



REIMAGINING SOCIAL CHANGE



Building Local Skills Marketplaces

A Guide for Local Communities

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APRIL 2026

ABOUT FSG

FSG is a global nonprofit consulting firm that partners with foundations and corporations to create equitable systems change. Through customized consulting services, innovative thought leadership, and learning communities, we're working to create a world where everyone can live up to their full potential.

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The research included in this report was made possible through funding from Walmart. We thank them for their support but acknowledge that the findings, conclusions, and recommendations presented in this report are those of FSG alone, and do not necessarily reflect the opinions of Walmart.

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The Case for the Local Skills Marketplace

Across the United States, communities are rethinking how people connect to work and opportunity. They're responding to an expensive and widespread mismatch: employers are struggling to access the talent they need, and many workers are unable to access career pathways that promote economic mobility. The traditional hiring system, built around degrees and outdated job requirements, no longer matches the skills needed to do the work and the pace of technological change. Job skills evolve faster than HR systems can track, and AI-generated resumés have made it harder for employers to identify the talent they need to run their business. At the same time, millions of skilled workers remain overlooked because they lack a college degree, and universities struggle to keep their curricula up to date with employer needs.

Without a fundamental shift in local coordination and technology infrastructure, this gap will continue to cost businesses billions in lost productivity and competitiveness, leave critical roles unfilled, and trap capable workers in a revolving door of low-wage jobs without opportunity for growth and advancement. Consider a young digital native who can troubleshoot advanced manufacturing equipment but lacks a four-year degree—she'll never make it past automated resumé screening for skilled technical positions at local employers, even though she has the skills to excel. To better serve workers, communities, and the businesses that power our local economies, we can create “a [skills-based] labor market where the skills you have matter more than where you got them.” **Ultimately, this skills-based market aims to close the gap between jobs workers are capable of doing based on their skills and jobs they have access to by leveraging technology and improving local coordination.**

The case for action is clear. Employers need better ways to identify talent and keep up with rapidly shifting skills and the future of work; workers need career visibility and economic mobility in a changing economy. **Skills are becoming the new currency** in the talent marketplace, a way to capture all forms of learning, help employers nimbly articulate and meet their talent needs, and make job opportunities more inclusive and accessible. Yet today's education and workforce systems remain fragmented, with competing definitions, disconnected data, and limited local coordination. While there are strong skills-based infrastructure and initiatives at the national level, this momentum hasn't translated into widespread practice on the ground. Local level action is sporadic—some communities are making progress, but adoption remains uneven, and many employers, educators, and workforce leaders struggle to move from concept to implementation.

This local gap matters because labor markets are fundamentally place-based. Even with the rise of remote work, 61% of workers are fully onsite, and nearly all frontline roles are location-based. Hiring decisions

happen locally. Training programs serve local students. Inclusive economic development depends on local partnerships. National infrastructure provides essential tools and standards, but the tangible impact on businesses, workers, and economic mobility happens when local employers, workforce organizations, educators, government agencies, and community organizations coordinate to connect skilled workers with real opportunities.

This resource is designed to help communities build **local skills marketplaces** that better align workers and employers. Grounded in field interviews and practical examples, it highlights how well-resourced local coordination, trusted partnerships, and tech systems to manage employment and labor market data can turn skills-based ideas into lasting results for employers and workers alike.

Local skills marketplaces are the place-based workforce systems where employers, educators, and community organizations work together to efficiently and effectively connect skilled individuals with career opportunities.

What This Resource Is

This guide is designed to help communities, employers, and their partners **understand, build, and sustain local skills marketplaces**. This is a practical roadmap, drawing on interviews with national and regional leaders, as well as lessons from states and cities making progress.

You'll find:

- **A framework** for how national skills infrastructure and local skills marketplaces work together.
- **Lessons learned** from communities that are making measurable progress.
- **Practical actions and resources** for employers, educators, government, and community-based organizations (CBOs) to understand their respective roles and collaborate effectively.

This is an **action-oriented resource** for people doing the work on the ground to ensure their workforce systems are sustainable, inclusive, and responsive to both business needs and worker potential. Whether you're an employer, local chamber of commerce, workforce board, or community-based organization (CBO), you'll find guidance that outlines your role in the local skills marketplace and identifies concrete steps you can take to strengthen it.

Our goal is simple: to help every community build a skills marketplace that works for employers, for workers, and for your local economy.



National Skills Infrastructure

In recent years, workforce and education leaders have advanced the skills-based movement to better connect people with opportunities. This movement is a national network of thought leaders, technical experts, policymakers, and workforce practitioners working together to make that vision real. These leaders are building the **national infrastructure that makes skills-based work possible**: the technology, data systems, standards, and tools that create greater alignment between employers, educators, and workers. This infrastructure makes it easier for skills to be recognized and trusted wherever learning happens.

But the tangible impact on businesses, workers, and economies happens **locally**. Cities, states, and regions are building their own skills marketplaces to meet local needs, often ahead of national efforts. While shared national infrastructure will eventually help everything fit together, communities don't have to wait. They can start by leveraging local partnerships, trusted institutions, and practical tools to build skills marketplaces that work for their people and employers.

Local skills marketplaces are supported by a national skills infrastructure

ENABLING INFRASTRUCTURE

DATA / TECHNOLOGY INFRASTRUCTURE



Interoperability



Tech Coordination



Credentialing



Digital Infrastructure

POLICY AND GOVERNANCE



Policy Frameworks



Funding Mechanisms



Governance



Multi-state
Coordination

Enabling infrastructure

Data and technology infrastructure

Unlike degrees, where educational institutions provide a stamp of completion at the end, skills can be acquired in a variety of ways, and a strong data and technology infrastructure is needed to understand, validate, and communicate those skills. The national skills infrastructure establishes ways for data and technology systems to share data, verify what people can do, and make skills visible and portable across employers, schools, and communities.

The infrastructure includes several interconnected components:

- **Skills Taxonomies:** Organize and describe skills in consistent ways, helping employers identify what they need, educators shape their curricula, and learners see what they offer.
- **Standards:** Establish the agreed-upon rules that make skills data reliable and usable across different systems.
- **Interoperability:** Ensures different systems (education, workforce, employer tools) can share and understand the same skills data.
- **Assessments & Verification:** Confirm that people have the skills they claim, building trust between job seekers and employers.
- **Digital Infrastructure (Learning and Employment Records, wallets):** Enables individuals to store and share verified records of their skills and learning, like a digital transcript or resumé that travels with them.

While states and regions are building their own systems, alignment and shared standards ensure everyone benefits from a connected, trusted skills infrastructure. Though most jobs are local, the rise of remote work and the reality that many workers cross community borders for their jobs underscores the importance of this national skills infrastructure. Local communities can get familiar with and even leverage components of the national infrastructure, rather than building their own data systems from scratch.

Policy and governance infrastructure

Strong policy and governance give the national skills infrastructure staying power. They create the rules, resources, and coordination needed for skills-based practices to take root and last.

Key policy and governance elements include:

- **Policy Frameworks:** Set clear expectations for how public institutions and employers value and use skills—whether by recognizing alternative credentials, updating hiring practices, or aligning education programs with workforce needs.
- **Sustainable Funding Mechanisms:** Provide consistent, long-term support for the partnerships and infrastructure that keep the system running beyond short-term grants or pilots.
- **Governance and Cross-State Coordination:** Ensure collaboration and accountability across agencies, regions, and sectors so that progress in one place strengthens the whole system.

When these elements work together, policy becomes a catalyst rather than a constraint, helping skills-based innovation spread and endure. The Department of Education's Connecting Talent to Opportunity Challenge is an example of incentives and technical assistance for states building Talent Marketplaces. Government mandates can drive more lasting change than voluntary frameworks, creating greater awareness and encouraging practice change.



A Vision For a Thriving Local Skills Marketplace

Labor markets are inherently local – even with the rise of remote work, most workers still regularly go into work in person. Local communities are where hiring decisions are made, partnerships form, and workers build their careers. That’s why the focus of this resource is on **local skills marketplaces**: the place-based workforce systems where employers, educators, and community organizations work together to efficiently and effectively connect skilled individuals with career opportunities. Tools and technology can support this work, but lasting change and adaptability to the changing nature of work depends on **coordination, trust, and shared effort** across sectors.

LOCAL SKILLS MARKETPLACE



Local activation requires additional elements in place, including:

- Trusted coordinating entity
- Stable funding
- Local champions
- Common language
- Real-time data

Enabling Infrastructure

- Interoperability
- Tech Coordination
- Credentialing
- Digital Infrastructure
- Policy Frameworks
- Funding Mechanisms
- Governance
- Multi-state Coordination

Here we share key learnings from practitioners and experts about how these local skills marketplaces function, and outline key roles for employers, education and training organizations, government, and community-based organizations.

COORDINATION AND SUSTAINABILITY

Building a skills marketplace isn't about launching a new initiative or starting a new organization. It's about activating and coordinating the strengths that already exist in a community and giving local stakeholders the support they need to build towards a shared, sustainable vision of economic growth and opportunity.

Thriving skills marketplaces are built for long-term sustainability. This requires three core pillars:

<p>Trusted Coordinating Entity</p> <p>Ideally an existing institution such as a chamber of commerce, workforce board, or education institution that has credibility, trust, and the ability to translate between sectors.</p> <p>Understanding and engaging employers is particularly important in this function, as many experts highlighted the importance of employer buy-in, understanding employer pain points, and facilitating employer practice change.</p>	<p>Stable Funding to Support Coordination and Data Sharing</p> <p>Short-term grants help with initial pilots, but to sustain long-term momentum communities need reliable public and private investment to support shared infrastructure and partnerships.</p> <p>This isn't necessarily the first step, but it's needed to sustain the work beyond a pilot.</p>	<p>Visible Champions</p> <p>Including leaders in business, education, and government who activate the community, drive adoption, and promote the shared vision for success.</p> <p>Multiple champions across sectors are important to maintain momentum through leadership transitions and shifting organizational priorities.</p> <p>Effective coordination is about how people work together, not just what they do.</p>
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These three pillars of coordination support and uphold multiple functions:

- Uniting the community around a **shared vision and common language**, so employers, educators, and community groups can collaborate without talking past one another in service of a collective goal. Every sector and even organizations within each sector may describe skills differently, and communities need the ability to align on key terms and translate between them when full alignment isn't possible.
- **Brokering trust and facilitating partnerships**, especially when sharing data or redesigning practices that have long relied on degrees and job titles. A local skills marketplace requires sharing data that may be considered sensitive or proprietary, and this requires both trust between organizations and trust in data security measures.
- Managing, analyzing, and **sharing real-time labor market and skills data** so that decisions are grounded in the local economic context, educational assets, and community needs rather than assumptions. Given the rapidly changing nature of skills, this function should be nimble and have a strong grasp of data interoperability.

- Providing or brokering **hands-on technical assistance** to support employer practice change. This includes sharing plug-and-play tools, but more importantly, guiding organizations through change management to adopt skills-based hiring and promotion practices. It's important to provide these services for large anchor employers in the community who hold a lot of hiring power, as well as the myriad small businesses that collectively employ many community members but have less capacity. The coordinating entity itself doesn't have to provide technical assistance, but rather convenes and connects employers with those supports.

KEY STAKEHOLDER ROLES

Building a local skills marketplace takes four key groups working together:

Employers



Education and Training Providers



Local Government and Public Entities



Community-Based Organizations



Each plays a distinct role, and when they coordinate well, communities create systems that broaden access to opportunity for more people while solving real business challenges and supporting economic growth.

A local skills marketplace relies on the flow of accurate, consistent, and trusted data across partners. Each stakeholder contributes unique information and also benefits from shared insights. Together, these data connections make skills visible, align training and education programs with employer demand, and help communities respond to economic and technological change in real time.

What follows is a roadmap for each group—what you can contribute, where to begin, and how to sequence your efforts for the greatest impact. These insights come from communities making measurable progress and can help you understand where you fit in the broader skills marketplace.



Employers shape the entire marketplace through their hiring and talent development decisions. When you shift to skills-based approaches, you can solve persistent business challenges: finding qualified candidates faster, reducing turnover, nimbly adjusting to how technology shapes job needs, and building internal talent pipelines that reduce dependence on external hiring.

THE OPPORTUNITY FOR EMPLOYERS

Skills-based hiring addresses the pain points you're already feeling.

- Today, 81% of companies are using some form of skills-based hiring, up from just 56% in 2022, and it's working.
- Employers hiring for \$60,000 roles are saving between \$7,800 and \$22,500 per hire by reducing mis-hires and cutting hundreds of hours from recruitment timelines.
- About 20% of U.S. job postings no longer require degrees, and more than 45% of employers on LinkedIn are explicitly using skills data to fill roles.

What this looks like in practice

Engaging in your local skills marketplace involves three core actions:

- 1. Adapting your systems:** Your Applicant Tracking Systems (ATS) and Human Resources Information Systems (HRIS) can screen for skills and competencies rather than just credentials. Modern platforms increasingly offer skills-matching capabilities and AI-powered tools that help you identify qualified candidates you might have missed.
- 2. Redesigning job descriptions and requirements:** Focus on what people actually do in the role rather than the credentials they bring in order to expand your talent pool and help candidates understand whether they qualify. Change job descriptions to skills-based language, formatted in a way where the data can be interoperable - for example, using existing skills taxonomies from sources like the [Skills-First Workforce Initiative](#).
- 3. Building manager capacity:** Hiring managers benefit from training in evaluating candidates based on demonstrated skills, conducting skills-based interviews, and reducing unconscious bias in the selection process. The same goes for supervisors and skills-based professional development. Building managers' capacity to assess and validate skills through trusted credentials, skill demonstrations, and digital records (LERs) is an important step in implementing skills-based hiring, alongside the technical systems that support these practice changes.

Your role in data and infrastructure

Data contributions:

- Job and skill requirements, structured in consistent, transparent ways (through skills-based job descriptions, competency frameworks, and validated skill profiles).
- Hiring and turnover data that can be anonymized and shared with local intermediaries to inform labor market intelligence.

- Input on skill validation tools and feedback on the usefulness of candidate data from local systems.

Data use cases:

- Real-time data on local talent supply, training programs, and verified skills from education and community partners.
- Benchmarked skill taxonomies
- ROI dashboards showing hiring and retention outcomes.
- Shared data dashboards that highlight local pipelines and training-to-job alignment.

Infrastructure connections:

- Configure ATS and HRIS platforms to recognize skills data standards (e.g., structured skill tags or LER-compatible fields).
- Participate in community data-sharing agreements through trusted intermediaries to ensure data privacy and consistency.

How to sequence your efforts

1. **Build internal buy-in.** Use your own data on hard-to-fill roles, turnover costs, and time-to-hire to make the case. Show leadership how skills-based approaches address specific pain points your organization faces.
2. **Assess your current systems.** What functionality do your ATS and HRIS already offer? What would adaptation to a skills-based system require? You don't necessarily need new technology—many organizations begin by changing how they use existing tools. Technology upgrades can come later; what matters initially is understanding your baseline and identifying any critical gaps.
3. **Pilot in strategic areas.** Choose roles where you're already struggling to find candidates. Test skills-based approaches, such as using skills-based job descriptions leveraging existing skills taxonomies, and behavioral interview questions. Measure results and refine your process before expanding.
4. **As you scale, think about both near-term and long-term skills needs.** What do you hire for today, and what skills will be critical in two to three years? This dual focus helps you build sustainable pipelines while addressing immediate demands.

Working with partners

Your success depends on strong partnerships with other constituencies in the marketplace:

- Connect with **education and training providers** to ensure their programs develop skills that you need now and in the near future. Give honest feedback, participate in advisory boards, and consider co-designing curriculum that addresses your most pressing talent needs.
- Share labor market data through **trusted intermediaries**. You may not want to tell competitors your exact hiring plans, but aggregated, anonymized information helps the whole marketplace anticipate needs and respond effectively.
- Engage with **local government and workforce boards**. They can connect you with funding opportunities, introduce you to training and technical assistance providers, and help amplify what's working.
- Partner with **local CBOs** to source skilled talent, align on pathway opportunities with career navigators, and provide wraparound services to support your employees.

Resources that can help

- **[Business Roundtable Multiple Pathways Initiative](#)**: Practical toolkits on measuring impact, building culture change, and regional strategies—including Building a Business Case for Skills-Based Talent Strategy, Innovative Skills-Based Talent Practices, and an Impact Measurement Framework
- **[Jobs for the Future Skills Readiness Planner](#)**: Activities, tools, and prompts for moving from intent to action in adopting or expanding skills-based talent practices
- **[JFF Skills-First Resource Hub](#)**: Centralized resources from Jobs for the Future on skills-first talent practices
- **[SHRM Skills-First Future Resource Library](#)**: Searchable database to help HR professionals implement skills-based practices across their talent organization
- **[SHRM Foundation: Ready for Success Toolkit](#)**: Twelve actions for adopting a skills-based approach
- **[Talent Pipeline Management \(U.S. Chamber of Commerce\)](#)**: TPM Academy, six strategic frameworks, implementation guides, and a National Learning Network of 1,400+ practitioners across 44 states—focused on external pipeline-building and internal upskilling/reskilling
- **[Rework America Alliance Employer Toolkit](#)**: Job posting generator and HR system integration tips for skills-based hiring
- **[Grads of Life Impact Measurement Framework](#)**: Tools for evaluating the effectiveness of skills-based efforts
- **[Good Jobs Skills-First Hiring Guide \(U.S. Department of Labor\)](#)**: Federal guidance on implementing skills-based practices (see p. 18 for tools and resources on skills-based sourcing and hiring)
- **[TestGorilla State of Skills-Based Hiring Report](#)**: Annual research on adoption trends and ROI data

Education and Training Providers



Education and training providers play an important role in preparing people for opportunity. In the skills marketplace, that requires close partnership with employers to build the right skills for tangible job opportunities. By breaking learning into visible, stackable competencies rather than all-or-nothing degrees, you can recognize and credential learning that happens in pieces, recognize prior learning from work or life experience, and create multiple entry and exit points.

THE OPPORTUNITY FOR EDUCATION AND TRAINING PROVIDERS

- The World Economic Forum projects that 39% of workers' skills will be transformed or become outdated between 2025 and 2030.
- This creates both challenge and opportunity: you can become the institution that helps workers and employers navigate this rapid change by building agile, responsive curriculum and training programs.

What this looks like in practice

Building strong talent pipelines involves:

- **Curriculum alignment with real-world needs:** Programs that teach what employers actually need, updated regularly through ongoing dialogue with industry
- **Credentials that employers recognize:** Stackable credentials, micro-credentials, and digital badges designed with employer input so they signal genuine capability
- **Clear pathways from learning to earning:** Students see how specific skills and credentials connect to jobs and advancement, including recognition of prior learning from work, military service, or other experience

Your role in data and infrastructure

Data contributions:

- Verified learning outcomes, credential and course data, and program completion rates using open standards that can plug into workers' digital wallets/LERs.
- Competency frameworks mapped to local and national skill taxonomies.
- Data showing learner demographics, completion barriers, and post-graduation outcomes.

Data use cases:

- Employer demand data—job postings, hiring trends, and projected skills needs—to adapt programs in real time.
- Shared labor market intelligence to identify growth industries and refine career pathways.
- Feedback loops from employers to ensure credentials signal real-world capability.

Infrastructure connections:

- Adopt interoperable credential platforms (e.g., LERs, digital badges) aligned with national standards.
- Participate in local or regional data hubs to share program outcomes and connect credentials to jobs.

How to sequence your efforts

1. **Build relationships first.** Identify 3-5 key employers in high-demand sectors and start conversations. What roles are they struggling to fill? What skills do their best employees demonstrate? Where are recent graduates succeeding or struggling?
2. **Map your current offerings against employer needs.** Where are the gaps? What programs align well already and could be highlighted to employers? This assessment helps you prioritize where to focus curriculum updates.
3. **Co-design on a small scale.** Rather than overhauling everything, partner with employers to develop or refine one high-demand program. Use this as a proof point—measure placement rates, gather employer feedback, and learn what makes partnership work before expanding to other programs.
4. **Invest in the infrastructure that makes your efforts sustainable as you build momentum.** This might include labor market data subscriptions, skills-mapping tools, digital credentialing systems, or faculty professional development. These foundational pieces help you stay responsive as demands evolve.

Addressing the translation gap

One persistent challenge that remains is that employers often don't know how to articulate their needs in ways educators can act on, and educators don't always have tools to interpret employer signals and nimbly adapt curricula. The solution lies in structured dialogue supported by common frameworks.

Northeastern University's Roux Institute created a [skill competency framework](#) with L.L.Bean that helps employers pinpoint exactly where skill needs lie. That framework is now being used with multiple companies, creating a replicable model. Consider working with intermediaries who specialize in this translation work—workforce boards, industry associations, or specialized nonprofits.

Resources that can help

- [Education Design Lab](#): Guides for community colleges on [Building Strong Partnerships](#) and [Engaging Employers](#)
- [American Association of Collegiate Registrars and Admissions Officers \(AACRAO\) LER Accelerator Initiative](#): Resources supporting higher education systems in developing more accessible, transparent, and learner-centered credentialing practices
- [Competency-Based Education Network \(C-BEN\) Partnership for Skills Validation](#): Comprehensive collection of tools, research, and guidance for public sector, education institutions, and employers to advance skills validation
- [Digital Credential Consortium](#): Resources for educational institutions on building secure, portable, and verifiable digital credentials for the talent marketplace
- [HLC Credential Lab](#): Tools for partnership assessment and credential alignment,
- [BHEF Strategic Partnership Model](#): Guide for using labor market data to shape programs (see pp. 15–19 for steps to get started)



Government has unique leverage to accelerate skills-based adoption across your community. Through policy, sustained funding, and your own hiring practices, you can create the conditions that make skills-based approaches viable and attractive for employers, educators, and job seekers alike.

THE OPPORTUNITY FOR LOCAL GOVERNMENT AND PUBLIC ENTITIES

States taking decisive action are seeing results.

- Maryland increased the share of state job postings not requiring degrees from 32% to 47% between 2022 and 2024.
- Massachusetts trained over 8,000 managers on skills-based hiring following Governor Healey's 2024 executive order.
- Colorado has been systematically implementing skills-based practices since 2019.

Your opportunity is to create lasting infrastructure that outlives pilot programs and political transitions.

What this looks like in practice

Three key levers drive lasting change:

1. **Policy frameworks that create clear expectations:** Standards for how public institutions and employers value and use skills, whether through recognizing alternative credentials, updating hiring practices, or aligning education with workforce needs. Mandates drive more change than voluntary frameworks
2. **Sustainable funding mechanisms:** Long-term investment in intermediaries, data systems, training programs, and coordination capacity
3. **Leading by example:** Implementing skills-based hiring in your own agencies, demonstrating feasibility, and creating proof points

Your role in data and infrastructure

Data contributions:

- Policy data, workforce participation, and funding allocations that support program design and evaluation.
- Aggregated regional labor market information, including unemployment, wage, and sector growth metrics.
- Public-sector hiring and credential recognition data to model transparency and open practices.

Data use cases:

- Combined local data (education, workforce, economic development) to identify skills gaps and target investments.
- Shared dashboards for tracking community progress and ROI across programs.
- Standards alignment tools and interoperability frameworks to ensure data collected locally contributes to broader state and national systems.

Infrastructure connections:

- Establish or fund local “data commons” or shared digital infrastructure that enable partners to contribute and access relevant skills data securely.
- Encourage alignment with open data and credential standards (e.g., CTDL, W3C Verifiable Credentials).

How to sequence your efforts

1. **Assess your current landscape.** What workforce development infrastructure already exists? Which agencies or institutions are natural partners? Where are the gaps? This helps you build on existing assets rather than creating parallel systems.
2. **Build your coalition early.** Skills-based approaches are bipartisan, with both Democratic and Republican governors advocating for this. Engage business leaders, education providers, workforce boards, and community organizations to create broad support.
3. **Demonstrate what is possible through your own hiring.** Start with a manageable scope—perhaps one department or category of roles. Train managers, develop skills-based job descriptions, remove unnecessary degree requirements, track results, and document lessons learned. The federal government is transitioning the IT 2210 job series—covering product managers, software developers, and AI specialists—to fully skills-based hiring by summer 2025, providing a high-visibility model. As you see success, formalize your approach through policy. Executive orders, legislation, or updated administrative rules make skills-based approaches the default.
4. **Finally, invest in the long-term infrastructure.** Allocate sustained funding for intermediaries, labor market data systems, training provider capacity, and the coordination function that keeps all the pieces working together. Federal initiatives like the Infrastructure Investment and Jobs Act, CHIPS and Science Act, and Inflation Reduction Act are creating opportunities you can build on.

Resources that can help

- Credential Engine: [State Roadmap and Action Guide](#) and associated [State Partnership Toolkit](#), actionable resources for state governments on building credential transparency into education and workforce systems
- [Massachusetts Skills-Based Hiring Toolkit](#): Manager training modules and implementation guides including, the [Massachusetts Management Questionnaire](#) and the [Massachusetts Job Posting Style Guide and Template for Hiring Managers](#)
- [Federal Merit Hiring Plan - U.S. Office of Personnel Management Assessment and Selection](#): Federal guidance on designing and implementing skills-based assessment and selection processes for public sector hiring
- [National Governors Association Empowering Progress](#): Comprehensive guidance for states and public sector entities implementing skills-based hiring strategies, including change management approaches and policy frameworks
- [Opportunity@Work STARs Resources](#): Tools for supporting workers Skilled Through Alternative Routes
- [Burning Glass Institute’s Skills-First Workforce Initiative](#): Skills taxonomy built with input from employers that cover 30 roles, representing 25% of all jobs in the US.

Community-Based Organizations



Community-based organizations reach people and solve problems that larger systems often miss. Your deep roots in the community, trusted relationships, and understanding of real barriers give you a unique ability to connect people to opportunity. When the skills marketplace works well, CBOs ensure that opportunity reaches everyone.

THE OPPORTUNITY FOR COMMUNITY-BASED ORGANIZATIONS

You already know that job readiness isn't just about skills—it's about addressing the obstacles that keep people from succeeding.

Transportation, childcare, housing instability, mental health challenges, and navigating unfamiliar systems all matter as much as technical capability. Your holistic approach makes the difference between programs that work on paper and ones that actually change lives.

What this looks like in practice

Your unique contribution includes:

- **Career navigation and case management:** Helping people understand learning and career options, build realistic plans, and navigate complex systems with support that reflects their actual circumstances. Career navigators and case managers must have a strong understanding of the skills that are in-demand in the local marketplace to effectively connect people with tangible opportunities.
- **Wraparound supports:** Connecting people to transportation, childcare, housing, mental health services, and other supports that make it possible to stay enrolled and/or employed and succeed
- **Community outreach and trust-building:** Reaching people through familiar spaces—churches, food pantries, health centers, neighborhood networks
- **Bridge-building with employers:** Helping employers understand workplace culture fit, needed wraparound supports, and the full value of diverse candidates

Your role in data and infrastructure

Data contributions:

- Insight into worker and learner experiences, barriers, and local demographics that quantitative data often misses.
- Case management and wraparound service data (anonymized) that identifies the need for social supports.
- Participant feedback and success stories that humanize outcomes and inform equitable program design.

Data use cases:

- Shared labor market and credential data to guide career navigation and counseling.
- Information about available training programs, local demand sectors, and skill validation options.
- Data dashboards that show disparities in access or outcomes, helping target resources effectively.
- Partner with intermediaries to integrate CBO systems into shared data platforms, ensuring representation of underrepresented populations.

- Advocate for equitable data-sharing policies that balance transparency with participant privacy.

Infrastructure connections:

- Partner with intermediaries to integrate CBO systems into shared data platforms, ensuring representation of underrepresented populations.
- Advocate for equitable data-sharing policies that balance transparency with participant privacy.

How to sequence your efforts

1. **Deepen relationships** with your current participants. What are their career aspirations? What barriers keep coming up? What supports would make the biggest difference? This insight helps you prioritize which services and partnerships to develop.
2. **Understand how your organization's offerings or programs** support the local skills marketplace. If you provide a training program, what skills are you developing and how do you prove that? If you work with employers, which ones are open to skills-based hiring? If you provide wraparound services, what are the greatest needs in your community that keep people from quality jobs? This landscape understanding helps you position your work strategically.
3. **Start building employer relationships** in areas where you can add clear value. Perhaps you serve populations that employers struggle to reach, or you understand barriers that keep good candidates from succeeding. Position yourself as the bridge that helps employers access talent while ensuring your participants get real opportunities. For example, the San Francisco Bay Area Rapid Transit District's internship program partners with organizations like Lao Family Community Development, which serves as employer of record, provides pre-screening, pays stipends, and delivers wraparound services.
4. **As you demonstrate results**, advocate for resources that let you expand. Document what's working, share stories of success, and make the case for sustained funding beyond short-term grants.

Resources that can help

- **[Skill My Resume \(Rework America Alliance + Lightcast\)](#)**: Tool for career navigators to build or optimize client resumes around in-demand skills
- Career Navigator Training: Free professional development courses for career navigators from [Goodwill](#) and [Rework America Alliance](#)
- **[Occupational Mobility Explorer \(Federal Reserve Bank of Philadelphia\)](#)**: Interactive tool visualizing how skills from specific jobs transfer to higher-paying occupations in the same region
- **[State Workforce Innovation Funds](#)**: Grants for career coaching and supportive services
- **[Burning Glass Institute's Credential Value Index](#)**: Searchable index of real-world outcomes (e.g., wage gain) of over 20,000 certifications and non-degree credentials

A Note on Resources for Community-Based Organizations

The limited availability of plug-and-play resources for CBOs reflects a fundamental challenge: community-based organizations play a wide variety of roles in the local skills marketplace. CBOs address the full spectrum of barriers to opportunity—transportation, childcare, housing instability, mental health. Their work defies one-size-fits-all solutions. The resources listed here therefore focus on funding opportunities and broad support structures rather than prescriptive guides. For more tailored guidance, CBOs often benefit most from connecting with national intermediaries and peer organizations serving similar populations.

Bringing It All Together

Skills marketplaces work when all four groups play their part and stay connected. Employers create demand for skills. Education providers build talent pipelines. Government creates policy infrastructure and sustainable funding. CBOs ensure opportunity reaches everyone, especially those who have been historically left out.

It's important to ensure that, as you build your local skills marketplace, you are doing so with meaningful input from the workers, learners, and employers who must use them. User-centered design requires building in worker and learner voice from the beginning, not as an afterthought. Employers, too, must inform tools and processes to align with their actual hiring and training workflows. Systems should be designed for the incentives and motivations that drive behavior in local labor markets—what works in one context may fail in another if not adapted to local economic realities, cultural norms, and existing institutional relationships. Leverage user-centered design processes, actively creating solutions with local worker/learner and employer engagement. This includes participatory design processes, regular user feedback loops, and continuous iteration based on real-world use so your work is grounded in the current lived experiences of your local economy and community.

The most effective communities don't wait for perfect coordination to start. There are a number of practical steps communities can take to begin their journey:

For cross-sector collaboration:

- Identify an existing organization that can convene key stakeholders in the local skills marketplace to map the local system, including training assets, employer groups, and growth industries.
- Leverage that same intermediary to get stakeholders aligned around a shared vision for local economic development, and how a skills-based approach can support that.
- Bring together real-time labor market data to identify key skills, gaps, and in-demand roles.

For individual organizations:

- Pilot a skills-based talent development program between a training partner and one employer, or a group of employers in the same industry.
- As an individual employer or public sector agency, implement skills-based hiring processes for a few open roles.

Think about your community: Who is playing each role? How well are they connected? What gaps need attention? Use this guide to identify where you fit, who your natural partners are, and what concrete steps you can take now to contribute to a skills marketplace that opens opportunities while solving real challenges for employers and workers alike.

Glossary

- **Frontline Employee:** People who work in close proximity to the public or perform work onsite, usually in an hourly role. This can include individuals working in health care, food services, customer service, retail, etc. Frontline work is performed onsite and requires being close to the public.
- **Learning and Employment Records (LERs):** Digital credentials that capture a person's skills, learning, and work experiences in a standardized, verifiable, portable format—like a "skills passport" that travels with you throughout your career.
- **Local Skills Marketplace:** The place-based workforce system where employers, educators, and community organizations work together to efficiently and effectively connect skilled individuals with career opportunities.
- **National Skills Infrastructure:** The technology systems, data standards, and policy frameworks that enable skills to be recognized and trusted across employers, educators, and geographic boundaries.
- **Skills-Based Hiring:** A hiring approach that evaluates candidates based on their demonstrated skills and competencies rather than traditional credentials like degrees or years of experience.
- **Skills-Based Movement:** A national network of thought leaders, policymakers, and workforce practitioners working to create labor markets where the skills you have matter more than where you got them.
- **STARs (Skilled Through Alternative Routes):** Workers who have developed skills through alternative routes rather than bachelor's degrees—representing over 70 million American workers.

Appendix: Tool Catalog

The following resources are organized by what you're trying to accomplish. Whether you're building digital infrastructure, making the case to leadership, or ensuring equitable implementation, these tools can help you move from planning to action. Many come from [SkillsFWD](#) and partner organizations working at the forefront of skills-based innovation.

Using These Resources

Start with resources that match your immediate need. If you're making the business case, begin with the messaging guides and ROI research. If you're building systems, focus on technical standards and implementation guides. If you're concerned about equity, prioritize the co-design frameworks.

Most importantly, don't try to absorb everything at once. Pick 2-3 resources that address your most pressing challenge, use them to take concrete action, and return for additional guidance as your work evolves. These tools are meant to support action, not become homework.

Building Digital Infrastructure for Skills

If you're working on the technical systems that make skills visible and portable—digital credentials, Learning and Employment Records (LERs), or credentialing platforms—these resources provide frameworks, standards, and practical implementation guidance.

Getting Started with LERs

- [T3 Innovation Network: Introduction to LERs](#): Foundational overview of what Learning and Employment Records are and how they work
- [Credential Engine: Learning and Employment Records Action Guide](#): Step-by-step guidance for organizations implementing LER systems
- [National Governors Association: Learning and Employment Record Use Cases](#): Real examples of how states are using LERs

Technical Standards and Interoperability

- [Credential Engine: Credential Transparency Description Language \(CTDL\)](#): The technical standard that enables different systems to share and understand credential data
- [Multiple Industry Contributors: LER Ecosystem Map](#): Visual map of how different pieces of the LER ecosystem connect (hosted on T3 Innovation Network)
- [AACRAO: Digital Credentials: Comprehensive Learner Record/LER Resources](#): Technical resources from the higher education records community
- [Verifiable Credentials Overview](#): Introduction to technical standards for digital credentials that can be cryptographically verified, enabling trusted sharing of skills and learning records
- [U.S. Chamber Foundation T3 Innovation Network](#): Comprehensive resource hub including the LER Hub, T3 LER Pilot Community, and Network Project Showcase - providing technical standards, pilot

programs, and collaboration opportunities for organizations implementing digital credential systems. Includes resources like:

- [Data Ecosystem Schema Mapper \(DESM\)](#): Tool for mapping and aligning different data standards
- [Competency Framework Extraction Module \(CFEM\)](#): Converts unstructured competency data to machine-actionable standards

Building Credentialing Platforms

- [Digital Promise: Pathways Unlocked Toolkit](#): Step-by-step resource for project teams creating credentialing platforms
- [Velocity Network Foundation: Transforming Healthcare Credentialing](#): Industry-specific example of credential verification and portability
- [Digital Promise: Micro-credential Platform](#): Competency-based micro-credentialing system with assessment infrastructure and Open Badge technology

Learning About Incremental Credentialing

- [Credential As You Go Dictionary](#): Comprehensive glossary defining key terms, concepts, and context for incremental credentials, stackable credentials, and related terminology
- [U.S. Chamber Foundation “The New Data Paradigm”](#): Framework explaining the transformation from traditional credential-based to skills-based data systems, helping organizations understand and navigate this shift

Making the Business Case for Skills-Based Approaches

Whether you’re trying to secure executive buy-in, allocate resources, or demonstrate value to stakeholders, these resources help you articulate why skills-based approaches matter and what benefits you can expect.

For Employer Leadership

- [Aspen Institute: Messaging Guide - Making the Case for LERs with Employers](#): Communication templates and talking points specifically for employer audiences
- [Aspen Institute: From Should to Will - Getting Concrete About the Benefits of LERs](#): Practical benefits and ROI arguments for Learning and Employment Records
- [Burning Glass Institute and Harvard Business School: Skills-Based Hiring - The Long Road from Pronouncements to Practice](#): Research on what actually works in moving from policy statements to implementation

For Small and Mid-Sized Businesses

- [UpSkill America at Aspen Institute: Prioritizing Small and Midsized Businesses](#): Early lessons specifically for skills and credentials leaders working with SMBs
- [Jobs for the Future Skillful Talent Series](#): Free online training modules in skills-based talent management and hiring practices specifically designed for HR professionals, recruiters, and hiring managers at small and midsize businesses

Understanding the Benefits

- [Brookings Institution: Going Digital - How LERs Shape Access to Quality Education and Jobs](#):

Research on broader economic and equity impacts of digital credentials

- [Work Shift: What's in Your \(Skills\) Wallet?](#): Accessible explanation of the value proposition for skills-based systems

Public Awareness and Communications

- [Opportunity@Work Look to the STARS](#): National public service advertising campaign featuring real stories of workers Skilled Through Alternative Routes (STARS). Includes PSAs, social media content, and advocacy materials from a coalition of 50+ organizations

Engaging and Supporting Employers

Employer adoption is critical to skills marketplace success. These resources help you understand employer perspectives, overcome barriers, and design engagement strategies that lead to real practice change.

- [Aspen Institute: Employer Engagement in Learning and Employment Records](#): Strategies for recruiting employers to adopt LER systems
- [Aspen Institute: Creating Clear Messages - Early Lessons for LER Leaders](#): Communication best practices from early implementers
- [Northeastern University and Grads of Life: Microcredentials and Hiring](#): Research on how employers perceive and use microcredentials in hiring decisions
- [Education Design Lab: 2025 Skills Validation Market Scan](#): Overview of emerging practices and tools for validating skills, helping you understand what employers are seeing in the market
- [Aspen Institute: The Case for Validated Skills – What Employers Want and Need](#): Employer perspectives on skills validation and verification needs

Designing for Equity and Inclusion

Skills-based systems can either reinforce existing inequities or create new pathways to opportunity. These resources help ensure your implementation opens doors rather than creating new barriers.

- [Digital Promise: Learning Transition Design Principles for LERs - Co-designing for Equity](#): Framework for building equity considerations into LER design from the start
- [Digital Promise: Why Co-designing LER Technologies is Best Practice](#): Case for participatory design approaches that center user needs
- [Jobs for the Future: Digital Learning Records Make the Job Market More Equitable and CBOs Can Help](#): How community-based organizations can ensure LER systems serve underrepresented populations
- [Credential As You Go: Diversity, Equity, and Inclusion in Incremental Credentialing Playbook](#): Comprehensive guide for addressing DEI throughout the incremental credentialing process, with questions to consider and learner support strategies

State and Regional Implementation

For state agencies, governors' offices, and regional workforce boards leading skills-based initiatives, these resources provide models, policy frameworks, and peer learning opportunities.

- **[National Bureau of Economic Research Tearing the Paper Ceiling](#)**: Research examining the impact of state policies removing degree requirements on job opportunities and awareness, providing evidence for policy effectiveness
- **[National Governors Association: Skills-Driven State Community of Practice](#)**: Peer learning network for states implementing skills-based strategies
- **[National Skills Coalition: How Montana is Advancing Rural Workforce Solutions](#)**: Case study of state-level implementation in rural contexts
- **[SkillsFWD: FWD THINKING - First Year Research and Discovery Report](#)**: Synthesis of key findings from year one of SkillsFWD research, including state and regional insights
- **[Credential Engine State Roadmap and Action Guide](#)**: Step-by-step guidance for state agencies developing comprehensive credential transparency and recognition systems
- **[U.S. Department of Labor WIOA Unified State Plan Template](#)**: Framework for states to align workforce development, education, and economic development activities under the Workforce Innovation and Opportunity Act

Staying Current: Research and Field Updates

The skills-based field is evolving rapidly. This resource can help you stay informed about emerging practices, research findings, and lessons learned from early implementers.

- **[Skills Scoop Newsletter](#)**: Regular updates making LERs accessible, understandable, and impactful

Key Resource Hubs

- SkillsFWD Resources: <https://www.skillsfwd.org/resources>
- Credential As You Go Tools & Resources: <https://credentialasyougo.org/tools-and-resources/>
- T3 Network Project Showcase: <https://www.t3networkhub.org/project-showcase>
- Digital Promise Resources: <https://digitalpromise.org/>
- Learn & Work Ecosystem Library: <https://learnworkecosystemlibrary.com/>

Acknowledgements

FSG conducted a robust landscape analysis drawing on interviews with national and regional workforce leaders, employers, and community practitioners to understand how local skills marketplaces are being built and sustained across the United States.

We are grateful to the following organizations for contributing their expertise and on-the-ground experience to this work:

- **Aspen Institute (UpSkill America)**
- **Big Thought**
- **Business Roundtable**
- **Business-Higher Education Forum**
- **Business Leaders United**
- **California Labor and Workforce Development Agency**
- **Cara Plus / Cara Chicago**
- **Center for the Future of Arizona**
- **Colorado Workforce Development Council**
- **Digital Promise**
- **Eastern Washington University**
- **Jobs for the Future**
- **National Association of Workforce Boards**
- **National Governors Association**
- **National League of Cities**
- **NPower**
- **Opportunity@Work**
- **Responsible Business Initiative Justice**
- **SHRM Foundation**
- **Trusted Learner Network, ASU**
- **U.S. Chamber of Commerce Foundation**
- **WestEd**
- **Western Governors University**
- **WorkLife Partnership**
- **World Education**

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