

# Filling the Gap – How Private Enterprise is Tackling the Up-Skilling and Re-Skilling Challenge

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Much has been written over the last several months and years about the looming divide between available jobs and the supply of candidates with the requisite skills to fill those jobs. Moreover, many of those jobs are in fields that lead to long-term careers – a path to social and economic upward mobility for many. Over that same time period, we have seen a wide range of proposed solutions to narrow what has generally become known simply as the “Skills Gap.” Identifying approaches to fill this gap remains one of the most daunting challenges facing our country and its education system. This issue, and the market that has developed around it, is a frequent topic of conversation amongst the venture and private equity investors we meet with regularly.

## THE COMMUNITY COLLEGE DILEMMA

Federal- and state-level initiatives have ranged from modest funding support for local skills-development programs to sweeping changes to the community college systems across the U.S. Some states have experimented with such extensive changes (namely the “Promise” tuition support programs employed by various states). Most, however, have limited the breadth of those programs or simply remain frozen in grappling with a daunting identity crisis – are community colleges intended to be the bridge between high school and a four-year degree or should they be focused on providing key career and technical education (“CTE”) programs for those not seeking a four-year degree. Or can they be both?

While that question remains unanswered, a series of unique program providers have stepped into the void with the goal of providing critical skills to those students seeking a career path that can provide long-term stability and income to support a family. In the professional trades arena, much of that effort historically was expended by for-profit post-secondary schools. But in the wake of Obama-era regulatory changes, a significant portion of that market was closed or hampered to such an extent that many schools simply closed their doors. However, some have thrived, including many focused on critical needs within the medical, technical and skilled trades. By providing a clear and measurable ROI to their students, these institutions have prevailed not only through regulatory headwinds but also despite the longest-running economic expansion in modern history.

## LINCOLN PERSPECTIVE

While the question of how the Skills Gap will ultimately be bridged remains, it seems clear the answer is not a simple one and likely not the same for all students. So long as there is demand, entrepreneurs will continue to create ways to meet that demand in new and interesting ways. We look forward to seeing how things progress both for existing enterprises such as Graduation Alliance, Trilogy, uCertify and others, as well as for those developing new ideas that have not yet been put into action. We applaud the efforts of those plowing new ground today and those who are just embarking on a new approach that will further push the boundaries of what our traditional education systems have supported.

## COMPANIES TAKING ON THE CHALLENGE

At the same time, we have witnessed a combination of new market entrants introducing novel and innovative approaches along with decades-old providers that have successfully migrated their business models to meet the needs of 21st century learners. Penn Foster ([www.pennfoster.edu](http://www.pennfoster.edu); backed by Bain Capital's Double Impact Fund) is a noteworthy example of a long-standing company navigating the changes in market needs and finding creative ways to partner with communities and students to deliver in-demand skill development for those that need it most. In stark contrast are two newer entrants, Graduation Alliance ([www.graduationalliance.com](http://www.graduationalliance.com)) and Acceleration Academies ([www.accelerationacademy.org](http://www.accelerationacademy.org)), that help high school dropouts find paths back into the workforce and are making significant strides in guiding these students back on a path toward long-term career opportunities.

We have also seen entrepreneurial enterprises develop a host of creative solutions spanning the education spectrum. One such provider focuses on leveraging existing resources to provide a unique solution in the coding market. Unlike many of its bootcamp predecessors that have often stumbled amidst bold expansion efforts, Trilogy Education Services ([www.trilogyed.com](http://www.trilogyed.com); backed by Highland Capital, Exceed Capital and Macquarie), is partnering with universities to deliver short-term software development bootcamps on their campuses using their facilities. Revature ([www.revature.com](http://www.revature.com); backed by University Ventures and Eden Capital) is another skill development provider focused on bridging students across any major/focus area toward a career in software development. uCertify ([www.ucertify.com](http://www.ucertify.com)) is another prime example of leveraging technology to reach 21st century learners wherever they are to deliver critical career-enhancing training. Focused primarily on IT professional certifications, uCertify's programs can be delivered either on the ground with partner universities or online (both live and on demand).