



Leading Learning Podcast Episode 261

Anthony Carnevale (00:00):

Learning is crucial. Its contribution now to overall GDP and productivity growth is dominant. More than technology. The world has changed, so education and training are cool now, much more so than they used to be, and necessary, and people know that.

Jeff Cobb (00:23):

I'm Jeff Cobb.

Celisa Steele (00:24):

I'm Celisa Steele, and this is the Leading Learning Podcast. Welcome to episode 261 of the Leading Learning Podcast, the midway point in our seven-part series on the third sector of education, the sector that serves the millions of adults who continue to learn and grow in the decades that follow their secondary and post-secondary education. Jeff and I set up the series in episode 258, defining the sector and digging into the reasons for its recent growth. Then we ran two interviews. I spoke with Michelle Weise, author of *Long Life Learning: Preparing for Jobs That Don't Even Exist Yet* in episode 259.

Jeff Cobb (01:07):

And I spoke with Casandra Blassingame, CEO of the International Accreditors for Continuing Education and Training in episode 260. Coming up later in the series still are episodes with Nigel Paine, the author of *Workplace Learning: How to Build a Culture of Continuous Employee Development*, who's deeply immersed in the issues of corporate L&D, and LaTrease Garrison, executive vice president of the education division at the American Chemical Society. Before we get to those conversations with Nigel and LaTrease, though, we want to devote this episode to reflecting on what we've learned so far from Michelle and Casandra, and we want to pull in some additional voices.

Celisa Steele (01:51):

The third sector of education is a term you coined, Jeff, and we've both been using it for several years now. As a reminder, the first sector is the pre-K through high school system that serves children. The second sector covers higher education that grants degrees. And both those sectors are well-known. The third sector of education is less familiar but definitely not new. That third sector serves the millions of adults who continue to learn and grow in the decades that follow their secondary and post-secondary education.

Jeff Cobb (02:25):

And there are many providers that make up the third sector: corporate learning and development, learntech companies, even social networking companies like Facebook and

LinkedIn, community education, and, of course, learning businesses, which is where we at Leading Learning focus.

Celisa Steele (02:42):

And so the third sector is clearly big, serving millions of adults, but how big? Well, I got the chance to speak with Dr. Anthony Carnevale, director of the Georgetown University Center on Education and the Workforce, and it's Tony's voice that you heard at the top of the show. The Georgetown University Center on Education and the Workforce is an independent, nonprofit research and policy institute that studies the link between education, career qualifications, and workforce demands. Since 2008, the Center has conducted research related to jobs, skills, and equity to better inform students, parents, teachers, and policymakers about the changing relationship between education and careers. The Center makes many free resources available via its Web site, and so I really encourage you to check out the show notes at leadinglearning.com/episode261 because that will include a link to the Center's Web site, and then I encourage you to spend some time on the Center's Web site.

Jeff Cobb (03:49):

Definitely do that. And an economist's view is really wonderful to have, as it can help with answering that somewhat tricky question of quantifying the size of the third sector of education. Celisa, what data does the Georgetown University Center on Education and the Workforce have about the size of the sector?

Celisa Steele (04:11):

Well, the Center published a report called "College is Just the Beginning" back in 2015, and that report stated that each year the US spends \$1.1 trillion on post-secondary education and training, and that 1.1 trillion includes formal and informal education and training.

Jeff Cobb (04:30):

Wow, 1.1 trillion a year. That's trillion with a T, folks. And do you know how that breaks down?

Celisa Steele (04:38):

Well, the "College is Just the Beginning" report does break that 1.1 trillion down. 649 billion is for formal post-secondary education and training each year, and then 47 billion of that is spent on certifications, apprenticeships, and other workforce training, and then a much smaller slice, 18 billion, goes to federally funded job training programs. Employers are the largest element of the post-secondary education and training apparatus. They spend \$413 billion a year on informal, on-the-job training. And when I spoke with him, I asked Tony what he knows or can say about what's happened to spending on post-secondary education and training since 2015, when that "College is Just the Beginning" report came out.

Anthony Carnevale (05:35):

It has grown. The spending, for instance, in corporations, the direct correlation with corporate spending, the most powerful factor, is the educational attainment of their workforce. So, to the extent more and more of our workforce has post-secondary education or training, that increases corporate training because you have more trainable people and because the reason the job requirements now include post-secondary education and training is because technology has automated and continues to automate all of the repetitive tasks in any job. And, more and more, especially in a service economy, which is what we are, more and more of the tasks left to human

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beings are non-repetitive. Well, it takes more skill to handle non-repetitive tasks. And the other piece is, more and more, there's been a dramatic shift in the extent to which people work in contact with other people. So that there's a whole set of soft skills that are now—or that's what they're called—that are now required in the workforce that only used to be required for the bosses.

Celisa Steele (07:03):

And Tony, good economist that he is, did offer some other dollar figures, as well.

Anthony Carnevale (07:09):

We think the formal training in the workplace is about 130 billion now. You can get an argument on that, but the numbers are always well over 100 billion. And then there's the informal training—which is the things you learn on the job from your peers, from your workaday life—and the estimates of that that are generally made by economists like us are that that's always roughly three to four times the amount of formal training, so anywhere from 300 to 400 billion. It's not something that gets sold by anybody. It's something that is done informally on the job, but it's really important because it is, in the end, what employers prefer. That is, you hire people with skills, more education these days than heretofore, precisely because you think they're trainable. And when you say trainable, what you mean is you want people who are capable of learning on the job. Since the mid '80s, that has become more and more important in terms of individual workers' ability to deliver on quality, variety, customization, convenience, innovation, and so on. The economy is now driven by learning organizations.

Jeff Cobb (08:45):

When you're dealing with something as big as the third sector, it seems inevitable that it'll be difficult to keep tabs on it all.

Celisa Steele (08:52):

Yeah, and that's something that came up in my conversation with Michelle. She called out the duplication of efforts. Not only is duplication a poor use of limited resources—time, money, mental energy—but Michelle made the point that these siloed approaches also inhibit innovation. If organizations don't understand where they dovetail with or overlap with others, then they aren't seeing the issues fully and clearly, and that means they're hampered in trying to design the most elegant and efficient solutions.

Jeff Cobb (09:28):

Silos came up in my conversation with Liam O'Malley too. Liam is vice president of association solutions at Blue Sky eLearn, and this is what he had to say when I asked him about what he sees as opportunities for those in the third sector.

Liam O'Malley (09:44):

The great opportunity that I've seen is organizations just working more closely together, breaking down internal silos, talking to each other about their goals, figuring out how...even just figuring out how do I make my budget work with your budget? How do we achieve the same thing? And again, association context here—but I think mirrors elsewhere—of we've got people that put on meetings, we've got people that create courses, and often they don't talk to each other very much. Where, really, a lot of the function that they're providing is very close or even overlapping and when then brought together can become really powerful in putting

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together a more holistic strategy. And that, again, for associations could be meetings and learning, but it could also be a corporate training or industry-related stuff. Any kind of organization, I think.

Celisa Steele (10:44):

Liam's talking about not just silos between organizations but within an organization. And those internal silos do seem as likely to inhibit innovation as the external silos that Michelle mentioned.

Jeff Cobb (10:59):

True. And when I spoke with Amanda Davis—and Amanda is vice president of continuing education solutions at Blue Sky eLearn—she predicted more mergers in the learn tech space. I cited some investment and merger activity in the first episode in this series, as I think that's evidence of the growing importance of the third sector. Mergers are a potential solution to those duplications of efforts, and another potential way around duplication of effort that Amanda mentioned is avoiding the temptation to be everything to everyone, which can be especially hard for associations who sometimes feel that they have to serve the needs of all of their members. But Amanda suggested focusing.

Amanda Davis (11:44):

That whole idea of being everything to everyone—I believe that that will be sort of the straw that breaks the camel's back for a lot of these organizations, that you need to really step back, and I think this is part of that strategizing. Whether it's membership, whether it's a learning business, whatever you're talking about within your organization, you step back and challenge what you've been doing for so long. And find your data. Certainly, as much as you possibly can, dig through your data on this, but don't work towards those little, small pockets of your membership. Find those unique value propositions, and move towards those, and really establish that value in your market. I believe that that's not done enough. The "Oh, we'll just add it to another thing, another process that we do, we'll just add this and add this and add this," and then you're not good at anything. I really think that that's going to trouble a lot of organizations over the 5, 10, next 15 years. Out of existence, in fact.

Celisa Steele (13:05):

Amanda mentioned finding those unique value propositions, and that really is key. If your value proposition is, in fact, unique, then, by definition, you're not duplicating effort. And it means your learning business has a good awareness of the third sector. You're aware of the other options and players, and you're offering something else, something different, something unique.

Jeff Cobb (13:29):

And in addition to adding perspectives on the third sector to this series, we're grateful to Blue Sky eLearn for their financial sponsorship of the podcast.

Liam O'Malley (13:40):

For nearly 20 years, Blue Sky eLearn has been transforming the way organizations deliver virtual events and educational content. Blue Sky's customized, cutting-edge solutions connect hundreds of organizations to millions of learners worldwide. These include their award-winning learning management system, Path LMS, Webinar and live-streaming services for short events to multi-day virtual conferences, and learning strategy and development solutions.

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These robust, easy-to-manage solutions allow organizations to easily organize, track, and monetize educational content.

Celisa Steele (14:19):

You can find out more at blueskyelearn.com.

Jeff Cobb (14:27):

In the first in this series, episode 258, Celisa, you and I highlight five developments we see contributing to the growth of the third sector of education. We talk about them all in more detail in that episode, but in brief, the five developments are (1) shifts in human life and work, (2) technology advances, (3) the surge in content, (4) strides in neuroscience, and (5) the pandemic. I'm curious—did growth of the sector come up in your conversation with Tony from the Georgetown Center for Education and the Workforce?

Celisa Steele (15:04):

Indeed, it did. And here's what he had to say.

Anthony Carnevale (15:08):

Well, what used to happen in my day when I graduated from high school was that you achieved what people called in those days "independent adulthood," economic independence, and you were ready for family formation. Nowadays, family formation has less and less to do with economic independence, and the age at which most people achieve the economic standard for economic independence, which is to achieve the average wage for their gender, is now age 32.

Jeff Cobb (15:43):

He's adding some nuance to what we put under the heading of shifts in human life and work.

Celisa Steele (15:49):

Right. He's talking about the huge population of people between the ages of 18 and 32 who need education and training. That's at the front end of work, life, and careers, but there are also older workers, those who have been at a job or in a field for some time.

Anthony Carnevale (16:09):

And then, of course, there's a whole other market for people who need to upgrade their skills, although that is concentrated in certain industries. Healthcare is the most obvious one. Computers is another one. Various and sundry business certificates and certifications provided by employers—the Microsoft Network Certification, for example. Those are more and more important. But there's about to be...one of the reasons we have a rebellion by working class Americans is because all that economic change left them behind. We never provided an education or training solution to keep their jobs or get them new ones. That is now a priority. The issue is going to be who can produce programs that clearly produce results. That's going to be the change.

Jeff Cobb (17:09):

What Tony says about producing results is just so important. We've long talked about the need for learning businesses to show results, to prove that they're moving the needle. And he's saying that need is only going to grow as demand for the third sector grows.

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Celisa Steele (17:24):

Yes, the importance of outcomes, of tying training and education to positive outcomes, is something Tony stressed, and the education and training the third sector provides are now seen as essential. It used to be that a high school degree could lead to a good job, but that's rarely the case now.

Anthony Carnevale (17:46):

Well, there is no doubt that really, since the mid '80s, the importance of new competitive requirements for institutions—again, quality, variety, customization, convenience, novelty, speed of operations...the old American economy of mass production of standardized goods and very fragmented production of non-standardized services like education or healthcare, those are gone. Or, at least in the case of education and healthcare, people are now demanding more outcome standards because what we always have had in those arenas is no ability to achieve a consistent quality. Whereas in the more measurable world, the manufacturing and private sector companies, we have moved substantially towards very much an outcomes-based, complex, network-driven production and service delivery system, where learning is crucial. Its contribution now to overall GDP and productivity growth is dominant. More than technology.

Anthony Carnevale (19:12):

The world has changed, so education and training are cool now, much more so than they used to be, and necessary, and people know that. A lot of people aren't happy about that because, to some extent, it's led to a tremendous increase in credentialing in America. Only 20 percent of good jobs now go to people with high school degrees. The rest all come with some sort of credentialed certification or formal or informal training or non-credit education (which is very big in education now and really is training).

Celisa Steele (19:54):

With greater attention comes greater scrutiny. With more people recognizing the importance and necessity of the education and training, there's greater demand for those outcomes, for those results. And Tony emphasized at multiple points in my conversation with him the need for accountability and transparency so that learners and funders and society at large can know about the results of any particular education and training offering.

Anthony Carnevale (20:29):

We're headed for a world where there really is going to be a lot more accountability because the cost of all this, the necessary investment in education and training, both for efficiency in our economy or individual careers and to combat race and class inequality...there's a huge gap now by race and by class in access to training and education that produces a job that produces a living wage. And that has become, again, noticeably over the past few years, that has become a primary concern.

Anthony Carnevale (21:13):

We live in a world now where the race and class inequality has become a real problem, and it's hard to figure out how we get out of that. That is, white people in America move from city to suburb to the good schools in the suburbs, and in the mid '80s, when suddenly everybody really needed some post-secondary education and training, there was a huge white flight to the bachelor's degree in America. Minorities, low-income Americans were left behind, so the gap now is huge. Essentially white, middle-class and upper-middle-class Americans have a 30-year advantage now over Blacks, Latinos, and so on. This is a tough one, and the amount of

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education required to fix that is huge. It's clear that, if you're in this business, it's a growth business. There's no doubt about it.

Celisa Steele (22:28):

That focus on inequality is a big one for the Georgetown University Center on Education and the Workforce. They focus their research and resources on three big areas: jobs, skills, and equity.

Jeff Cobb (22:44):

And DEI—diversity, equity, and inclusion—that's an area of interest and focus for Michelle.

Celisa Steele (22:50):

That's right. It is. One of the through lines of Michelle's work is attention to those left behind and left out of traditional education and training opportunities. And if you look at the works cited in her book, *Long Life Learning*, you'll find several items published by the Georgetown University Center on Education and the Workforce and written by Dr. Carnevale. So again, I do encourage listeners to check out the Center's Web site. They make a lot of great data and research available for free.

Celisa Steele (23:22):

But, yes, inequality is a huge issue for the third sector. When I asked Tony about the threats that he sees for the third sector of education and what the Georgetown University Center on Education and the Workforce is doing to help address those threats, he focused on credentialism and the inherent inequality of that, at least at this moment.

Anthony Carnevale (23:46):

We've been forced to move towards a society driven much more by credentialing than it was before. Now, there are problems with that. When you have a society driven by credentialing, especially post-secondary credentialing, you get credentialism. It makes it much harder for people who don't have credentials to get a good job, to be plain about it. Our solution to that, as you can see in all the political conversation, is we're going to get everybody a credential, whether it be education or training, and we're going to build what is, effectively, an education and training system. There are a lot of issues about who gets the training mission. So far, it's education, if you had to look at the big players. It'll be much more wide open than that, I think, as we move along.

Anthony Carnevale (24:40):

What we're doing is, and one of the reasons we exist is that a lot of people felt that we needed to catch up with this credentialing, figure out what it means, figure out if it's real. And it is. And then the question is "How are we going to make that happen?" Well, one way is free college, to give you a proposal that's prominent at the moment. We have decided to credential the heck out of America and to create all kinds of new credentials and to invest much more. The other piece of the response, I would say, if you look across institutions, is transparency and accountability. That is, we've built a system, and we've been a champion of that for a long time, building a system in which you can measure outcomes. Both of those pieces are pretty well in place. What we don't know is where all the money's going to come from. But that is the way as a society we're resolving this. That is, nobody can see any other way to do this other than to expand this tier of Americans with skill credentials or whatever you might want to call them.

Anthony Carnevale (26:09):

And to find a way to make sure when we do that, because it means as a society, both in our families, in our government, in all parts of our society, we're going to need to be able to measure the value of this additional education and training. Those are the two responses that we've been pretty intimately involved with, along with the concern that comes with that, the minute you start doing this work, is this is not happening evenly across America. We know that there's been a huge increase in inequality in America, economic inequality, since 1983, but 70 percent of that increase is due to differences in education and training. So it has become a core economic and social problem.

Jeff Cobb (27:00):

The talk of credentialism brings to mind for me the noise in the marketplace that came up in your conversation with Michelle, Celisa. She made the point that there are some 730,000 credentials available. 730,000 is a lot.

Celisa Steele (27:15):

It is a lot. And I think what you and Casandra talked about is a potential way to stand out in a crowded marketplace. That is, accreditation of a learning business or a learning business's program can help separate that credential from the 729,999 others. And that's, of course, what Casandra's organization, the International Accreditors for Continuing Education and Training, does.

Jeff Cobb (27:46):

That's right. While there can be issues with proxies in such a crowded marketplace, with so many options for training and education, it seems that accreditation can be a meaningful proxy for results and outcomes. And, that is, offerings built to adhere to good standards and independently verified to conform to those standards may rise to the top and be seen as trustworthy and therefore get funding, whether from the public or from employers or from individual lifelong learners willing to spend their hard-earned dollars.

Celisa Steele (28:20):

And to circle back to the inequality point, I want to say that inequality has bubbled up for me as an unexpected answer to the "How might a deepened awareness of the third sector help your learning business?" question. That's a question we posed in the first episode of this series. Or it's not exactly that inequality might help a learning business, but I think a deepened awareness of the inequality in the third sector now might give a learning business a new mission or focus in their offerings, looking at who's being left out, turning those nonconsumers into learners, to borrow Michelle's term *nonconsumers*.

Jeff Cobb (29:02):

Which is, of course, her borrowing a Clayton Christiansen term. As a reminder, the other question we posed in the first episode of the series was, "What's your learning business's awareness of the third sector of education?" Our hope is that you've been considering that question, as well as how a deepened awareness might impact your learning business, as you've been listening—and that you'll continue to consider those questions as you listen to what's still to come in this series.

Jeff Cobb (29:38):

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You'll find show notes at leadinglearning.com/episode261, along with a transcript and a variety of resources, including a link to the Georgetown University Center on Education and the Workforce. And we encourage you to check out the research the Center makes available.

Celisa Steele (29:56):

At leadinglearning.com/episode261, you'll also see options for subscribing to the podcast. To make sure you don't miss the remaining episodes in this series, we encourage you to subscribe. And subscribing also helps us get some data on the impact of the podcast.

Jeff Cobb (30:13):

Personal recommendations are really critical in today's noisy world, so please also take a minute to rate the Leading Learning Podcast on Apple Podcasts. Celisa and I personally appreciate it, and those reviews and ratings help the podcast show up when people search for content on leading a learning business. Just go to leadinglearning.com/apple to leave a review and rating.

Celisa Steele (30:38):

And we encourage you to learn more about the series sponsor at blueskyelearn.com.

Jeff Cobb (30:44):

Lastly, please spread the word about Leading Learning. In the show notes at leadinglearning.com/episode261, you'll find links to us on Twitter, LinkedIn, and Facebook.

Celisa Steele (30:55):

Thanks again, and see you next time on the Leading Learning Podcast.

[music for this episode by DanoSongs, www.danosongs.com]