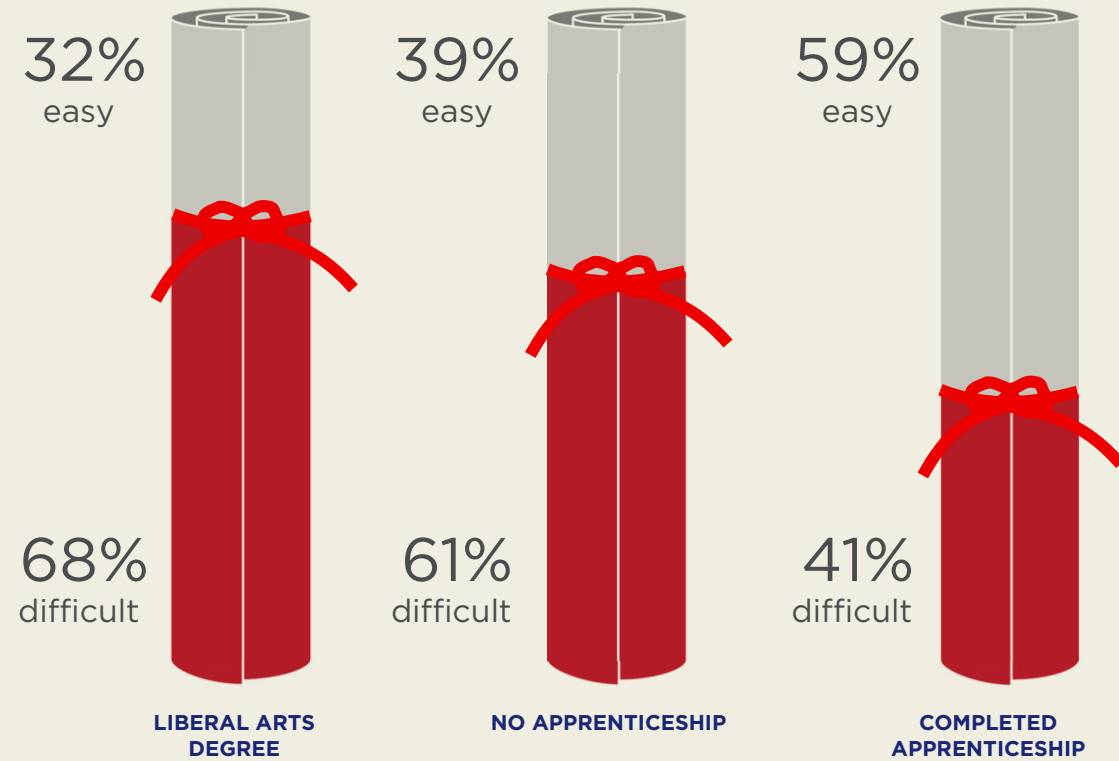
MISMATCHED TO CURRENT JOB

Many young Americans are mismatched to their current job. More than half are not working in their preferred type of job. However, most believe that they are prepared for employment in a new field.



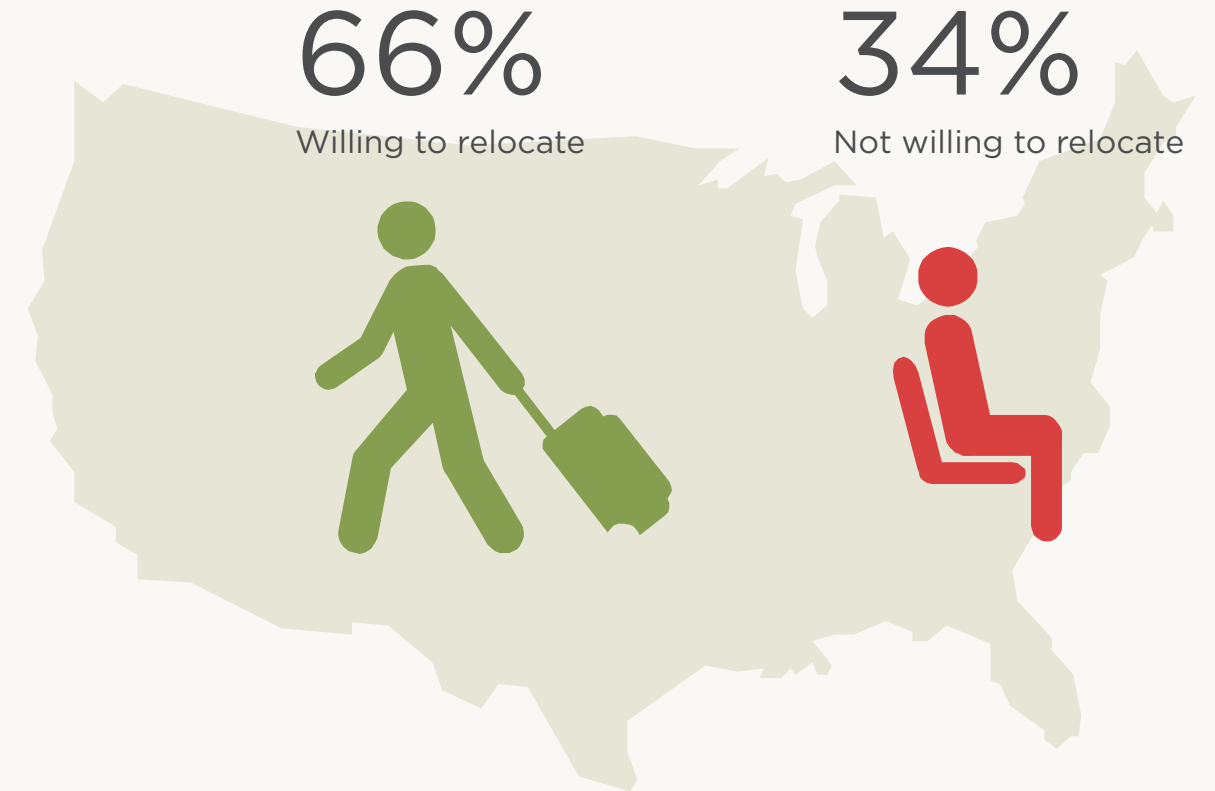
THOSE WITH EXPERIENCE ONLY NEED APPLY

Young Americans are experiencing a new reality in the job market. When applying for jobs, it's no longer enough to simply have a degree. The job market today appears to be considerably easier for those with practical skills and experience.



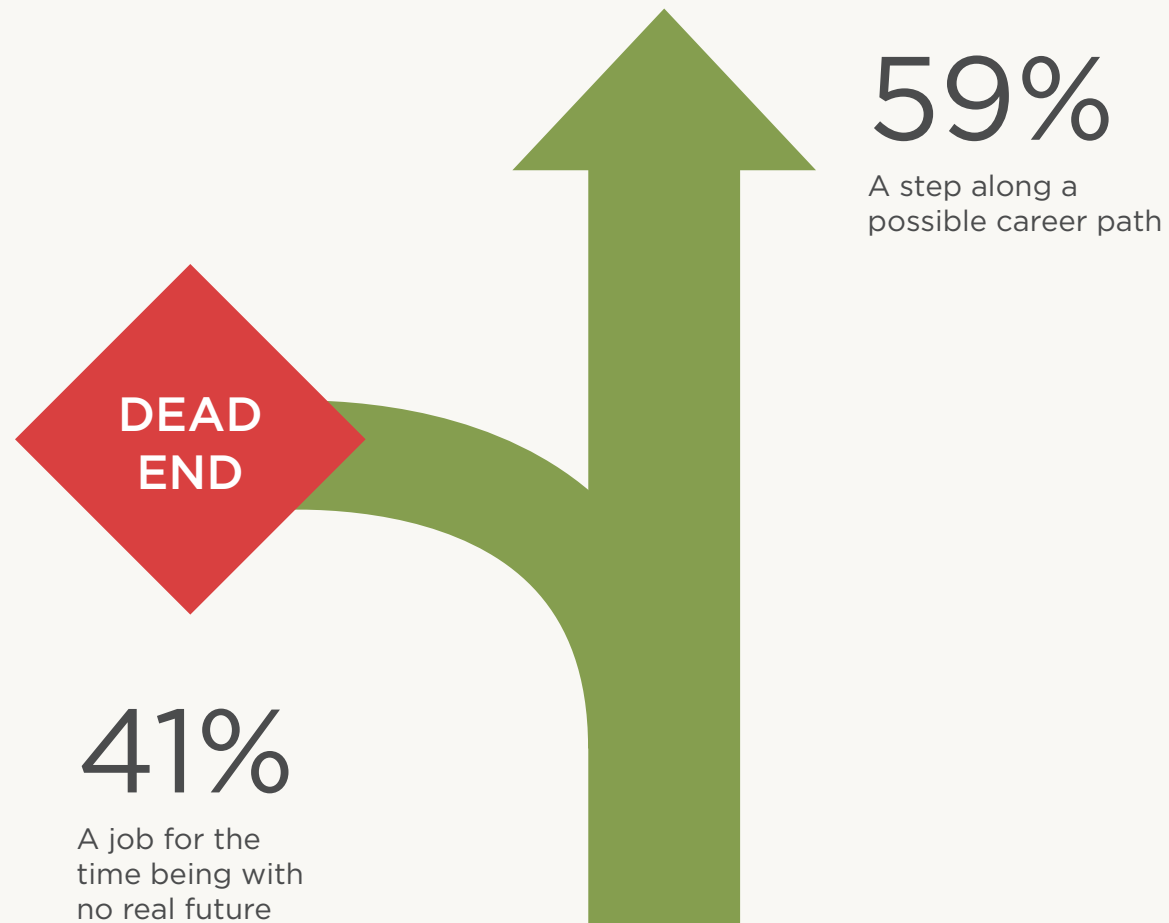
WILLINGNESS TO RELOCATE

Two-thirds of young Americans indicated they would be willing to relocate to a different part of the country if it meant finding a good or better job.



JOB OR CAREER PATH?

Forty-one percent of employed respondents view their job as “just a job” for the time being with no real future.



A GOOD JOB IS HARD TO FIND – OR IS A GOOD EMPLOYEE HARD TO FIND?



Hiring decision-makers say it is difficult to find qualified applicants, while the underemployed say it is difficult to find a good job.*

| | EASY | DIFFICULT |
|--|------|-----------|
| Hiring Decision-makers  <p>How would you rate the process of finding applicants who have the necessary knowledge and skills to work at your organization?</p> | 46% | 54% |
| Underemployed  <p>How easy or difficult is it for someone like you to find a good job these days?</p> | 44% | 56% |

*Based on a comparison between this latest survey and the Workforce Skills Reality Check survey.

WHAT DO EMPLOYERS WANT?

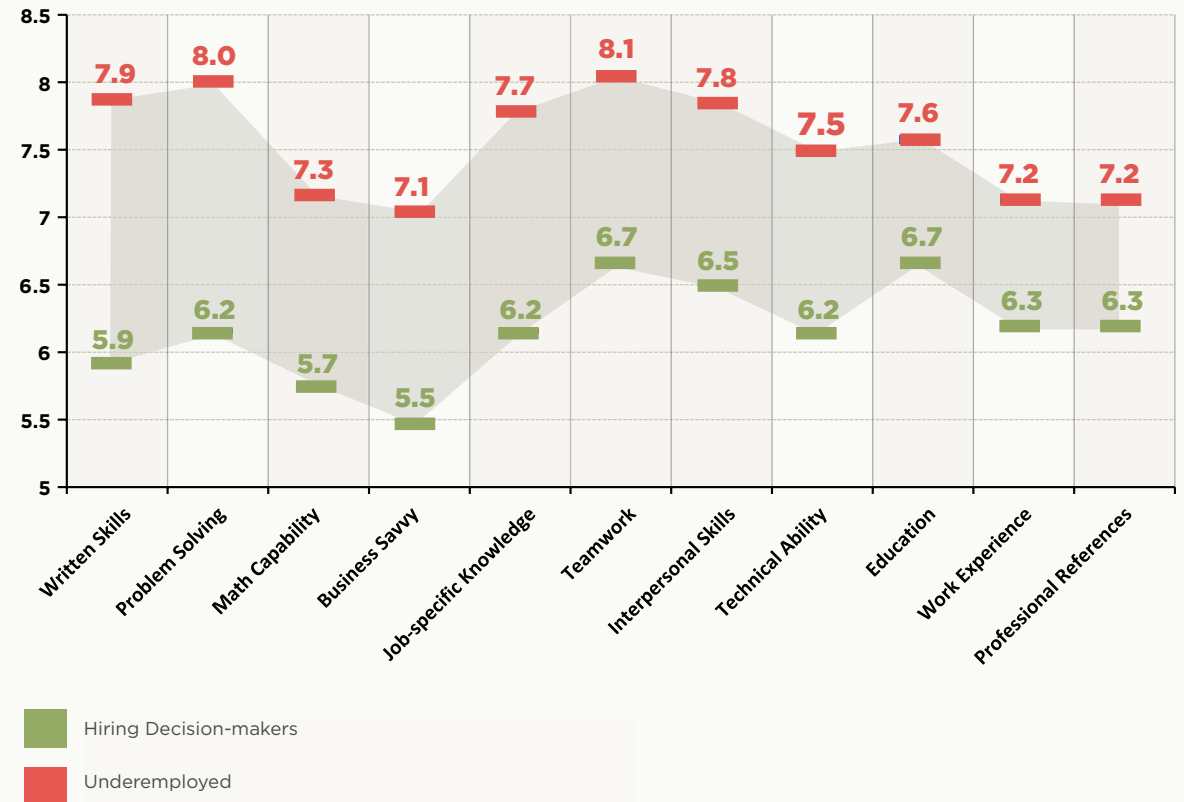
The underemployed generation underestimates the hard skills and professional capabilities employers are seeking in applicants.*

| | Basic Professionalism | Credentials, Education and Experience | Hard Skills | Professional Capabilities |
|--|-----------------------|---------------------------------------|-------------|---------------------------|
| Hiring Decision-makers  | 65% | 52% | 56% | 49% |
| Underemployed  | 61% | 42% | 33% | 29% |

*Based on a comparison between this latest survey and the Workforce Skills Reality Check survey.

YOUNG AMERICANS DON'T LACK CONFIDENCE



Members of the underemployed generation overestimate their skills – especially their written and problem-solving skills – compared with feedback provided by hiring decision-makers.*



*Based on a comparison between this latest survey and the Workforce Skills Reality Check survey.

POST-SECONDARY EDUCATION - GOOD BUT NOT GREAT



Most hiring decision-makers and the underemployed agree that the post-secondary education system does a “good” job of preparing students for the workforce.*

| | Excellent | Good | Fair | Poor |
|--|-----------|------|------|------|
| Hiring Decision-makers  | 7% | 54% | 34% | 5% |
| Underemployed  | 18% | 56% | 22% | 4% |

*Based on a comparison between this latest survey and the Workforce Skills Reality Check survey.

THE VALUE OF VARIOUS TYPES OF POST-SECONDARY DEGREES

Hiring decision-makers and the underemployed generation similarly rate post-secondary schools on how well they prepare students. They rate private for-profit colleges or trade schools on-par with other institutions.*

| | Public 2-year College | Public 4-year College | Private Non-profit College | Private For-profit College/Trade School |
|--|-----------------------|-----------------------|----------------------------|---|
| Hiring Decision-makers  | 5.9 | 6.6 | 6.8 | 6.5 |
| Underemployed  | 6.4 | 7.0 | 6.9 | 6.8 |

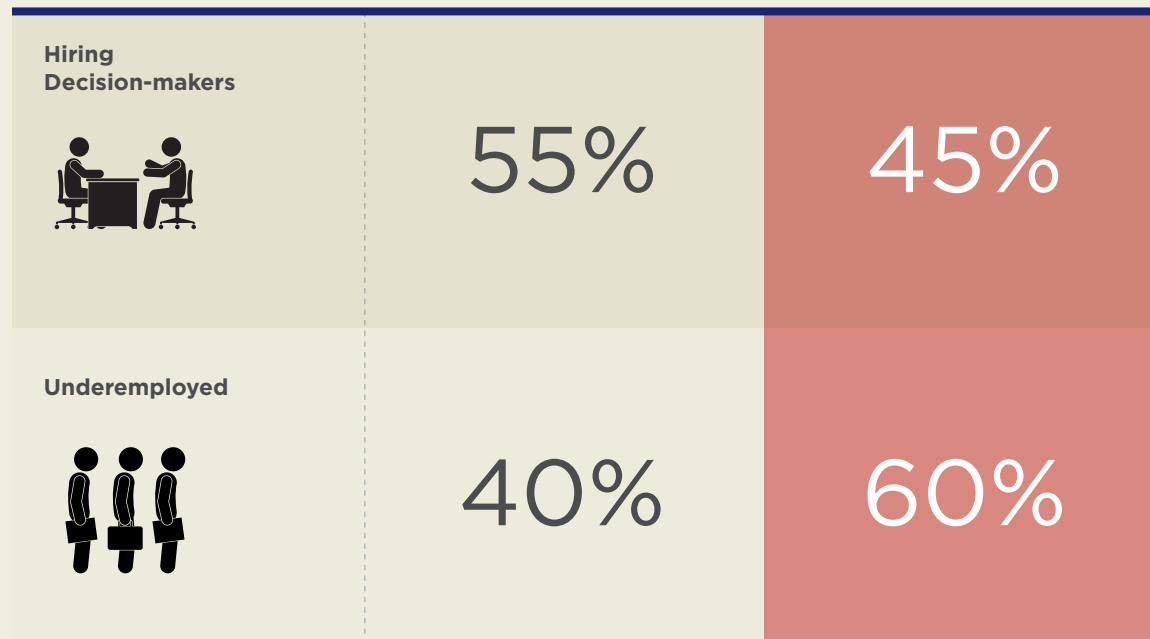
*Based on a comparison between this latest survey and the Workforce Skills Reality Check survey.

A BROAD-BASED EDUCATION VS. A SPECIFIC SET OF SKILLS

Hiring decision-makers advise young Americans to obtain a broad-based education, while the underemployed are more likely to recommend obtaining an education focused on a specific set of skills.*

A BROAD-BASED EDUCATION covering a wide range of subjects which would provide a diverse knowledge base and allow you to choose a career path that best fits your interests and abilities.

An education focused on a **SPECIFIC SET OF SKILLS** which would allow you to learn about one area in greater detail and give you expertise and training that prepares you for the workplace.



*Based on a comparison between this latest survey and the Workforce Skills Reality Check survey.

For more information about
ACICS and the research outlined:

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