

Workforce Pell and Wage and Occupation Data: An Opportunity for Advancement

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The expansion of Pell Grants to cover short-term workforce training programs in higher education institutions has the potential to make more postsecondary pathways affordable for millions of workers. To ensure that this goal is met, states and institutions must partner on a range of decisions from assessing programs' eligibility for participating in Workforce Pell to determining student outcomes with verified data.

Statewide longitudinal data systems (SLDSs)—systems that bring together data across the P–20W spectrum from early childhood through K–12, postsecondary, and workforce—are the essential infrastructure for this work, providing the cross-agency links necessary to prove that these programs actually lead to family-sustaining wages. By leveraging these systems, states can move beyond siloed reporting to create a clear picture of student success, ensuring that the federal investment in Workforce Pell translates into real economic mobility for every learner.

Data is Essential to Implementing Workforce Pell

This program has the potential to make more postsecondary pathways affordable for millions of workers, but data is essential to making that goal a reality. The negotiated rulemaking about how to implement short-term Pell achieved consensus, requiring administrative data be used by both states and participating institutions. States will require high-quality data from both education and workforce agencies to successfully implement Workforce Pell, presenting an exciting opportunity for states to invest in modernizing, expanding, and improving their state data systems and how they are governed.

There will be an initial three-year "grace period," but in 2029, states will be required to determine that the Workforce Pell recipient was placed in an occupation related to their program or in a comparable high-wage, high-skill, or in-demand occupation. As a result, states need to develop both short-term and long-term data-driven strategies for assessing occupation and wage data for program participants.

Existing Wage and Employment Data at the State Level

The draft language from the negotiated rulemaking establishes strong accountability metrics, requiring a 70 percent completion rate and a 70 percent job placement rate. An initial three-year grace period will only require evaluating a completer's general employment, but by 2029, seven out of 10 graduates must secure jobs **directly related to the occupation for which the program provided training**. The goal of these accountability measures is to ensure students are well served by their programs and have positive wage and employment outcomes in their chosen field.

However, to evaluate these accountability metrics, states will need wage and employment records that include the necessary data points. While states do have access to some data about individuals' employment, that data has significant limitations even in the most data-rich states.

Unemployment Insurance Wage Data

Unemployment insurance (UI) programs are federal-state partnerships that provide temporary unemployment compensation—a portion of lost wages—to eligible workers who have lost their jobs. To administer these programs, states collect data on workers' identities and wages from covered employers. States collect this data—often referred to as UI wage data—quarterly and it typically includes information on worker identity, employer, and gross wages. It is also collected in arrears, lagging by two quarters of the year. Notably, a worker's occupation is not collected in the vast majority of state UI wage records data collections, although several states have begun enhancing UI wage records with employer-reported occupation codes and job titles. Although UI wage data includes more than 85 percent of the working population, key members of the workforce are excluded, including federal employees, self-employed individuals, and active-duty military members.

State Tax Records

Forty-one states collect taxes from their residents based on income, using either flat or progressive rates. This revenue data includes annual income (often including income beyond just earned wages) for people that may not appear in the UI system since the information is reported by the earner, not the employer. Individuals who do not receive W-2 type wages because they work in the gig economy, are self-employed, or are employed by the federal government still pay and report income tax. As such, tax records are a more accurate and robust source of data on earnings than UI wage records. Nine states do not collect income tax and thus have no state tax data: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming.

Determining Occupation

The draft Workforce Pell rules specifically require that administrative data be used by both states and participating institutions to evaluate programs. But with the limitations of the wage and employment data currently available to states, state leaders will need to find other paths for testing occupation alignment.

Fully implementing Workforce Pell will require states to further develop and expand their SLDSs, but in the short term, states may consider alternative paths toward filling existing data gaps on wage and occupation. Using information captured in a comprehensive SLDS ensures data includes the largest proportion of programs and completers. States can begin exploring education-to-occupation alignment by using existing data sources and modern analytical techniques. For example, coupling labor market information from federal sources like the Bureau of Labor Statistics with state wage data could provide approximate occupation alignment to ensure that program completers are earning wages at or above the threshold for the occupation.

Data sources outside of traditional SLDSs can also complement state data.

- **Payroll data**, the information needed to pay employees the base wages and salaries they earn, generally includes information about the worker, but may also include work location, hours worked, overtime pay, bonuses, and job title or occupation information.
- **Credit monitoring data** from companies like Experian and Equifax can provide more detailed information about an individual's actual income regardless of whether the individual earns W-2 wages.

- **Online job and career sites** such as LinkedIn and Lightcast may supplement state data so that leaders can better understand program to occupation alignment and the [Indeed Hiring Lab](#) creates innovative data insights on the global labor market which are free for policymakers.

Data from these non-traditional data sources may be proprietary and acquiring it may require negotiation and payment for some vendors.

Long term, states must expand UI wage records to—at a minimum—include the occupation code for employees, as well as explore ways to incorporate additional high-quality sources of data. This expanded data could assist individuals, program managers, and policymakers in better understanding the correlation among participating in a particular education or training program, following a specific pathway, and securing family-sustaining careers.

Undertaking this endeavor will likely require time, employer buy-in, and statutory change. In the intervening period, it is possible to use other methods to approximate an individual's occupation based on their employment industry and wages. While not as precise or helpful as having specific occupation information, intermediary steps could assist states in meeting some immediate data needs as they transition to a more robust approach. As of spring 2026, state leaders are beginning to explore how they can use AI to standardize information about necessary skills across job postings, resumes, and training programs to support better matching between education and employment—aiding in their efforts to identify which programs actually work for which populations over time. Importantly, state leaders must be mindful that considering and implementing newer analytical techniques, including AI, will require clearly-specified use cases, large amounts of high-quality and accessible data, and sufficient technical expertise—all common challenges across states.

Conclusion

Policymakers across the country are seeking to better understand credentials of value—the education and training programs that help workers fill in-demand and growing jobs in their states. But right now, leaders are lacking the complete set of information they need to understand the value of P–20W pathways and credentials generally. They have the information on the “inputs” (e.g., what courses or programs individuals are engaged in) but that information is not connected in a robust manner to “outputs” (e.g., what jobs individuals obtain after program completion, what wages they earn, and the shape of their career trajectory).

Workforce Pell represents an exciting opportunity for states to modernize and expand their data systems, promising a true payoff for institutions and students alike. Beyond immediate implementation, these robust data processes lay the groundwork for comprehensive “credentials of value” frameworks that help states identify which programs truly move the needle for learners. By establishing these rigorous data benchmarks, states can ensure that every postsecondary credential delivers a strong return on investment.

By prioritizing data governance, connectivity, and capacity now, states do more than just uphold the integrity of a federal investment; they build the infrastructure necessary to continuously evaluate and refine pathways to and through the workforce. Ultimately, this commitment to high-quality data ensures the Workforce Pell program can deliver on its promise to transform lives and strengthen the economy.