



Why HEA? Skills and Opportunity

Julie Strawn

Center for Law and Social Policy

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The changing context for higher education

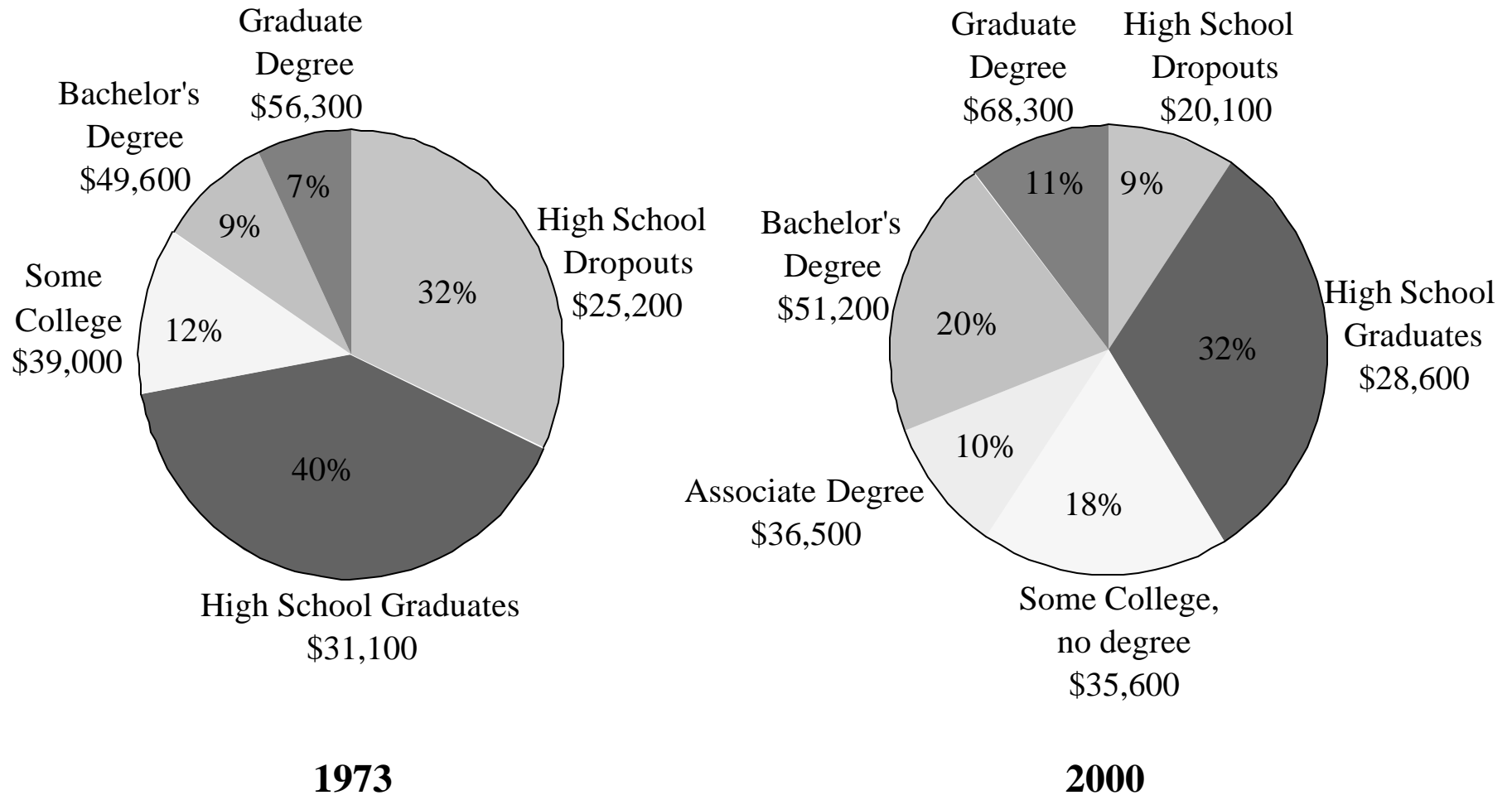
- Increased skill requirements for jobs
 - Major demographic changes in the workforce and in the student population, especially more financially independent youth and working adults
 - Gap between skills needed and skills of the future labor force poses a key challenge to economic growth and individual prosperity
 - The Higher Education Act can help states to assist businesses and individuals in adapting to change
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Businesses require higher skills

- In 1973, three-fourths of the jobs were held by those with a high school education or less
- By 2000, those with a high school education or less held just 40% of the jobs
- In this decade, 40% of the job growth will be in jobs requiring postsecondary education; jobs requiring an Associate Degree will grow fastest
- Some postsecondary is essential for jobs that pay decently, but a 4-year degree is not. In 1998 83% of those with AAs made as much as BA-holders

Distribution of Education in Jobs, 1973 and 2000

Percent of prime-age (30-59) employment. Earnings in 2000 dollars.



Source: Anthony P. Carnevale and Donna M. Desrochers, *The Missing Middle: Aligning Education and the Knowledge Economy*.

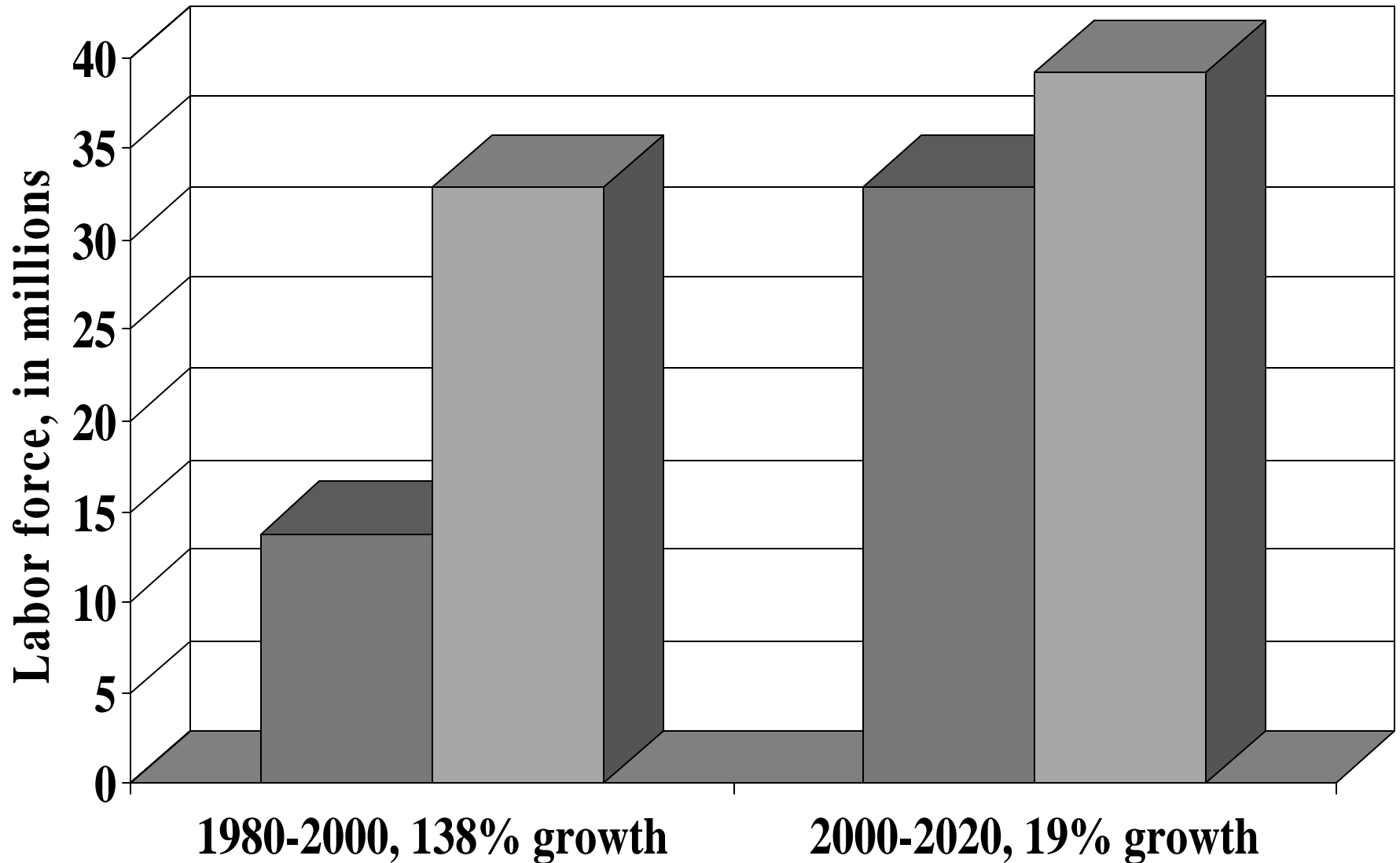
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Slower growth in workers and in skills

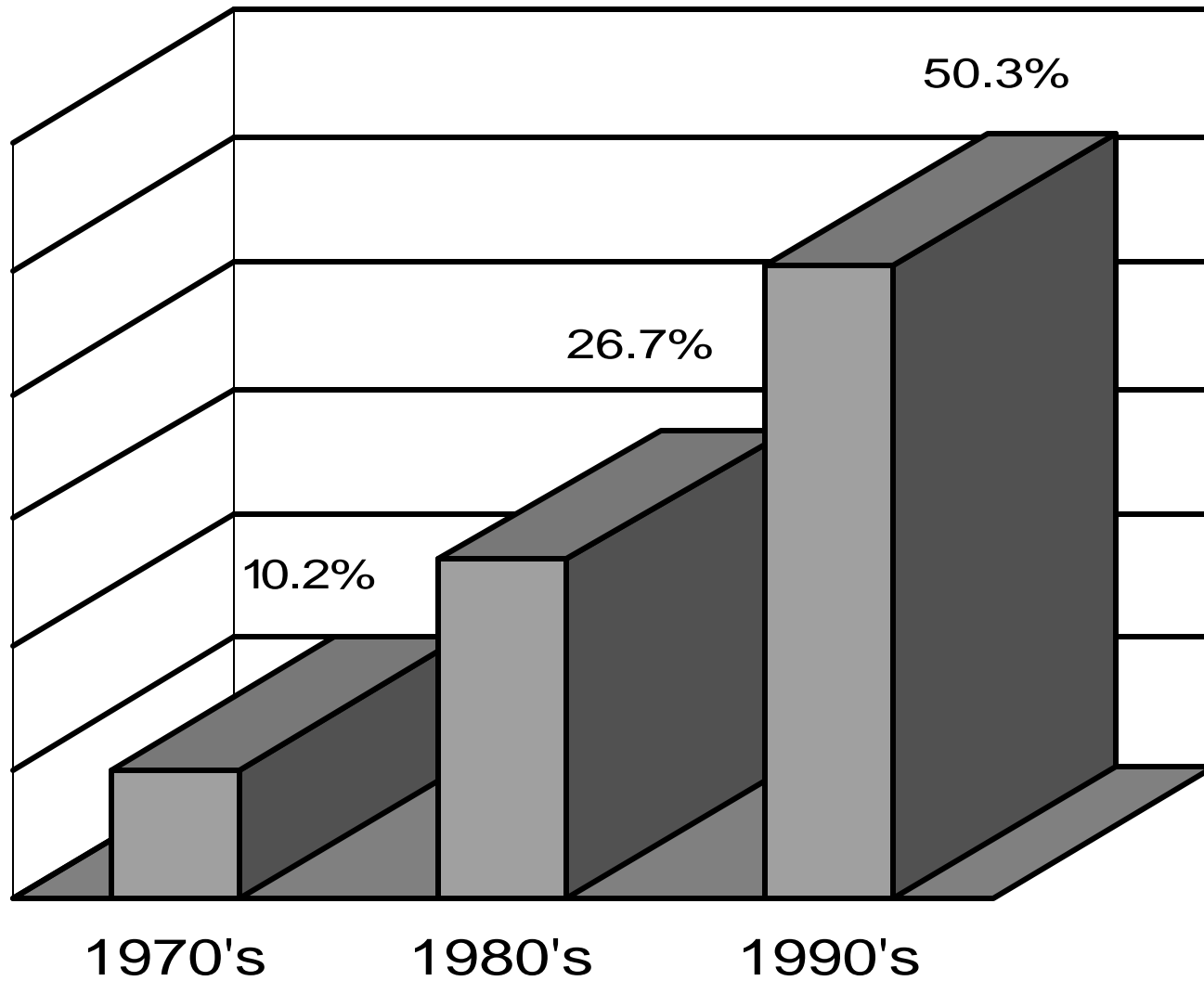
- Native workforce is aging—no new net growth expected through 2020 in prime age workers
- The rapid growth in skills of the workforce seen over the last 20 years will slow dramatically
- Immigrants, many with limited English, made up increasing share of workforce over last 20 years
- Immigrants are expected to account for all net workforce growth between now and 2020

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Workers with education beyond high school



Share of Workforce Growth Due to Immigration



Implications for higher education

- Most of the 2020 workforce is already beyond reach of the K-12 system so responsibility for helping them upgrade their skills will fall primarily to the higher education system
- In 99-2000, almost $\frac{3}{4}$ of American undergraduates were nontraditional in some way—
 - More than half (51%) were financially independent
 - Almost half (46%) delayed enrolling in college
 - 39% were adults (25 years and older)
 - Almost half (48%) attended part-time
 - 39% worked full-time
 - About 1 in 5 had dependents (22%); 13% were single parents.
- Most of these characteristics are linked to a greater risk of leaving college before completing a degree

Implications for higher education

- From 2000-2012, the undergraduate population is expected to grow by 16%, primarily in the 18-24 and 25-29 age groups
- The undergraduate population will shift somewhat toward younger, 4 year-degree students, but overall challenge of serving nontraditional students remains—
 - More undergraduates will be from minority groups that historically have had lower college completion rates, such as Hispanics
 - Many will be first generation college students, under prepared academically, and in need of financial aid
 - The trend toward more undergraduates working full-time will likely continue unless more aid becomes available
 - Many youth and young adults will be left out of college altogether unless steps to increase access are taken

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How HEA can help states respond

- Update financial need analysis to better fit the realities of students' lives, especially with regard to balancing work, school, and family responsibilities; simplify forms
- Make sure federal policy “does no harm” to state efforts to increase affordability—e.g. Tuition Sensitivity, federal savings incentives vs. Sec. 529 plans—and look for ways to strengthen federal incentives like LEAP
- Increase federal outreach efforts so that low income families and working adults realize college is possible
- Increase supportive services to help nontraditional students—first-generation, reentry, etc. —navigate both the higher education system and their careers

How HEA can help states respond

- Use HEA grant funds to spur innovation that improves areas key to college access and success for nontraditional students—e.g. developmental education, workforce education, flexible delivery modes, ways of involving employers, linking literacy/ESL with postsecondary
- Update definitions of eligible programs to include the kinds of programs businesses and students want—career-oriented programs, flexible scheduling and delivery modes
- Increase funding for campus-based programs and update to better fit low income students' needs
- Fight for adequate funding, especially for Pell grants. Consider best ways to use limited resources—e.g. “front load” Pell increases?

For more information . . .

- Detailed recommendations for HEA reauthorization from the Center for Law and Social Policy can be downloaded at http://www.clasp.org/DMS/Documents/1055350135.28/HEA_comm0203.pdf
- For more information on the future skills gap in our workforce, see *Grow Faster Together. Or More Slowly Apart* from the Aspen Institute at http://www.aspeninstitute.org/AspenInstitute/files/CCLIBRARYFILES/FILENAME/0000000225/DSGBrochure_final.pdf
- For more information on the role of immigration in our workforce, see *Immigrant Workers and the Great American Job Machine: The Contributions Of New Foreign Immigration to National and Regional Labor Force Growth in the 1990s* from the Center for Labor Market Studies at Northeastern University at http://www.nupr.neu.edu/12-02/immigration_BRT.PDF