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The Agile Community College:

Dynamic Labor Market Alignment in an AI-Driven Economy

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Executive Summary

The widespread adoption of generative artificial intelligence is transforming work at an unprecedented pace,¹ raising the stakes for community colleges as critical drivers of economic mobility.

Community colleges serve students seeking quality employment, employers seeking skilled talent, and regions seeking inclusive growth. Their position at the intersection of education, workforce development, and regional economic development places them at a critical juncture as communities navigate labor market change—but only if they can align with opportunity as conditions evolve.

Labor market alignment has long been a goal of workforce-focused community colleges, but traditional approaches are increasingly insufficient. They often treat the labor market as relatively static, rely heavily on lagging indicators, and position colleges as strictly responsive to employer demand rather than active shapers of regional opportunity. In an AI-driven economy, that posture is outdated. Colleges need an approach that allows them to detect change and adapt programs and partnerships and reallocate resources quickly. This playbook proposes two key concepts for community colleges to integrate into their operating models:

- **Dynamic labor market alignment is a goal:** Community colleges must be able to meet evolving workforce and learner needs by promoting access to quality jobs, skills that sustain individuals across long-lasting careers, and inclusive regional growth.
- **Institutional agility is the capability that makes dynamic alignment possible:** Colleges must have the systems-level capacity to detect, interpret, and respond quickly to labor market changes, while maintaining the quality and mission of the institution.

To operationalize this model, colleges need high-quality data and technology—and the systems and

processes to leverage them effectively. Building on a multi-year project that included case studies and design sprints with four diverse community colleges, **we put forth a data framework** that identifies the basic labor market data (current employment, job postings, and job projections) and student outcomes data (pathway engagement, employment, earnings, and mobility) colleges need to maintain dynamic labor market alignment. Our **technology framework** helps colleges evaluate and deploy tools that support five different capacities: teaching and learning; student support; career navigation; work-based learning; and employer partnerships.

The playbook applies these concepts and frameworks to four recurring institutional decisions, while highlighting examples of promising practices in action. Together, the decisions illustrate how dynamic alignment is not a periodic planning exercise. It is a continuous process that requires agile structures, shared data, dedicated resources, and college-wide practices.

1. **Program Portfolio — How do we shape a portfolio of programs?**
As colleges navigate competing stakeholder priorities and balance student interest, employer demand, and local labor market absorption, they can establish regular program review cycles, engage employers to validate current job demand for workers and anticipate skills requirements, and build dedicated analytic capacity to guide decisions about which programs to launch, expand, redesign, or sunset.
2. **Curriculum Design — How do we define what students learn?**
Programs must prepare students for long-term career mobility, while keeping pace with changing skill demands. Colleges can respond by leveraging labor market information to identify transferable skills across jobs,

systematizing employer partnerships, scaling work-based learning opportunities, and designing credentials that are stackable and portable.

3. Career Navigation — How do we help students make informed career decisions?

Colleges can make data available and user-friendly across the full student journey and equip career coaches with better data—strengthening proactive guidance and using technology tools to extend human support.

4. Resource Allocation — How do we allocate resources?

Despite confronting limited resources and competing demands, colleges can maximize the value of their investments by connecting program reviews to budgeting, evaluating pilot initiatives with clear criteria, and collaborating with partners to co-fund or share resources.

Robust institutional learning enables colleges to make strategic decisions as labor markets, technologies, and student needs change. Colleges can build this capacity by integrating data systems, improving data literacy, formalizing feedback loops, strengthening governance structures, and cultivating a data-driven culture.

Employers and policymakers are essential partners for colleges. For every decision, there is a distinct role for employers to play, from validating job demand to providing continuous feedback on graduate readiness. Policymakers can create economies of scale through shared data infrastructure and regional analytic capacity, as well as support innovation through flexible funding models.

The agile community college is not one that chases every labor market signal or adopts every new technology. **It is an institution that builds the capacity to adapt with purpose—helping students access quality jobs, employers find skilled talent, and regions build more inclusive and resilient economies.**

Figure ES-1: **New Model for Community Colleges in the GenAI Era**

