



REIMAGINING SOCIAL CHANGE

Metropolitan Region (Metro)

PREPARED FOR ACCELERATE NEBRASKA | FEBRUARY 2016

Executive Summary

STATEWIDE AND REGIONAL SUMMARIES

Statewide summary

STATEWIDE FINDINGS

- While the **current population is predominantly white (89.4%)**, **growth in the minority population accounted for two-thirds of Nebraska's overall population growth** in the 2000s
- Overall the **poverty rate has held steady at 12.8% and unemployment is at 2.9%**, however, these **numbers vary drastically for minority populations** with over **28% of the Hispanic population living in poverty** and **unemployment reaching 15% for the black population**
- Nebraska has among the **nation's highest high school graduation rate (90%)**, **but there is a large achievement gap between minority and low income students and their white counterparts**
- There is a **strong college-going culture (69.5% college-going rate)**, but some students **are not college ready** as evidenced by **high developmental education numbers and average completion rates**
- The **majority of Nebraska's jobs are low and middle wage**, which is misaligned with the number of four-year degrees the state produces, leading to **underemployment and brain drain**

FOUR STATEWIDE OPPORTUNITIES & KEY DATA POINTS

Research suggests several opportunities to better align Nebraska's education system with the state's labor market:



Align on expectations for K-12 education outcomes

- Nebraska's average ACT score of 21.5 and 90% high school graduation rate (in 2014) are near or above national averages, yet nearly 40% of all students test below passing on the 11th grade Math NeSA. Nebraska must create clear standards to ensure that it does not continue to pay to teach students the same materials multiple times (e.g., once in high school and again in developmental education courses).



Decrease the achievement gap for Nebraska's low income and growing minority populations

- Minority and low income students are more than twice as likely to test below passing than white students on the 11th grade Math NeSA. Nebraska must provide minority and low income students and their families with additional supports if it wishes to ensure that these individuals will enter the labor market at similar rates and wages as their white counterparts.



Increase persistence and completion rates at the postsecondary level

- Postsecondary completion rates are on par with national averages (Bachelors: 55.1% NE vs. 55.5% U.S.; Associates: 30.3% NE vs. 29.2% U.S. in 2013), but have plenty room for improvement. Nebraska must improve retention and completion to ensure it does not continue to use resources educating students who drop out of college.



Increase the number of high skill, high wage jobs

- A high school diploma or less will be required for almost two-thirds of jobs in 2020. Relative to those needs, Nebraska has more than double the required number of recent graduates (aged 25-34) who attended some college or received an associate's degree. Nebraska must create more high-skill jobs to keep the educated young people who are critical for the state's future success and contribute to the state economy and tax base.

Metro summary

Metro, the **main population and commerce hub in Nebraska**, is home to a diverse and highly educated population. Minority high school students have **large achievement gaps** leading to questions about their **level of academic preparedness**. The diverse and large population result in a number of retention and completion challenges for regional postsecondary institutions.

Demographics

- Metro is the **major population hub** of Nebraska with over 40% of the state's population. Additionally, Metro is home to **43% of the Hispanic and 80% of the African American population living in Nebraska**
- The region is also the **hub of commerce in the state** with four Fortune 500 companies, and home to **two University of Nebraska institutions**, resulting in a population that has **more Bachelor and Graduate degree-holders** than average

K-12

- Metro hosts **over 40% of all the high school students** in Nebraska. Additionally, Metro school districts are among the most diverse with **31% minority student** enrollment
- Overall Metro students are more likely to test below average on the 11th grade Math NeSA than the state average. Metro's school districts **have large achievement gaps between white, minority and low income students**. For example, at Omaha Public Schools 53% of white students test proficient in 11th Grade Math while only 19% of black students test proficient
- The disparities between poor NeSA performance (e.g., 47% of students test proficient in 11th Grade Math at OPS) of and high graduation rates (e.g., OPS has a 81% graduation rate) raise questions about the **level of career and college readiness of regional graduates**

Postsecondary education (PSE)

- Metro's two major postsecondary institutions, Metro Community College (28% minority student enrollment) and UNO (20% minority student enrollment), **serve diverse student populations**
- This student population mix results **in a number of retention and completion challenges for the region's postsecondary institutions**. For example, Metro Community College's 50% retention rate is seven percentage points below the community college average while its **13% completion rate is half of the statewide community college average**

Labor market

- Despite its economic prominence, approximately **76% of jobs in 2022 are projected to require only an associates degree or less**
- Given the high number of degree holders, Metro has a significant opportunity to **attract more businesses and develop industries** that need skilled employees

Demographics

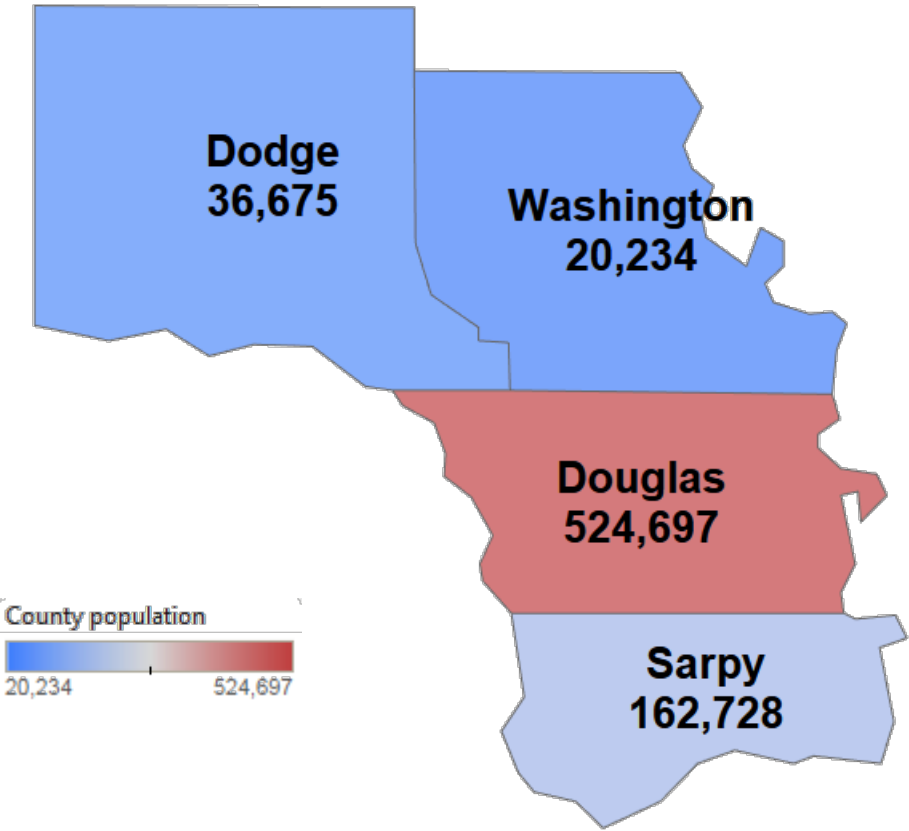
MOST POPULOUS AND DIVERSE REGION OF THE STATE

Home to Omaha, Metro is a key population center and hub of activity for the state



The Metro region **represents 40% of the state's population**

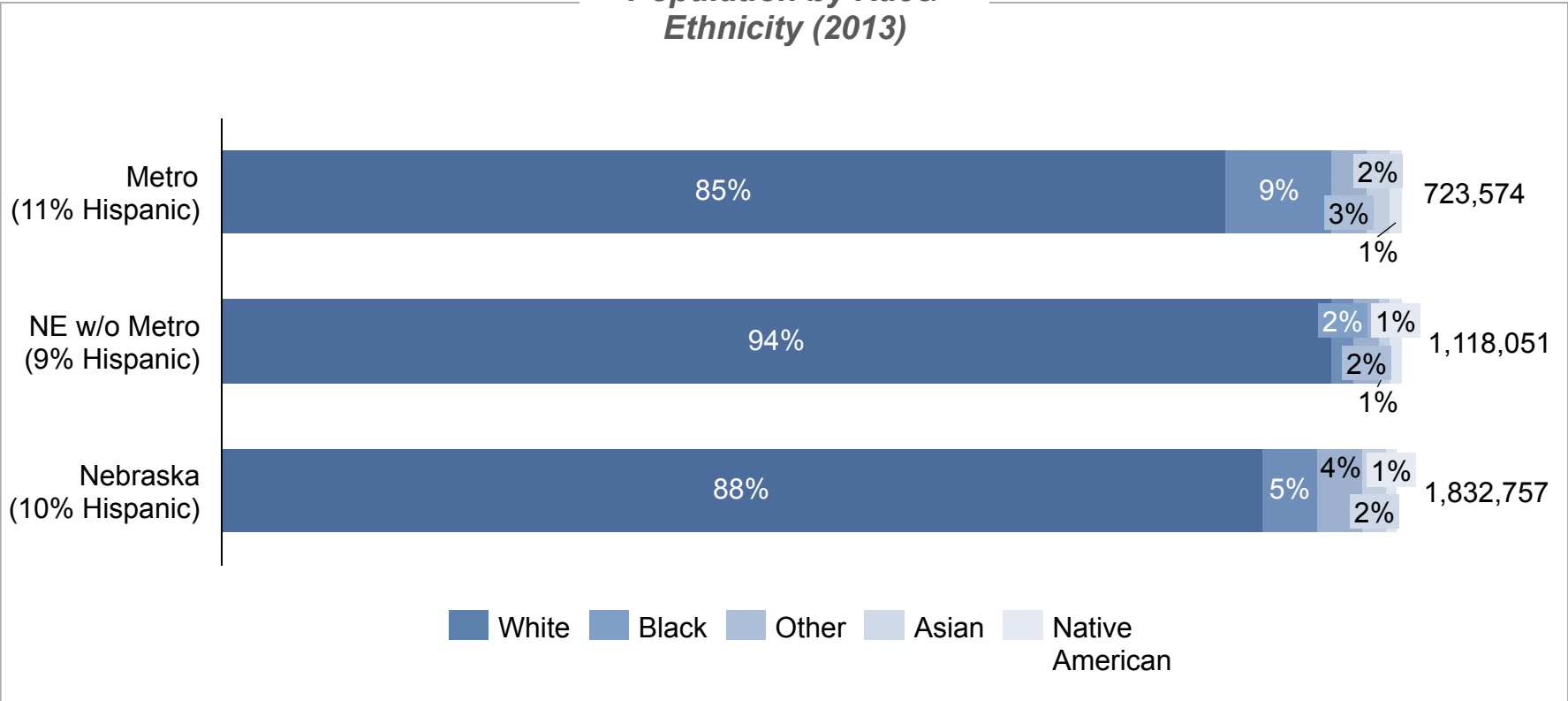
Population by Metro County



A large percentage of Nebraska’s populations of color reside in the Metro region

- Metro is home to **44% of the Hispanic and 78% of the African Americans** living in Nebraska
- **73% of African Americans and 42% of Hispanics** in Metro reside in Douglas County

*Population by Race/
Ethnicity (2013)*

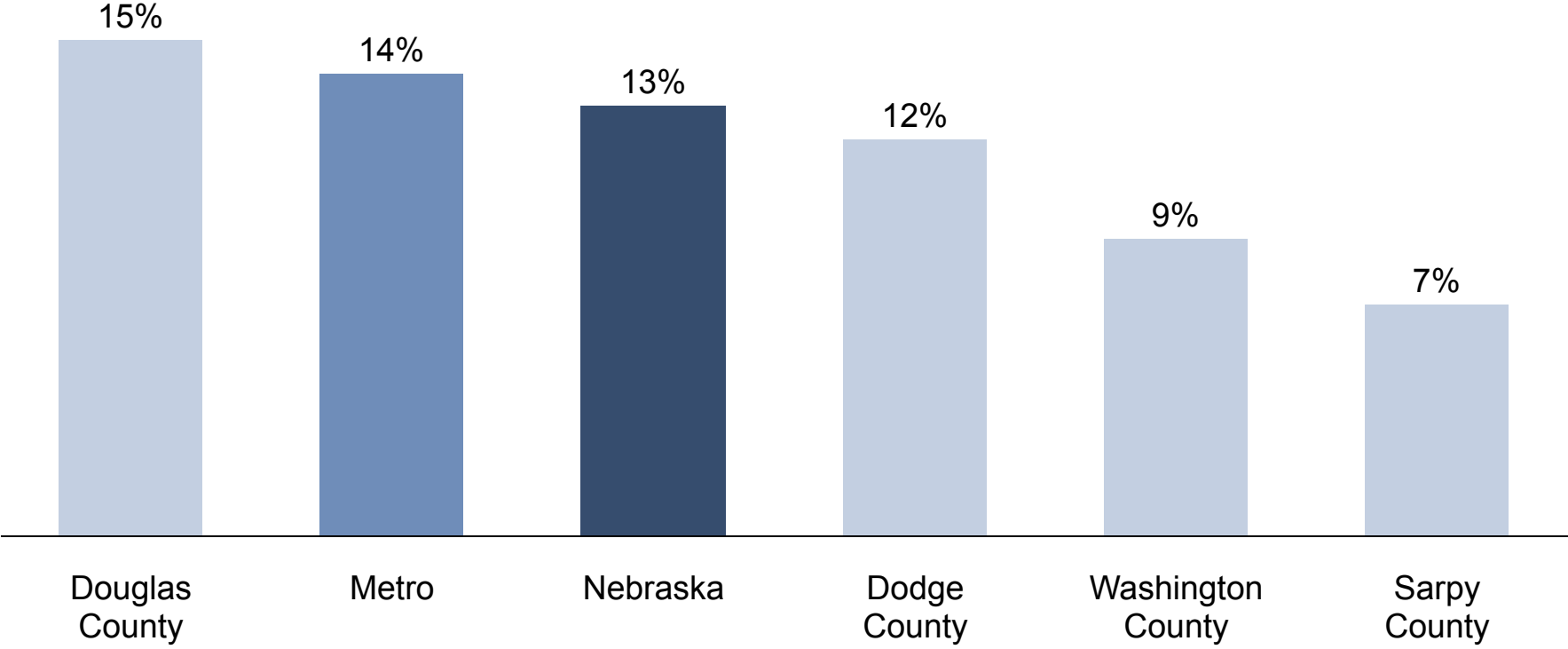


Source: American Community Survey

Note: As Hispanic is compiled as an ethnicity, it cannot be calculated in conjunction with race, due to significant data differences, data accounts for “one race alone” population

The region has above average poverty rates which contrast with the high regional median incomes


Poverty rate



Median Individual Earnings (2014)

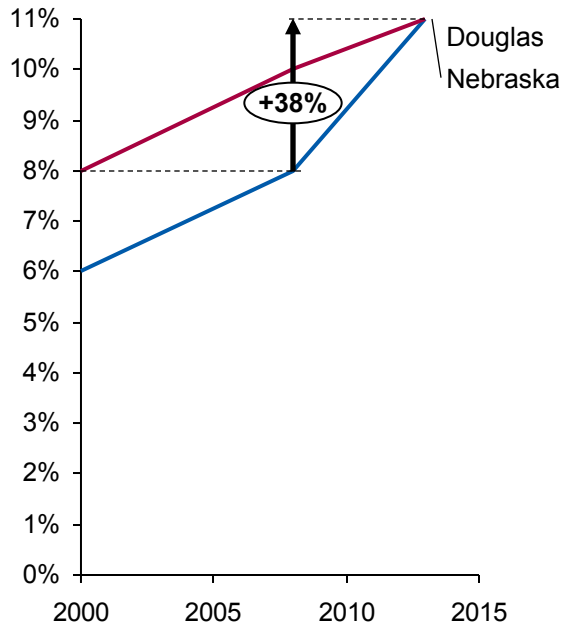


Metro's Hispanic population has seen much faster increases in poverty than the state average

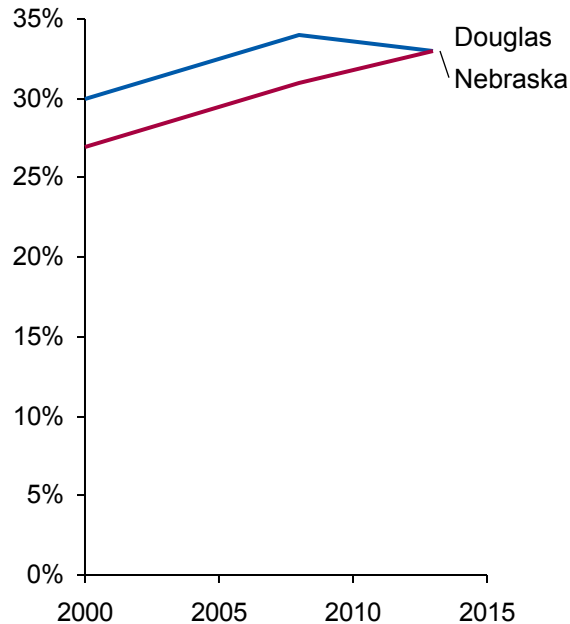
 Douglas County, like Nebraska generally, has seen **significant increases (4.5% points) in poverty** over the past decade

Poverty rate by race/ethnicity in Douglas County (2000 – 2013)

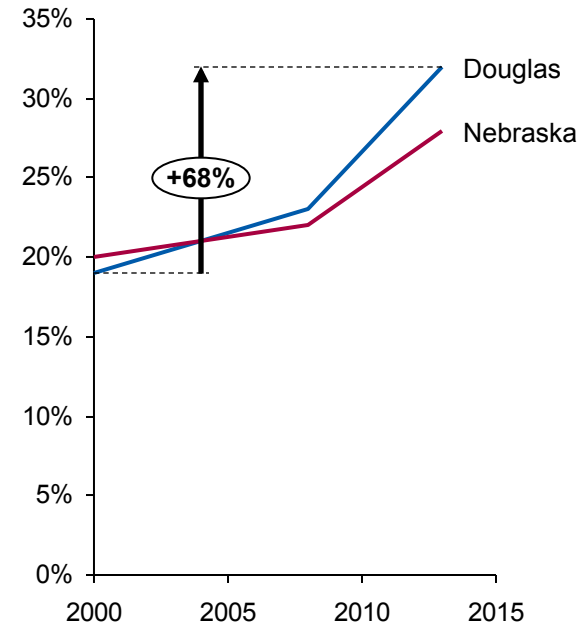
White



Black



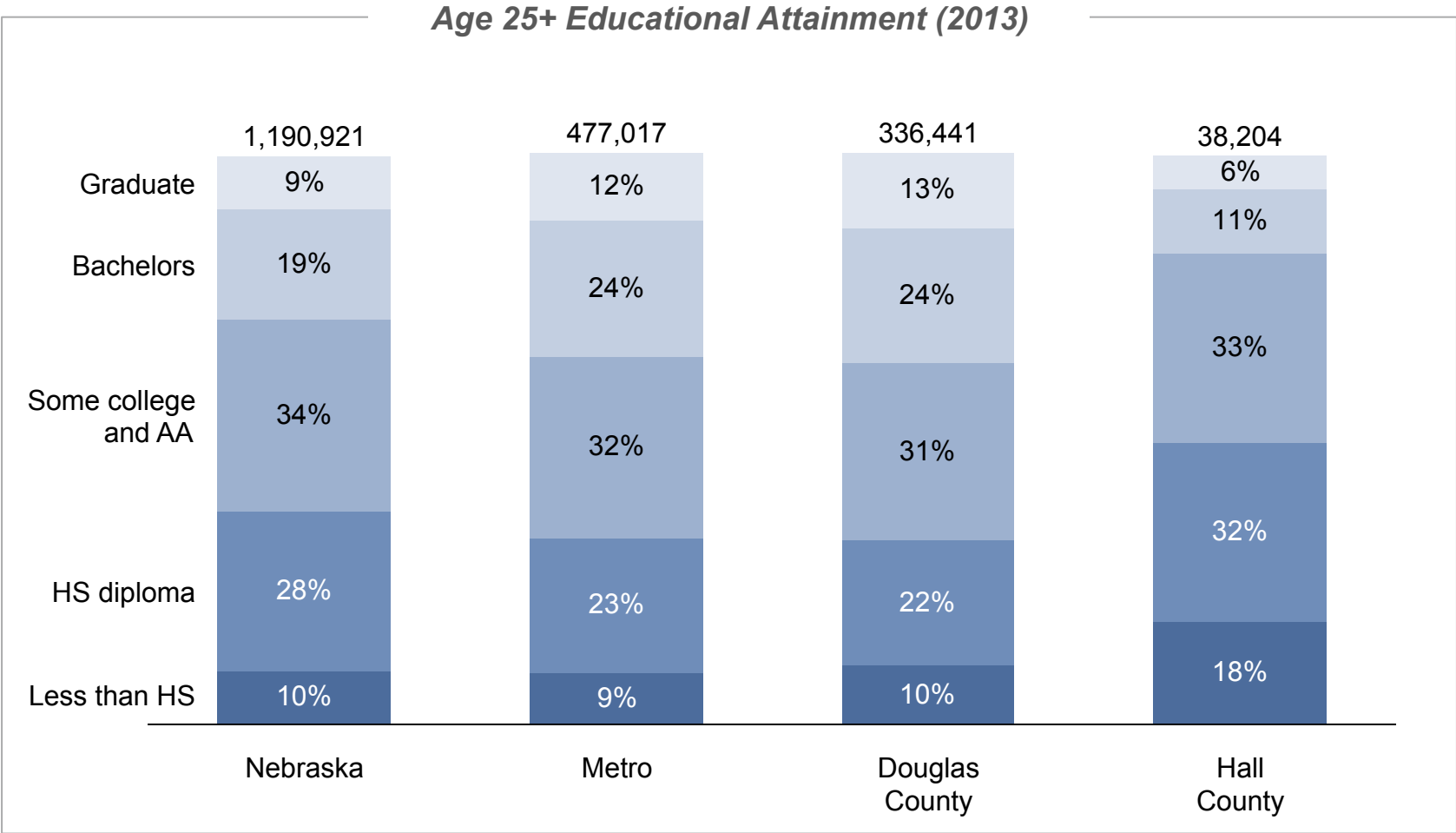
Hispanic



Metro's population has more Bachelors and Graduate degrees compared to the state average



As the major population center, hub of commerce in the state, and home to two University of Nebraska institutions, the Metro region's population has **higher educational attainment than the state overall**



K-12 Education

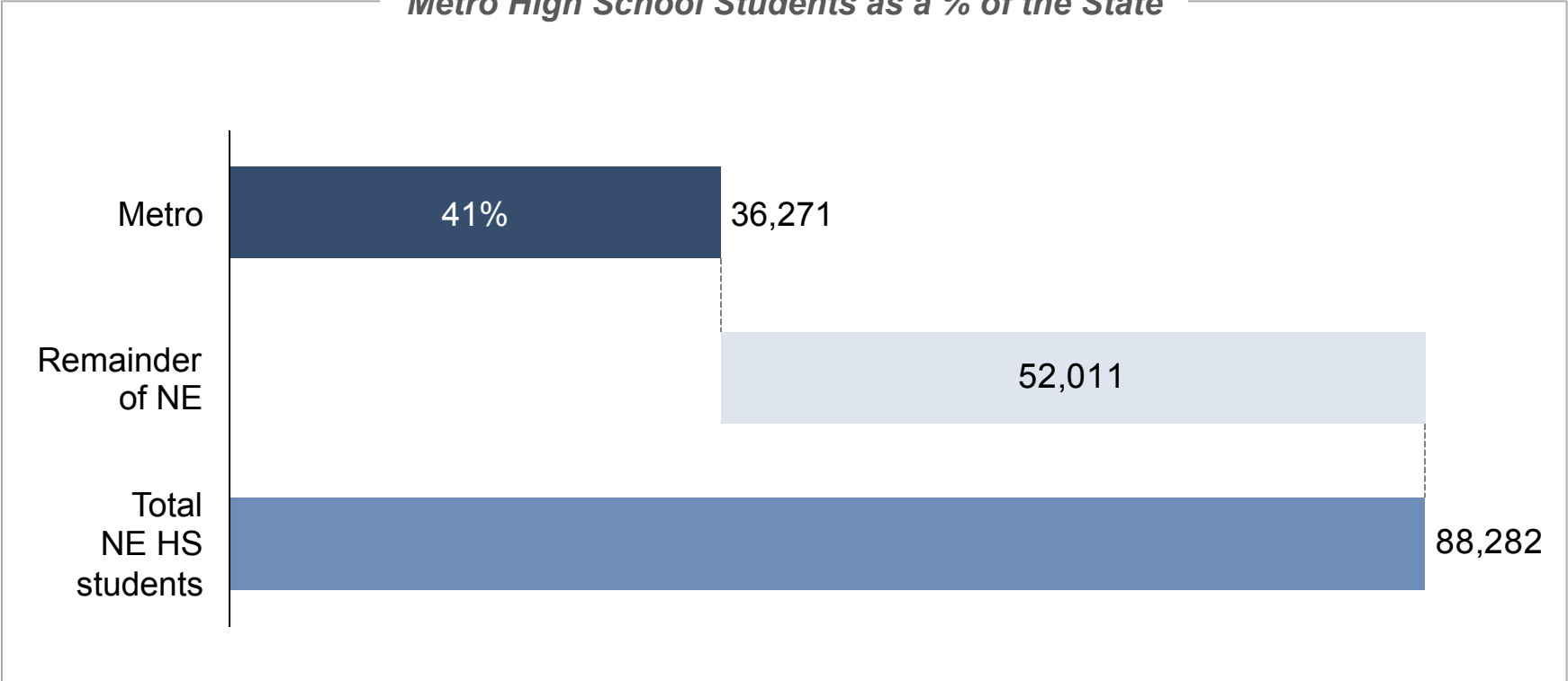
LARGE ACHIEVEMENT GAPS AFFECTING MINORITY AND LOW INCOME STUDENTS

Approximately 40% of Nebraska's high school students reside in Metro



- **Omaha Public Schools (OPS)** is home to 52% of high school students in Douglas County, 37% of high school students in the region, and **15% of all high school students in the state**. The second largest district, **Millard Public Schools (MPS)** accounts for 20% of the high school students in Metro and **8% of all high school students in the state**
- The four largest districts in Metro (e.g., Omaha, Millard, Papillion, Bellevue) are **home to 30% of all students in the state** and are four of the five largest districts in the state

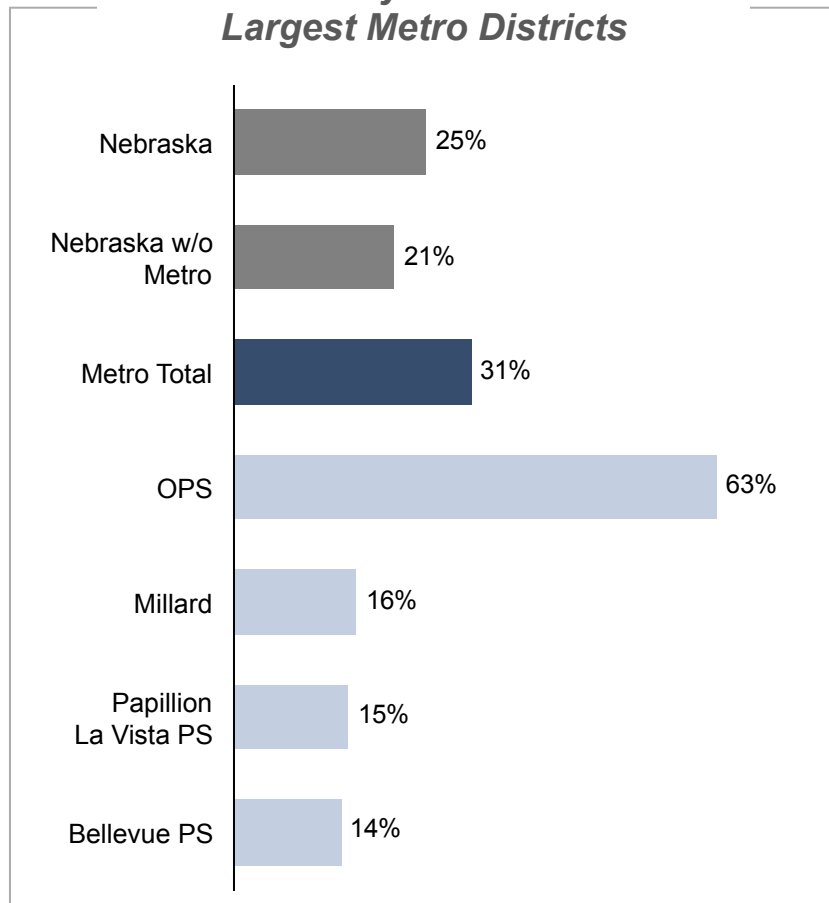
Metro High School Students as a % of the State



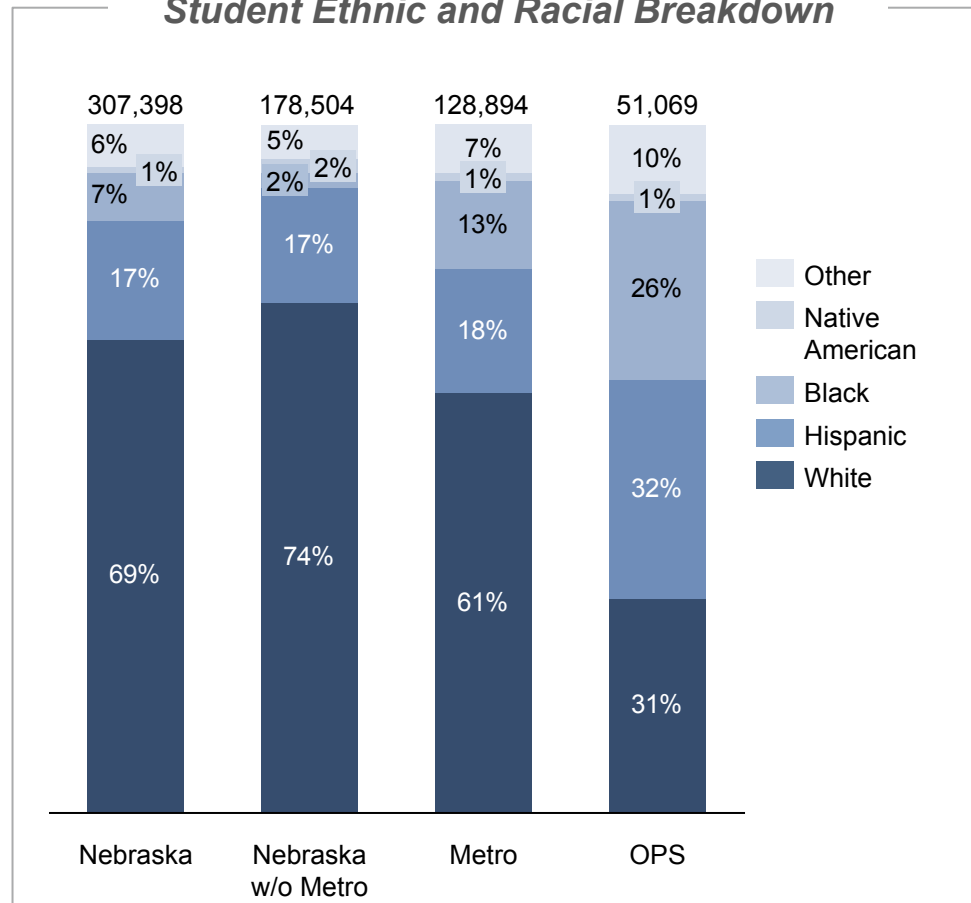
Metro schools, and OPS specifically, are home to a large number of minority students (i.e. primarily black and Hispanic)

OPS has a **racially/ethnically diverse mix of students** that reflect the greater diversity of the population in the Metro region overall

% of Minority Students in the Largest Metro Districts



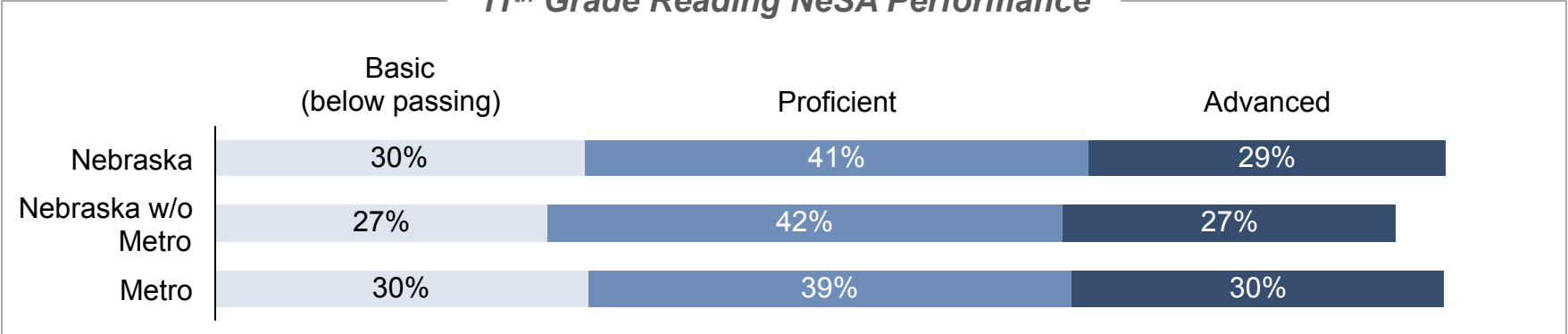
Student Ethnic and Racial Breakdown



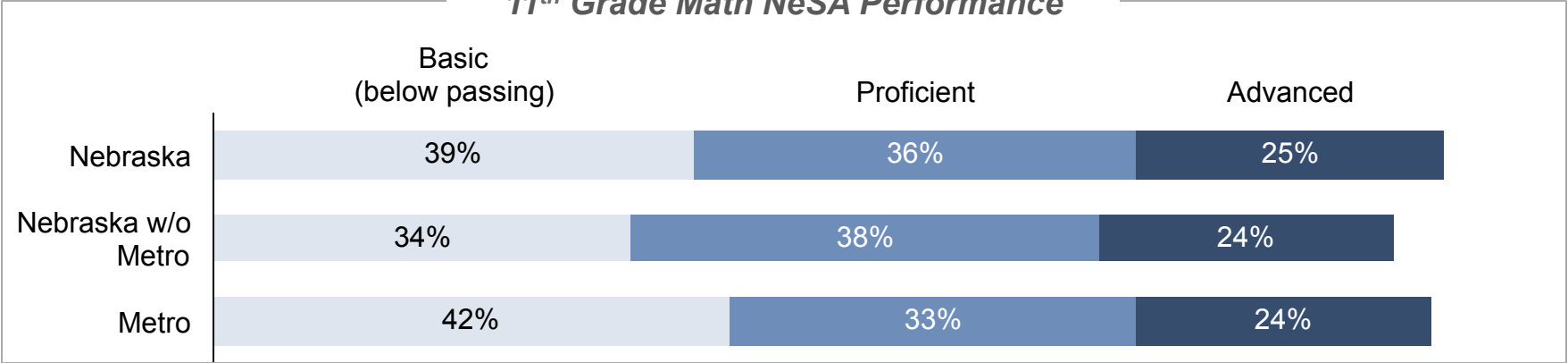
Source: Nebraska Department of Education
 Note: Minority counts do not include "Other" category, Native Hawaiian was removed due to low numbers

Metro students perform well below the Nebraska average without Metro on the 11th grade Math NeSA

11th Grade Reading NeSA Performance



11th Grade Math NeSA Performance



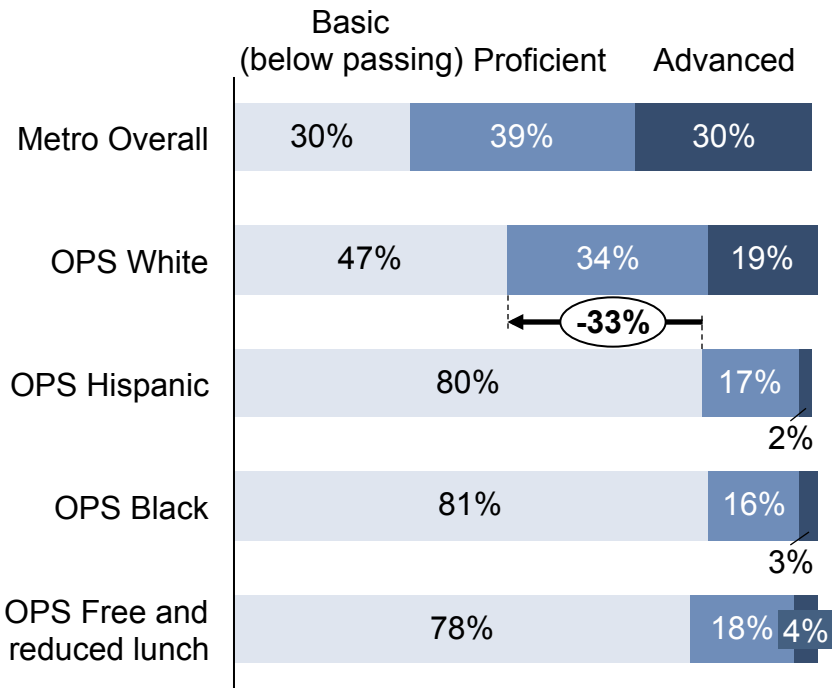
The lower student performance in Math (e.g., 42% of students testing below passing) may potentially be due to the large achievement gap that exists in Metro

Source: 2014-2015 State of the Schools Report
 All regional performance data are weighted averages of county level data. Due to gaps in reporting regional NeSA scores will not add up to 100%.
 Note: "Nebraska" statistics were retrieved directly from the Nebraska Department of Education while the Nebraska w/o Metro and Metro statistics were calculated using a weighted average analysis

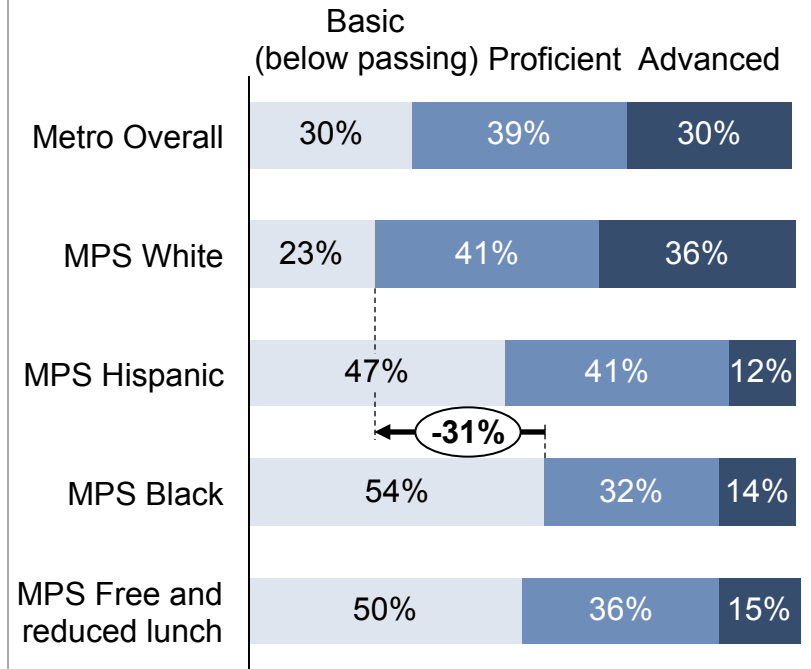
Metro's largest schools, major feeders to regional PSE institutions, have large achievement gaps

Minority and low income students at OPS and MPS are **twice as likely to test "below passing"** on the Math NeSA

11th Grade Math NeSA Performance in OPS



11th Grade Math NeSA Performance in MPS

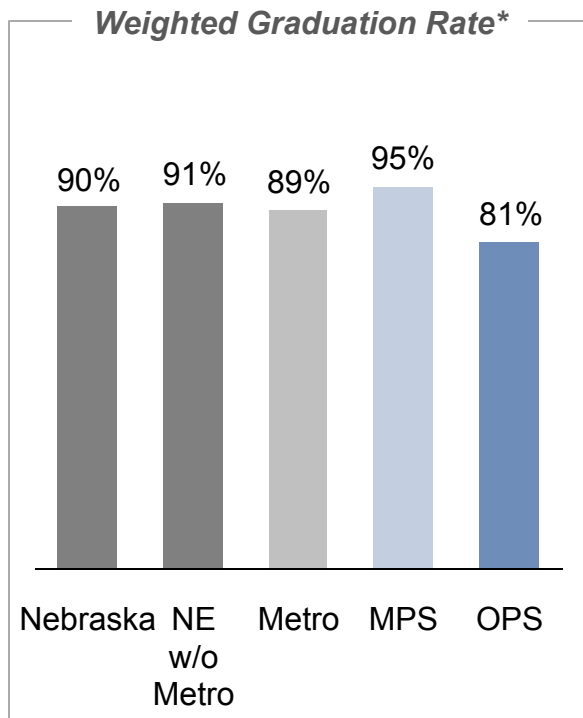


Overall, Nebraska has the **largest black/white achievement gap** (e.g., graduation) in the country

Disparities between NeSA and graduation rates raise questions about graduation requirements and underperformance



- Despite the significantly poorer performance of minority students on the 11th grade Math NeSA at MPS, they **still graduate at nearly the same rate as their white peers**
- **Low income (i.e., free and reduced lunch) students graduate at the lowest rate of any sub-set of students**



	Omaha Public Schools		Millard Public Schools	
	Proficient or above on 11 th Grade Math NeSA	vs	Graduation rate	
White	53%	vs	85%	77% vs 95%
Black	19%	vs	81%	46% vs 93%
Hispanic	19%	vs	78%	53% vs 93%
Free and reduced lunch	22%	vs	77%	51% vs 88%

Source: Nebraska Department of Education

*Regional graduation rates are weighted to account for differences in district size

Postsecondary Education (PSE)

DEMOGRAPHICS OF PSE INSTITUTIONS POSE CHALLENGES
FOR RETENTION AND COMPLETION

Given Metro's demographics, the two major PSE institutions serve large minority student populations

2014 Snapshot of Metro Postsecondary Institutions

CC

Community Colleges:
42,005 total



Enrollment (PT + FT) 15,752
(38% of all community college students)

Minority enrollment 28%
(20% community college average)

Retention rate 50%
(57% community college average)

Completion rate (6 year) 13%
(26% community college average)

UN

University of Nebraska:
38,348 total



Enrollment (PT + FT) 12,335
(32% of all university students)

Minority enrollment 20%
(14% university average)

Retention rate 75%
(78% university average)

Completion rate (6 year) 42%
(52% university average)

UN

University of Nebraska:
38,348 total



Enrollment (PT + FT) 835
(2% of all university students)

Minority enrollment (undergrad and grad) 7%
(14% university average)

Retention rate N/A
(78% university average)

Completion rate (6 year) N/A
(52% university average)

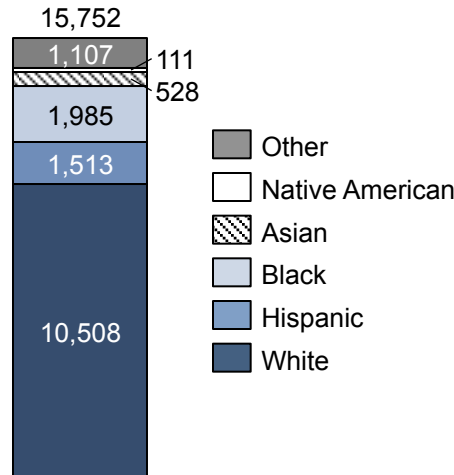
Metro Community College's large and diverse student body leads to retention and completion challenges



Metro serves a **large and diverse** student population

Metro's enrollment by race

Part-time and full-time students (2013-2014)



Key takeaways:

- **Metro Community College serves 17.5%** of Nebraska's total postsecondary students
- Metro Community College has the largest undergraduate **black student population** of all the public postsecondary institutions in the state
- 33% of Metro Community College students receive Pell Grants

*"The student population is even bigger than what most people see in the official numbers. **Metro is the only provider in Omaha of the GED to students.** Metro has 5,000 GED students not counted as part of enrollment. Metro tries to serve its community in every way it can." – PSE educator*



This creates unique challenges, particularly related to **freshmen retention and completion**

66% of first time students enroll in Math Developmental education

50% freshmen retention rate

(57% average retention rate among NE CCs)

13% completion rate

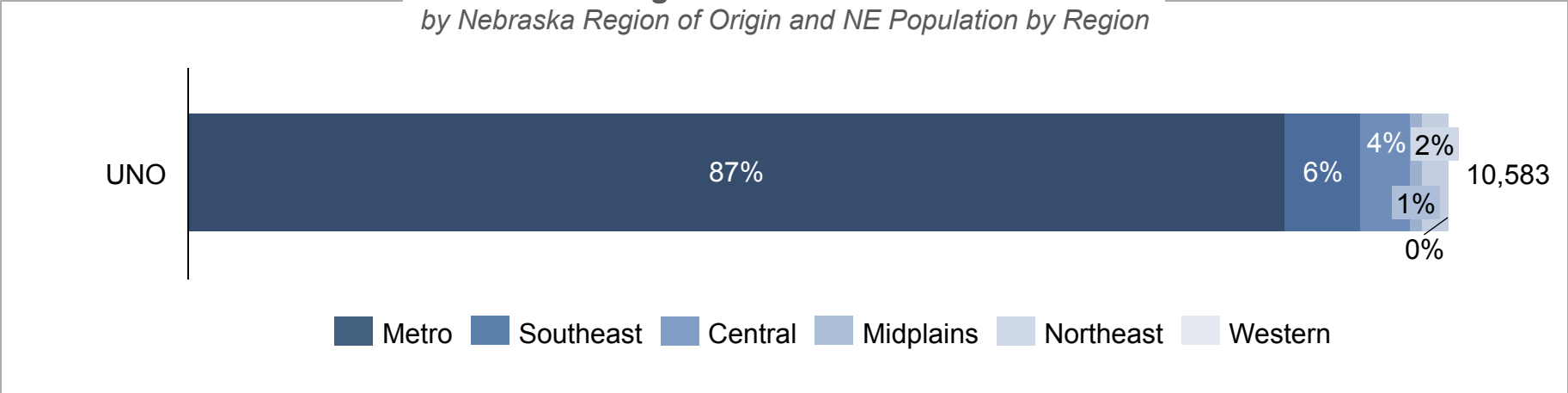
(26% average graduation rate among NE CCs)

*"Metro is not satisfied with its retention or completion rates, but also you **need to think about retention and completion rates differently for Metro than the other community colleges.** Metro serves a different population that has different needs." – PSE educator*

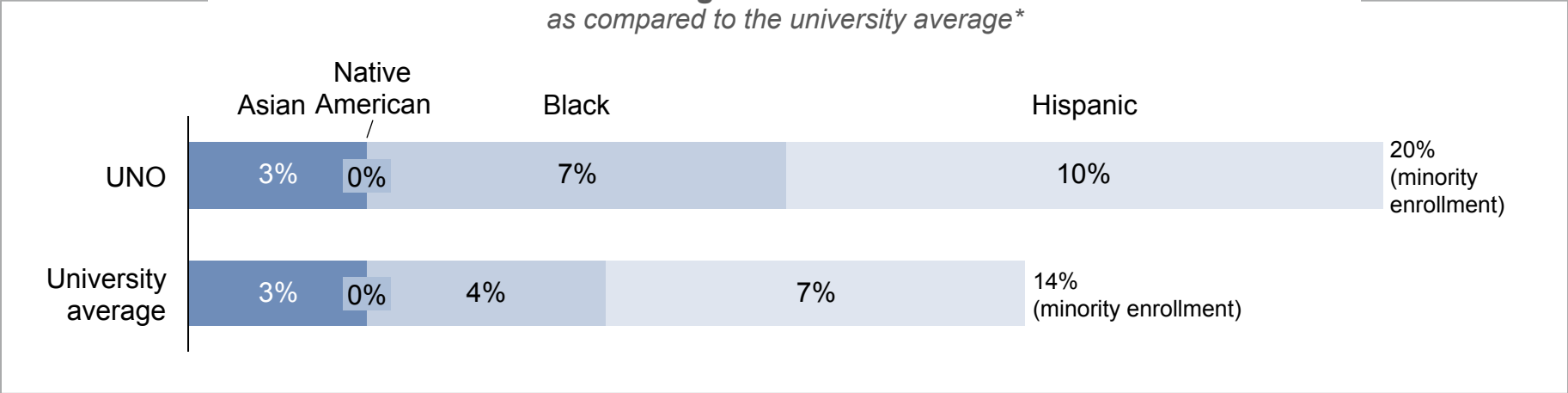
UNO has a diverse student body who primarily come from within the region



Origin of UNO Students
by Nebraska Region of Origin and NE Population by Region



Racial and ethnic background of nonwhite UNO students
as compared to the university average*




Source: UNL Institutional Research and Planning 2015 Fact Book
Note: White bar population is adjusted to better illustrate differences in other racial and ethnic student populations

Labor Market

MISMATCH BETWEEN THE TALENT PIPELINE AND LABOR
MARKET NEEDS

Omaha is nationally recognized as a major economic and business hub

Ranking	List
#1	<ul style="list-style-type: none">• Best American Cities to Work in Tech in 2015 (SmartAsset)• Best U.S. City for Paid Internships (Time)• Top Metro Area for Tier Two New & Expanding Facilities (Site Selection Magazine)
#2	<ul style="list-style-type: none">• Best Places to Live (Time)• Best Cities to Find a Job in 2015 (Time)• Best U.S. Cities for Millennial College Students (CNBC)
#3	<ul style="list-style-type: none">• Best City to Launch a Startup (CNN Money)• Best States for Business (Forbes)• Most Affordable Cities in the U.S. (Kiplinger)

 Omaha is home to four Fortune 500 companies (Berkshire Hathaway, Union Pacific, Peter Kiewit Sons, Inc., Mutual of Omaha) and five additional Fortune 1000 companies

Omaha's current labor market is dominated by education and health care employers

Omaha MSA Major Employers	Industry	Employees
Offutt Air Force Base 	Military	7,500+
CHI Health 	Health care	7,500+
Omaha Public Schools 	Education	5,000-7,499
Methodist Health Center 	Health care	5,000-7,499
Nebraska Medical Center 	Health care	2,500-4,999

Omaha's current economic standing closely mirrors the state as a whole

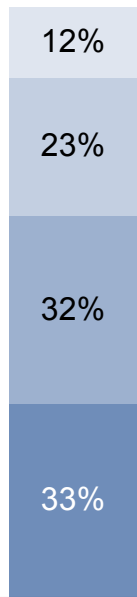
Category	Nebraska	City of Omaha (2014)
Labor force participation (population 20-64)	Nebraska: 84%	Omaha: 82%
Unemployment rate	Nebraska: 3.1%	Omaha: 3.1%
Major industries (% of population employed in industry)	<ol style="list-style-type: none"> 1. Education and health care: 24% 2. Retail trade: 12% 3. Manufacturing: 11% 4. Professional services: 8% 	<ol style="list-style-type: none"> 1. Education and health care: 24% 2. Retail trade: 12% 3. Professional services: 11% 4. Finance and insurance: 10%
Median earnings by educational attainment (aged 25 and over)	<ul style="list-style-type: none"> • <i>Median earnings:</i> \$34,236 • HS diploma: \$27,605 • Some college or AA: \$32,210 • Bachelor's: \$43,503 	<ul style="list-style-type: none"> • <i>Median earnings:</i> \$33,990 • HS diploma: \$26,150 • Some college or AA: \$32,041 • Bachelor's: \$44,087

The current versus future educational needs in Metro present an economic opportunity to attract new employers



Given the current population's educational attainment and the projected labor market needs, Metro has an opportunity to ensure that its future workforce is **employed at the appropriate skill level and not compelled to leave the region/state to find appropriately skilled jobs**

2013 Age 25+ Educational Attainment



2013

2022 Long-term Occupation Projections by Educational Attainment Needs



2022

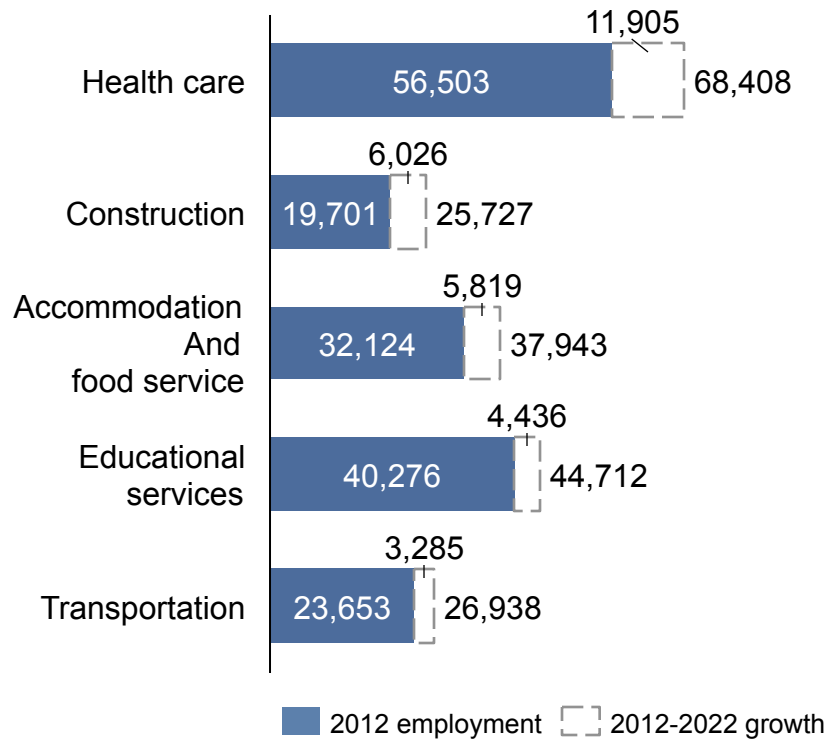
■ HS diploma and below ■ Bachelors
■ Some college and AA ■ Graduate

*“18% of adult learners [at our institutions] came to us with a **four year degree and are not able to find a job** suitable for their degree”
– PSE educator*

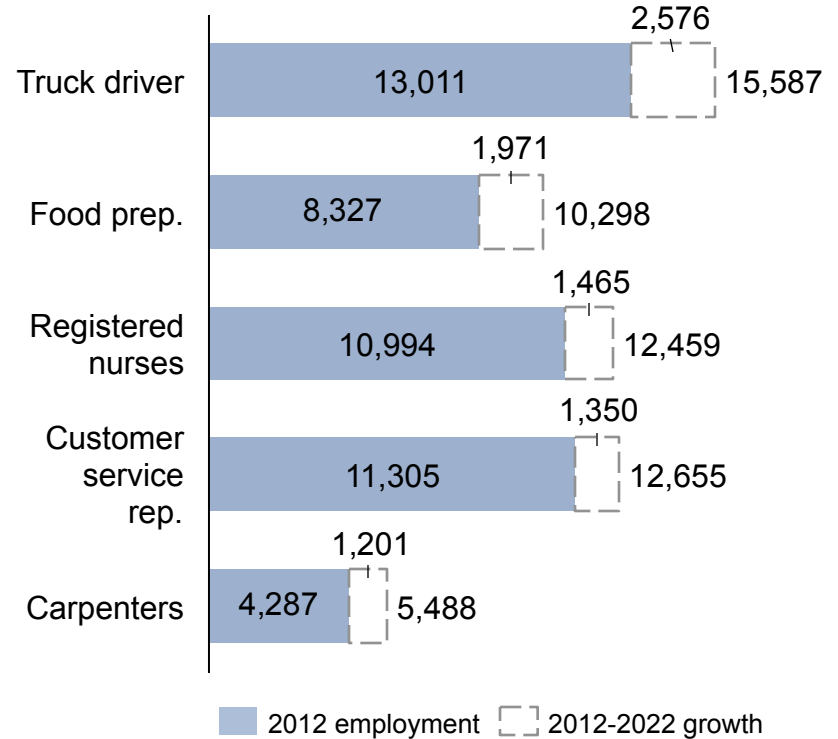
*“It appears that kids with bachelor degrees have a bit of out-migration from Nebraska and we need to **think about what would allow them to remain in Nebraska with the degree that they have acquired**” – Business leader*

Metro is expected to gain over 56,000 jobs by 2022, the majority of which will be low or middle skill jobs

Projected Fastest Growing Industries by Employment (2022)



Projected Fastest Growing Occupations by Employment (2022)*



Metro is expected to **gain over 56,000** jobs between 2012-2022, with health care being the fastest growing industry and truck driving being the fastest growing occupation

Source: Nebraska Department of Labor, note employment includes growth openings only
 Note: Due to data availability, this analysis includes Saunders County

Appendix

Methodology

Research

To compile this report, FSG collected **data from a variety of sources**:

- Interviews with over **50 key stakeholders** (see slide 50 for detailed list):
 - Representatives of each of the six highlighted regions
 - Experts in K-12 education, postsecondary, labor market, and state policy, as well as community leaders
- **Secondary research and data collection**
 - Statewide education and labor data
 - National education and labor data

Regional Breakdown

- The **six community college districts are used as the geographic units of analysis** since each covers a self-contained community, or educational ecosystem, within the state
 - Metro
 - Southeast
 - Northeast
 - Central
 - Mid-plains
 - Western
- The six community college districts correspond to recognized, discrete regions within Nebraska with distinct demographic, geographic, and economic features

Labor Market Data

- Labor projections are based on **NE Works (i.e., Nebraska Department of Labor) data** rather than the Georgetown's Center on Education and the Workforce (CEW) reports. Given the methodology employed, NE Works data likely provides a more accurate estimate
 - **NE Works** makes a determination about the **skill level a given occupation requires** and then builds projections based on the skill required
 - **Georgetown's CEW** starts with the **current representation of workers at each education level in each occupation** and builds its projections from that base
- Both projections are estimates, and actual results will probably be somewhere in the middle. NE Works likely underestimates the PSE credentials and degrees, while CEW likely overstates the projections

Interviewee list

1. Eli Aguilar, AIM
2. John Albin, Nebraska Department of Labor
3. Vinc Aulick, Aulick Industries
4. Richard Baier, Nebraska Bankers Association
5. Barb Bartle, Lincoln Community Foundation
6. Jeff Carstens, Wayne State
7. President Michael Chipps, Northeast Community College
8. Senator Al Davis, Nebraska Legislature
9. David Drozd, Nebraska State Data Center, UNO
10. Paul Eurek, Xpanxion
11. Dr. Vern Fisher, South Sioux City Community Schools
12. Dean Folkers, Nebraska Department of Education
13. Susan Fritz, University of Nebraska Administration
14. Ivan Gilreath, Boys & Girls Club of Omaha
15. Travis Haggard, City of Ogallala
16. Kevin Halle, Wayne State
17. Jon Hansen, Chadron State
18. Senator Burke Harr, Nebraska Legislature
19. Matt Hastings, Nebraska Department of Education
20. Tom Henning, Cash-Wa Distributing
21. Dr. Anne Herman, United Way of the Midlands
22. Brenda Hicks-Sorenson, Former Nebraska Department of Economic Development
23. President Todd Holcomb, Western Nebraska Community College
24. President Paul Illich, Southeast Community College
25. Cindy Johnson, Grand Island Chamber of Commerce
26. Rich Katt, Nebraska Department of Education
27. Chancellor Doug Kristensen, University of Nebraska Kearney
28. Hod Kosman, Platte Valley Companies
29. Phil Kozera, BioNebraska
30. Joel Lemus, Crete Public Schools
31. Dr. Mike Lucas, York Public Schools
32. Steve Martin, Blue Cross Blue Shield of Nebraska
33. Dirk Peterson, Nucor
34. Rawnda Pierce, Twin Cities Development
35. Pat Pope, NPPD
36. Carolina Quezada, Latino Center of the Midlands
37. TR Raimondo, Behlen Mfg. Co.
38. President Ryan Purdy, Mid-Plains Community College
39. Laura Redoutey, Nebraska Hospital Association
40. Dave Rippe, Hasting Economic Development Corp.
41. Darren Robinson, Buffalo County Economic Development Corp.
42. Dr. Ron Rosati, Nebraska College of Technical Agriculture
43. President Randy Schmailzl, Metropolitan Community College
44. Chuck Schroeder, Rural Futures
45. Eric Seacrest, Mid-Nebraska Community Foundation
46. Mark Shepard, Fremont Public Schools
47. Senator Jim Smith, Nebraska Legislature
48. President Greg Smith, Central Community College
49. Charles Snare, Chadron State
50. Senator Kate Sullivan, Nebraska Legislature
51. Juli Thelen, Behlen Mfg. Co.
52. Randy Thelen, Greater Omaha Chamber
53. Dr. Rob Winter, Grand Island Public Schools
54. Eric Zeece, Nebraska Department of Economic Development



REIMAGINING SOCIAL CHANGE