Pearson

Lost in transition:

Fixing the “learn-to-earn” skills gap

Executive Summary

Transforming workforces to unlock trillions in trapped value

Rapid demographic change and technological advances are urgently transforming the global skills outlook. Economies and societies face large and growing skills gaps—the differences between what employers need and what people can readily provide. Without the right interventions to accelerate the development of these skills, these gaps threaten to become a skills chasm.

Much is at stake: our research shows that in the US alone, annual losses at key transition points—from school or college to work; unemployment due to redundancy; and displacement caused by new technologies—amount to $1.1 trillion.[1]

How can this be fixed? We see two critical imperatives for immediate action.

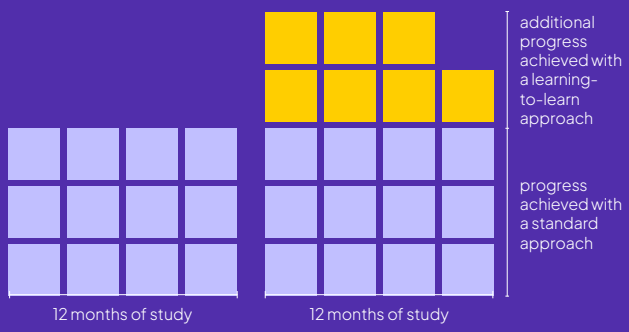
[1]To estimate the potential earnings losses from gaps in learning paths in the United States, we focused on three of the major transition points in an individual's work cycle: moving from school or college to work; involuntary job losses owing to corporate mergers, business restructuring, and economic fluctuations; and displacement caused by new technologies. Having identified the three key transition points, we estimated the number of affected workers for each one, the average duration of unemployment, and the average wages for that group. Based on this, we calculated the estimated earnings loss for each transition point. We used a combination of publicly available datasets, such as those from the Bureau of Labor Statistics, the National Center for Education Statistics, and the National Association of Colleges and Employers. We also incorporated data from Pearson's Faethm database, which tracks emerging and trending skills and occupations, as well as the impact of 33 different technologies

Make learning more effective

The workforce is underprepared for the pace of learning required to keep up with the speed of technology disruption.

Extensive rigorous evidence confirms that individuals of all ages and stages of life need to improve not just what they learn but how they learn—through strategies, tools, and behaviors that help students and workers learn more efficiently. This is often called "learning to learn." Teaching new ways of learning can help accelerate progress over time – and there's a need for speed in our AI-driven world.

This is effective: A meta-study of 246 studies by the Education Endowment Foundation found that teaching students "learning to learn" approaches can translate to seven additional months of progress over the course of a year.[2]



It is also efficient: The same study classifies the required interventions as "low cost" or "very low cost."

We set out critical steps to make learning more effective, drawing on our own expertise, quantitative research, and interviews with experts from a wide variety of fields.

Key actions include:

1. Prioritizing (across educators, enterprise, and governments) the development of learning-to-learn skills throughout education as well as in the workforce;
2. Revamping teacher and manager training to incorporate learning science principles and methods; and
3. Begin tracking and monitoring approaches to learning, harnessing the opportunities made possible by AI.

[2] Education Endowment Foundation. Metacognition and self-regulation. Accessed 31 December 2024 at: https://educationendowmentfoundation.org.uk/education-evidence/teaching-learning-toolkit/metacognition-and-self-regulation

Develop clear skilling pathways

But being able to learn efficiently will only get you so far if the pathway ahead is not clear. Many students leave school uncertain about what their credentials qualify them to do. And employers already cite a mismatch between school leavers and university graduates' competencies and the skills employees need. This problem is only going to grow as jobs and careers evolve faster than ever before.

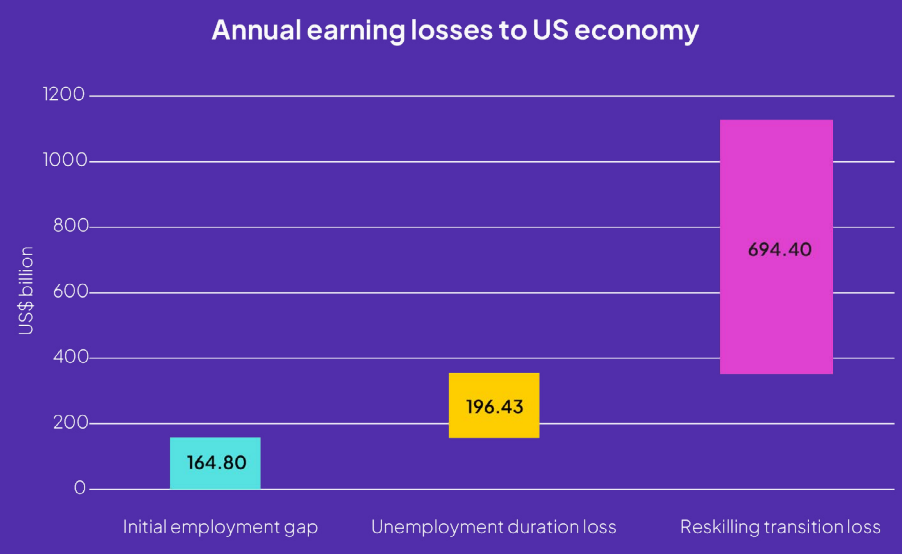
A recent report shows that nearly **one-third of workers in OECD countries are not a good match for their jobs** in terms of their qualifications, skills, or fields of study.

Career pathways are no longer linear, and many degree or certification programs take too long and cost too much.

Our statistical analysis highlights the value of improving these transitions. For example, **shortening the transition time between formal education and work**, from 24 weeks to 18 weeks, could deliver an **additional US$40 billion of earnings**.

We lay out the way to redesign skilling pathways so that they are **adaptive, transparent, and responsive to enable more efficient transitions into the evolving world of work.**

Breakdown of annual earnings losses to the US economy, from gaps in learning transition paths



Data used in calculations is for 2023, or latest year available.

Key actions include:

1. Defining a common language for skills to make pathways more transparent and easier to navigate;
2. Better alignment of skilling pathways to emerging in-demand skills and non-linear career pathways;
3. Providing personalized learning opportunities that are accessible regardless of the career transition point including hands-on and work-based learning; and
4. Increasing use of digital and next-generation technologies, such as digital wallets, to help workers capture the entirety of their work and learning experiences.

The collaboration imperative

Given the scale and scope of the challenges, progress requires not just efforts by individual students and workers, but also educators, businesses, institutions, and governments.

Together, they must foster more effective learning that leads to faster skill development.

They also need to collaborate to devise clear pathways that enable people to efficiently move into future careers faster than ever before.

In combination, these actions will pay strong dividends—for individuals, businesses, economies, and societies—in the years and decades to come.

We must work together to foster more effective learning that leads to faster skill development, and devise clear pathways that enable people to efficiently move into future careers faster than ever before.

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Read the full report at:
plc.pearson.com/lostintransition