WORK TRENDS RU

John J. Heldrich Center for Workforce Development

Transcript
Episode 12: Margo Chaly

Podcast Introduction *(music playing)***:** Welcome to *Work Trends RU*, presented by the Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey. In each episode, we speak with experts, policymakers, and thought leaders about the issues affecting work, education, and the economy - exploring job market trends, economic challenges, and how innovations like AI are shaping the future of work.

Join us as we discuss the evolving landscape of work and education on *Work Trends RU. (music ends)*

Carl Van Horn: Welcome to Work Trends, RU. I'm Carl Van Horn, professor at Bloustein School at Rutgers University and director of the Heldrich Center for Workforce Development. Today we're pleased to have with us Acting Secretary of the Office of Secretary of Higher Education, Margo Chaly. Welcome to the podcast, Margo.

Margo Chaly: Good afternoon, Carl. Thank you so much for having me today.

Carl Van Horn: Now, you were nominated by Governor Sherrill to lead this office. And it's really the state's principal organization that develops strategies for advancing higher education in the state and overseeing public and private institutions. And those enroll thousands and thousands of students. They range from very large, like where I am at Rutgers, to much smaller ones. I think of Georgian Court, for example, which is a tiny school in the south of the state, and a lot in between. So, although this may be difficult, I'm going to ask you to tell us two or three of the most important challenges that you think higher education is facing in the coming five to 10 years.

Margo Chaly: Thank you so much, Carl. This is really where the entire conversation begins and the direction for our team throughout the course of this administration to address these opportunities actually is what I'll call them.

I'll highlight three of those opportunities that we will be addressing in the coming months and years of this administration. That includes demographic changes, financial pressures, and the evolving student and workforce demands reshaping higher education right now.

Starting with the first, we can do a little deep dive. This demographic shift could exacerbate enrollment pressures.

We're all familiar with the pool of traditional college-age students coming right out of high school is growing smaller, but it means we can continue to be disciplined and intentional about the way higher education is serving adult students, transfer students, the non-traditional student, students who are working, students who are parents. And then enrollment decline won't be fait accompli, given the evolving and increasing diverse profile of today's college student. And we are really doing tremendous work on this issue already in our office. The Some College No Degree initiative has already recruited more than 15, one five, thousand students back into our institutions right here in the Garden State. And of those, 1,900 graduated. Now, it's a tremendous initiative. It does take a lot of focus and detailed work. Some of the data on this is that it can take 34 touch points with an individual to get their interests, get them engaged, and then have them back in the classroom. But we will continue forward with those efforts in collaboration with our higher institutions.

There are financial strains across the board. We're aware of those as well. But we have an incredible tool at OSHE, which is the shorthand for our office, the Office of Secretary of Higher Education. The Financial Assessment and Risk Monitoring Framework, which is a recent authority established in our office, helps us track institutional health and broader trends to identify risks early and support informed decision-making with our institutional leaders. And this monitoring has identified a few trends already that the institutions are facing. Cost control, revenue growth, and those enrollment declines we just talked about, are three of the biggest factors right now driving challenges to long-term financial outlook and health of our institutions.

But, already we have success we can report back on. Working with these institutions and their financial teams, we are a resource and we are seeing positive impacts with the institutions more proactively looking at their finances and taking prudent steps like paying down debt and raising their hand to get our attention to say, “OSHE team, we want to make sure we satisfy the metrics in the next round of your review. Are we making progress in that direction? Can you help us? What's some recommendations?”. So, we are really thrilled that our work is working and this engagement has increased over the just very limited few years we've done this financial assessment and risk monitoring oversight through our office. And so, all of these economic and social factors are changing, but the value of a college degree does not.

So, a challenge is an opportunity, and we are set to address and tackle them in collaboration with our institutional partners and various stakeholders to make sure we continue to amplify the value of a college degree.

Carl Van Horn: You addressed a couple of the key narratives that are out there in the media very well, but one of the questions that follow up from that is, do you think that OSHE has the tools to help higher education institutions, because many of them are struggling, especially the smaller ones. You also talked about the long-term capital issues and some of our institutions have had to be folded into others. So, from a standpoint of managing from the state level, do you think you have the tools to do that at this point, or do you think you need more legislation or other actions to improve your capacity to help those institutions navigate the difficult environment you're already outlined?

Margo Chaly: Yeah, that's a fantastic question. I'm happy we can talk about this because we have some real time updates we can share. We're not announcing for the first time, but this is another forum to share these tools. This path forward to greater resilience and sustainability, specifically on the fiscal side, includes stronger collaboration between institutions and sectors and our office. And we're excited because this fiscal year, FY26, we have $1 million in our state budget to initiate a study on mergers and consolidations with a national expert who's been in this space. And so, we completed a fully competitive procurement process, we now have a consultant on board, and we expect to have different milestones to report out on the progress. But this consultant will help us examine approaches to partnerships, shared services, program alignment to provide tailored insights to New Jersey that come from ongoing discussions about strategies to strengthen long-term higher education sustainability. We are unique in New Jersey in that we are a decentralized higher education system, but we are not unique in terms of the challenges that are happening nationwide. And so, to be able to work with this consultant to provide incredibly detailed insight from the national perspective, how it will best be implemented here in New Jersey, and the “it” being the recommendations. We are not hiring a merger consultant to come into New Jersey and say, “These institutions, please come together and merge and this is the path and there's no other conversation”. This is a study to identify all the other options that can support the institutions first.

Carl Van Horn: One of the related points is the question of whether competition between institution is good or not so good or bad. Is there a role for the office in dealing with that issue of competition, when it's good, when it's not good, for the institutions and for the students that are applying for them?

Margo Chaly: I think we can go back to the first part of the conversation, right, and that there are other pipelines of students. Frankly, you and I are both potential student recruits, right, lifelong learners. And there are individuals who are working in sectors that are evolving and those employees need to go back to school to learn a new skill or additional skills or obtain an additional or new credential. And that will happen in real time and the first place they're going to go are institutions, especially and including our community colleges throughout the state, which are excellent re-entry points to the academic journey, especially if you’ve been out of the academic process for a little while.

And I also want to say that the enrollment or recruitment shouldn't be as bleak. We also need to consider in New Jersey that this is a destination for employees. So, you have people relocating into New Jersey for our incredible sectors of pharma, life sciences, tech, finance, and soon to be the, the Hollywood production East Coast, right? We know we have Netflix coming into New Jersey. And all of these sectors will bring employees from around the nation and those employees will bring their families and they will come and live in New Jersey and their young children will be part of our K through 12 system and then there'll be additional students to take on into our colleges and universities as well as the parents, the employees themselves who may be looking to re-skill and up-skill.

So, in terms of program development, I do think we want to make sure we are being expeditious in our program development that is responsive to the changing needs of the workforce. So, we will continue to work with our partners at the institutions to make sure that process is happening effectively and efficiently and quite quickly to stand up programs to meet the needs of our workforce.

Carl Van Horn: One of the other narratives, of course, I'm sure you're familiar with is that too many people are leaving New Jersey to go somewhere else for college. Is that a problem or is that a benefit?

Margo Chaly: This is an excellent opportunity for me to throw some data into this conversation of outmigration. And, first, we can start with 60% of our high school graduates here in state actually stay in New Jersey to attend our institutions, our colleges and universities. And those who leave, the 40%, might be for an exceptionally specific reason - an athletic opportunity that might be offered out of state, a special institution, for example, a historically black college or university, or just a desire for the child to leave and, this being moderate to high income state, some families can support that journey and that traveling of that student.

But the reality is 60 % of our incredibly trained high school students coming out of the number one K through 12 state in the country. They are attending our colleges and universities. They are thriving, they are successful, and they are part of the incredible alumni networks at each of these institutions. So, I just want to be mindful that those students in our schools who've come up through the Garden State for their primary, secondary, and post-secondary education, are the best and the brightest in the country.

Carl Van Horn: What are some of the other ways in you think OSHE can provide guides and support for this very diverse set of private and public institutions in the state?

Margo Chaly: I'm thrilled because it starts from the top and our leader, Governor Sherrill, really set the tone early at her inaugural address when she talked about economic opportunity, the fact that New Jerseyans worry about whether their children will be able to build a life in this state, and the idea that if you work hard, you should able to get ahead. And so higher education, going to a college or university here, is central to delivering on this promise of opportunity. Our institutions build the workforce in this state. So, not only is college education a key tool for individual success and economic mobility, it also uplifts communities and produces the ideas and innovations that drive our collective process. So, at OSHE, we do incredible work to build up the support students and families need to access and succeed in college. And the key here is outcomes. We are extremely focused on student outcomes, which are increasingly varied by field of study, occupation, and we want to continue to deliver on that value for students that I talked about. And so, we are aligning education and workforce to ensure our institutions produce graduates that are adaptable, skilled, and connected to career pathways that they are day one ready to start their job after graduation. And so, as part of this administration, I'm happy to have a chance to talk briefly about my vision, which is to continue a clear and ongoing focus to reach, retain, and ready New Jerseyans to earn a meaningful degree that connects directly to the jobs our state economy needs and to provide these graduates with life-sustaining wages.

So, I'll just very quickly run through those three pillars, starting with the reach, which is outreach, effectively, and recruitment, and making sure that New Jerseyans not only can afford college, but ensuring that it's within reach if they stopped out.

So, we talked about the Some College No Degree initiative. We want to continue to work with our partners at the Department of Education for dual enrollment and early access programs like Gear Up and College Bound and College Readiness Now, which help high school graduates from underserved backgrounds be ready for college. This way that is all part of the affordability and access priority of Governor Sherrill and this administration.

Our second big pillar for this term is retention, because access without completion isn't enough to translate into a degree. So, we are doubling down on our wraparound supports, financial, academic, and wellness with comprehensive suite of programs continuing to administer the Educational Opportunity Fund, EOF, one of the premier student support programs in the nation. And we know EOF works with, after 60 years, we just had a record number of EOF graduates being honored at their awards ceremony. It's a fabulous number. I'd like to share it here, 1,977 graduate honorees through the EOF program and the class of 2026 is nothing to shake a stick at. So, we are incredibly proud of those students and what comes next for them, many of them who will continue with their education into graduate programs and begin their careers right away, all of which is incredibly successful for them and their families.

But in this vision and approach and how we're tacking our work this year, it's this readiness that we just pivoted from and ensuring our students graduate with clear career pathways and advancement. And this will really be an exciting opportunity to recognize some of the partnerships that our institutions are already engaging in with industry, with businesses, mostly in the private sector, but in other sectors as well, including some of our sister government agencies and nonprofits, to have real world experience for students while they are in college, from internships and apprenticeships so they know how to be ready and prepared employees after graduation.

And so, continuing on with Governor Sherrill's, priorities of being transparent and accountable for results, we will focus on outcomes throughout this administration. And there are some incredible tools that we can leverage and continue to enhance. I know you're very familiar, of course, Carl, with the statewide data system based in Heldrich and this is an opportunity for us to understand earnings for graduates after they complete their education. We know there are some opportunities to improve some of that data sharing, right? Right now, we're looking at wages for individuals in state and we know the reality is sometimes our college graduates will work at our neighbor states like New York and Pennsylvania. We want to make sure we share data across state lines as well to understand how our students are succeeding after they walk across the stage with their diploma and have their degree in hand.

So, plenty to focus on, but it all starts with outcomes and student success.

Carl Van Horn: If it's okay with you, I'd like to pivot to a different part of our conversation, which is something I ask everybody about on this podcast, which is, what was your first job, paid job, when you were a teenager or a young adult?

Margo Chaly: Oh, I love this. And I love to talk about three different, I've been working since I was probably 12 or 13 years old. And it starts like for many others, down the street babysitting for a family with four children. And I don't know really why four children were left with a 12-year-old *(laughs)*, but they were. And the benefit from that gig was learning how to talk about money and how to invest. And I am incredibly grateful for the opportunity my parents gave me. And the rule went like this. When I came home from a babysitting shift, if I earned 20 bucks, they said, "Well, you can go and spend your 20 bucks at the mall", because I am a Jersey girl after all, "Or, you can put that $20 in a savings account and actually we'll will match you 50%.

So, do you want $20 at the mall or do you want $30 in the future?”. And the math worked for me, so I saved all my money. And that was an incredible opportunity early on to talk about financial responsibility, accountability, and I'm incredibly grateful for that.

The two other roles I'll talk about very briefly were as a camp counselor when I was around 15 years old, over the summer for a few years. And talk about supervisory experience. When you have to get seven-year-olds to walk in a straight line or not jump into the pool until the lifeguard is in the chair *(laughs)*, that really teaches you how to be a captain and a leader, and you know, seven year olds are not always as diplomatic in their requests and demands of you. So that was an interesting experience as well.

And then finally, all throughout high school, I was a waitress in my hometown. And it was a thriving restaurant, always very, very busy. And it taught me to, one, make sure homework was done. So, there was discipline there, right? Homework was done before you could go work and do your shift, but also, there is nothing like working in a restaurant to learn about customer service. You cannot keep a hungry patron waiting for their breadbasket or their dessert and anything in between. And so, customer service is extremely important to me, which now translates into different roles I've had throughout my career as the user experience, right? Is the app aligned on your phone to make sense? Is it convenient? What does our website look like? What is a process? And are there any hurdles or barriers in a process? Is there red tape we can cut? And I've found my team here with the Sherrill administration because this group under her leadership is absolutely relentlessly committed to making sure our state programs are easy to access and the red tape is removed so that our residents can be efficient beneficiaries of our services.

Carl Van Horn: Thank you for sharing that with our audience. We wish you the best of luck and achieving the ambitious goals that you've outlined today.

Margo Chaly: Thank you so much. We are thrilled to get to work and serve the college students of New Jersey.

Podcast Close *(music playing)*: Thank you for joining us on today's episode of *Work Trends RU*, where we explore the issues affecting the future of work, education, and how the workforce can be better supported by both the public and private sectors. Tune in next time as we continue our conversations on the evolving landscape of work and education. *(music ends)*