



Could Google Affect Lending And New Talent Pools?

technology lending employees

Summary: Google has a new certificate program that could rival college degrees and impact student lending. Should community financial institutions pay attention?

Some of the silliest college mascots we have heard were: a pickle, an artichoke, and a slug. But, trying to pay for a college education is far from silly and Google is attempting to provide an alternative with its new certificate program.

The tech giant recently introduced its new Google Career Certificates program which is sure to make educators sit up and take notice. But, it could also have ramifications for community financial institutions (CFIs) as they continue servicing their customers and look for talent.

The value of a college degree. With higher education costs soaring with seemingly no end in sight, many Americans have been increasingly questioning the value of a college degree, even before the pandemic. Not surprisingly, the [Federal Reserve Bank of NY reported in February](#) that 41% of recent college graduates and 34% of all college graduates were working in jobs that did not need a college degree. These days, with many colleges and universities currently having to educate students remotely because of the pandemic, yet still charging similar costs, scrutiny surrounding the value of college degrees is escalating.

College debt. [Roughly 45MM people in the US owe a combined \\$1.6T for their college degrees.](#) With the current average cost of tuition for US private universities at \$35,087 and \$9,687 for in-state public colleges, Google plans to offer its new program for as little as \$49 per month. Google believes the solution to the high cost of higher education is its new offering; technology and project management courses designed to give individuals the skills and qualifications needed to land high-paying jobs within as little as six months and without the expense of a traditional college education.

Changes in student loans and the overall lending market. If Google's program proves to be successful and some people decide that the value of a college education doesn't match the cost, this will affect the college lending market. While CFIs are not usually big players in this market, it is still a \$13B market (for nonfederal loans) according to the College Board. If this area is hit hard, other lending services will likely increase in competitiveness as FIs find other ways to fill this gap. CFIs may find this spills over and affects their own customer relationships.

New talent. The second way this program could affect CFIs is through talent acquisition. As part of its new program, Google has created a consortium of more than 50 employers to try and place people who complete its program. Among the FIs that have already joined the consortium are Bank of America and PNC and Google is seeking other participants too. This may be worth a look, especially as technical skills become more needed. Not only could it help in connecting with promising new employees, but also could help bolster the skills of existing employees.

Whether this new program takes off or not, it is an interesting development to monitor. We will keep you updated on its progress so you can assess how it ultimately affects your institution.

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