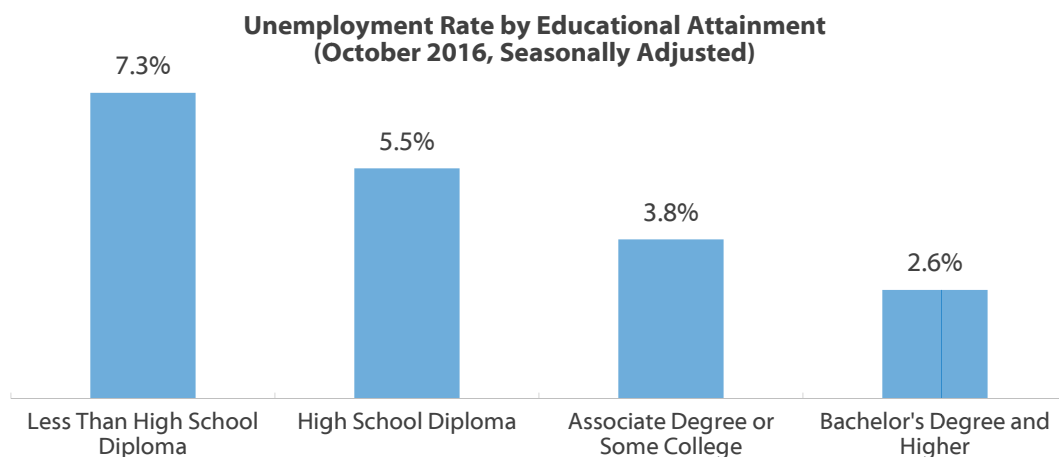
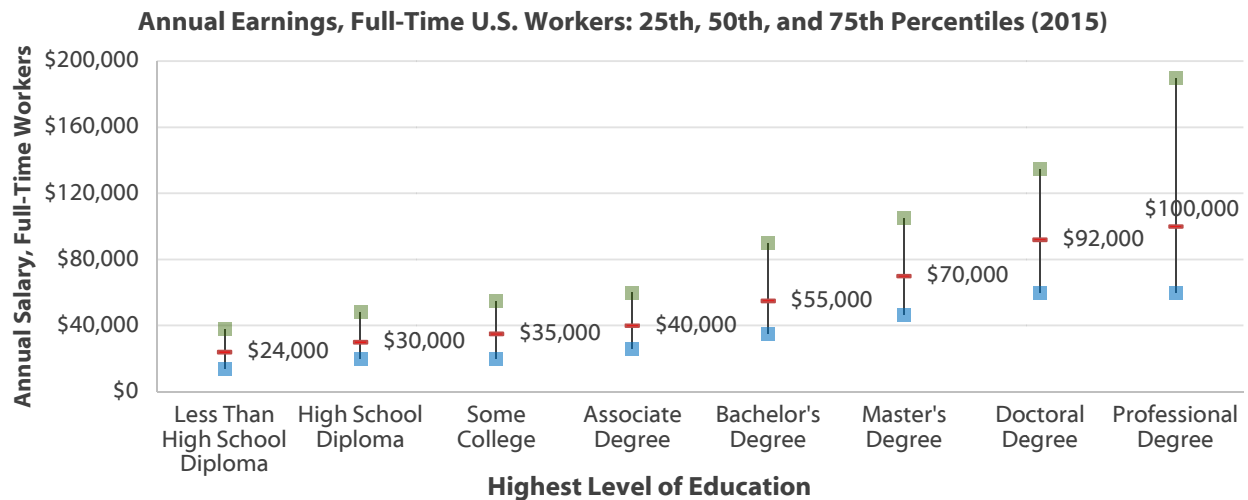


SECTION 8

Texas College Attainment

College Graduates Earn Far More Than High School Graduates and Experience Less Unemployment



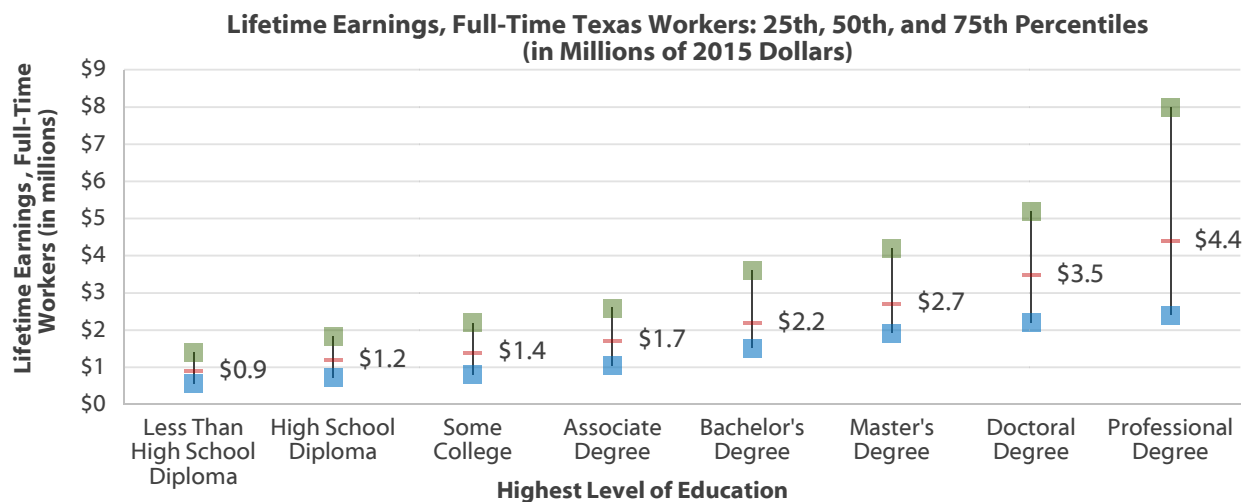
The U.S. Census Bureau reports that higher levels of education are typically associated with higher median earnings; however, annual incomes in the U.S. also vary widely within the same level of education. Consequently, some workers with associate degrees earn more than those with bachelor's degrees, while other bachelor's-level graduates make more than some master's degree holders. While educational level is not the sole predictor of one's income, the income range also expands as level of education increases, suggesting that workers with higher levels of education may encounter more opportunities for financial growth.

More evidence for the economic value of education comes from the U.S. Bureau of Labor Statistics. For October 2016, the unemployment rate of workers age 25 and older who had not completed high school stood at 7.3 percent. The unemployment rate for high school graduates was 5.5 percent, while the unemployment rate for those with a bachelor's degree and higher was 2.6 percent.

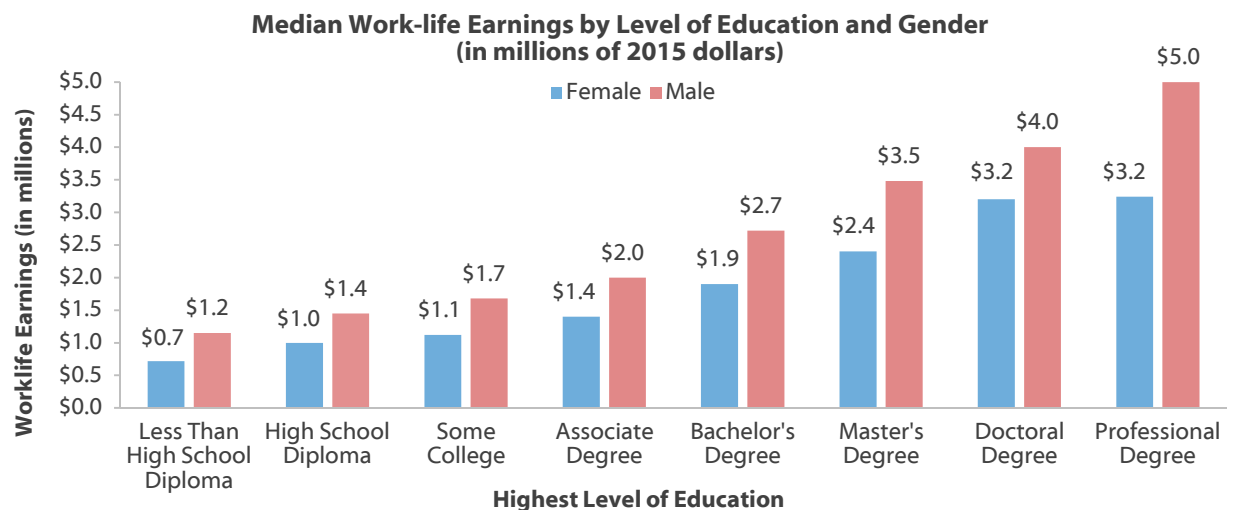
Sources: Unemployment: Bureau of Labor Statistics. "Employment Status of the Civilian Population 25 Years and Over by Educational Attainment," October 2016 (<http://www.bls.gov/news.release/empsit.t04.htm>); Earnings: U.S. Census Bureau, American Community Survey 2015 (<http://www.census.gov/programs-surveys/acs/data/pums.html>)



Better Educated Workers Have Higher Lifetime Earnings



The difference in the salary earned by higher- and lower-educated workers compounds over a lifetime. The estimated earnings during the work-life (approximately 40 years) of a worker who did not complete high school are less than \$1 million. Completing high school increases median lifetime earnings by about \$300,000, and completing a bachelor's degree raises median lifetime earnings to \$2.2 million. Post-graduate education pays off even more; workers with a professional degree, such as doctors and lawyers, can expect over the course of their work-lives to earn an additional \$1.8 million over what workers with a bachelor's degree will earn. Higher levels of education typically offer increased lifetime earnings, but they also allow for more earning *variability*, as shown by the wider income ranges for the higher levels of education.



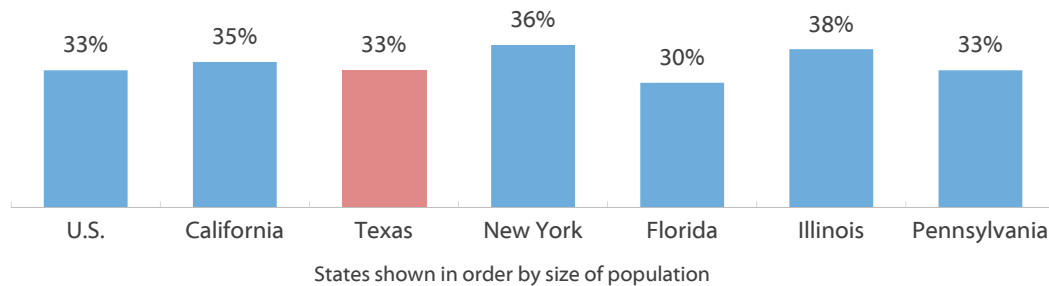
Lifetime earnings differences based on education are even more pronounced for women, who must earn at least a bachelor's degree to make as much as men with some college or an associate degree, on average.

Earnings: U.S. Census Bureau, American Community Survey 2015 (<http://www.census.gov/programs-surveys/acs/data/pums.html>)

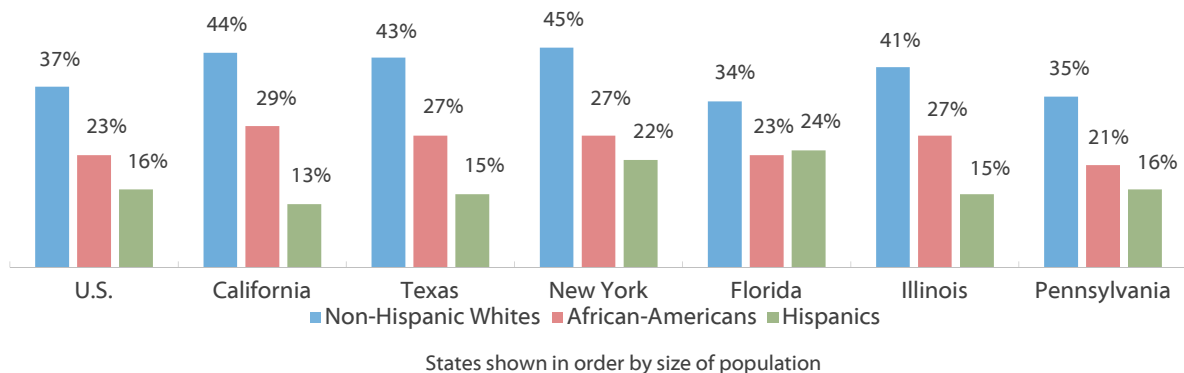


One-third of Texans Age 25 and Older Have a Bachelor's Degree

Population Age 25 and Older with a Bachelor's Degree or Higher (2016)



Population Age 25 and Older with a Bachelor's Degree or Higher by Race/Ethnicity (2016)



Texas is comparable to the nation in the percentage of people who have completed a bachelor's degree or higher. U.S. Census Bureau data show that in 2016 about 33 percent of Texans age 25 and older had obtained a bachelor's degree or higher (up from 29 and 31 percent in 2014 and 2015, respectively). Among the six most populous states, Texas is tied for the third lowest percentage of the overall population age 25 and older with a bachelor's degree or higher.

By race/ethnicity, U.S. Census Bureau data also show that:

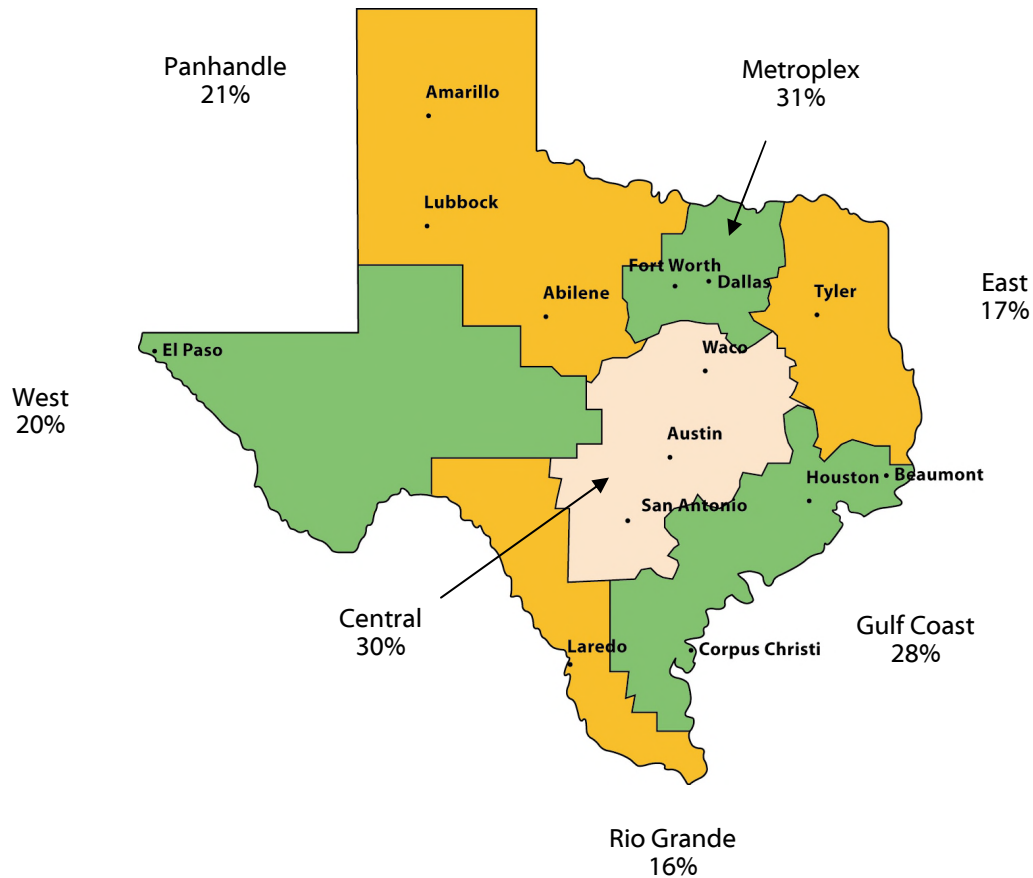
- In Texas, Hispanics are the least likely to complete a bachelor's degree. Only 15 percent of Hispanics age 25 and older have a bachelor's degree or higher, compared with 43 percent of Whites.
- The percentage of African-Americans in Texas who have a bachelor's degree is 16 percentage points lower than that of Whites. This gap has increased by 3 percentage points since 2015.
- Among the six largest states, Texas ranks third in the percentage of Whites with a degree and ties for fourth for Hispanics.
- While the percentage of Whites age 25 or older with a Bachelor's Degree or higher increased by 3 percentage points from 2015 to 2016, the percentages for African-Americans and Hispanics remained steady.

Source: U.S. Census Bureau, Current Population Survey 2015. Current Population Survey (CPS) Table Creator For the Annual Social and Economic Supplement (http://www.census.gov/hhes/www/cpstc/cps_table_creator.html).



Texas Educational Attainment Levels Vary by Region

Population Age 25 and Older with a Bachelor's Degree or Higher (2014)



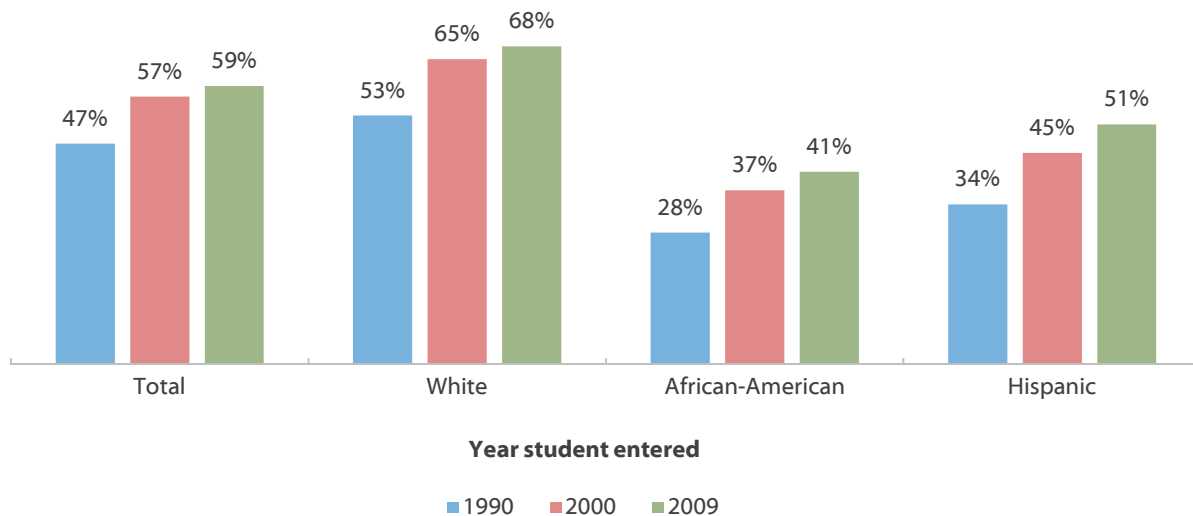
Educational attainment levels in the different regions of Texas vary dramatically. In the Metroplex region, 31 percent of people age 25 and older have a bachelor's degree or higher. In Central Texas, home to the state's two flagship universities, 30 percent of adults have a bachelor's degree or higher, and in the Gulf Coast region, 28 percent have a bachelor's degree or higher. However, educational attainment levels drop off in other areas of the state. The East Texas, West Texas, and Panhandle regions all record lower levels of educational attainment, and in the Rio Grande Valley region, the percentage of college graduates is about half that in the Metroplex region.

Source: U.S. Census Bureau, American Communities Survey, 2010-2014 Three-Year Estimates, Washington, D.C.
(<http://www.census.gov/acs/www/>)



Graduation Rates in Texas Rising, But Remain Stratified by Race/Ethnicity

First-time Freshmen Who Entered a Texas Public University and Received a Bachelor's Degree within Six Years, by Ethnicity



College graduation rates in Texas are rising but remain stratified by ethnicity. About 59 percent of first-time (in college), full-time freshmen who entered a Texas public university in 2009 obtained a bachelor's degree from that or another Texas public university within six years, but the rate varied from 68 percent of Whites to 51 percent of Hispanics to 41 percent of African-Americans. The six-year graduation rates have risen over the past two decades for all racial and ethnic groups, but the rates have not increased as dramatically for African-American students as they have for White and Hispanic students.

As of Fiscal Year (FY) 2013, only 27.6 percent of freshmen in Texas graduate in four years. Most undergraduates in the U.S. take more than four years to complete a bachelor's degree. In 2010, only 31.3 percent of students nationally completed a degree within 4 years. Reasons for this vary, but include that the student may be: 1) pursuing a degree that requires more than 120 credit hours; 2) pursuing more than one degree; 3) changing his or her degree plan or major; 4) taking extra courses beyond those needed to graduate; 5) leaving or "stopping out" of school for brief periods; or 6) transferring from one institution to another. In addition, many students may attend school part time and work long hours in order to cut costs. In fall 2015, 22.2 percent of public university undergraduates in Texas attended school less than full time/full year; that is, they either took fewer than 12 hours per semester or did not attend two semesters.

Sources: National 4-year Graduation rates: The Chronicle of Higher Education. College Completion. http://collegecompletion.chronicle.com/state/#state=ny§or=public_four; Graduation rates: Six-year and ten-year: THECB, Baccalaureate Graduation Rates <http://www.thecb.state.tx.us/reports/PDF/3409.PDF?CFID=18285142&CFTOKEN=11849287>; Four-year: THECB, Higher Education Accountability System (<http://www.txhighereddata.org/Interactive/Accountability/>);



Texas Ranks Low in Percentage of Young Adults with a Bachelor's Degree or Higher

Percentage of Young Adults in 2015 (Ages 25-34) With a Bachelor's Degree or Higher

<u>U.S. States</u>	%	<u>OECD Countries</u>
	↑	
Massachusetts	50	
	48	Switzerland
	46	Korea
New York • New Jersey • Connecticut	44	Netherlands • Luxembourg
	42	Poland • Belgium
New Hampshire • Minnesota		United Kingdom
Virginia • Illinois • Maryland	40	Denmark
Colorado • Vermont		Ireland • Finland
Pennsylvania	38	Japan • Estonia • Australia • Greece
		Iceland
North Dakota • Rhode Island • Kansas • Washington	36	OECD Average • Sweden • New Zealand • United States
Nebraska		Latvia • Israel
Oregon • California • Iowa • Wisconsin	34	Norway • Canada • Slovenia
Montana • Maine • Delaware • Missouri		Portugal
Ohio • North Carolina • Michigan	32	
South Dakota • Georgia • Hawaii • Tennessee • Utah		Czech Republic • Slovak Republic
Texas • Indiana • Florida • South Carolina	30	Slovak Republic
Alaska • Kentucky	28	Hungary • Germany
Wyoming • Louisiana		Spain • France
Alabama • Arizona • West Virginia	26	
Idaho • Oklahoma		Italy
Arkansas	24	
Mississippi		
New Mexico • Nevada	22	Austria
	20	Mexico • Turkey
	18	Chile

The U.S. is often compared to other countries in the Organization for Economic Co-operation and Development (OECD) when measuring educational attainment. However, within the United States, each individual state can have very different education systems. Disaggregating attainment by individual U.S. states highlights the variance between state education systems in attainment percentages. The U.S. average for young adults (ages 25-34) with a bachelor's degree or higher is 36 percent, the same as the OECD average and 7 percentage points higher than the Texas average. These rankings can change significantly when comparing attainment levels of an associate degree or higher.

Source: OECD (2016), *Education at a Glance 2016: OECD Indicators*, OECD Publishing, Paris.

DOI: <http://dx.doi.org/10.1787/eag-2016-en>; U.S. Census Bureau, 2014 American Community Survey, 2014 Three-Year Estimates
<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>.

Note: The methodology and design for this figure was derived from the Texas Business Leadership Council and NCHES, 2013 TAB Higher Education Summit.



Final Closing the Gaps Report Finds Texas Met All Success Targets, but Fell Short of Meeting All Participation Targets

In 2000, Texas set the goal of “closing the gaps” in participation and success in higher education by 2015. The state aimed to achieve this goal by increasing the number of students enrolled by 630,000, and increasing the number of degrees and certificates awarded by 50 percent. In June 2016, the Texas Higher Education Coordinating Board (THECB) released the final progress report for the Closing the Gaps goals.

Texas fell just shy of meeting its 2015 total higher education enrollment goal by about 6,000 students, but surpassed its goal for African-American enrollment by over 50,000 students. African-American enrollment increased by 98 percent from when Closing the Gaps targets were created in 2000. Texas did not meet its 2015 enrollment targets for Hispanic and White students. White student participation has decreased for the past six consecutive years, falling by over 60,000 students since fall 2009. Although Hispanic enrollment rose by more than 100,000 since fall 2010, 2015 enrollment was still over 100,000 students short of the Closing the Gaps target.

Texas met its 2015 goal for the total number of degrees and certificates awarded. The state surpassed its target for total certificates and degrees awarded by over 48,000, and doubled the number of associates degrees awarded between 2000 and 2015. Texas’ new 15 year strategic plan for higher education, referred to as 60X30TX, is currently being implemented.

Texas Closing the Gaps Participation Targets for 2015

	Actual Fall 2015	2015 Targets	Difference	Met 2015 Target?
Total enrollment	1,643,879	1,650,000	6,121	No
African-American enrollment	223,137	172,700	-50,437	Yes
Hispanic enrollment	571,118	676,100	104,982	No
White enrollment	610,812	671,300	60,488	No

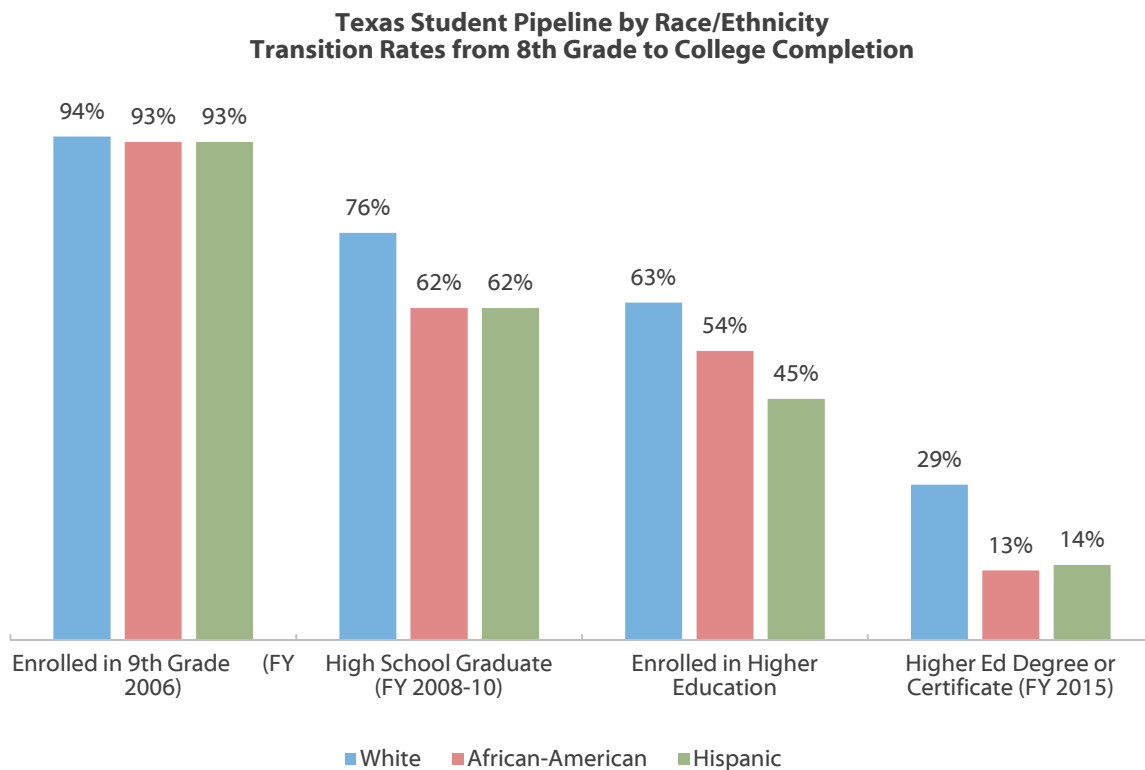
Texas Closing the Gaps Success Targets for 2015

	Actual FY 2014	2015 Targets	Difference	Met 2015 Target?
Total certificates and degrees	258,795	210,000	-48,795	Yes
Associate degrees	81,153	55,500	-26,153	Yes
Bachelor's degrees	127,032	112,500	-14,532	Yes

Sources: THECB. *Closing the Gaps Final Progress Report*, June 2016
<http://www.thecb.state.tx.us/reports/PDF/8138.PDF?CFID=51491906&CFTOKEN=35266879>). THECB. Report Center
(<http://www.txhighereddata.org/index.cfm?objectid=27718BD7-BD77-2355-39495E1FB4605755>).



Many Texas Students Exit the Education Pipeline toward a Higher Education Degree or Certificate at Transition Points



The student pipeline is one way to observe the path that Texas students take towards earning a postsecondary credential. The pipeline highlights the major transition points where many students drop out of the system. Simply focusing on student success after high school is an insufficient strategy to increase the number of postsecondary credentials. Instead, a strategy of promoting student achievement at every level of the educational pipeline has a better chance of increasing degree attainment.

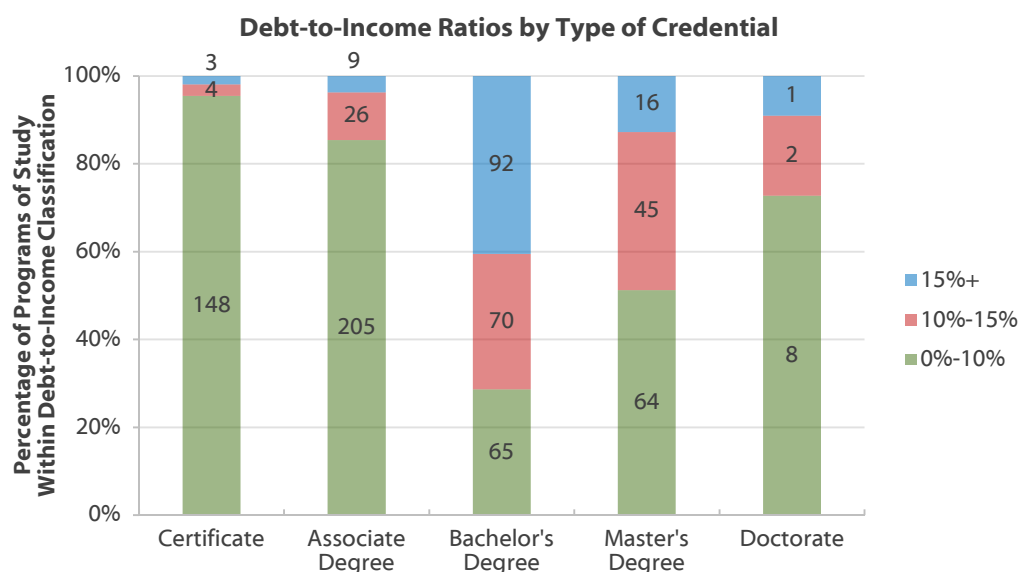
At every stage of the student pipeline, larger percentages of Hispanic and African-American students exited compared to White students. Whereas 63 percent of White 8th graders in 2005 enrolled in higher education directly following high school graduation, only 54 and 45 percent of African American and Hispanic 8th graders enrolled, respectively. Reducing these disparities is essential to making the attainment gains Texas needs for a skilled and competitive workforce, because these gains will most easily be found in underserved populations. For all student groups, those who enrolled in higher education but did not complete a degree or certificate represented the largest drop-off in the student education pipeline.

Note: The methodology and design for this figure was derived from the Texas Business Leadership Council and NCHEMS, 2013 TAB Higher Education Summit

Source: Texas Higher Education Coordinating Board, Regional Topic Data Tabs: 8th Grade Cohort and HS to College Data, 2015 (<http://www.txhighereddata.org/reports/performance/regions/>). TEA and National Student Clearinghouse data used by THECB. Out-of-state graduate total not shown, because current NSC data collection extends only into 2006.



Most Programs of Study in Texas Report Graduates' Debt-to-Income Ratios Are Less Than Ten Percent



Debt-to-income ratios — comparisons of student loan debt to annual income — are becoming a more common metric to determine the potential financial burden borrowers may encounter after leaving school. Many experts recommend that annual student loan payments not exceed 15 percent of a borrower's annual income. Based on income within the first year of graduation, certificate holders are the most likely to have debt-to-income ratios under 10 percent, followed closely by associate degree graduates. Bachelor's degree graduates, who are typically enrolled in school for additional years, are the least likely to have ratios less than 10 percent.

Type of Credential	Median Annual Student Loan Payment	Median Annual After-Tax Income	Average Debt-to-Income Ratio
Certificate	\$1,082	\$23,896	5%
Associate Degree	\$1,209	\$23,372	5%
Bachelor's Degree	\$3,698	\$26,304	14%
Master's Degree	\$4,294	\$43,500	10%
Doctorate	\$3,621	\$69,836	5%
Overall	\$1,878	\$27,862	7%

Within the first year after graduation, annual incomes do not vary greatly by award type. However, holders of bachelor's or graduate degrees have student loan payments that are more than double that of their certificate and associate degree counterparts. This first-year snapshot does not necessarily reflect the long-term earning potential of these graduates. Many graduates — especially those who are entering the workforce for the first time — are unemployed or underemployed. The data shown above depict the financial circumstances experienced by many new graduates in Texas.

Sources: Public Institution Income: Texas Higher Education Coordinating Board, Gainful Employment – Placement Rate, 2012 (<http://www.txhighereddata.org/reports/performance/ctcasalf/gainful.cfm>); Public Institution Debt: Texas Higher Education Coordinating Board, Debt by Major by School, 2012 (unpublished, special request); For-profit Institution Data: U.S. Department of Education, 2012 Gainful Employment Downloadable Spreadsheet, (<http://studentaid.ed.gov/about/data-center/school/ge/data>).

