

# THE EDUCATION EQUATION

Strategies  
for Retaining  
and Attracting  
New Jersey's  
Future Workforce

# **The Education Equation: Strategies for Retaining and Attracting New Jersey's Future Workforce**

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*The mission of the Postsecondary Education Task Force is to develop strategies to prepare New Jersey's future workforce, to build a dynamic brand for New Jersey higher education, and to build career readiness standards into all curriculum in K-16 education.*

## **Background**

Last year, the nation's millennial generation surpassed baby boomers and became the largest of the five living generations. As reported by NJBIA in the February 2016 white paper *Outmigration by the Numbers: How do we Stop the Exodus?*, millennials are leaving the Garden State more frequently than any other generation. Furthermore, New Jersey has also been the highest millennial outmigration state in the country. From 2007 to 2016, a total of 1,050,097 millennials migrated out of New Jersey while 866,506 millennials (domestic and international) migrated into the Garden State.<sup>1</sup> During the nine-year span, New Jersey experienced a total net loss of 183,591 millennials.

A large segment of millennial out-migrators are graduating high school seniors and college-aged individuals (ages 18-24) who are continuing their education at traditional four-year higher education institutions. The loss of high school graduates results in a negative return on investment for New Jersey taxpayers, who on average invest more than \$20,000 per pupil per year for K-12 education.<sup>2</sup> From 2007 to 2016, this segment accounted for 58% of total millennial outmigration.<sup>3</sup> While 612,984 young adults ages 18-24 left the Garden State, 315,826 young adults (ages 18-24) migrated into the state, totaling a net loss of 297,158 millennials ages 18-24. According to the most up-to-date data released by the National Center for Education Statistics, in the fall of 2014 alone, 96,050 first time degree/certificate seeking undergraduate New Jersey residents enrolled in postsecondary institutions. Of these, 34,782 or 36% first time degree/certificate seeking undergraduate former Garden State students enrolled in a college or university outside of New Jersey.<sup>4</sup> Meanwhile, only 5,876 first time degree/certificate seeking undergraduate students migrated into New Jersey for postsecondary education; resulting, in a net loss of 28,906 first-time undergraduate students, the largest net loss of first-time students in the nation.<sup>5</sup>

## **Task Force Overview**

NJBIA has convened the Postsecondary Education Task Force in order to turn a creative dialogue about millennial outmigration into recommendations to ensure the future of New Jersey's workforce. The Postsecondary Education Task Force evolved from NJBIA's 2017

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<sup>1</sup> U.S. Census Bureau, 2007-2016 American Community Survey 1-Year Estimates

<sup>2</sup> New Jersey Department of Education, 2017

<sup>3</sup> NJBIA Analysis of 2007-2016 American Community Survey 1-Year Estimates

<sup>4</sup> National Center for Education Statistics, 2016

<sup>5</sup> Ibid.

Workforce Summit, *The Education Equation: Strategies for Retaining New Jersey’s Future Workforce*, which brought together prominent leaders from business, education and higher education. During the summit, these leaders discussed topics such as effectively branding higher education, skill building and career pathways, and the demographics, economics and workforce issues surrounding the millennial generation. Throughout 2017, the group of leaders continued to discuss these various issues at length. As a result, the group developed the framework presented below. While the work of the task force continues, this framework suggests recommendations that should be considered as the basis for a comprehensive strategic plan for postsecondary education as the new Murphy-Oliver administration sets goals and policy directions for the future of New Jersey’s workforce. In order to retain and attract millennials to New Jersey, the state must develop policies that provide incentives for young individuals to receive an affordable, competitive postsecondary education in New Jersey that prepares them for successful careers in the Garden State.

The mission of the Postsecondary Education Task Force is to develop strategies to prepare New Jersey’s future workforce, to build a dynamic brand for New Jersey higher education, and to build career readiness standards into all curriculum in K-16 education. In order to achieve the mission of the task force, NJBIA has compiled a group of prominent leaders from the business community, the education and higher education communities, nonprofits, millennials, and state government. Below is a chart depicting the diversity within the task force.

<b>Postsecondary Education Task Force Members</b>	
<u>K-16 Education</u> K-12 Leaders Career and Technical Education Leaders Community College Leaders College and University Leaders	<u>The State of New Jersey</u> Department of Education Secretary of Higher Education Department of Labor and Workforce Development
<u>The Private Sector</u> Businesses Nonprofits	<u>Millennials</u> College and University Students Young Professionals

### **Postsecondary Education Task Force Framework**

#### **Attractability and Affordability**

Attractability: In the fall of 2014, 43% of first-year undergraduates who graduated from high school in New Jersey within the previous year attended a degree-granting postsecondary institution somewhere other than New Jersey.<sup>6</sup> Furthermore, during the same time frame, 56% of first-year undergraduates going on to a four-year degree-granting postsecondary institution did so outside of New Jersey.<sup>7</sup> Not only does New Jersey have an outmigration issue, but the state also struggles to attract out-of-state students to the Garden State as well. As previously mentioned, having only attracted 5,876 out-of-state first time degree/certificate seeking undergraduate students to New Jersey postsecondary institutions in the fall of 2014, New Jersey has the largest net loss of college age millennial students in the nation.

<sup>6</sup> NJBIA Analysis of National Center for Educational Statistics, 2016

<sup>7</sup> Ibid.

There are many innovative programs across New Jersey's postsecondary institutions that are delivering educational programs in unique and new ways. Unprecedented partnerships are taking place among educators, employers, government, and nonprofits in order to build workforce skills and create career pathways, whether it is on campus, at a business location, or in the local community. Despite an ideally centralized location, nationally recognized high school academics, quality higher education institutions, and a highly educated, highly skilled workforce, New Jersey struggles to retain and attract young millennials to the state. This could partially be due to the lack of branding for New Jersey's postsecondary education system as a whole. In order to build a brand for New Jersey's higher education institutions the state must:

*Recommendation 1:* Promote the benefits of staying or coming to New Jersey for postsecondary education.

*Recommendation 2:* Improve collaboration between government agencies, workforce employers, educational institutions, nonprofits, and industries to prepare students for successful careers.

*Recommendation 3:* Publicize career pathways and opportunities that the state has to offer, which lead to well-paying jobs in the Garden State.

Affordability: Millennials are facing unprecedented college debt as tuition rates continue to rise while state funding for public colleges and universities has decreased significantly over the past 25 years. Between 1991 and 2016, state appropriations per full-time student at New Jersey's public colleges and universities decreased 40% while the institutions' full-time enrollment increased by 63%.<sup>8</sup> In addition, between 1991 and 2016, the cost of tuition per full-time student increased by 142%.<sup>9</sup> As a result, in academic year 2016-2017, New Jersey had the fourth highest tuition and fees costs for public four-year institutions in the nation.<sup>10</sup> According to the Institute for College Access & Success, due to the high cost of tuition and fees, 61% of New Jersey's college/university Class of 2016 graduates who attended a four-year public or private institution acquired on average \$29,878 in debt.

To counter these high costs, New Jersey has some of the most robust and generous need-based programs in the country, making New Jersey a "high tuition-high aid" state. In 2015-2016, New Jersey provided \$1,370 in state aid per full-time student, the fifth-highest amount in the country.<sup>11</sup> In addition, in 2015-2016, expenditures on state grants represented 20% of New Jersey's total support for higher education, the tenth-highest in the nation.<sup>12</sup>

Recognizing the high cost of postsecondary institutions for both in-state and out-of-state students, it is no secret that New Jersey is plagued by a severe affordability issue. As the cost of living continues to increase, the cost of tuition and fees at the state's postsecondary institutions continues to increase as well. Furthermore, students are often faced with having to take mandatory remedial courses that do not count for credits toward their degree; ultimately, increasing the cost of postsecondary education even further. According to the New Jersey Department of Education's College and Career Readiness Task Force, a large number of first-

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<sup>8</sup> NJBIA Analysis of State Higher Education Executive Officers Association, 2017

<sup>9</sup> Ibid.

<sup>10</sup> College Board, 2017

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

time full-time freshmen enrolled in the state's public colleges and universities were required to take at least one remedial course. The percentage of required remedial courses ranged from 3.5% to 67.3% of students at public four-year institutions. According to the report, the mean for all state college and university-required remedial education totaled 32.2% of first-time full-time freshmen. In addition, the reported percentage of students that required at least one remedial course at the state's county colleges ranged from 61% to 91%. Ensuring that high school graduation standards meet the criteria to deliver a postsecondary ready student is paramount to this discussion. In order to ensure that New Jersey's postsecondary institutions are affordable, the state must:

*Recommendation 1:* Continue to advocate for the responsible and consistent investment by government into postsecondary education.

*Recommendation 2:* Develop cost-saving models for students to achieve stackable credentials and/or degrees.

*Recommendation 3:* Address and reduce the need for remedial education.

*Recommendation 4:* Review the process for the transferability of credits among postsecondary institutions.

### **Skill Building**

Regardless of the pathway students take in their postsecondary education career, today's employers consistently suggest that the incoming workforce lacks technical as well as employability skills; such as, problem solving, teamwork, and self-direction. Strategies and programs to deliver these skills do exist but need awareness and enhancement throughout New Jersey's postsecondary institutions.

One way for students to attain and enhance their skills is through vocational-technical and community college education. Despite a societal stigma, demand for high-quality vocational-technical programs currently exceeds capacity. According to the New Jersey Council of County Vocational-Technical Schools, in 2017, there were on average 2.3 applicants per each available seat at the county vocational-technical high schools, leaving 16,960 of the 29,934 applicants unable to be accommodated. Though demand varies by county and by program, promoting career-focused education and expanding access to these programs through vocational-technical schools, community colleges, and traditional high schools should be a priority of the state. By way of example, on August 15, 2017 Senate President Steve Sweeney announced his intention to sponsor a major bond ballot question to support the expansion of career and technical education at county vocational-technical schools and community colleges during a joint press conference with Senator Bob Gordon.

Another skill building opportunity occurs through civic engagement. Postsecondary students who expand their education experience beyond the classroom and into their local communities develop the sought-after workplace skills. Today, civic engagement opportunities are taking place statewide on New Jersey's postsecondary campuses. By connecting these civically engaged students with employers in their local communities, an opportunity exists to retain these students and employ them in careers in the Garden State.

Further, degree inflation has become a major problem in the United States, undermining competitiveness and hurting the middle class in the process.<sup>13</sup> According to an employer perceptions study released by the Harvard Business School, a college degree does not guarantee higher productivity in middle skills jobs. With the labor market continuing to tighten and the skills gap growing, the principles of talent management should be applied to a broader range of jobs which should include middle-skilled jobs, not just top-level executives. This allows a company to groom talent internally. Take the case of Walmart, where 75% of all store managers joined the company as entry-level employees. Walmart has trained more than 225,000 associates through Walmart Academies, an internal training program, to ensure their employees are receiving the skill training they need to advance in the company.<sup>14</sup> Due to financial constraints and the lack of opportunity, large segments of society possess great skill, but are often overlooked for a job due to their lack of a college degree.

According to a recent study by the Georgetown University Center on Education and the Workforce, about half (47%) of non-BA New Jersey workers are considered to have a good job (those paying on average \$55,000 per year), the second-highest percentage in the country. While attending college may be the right decision for some students, for others, attending college simply does not benefit their skill sets. In order to understand the various training and postsecondary options available to them, students need increased exposure to career pathways at a younger age. To help students attain technical and employability skills, whether they obtain a college degree or not, the state must:

*Recommendation 1:* Enhance capacity for Career and Technical Education (CTE) programs, as standalone programs and within traditional K-12 districts, as well as promote the value CTE has for employers and students.

*Recommendation 2:* Create employer driven training programs and curricula to help prepare students for the jobs of the future.

*Recommendation 3:* Promote and expand apprenticeship and internship programs to expose more young people to work-based learning.

### **Career Exploration and Education**

As previously mentioned above, it is imperative that students are given increased exposure to career pathways and opportunities. By promoting career guidance at a younger age and by explaining the various skill sets learned during K-12 classes, students will be able to explore their interests and assess their strengths before selecting the appropriate postsecondary institution. Introducing career pathways at a younger age will also allow students to become more familiar with middle-skilled jobs that do not require a four-year degree. A public awareness campaign on the value of a vocational-technical education would go a long way to dispel the myths and promote the advantages of a vocational-technical education early on, while appreciation for the program opportunities afforded through community college would also be further enhanced.

Since 2008, New Jersey's overall educational attainment has increased by 5.6%.<sup>15</sup> While 50.2% of adults ages 25-64 have earned a certificate, an associate degree, or higher, 14.2% have some

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<sup>13</sup> Harvard Business School, 2017

<sup>14</sup> Ibid.

<sup>15</sup> Lumina Foundation, 2017

college education but no credential, and 35.5% have a high school education or less.<sup>16</sup> By increasing awareness of career pathways that do not require a college degree, students will realize the countless opportunities available to them in the Garden State. By promoting career pathways and continued postsecondary education, the number of New Jerseyans with a high school degree or less will continue to decrease, while the overall educational attainment of New Jersey adults will continue to increase. In order to promote career exploration and postsecondary education options New Jersey's must:

*Recommendation 1:* Train guidance counselors, teachers, and parents on career awareness and proper career guidance; including, career navigation assistance and career coaching.

*Recommendation 2:* Provide in-school employment services; including assistance with resume writing, mock interviews, job fairs, and assistance finding employment.

*Recommendation 3:* Engage New Jersey employers in the creation of career-focused curricula that includes work-based experiences and the development of appropriate industry-valued credentials and degrees.

## **Conclusion**

Overall, the consensus was clear among task force members; New Jersey must improve its postsecondary education branding, promotion, and delivery. By branding the state's postsecondary education system in its entirety, the state can strengthen its ability to attract and retain students. Career guidance and career pathways need increased public promotion and must be introduced at a younger age, in order for students to explore their potential career options. New Jersey needs to enhance collaboration and partnership efforts between and among government agencies, employers, industry leaders, nonprofits, and educational institutions (high schools and higher education) to ensure the state is preparing its students for successful careers. New Jersey also needs to enhance and promote existing, as well as create new, internship programs, job training opportunities, and apprenticeship programs. Furthermore, the state must lead a societal shift in better promoting community colleges and vocational-technical schools as viable pathways to well-paying jobs in New Jersey that do not require a bachelor's degree. Millennials are the future of New Jersey's workforce and they will ultimately be the drivers of the state economy. In order to ensure a successful future for the Garden State, New Jersey must first attract and retain millennials.

Moving forward, the task force will continue its efforts and provide updated research, information, and recommendations as appropriate. NJBIA and the Postsecondary Education Task Force look forward to engaging with the State's policyholders on these important issues and to working collaboratively toward solid and sustainable solutions.

Other statewide initiatives include: Career Pathways Task Force with SETC, Choose NJ Education & Workforce Committee, Opportunity New Jersey, Future Ready Schools which includes NJDOE, NJIT, NJ School Boards, and NJBIA, 65 by 25: Many Paths One Future, and Guided Pathways.

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<sup>16</sup> Ibid.

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