

SREB

States' Future Economic Standing
*if current education levels
remain the same.*

*Presentation by Joe Marks
SREB Director of Education Data Services*

**State Leaders Forum
St. Petersburg, Florida
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- The future economic standings of the SREB states will stagnate or improve little in the next two decades if current education participation and attainment levels remain the same and the population grows as expected, data compiled by SREB shows.
- We literally cannot afford for this to happen, says SREB President Mark Musick. We have a leaky education pipeline that must be improved if we are to have an economic future remotely resembling what we hope for.

SREB

**Educational Attainment of
Working-Age Adults 25 to 64 Years Old**

**What percent of the population
in 2000 was there with...**

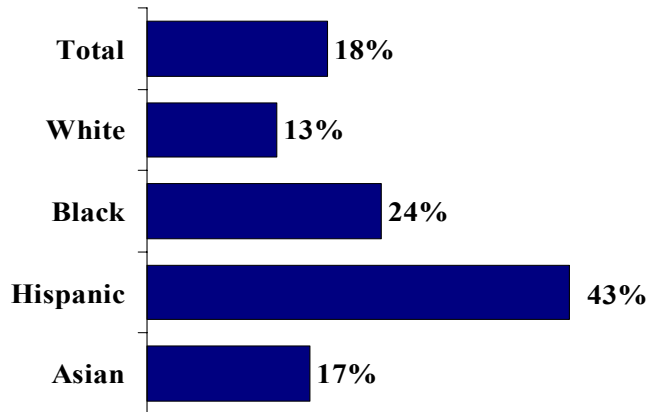
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- Let's look first at education levels.

Less Than a High School Education

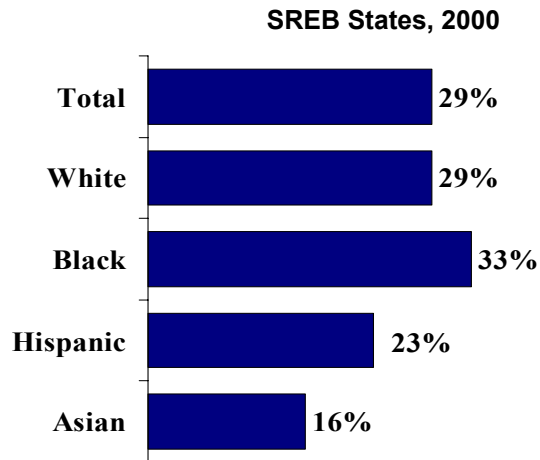
SREB States, 2000



Source: NCHES analysis of U.S. Census Bureau data.

- U.S. level = 16%
- This is a level we'd like to see reductions in, as we have historically.
- In five states, more than one-fifth of working-age adults had less than a high school-level education in 2000; four of them were SREB states (KY, LA, MS, TX, CA).

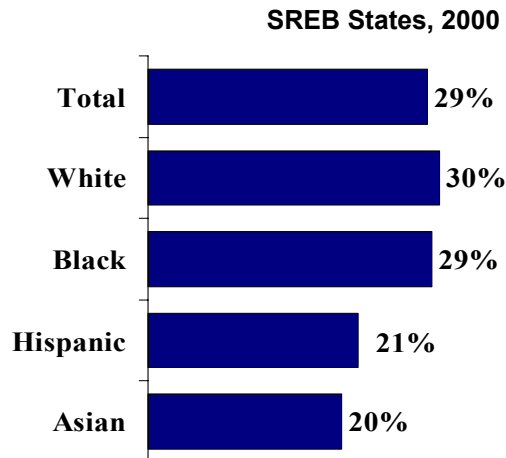
No More Than High School or a GED



Source: NCHEMS analysis of U.S. Census Bureau data.

- U.S. level = 28%
- It would be good if there were reductions here, too, as there have been historically.
- In 10 states, more than one-third of working-age adults had no more than a high school level education in 2000; four of them were SREB states (AR, KY, LA, WV, IN, IO, ME, OH, PA, WI).

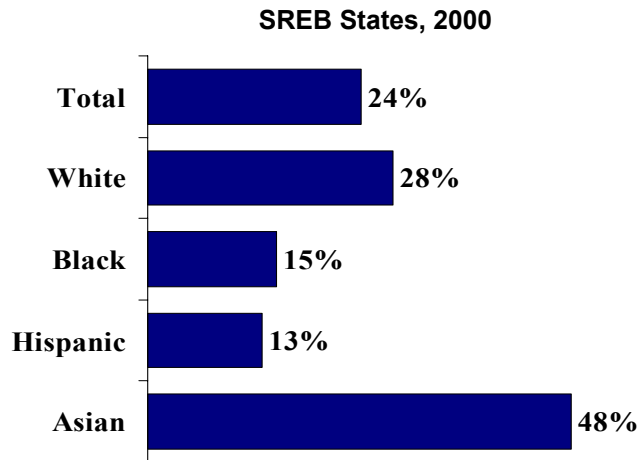
No More than Some College or an Associate's Degree



Source: NCHEMS analysis of U.S. Census Bureau data.

- U.S. level = 30%
- It would be good if this level went up as it has historically.
- In 15 states, one-third or more of working-age adults had no more than some college or an associate's degree education in 2000; none of them were SREB states (AK, AZ, HI, ID, MI, MN, MT, NE, NV, ND, OR, SD, UT, WA, WY).

A Bachelor's Degree or Higher



Source: NCHEMS analysis of U.S. Census Bureau data.

- U.S. level =27%
- It would be good if this level goes up as it has historically.
- The issue of men's educational attainment is a growing one:
 - In 2000, higher proportions of white men and Asian men than women had at least a bachelor's degree. But among African-Americans and Hispanics, higher proportions of women had at least a bachelor's.
 - Since about 1980, women earn more than half of the bachelor's degrees awarded annually and now approach 60 percent of each year's graduates.
- In only five states, one-third or more of working-age adults had a bachelor's or higher degree in 2000; only one of them was an SREB state (CO, CT, MA, MD, NJ).

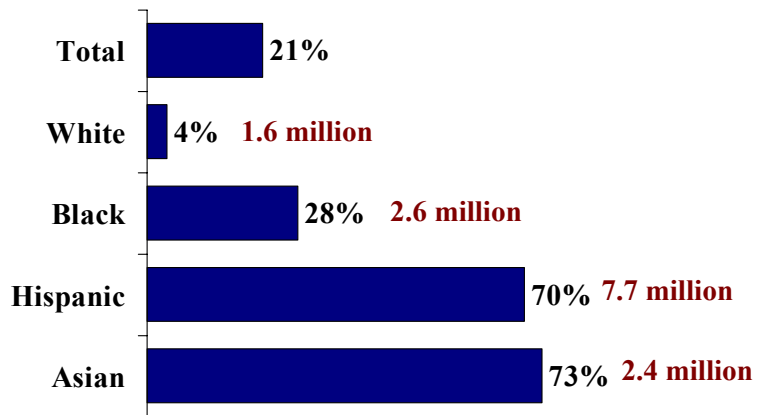
**Projected Increases in
Working-Age Adults 25 to 64 Years Old**

**What groups within the
population are projected to
increase the most from 2000 to 2020?**

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- These projections present conservative estimates of population growth among minority groups.
 - By the middle of 2005, we'll be able to take a new look at this when new U.S. Census Bureau projections are released.
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Projected Increases in Working-Age Adults 25 to 64 Years Old

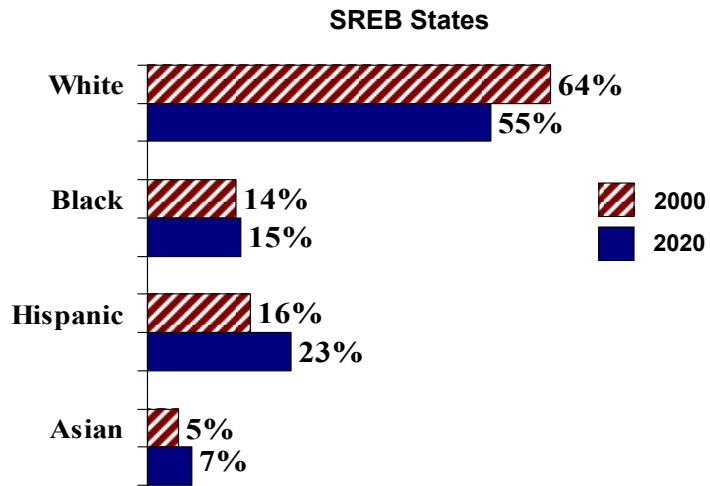
SREB States, 2000 to 2020



Source: NCHEMS analysis of U.S. Census Bureau data.

- U.S.
 - Total = 16%
 - White = 1% (+517,000)
 - Black = 32%
 - Hispanic = 77%
 - Asian = 69%
- Population growth is greatest (for the most part) among groups with lower levels of educational attainment.
- The white population is projected to grow by 10 percent or more in six states. One is an SREB state (FL, ID, NH, UT, WA, WY).
- The black population is projected to grow less than 20 percent in 13 states. Three are SREB states (KY, SC, WV, CA, HI, IL, IN, MI, MT, NY, ND, OH, PA).
- The Hispanic population is projected to grow less than 60 percent in only six states. Three of them are SREB states (MS, NC, TX, MI, NM, NY).
- The Asian population is projected to grow less than 50 percent in 17 states. Seven of them are SREB states (AL, AR, DE, KY, MS, OK, TN, AZ, HI, ID, IL, IN, KS, MO, NV, NM, ND).

Projected Change in Distribution of Working-Age Adults 25 to 64 Years Old



Source: NCHEMS analysis of U.S. Census Bureau data.

- In no state will the white share of the population grow.

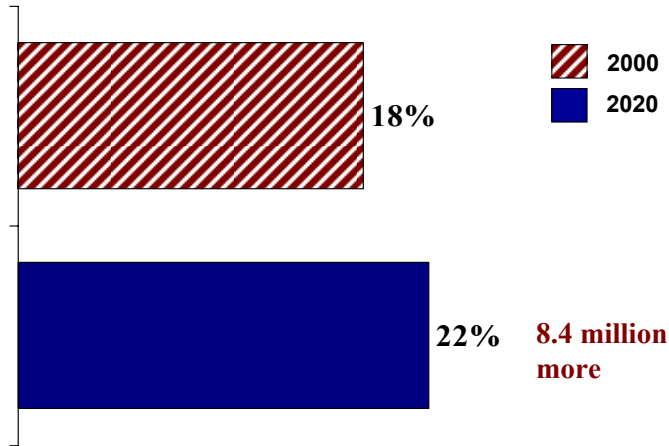
**Projected Education Levels of
Working-Age Adults 25 to 64 Years Old**

*If the population grows the
way projected and attainment
rates remain the same...*

**What percent of the population
will there be in 2020 with...**

Less than a High School Education

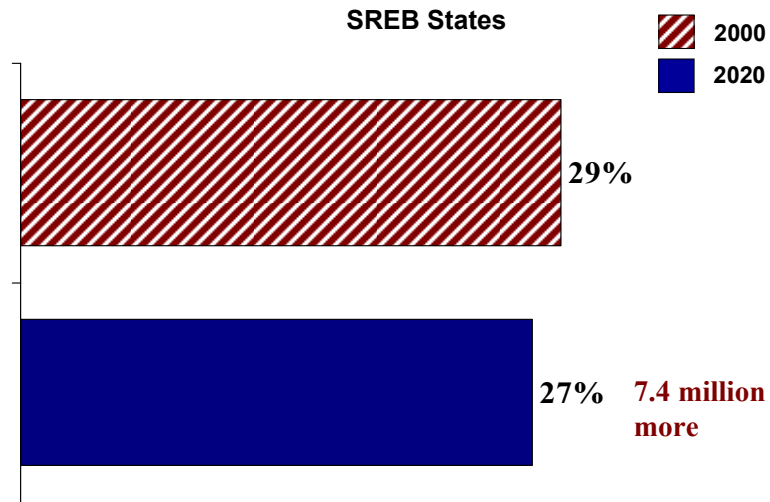
SREB States



Source: NCHEMS analysis of U.S. Census Bureau data.

- This is a four-point jump!
- The share of working-age adults with less than a high school education is projected to rise in virtually every state — reversing the historical trend.

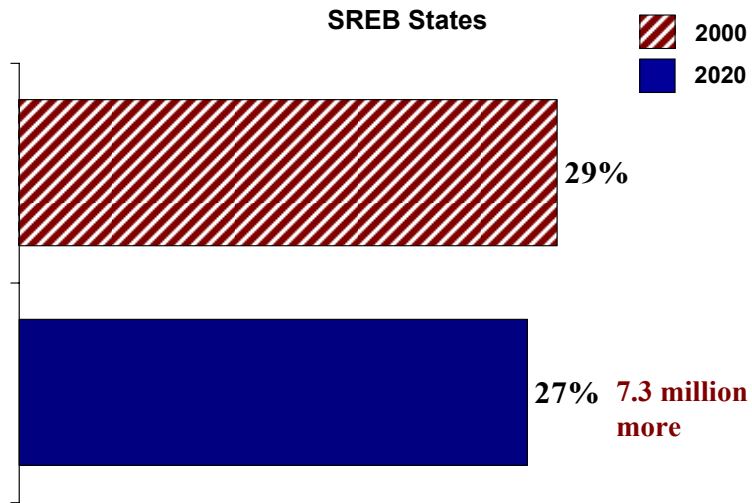
No More than High School or a GED



Source: NCHEMS analysis of U.S. Census Bureau data.

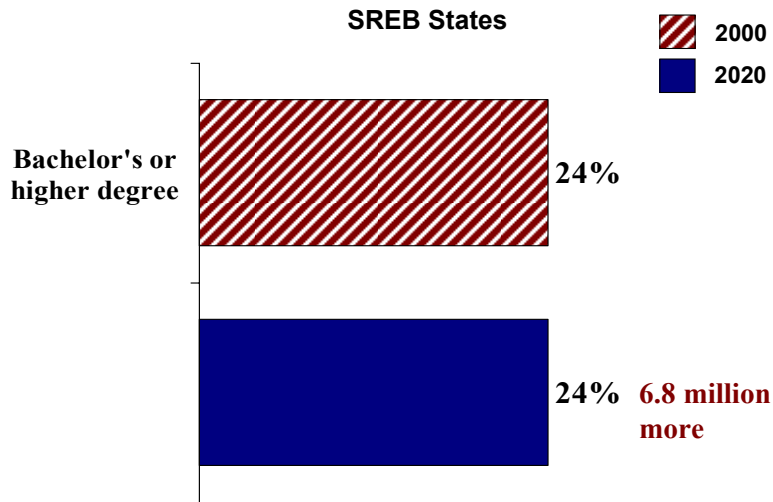
- The percent of working-age adults with just a high school education will go down in all but 10 states. Three of them are SREB states (GA, MS, SC, AK, AZ, CO, CT, NM, ND, UT).

No More than Some College or an Associate's Degree



Source: NCHEMS analysis of U.S. Census Bureau data.

A Bachelor's Degree or Higher



Source: NCHEMS analysis of U.S. Census Bureau data.

- SREB states

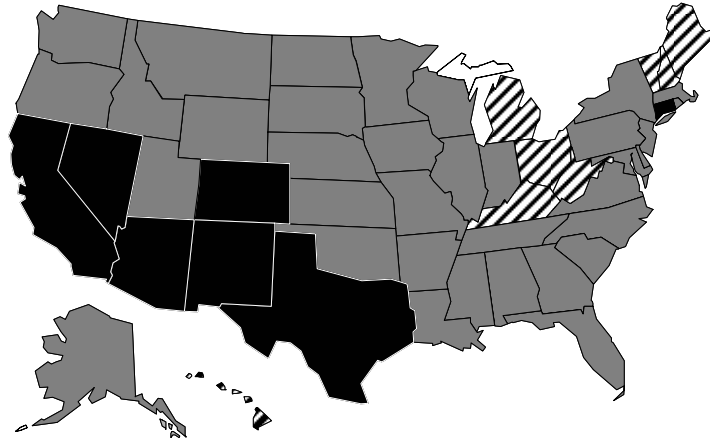
- 2000 = 12,617,616 (24% of the U.S. total) with at least bachelor's degree.

- 2020 = 19,445,207 (24% of the U.S. total) with at least bachelor's degree.

- This is 6,827,591 (35%) more in 2020 than in 2000, yet the level remains the same.

Projected Changes in Working-Age Population with a Bachelor's or Higher Degree, 2000 to 2020

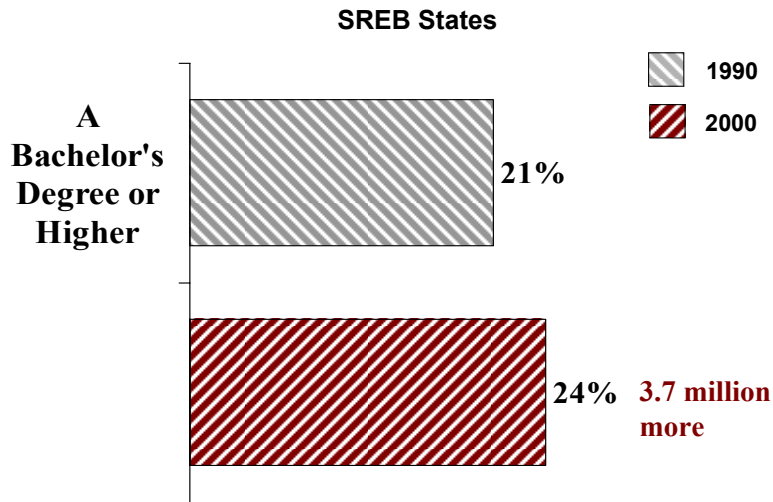
■ Down more than one percentage point ▨ Unchanged or up less than 1 percentage point
■ Down less than one percentage point



Source: NCHEMS analysis of U.S. Census Bureau data.

- Such a reality would be an unprecedented stagnation in the nation's history of educational advancement.

Percent of Working-Age Adults 25 to 64 Years Old With ...



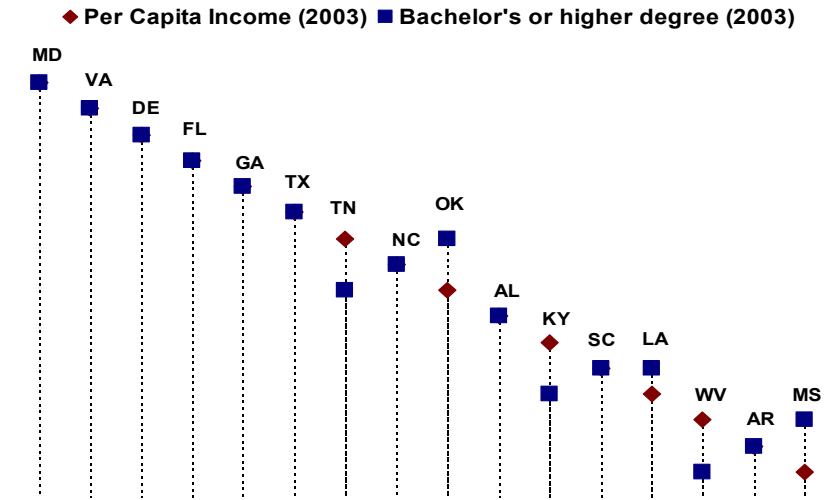
Source: NCHEMS analysis of U.S. Bureau of Census data.

- SREB states

- 1990 = 8,880,622 (21%)
- 2000 = 12,617,616 (24%), or 3,796,994 (42%) more

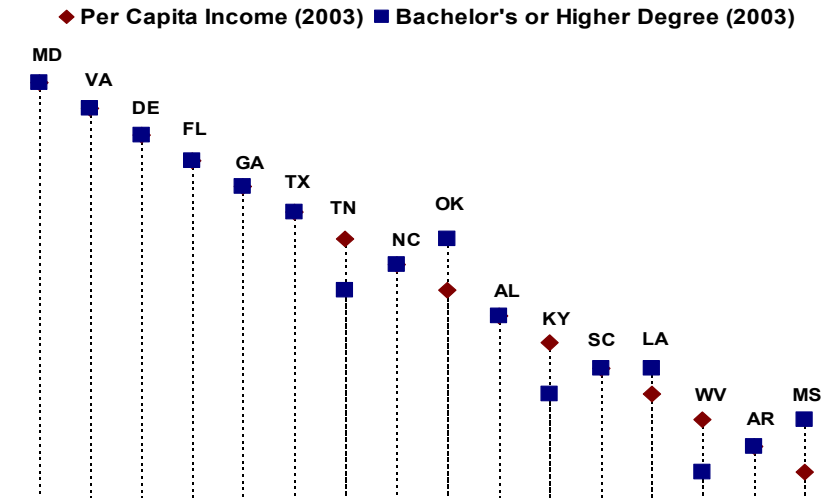
Let's connect this attainment forecast to economics and income.

Income is Highly Related to Adults Having a Bachelor's or Higher Degree



Source: SREB analysis of U.S. Census Bureau data.

Income is Highly Related to Adults Having a Bachelor's or Higher Degree

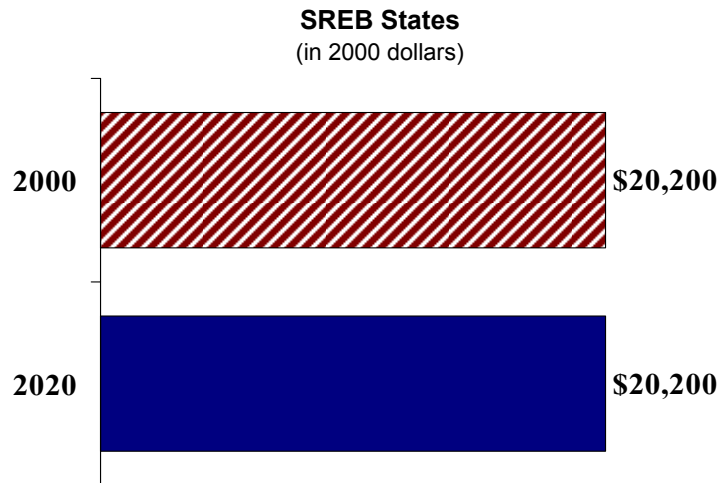


Source: SREB analysis of U.S. Census Bureau data.

Projected Change in Per Capita Income

**If educational attainment follows
the projections, what will happen
to per capita income by 2020?**

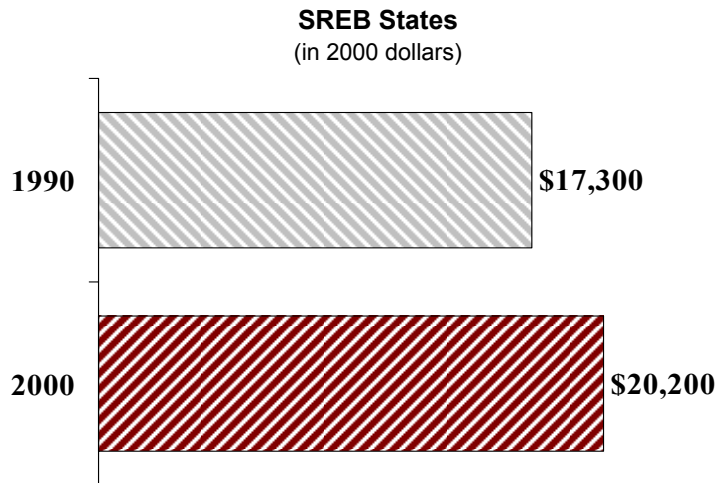
Projected Change in Per Capita Income



Source: NCHEMS analysis of U.S. Census Bureau data.

- Per capita income in the SREB states will remain essentially unchanged. (Nationally, there will be a \$395 drop, not much to show for 20 years.)
- PCI is forecast to be less in 18 states – three of them SREB states (LA, MD, TX, AK, AZ, CA, CO, CT, HI, ID, IL, MA, NJ, NM, NY, OR, RI, WA).
- Examples:
 - In Texas, PCI rose \$2,700 or 16 percent from 1990 to 2000. The forecast is for a 5 percent decline or \$1,000.
 - In California, the gain was 5 percent or \$1,100 from 1990 to 2000. The forecast is for an 11 percent decline, or \$2,500 less.
 - Arkansas and Utah are forecast to have 5 percent increases – \$800 compared to Arkansas' \$3,100 increase from 1990 to 2000 and a \$3,700 rise in Utah.

Past Change in Per Capita Income



Source: NCHEMS analysis of U.S. Census Bureau data.

- In comparison, from 1990 to 2000 (adjusted for inflation -- just a 10-year period), the SREB figures rose 17 percent (\$2,900), and the national figures rose 14 percent (\$2,600).
- Thirteen SREB states are forecast to gain not more than 5 percent from 2000 to 2020, whereas the lowest increase from 1990 to 2000 was 9.8 percent.

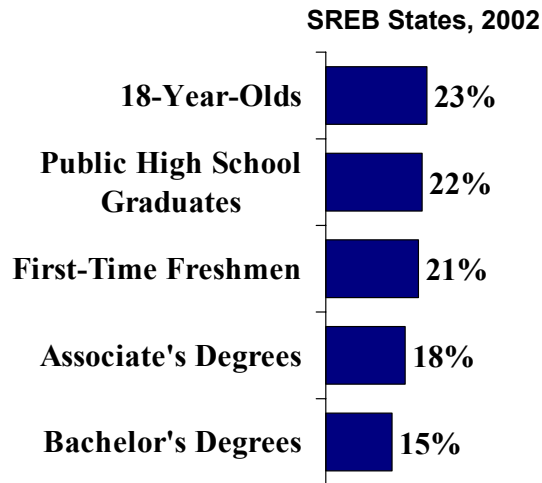
How do we avoid this unacceptable future?

Attending to the Education Pipeline

We have a leaky education pipeline.

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- We must fix the leaky education pipeline, especially for black and Hispanic students.
 - Preparing more students for college and making postsecondary education more affordable for all groups are the keys to improvement.
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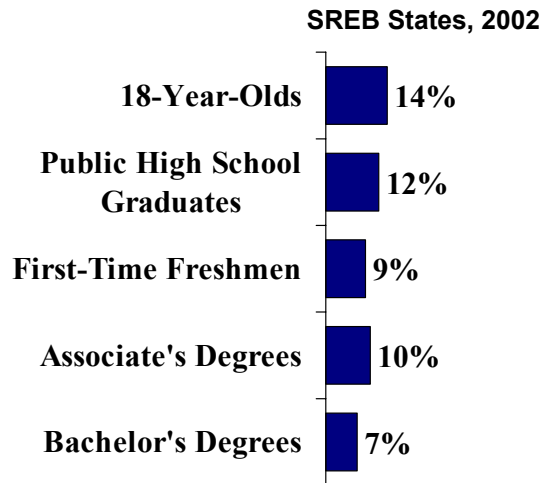
Black Students as a Percent of Total



Source: NCHEMS analysis of U.S. Census Bureau, WICHE and NCES data.

- U.S.
 - 18-year-olds = 14%
 - High school grads = 13%
 - Freshmen = 14%
 - Associate's = 11%
 - Bachelor's = 9%
- Black students earn the highest percentage of bachelor's degrees in Mississippi (28%). But even here the slippage is dramatic.
 - 18-year-olds = 45%
 - High school grads = 47%
 - Freshmen = 42%
 - Associate's = 38%
 - Bachelor's = 28%

Hispanic Students as a Percent of Total



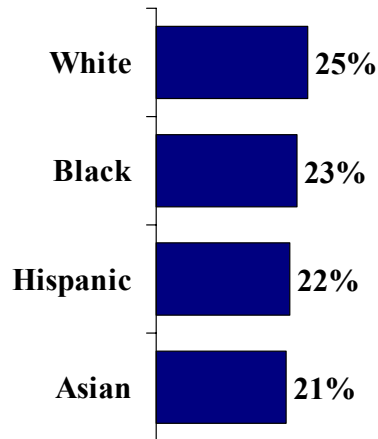
Source: NCHEMS analysis of U.S. Census Bureau, WICHE and NCES data.

•Texas leads SREB states in the percentage of the bachelor's degrees earned by Hispanic students (18%). But even here the slippage is, again, dramatic.

- 18-year-olds = 38%
- High school grads = 33%
- Freshmen = 26%
- Associate's = 27%
- Bachelor's = 18%

College Students' Graduation Rates

Two-Year Colleges
SREB States, 2002



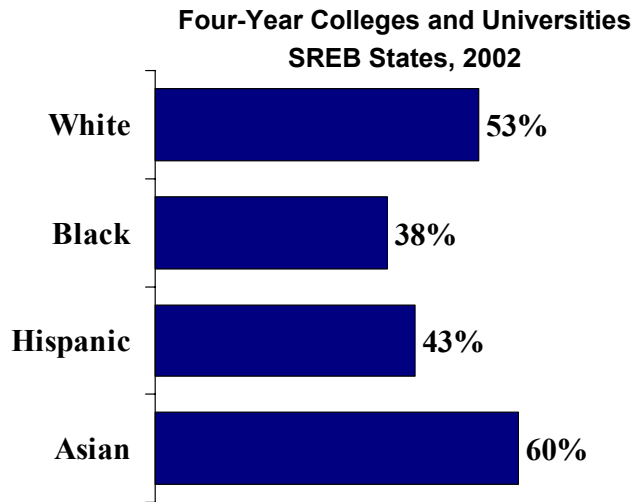
Source: NCHEMS analysis of NCES data.

•But that doesn't mean any group is doing well enough. There's too much slippage for all groups at two-year colleges.

•U.S.

- White = 31%
- Black = 23%
- Hispanic = 27%
- Asian = 30%

College Students' Graduation Rates



Source: NCHEMS analysis of NCES data.

- Four-year rates are no better.
- U.S.
 - White = 57%
 - Black = 38%
 - Hispanic = 45%
 - Asian = 63%

Attending to the Education Pipeline

**If our states are to have
a future remotely resembling
what we hope for, we need to
improve the flow through
the pipeline.**