The Workforce Challenge

Improving Education to Meet the Region’s Workforce Challenge

Meeting the challenge of postsecondary educational attainment and workforce development

SREB states face serious challenges in meeting workforce needs within the next ten years. Decades of poverty, undereducation, and dependency on low-skilled jobs will come face to face with advancing technology and artificial intelligence in the workplace. Automation leaves the undereducated even more vulnerable to poverty — that is, unless secondary and postsecondary education combine efforts to help more people acquire skills they need for a new, middle-skills and high-skills marketplace. SREB’s 2019 research brief Unprepared and Unaware: Upskilling the Workforce for a Decade of Uncertainty lays out the challenge.

The 2019 Fact Book on Higher Education provides a picture of where SREB states stand on the changing workforce and on many aspects of postsecondary education, including college completion and college affordability. Here are some highlights.

Education attainment tied to jobs and wages

The percentage of working-age adults, 25 to 64 years old, in the SREB region holding an associate degree or higher still trails the national average, 39 percent compared with 42 percent in 2017. The SREB region’s rate has improved since 2012 when it was 36 percent. Associate degrees pay off, too. They bring 18 percent more in wages than a high school credential. The wage premium is even higher for a bachelor’s degree — 71 percent more than a high school credential. And jobs for individuals with postsecondary credentials are projected to grow 11 percent between 2016 and 2026, faster than for those with high school credentials only, at 5 percent.

Data on progress at key education milestones offer good news, but they also show challenges ahead. Pre-K-12 enrollment in the region increased from 2006 to 2016 by 8 percent, compared with 2 percent nationwide. This growth in the number of school-age children will soon make its way to college. But declines will soon set, in and by the early 2030’s SREB states will experience a slow-down in school and college enrollments. In the meantime, using the standard calculation (the Adjusted Cohort Graduation Rate), high school graduation rates rose from 80 percent in 2011-12 to 87 percent in 2016-17. SREB states now exceed the nation’s rate by 2 points.

Improving college enrollment and completion rates proving difficult

Even so, college enrollment nationwide and in the region declined from 2012 to 2017 by 5 percent and 3 percent, respectively. College-going rates dropped in 14 of the 16 SREB states. College enrollment shifted in its racial diversity. The enrollment of white students accounted for 56 percent of undergraduate enrollment in 2012 and dropped to 52 percent in 2017. During the same period, Hispanic students grew as a percentage of undergraduate enrollment from 15 percent of undergraduate enrollment to 19 percent, but black students fell from 23 percent to 20 percent.

Undergraduate and traditional-age students accounted for a larger percentage of students — from 58 percent to 60 percent from 2013 to 2017. The percentage of young adults 18 to 24 who attended college in 2017 was 36 percent in the region, up 2 percentage points from 2013. For the same period, the percentage of working age adults 25-49 dropped about 1 point. Any drop in adult attendance is troubling when workforce changes are looming.

SREB Fact Book 2019

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Enrollment at four-year institutions was almost flat in the nation and in SREB states increased about 2 percent between 2012 and 2017 while two-year college enrollment dropped 11 percent nationwide and 10 percent in the SREB region. This drop at two-year colleges is troubling because these institutions enroll more non-traditional-age students. These adult students might need more job retraining to meet advancing skill demands in the workplace.

Students who entered college in fall 2011 as first-time, full-time, bachelor’s degree seeking students had a 78 percent progression rate as of 2016-17 — a 2 percentage-point increase over the last five years. First-time, full-time, degree- or certificate-seeking students who enrolled in two-year colleges in fall 2014 in the SREB region had a 57 percent progression rate by 2016-17, a 6 percentage-point increase over those who entered in fall 2009. If these rates continue to rise, they will lead to higher completion rates.

College affordability challenges efforts to raise education attainment levels

Keeping college affordable remains a challenge for SREB states. Many factors, including tuition and fees, student financial aid, state support of higher education, and family income affect college costs. The data indicate that most students and their families continue to struggle with paying for college.

The median annual tuition and fees for the SREB region increased between 2016-17 and 2017-18. These costs for in-state undergraduates at public four-year institutions totaled $8,000, an increase of 4 percent over the year before, adjusting for inflation. The increase nationwide was 2 percent.

Pell grant dollars awarded to students in the region dropped 6 percent. The number of Pell Grant recipients in the SREB region dropped by 18 percent, including a 16 percent drop at public colleges. Pell grants pay $3,972 on average in the SREB region and a maximum of $5,920; they boost a family’s ability to pay for college, but they are insufficient by themselves to cover costs. SREB states led other regions in overall state scholarships and grants. State financial aid in SREB states reached nearly $5.5 billion in 2016-17 — 43 percent of the nation’s total. In SREB states, need-based state scholarships totaled $2.4 billion, 29 percent of the U.S. total need-based aid. Non-need based state scholarships totaled $2.2 billion, 86 percent of the nation’s total non-need based aid.

Nationwide student loans represent a lower percentage of total student aid than grants and scholarships. Student borrowing peaked in 2011-12 and has since decreased by $9 billion dollars to under $106 billion. Federal loans provided $29 billion in loans for students in SREB states.

Postsecondary education, as always, will need to continue to prepare individuals for high-skills positions. But it will also need to play a more intentional role in helping more students develop middle-skills than it has in the past. Forecasters say that automation will launch at least as many jobs requiring education beyond high school — but not necessarily leading to a college-level degree — as it eliminates. As Unprepared and Unaware points out, no one needs to lose a job, but nearly everyone will need to learn new, more challenging skills for the jobs that will become available. Postsecondary institutions are key for most students, regardless of age and experience, in preparing for the future workforce. Postsecondary institutions are the key for most students and adults.