

Georgia Senate Higher  
Education Outcomes Study  
Committee

University of Georgia  
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# Georgia Postsecondary Attainment Objectives as a Workforce Imperative

- The Georgia Complete College Initiative (2019) states that “By 2025, it is projected that over 60 percent of jobs in Georgia will require some form of a college education, whether a certificate, associate’s degree or bachelor’s degree.”
- The Georgetown Center for Education and the Workforce (2013) indicates that by 2025 65 percent of the jobs in Georgia will require some postsecondary education.

# Georgia is Failing to Meet Postsecondary Attainment Goals

- In Georgia the demand for workers with postsecondary credentials exceeds supply. There is a Skills Gap.
- The Georgia Complete College Initiative (2019) states that “The Georgia of the future is a state where the majority of available jobs are out of reach to the majority of its people.”
- The Lumina Foundation (2017) concludes that the postsecondary attainment rate in Georgia is 49.6 percent but that to reach its 2025 goal the state will have to “...significantly increase the number of people who “...who enroll in programs and earn all types of credentials beyond high school.”

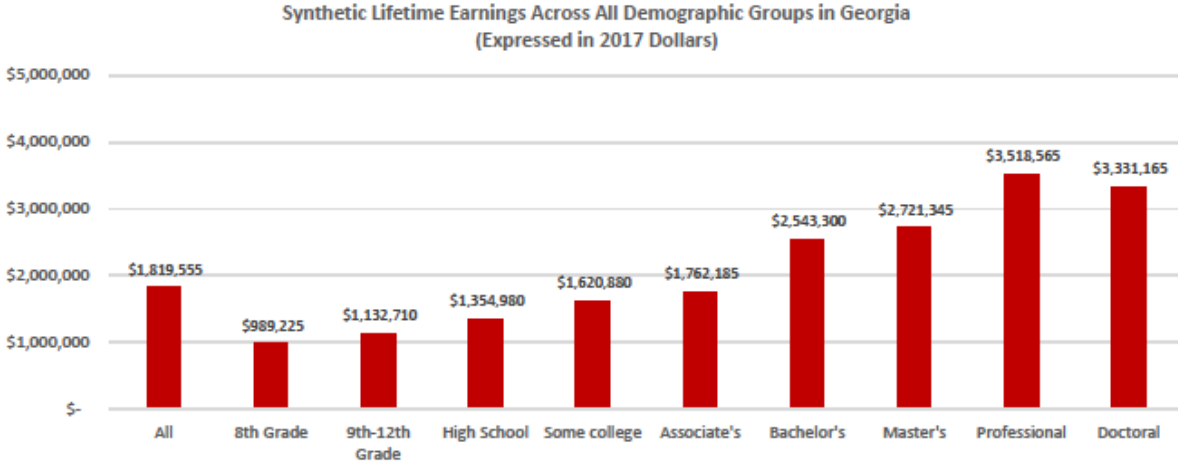
# Georgia is Failing to Meet Postsecondary Attainment Goals --- continued

- The Institute for Research on Higher Education (2018) indicates that if Georgia continues on its current path, it will fall short of the 60 percent benchmark by 671,259 credentials in 2025. This is 13.1 percent of the September 2019 Georgia Workforce of 5.1 million.

# This is More Than an Abstract Issue

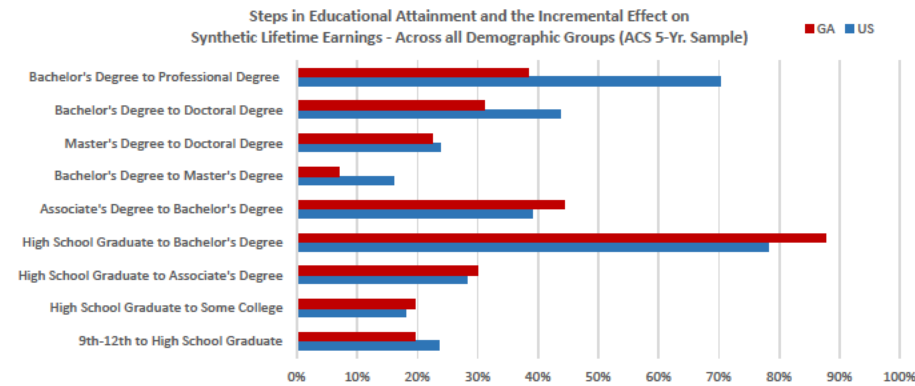
- Policy discussions have generally emphasized the well documented, sizable and growing returns to individual workers who attain postsecondary credentials.
- See Table 1 and 2 for new estimates by the Selig Center of the returns to postsecondary education in Georgia
- But there is importantly also a substantial impact on the economic well being of Georgia taken as a whole. Applying the results of a study by the American Academy of Arts & Sciences (2017) to Georgia a rough approximation is that by not meeting its postsecondary attainment goals in 2016 Georgia is foregoing about \$11.5 billion or 2.5 percent of state GDP and \$1,800 or 3.5 percent of Median Family Income.
- Although additional research is needed on this issue, it is clear that by not meeting its postsecondary attainment goals Georgia is leaving a significant amount of potential state wealth on the table.

# Table 1 --- Synthetic Lifetime Earnings Across All Demographic Groups in Georgia



Selig Center for Economic Growth. Synthetic Lifetime Earnings based on median incomes from 2013-2017 ACS 5-Year Estimates.

# Table 2 --- Steps in Educational Attainment and Incremental Effect on Synthetic Lifetime Earnings Across all Demographic Groups



# Why is Georgia Falling Short of its Postsecondary Attainment Goals --- that is, Why Does Georgia Have a Skills Gap?

- Georgia, like the rest of the U.S., is not educating and training a sufficient number of workers in STEM and other high demand areas. More research is needed here also, in order to determine what precisely postsecondary institutions can do help close the skills gap.
- But another key reason is that not enough students are enrolled in postsecondary programs.
- Georgia demographic trends will make it increasingly difficult to meet its 2025 College Completion goal. Recent data (2017) collected on Georgians aged 25 and up shows that 33.7 percent of whites but only 22.6 percent of blacks and 16.0 percent of Hispanics have bachelor's degrees. The black population in Georgia is growing at an annual rates of 1.3 percent and the Hispanic population at a rate of 2.0 percent. The white population is growing at rate of 0.2 percent.



# Postsecondary Attainment Goals --- that is, Why Does Georgia Have a Skills Gap? --- continued

## Table 3 --- Georgia Race and Bachelor's Degrees

Race	Percentage with Bachelor's Degree	Growth Rate
White	33.7%	0.2%
Black	22.6%	1.3%
Hispanic	16.0%	2.0%

# Why is Georgia Falling Short of its Postsecondary Attainment Goals, that is Why Does Georgia Have a Skills Gap? --- continued

- Thus the demographic groups that are growing the fastest have, up to now, been the least likely to seek postsecondary credentials.
- Another factor holding Georgia back is that only 15.8 percent of rural Georgians aged 25 and up hold a bachelor's degree versus 34.4 percent for urban residents. In a recent report (2019) The Rural School and Community Trust rates Georgia the seventh worst in the nation for the way it educates rural K-12 students.
- The National Bureau of Economic Research (2017) found that declines in state funding negatively affected degree attainment. The same study reported that only five other states had sharper drops than Georgia between 2001 and 2017 in real higher education appropriations per student.
- An important question for future research is the relative importance of (a) the mismatch of education/training and needed skills and (b) not enough students in postsecondary programs.

# Policies to Address the Skills Gap and Increase Postsecondary Enrollment and Retention

- Programmatic Strategies, for example:
  - The University System of Georgia Momentum Year and other efforts such as reducing text book costs.
  - The successful range of recruitment of retention programs at Georgia State, particularly the Panther Grants.
  - Programs to encourage low income students to seek postsecondary credentials, such as the Georgia College Advising Corps and Achieve Atlanta.
  - HOPE Career Grants.
  - Specialized job-training centers such as the BioScience Training Center at Stanton Springs and Georgia Cyber Center at Augusta.
  - The High Demand Career Initiative.
  - Note that the first three programs above are aimed at attainment and the last three at better matching education/training and needed skills.

# A Need Based Financial Aid Program is necessary to Reduce the Skills Gap in Georgia

- Since 1995 the HOPE scholarship program has provided over \$10 billion in financial assistance to over 1.8 million postsecondary students.
- HOPE is merit based and has been effective as a retention, reward, and quality improvement program, but is not an efficient approach to reaching the state postsecondary attainment goals.
- Within the USG in 2018 among student from families with annual incomes above \$100 thousand, 79 percent received HOPE support. From families with annual incomes below \$40 thousand, 28 percent received HOPE support.

# Need Based Financial Aid to Reduce the Skills Gap in Georgia

- Georgia is one of only two states without a significant need based financial aid program.
- Although we need more research and data, we know enough to conclude that Georgia must have a needs based aid program to close the skills gap.
- The kind of financial aid program that would be most effective at boosting postsecondary attainment in Georgia must be tailored to low-income, minority, and rural students.
- A hybrid, merit and need program under the auspices of the HOPE Scholarship might work best. Perhaps scaling up the Panther Grants to all other USG and TCSG institutions would be a good place to start.