

Unlocking Career Potential

An Analysis of the Career Navigation & Guidance Product Landscape



Entangled Solutions

Content Outline

1. The Current State
2. Three Pillars of Career
3. Career Navigation Cycle
4. Product Market Insights
5. Designing for the Future





The Current State

Five Key Trends

Trends in the education-to-career landscape that both fuel the rise of career navigation products and create many of their barriers.

1 Although young people want college to lead to a good job, they no longer believe it actually prepares them for careers.

- Only a third of students believe they will graduate with the skills they need to be successful in their careers.
- 41% of recent graduates and 34% of all graduates are underemployed.
 - These numbers are much higher for women and Black Americans.
- Only 26% of working adults with college experience strongly agree that their education is relevant to their career and day-to-day life.

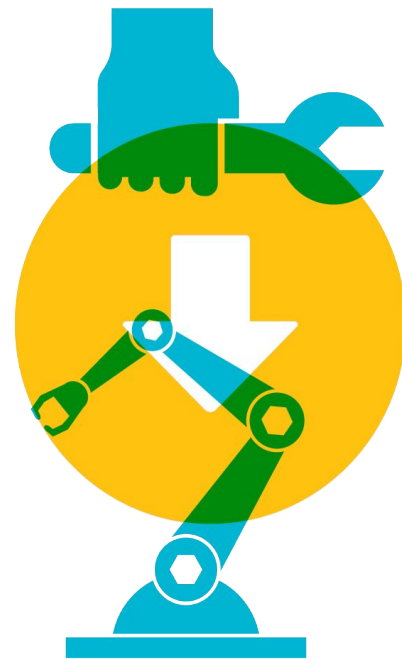


Five Key Trends

Trends in the education-to-career landscape that both fuel the rise of career navigation products and create many of their barriers.

2 Labor market demands and economic needs are shifting rapidly.

- Skills today lose half of their relevance within just five years.
- One-third of workers may need to learn new skills and find work in new occupations by 2030.
- Only half of HR leaders nationally say a degree is a “fairly reliable” representation of a candidate’s skills and knowledge.
 - A majority of employers are actively transitioning to or exploring skills-based hiring.
- Changes are even more profound due to coronavirus.



Five Key Trends

Trends in the education-to-career landscape that both fuel the rise of career navigation products and create many of their barriers.

3

The K-12 space remains focused on college-going or career prep as either/or, rather than pairing the two, and advising is vastly under-resourced.

- Only 8% of high school students finish both a college-ready and a career-ready course sequence.
 - Only another 13% complete a career-ready sequence alone.
- The average student-to-counselor ratio is 491:1, almost double the recommended ratio of 250:1.
- 1.6 million students in elementary, middle, and high school attend a school with a sworn law enforcement officer, but no school counselor.
 - This disproportionately impacts students of color.



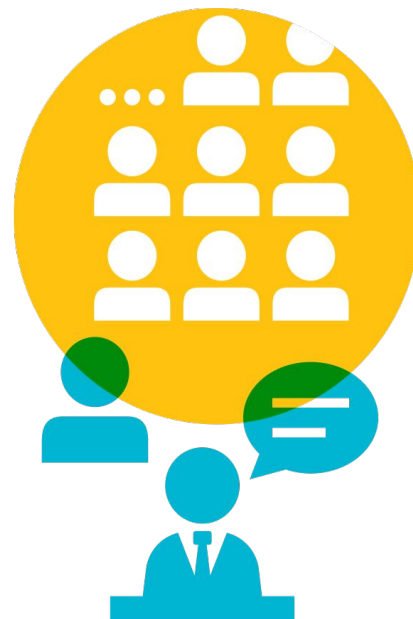
Five Key Trends

Trends in the education-to-career landscape that both fuel the rise of career navigation products and create many of their barriers.

4

Colleges have dedicated career services offices, but they too are typically under-resourced, siloed, and underutilized.

- Fewer than 20% of undergraduates use their career centers for job seeking and advice.
- Those that do are equally likely to say their experience was “not at all helpful” as they are to say it was “very helpful” (both 16%).
- The median student-to-staff ratio is ~1,800:1.
- Only \$35,000 is available in the median operating budget for non-personnel expenses.



Five Key Trends

Trends in the education-to-career landscape that both fuel the rise of career navigation products and create many of their barriers.

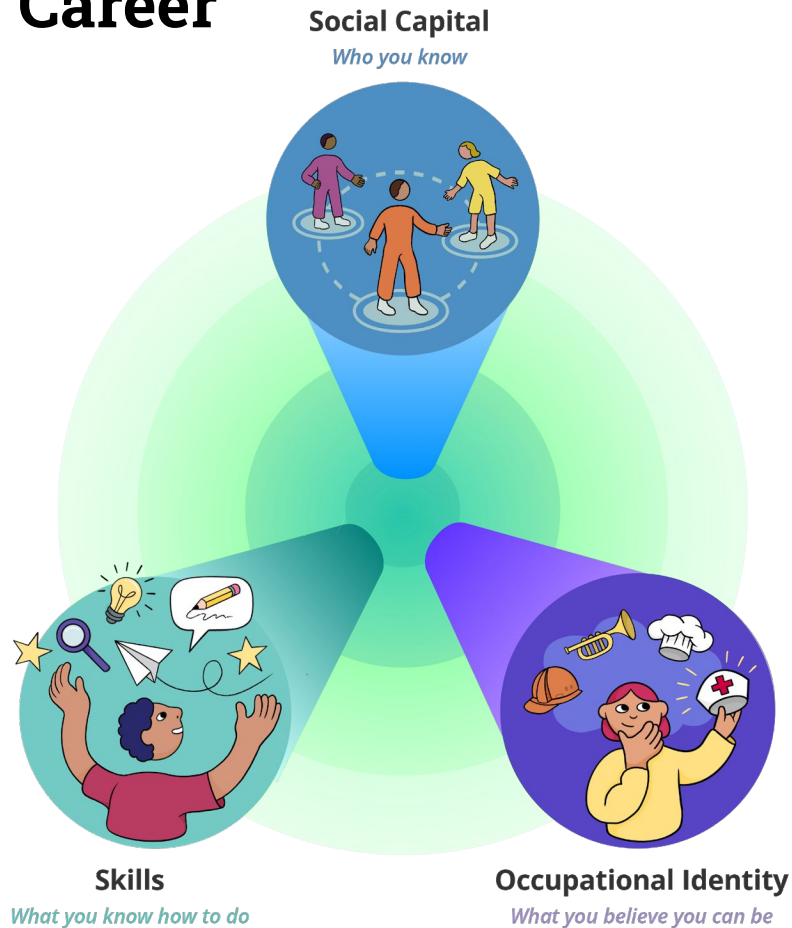
- 5 Career-ready skills are necessary, but not sufficient.
- Closing skills gap critical, but developing new models for teaching these skills is only one part of the equation.
 - Educational processes must also help learners develop occupational identities and build social capital.





Three Pillars of Career

Three Pillars of Career



Social Capital

Who you know

Social Capital - the breadth and depth of relationships people have access to

- It plays an outsized role in learning about opportunities and landing jobs.
 - 8 out of 10 jobs are never publicly advertised.
 - Referrals make up 40% of new hires, though only 7% of job applicants get personal referrals.
- Schools and colleges aim to level the playing field, but there's no barometer for whether they're successful.



“A child’s network—her reservoir of social capital and ability to bank on that capital—remains largely determined by the random luck of the family and the circumstances into which that child was born.”

Julia Freeland Fisher

Director of Education, Clayton Christensen Institute and co-author of *Who You Know: Unlocking Innovations That Expand Students' Networks*

Occupational Identity

What you believe you can be

Occupational Identity - what students like to do, what they believe they are good at, and where they feel they belong

- It is heavily influenced by social capital and shaped through trusted adults, academic experiences, peers, and media.
- Identity evolves throughout childhood, adolescence, and well into adulthood.
 - Adolescence is a “sweet spot” for occupational identity formation, which is perhaps most malleable in middle school.



The Cosby Show, despite later controversy, had an impact on millions of Black youth by depicting a Black couple in which one spouse was a doctor and the other a lawyer.

“I didn’t think that was a thing. I didn’t believe that because I didn’t see it. To this day, in my hometown, that does not exist...Young people believe what they see is possible.”

Dr. Sheneka Williams
Associate Professor, University of Georgia

Skills

What you know how to do

K-12, postsecondary, and workforce and hiring systems aren't well-designed to help learners both **develop in-demand skills and translate them to the world of work.**

- Improving career navigation would help more learners see how their experiences translate to their larger career goals.
- This need is particularly acute around soft skills like communication, critical thinking, and creativity.
- An emphasis on actual knowledge and skills over proxies like degrees could increase equity in the hiring process.



“The skills that matter most now and into the future are ‘human’ skills that can’t be performed by machines. We need better ways for students to understand, develop, and translate those skills into the language of the labor market.”

Michelle Weise

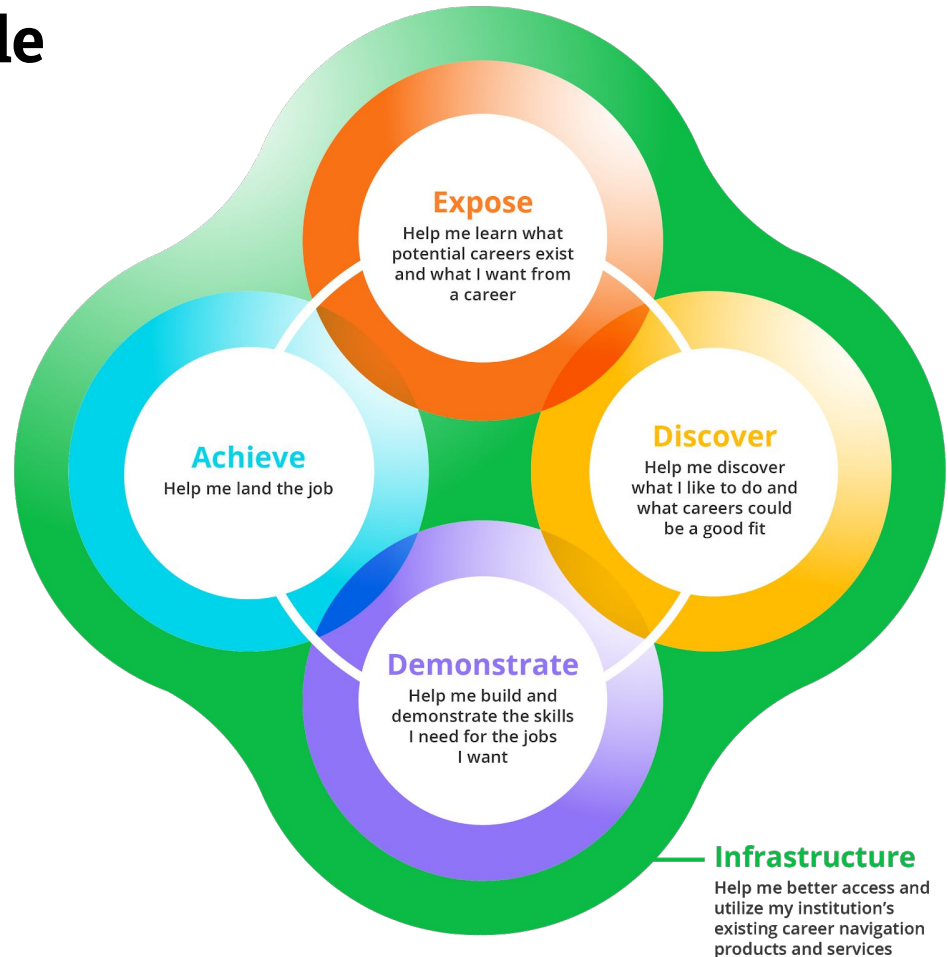
Chief Innovation Officer, Strada Institute for the Future of Work



Career Navigation Cycle

Career Navigation Cycle

- The emerging market of career navigation products addresses different aspects of the **Three Pillars of Career** and covers a range of functions that make up the **Career Navigation Cycle**.
- Each cycle category (Expose, Discover, Demonstrate, Achieve) plays a critical role, as do the Infrastructure products that underpin them.



Expose

Help me learn what potential careers exist and what I want from a career

Exemplar Products



Discover

Help me discover what I like to do and what careers could be a good fit

Exemplar Products

Major
Clarity

HATS & LADDERS



Demonstrate

Help me build and demonstrate the skills I need for the jobs I want

Exemplar Products

Riipen
KnackApp



Achieve

Help me land the job

Exemplar Products



vmock

pathrise



butterflyone



PeopleGrove

handshake



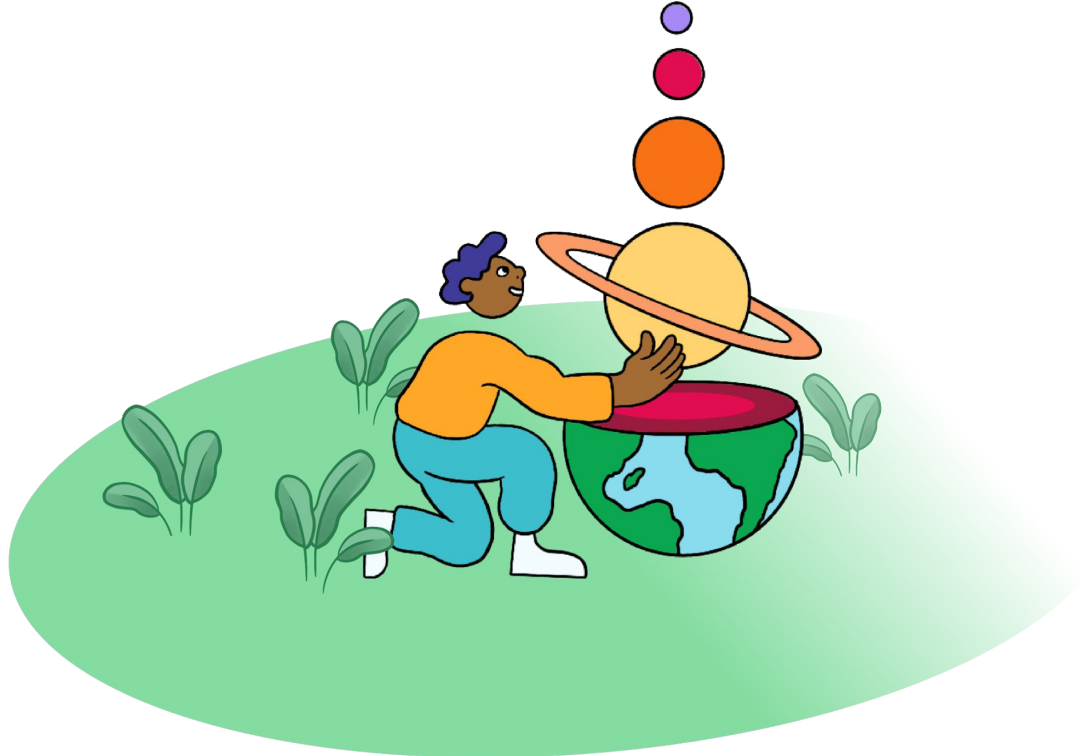
Infrastructure

Help me better access and utilize my institution's existing career navigation products and services

Exemplar Products

 Uconnect

 AdmitHub



How the Three Pillars Evolve over the Course of the Career Navigation Cycle

Outcomes	Expose	Discover	Demonstrate	Achieve
Social Capital <i>Who you know</i>	I have a large and diverse set of weak-tie relationships that allow me to understand what career opportunities exist and what those opportunities could mean for me.	I have relationships or information that can help provide guidance on whether and how to become a product manager.	I have people in my network who can vouch for the quality of my relevant work.	I have built connections that will enable me to be successful in this job and to transition to future jobs.
Occupational Identity <i>What you believe you can be</i>	I am developing an occupational identity that allows me to articulate my interests, passions, and aspirations.	I like doing the things people like product managers do, and I might want to be one.	I feel confident demonstrating my skills to employers.	I feel equipped to thrive as a product manager and other similar roles.
Skills <i>What you know how to do</i>	I know that big tech companies need product managers, design researchers, and software engineers, and that those are good jobs.	I know what product managers do and understand the skills I need to develop to perform that role.	I have acquired and can demonstrate the skills required for a product manager job.	I landed a job as a product manager.

The Infrastructure category wasn't included here because product functionality in this category usually involves supporting other products, rather than contributing to these outcomes directly.



Product Market Insights

Product Landscape Market Map

- 150 companies
- Segmented by Career Navigation Cycle category and primary payer
- While extensive, the map is not inclusive of all products, nor representative of all parts of the Cycle or possible payers



Product Landscape Insights Overview

Who Benefits and How?

1. Career navigation products put postsecondary first.
2. The Achieve category dominates the market and is growing.
3. Family, friends, and faculty are overlooked guides.

Who Pays?

4. Buying power influences product focus, and employers dominate.
5. Career services budgets in postsecondary are too small to support a venture capital-sized market, but that may be changing.
6. Most products are free for students—but those that require user payment can create equity issues.
7. Nonprofits have a disproportionate presence in K-12, which signals larger challenges in that market segment.

Market Insight Development Process:

Analyzed patterns and distributions across the market landscape, leveraging data on the 150 chosen products; used those distributions to describe the market, both quantitatively and qualitatively; noted how existing structures, funding avenues, and other incentives shape the market landscape and interact with the patterns at play.

Who's Not Talked About?

8. Product marketing, an important signal of focus, typically does not directly address diversity and inclusion (D&I).
9. Newer products are more likely to feature language focused on D&I.

When Career Navigation is Needed

10. High school and postsecondary are critical times for career navigation, but the cycle must start earlier—and the product market largely ignores that.
11. Career navigation isn't one-and-done, but the product market treats it that way.

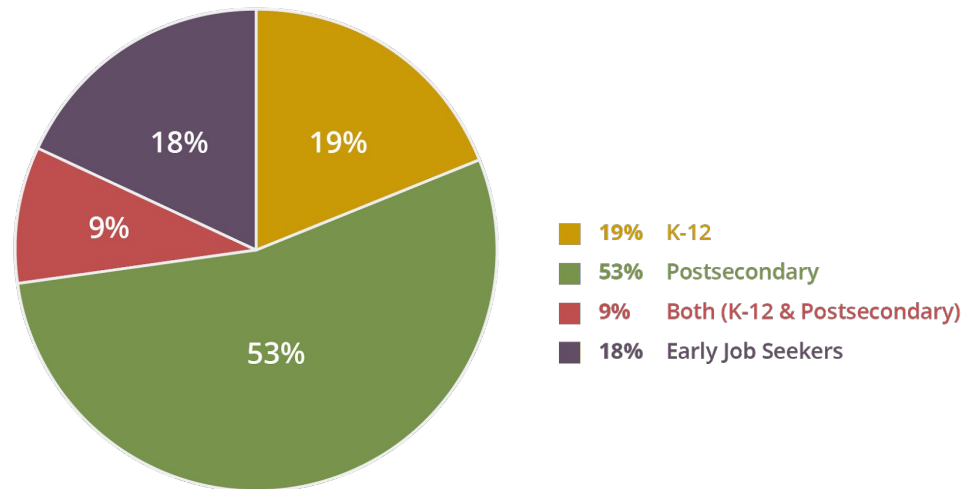
Room to Grow

12. The career navigation market is a nascent market and many products are still finding their footing.
13. Older legacy products in the K-12 segment may be hampering innovation.
14. Similarly, the Expose category—which largely serves K-12—is both underdeveloped and dated.

Who Benefits and How?

1. Career navigation products put postsecondary first.

- This disproportionate focus excludes millions of learners who stop at a high school education.
- No Achieve products serve K-12, which exacerbates lack of high school-to-career pathway assistance.



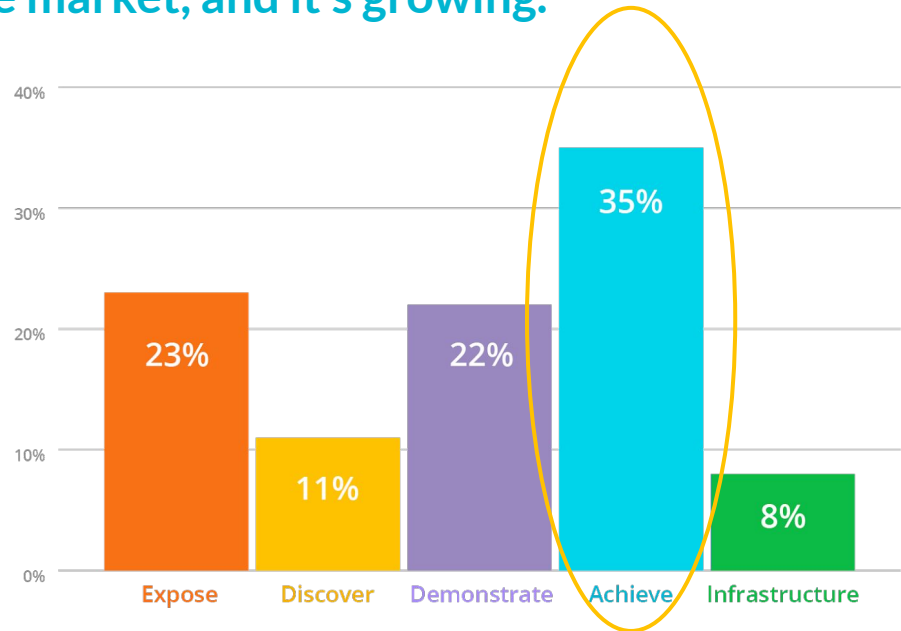
Distribution of products by the market segment they primarily target. The “Early Job Seekers” segment includes products targeted toward early-stage and entry-level career navigators. These are products not specifically targeted toward students, but that students (particularly college seniors) are using.*

*Though these percentages represent the entirety of our landscape distributions, the graphically presented totals in this paper may not add up to exactly 100% due to whole number percentage rounding.

Who Benefits and How?

2. The Achieve category dominates the market, and it's growing.

- Common discourse treats “landing a first job” as the primary, and often only, goal.
- Achieve category also makes up the majority (57%) of the largest and most well-funded products (those with \$30M+ in funding).
- Achieve category is growing even larger.
 - 46% of products added since 2015 are in the Achieve category.



Distribution of products by their focus within our defined framework categories.*

*Though these percentages represent the entirety of our landscape distributions, the graphically presented totals in this paper may not add up to exactly 100% due to whole number percentage rounding.

Who Benefits and How?

3. Family, friends, and faculty are overlooked guides.

- About half of current college students say they speak often or very often with faculty or staff about their future.
- Too few products are designed with an explicit focus on bringing in faculty.
- Almost all products ignore the role of family and friends.



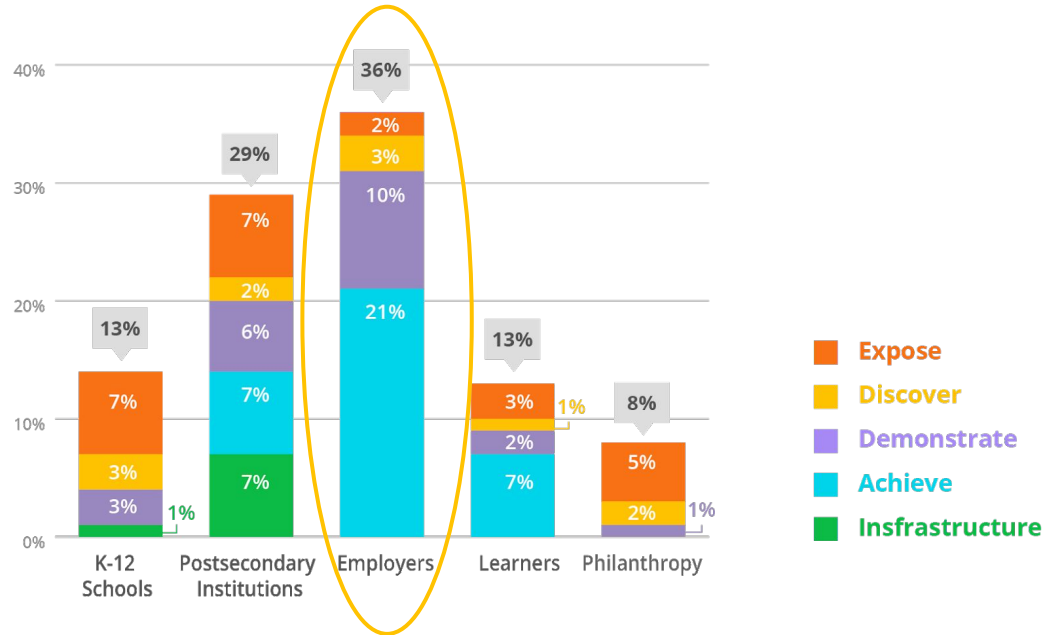
Riipen **MajorClarity**

Riipen and *MajorClarity*, for example, seek to increase student-faculty interactions at the postsecondary and K-12 levels, respectively.

Who Pays?

4. Buying power influences product focus, and employers dominate.

- Employers are primary payers, given their goals of bolstering talent pipelines and increasing brand recognition.
- With that focus, employers purchasing power centers around the Achieve category.



Distribution of products by primary buyer and framework category. While some products have multiple potential payers, our primary buyer segmentation distinguishes the product's main customer.*

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Who Pays?

5. Career services budgets in postsecondary are too small to support a venture capital-sized market, but that may be changing.

- Institutional need to prove a career-related ROI is beginning to incentivize greater investment in career services.
- Career services budgets are aligning with larger budgets in institutional advancement, student success, and central academic functions (e.g., the provost's office).
- Institutions like Wake Forest University and members of the University Innovation Alliance are leading the way.



Who Pays?

6. Most products are free for students, but those that require user payment can create equity issues.

- About 13% of products are paid for by the learners themselves.
 - Of those, more than half fall in Achieve category (interview prep, resume support, and other last-mile tools to help land jobs).
- Potential equity issues arise if only those who can afford the products can benefit.
- A few creative products like **Pathrise** use an ISA model to reduce cost barriers.



7. Nonprofits have a disproportionate presence in K-12, which signals larger challenges in that market segment.

- Because of a lack of vibrant high school-to-career pathways, employers are much less present in the K-12 product market.
- Philanthropy and nonprofits step in to fill the gap.
 - 79% of all nonprofit career navigation products serve the K-12 sector.
 - These products don't necessarily have the buy-in from schools to drive successful implementation.

Who's Not Talked About?

8. Product Marketing, an important signal of focus, typically does not directly address diversity and inclusion (D&I).

- Only 12% of companies directly discuss D&I in marketing material.
- Many products, however, do provide incremental to disadvantaged populations, even if they don't specifically target them.
 - For example, **Handshake** targets “every student,” but PayPal has connected with nine times more Black candidates and 14 times more Latinx candidates since it began using **Handshake**.

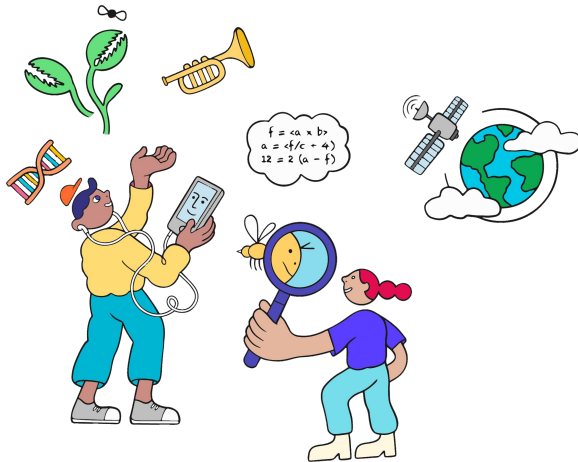
9. Newer products are more likely to feature language focused on D&I.

- Of the products with D&I focused marketing, 56% were established since 2015.
- This is consistent with a growing emphasis on D&I within education and hiring practices and is likely to continue.

When Navigation is Needed

10. High school and postsecondary are critical times for career navigation, but the cycle must start earlier—and the product market largely ignores that.

- To be most effective, career navigation (especially in Expose) should start in a robust and formal way by middle school.



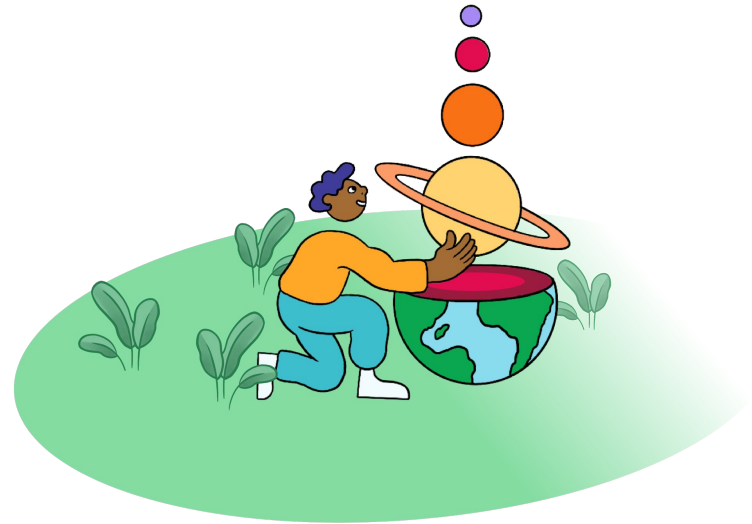
11. Career navigation isn't one-and-done, but the product market treats it that way.

- Expose products heavily target K-12, wrongly assuming this focus is already met once students enter college.
- Individuals should continue to develop and refine their occupational identity throughout life.
- The career navigation process should be iterative and nonlinear.

Room to Grow

12. The career navigation market is a nascent market, and many products are still finding their footing.

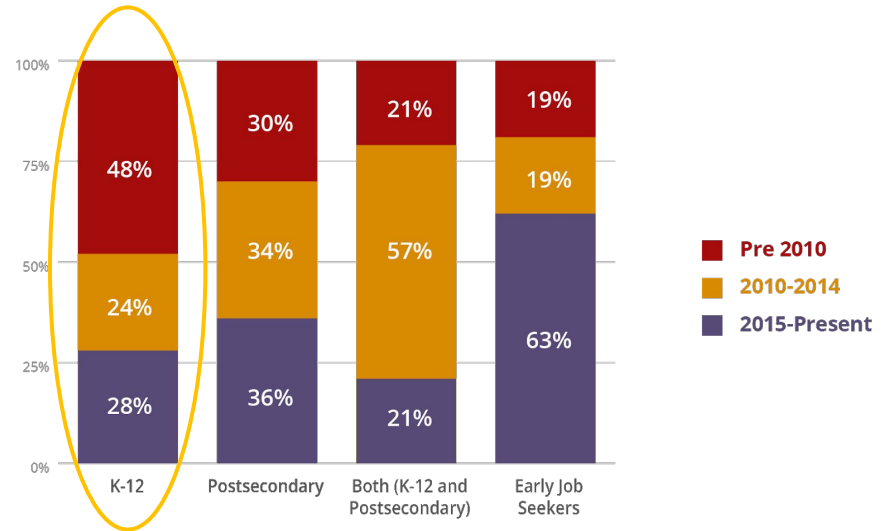
- The majority of products have fewer than 20 employees and less than \$1M in funding.
- With high product churn, several market map products may no longer exist by next year.
- The landscape is underdeveloped, largely due to K-12 and postsecondary budgetary constraints.
 - Incentives shifting budgetary focus include the rising cost of college, widening skill gaps, and performance-based funding.



Room to Grow

13. Older legacy products in the K-12 segment may be hampering innovation.

- Almost half (48%) of K-12 products came on the market before 2010.
- Long sales cycles and high switching costs enable legacy players to maintain market dominance without continuous innovation.



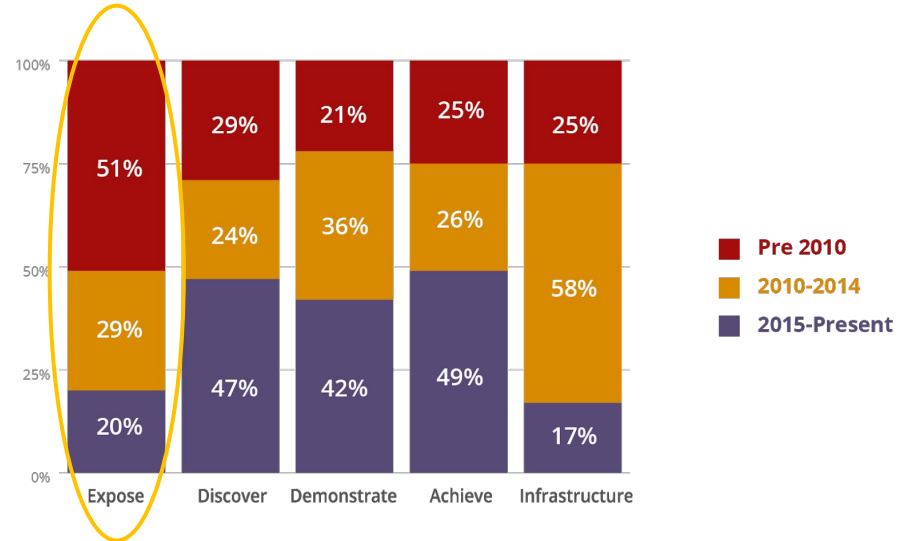
Distribution of products by targeted market segment and founding year range.*

*Though these percentages represent the entirety of our landscape distributions, the graphically presented totals in this paper may not add up to exactly 100% due to whole number percentage rounding.

Room to Grow

14. Similarly, the Expose category—which largely serves K-12—is both underdeveloped and dated.

- More than half (51%) of Expose products came on the market before 2010.
- Many of these include long-standing career personality assessments which pre-date assessment technology research from the past 20 years.
- There is likely significant room for positive disruption within the Expose category.



Distribution of products by framework category and founding year range.*

*Though these percentages represent the entirety of our landscape distributions, the graphically presented totals in this paper may not add up to exactly 100% due to whole number percentage rounding.



Designing for the Future

Designing for the Future - Three Levers for Change

1

Demand

How might we shift demand to reflect the importance of career navigation in a learner's trajectory?

2

Quality

How might we create evidence-based solutions for the most pressing career navigation and guidance challenges, and incentivize their use?

3

Innovation

How might we support new approaches to supplement, adjust, or replace current ones in order to improve outcomes for underrepresented students?





Demand

How might we shift demand to reflect the importance of career navigation in a learner's trajectory?

Key Barriers to this Future

-  Incentive misalignment
-  Hidden product market
-  Unknown product quality
-  Lack of mindshare



Design Solutions for the Future

-  Seed and diversify demand
-  Shift incentives
-  Increase awareness and information
-  Scale distribution




Quality

How might we create evidence-based solutions for the most pressing career navigation and guidance challenges, and incentivize their use?

Key Barriers to this Future

-  Unknown product quality
-  Insufficient labor market data

Design Solutions for the Future

-  Support product implementation research and development
-  Promote research-based practices and products
-  Build open source assessments

Innovation

How might we support new approaches to supplement, adjust, or replace current ones in order to improve outcomes for underrepresented students?

Key Barriers to this Future



Business models



Last-mile mindset

Design Solutions for the Future



Attract patient and public capital



Reduce innovation friction



Create new incentives

To access the full white paper, please click [here](#).

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Supporters

We are very grateful to the Bill & Melinda Gates Foundation for supporting this work. We are especially thankful for the support of the following:

Nazeema Alli
Ivan Barrow
Jaymes Hanna

Reviewers

Mahnaz Charania
Julia Freeland-Fisher
Michael Horn
Michaela Leslie-Rule
Jeff Selingo
Noah Sudow

Mei-Yen Ireland
Emily Lockwood
Bill Tucker

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April 2020



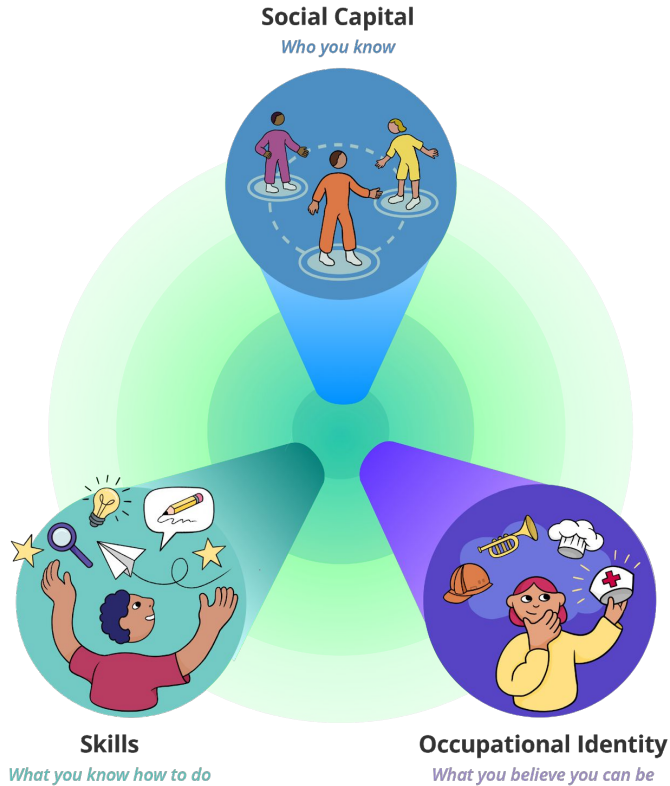
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Appendix:

The two principle frameworks developed through this research

Three Pillars of Career



Career Navigation Cycle

