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# The Educational Attainment Gap in SE Mass and its Economic Development Implications

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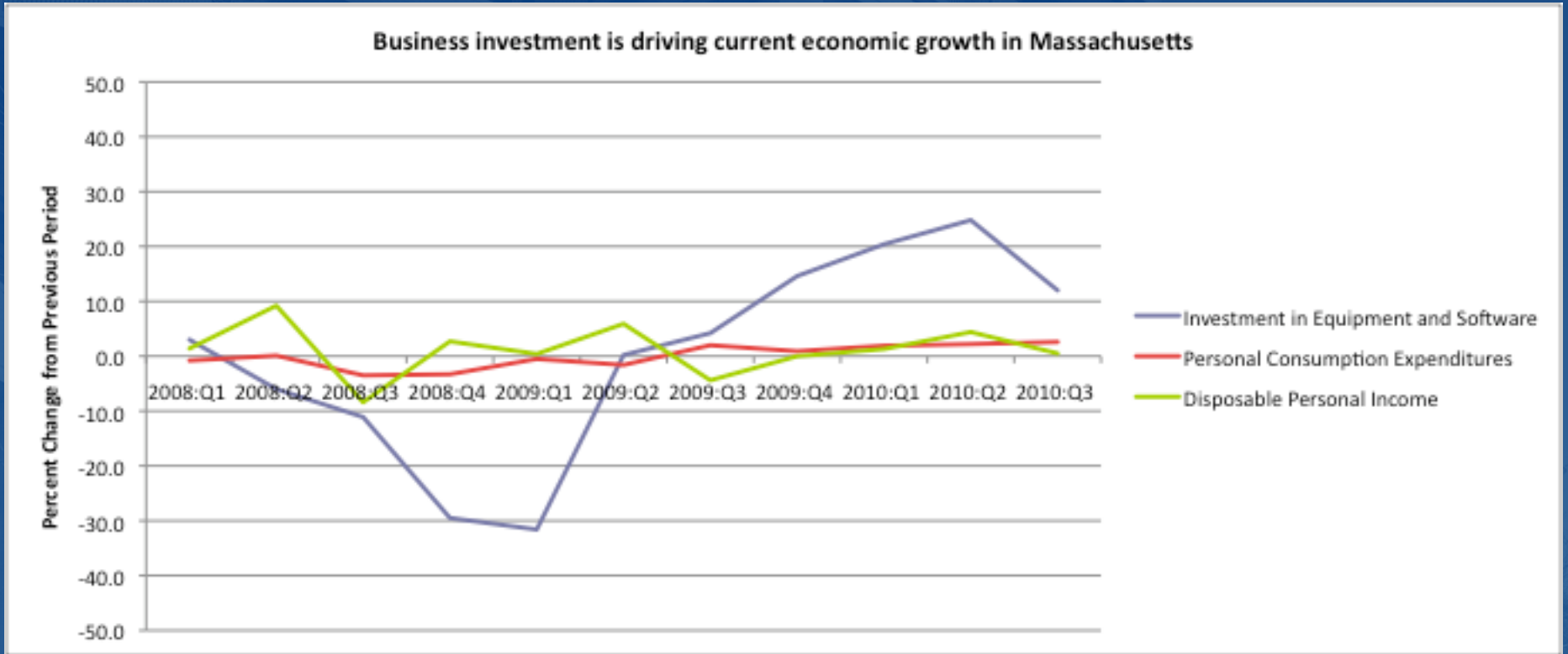
Co-Editor, *MassBenchmarks*

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## Economic Conditions remain difficult but, in many respects, Massachusetts has been bucking the national trend

- According to the *MassBenchmarks* Current Economic Index, economic activity in Massachusetts is estimated to have grown at an annual rate of 3.7 percent in the third quarter of 2010, versus 2.0 percent for the U.S. as a whole.
- Since December 2009, both the payroll and the household employment surveys estimate a net increase of approximately 40,000 jobs statewide. Job growth in Q2 2010 was the fastest since the third quarter of 1984.

# The “Innovation Economy” is a large part of the reason for the state’s relatively exceptional performance...for a change

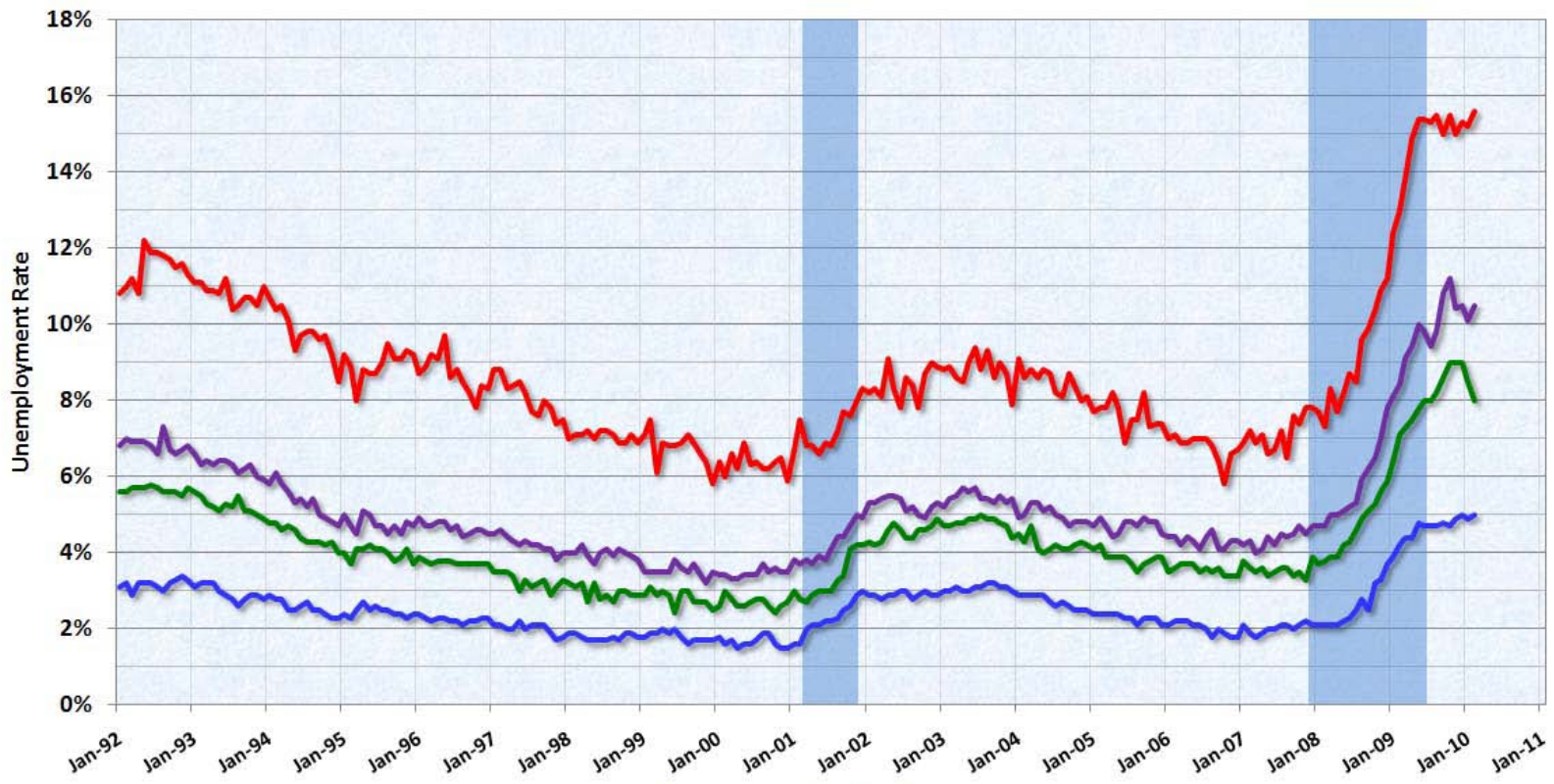


Source: National Income and Product Accounts; Gross Domestic Product, 3rd quarter 2010 (advance estimate)

# In this economy, the more highly educated have fared much better in the labor market

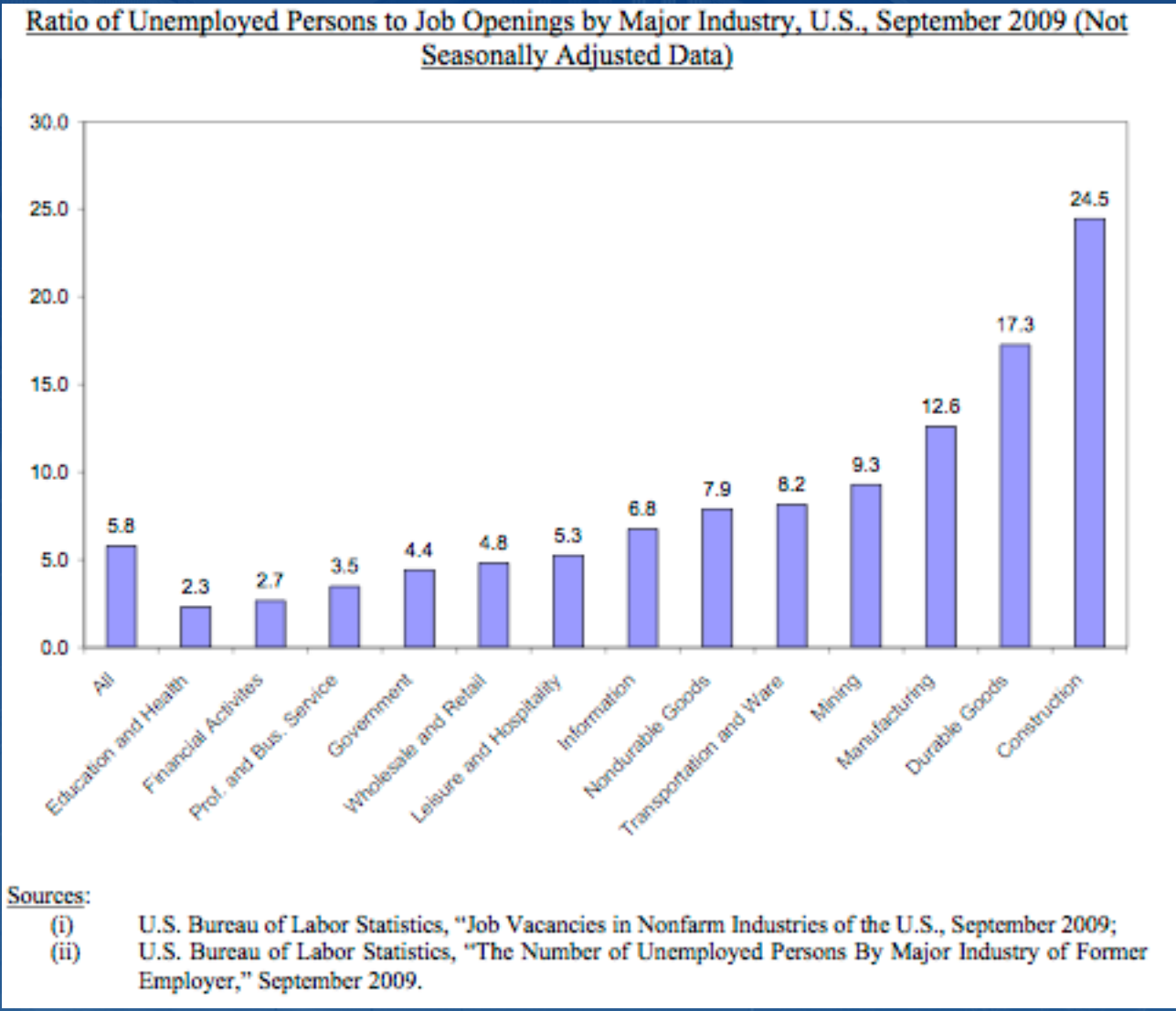
Unemployment Rate by Level of Education

- Less than a High School Diploma, 25 yrs. & over
- High School Graduates, No College, 25 yrs. & over
- Some College or Associate Degree, 25 yrs. & over
- Bachelors degree and higher, 25 yrs. & over



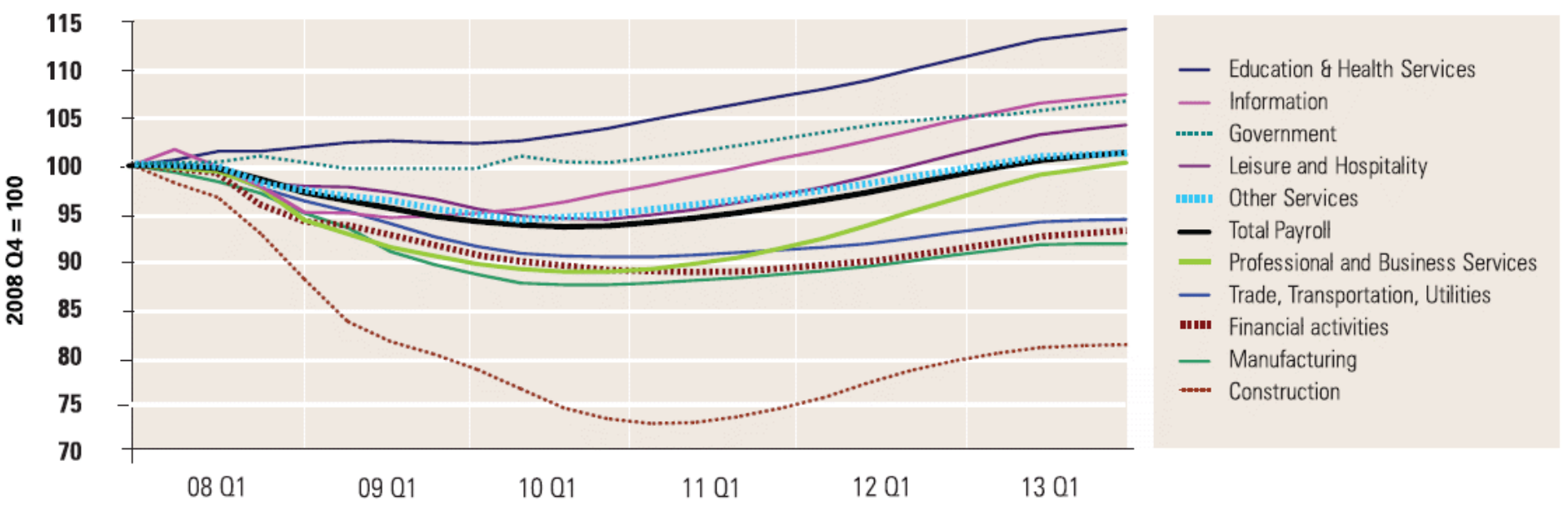
<http://www.calculatedriskblog.com/>

# “Blue collar” households have seen their job opportunities erode...



...a trend that is not expected to end anytime soon

### Payroll Employment in Massachusetts



Source: New England Economic Partnership (NEEP)

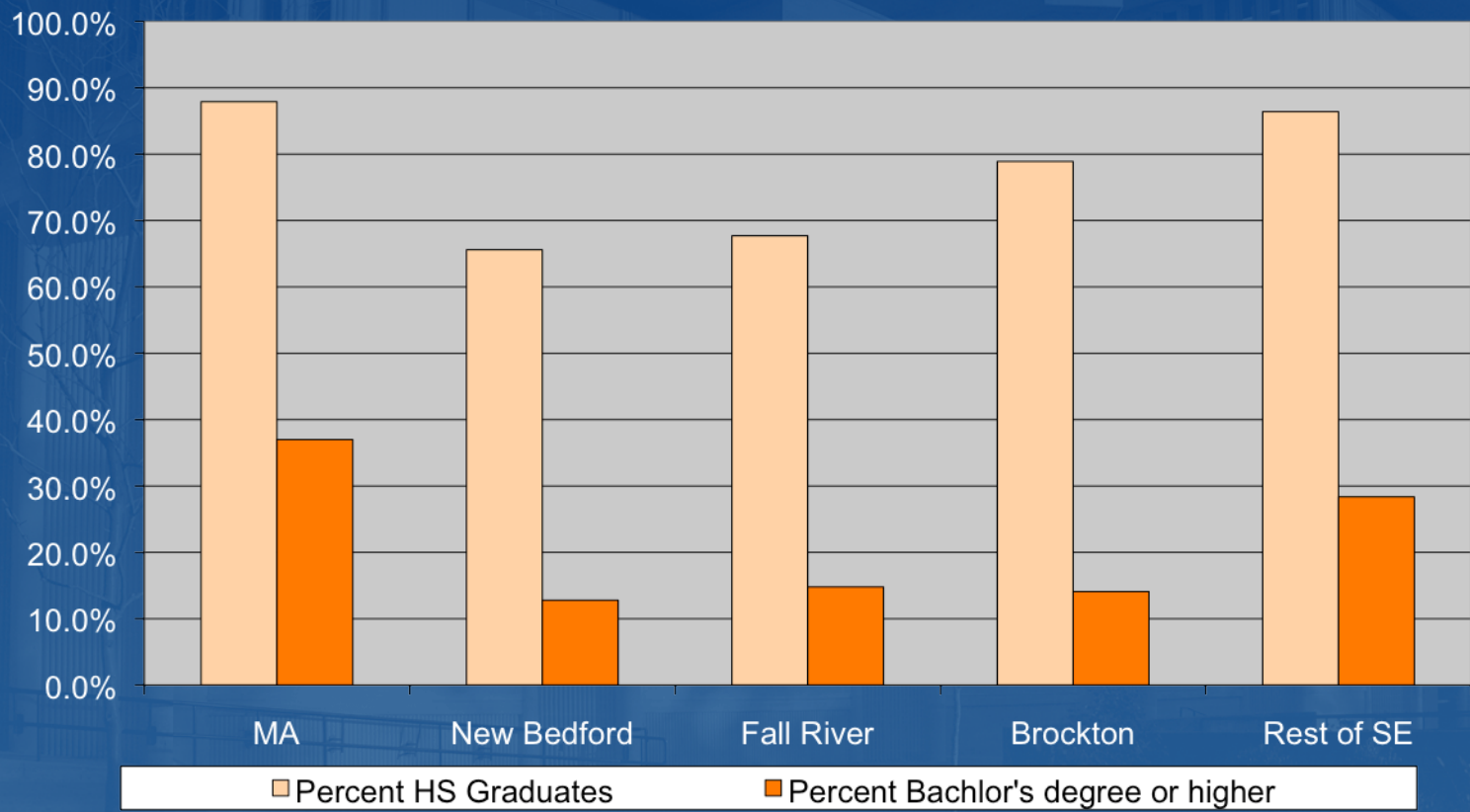
## The composition of the regional workforce is preventing a robust recovery in the Southcoast

- The Unemployment Rate in Massachusetts in September, 2010 was 8.0 percent
- In the Providence-Fall River region (MA Only), it was 10.6 percent and in the New Bedford region (NECTA) it was 11.1 percent.
- Statewide, in September, construction workers represented 11.8 percent of all workers receiving unemployment benefits. In the Greater New Bedford and Bristol County WIB regions it was 16.4 and 16.6 percent respectively .
- In the Greater New Bedford WIB region, in September, only 14.5 percent of workers receiving unemployment benefits possessed at least a four year postsecondary degree. In Bristol County it was just over 1 in 5 (22.9 percent). Statewide, over 29 percent of claimants held a Bachelor's degree or better.

# The regional educational attainment challenge is largely an urban one

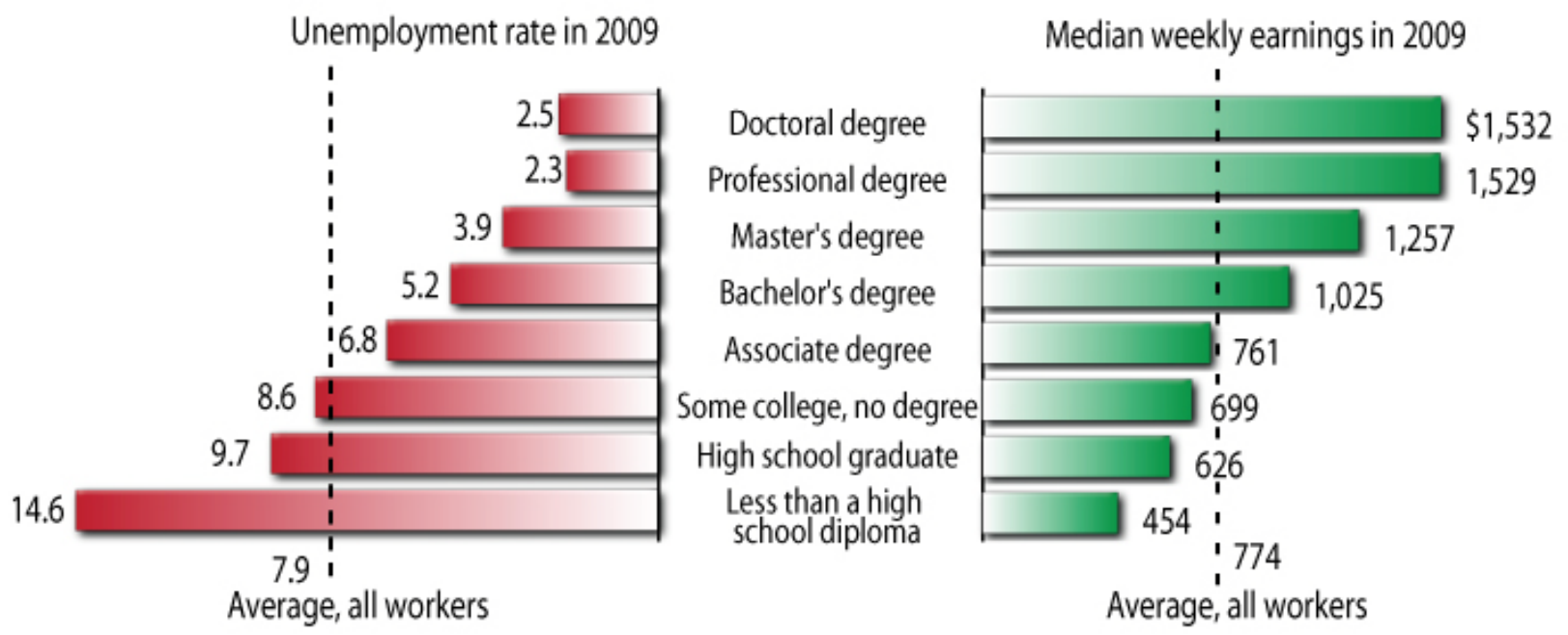
When one excludes the region's cities, the SE region is just as "educated" as the US

EDUCATIONAL ATTAINMENT OF PERSONS 25 AND OLDER, 2006



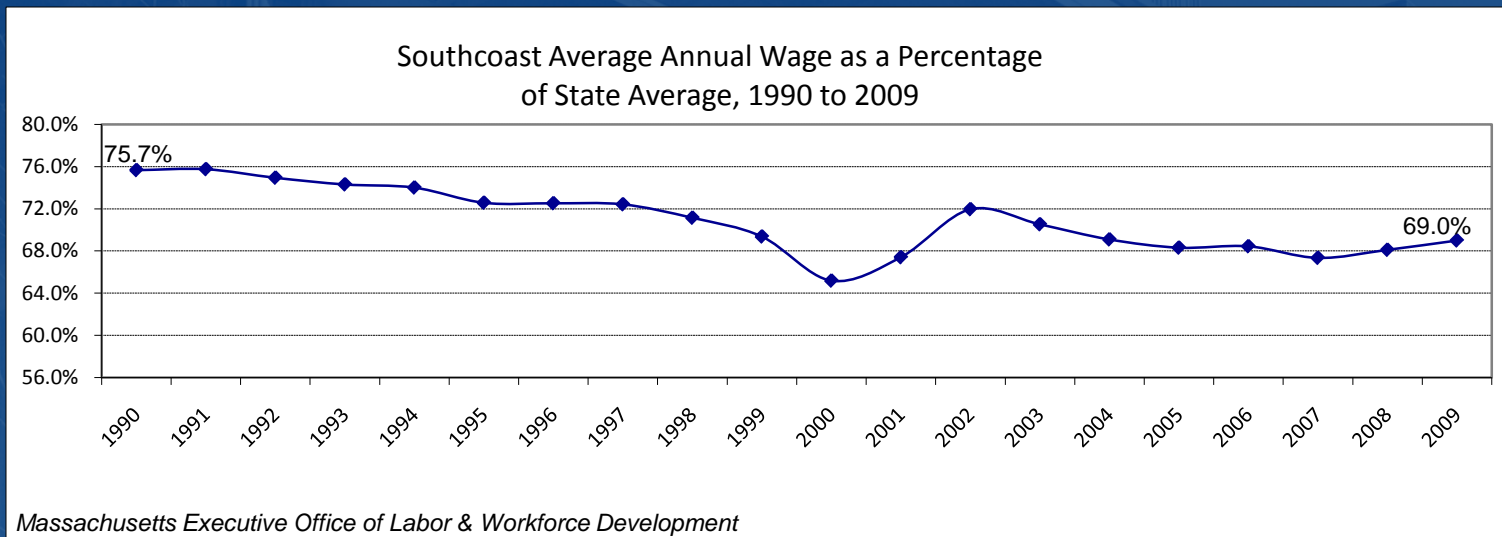
# Improving regional educational attainment would significantly improve the economic prospects for many working families across the region....

## Education pays



Source: Bureau of Labor Statistics, Current Population Survey

# ...and help to close the gap between regional and statewide household income

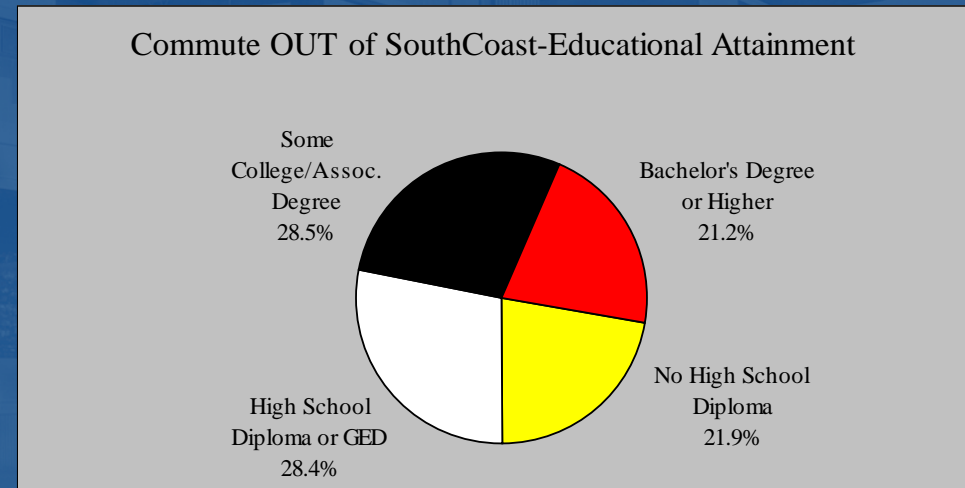
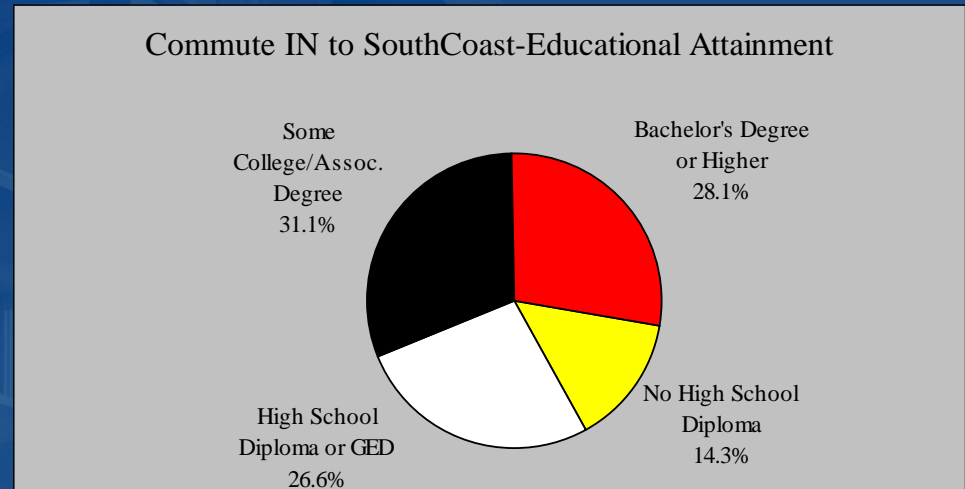


Source: Center for Policy Analysis, UMass Dartmouth

# The lack of a sufficient supply of well-educated workers has led regional employers to import skilled labor

In addition to limiting opportunities for well-paying job opportunities for local workers, the educational attainment gap also:

- Contributes to regional traffic congestion by increasing the number of commuters into the region.
- Results in negative environmental impacts and lowers the regional quality of life for those who must cope with this congestion.
- Limits the amount of available time people have for civic and family activities by requiring longer commutes.



## **A well-educated workforce will be essential to future economic growth and regional prosperity**

If the region can successfully produce the talent and encourage the innovation and entrepreneurship that will be needed to fuel growth, there are several strategic areas of opportunity including (but not limited to):

- Renewable Energy and Green Technology
- Marine Science and Technology
- Information Technology
- Health Care and Life Sciences

## **The state and federal government seem unlikely to provide additional resources to help us confront these challenges**

- Despite recent strong growth in state tax revenue, the state still faces an estimated \$1.5 billion deficit in the coming budget cycle.
- The recent federal election results appear to make another round of state fiscal stimulus/bailout highly unlikely.
- Consequently, the outlook for public higher educational funding and local aid is highly uncertain....but more cuts seem inevitable.

## Bottom Line

- The regional significance of CONNECT higher educational institutions is much larger than their economic impact alone suggests.
- The need for high quality and accessible public higher education has never been greater. While the challenges are profound, so are the stakes for Southeastern Massachusetts.
- Regional higher educational institutions must redouble their efforts to work together to help extend educational and economic opportunities to every corner of the region.

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