The Future of Higher Education in Texas

Woody L. Hunt
Chairman
Higher Education Strategic Planning Committee
Let’s talk about higher education in Texas and the educational competitiveness of the Texas work force

• Where do we stand in terms of the educational attainment of our workforce?
  • Why is it so important to our state?
  • What can we do to “raise the bar”? 
CLOSING THE GAPS
ANNUAL DEGREE COMPLETION MORE THAN DOUBLED
FROM 2000 to 2014

IN 2000, ESTABLISHED A GOAL OF
163,000 ANNUAL POSTSECONDARY CREDENTIALS BY 2015

*THE GOAL WAS LATER INCREASED TO 210,000 TO REFLECT INCREASE IN POPULATION

THAT GOAL WAS ACHIEVED IN 2011
246,499 IN 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>116,235</td>
</tr>
<tr>
<td>2003</td>
<td>132,478</td>
</tr>
<tr>
<td>2006</td>
<td>155,527</td>
</tr>
<tr>
<td>2009</td>
<td>188,927</td>
</tr>
<tr>
<td>2011</td>
<td>221,538</td>
</tr>
<tr>
<td>2014</td>
<td>246,499</td>
</tr>
</tbody>
</table>

60×30TX
Texas’ healthy business environment has become a **major contributor** to our **educational attainment** goals.
TEXAS HAS BENEFITED FROM IMPORTING COLLEGE-EDUCATED RESIDENTS

NET ANNUAL MIGRATION BY DEGREE LEVEL - 22-64 YEAR OLDS
AVERAGE FROM 2011 - 2013

Source: U.S. Census Bureau; ACS Public Use Microdata Sample (PUMS) Files

NET ANNUAL IMPORTS
95,818
WITH POSTSECONDARY ATTAINMENT

TOTAL NET ANNUAL IMPORTS
201,530
Closing the Gaps by 2015’s goals seemed bold at the time and helped bring Texas on par with comparable states. International data on attainment levels, however, suggests that the bar was set too low.

Far too low.
TEXAS IS LOSING GROUND
Percent of adults with an associate degree or higher.

Source: Education at a Glance 2014, OECD Indicators and American Communities Survey Public Use Microdata Sample 2013
TEXAS IS LOSING GROUND

Texas attainment levels have stayed relatively steady, but in a global economy, staying steady = falling behind
TEXAS IS LOSING GROUND

COMPARING TEXAS WITH NATIONS AND OTHER STATES
PERCENTAGE OF YOUNG ADULT DEGREE ATTAINMENT - (AGES 25-34)

<table>
<thead>
<tr>
<th>U.S. States</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Dakota</td>
<td>54</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>54</td>
</tr>
<tr>
<td>Minnesota</td>
<td>52</td>
</tr>
<tr>
<td>New Jersey</td>
<td>50</td>
</tr>
<tr>
<td>Connecticut</td>
<td>48</td>
</tr>
<tr>
<td>Nebraska, Illinois, Virginia</td>
<td>48</td>
</tr>
<tr>
<td>Pennsylvania, Colorado, Maryland, Rhode Island, Iowa</td>
<td>48</td>
</tr>
<tr>
<td>Vermont, South Dakota, Wisconsin</td>
<td>48</td>
</tr>
<tr>
<td>Kansas, New Hampshire</td>
<td>48</td>
</tr>
<tr>
<td>Hawaii, Montana</td>
<td>48</td>
</tr>
<tr>
<td>Washington, Missouri, Utah</td>
<td>48</td>
</tr>
<tr>
<td>Wyoming, Ohio</td>
<td>48</td>
</tr>
<tr>
<td>Delaware, Michigan, Maine, California, North Carolina, Oregon Florida</td>
<td>48</td>
</tr>
<tr>
<td>Tennessee, South Carolina, Georgia, Indiana Kentucky</td>
<td>48</td>
</tr>
<tr>
<td>Texas, Idaho, Arizona</td>
<td>48</td>
</tr>
<tr>
<td>West Virginia</td>
<td>48</td>
</tr>
<tr>
<td>Alabama, Oklahoma, Alaska, New Mexico</td>
<td>48</td>
</tr>
<tr>
<td>Louisiana</td>
<td>48</td>
</tr>
<tr>
<td>Arkansas, Mississippi</td>
<td>48</td>
</tr>
<tr>
<td>Nevada</td>
<td>48</td>
</tr>
<tr>
<td>Germany</td>
<td>30</td>
</tr>
<tr>
<td>Hungary</td>
<td>28</td>
</tr>
<tr>
<td>Portugal, Czech Republic</td>
<td>28</td>
</tr>
<tr>
<td>Slovakia</td>
<td>28</td>
</tr>
<tr>
<td>Austria</td>
<td>24</td>
</tr>
<tr>
<td>Mexico</td>
<td>24</td>
</tr>
<tr>
<td>Austria</td>
<td>22</td>
</tr>
<tr>
<td>Chile, Italy</td>
<td>22</td>
</tr>
<tr>
<td>Italy</td>
<td>22</td>
</tr>
<tr>
<td>Turkey</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: OECD, Education at a Glance 2014 (for 2012);
U.S. Census Bureau, 2013 American Community Survey One-Year Public Use Microdata Sample File
Our future workforce will demand even more postsecondary trained and educated workers.

In 1973 only 28% of all U.S. jobs required postsecondary education/skills. By 2020 65% of all new jobs will require postsecondary education/skills.

Currently, 35% of Texans aged 25-34 have an associate degree or higher.
SIGNIFICANT WORK REMAINS TO ENSURE TEXAS SUSTAINS PROGRESS

• Texas is doing better but falling farther behind

• It is an urgent matter that Texas increase the knowledge and skills of its workforce to globally competitive standards

• Failure to do so will have serious economic consequences for both the state and its citizens
SIGNIFICANT WORK REMAINS TO ENSURE TEXAS SUSTAINS PROGRESS

• We must be much more aggressive in our expectations and our policies – incrementalism is not a solution
  o Benchmark against global best performance
  o Be much more strategic in
    • Increasing capacity to deliver instruction
    • Investing public resources

• As largest donor and regulator, the state’s role is central in laying out educational goals for our state workforce and our public institutions

• In setting goals, the state must prioritize completion
The Relationship Between Educational Attainment, Personal Income, and the State New Economy Index (2012)

Source: U.S. Census Bureau, American Community Survey; Bureau of Economic Analysis; ITIF 2012 New Economy Index
Texas Personal Income per Capita as a Percent of the U.S. Average (1980-2012)

Source: Bureau of Economic Analysis
Texas must sustain educational progress. Barrier #1: Demographics
PERCENT OF 0-24 YEAR-OLDS IN U.S. WHO ARE BLACK OR HISPANIC (2013)

Source: U.S. Census Bureau 2013 State Population Estimates
TEXAS POPULATION DISTRIBUTION BY RACE/ETHNICITY (TOTAL AND K-12)

Source: Texas Data Center; U.S. Census Bureau, National Center for Education Statistics
### Differences in College Attainment Between Whites and Minorities in U.S.

<table>
<thead>
<tr>
<th></th>
<th>Whites</th>
<th>Black</th>
<th>Hispanic</th>
<th>Underrepresented Minorities (Black, Hispanic, American Indian, Alaska Native)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Attainment</td>
<td>Attainment</td>
<td>Difference</td>
<td>Attainment</td>
</tr>
<tr>
<td>Texas</td>
<td>45.6%</td>
<td>30.0%</td>
<td>15.6%</td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>44.5%</td>
<td>28.1%</td>
<td>16.4%</td>
<td></td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2011-13 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File
PERCENTAGE OF 2004 8TH GRADERS WHO EARNED POSTSECONDARY CREDENTIAL WITHIN 6 YEARS OF HIGH SCHOOL GRADUATION

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanics</td>
<td>13.2%</td>
</tr>
<tr>
<td>African Am.</td>
<td>12.5%</td>
</tr>
<tr>
<td>White</td>
<td>28.7%</td>
</tr>
<tr>
<td>Economically Disadvantaged</td>
<td>10.4%</td>
</tr>
<tr>
<td><strong>Statewide</strong></td>
<td><strong>20.3%</strong></td>
</tr>
</tbody>
</table>

Despite more postsecondary completions, attainment among Hispanics, African Americans, and poor students remains low.
RACE/ETHNICITY DISTRIBUTION OF PROJECTED WORKING AGE TEXAS POPULATION - 25 TO 34 YEAR OLDS

2015

- Hispanic: 1,644,627 (43%)
- White: 1,463,893 (39%)
- African American: 445,875 (12%)
- Other: 245,307 (6%)

2030

- Hispanic: 2,323,615 (52%)
- White: 1,314,723 (29%)
- African American: 496,710 (11%)
- Other: 349,304 (8%)

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>2015</th>
<th>2030</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>1,644,627</td>
<td>2,323,615</td>
<td>41%</td>
</tr>
<tr>
<td>White</td>
<td>1,463,893</td>
<td>1,314,723</td>
<td>-10%</td>
</tr>
<tr>
<td>African American</td>
<td>445,875</td>
<td>496,710</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>245,307</td>
<td>349,304</td>
<td>42%</td>
</tr>
<tr>
<td>Total</td>
<td>3,799,702</td>
<td>4,484,352</td>
<td>18%</td>
</tr>
</tbody>
</table>
PROJECTED CHANGE IN TEXAS POPULATION
BY AGE AND RACE/ETHNICITY, 2010-2030

Source: Texas State Data Center, Office of the State Demographer
Texas must sustain educational progress.
Barrier #2: Economics
INCOME

PERCENT OF TEXAS FAMILIES WITH CHILDREN 17 AND YOUNGER BY INCOME QUARTILE, 2012

Source: US Census Bureau: American Community Survey
THE CONSEQUENCES OF INACTION
EDUCATIONAL ATTAINMENT WILL DROP IF CURRENT PROGRESS DOES NOT ACCELERATE

2030 PROJECTED CHANGE IN EDUCATIONAL ATTAINMENT OF POPULATION, AGES 25-64
SAME ATTAINMENT RATES BY RACE/ETHNICITY ASSUMED

Sources: Texas State Data Center Population Projections.
U.S. Census Bureau, 2012 American Community Survey and 2010-12 American Community Survey Three-Year PUMS.
PERSONAL INCOME WILL DROP IF EDUCATIONAL ATTAINMENT RATES DO NOT IMPROVE

PROJECTED CHANGE IN PERSONAL INCOME PER CAPITA BY 25 TO 64
WITH SAME ATTAINMENT RATES BY RACE/ETHNICITY

$40,066   $37,147
2012   2030

Sources: Texas State Data Center Population Projections.
U.S. Census Bureau, 2012 ACS and 2010-12 ACS Three-Year PUMS.
WITHOUT IMPROVEMENTS, STATE REVENUES WILL DECLINE AND EXPENDITURES WILL INCREASE

CHANGES AS A RESULT OF NOT IMPROVING EDUCATIONAL ATTAINMENT AMONG BLACK AND HISPANICS - YEAR 2030 ESTIMATES

Sources: Texas State Data Center, 2009 American Community Survey (PUMS), 2008-10 Current Population Survey (PUMS)
GLIMPSE INTO THE FUTURE:
THE HISTORY OF EL PASO
MEDIAN FAMILY INCOME AND EDUCATION ATTAINMENT
1950 TO 2012, EL PASO RELATIVE TO TEXAS

EL PASO EDUCATIONAL ATTAINMENT

EL PASO EDUCATIONAL ATTAINMENT BY RACE (25-64 YEARS)
ASSOCIATES DEGREE AND HIGHER (%)

TEXAS MUST ADDRESS CHALLENGES TO MAINTAIN A GLOBALLY COMPETITIVE WORKFORCE

- **Raise education attainment levels** to meet or exceed our competitors
- **Shrink disparities** across race and ethnic groups
- Get more students into **high-demand technical fields**
- **Improve skills of adult population** by bringing them back into the education system
THESE CHALLENGES ARE BEING ADDRESSED BY THE TEXAS HIGHER EDUCATION COORDINATING BOARD’S NEW STRATEGIC PLAN:

By 2030, at least 60 percent of Texans ages 25-34 will have a certificate or degree.
60x30TX Builds on Past Achievements
60x30TX Includes Four Student-Centered Goals

**THE OVERARCHING GOAL:** 60x30
At least 60 percent of Texans ages 25-34 will have a certificate or degree.
- Supports the economic future of the state

**THE SECOND GOAL:** COMPLETION
At least 550,000 students in 2030 will complete a certificate, associate, bachelor's, or master's from an institution of higher education in Texas.
- Requires large increases among targeted groups

**THE THIRD GOAL:** MARKETABLE SKILLS
All graduates from Texas public institutions of higher education will have completed programs with identified marketable skills.
- Emphasizes the value of higher education in the workforce

**THE FOURTH GOAL:** STUDENT DEBT
Undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions.
- Helps students graduate with manageable debt
By 2030, at least 60 percent of Texans ages 25-34 will have a postsecondary credential or degree.

Achieving the 60x30 goal is critical for Texas to remain globally competitive and for its people and communities to prosper.
Goal: By 2030, at least 550,000 students in that year will complete a certificate, associate, bachelor’s, or master’s from an institution of higher education in Texas.

If reached, Texas will award a total of 6.4 million certificates or degrees during the 15 years of this plan.
MARKETABLE SKILLS
Goal: By 2030, all graduates from Texas public institutions of higher education will have completed programs with identified marketable skills.

What is a marketable skill?

Students exit from any degree program with a variety of skills.

Marketable skills include interpersonal, cognitive, and applied skill areas, are valued by employers, and are primary or complementary to a major.
STUDENT DEBT
Goal: By 2030, undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions.
K-12 Initiatives

- Cooperation/collaboration between K-12 and higher education
- College/career readiness standards
- Teach preparation and professional development
- Local and statewide faculty collaborations
Transitions

100 of 8th graders enrolled in fall 2003 ...

- 69 graduated from public high school
- 53 enrolled in higher education
- 20 received a higher education degree or certificate

- 1 received a certificate
- 4 received an associate degree
- 15 received a bachelor's degree or higher

Workforce Need Projections

Texas’ Economic Future Requires More Postsecondary Trained/Educated Workers

- In 1973, 28% of all U.S. jobs required postsecondary education/skills.

- By 2020, 65% of all new jobs will require this level of education.

- Currently, 35% of Texans aged 25-34 have an associate degree or higher.

Source: Georgetown Center on Education and the Workforce.
60x30TX