Community Colleges:

New Expectations
Changing Outcomes

Texas A & M-Commerce
Center for Community College Education
Fall Conference
October 14, 2011

Roberts T. Jones
Founder of Education & Workforce Policy
STATE WORKFORCE CHALLENGE!!
Future US Labor Markets

- **Demographics**
  - **Slow Population Growth**
    - *1% per yr.*
    - *0.03% by 2030*
  - **Slow Labor Force Growth**
    - *0.05% yr*
  - **Increased Percentage of Older Population**
  - **Fewer Younger People Entering Workforce**
  - **Core Workforce Age Group is Declining**

*Workforce Increasingly Made up of Less Educated Minorities and Immigrant Population*
Smaller Percentage Workforce in America..

<table>
<thead>
<tr>
<th>Age</th>
<th>2000</th>
<th>2020</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>28.5%</td>
<td>26.4%</td>
<td>25.9%</td>
</tr>
<tr>
<td>0-19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-64</td>
<td>59.0%</td>
<td>57.2%</td>
<td>53.6%</td>
</tr>
<tr>
<td>65+</td>
<td>12.4%</td>
<td>16.3%</td>
<td>20.4%</td>
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* Texas Youth Increases (Hispanic)
Workplace Evolution..

- Jobs Eliminated or Redefined.
  - Only 4% Lost Jobs to Outsourcing
- From Low-skill to Knowledge Jobs:
  - Complex Knowledge-based
  - Higher-level Academics
  - Cognitive/ Problem-solving
- Reorganization of Work:
  - Multi-task & Cross-Functional
  - Adaptable skills
  - Increased Responsibility
- Horizontal Vs Vertical Careers
High Skill Job Growth

- 1.3% Growth Per Yr
  Exceeds Labor Force Growth of 0.5%

- 85% of **New Jobs** Require Post Secondary Ed

- 12% Unskilled & Dropping to 2%

- 70% of Increase in Jobs Requiring PS Ed...
  - Occupations that Formerly **Required No PS Ed**
  - Manufacturing 55%  Transportation 49%
  - Construction 38%  Hospitality 46%
High Skill Job Growth
Texas

- **Tx Job Grth**
  - HS Dropouts: 2008 - 1.9 Mil, 2018 - 2.3 Mil, Diff - 350 Th
  - HS Grads: 2008 - 3.1 Mil, 2018 - 3.6 Mil, Diff - 560 Th
  - Post Sec: 2008 - 6.4 Mil, 2018 - 7.7 Mil, Diff - 1.3 Mil

- By 2025 Texas Will Require..
  - 1.2 Mill ‘Additional’ BA Dg..
  - Above Traditional Production
Careers, Skills, and Tenure Changing...

- Half Life of Industries, Companies, Jobs, and Skills **Decreasing**
- Breadth, Depth, & Application of Is **Expanding**
- Breadth and Level of Academic & Technical Prep is **Increasing**
- 50% of Workers Have Been With Company Less Than 5 Years
  - 25% Less than 1 Year

<table>
<thead>
<tr>
<th>WkF Age</th>
<th>1996</th>
<th>2006</th>
<th>2016</th>
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<tbody>
<tr>
<td>35-44</td>
<td>5.3</td>
<td>4.9</td>
<td>?</td>
</tr>
<tr>
<td>45-54</td>
<td>8.3</td>
<td>7.3</td>
<td>?</td>
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*Employment Security Increasingly Dependent Upon ‘Adaptive Academic Skills’*
US Workforce Not Prepared...

- By 2018.. 63% Of **ALL Jobs** Require Some PS Ed

- But Workforce..

  - 15.5% No HS/GE
  - 30.1% HS Degree/GED
  - 19.5% Some College..No Degree
  - 34.8% AA Deg or Higher

- Texas

  - 19.4%
  - 26.3%
  - 21.0%
  - 32.7%

- 93 Million 16+ Yr Olds Lack Literacy Skills For Education/Training Needed For New Jobs

- 50 Mill 25-40 Yr Olds `In Workforce’ Have No PS Credential

BLS/WKF 2018
# Educations Increasing Impact On Unemployment

<table>
<thead>
<tr>
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<th>Sept 11</th>
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<tbody>
<tr>
<td>Less than HS diploma</td>
<td>14.0%</td>
</tr>
<tr>
<td>HS diploma/no college</td>
<td>9.9%</td>
</tr>
<tr>
<td>Some college/AA degree</td>
<td>8.4%</td>
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<tr>
<td>BA degree and above</td>
<td>4.2%</td>
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**Gap: less than HS to BA degree**

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<tr>
<td>1970 gap was</td>
<td>3.3%</td>
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<tr>
<td>2007 gap was</td>
<td>5.1%</td>
</tr>
<tr>
<td><em>Sept 11 gap is</em></td>
<td>9.8%</td>
</tr>
<tr>
<td>2020 gap will be</td>
<td>???</td>
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BLS 09/11 Seasonal Adjusted
Those With HS Deg or Less.. 

*Increasingly At Risk!*

- From Start of Recession Thru 2010
  - Those Unemployed 16 Wks & Longer....
    - 58% Had HS Deg or Less
    - 26% Had Some College/AA Deg
    - 16% Had BA Deg or Better

- Versus New Jobs Requiring PS Ed by 2018
  - 37% HS Deg or Less
  - 63% PS Education

BLS/CPS
Future US Labor Markets

- 40% Workforce Retires in Next 5 Years
- 32 States Project Shortage of Degreed Wkfc
  - 8 Mill Nat Shortage of Certs/AA/BA By 2018
  - 16 Mill By 2025

» Labor Shortage of 21 million in 2020

Health Care
Engineers
Teachers
Welders
Accountants
Government
Geospatial

Technology
Technicians
Services
Energy Technicians
Transportation
Manufacturing

DOL/BLS
STATE

BUDGET

CHALLENGE!!
State Budgets
Balance Budget Requirement

- Recession of 2009
  - 8.5 million lost Jobs
  - $70.5 billion in lost State Revenues

- Revenue/Jobs Slowly Recovering
  - State tax collections, are 12 percent below pre-recession levels
  - Jobs-100,000 per month

- States have closed budget shortfalls of over $510.5 billion for fiscal years 2009, 2010, and 2011 combined.

- States Balancing Budgets Dependent on...
  - One time cuts Education, Health Care, Corrections, Personnel, etc.
  - Tax Increases
  - Availability of Federal Stimulus Dollars
  - Trust Fund Loans for Extensions to Unemployment Insurance
State Budgets
Short Term Reality

- States assume that job growth and revenue growth will restore budget cuts to essential services

- State tax collections, still 12% below pre-recession levels
  - 3% GDP growth vs traditional 5%-7%
  - 1% 2nd Quarter

- Job Growth Slower than Prior Recessions

- 2012 Budget Deficit Projected $91 Billion

- Meanwhile the need for state-funded services has not declined.
State Budgets....

- **Federal Stimulus**
  - Recovery Act $37.9 billion Exhausted 2012
  - Made up 35% of State Budget Shortfall

- **Health Care Costs Rising**
  - NHE expected to average 6.1% increase per year and rise to 19.3% of GDP by 2019
  - Medicare Trust Fund by 2011/12
    - Will Lay Out 3 times What It Takes In
  - State Medicaid
State Budgets...

- **States Pension Plan Underfunded**
  - Unfunded Liability of over $2 to $3 Trillion
  - Pension plans' assets fell 26% in 2009, primarily because of investment losses
  - 40% of State Workers projected to retire in next 5 years and States will have to ‘find the revenue’.

- **Unemployment Trust Funds Exhausted**
  - Borrow From Feds
  - Further UI Extensions
  - Loan Pay Back, Increase Payroll Tax, General Revenue
State Budgets
Long Term Impact

- States Face Major Budget Deficits *Next 3-5 years*

- *In Addition* States Must Find Additional Revenue to Fund Pension Liabilities

- **Short Term Program Cuts Do Not Stem Long Term Projected Program Growth**
  - Medical, Education, Corrections, Infrastructure
State Budgets…

‘Performance Based Alternatives’

- Corrections
  - Justice Reinvestment
  - Targeted Alternatives Models

- Unemployment Benefits

- Medicaid

- Pensions

- Education
IMPACT ON COMMUNITY COLLEGES

Growing Demand for...

PERFORMANCE

BASED

INVESTMENT
Challenges…

Employer Expectations

- Technical/Occupational Skills Continuously Evolving and Outdated

- Employees Academically Prepared to Constantly ‘Adapt’ to Increased Skills and Applications

- Understand Business Model/Applications

- Academically Prepared for ‘Continuous Learning’
Challenges...

Financial Support

- Increasing Student Diversity
  - Age and Ethnicity
  - Education Preparation

- Increased Student Demand vs..
  - Less State/District Financial Support
  - Constraints on Perkins/Pell

- Growing Education Competition
  - On-Line, Proprietary Schs, Corp Partners
  - Early College HS, ‘Badges’, etc
Challenges & Opportunities

Performance!

- Demand for Higher Academic Prep

- Demand for Successful Remediation...
  - Integrated With Academic/Technical
  - On-line Prep
  - Early Prep Academies

- New Learning Models
  - Contextual Learning
  - Internships
Challenges & Opportunities

Performance!

- Industry Recognized Certification
  - Align College Curriculum with Workforce Demands
  - ‘Stackable’ Industry Certs/Licensure
  - Academic Credit

- Student Options
  - Tech Career and HE Options

- Transparency for Employers, Colleges, and Students
Workforce System for the 21st Cent

- Single ‘Track’-Multiple Learning Options
  - New Pathways Toward Same Academic Outcome

- Occupation Preparation with PS Academic Credits/Options

- Move Beyond “Learning a Trade”
  - Academic Standards Linked to Tech Trng, Apprenticeship, Internships, etc

- Preparing *All Students* for Continuous Occupational Transition
Workforce System for the 21st Century

- Shift From Social to Economic Policy
  - ‘All’ Students Academically Prepared
    - ‘Adaptable’ Academic Skills
  - Performance Based Funding
    - Adult Ed, WIA, TANIF, Comm Coll, etc
      - Degrees and IRC’s
    - Unemployment Benefits Linked to Ed/Trng for New Jobs
      - Degrees and IRC’s
  - Focus on Adults With No PS
    - Degrees and IRC’s
    - 70% of Texas Degree Growth from Adult Pop
Community College Performance

‘Return on Investment’

- Student Retention
- Completion
  - AA Degree
  - Certification/Licensure
  - Transfers to 4 Yr College
    - No Remediation
    - Degree Completion
- Placement
  - Employment, Wages, Security
Smaller Targeted Investments!

Increased Performance!

Community Colleges Recognized as...
Performance Based Delivery Syst
Primary Workforce Dev Syst
Positive ‘Return on Investment’

Essential Economic Investment
THANK YOU

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