

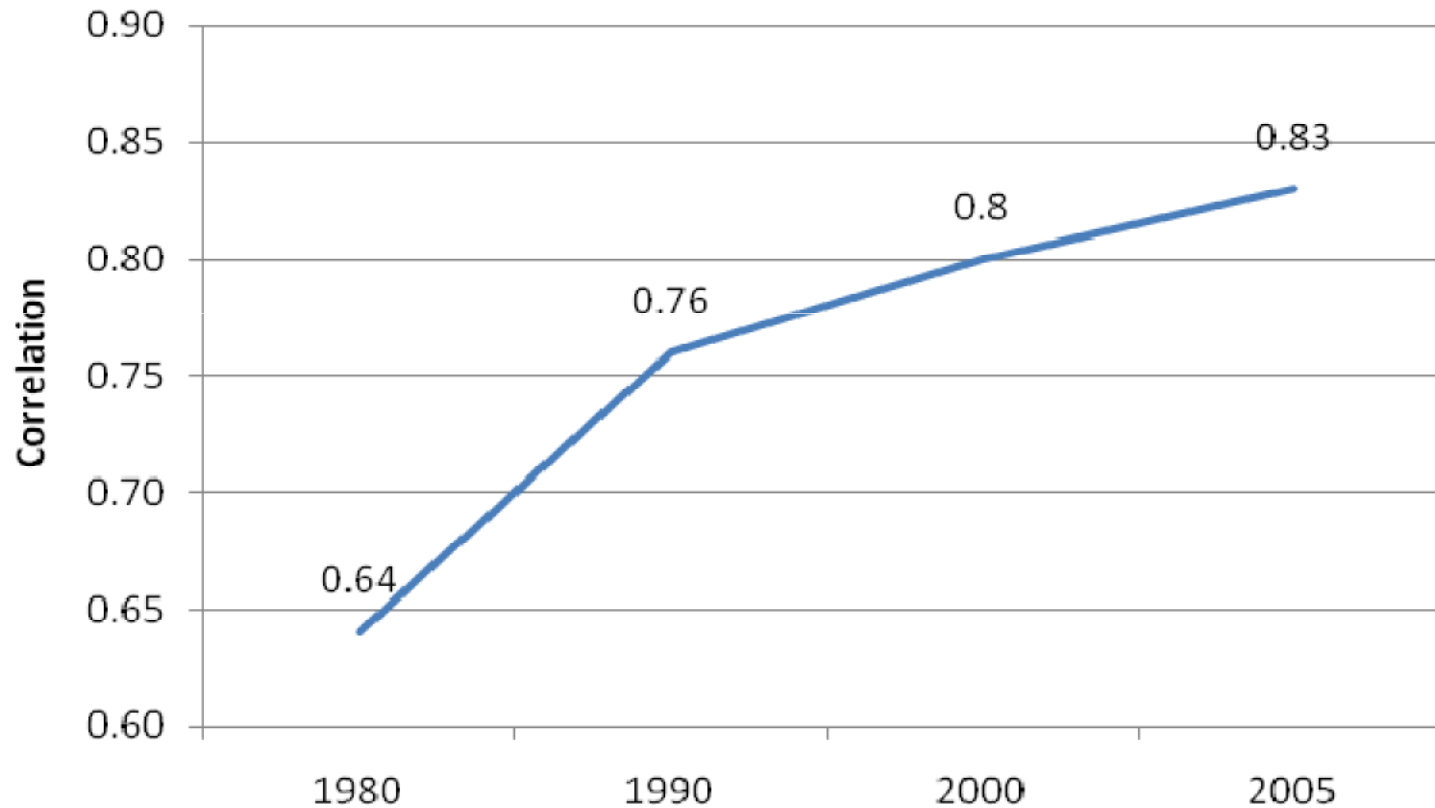
 **GOVERNOR'S BUSINESS COUNCIL** 

Relationship Between Education Attainment and State Per Capita Income is Becoming Stronger

Presentation by Woody L. Hunt
Chairman
Governor's Business Council

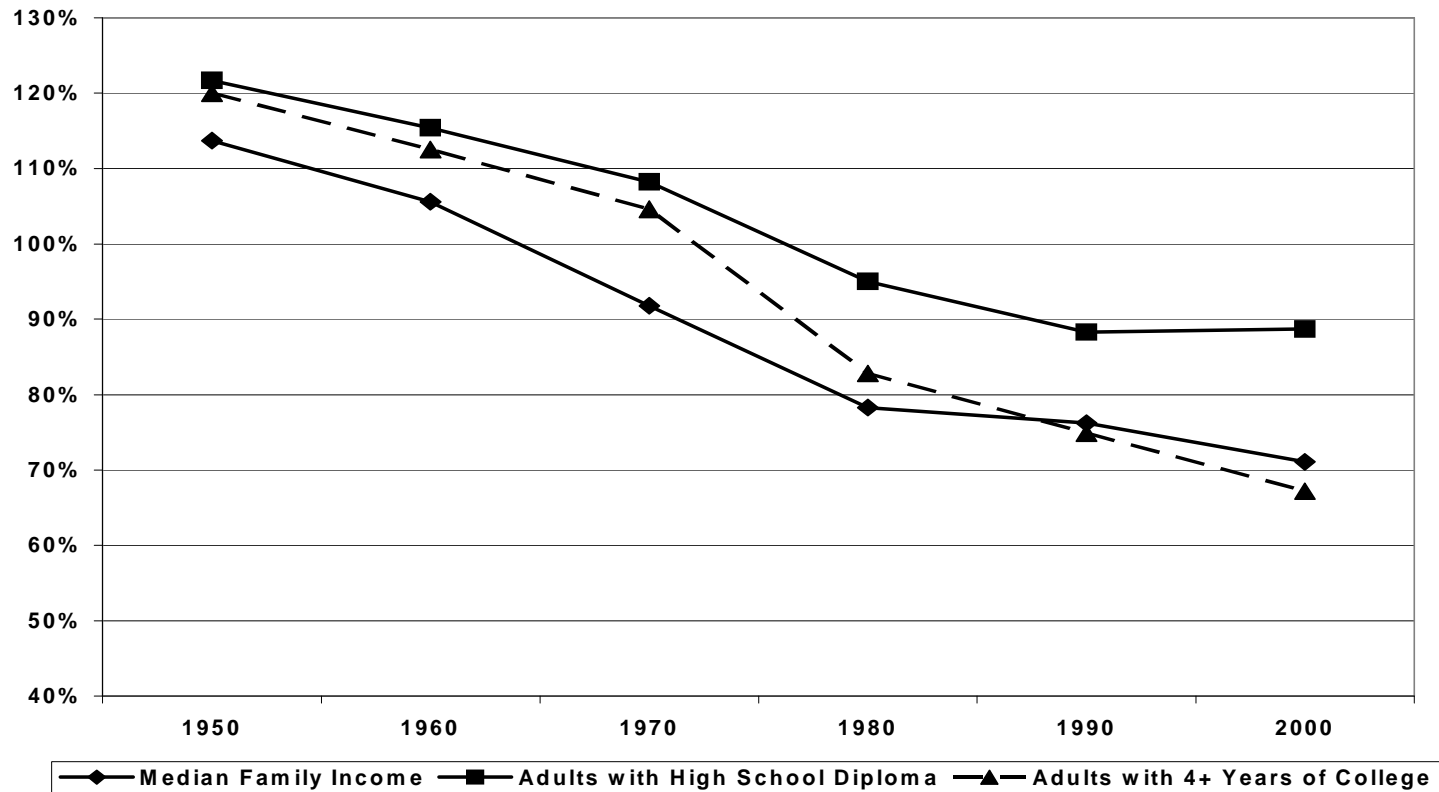
February 24, 2010

Correlation Between Per Capita Income and Percentage of the Population Ages 25-64 with a Bachelor's Degree, U.S., 1980, 1990, 2000, and 2005



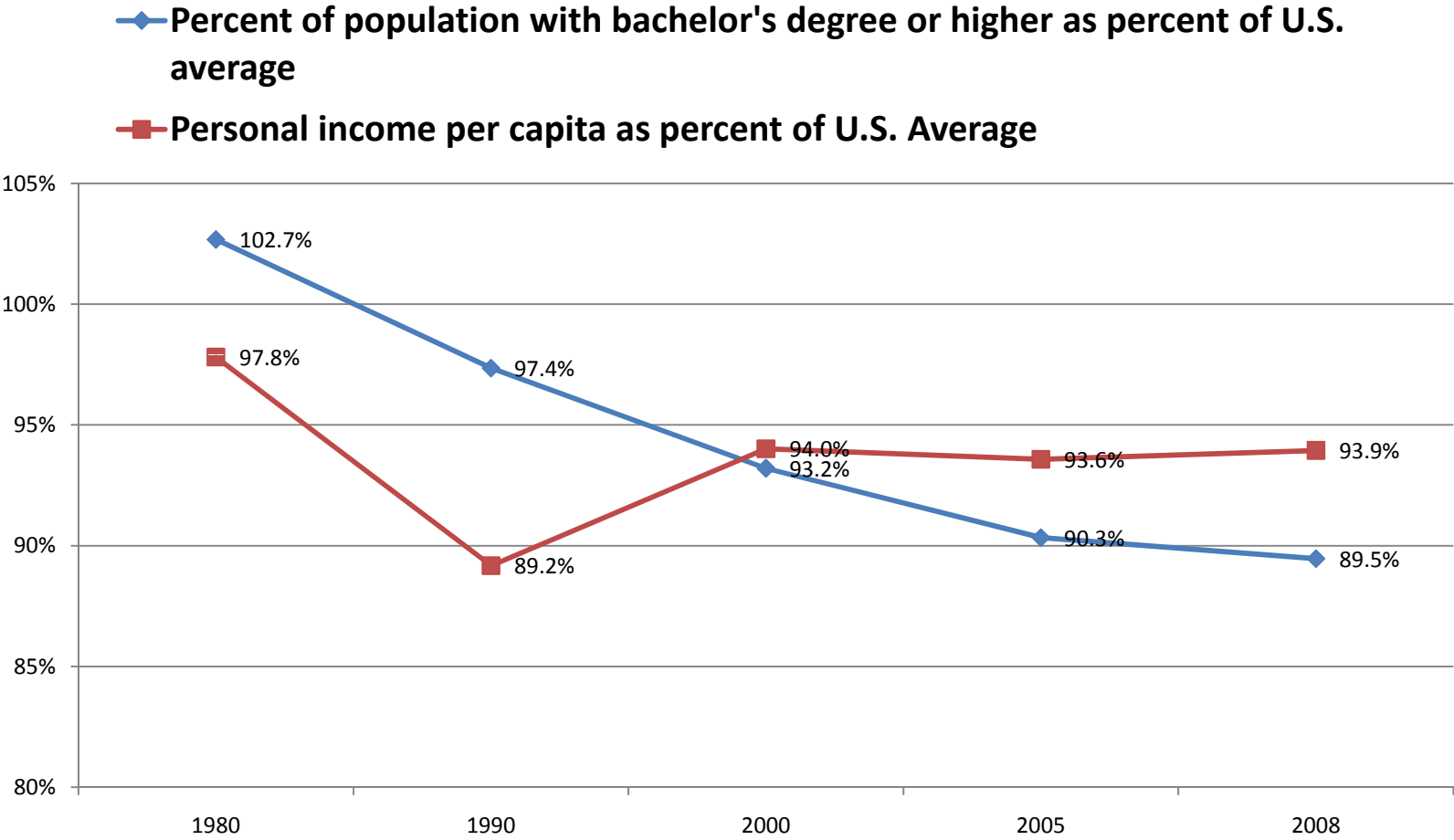
Texas is Slipping as Other States are Moving Ahead

Median Family Income and Education Attainment, 1950 to 2000—El Paso Relative to Texas

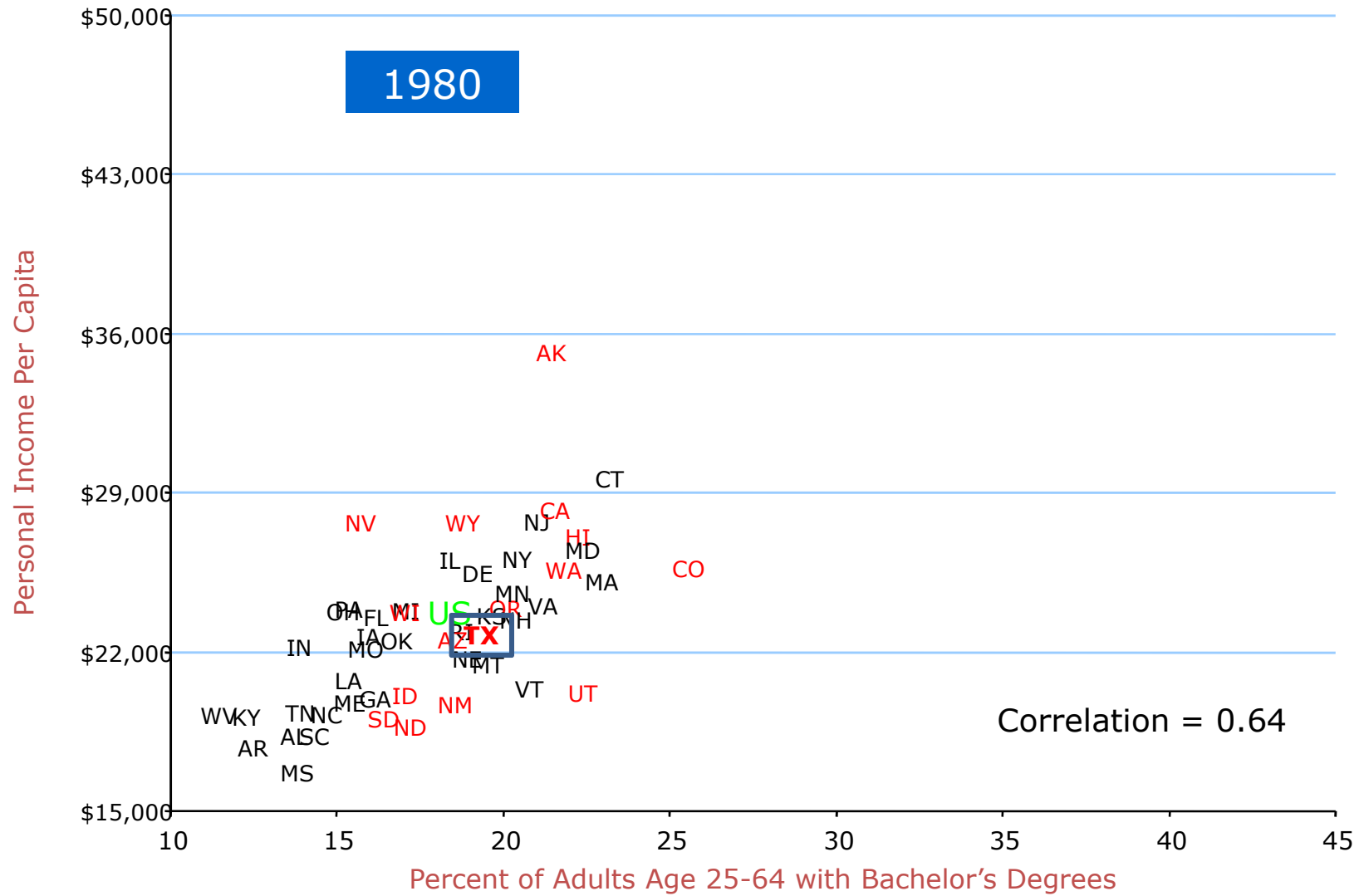


Source: Christine Thurlow Brenner (2001), *Educational Trends and Income in El Paso: A Longitudinal Perspective*, University of Texas at El Paso, Institute for Policy and Economic Development

Texas Education Attainment and Personal Income Per Capita as Percent of U.S. Average, 1980 to 2008

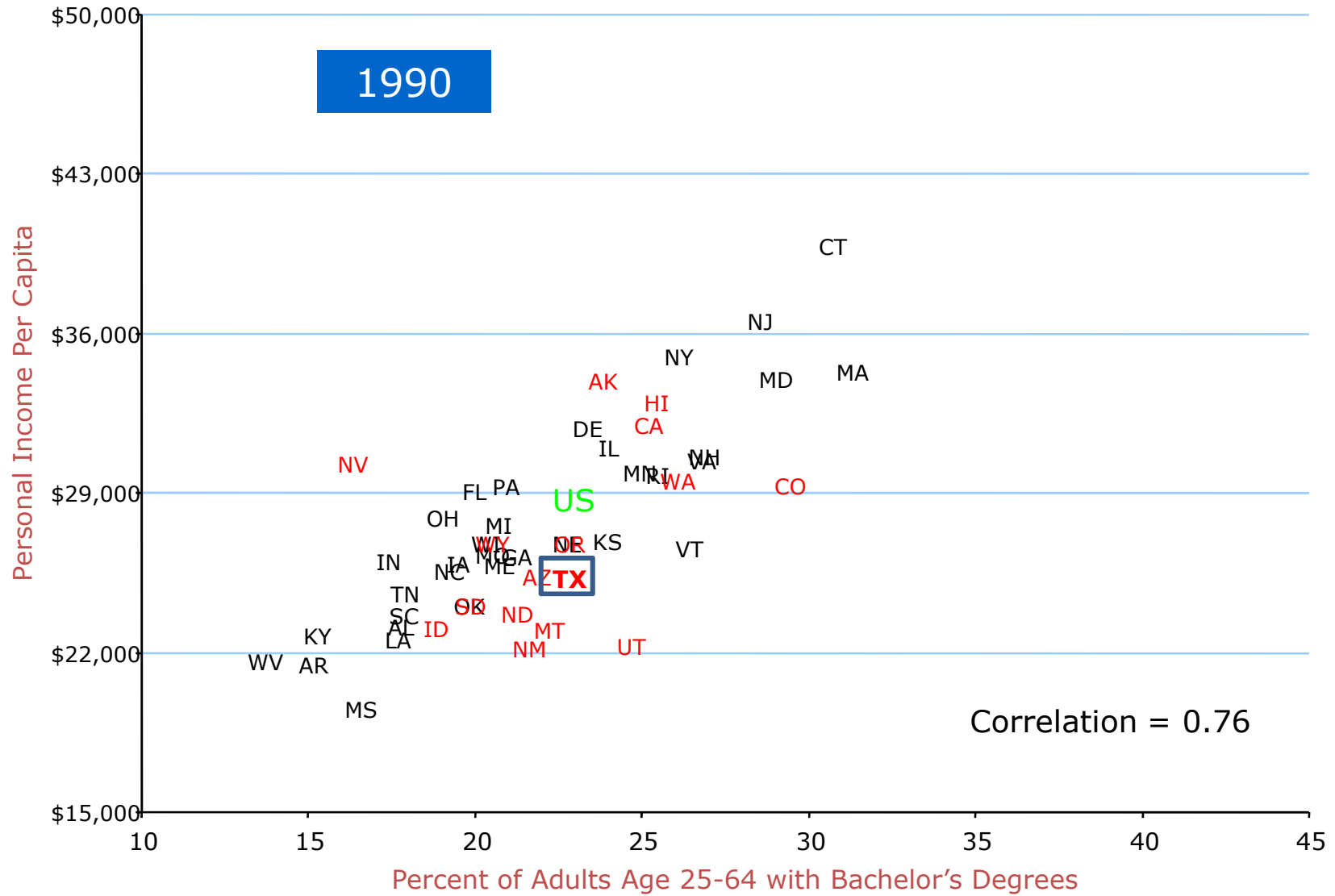


Educational Attainment and Income



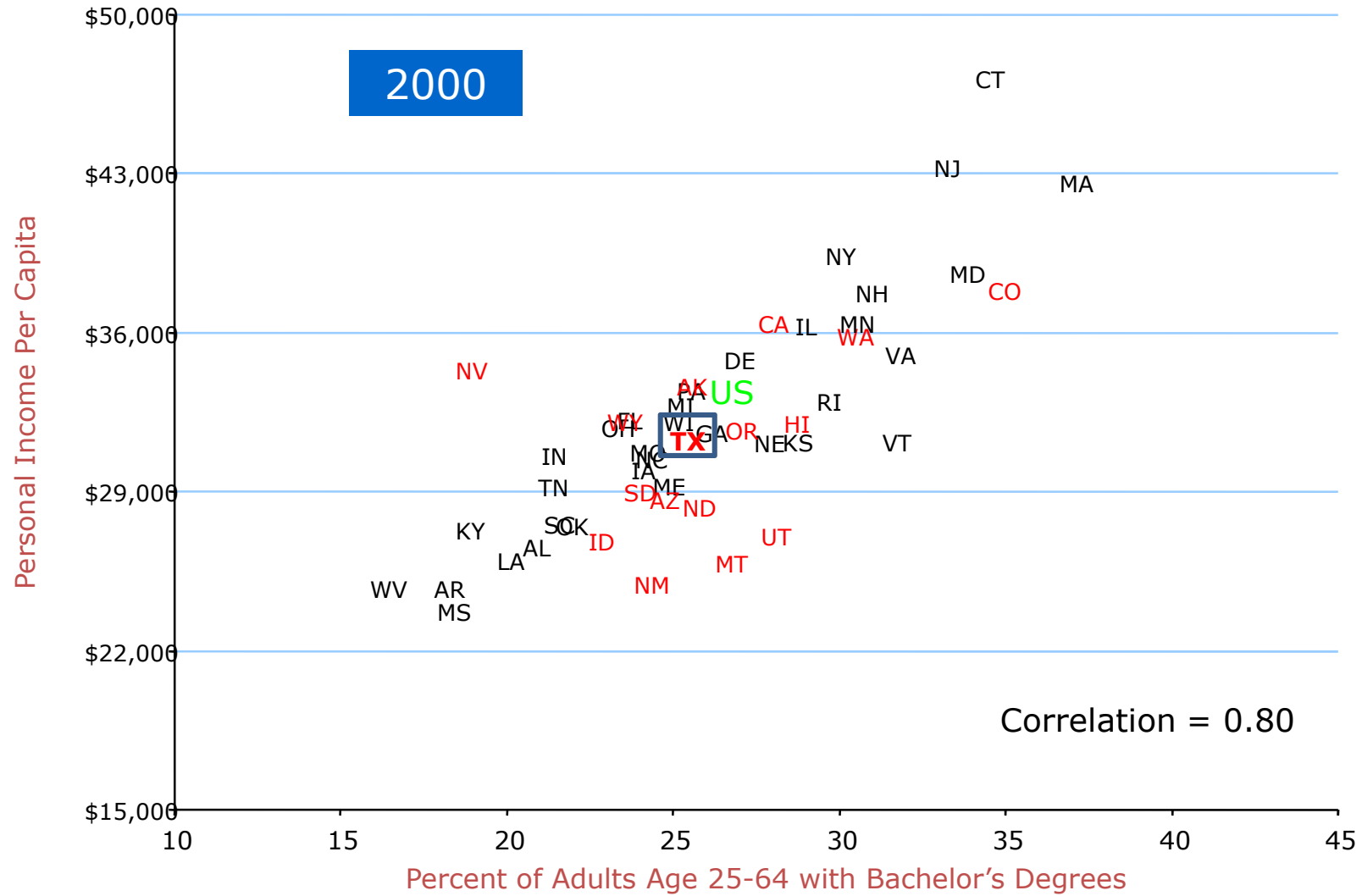
Source: U.S. Census Bureau, Decennial Census' and American Community Survey

Educational Attainment and Income



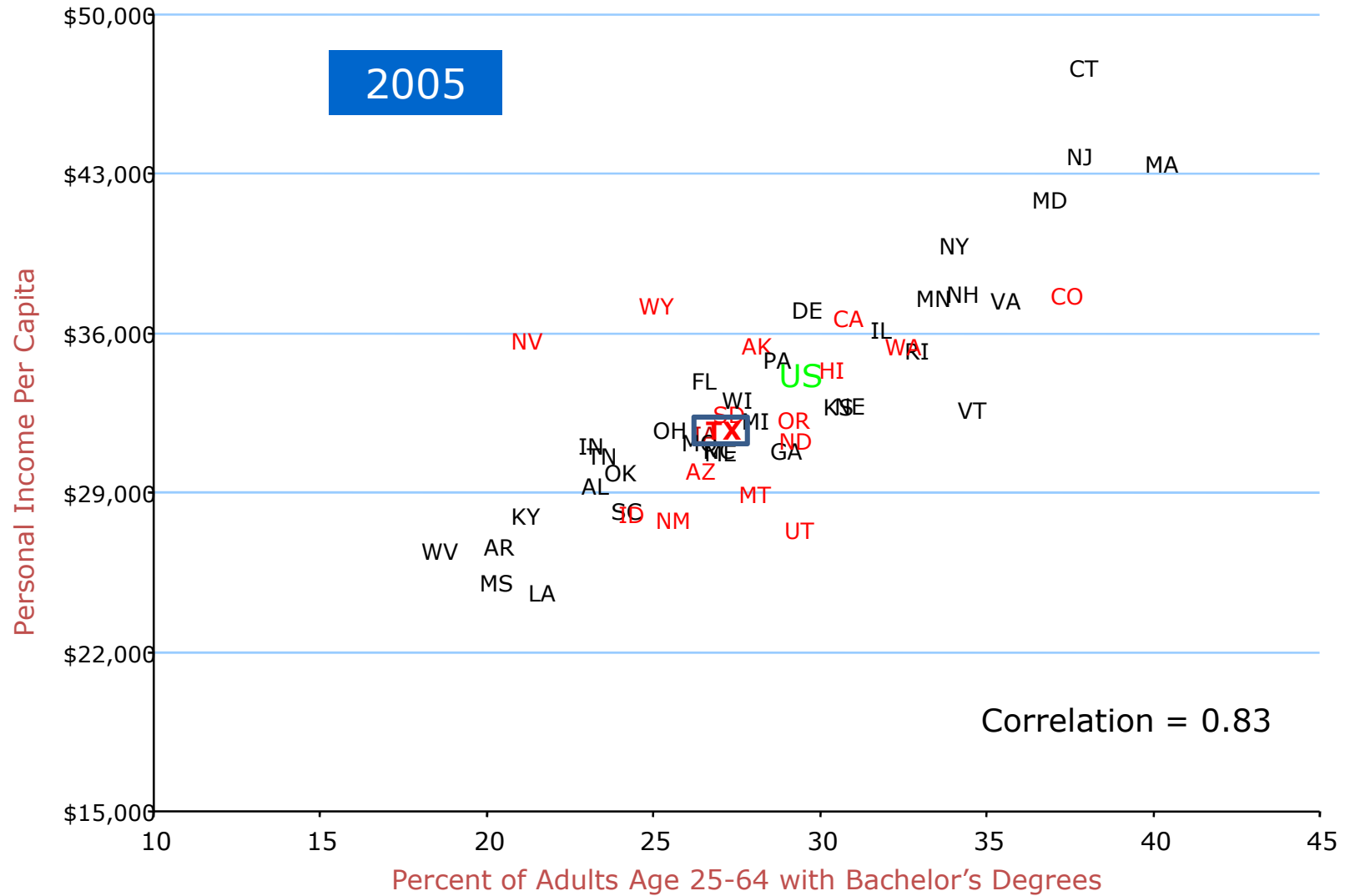
Source: U.S. Census Bureau, Decennial Census' and American Community Survey

Educational Attainment and Income



Source: U.S. Census Bureau, Decennial Census' and American Community Survey

Educational Attainment and Income



Source: U.S. Census Bureau, Decennial Census' and American Community Survey

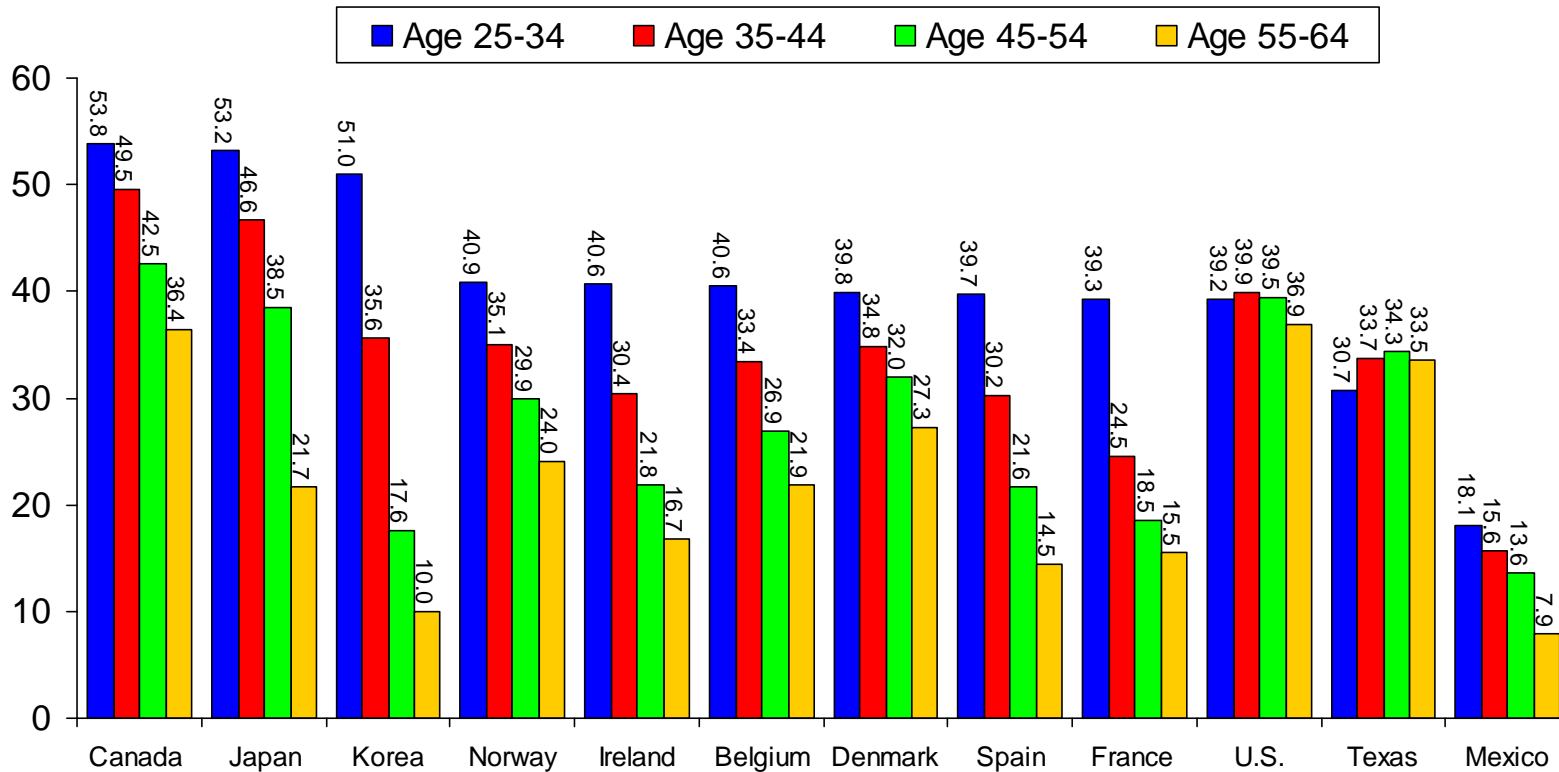
Summary of Change in Education Attainment and Personal Income Per Capita, Texas and U.S., 1980 to 2008

Percent of Population Ages 25 to 64 with Bachelors Degree and Higher					
	1980	1990	2000	2005	2008
Texas	18.6	22.1	24.7	26.4	26.4
U.S.	18.1	22.7	26.5	29.2	29.5
Texas as percent of U.S. average	102.7%	97.4%	93.2%	90.3%	89.5%
Personal Income per Capita (in Constant 2008 Dollars)					
Texas	\$25,789	\$28,433	\$35,639	\$36,570	\$37,774
U.S.	\$26,367	\$31,882	\$37,907	\$39,078	\$40,208
Texas as percent of U.S. average	97.8%	89.2%	94.0%	93.6%	93.9%

The Texas Workforce is Not Globally Competitive

Younger Workers Are Less Educated
Than Earlier Generations

Percent of Adults with an Associate Degree or Higher by Age Group - US, Texas, Mexico and Leading OECD Countries



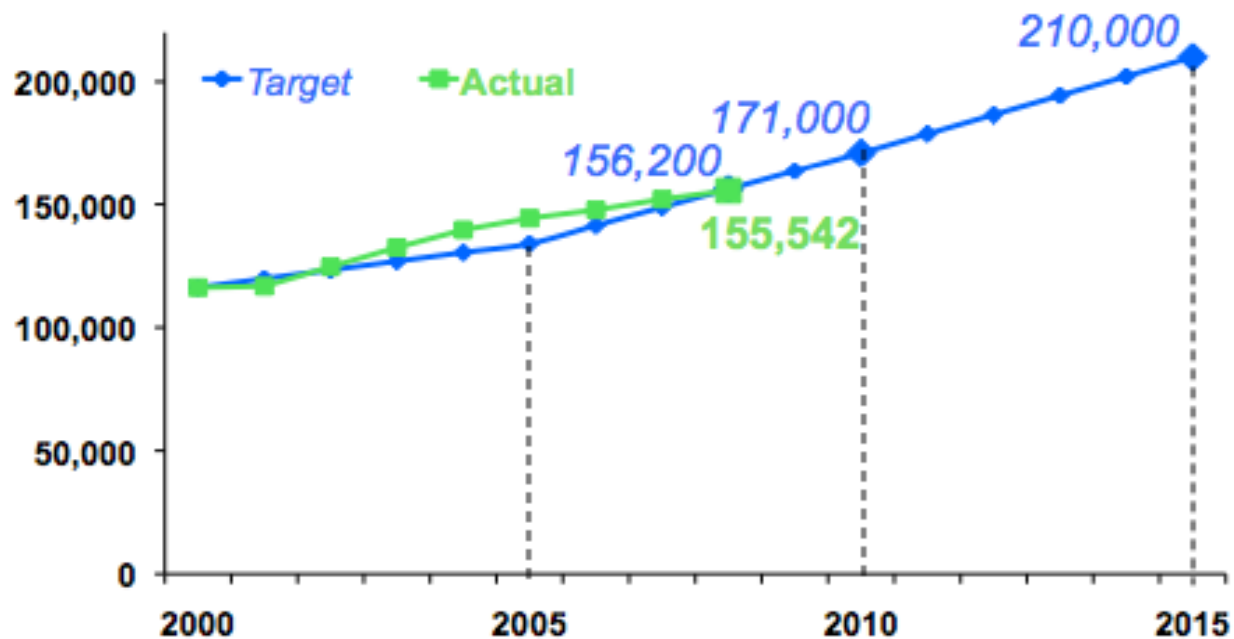
Source: OECD, *Education at a Glance 2007*

Texas Is Making Progress Toward Closing Gaps Goals for 2015

But: Not Making Progress When
Benchmarked Nationally or Globally

Closing the Gaps, Difference between Target and Actual Bachelor's, Associate's Degrees, and Certificates, including Targets for 2010 and 2015

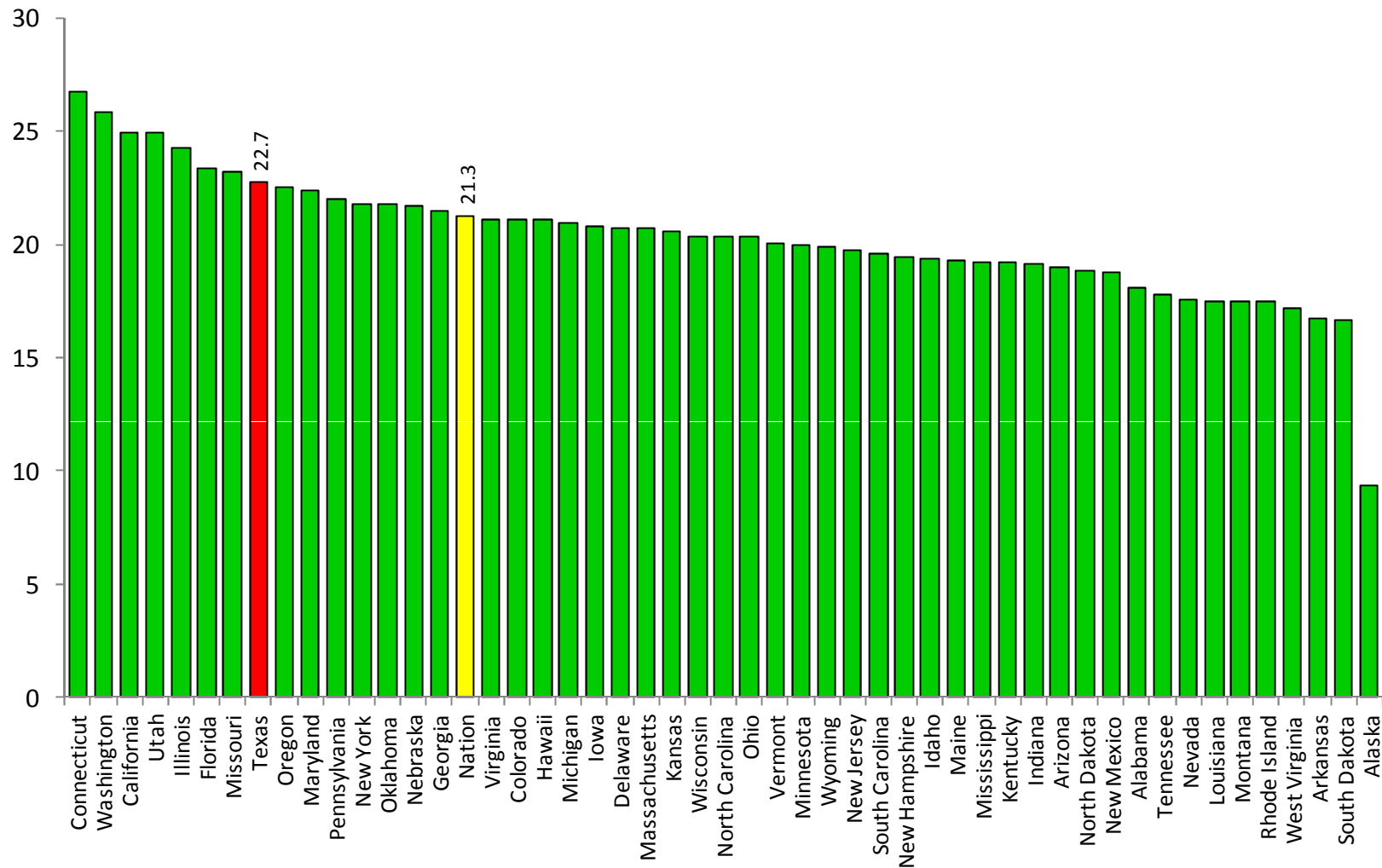
Total Bachelor's, Associate's and Certificates Awarded by Public and Independent Institutions



Texas Must Target Areas for Significant Improvement

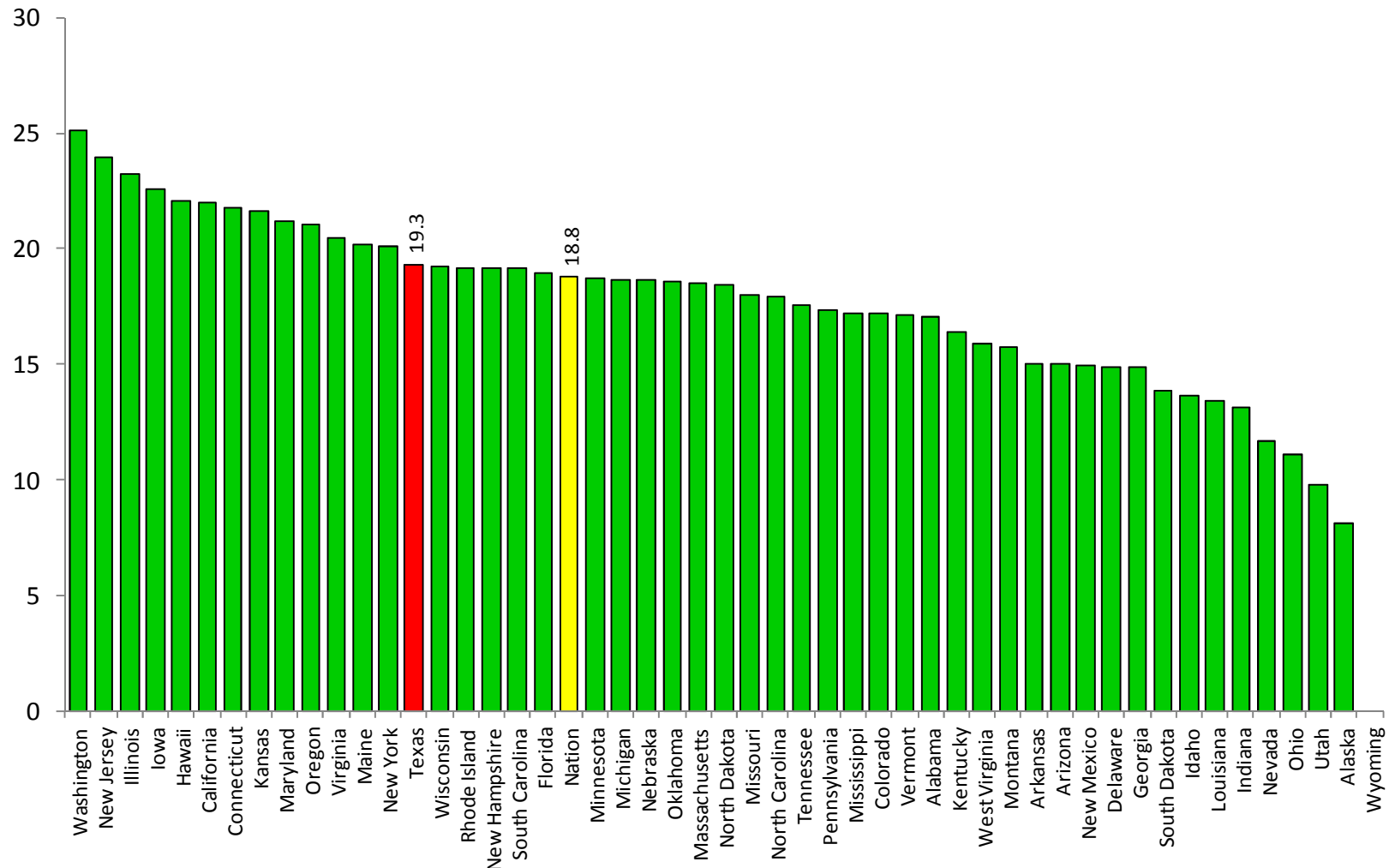
- Universities Do Comparatively Well in Getting Students Through to a Degree
- Texas Community Colleges Must Do Much Better at
 - Getting More Students Through Developmental Education
 - Getting More Students Through to a Certificate or Associate Degree
 - Transfers to Universities

Public Research Institutions - Bachelors Degrees Awarded per 100 FTE Undergraduates, 2006-07



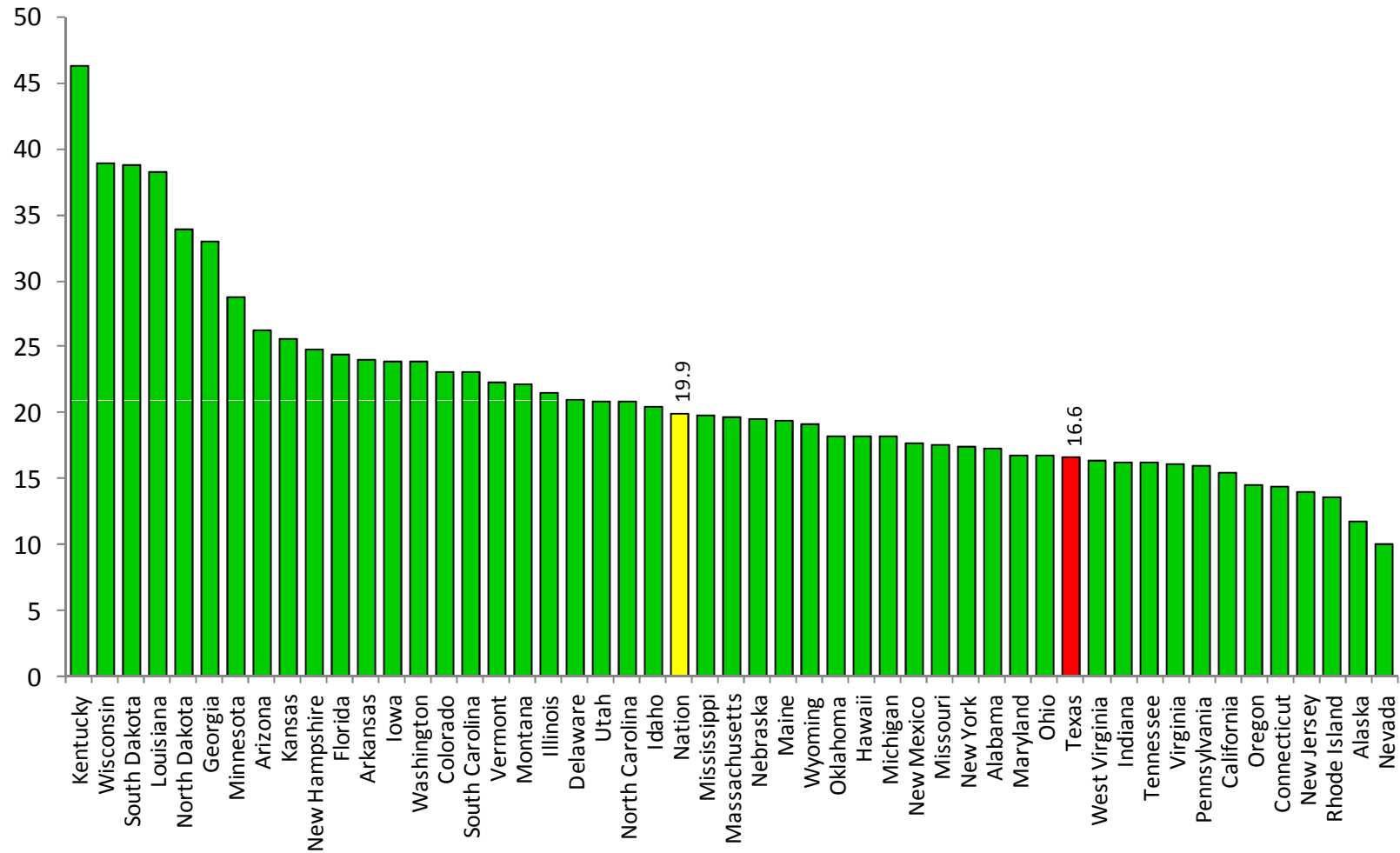
Sources: NCES, IPEDS 2006-07 Completions File; c2007_a Early Release Data File Downloaded 04-28-08; NCES, IPEDS 2006-07 Instructional Activity File; efi2007 Final Release Data File; NCES, IPEDS 2006-07 Unduplicated Headcount File; efi2007 Final Release Data File.; NCES, IPEDS Fall 2006 Enrollment File; efi2006a Final Release Data File.

Public Masters & Bachelors Institutions - Bachelors Degrees Awarded per 100 FTE Undergraduates, 2006-07



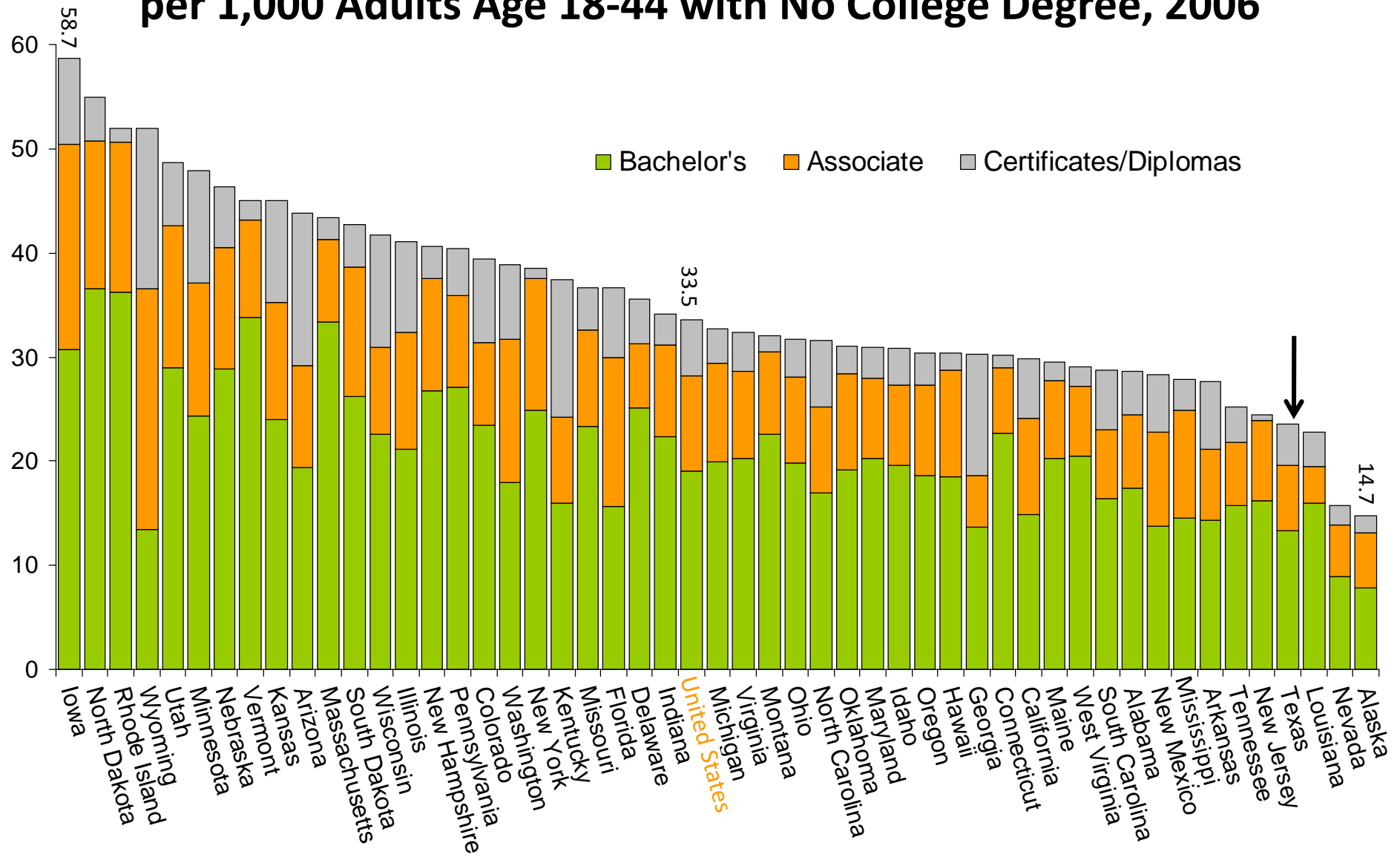
Sources: NCES, IPEDS 2006-07 Completions File; c2007_a Early Release Data File Downloaded 04-28-08; NCES, IPEDS 2006-07 Instructional Activity File; efi2007 Final Release Data File; NCES, IPEDS 2006-07 Unduplicated Headcount File; efi2007 Final Release Data File.; NCES, IPEDS Fall 2006 Enrollment File; efi2006a Final Release Data File.

Public Associate Colleges - Total Credentials Awarded (Less than Bachelors) per 100 FTE Undergraduates, 2006-07

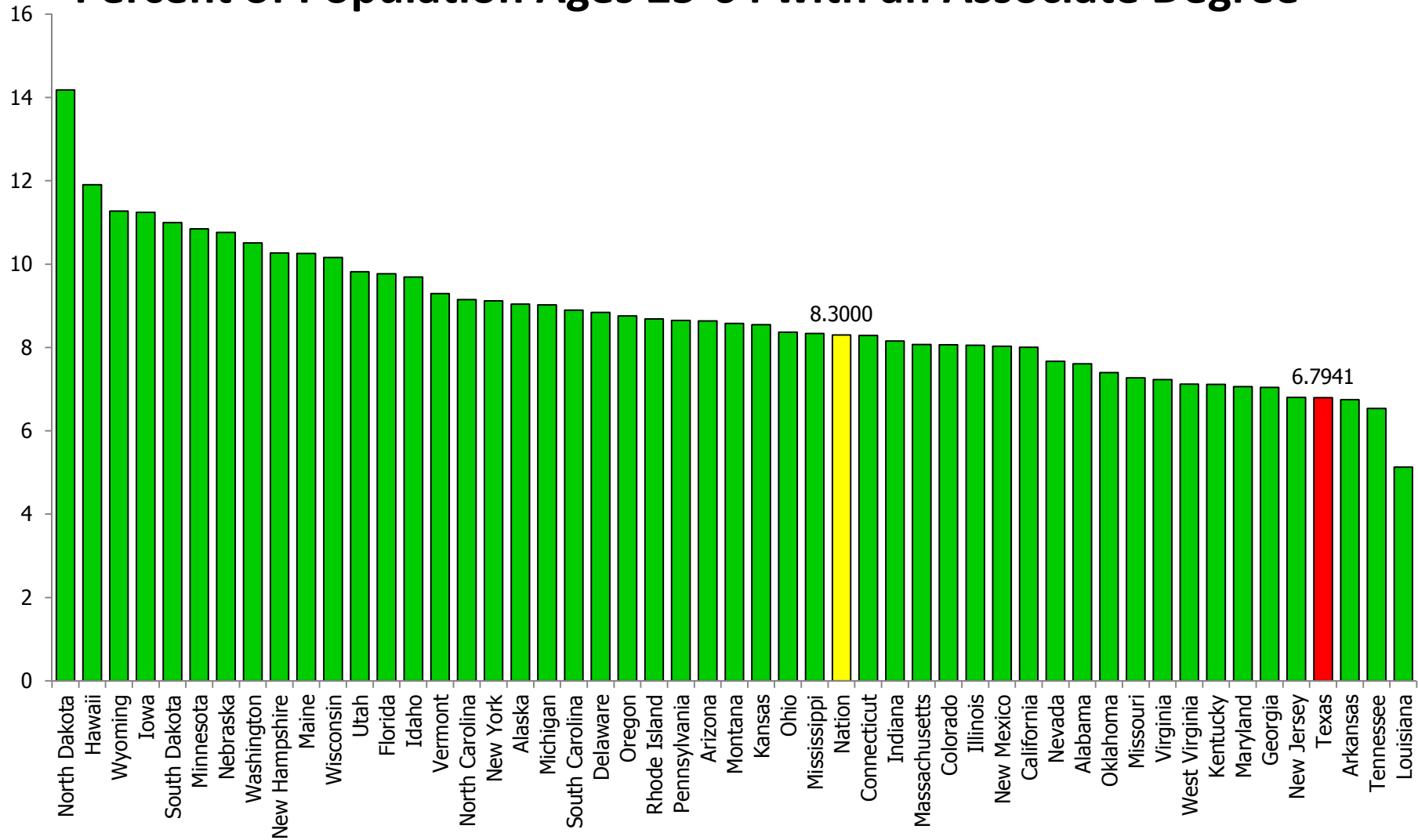


Sources: NCES, IPEDS 2006-07 Completions File; c2007_a Early Release Data File Downloaded 04-28-08; NCES, IPEDS 2006-07 Instructional Activity File; efi2007 Final Release Data File; NCES, IPEDS 2006-07 Unduplicated Headcount File; efi2007 Final Release Data File.; NCES, IPEDS Fall 2006 Enrollment File; efi2006a Final Release Data File.

Undergraduate Credentials & Degrees Awarded at All Colleges per 1,000 Adults Age 18-44 with No College Degree, 2006

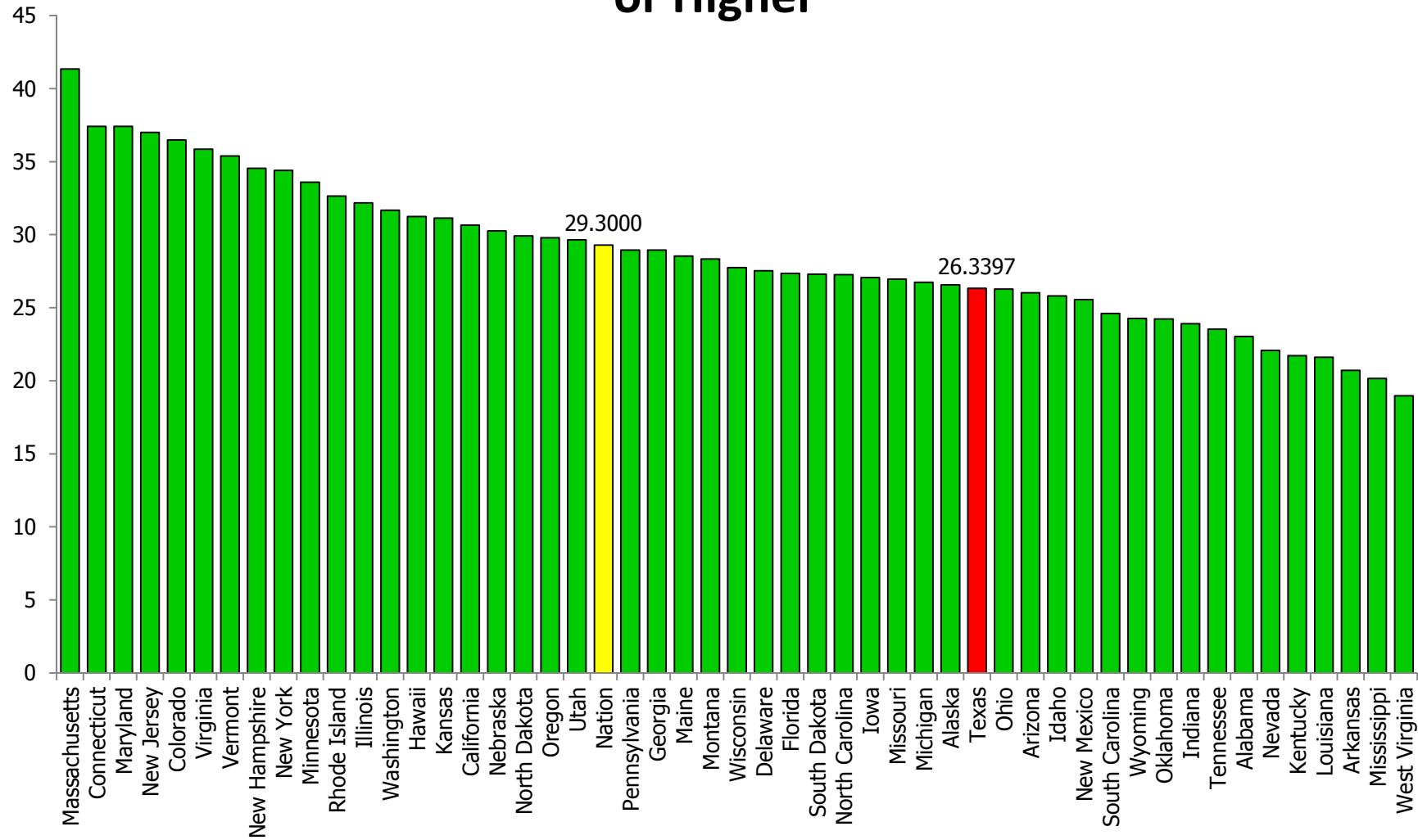


Percent of Population Ages 25-64 with an Associate Degree



Source: U.S. Census Bureau, 2007 American Community Survey.

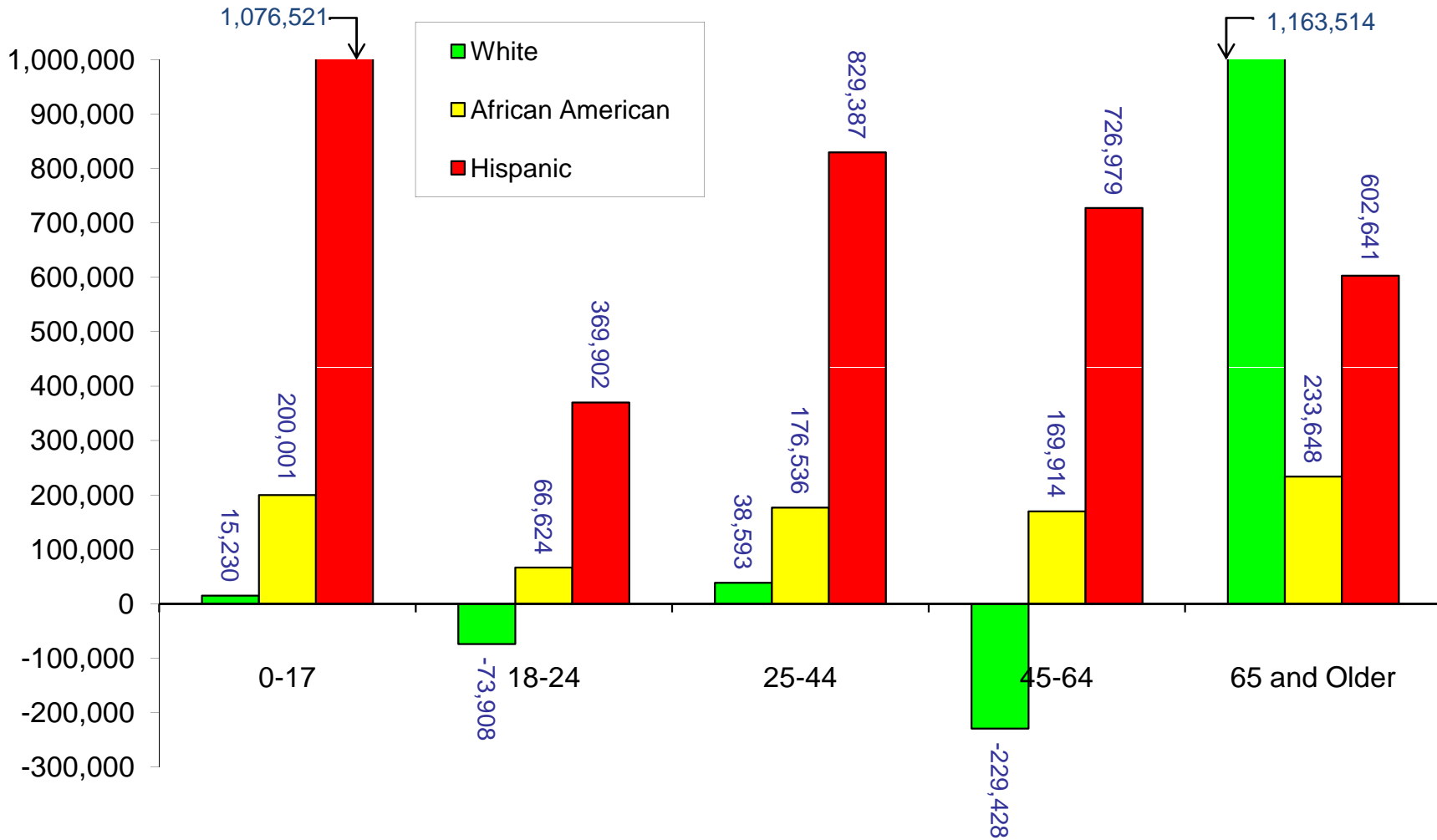
Percent of Population Ages 25-64 with a Bachelor's Degree or Higher



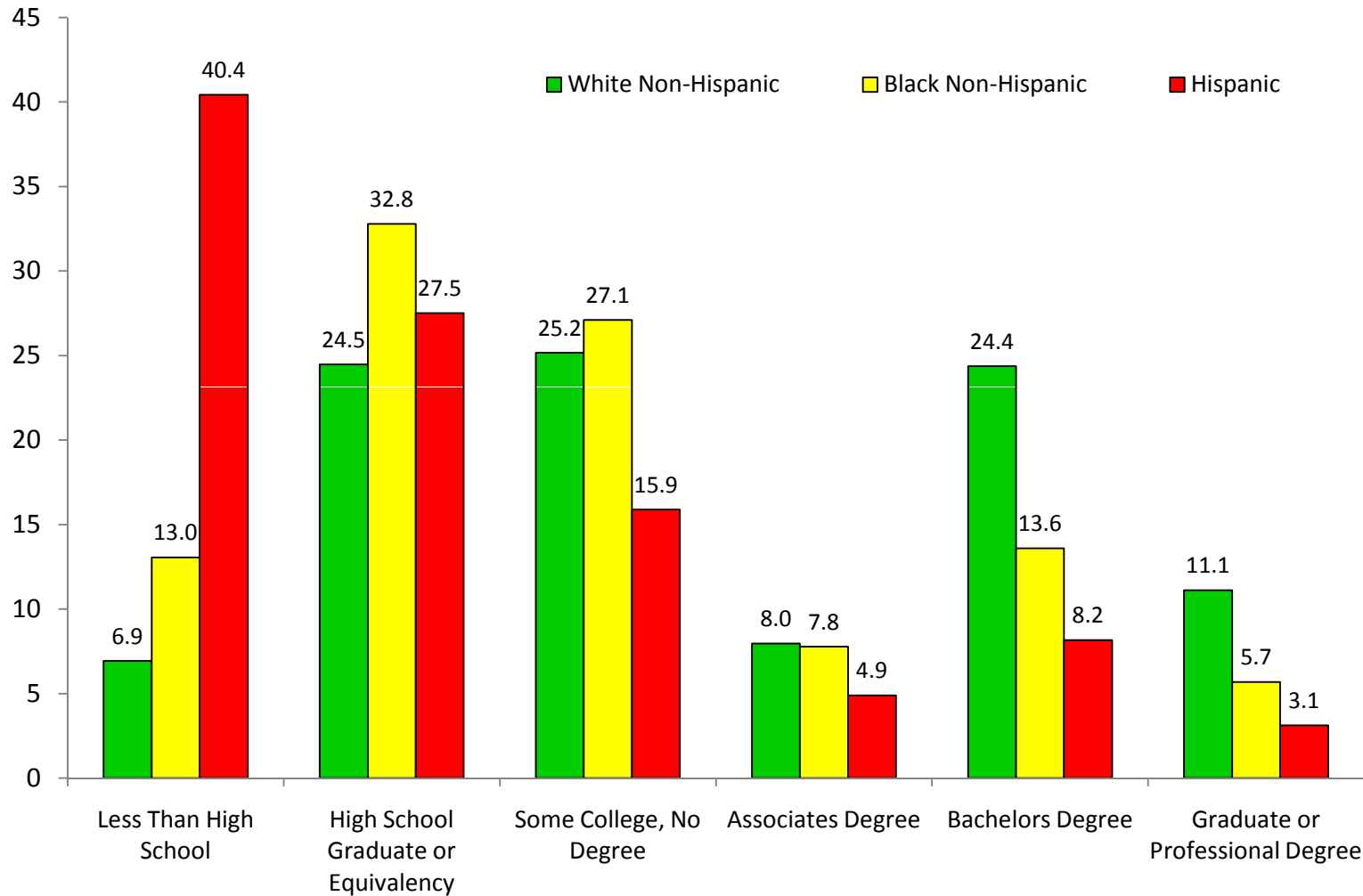
Source: U.S. Census Bureau, 2007 American Community Survey.

Narrowing Disparity Between Whites and Minorities Must be Priority

Projected Change in Texas Population by Age & Race/Ethnicity, 2005-25

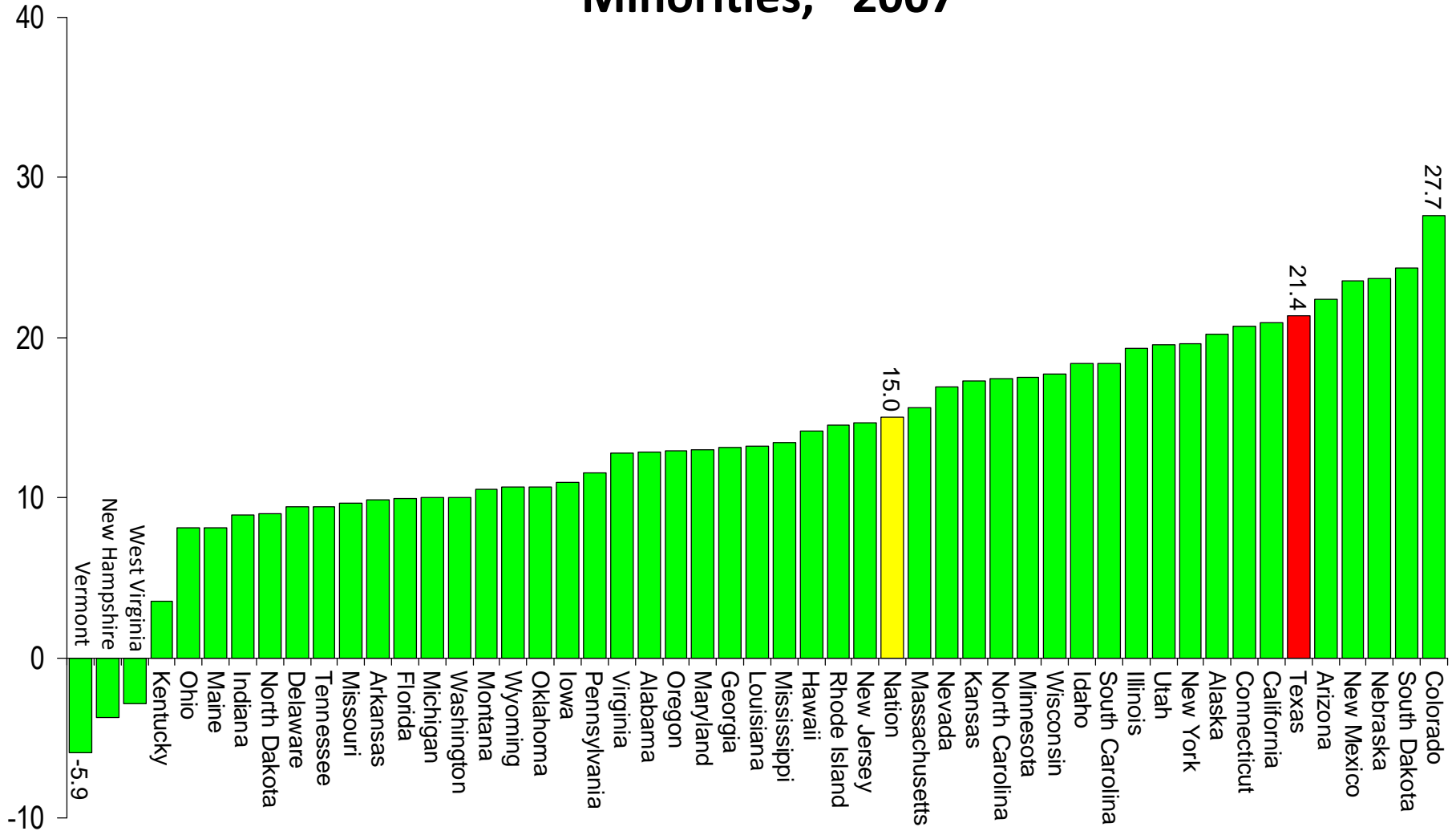


Percent Educational Attainment of Population Age 25-64 by Race/Ethnicity, Texas, 2006-2008



Source: U.S. Census Bureau, 2006-2008 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File.

Difference in College Attainment Between Whites and Minorities,* 2007



* Minorities include African-American, Hispanic, and Native American

Source: U.S. Census Bureau, 2006 ACS (PUMS)

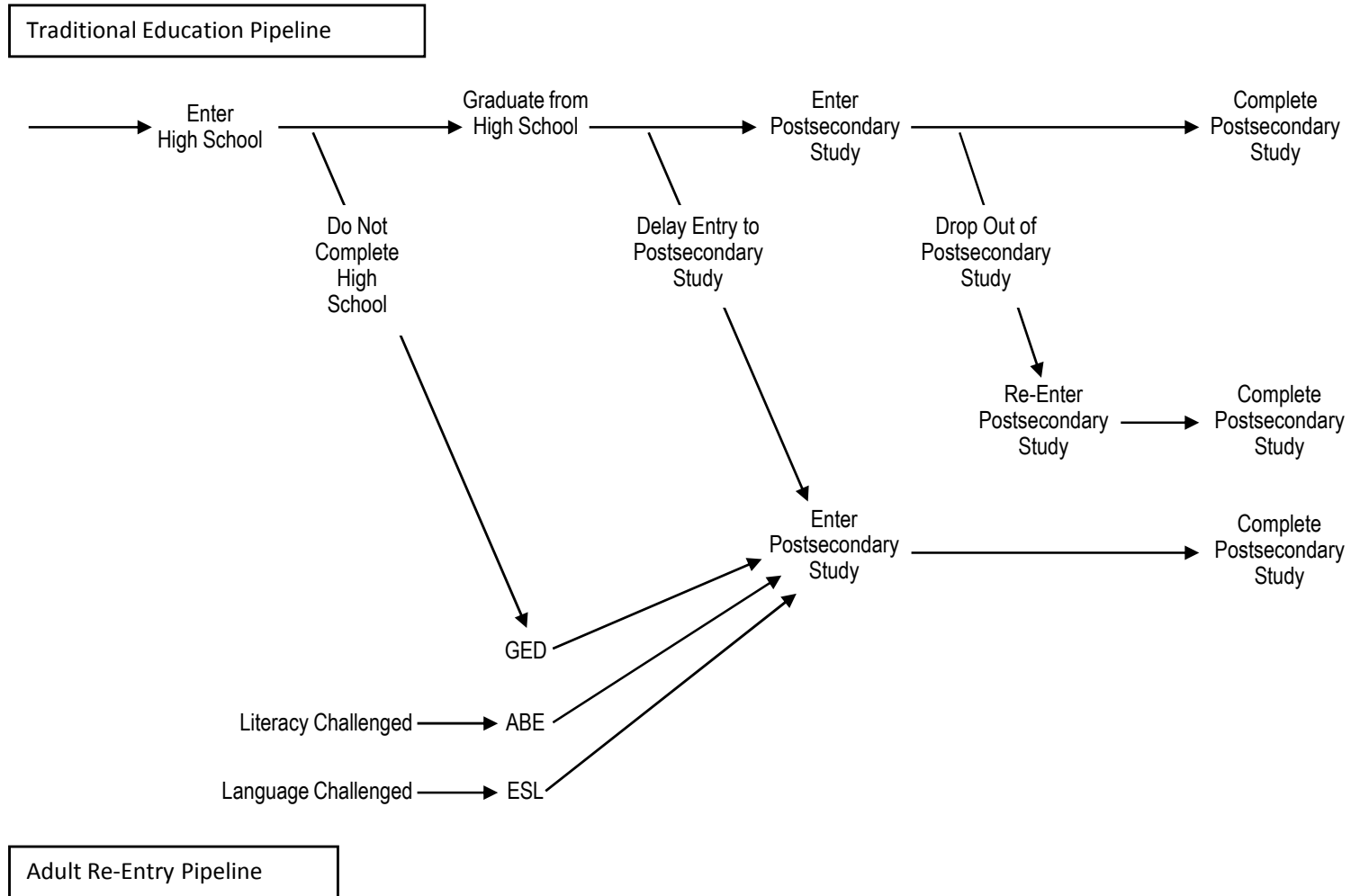
Difference in College Attainment Between Whites and Minorities,* 2007

	Percent with Associate Degree or Higher		Difference
	Whites	Minorities	
Texas	43.8%	22.4%	21.4
U.S.	43.5%	28.5%	15.4

Source: U.S. Census Bureau, 2006 ACS (PUMS)

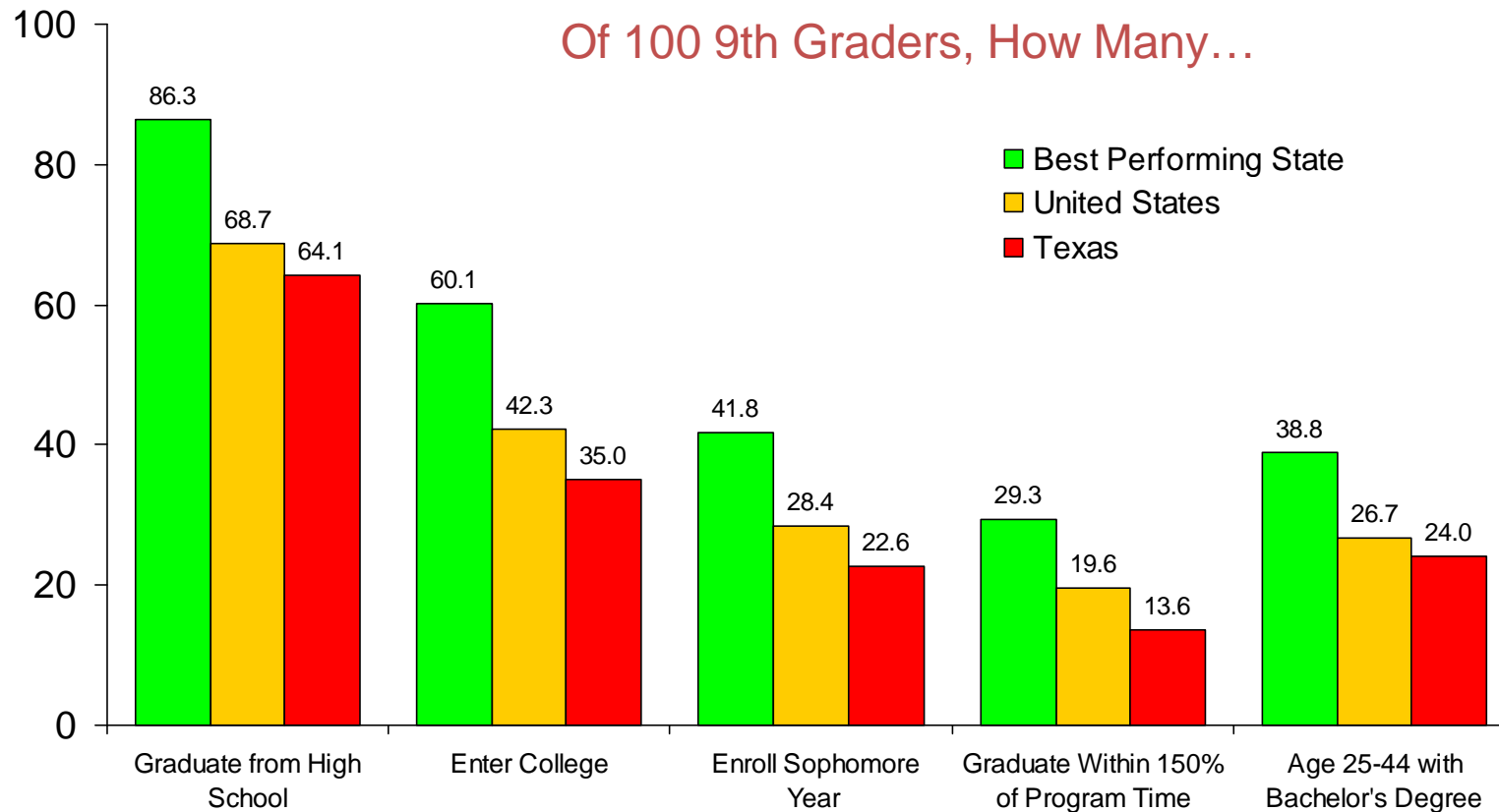
To Narrow Disparities, Texas Must
Get More Students Through Two
Pipelines:
Traditional Education Pipeline
Re-Entry Adult Pipeline

Two Pipelines



Traditional Education Pipeline

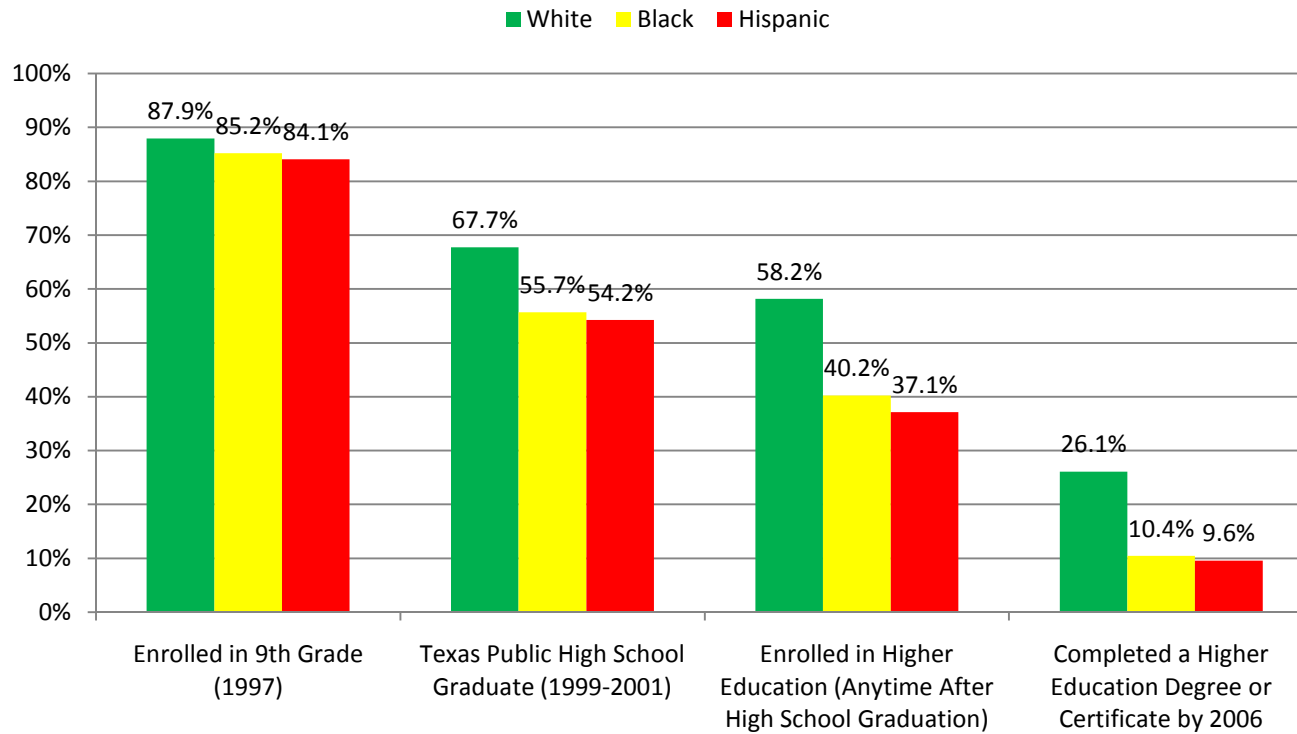
Traditional Education Pipeline, 2006



Source: NCEC Common Core Data, NCEC IPEDS Residency and Migration Survey, ACT Institutional Survey, NCEC IPEDS Graduation Rate Survey

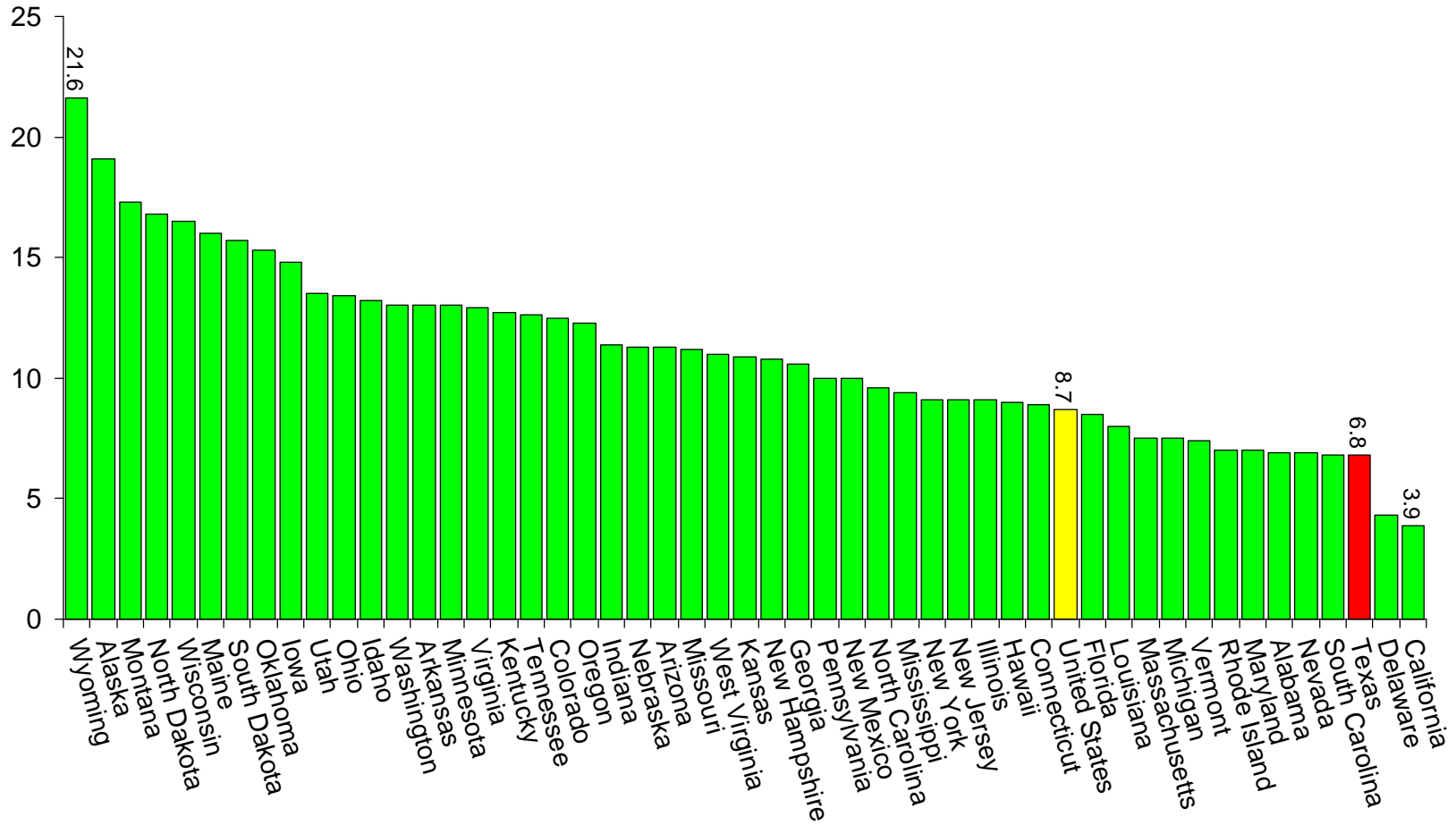
Student Pipeline by Race/Ethnicity - Transition Rates from 7th Grade to College Completion

Of 100 7th Graders, How Many....

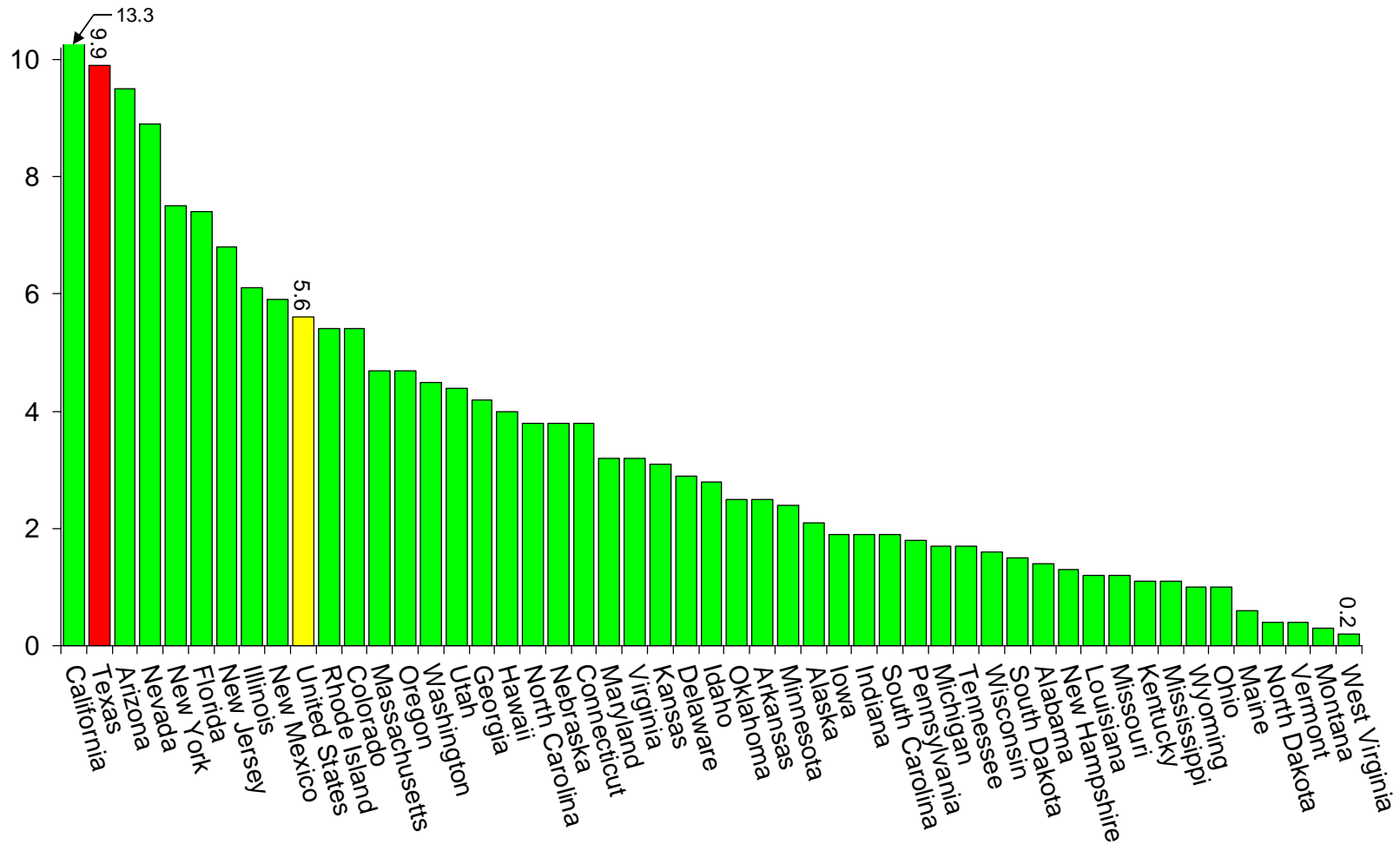


Adult Re-Entry Pipeline:
Texas Must Make Dramatic
Improvements in Adults Getting
through to a GED Prepared to Pursue
Postsecondary Education

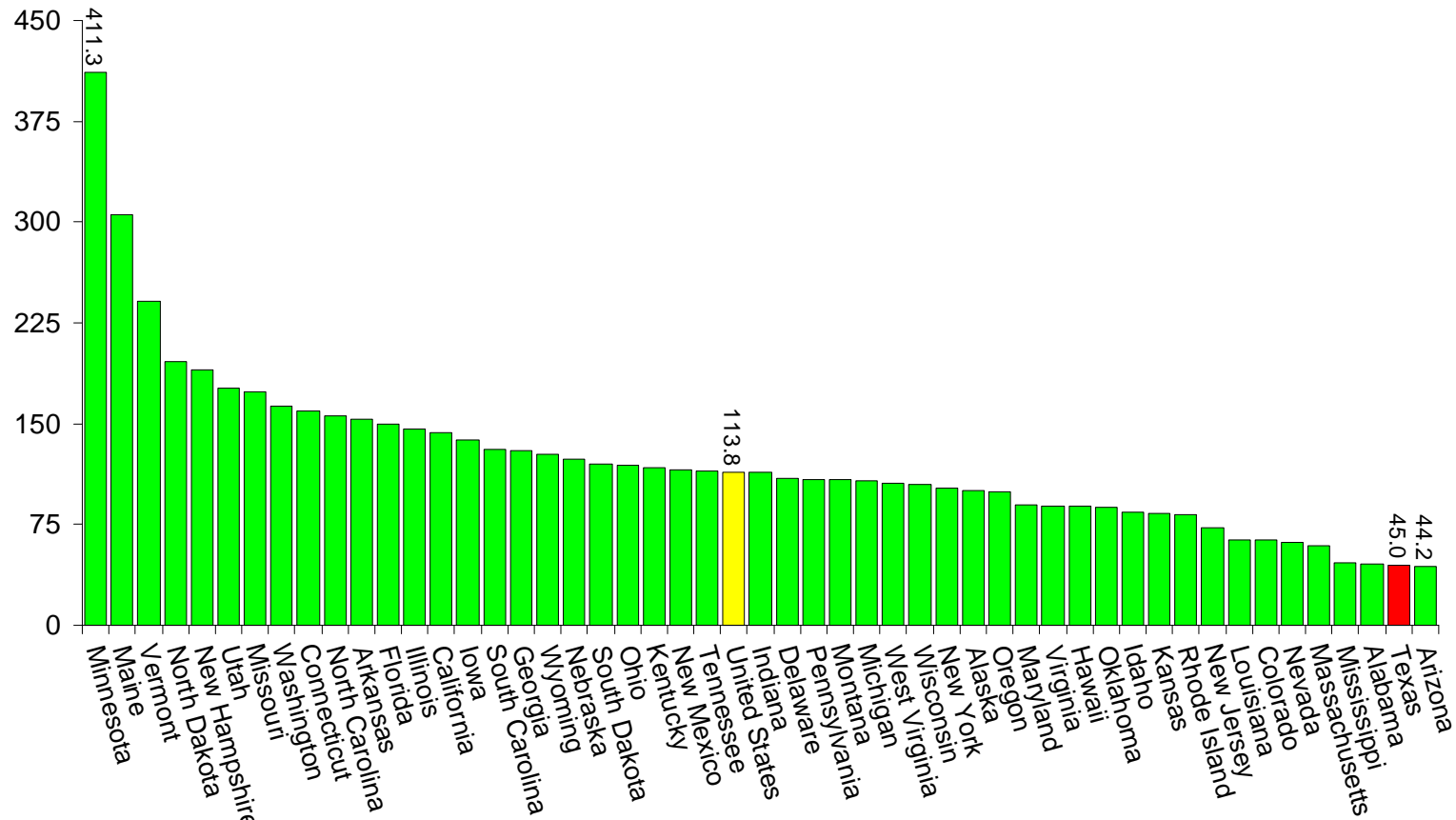
GEDs Awarded per 1,000 Adults Age 25-44 with Less than a High School Diploma, 2005



Adults Age 18-64 Who Speak English Poorly or Not at All, 2006

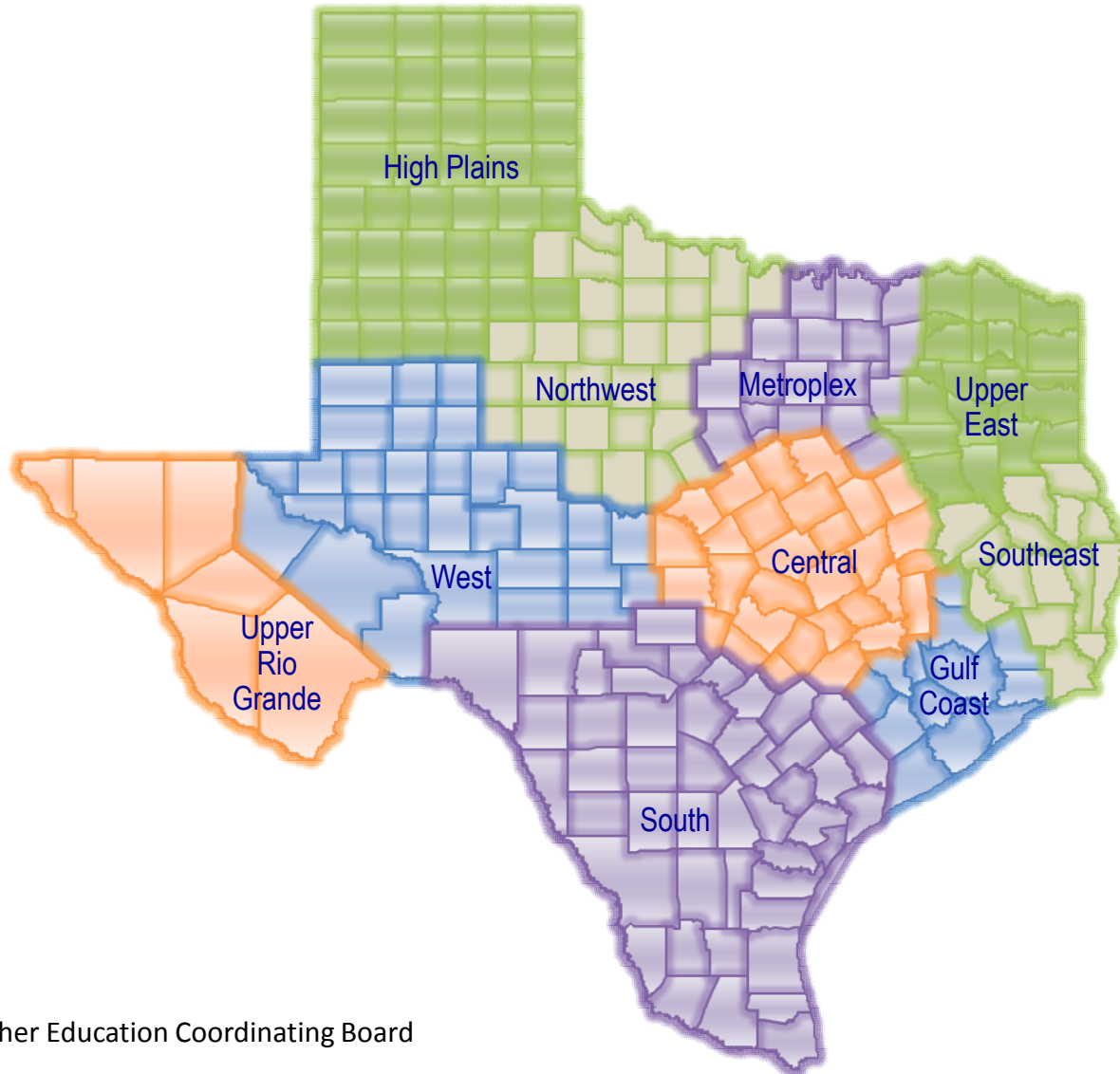


Enrollment in ESL per 1,000 Adults Age 18-64 with Little or No English Proficiency, 2006



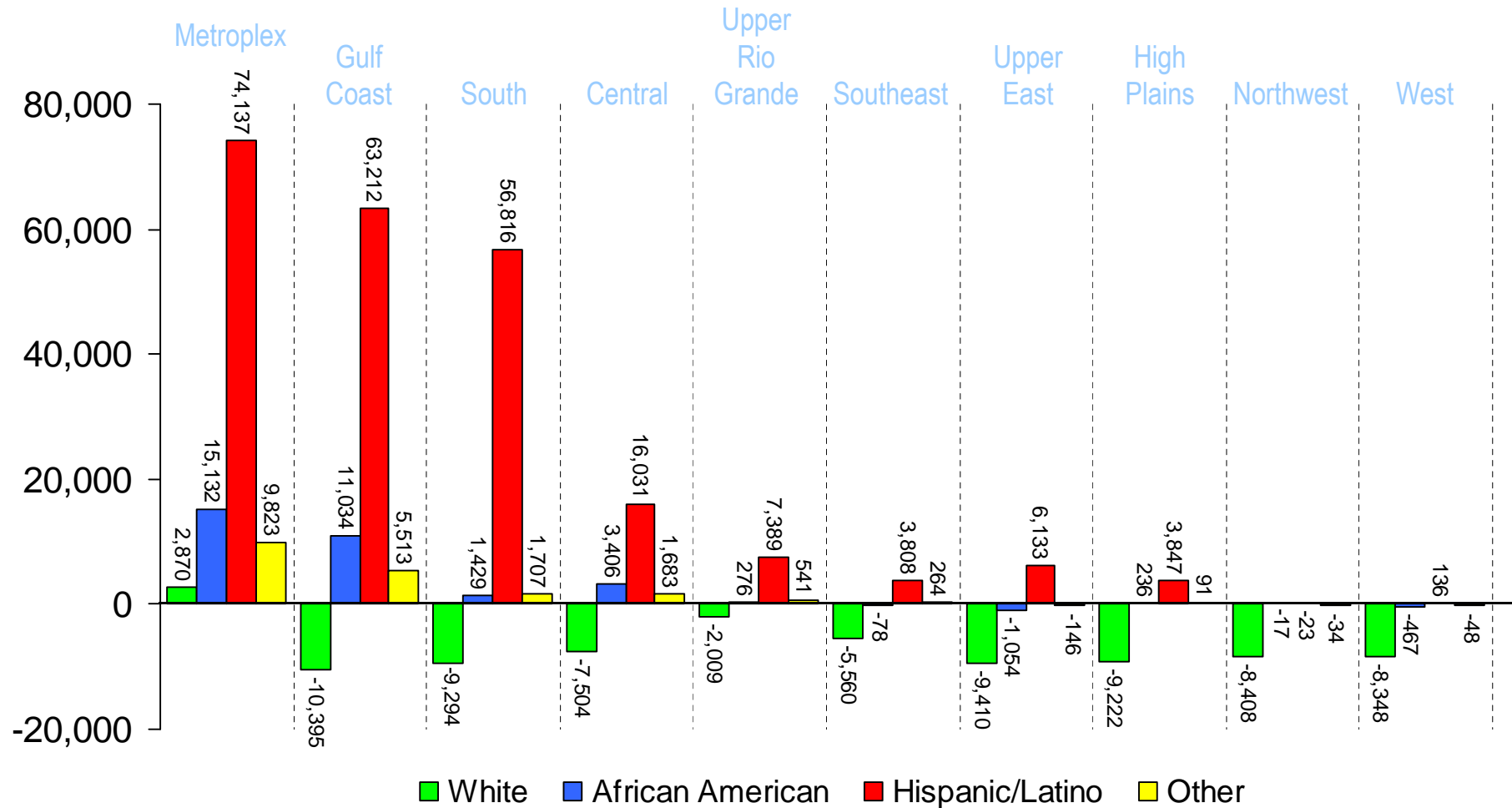
Must Address Issues at a Regional Level in Texas

Texas Postsecondary Education Regions

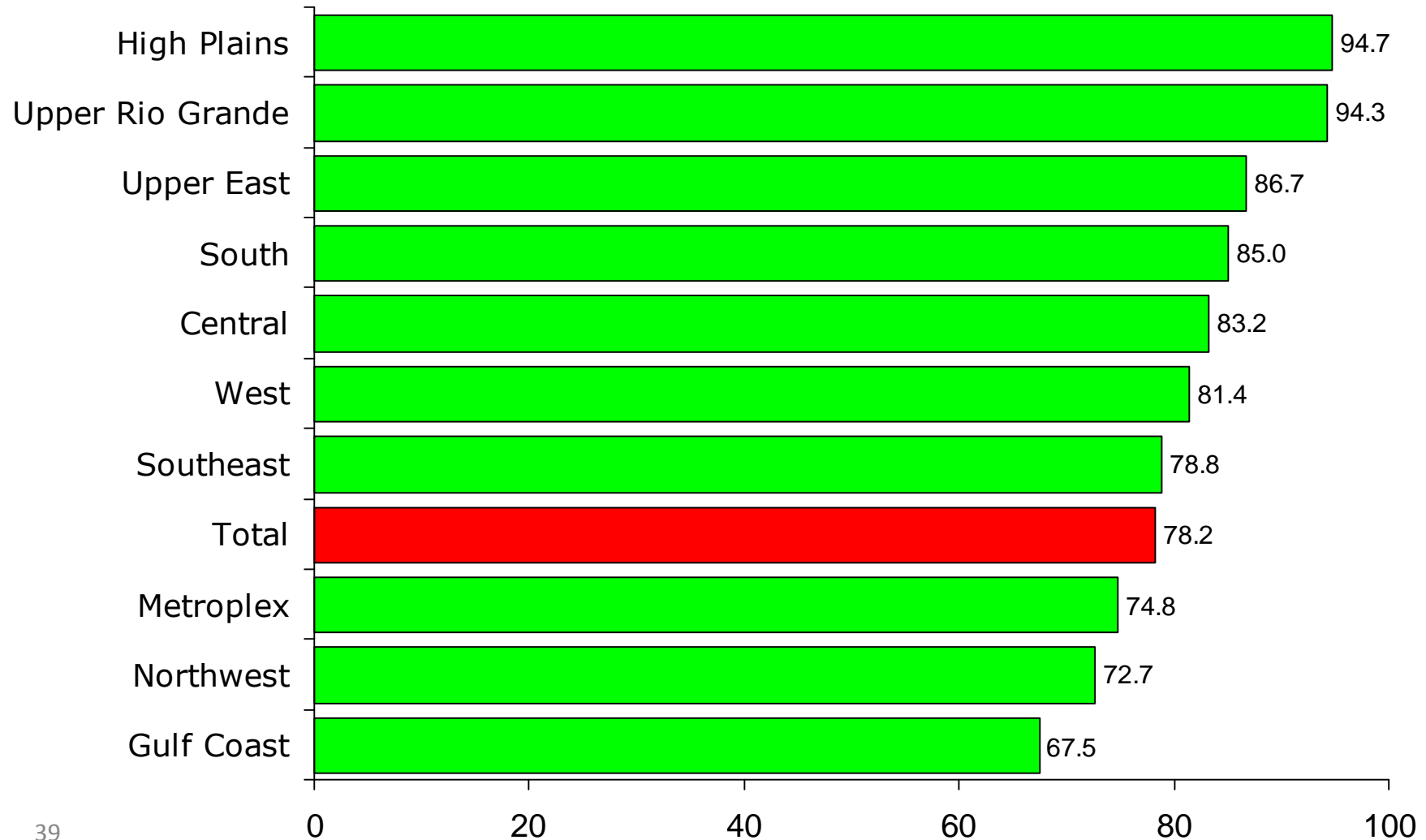


Source: Texas Higher Education Coordinating Board

Projected Growth of Population Age 18-24 by Race/Ethnicity and Postsecondary Region, 2005-15



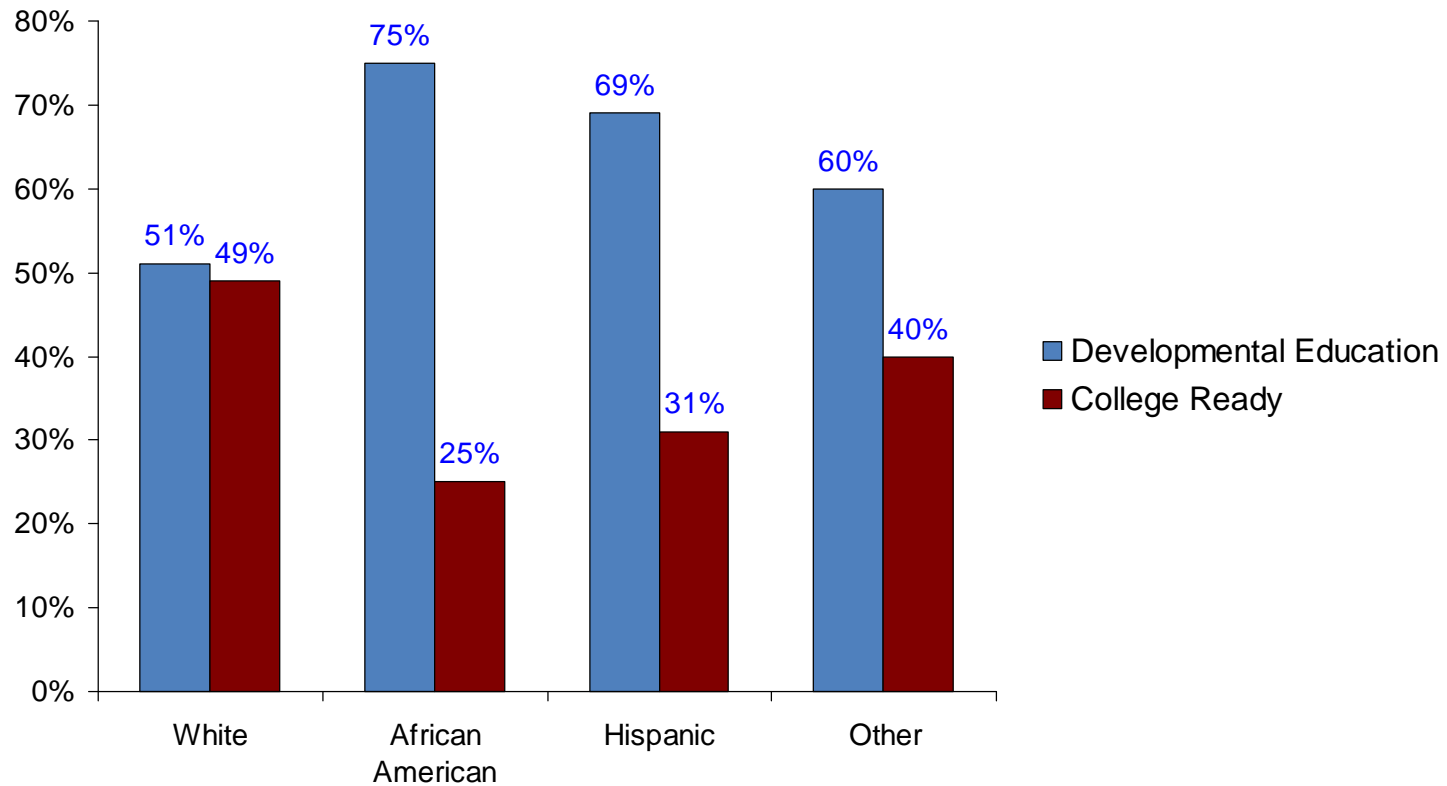
Percent of First-Time Students Attending College Within the Region of High School Graduation, Fall 2005



Developmental Education Must Be a Statewide Priority

Make Challenge at Community
College Level: African American and
Hispanic Students

2-Year FTIC* Students by College Readiness and Ethnicity, Fall 2003



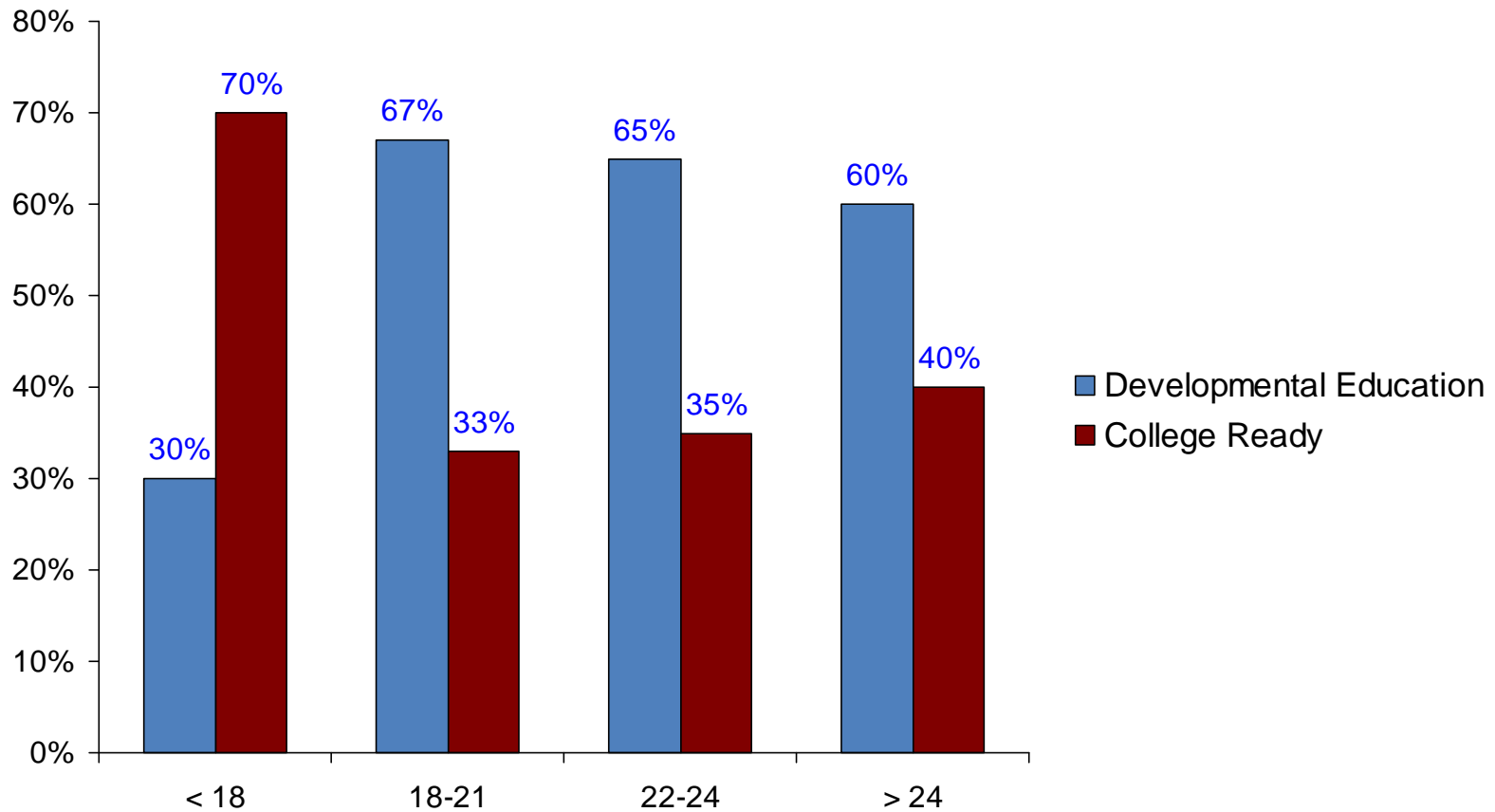
*FTIC: First Time in College

Source: THECB

Developmental Education Challenge is Directly Related to Adult Education

Most Students Needing
Developmental Education Are NOT
Recent Higher School Graduates

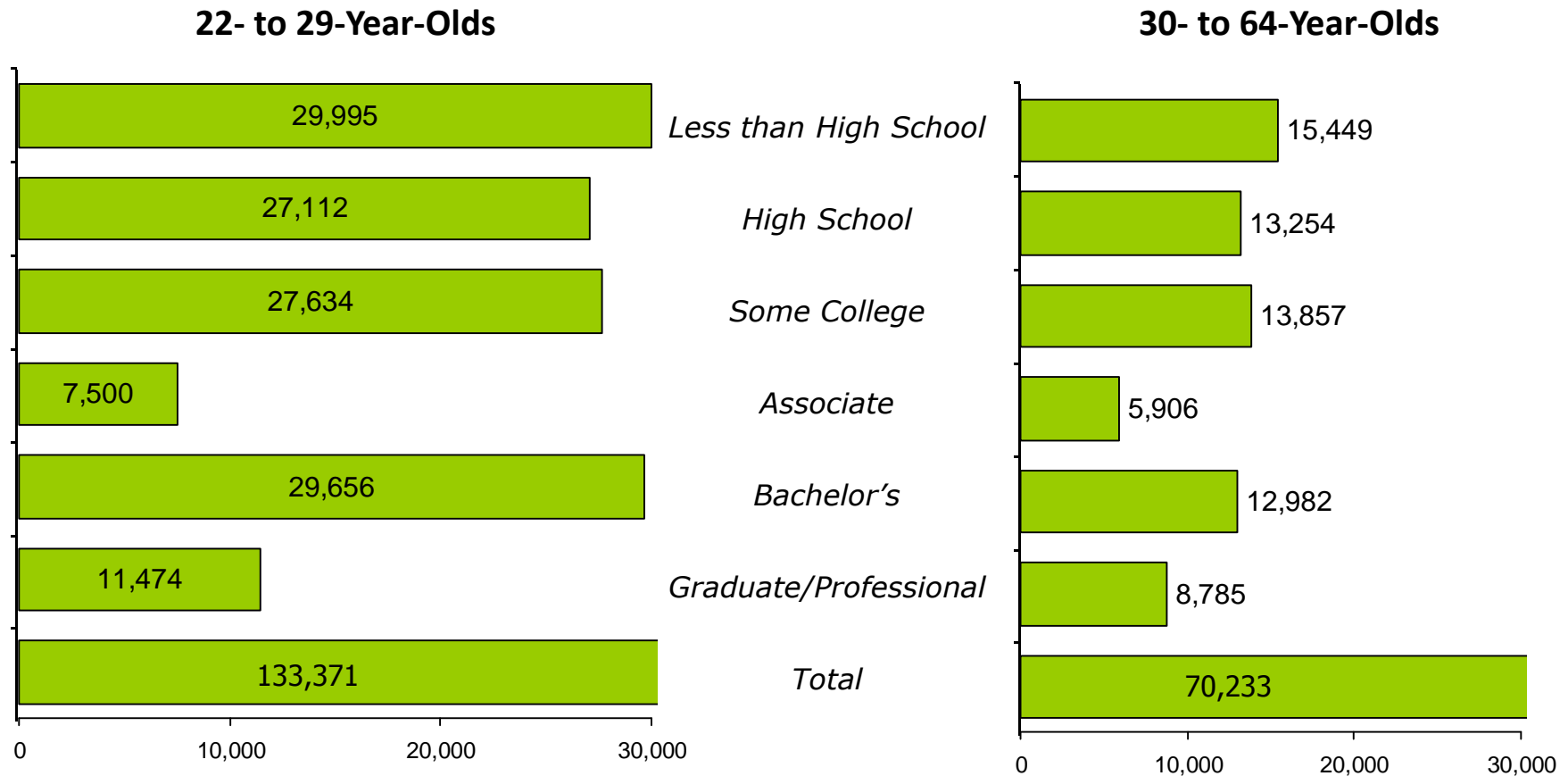
2-Year FTIC Students by College Readiness Status and Age, Fall 2003



Source: THECB

Texas is Benefiting from Net In-Migration of Educated Population

Net Annual Migration by Degree Level & Age Texas (Average from 2005-07)



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

To Reach Goals Texas Must Improve
Productivity in Our Student Pipeline
and Increase the Number of Adults
who are College Ready

Texas Achieving International Competitiveness in Educational Attainment by 2030 (Associate and Higher)

- Projected 25 to 64 Year Olds in 2030 15,806,940
- 55% with College Degrees (Associate and Higher) 8,693,817
- 25 - 44 Year Olds w/College Degrees
(who will still be in the cohort in 2030) 2,278,679
- Maintaining Recent (2005-2007) Annual Net Migration
of College Degree Holders 1,602,363
- Degrees Produced at Current Annual Rate by 2030
(144,072 Annually) 3,025,512
- **Gap: Additional Degrees (Associate & Bachelor's) Needed by 2030** **1,787,263**
- **Over the next 20 years, on average, we will need to produce approximately 90,000 additional degrees annually**
- **Stated differently, and presenting a realistic path to success, every year we will need 7,737 more degrees than were produced in the previous year**

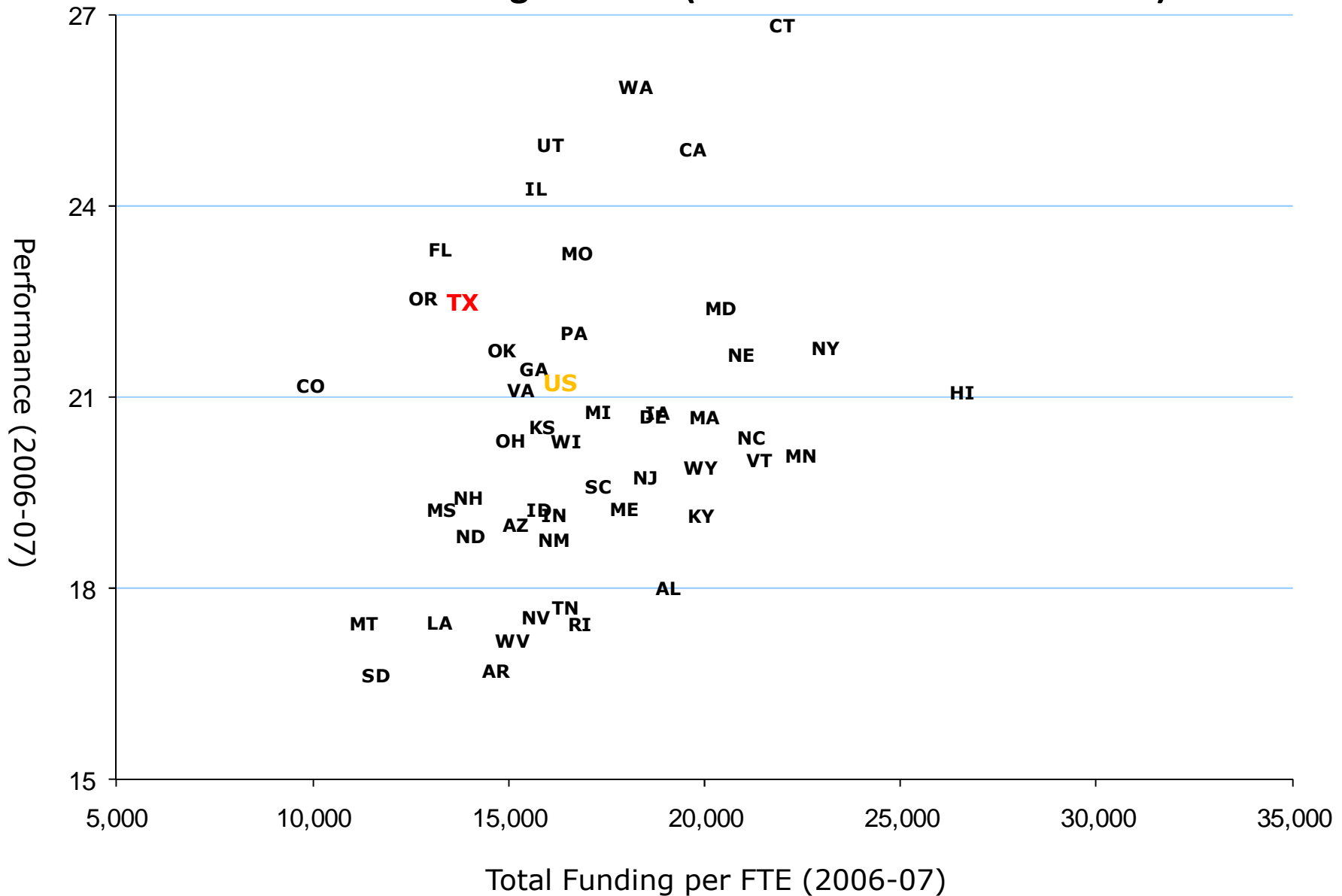
Additional Degrees by 2030 as a Result of Improved Performance with Traditional Aged College Students

Improved Performance by 2030	Additional Degrees Produced by Reaching the U.S. Average Performance	Additional Degrees Produced by Reaching the 75th Percentile Performance
Maintaining Current Performance with Population Growth	488,453	488,453
High School Graduation	99,210	321,881
College-Going Directly Out of High School	171,926	308,842
Completion - Undergraduate Credentials per FTE	171,149	405,436
Total Additional Degrees Produced	930,738	1,524,612
 Total Degrees Needed by 2030 to Match Best-Performing Countries	 1,787,263	 1,787,263
 Gap Needed to be Filled with Non-Traditional Aged Adults	 856,525	 262,651

Productivity Challenge: Increasing Degree Production in Period of Severe Budget Constraints

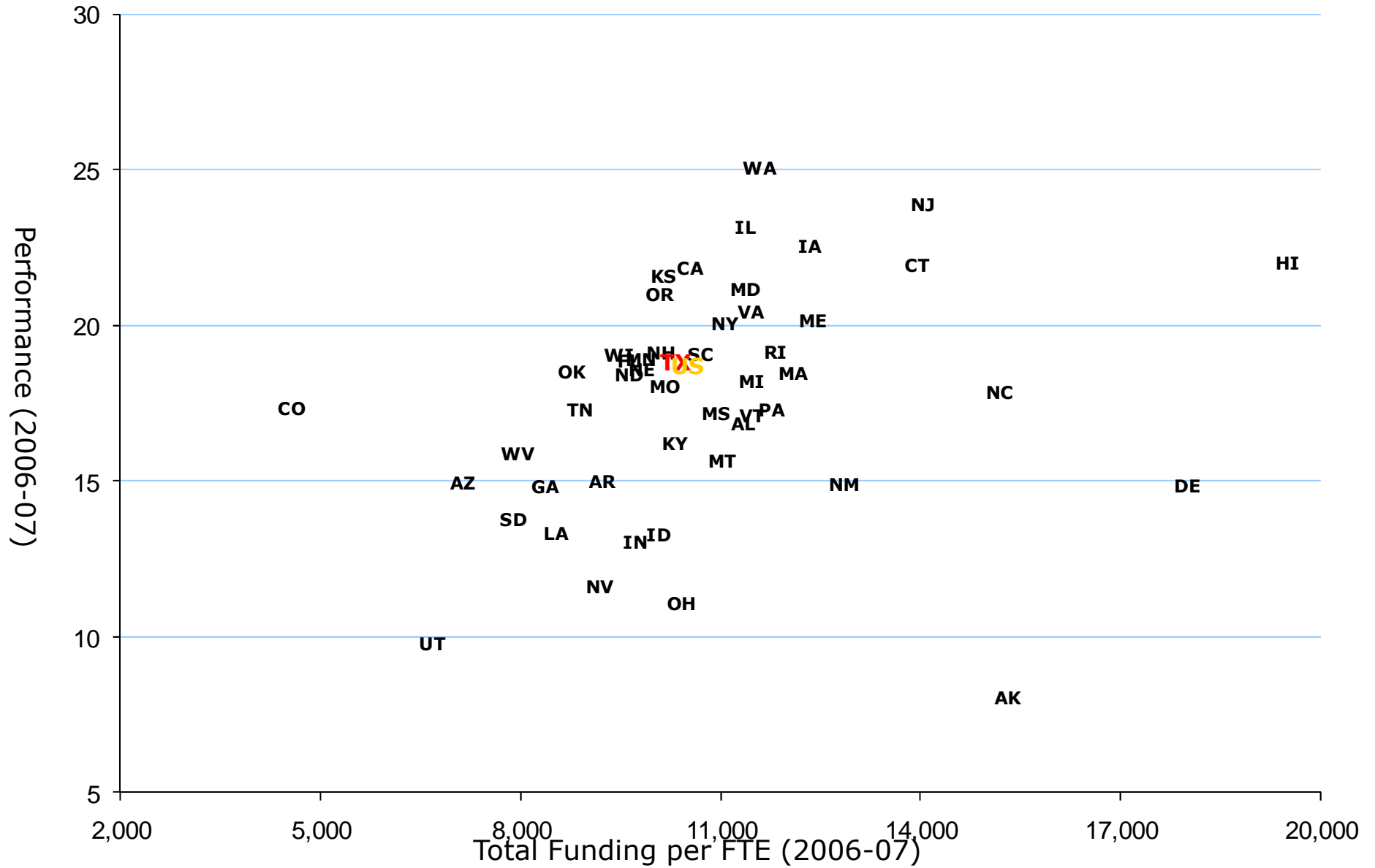
- Texas Public Research Universities and Public Comprehensive Universities *Do Comparatively Well* in Producing Degrees for Total Funding per FTE (Total Funding=State Appropriations + Tuition and Fees).
- Texas Community Produce Comparatively *Fewer* Certificates and Degrees for Total Funding per FTE (State and Local Appropriations + Tuition and Fees) Compared to Many States

Performance Relative to Funding: Bachelors Degrees Awarded per 100 FTE Undergraduates (Public Research Institutions)



Source: NCES, IPEDS

Performance Relative to Funding: Bachelors Degrees Awarded per 100 FTE Undergraduates (Public Bachelors and Masters)



Performance Relative to Funding: All Credentials Awarded per 100 FTE Undergraduates (Public Two-Year Institutions)

