

Skills-First Hiring Tear the Paper Ceiling Campaign Fact Sheet

What is the paper ceiling?

- The paper ceiling is the invisible barrier that comes at every turn for STARS, workers **S**killed **T**hrough **A**lternative **R**outes rather than a bachelor's degree.
- The lack of alumni networks, biased algorithms, degree screens, stereotypes and misperceptions all contribute to the paper ceiling, creating barriers to upward economic mobility for STARS, even though they have demonstrated skills for higher-wage work.
- By giving the "paper ceiling" a name, we can acknowledge a previously invisible institutional obstacle to better hiring practices.
- The wage gap between STARS and workers with bachelor's degrees has doubled over the last 40 years.
- STARS' wages have actually declined over the past few decades. STARS now earn less – when adjusted for inflation – than they did in 1976.
- STARS have valuable, credible skills – in fact, about 32 million STARS have the skills today to transition into roles that pay at least 70% more than what they currently earn.

Why does skills-first hiring matter?

- Hiring STARS is a competitive advantage. Companies who recognize STARS and their skills as a strategic asset—rather than an exception—are building more resilient, agile, and future-proof workforces.
- Skills-first hiring opens the door to untapped potential and levels the playing field for all workers while providing companies access to find stronger matches for roles.
- According to [LinkedIn](#), hiring managers who start with skills are 60% more likely to find a successful hire.
- STARS, who bring transferable skills, can start contributing value to employers on day one.
- There's an opportunity gap, not a skills gap. By hiring based on skills, not degrees, we can close that gap.

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** – 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.

Who are STARS?

- **STARS** are the over 50% of the U.S. 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.
- Hiring STARS is key to a workforce that taps into everyone's talents. More than 51% of White workers, 62% of Black workers, 54% of Hispanic workers, 66% of rural workers, and 61% of Veteran workers are STARS.

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](#))
 - 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](#))
 - Over 1 in 3 STARS (28 million workers) have completed some college credits without receiving an associate's or bachelor's degree.
 - **Apprenticeships** –
 - 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).