



## The Case for Ohio Attainment Goal 2025

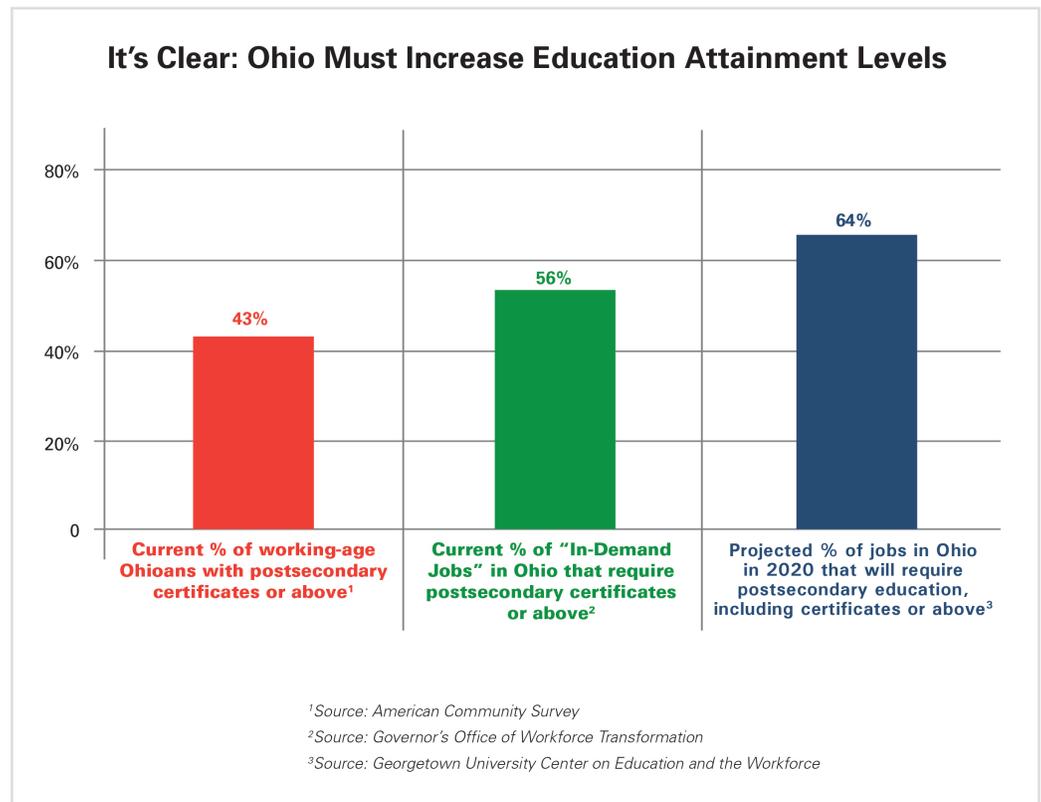
Ohio’s economic outlook is strong. The many signs of recovery are reason for pride and optimism. Our economy is growing more and more diversified. Ohio is among the leaders in areas such as advanced manufacturing, technology innovation, exports and entrepreneurship. Since the recession of 2008, thousands of new jobs have been created in our state. Unemployment in Ohio is below the national average. And the poverty rate has continued to decline since 2010.

Many challenges remain, however – none bigger than how to ensure an adequate supply of knowledgeable, highly skilled, globally competitive workers.

### Ohio’s Talent Gap: A Looming Crisis

Ohio’s short-term and long-term economic development efforts are rightly focused on job retention and job creation. **Ohio’s ability to attract and retain jobs is the key to our state’s economic future and hinges on the educational attainment levels of our citizenry.** To win the global competition for business investment and jobs, Ohio must be among the leaders in developing individuals with the knowledge, skills and postsecondary credentials that meet the needs of employers seeking to fill in-demand jobs.

While it’s true that Ohio’s economy is rebounding and gaining momentum, **a severe and well-documented “talent gap” threatens our state’s continued economic competitiveness and growth.** Simply put, Ohio has a substantial shortage of working-age adults (ages 25-64) with the postsecondary-level credentials required to fill and succeed in current, evolving and future jobs. The gap exists now and will only grow in coming years.



How serious is the threat? According to the Georgetown Center on Education and the Workforce, 64 percent of Ohio jobs in 2020 will require postsecondary education.<sup>1</sup> And a new Lumina Foundation report shows that just 43.2 percent of working-age adults in Ohio have a postsecondary certificate or degree,<sup>2</sup> which is slightly below the nation's overall postsecondary attainment rate of 45.3 percent. The shortage of adequately credentialed workers, exacerbated by the flood of retiring Baby Boomers, is a looming economic crisis – in Ohio, nationally and globally.

Consider this observation from a McKinsey Global Institute report published in 2012:

“. . . Based on current trends, there are potentially serious gaps in the supply of workers with the skills that will be needed to drive 21st-century economies, and a growing surplus of workers with more limited skills. Avoiding these imbalances (in both advanced and developing economies) and their consequences will require an unprecedented commitment to education and training.”

(The World at Work: Jobs, Pay and Skills for 3.5 Billion People)

Unfortunately, at the current rate Ohio students are earning degrees and certificates, our state will fall well short of closing that gap; in fact, if we stand back and do nothing, we actually will lose ground, resulting in an even larger gap. To produce the number of highly skilled workers with postsecondary credentials required to meet the needs of employers, **Ohio will need to produce, by 2025, an estimated 1.3 million more adults with high-quality postsecondary certificates or degrees.** Stated another way, at Ohio's current rate of production, by 2025, almost 2 million Ohioans will lack the postsecondary education or training needed to be competitive in the labor market. Urgent and significant action is needed; even if we improve Ohio's performance by increasing college access and increasing college credentials to the same level as leading states, we will still have a shortfall of hundreds of thousands of credentialed workers with the knowledge and skills needed to fill projected workforce needs in Ohio in 2025.

The economic impact on our state would be crippling.

The problem is not just a matter of quantity of workers; it's also a matter of quality – that is, a heightened need for credentials valued by the labor market. The Ohio Governor's Office of Workforce Transformation reports that 56 percent of Ohio's "in-demand" occupations currently require a certificate or degree, but again, Ohio's current attainment rate is only 43.2 percent. Moreover, the education requirements of in-demand jobs are anticipated to increase over the next 10 years. Consequently, as we work to increase overall postsecondary attainment, we must make sure that the credentials Ohioans are earning align with the jobs that are available, the jobs we want to attract and the jobs Ohioans want to have.

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<sup>1</sup> Georgetown University Center on Education and Workforce. *Recovery: Job Growth and Education Requirements Through 2020*. June 2013. The 64% figure includes not only jobs needing postsecondary certificates or higher, but also jobs requiring "some college."

<sup>2</sup> Lumina Foundation. *A Stronger Nation*. 2016.

To succeed in this endeavor, Ohio must improve outcomes at all stages along the education pipeline. For example:

- Ohio’s K-12 system is developing rigorous academic standards, administering new assessments, offering programs in which high school students can earn college credits while still in high school, implementing enhanced career counseling, reducing dropouts and collaborating with the state’s institutions of higher education to strengthen alignment of secondary curriculum and postsecondary curriculum, so more students leave high school ready for college or careers.
- Ohio’s postsecondary education institutions are helping to achieve the Ohio Attainment Goal 2025 in many ways. First and foremost, Ohio colleges and universities have embraced a nationally acclaimed outcome-based funding formula. They also are providing comprehensive student support services critical to improving success rates, reducing tuition, raising more funds for student financial aid, and encouraging and incentivizing “on-time” completion of their degree and certificate programs.
- Ohio’s workforce development and adult learning providers are contributing to the effort to increase the number of Ohioans with postsecondary credentials in major ways. Intensive efforts are underway to improve communication and collaboration between businesses and educators, to improve information sharing about in-demand job openings and job requirements, to connect qualified job seekers to in-demand occupations and careers, and employers to skilled, job-ready workers, and to broaden pathways to good jobs and promising careers.

If, however, Ohio fails to close the talent gap, jobs with opportunities for growth and advancement will disappear. This would be a terrible outcome for the residents of our state. The economic and noneconomic benefits of postsecondary education credentials are widely known and acknowledged. A 2014 report from the Pew Research Center notes:

“On virtually every measure of economic well-being and career attainment – from personal earnings to job satisfaction to the share employed full time – young college graduates are outperforming their peers with less education. And when today’s young adults are compared with previous generations, the disparity in economic outcomes between college graduates and those with a high school diploma or less formal schooling has never been greater in the modern era.” (The Rising Cost of Not Going to College)

Both the link between education level and poverty, and the value of postsecondary education credentials, are powerfully illustrated by these numbers:

| <b>Percentage of Ohioans Age 25 or Older Living in Poverty</b> |              |
|--|--------------|
| Less than a high school diploma:                               | 29.8 percent |
| Just a high school diploma:                                    | 13.8 percent |
| Some college or an associate degree:                           | 11.6 percent |
| Bachelor’s degree or higher:                                   | 4.0 percent  |

The impact of these disparities in economic outcomes is felt most severely by segments of the population that are disproportionately poor and historically underrepresented in our institutions of

higher learning. While educational attainment rates overall are increasing, college completion rates differ considerably across demographic groups. Existing gaps in the educational attainment by race must be closed if we are to flourish as a nation, as a state and as individuals.

## **Closing Ohio's Talent Gap: A Bold Goal**

All of this adds up to one conclusion: Ohio faces a clear and compelling imperative to increase educational attainment levels – and this imperative must be the number-one public policy priority for our state leaders and our postsecondary institutions.

So how do we meet the education and training requirements for the jobs of tomorrow? First, we must believe we actually can close the talent gap with increased educational attainment – and then commit to do it. That is why we have established a bold statewide goal for educational attainment:

**65 percent of Ohioans, ages 25-64, will have a degree, certificate or other postsecondary workforce credential of value in the workplace by 2025.**

Succeeding in this goal means that almost 2 million Ohioans will attain a credential or degree of value. Our intention is that this goal will keep the state's eyes fixed on this priority and remind us how we should align our policies and practices toward increasing educational attainment.

College-level learning is key to individual opportunity, competitive advantage and economic prosperity – for individuals, for businesses and for the state. Ohio's Attainment Goal 2025 stakes out a specific target for optimizing those benefits.

### **Strategic Priorities**

To achieve Ohio's 2025 Attainment Goal, we must be relentless in our focus on these critical pillars.

- **Aligning credentials to "In-Demand Jobs":** Ohioans must earn credentials that will allow them to get, keep and advance in present and future jobs.
- **Identifying, validating and counting all levels of credentials:** It is important for Ohioans to earn postsecondary certificates, industry licenses and certifications, associate degrees, baccalaureate degrees and advanced degrees to build a robust workforce.
- **Achieving attainment rates with greater parity among people of all races:** Ohio's population of people of color continues to grow, but gaps in educational attainment rates persist. Ohio has a roughly 14 percentage point difference between attainment rates of whites and the attainment rates of African-Americans, and a 15 percentage point difference between whites and Latinos.

To meet our workforce demand and new state attainment goal, increased numbers of Ohioans of every race need to earn postsecondary credentials of value in the workplace.

- **Educating more adults:** Ohio is aging. We cannot rely only on the aspirations of our current K-12 students to meet the 65 percent attainment goal by 2025. We need to increase enrollment and completion of adults ages 25-64. That will require special attention to the half-million working-age adults without a high school diploma, to help them achieve a high school credential plus postsecondary certificate or industry certification.
- **Rethinking systems:** Ohio must continue to rethink the way our systems educate and serve students. Barriers to attainment must be removed, and we all must be willing to do the business of education and workforce development differently if it means better outcomes for students.
- **Acting in local communities:** The actions to reach these goals will come from the organizations and individuals on the front line of education and workforce development in their communities. Each region is encouraged to set its own postsecondary educational attainment goals to meet the needs for a diverse, skilled workforce. Together, we must also explore how state-level policy and practice can best support communities in making progress toward the goals for their communities and the state.
- **Monitoring and measuring progress:** At the local and state level, we must monitor the indicators of attainment to see what levers are affecting the changes we want to see. This may include many data points, from trends in math and reading proficiency among K-12 students to enrollment and persistence rates among college students, with a keen eye to demographic disparities among the results, as well as alignment of educational credentials to in-demand jobs.

## Call to Action

We face a looming workforce crisis in Ohio. Urgent action is required.

We must embrace this challenge to ensure a promising future with a strong economy, strong businesses and strong communities and families. We ask that you join us in this effort by (1) engaging in the statewide conversation; (2) adopting or endorsing this statewide goal and attainment goals specific to your city, county or region; (3) collaborating with other stakeholders in your community to maximize resources, share best practices and coordinate efforts; and (4) setting targets for leading indicators to educational attainment on which you have some impact.

Closing Ohio's talent gap will not be easy. The gap is large. The stakes are high, and the need for action is urgent. Our state's long-term economic viability hangs in the balance.

UPDATED: MAY 2017

Ohio needs to increase the percentage of working age Ohioans with a postsecondary certificate or degree to 65% by 2025. In order to reach this goal, Ohio needs to mobilize to raise educational attainment for in-demand, living wage occupations for citizens in every region, of every race and of every background.

