

Executive Summary

The Commission on the American Workforce has developed a plan to break down bureaucracy, forge collaboration, and elevate the importance of our greatest national treasure: our people. This report lays out bold but achievable actions that modernize the federal role in education and the workforce while relying on state and local leaders across sectors to do the work closest to their communities.



More than four decades ago, *A Nation at Risk* warned of “a rising tide of mediocrity” in America’s education system. Today, the risk at hand is even greater. Student achievement is shockingly low across academic subjects; proficiency gaps among race and demography are widening; the value of college is increasingly in question; and employers across many sectors are unable to fill American jobs with prepared American workers. Unprecedented technological change, especially the rapid emergence of artificial intelligence, is reshaping how people learn and work in real time.

The law governing how students pay for college predates Uber and Instagram. Since most education and workforce laws were last updated, the United States has navigated a global pandemic, the rise of the gig economy, and the birth of generative AI. Education providers and employers that are ill-equipped to meet the moment will struggle to remain competitive and will strand workers in roles that no longer exist. With so many partisan distractions, the infrastructure is not in place to uncover the best solutions and move them forward with the urgency this moment demands.

In response, the Bipartisan Policy Center and its President and CEO, Margaret Spellings, established the Commission on the American Workforce in February 2025 and designated former Govs. Bill Haslam of Tennessee (R) and Deval Patrick of Massachusetts (D) as co-chairs. Twenty-four commissioners—representing the nation’s most capable and experienced leaders across government, education, philanthropy, and industry—came together across party lines to reimagine the role of the federal government in helping America leapfrog from the predigital age to an AI-enabled world. Informed by hundreds of hours of deliberation across four working groups with 52 expert thinkers from all sectors exploring the most relevant topics, the Commission landed on the specific, tactical recommendations in this report.

THE SYSTEM IS NOT SERVING AMERICANS



More than a third of American 15-year-olds are unable to compare distances between two routes.



Foreign-born workers account for **one in every four doctors**, one in four health aides, and one in five registered nurses.



All the growth in the U.S. labor force between the fourth quarter of 2019 and the first half of 2024 **came from outside the country**. During this time, the U.S.-born labor force lost 73,000 people, while the foreign-born labor force grew by 3.77 million.



Even before the widespread adoption of generative AI, **30% of skills required for the average job were replaced within five years**. Now, 57% of current U.S. work hours could be automated with technologies that already exist.

The core laws governing American education and workforce systems are long overdue for reauthorization:

Elementary and Secondary Education Act (ESEA): last reauthorized on December 10, 2015.

Higher Education Act (HEA): last reauthorized on August 14, 2008.

Workforce Innovation and Opportunity Act (WIOA): enacted on July 22, 2014.

Child Care and Development Block Grant (CCDBG): last reauthorized on November 19, 2014.

Trade Adjustment Assistance (TAA): last reauthorized on June 29, 2015; entered phased termination on July 1, 2022.

A Nation at Work offers a blueprint for a modern federal role in talent development that connects the systems that power learning and work, integrating policies and data so that opportunity is visible and accessible to all. The blueprint rests on a bedrock ethos: Education is foundational to a thriving populace and workforce, and the federal role in this enterprise is worth preserving—but today's systems and structures are long overdue for an upgrade. This is not about federal control—it's about national purpose. The report challenges policymakers to think beyond our antiquated and disjointed structures so that states can maximize their capabilities and strengthen their labor markets. Rather than dismantling federal elements, we propose bringing them together around a clear shared priorities: student and worker readiness, a strong and vibrant workforce, and effective state-federal partnership.

Just as the federal government maintains a unified national security and economic policy strategy to ensure long-term stability and global competitiveness, the Commission has elevated the need for the many federal agencies with responsibilities for education and the

THE HUMAN CAPITAL CHALLENGE



1/3 of the skills required for the average job changed between just 2021 and 2024.



Only 35% of U.S. adults believe a college education is very important, down from 75% in 2010.



In 2024, the average 12th grade math score on the National Assessment of Educational Progress (NAEP) fell to the **lowest ever recorded** for that grade since the testing framework was implemented in 2005.



Half of college graduates earning a bachelor's degree between 2012 and 2021 were underemployed a year after graduation, and almost three-quarters of underemployed recent graduates with a terminal bachelor's degree remained underemployed 10 years later.



50% of children born in the 1980s have outearned their parents, compared with **nearly 90%** of those born in the 1940s.



A majority of U.S. adults no longer believe their children will have a **better life than they do**.

workforce to coalesce around a national talent strategy. This effort should be led by a new Talent Advisory Council in the Executive Office of the President that will enable the federal government to oversee a cross-agency Talent Data System, develop an interoperable, skills-first talent ecosystem, and pursue a national research agenda to inform ongoing improvements to the talent strategy. This foundational change is outlined as the first imperative in the report and is followed by two other essential needs: improving experiences for learners and workers and updating supports for employees and employers.

The goal of the Commission was not to reform every program or propose amendments to each reauthorization, but to identify the structural and policy changes needed to make future reforms more effective at unlocking opportunity for every American.

Commission deliberations included:

6 Guiding Principles that are essential to the vision and recommendations in this report

18 working group meetings exploring the most relevant topics in 4 areas:

1. **Elementary & Secondary Education**
2. **Postsecondary Pathways**
3. **Workers & the Workforce**
4. **Worker Supports**

30+ additional expert speakers

7 webinars with 1500+ virtual participants

THE COMMISSION'S 3 IMPERATIVES AND 15 RECOMMENDATIONS

Building a National Talent Strategy that Supports State and Local Leadership

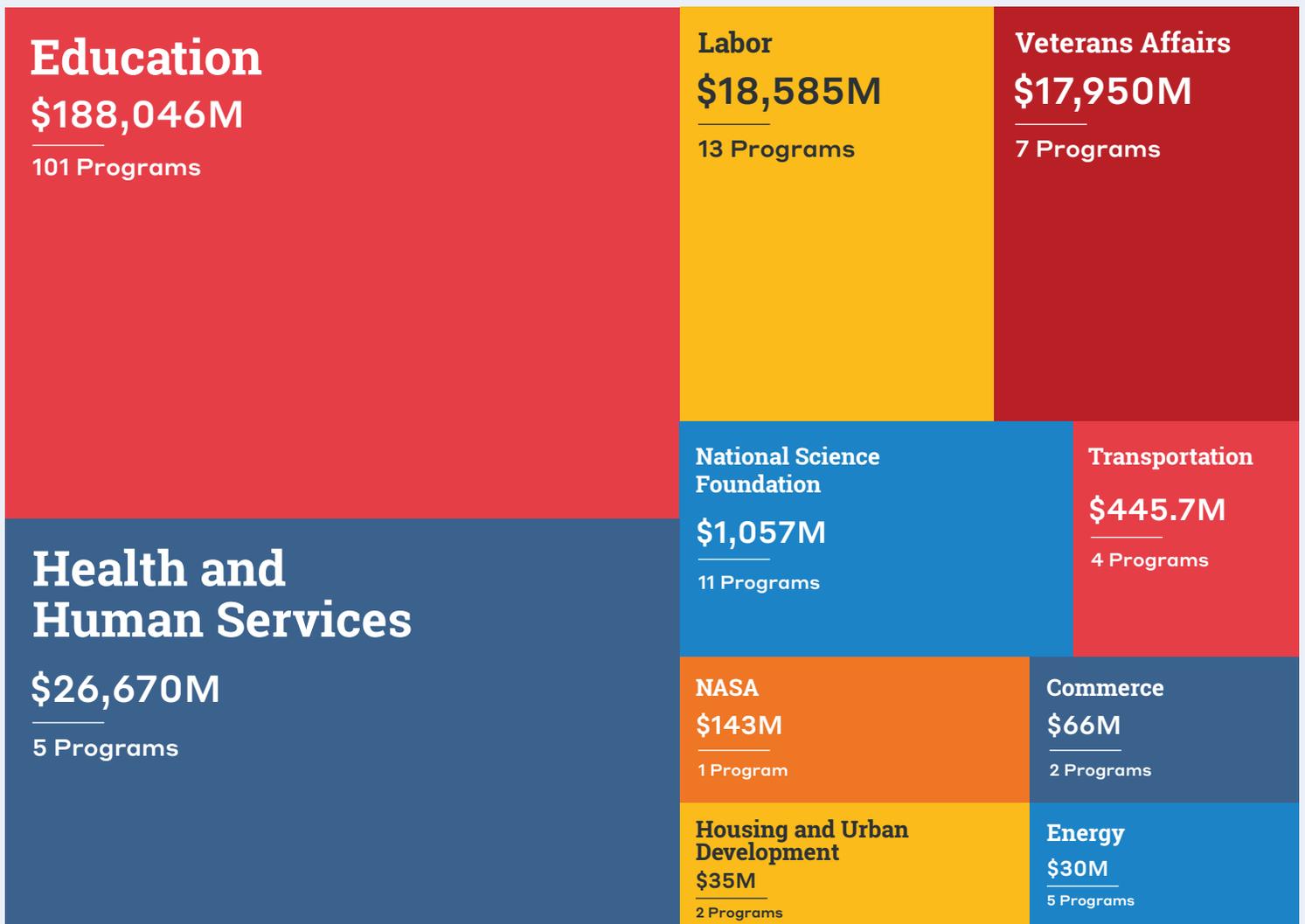
These recommendations aim to transform the federal role from a fragmented obstacle into a coherent strategic partnership. **The Talent Council's mandate would explicitly include coordination with governors, state workforce boards, and industry leaders—recognizing that talent development is largely executed at the state and local levels.** An education and training system designed for today's economy also requires a modern labor market data infrastructure. Policymakers, educators, employers, researchers, and workers need comprehensive, actionable, real-time data to focus on in-demand jobs, job training that leads to employment, and accountability for taxpayer dollars. They also need to trust that this data is being protected through modern privacy measures. The Talent Council would coordinate federal efforts around a reimagined Talent Data System with states as the preferred reporting entities.

While states, employers, private-sector leaders, and intermediaries are increasingly experimenting with skills-based approaches to hiring and training, these efforts are constrained by the absence of shared infrastructure to support alignment, interoperability, and updating at scale. A federal role overseen by the Talent Council would enable, coordinate, and support these efforts so that individuals are better equipped to develop and use their knowledge and skills to access the jobs they want. Finally, evidence is the engine that must power the nation's talent pipeline. The Talent Council and Talent Data System would support the research and evaluation that sets the national standard and ensures that states invest in proven, high-impact strategies.

1. Establish a cross-agency Talent Advisory Council to coordinate federal support for the systems that fuel the American workforce.
2. Create a Talent Data System to coordinate and safeguard federal education and workforce data, strengthen state longitudinal data systems, and provide reliable portals that help users access and navigate the information they need.
3. Strengthen and align skills frameworks and records to connect education, training, and workforce needs.
4. Prioritize federally funded research to identify best practices in talent development that can be shared broadly.

\$250 BILLION IN FEDERAL SPENDING ON EDUCATION, WORKFORCE, AND CHILD CARE PROGRAMS

Based on a BPC analysis of the federal budget, the federal government spends over \$250 billion annually on over 150 education, workforce training, and child care programs across several different federal departments and agencies, including Education, Health and Human Services, Labor, and others.



Keeping Learners and Workers at the Center of Education Systems and Pathways

These recommendations target the crisis of declining student outcomes and postsecondary education value. Just as the health care system is shifting from paying for service quality instead of quantity, so too education should shift to rewarding results instead of promises. Too many states have lowered their standards in recent years, meaning that proficiency reported from state assessments does not tell the whole story without comparisons to the National Assessment of Educational Progress (NAEP). Public reporting on student achievement and growth should inform student and family choices, as well as policymakers' investments and priorities, with the data used to reward states that are making the most progress. High school success should not be defined by completing mandatory seat time, but instead by reaching state-set goals that enable students to graduate with experiences and credentials that prepare them for college, career, and the military. To attract and retain excellent teachers, we must prioritize teacher leadership, meaningful compensation and benefits, and the ability to grow in the profession.

Rebooting secondary and postsecondary structures to focus on knowledge and skill validation and expanding the supply of workforce-aligned programs that lead to credentials of value will improve access to quality, flexible education choices for all Americans. This requires the improved labor market information

and data envisioned in the Talent Data System and a commitment by the federal government to share authority and responsibility with governors and legislators to guide state ecosystems in ways that manage costs, improve learner experiences and outcomes, and integrate regional economic strengths.

5. **Modernize K-12 reporting and incentive structures to deliver richer, more actionable information on school performance and quality for policymakers and families.**
6. **Center federal support for school choice on eliminating barriers and increasing access to high-quality schools.**
7. **Reimagine the high school years to better prepare students for success in the future that they choose.**
8. **Support states, providers, and employers in designing and expanding effective postsecondary pathways.**
9. **Provide tools for learners and workers to navigate their education and workforce options and interests.**
10. **Strengthen the teacher pipeline to effectively prepare and support educators to meet diverse student needs.**

LEARNERS ARE FALLING BEHIND



Less than a third of eighth-graders are proficient or above in reading or math.



61% of students who started an undergraduate program in 2019 completed a degree or credential within six years.



More than **one in 10** students who enter ninth grade do not complete high school on time.



>90% of students would learn to read if provided with effective instruction, yet only a quarter of elementary teacher preparation programs fully address the science of reading.

Upgrading Benefits and Supports for Employees and Employers

These recommendations address a profound drag on the national economy by modernizing essential supports for American workers. Access to affordable, reliable child care remains out of reach for too many families, and millions of workers still lack paid family and medical leave benefits, disrupting business and economic productivity. At the same time, automation, demographic change, and economic disruption are reshaping job requirements and requiring many workers to upskill or reskill to remain competitive, often at a cost.

To complement a modern federal role in the development of American talent, we need to upgrade federal support for paid family and medical leave, child care, retirement security, and other tax incentives. These efforts would enhance workforce stability by improving the design and delivery of benefits to expand access, simplifying administration, and offering better experiences for both workers and employers.

11. **Develop a minimum standard for paid family and medical leave to expand workers' access to essential supports.**

12. **Modernize child care access and affordability to better serve children and families.**

13. **Expand Social Security coverage to adequately support all retired Americans.**

14. **Create a skill savings account to support ongoing talent development.**

15. **Enhance access to employee ownership opportunities to boost worker productivity and performance, attract and retain talent, and promote long-term employee wealth-building.**

WORKPLACE SUPPORTS ARE INCOMPLETE



Average yearly child care costs are **\$13,000** per child.



Three-quarters of private sector workers do not have access to paid family leave.



70% of employees feel disengaged at work, costing businesses \$2T annually in lost productivity.



\$2.2T in annual GDP could be generated by investing in adult literacy, as one in three employers say their average employee lacks necessary literacy skills.



Roughly **40%** of public school teachers are not covered by Social Security.



Only 16 states currently require districts to offer some form of paid parental leave for teachers beyond accumulated sick days.

Skeptics will say that this Commission’s vision for wholesale reform is not possible, that the political headwinds are too strong and America’s civic divide is too wide. We say it is possible. Achieving our vision will take time, but the first step is to outline the challenges and a set of solutions and then work on the broad-based leadership and trust- and will-building it will take to deliver.

The United States is full of talent—in rural communities and urban neighborhoods, in community colleges and high schools, among veterans and caregivers returning to the workforce. We know which industries are growing. We know the skills they require. And we know that millions of Americans could fill these roles if they were given a real chance. What is missing are the pathways, the signals, and the supports that connect ability to opportunity.

The Commission on the American Workforce has developed a plan to break down bureaucracy, forge collaboration, and elevate the importance of our greatest national treasure: our people. This report lays out bold but achievable actions that modernize the federal role in education and the workforce while relying on state and local leaders across sectors to do the work closest to their communities. We do not underestimate the scope of the charge we have put forward, but neither do we underestimate the will and ability of the American people and our leaders to come together to confront our most urgent needs.

THE RISK REMAINS, BUT THE PATH TO A NATION AT WORK IS POSSIBLE—IF WE HAVE THE COURAGE TO ACT.



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