



REIMAGINING SOCIAL CHANGE

Southeast Region (S.E.)

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.

Southeast summary

Southeast is home to **UNL, the state's flagship university**, and as a result has a highly educated population. S.E. students test above the state average on the 11th Grade Math NeSA tests. However, due to the large white student population regionally, **overall regional performance on NeSA masks the poor performance of minority and lower income students** in the largest districts. Due to UNL's presence, S.E. students have a strong inclination toward bachelors degrees. UNL serves as one of the main research engines for Nebraska. The projected labor market is **expected to require 39% fewer four year and above degrees** than currently exist.

Demographics

- S.E. is the **major population hub** of Nebraska with 25% of the state's population. A majority of S.E.'s minority population resides in Lancaster County
- The region is also home to the state's flagship university and state capital, resulting in a population that has **more Bachelor and Graduate degree-holders** than average

K-12

- S.E. hosts **over one-fourth of all the high school students** in Nebraska. Lincoln Public Schools (LPS), which hosts 11% of all high school students in the state, has a 35% minority student population
- LPS, home to 73% of minority students in the region, **has large achievement gaps between white and minority and low income students** (e.g., minority students are **nearly twice as likely to test below passing** on the 11th Grade Math NeSA than their white peers)
- The achievement gap in NeSA performance **translates to lower regional and district high school graduation rates for minority and low income students**

Postsecondary education (PSE)

- S.E. students **attend four year universities at a higher rate** than average potentially due to UNL's presence in the region
- UNL **serves students from across the state** and acts as a statewide rather than regional university. As such, UNL serves a broader community of employers and does not focus as strongly as its peers on matching local labor needs
- Southeast Community College has **low rates of developmental education enrollment** (first-time student enrollment: 42% for Math and 28% for Reading) and has **high rates of students that transfer**

Labor market

- Despite the capital and UNL's presence, approximately **79% of jobs in 2022 are projected to require only an associates degree or less**
- Given the projected labor market needs, **only 24% of projected occupations by 2022 will require a four year degree or above**. This presents an opportunity for Lincoln to **invest in attracting new business** to better meet the occupational needs of its skilled workforce

Demographics

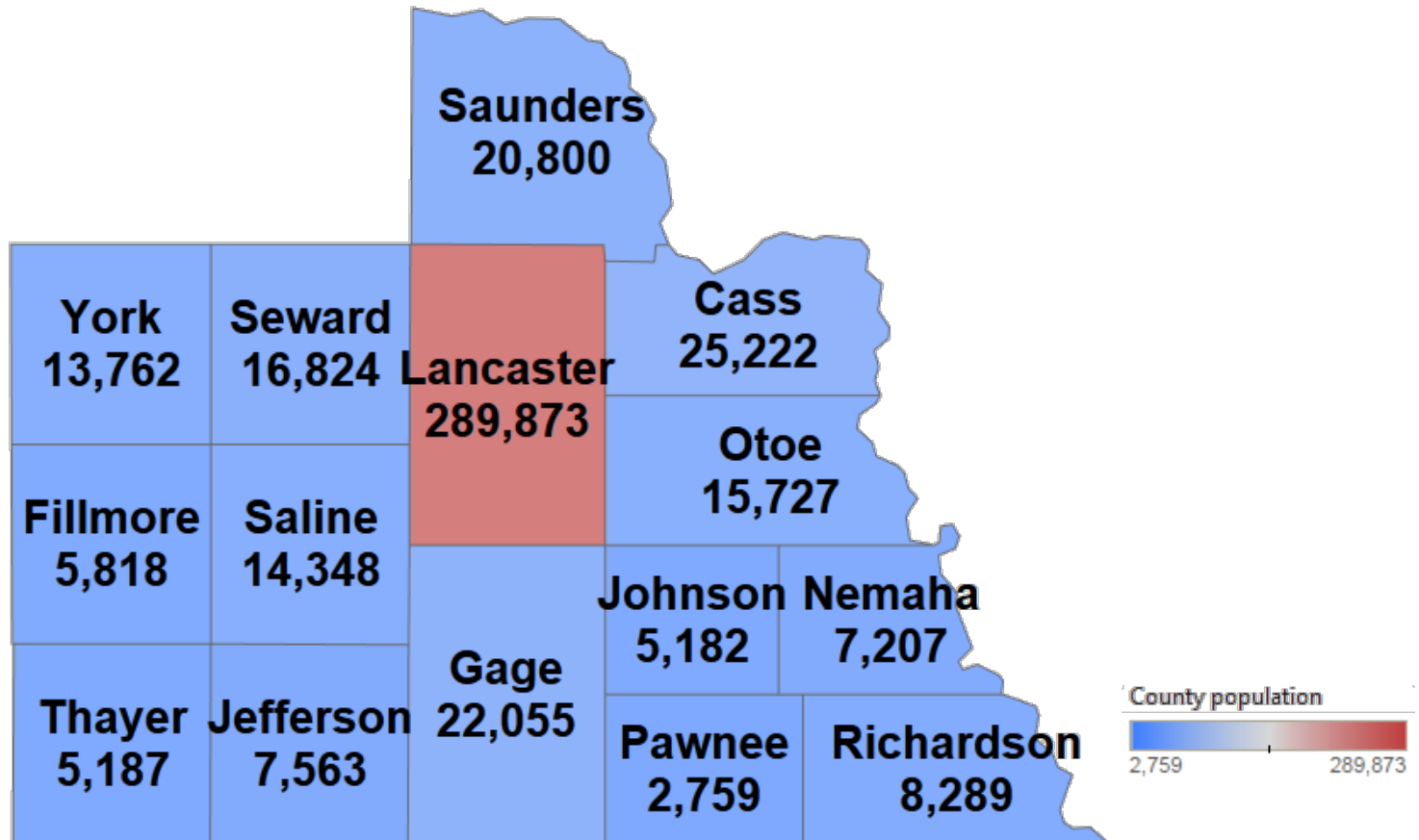
HIGHLY POPULOUS REGION WITH HIGH DEGREES OF
EDUCATIONAL ATTAINMENT

Home to the state's capital and flagship university, the S.E. region is a key population center and hub of activity



This region represents a sizeable portion of the **state's population at 25%**

Population by County

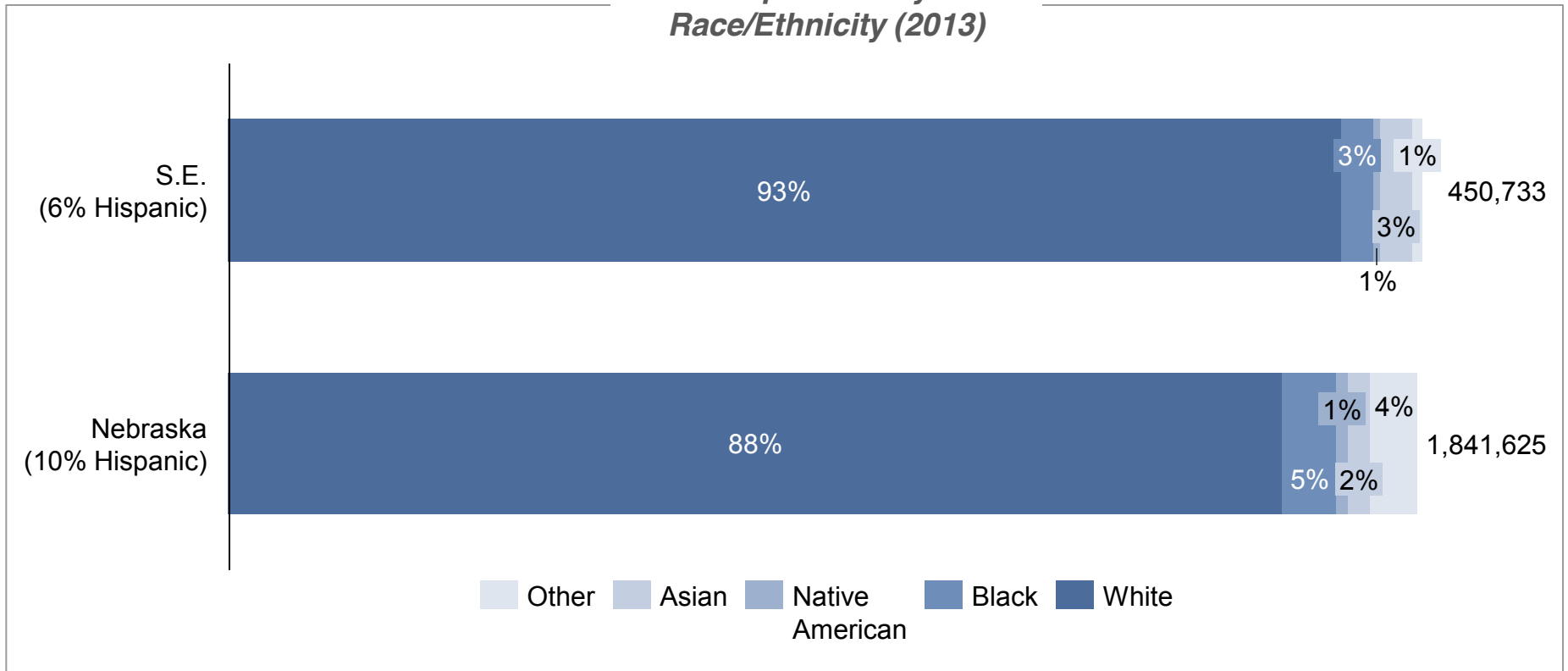


Minority populations in S.E. reside almost entirely in Lancaster County



- **88% of African Americans and 70% of Hispanics** in S.E. reside in Lancaster County
- Only Lancaster and Johnson County have over **10% of their population comprised of racial minorities**

Population by Race/Ethnicity (2013)

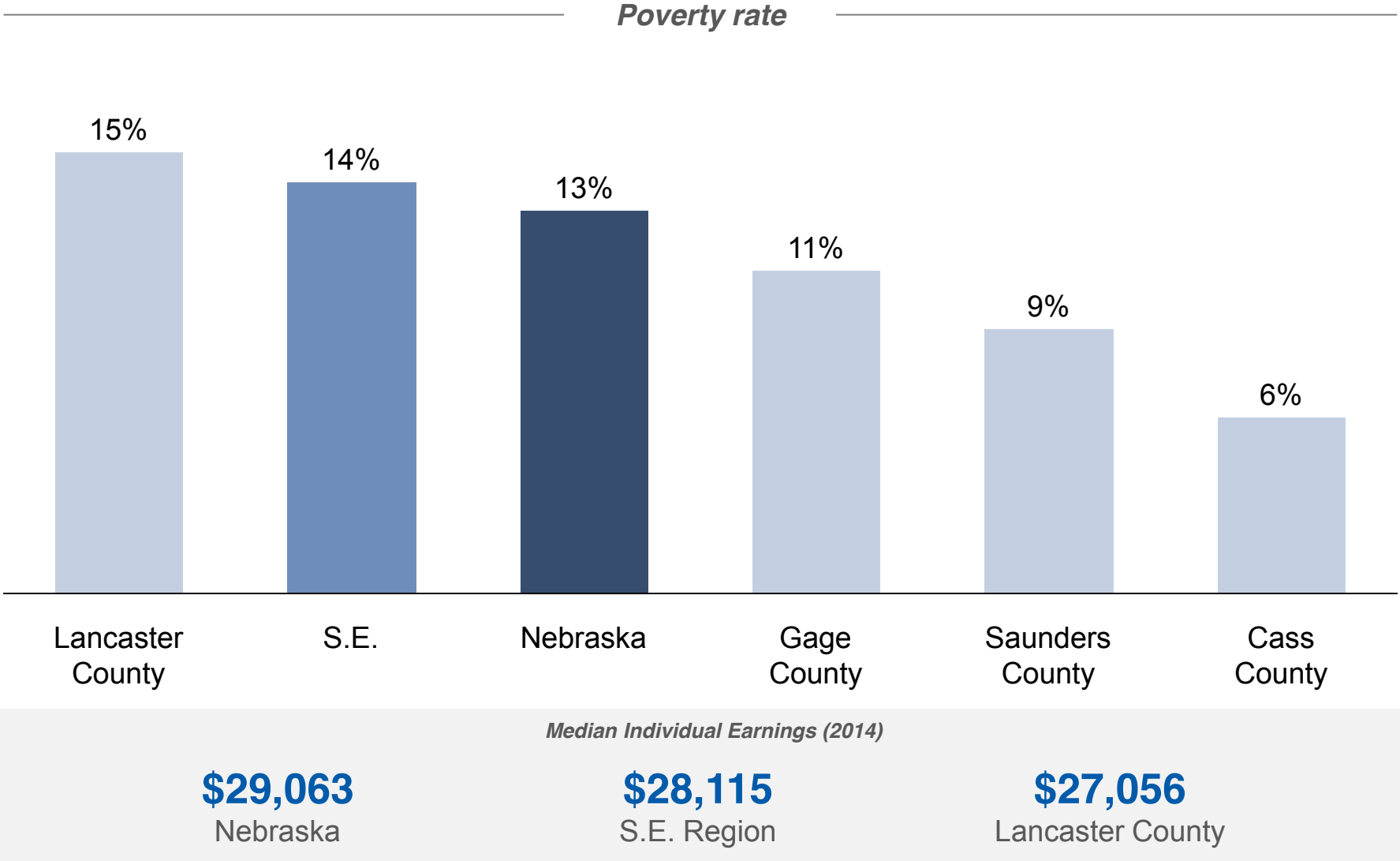


Other Asian Native American Black White

Source: American Community Survey

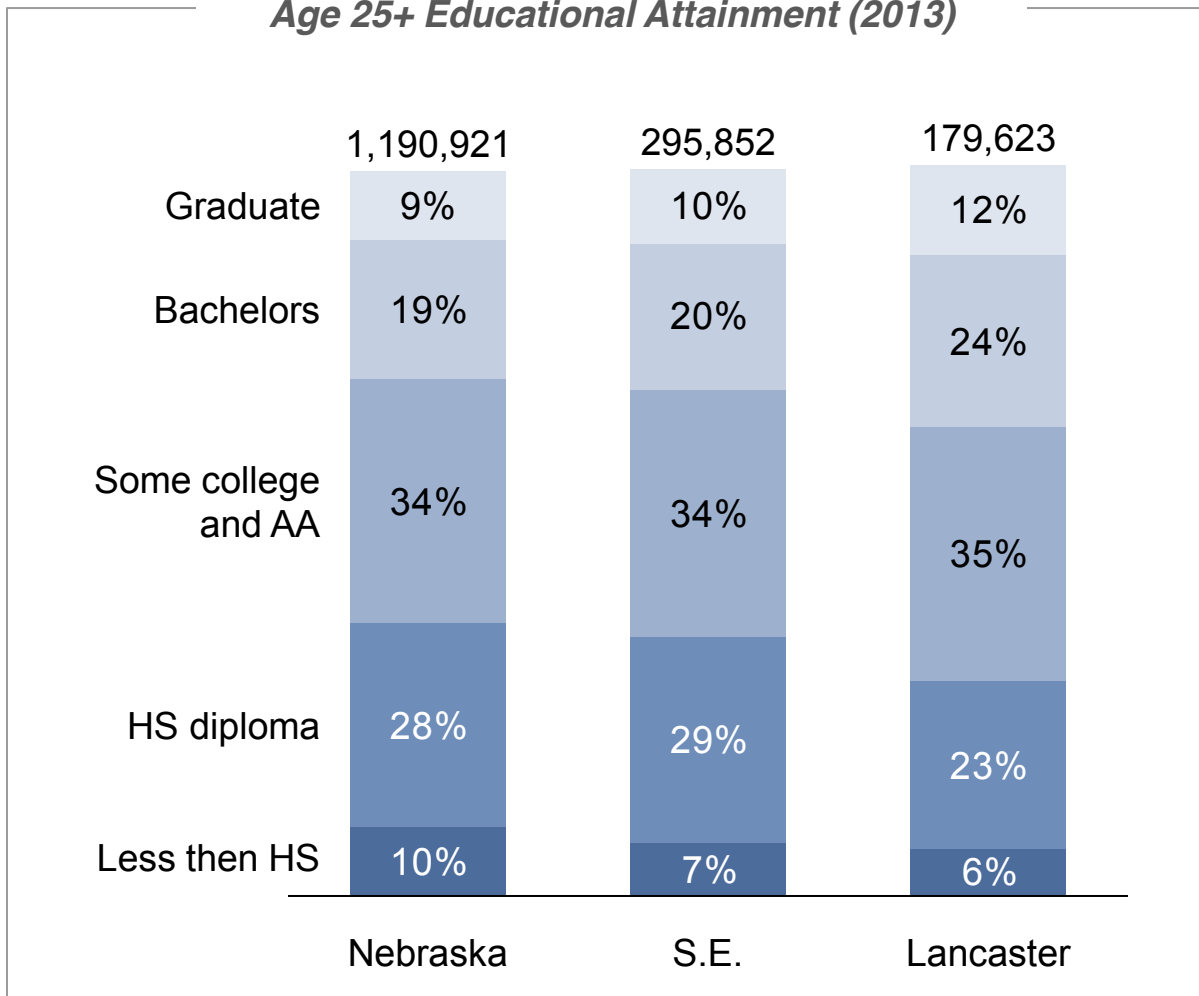
Note: As Hispanic is compiled as an ethnicity, it cannot be calculated in conjunction with race. Due to significant data differences, data accounts for "one race alone" population

S.E.'s incomes fall closely in line with the state average, while the poverty rate in Lancaster County is higher



Lancaster County has more Bachelor's and Graduate degrees compared to the average

Age 25+ Educational Attainment (2013)



Key insights

- Lancaster County's population has **higher levels of educational attainment** than the state average due to the flagship university and state government's location in the county
- Excluding Lancaster County, populations in the rest of S.E. have **levels of educational attainment well below the state average**

K-12 Education

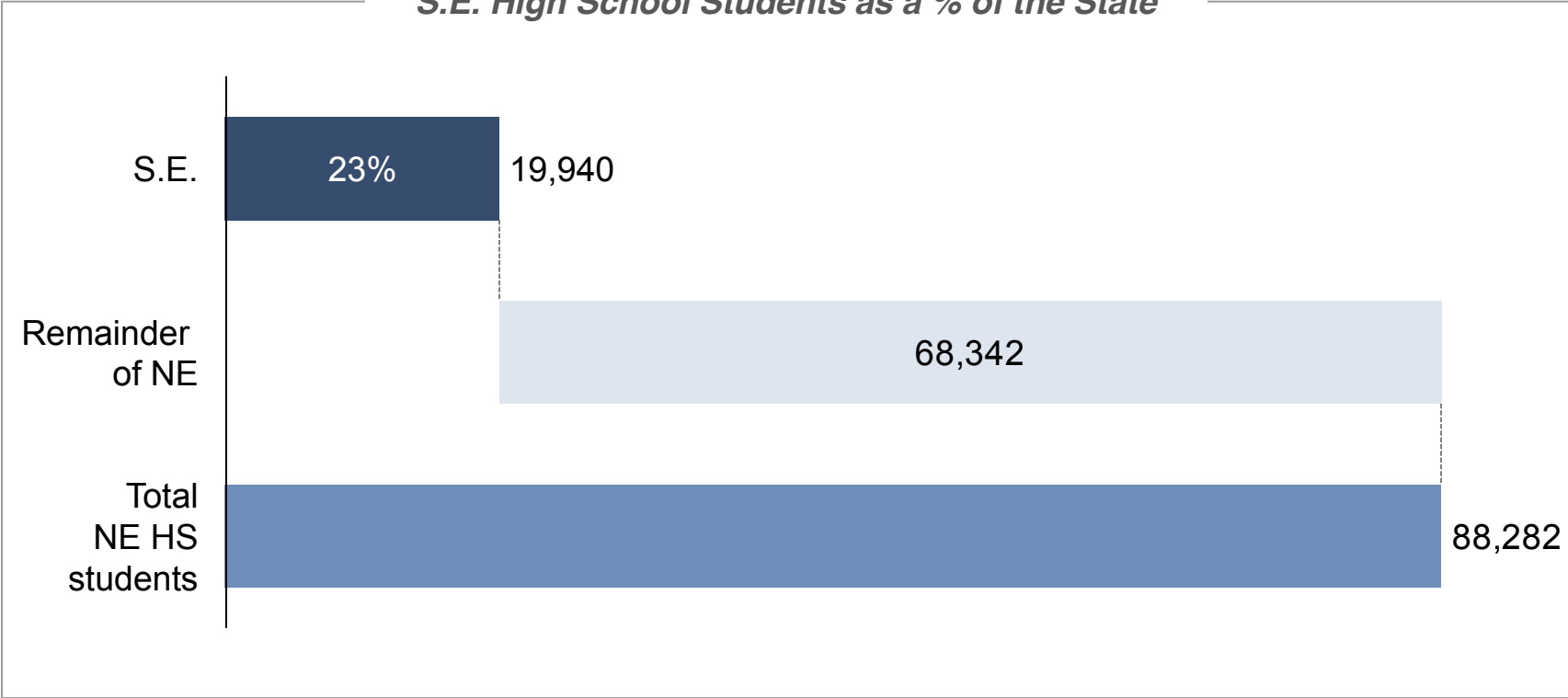
LARGE ACHIEVEMENT GAPS EXIST BETWEEN WHITE,
MINORITY, AND LOW INCOME STUDENTS

Almost 25% of Nebraska's high school students live in S.E.



Lincoln Public Schools (LPS) is the largest district in the region. In total, LPS is home to 87% of high school students in the county, 52% of high school students in the region, and **11% of all high school students in the state**

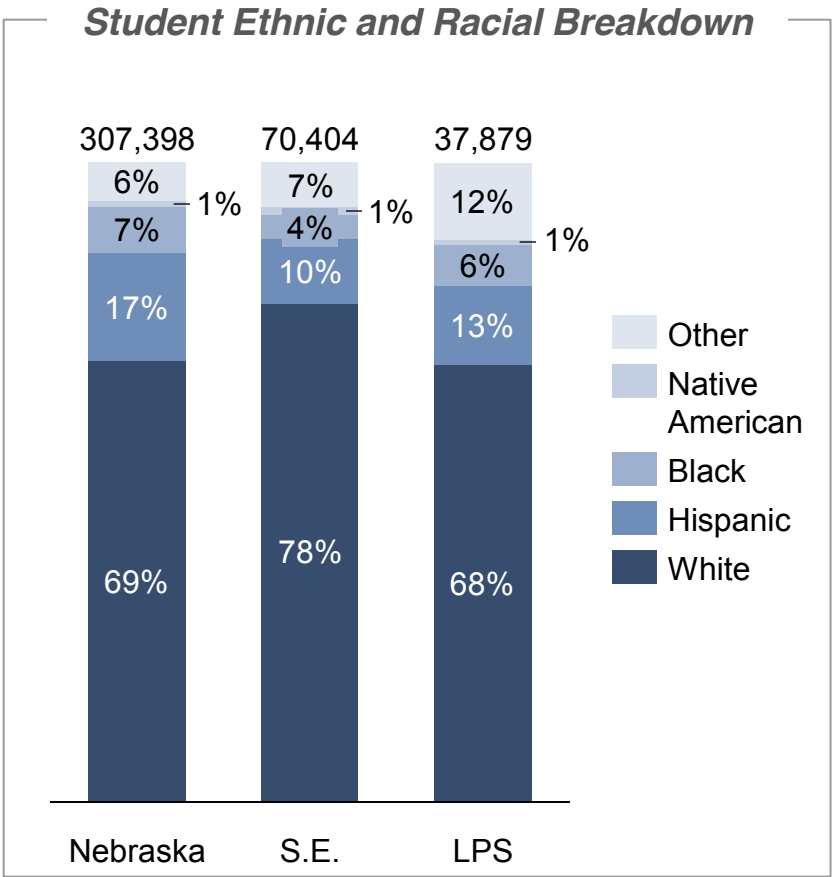
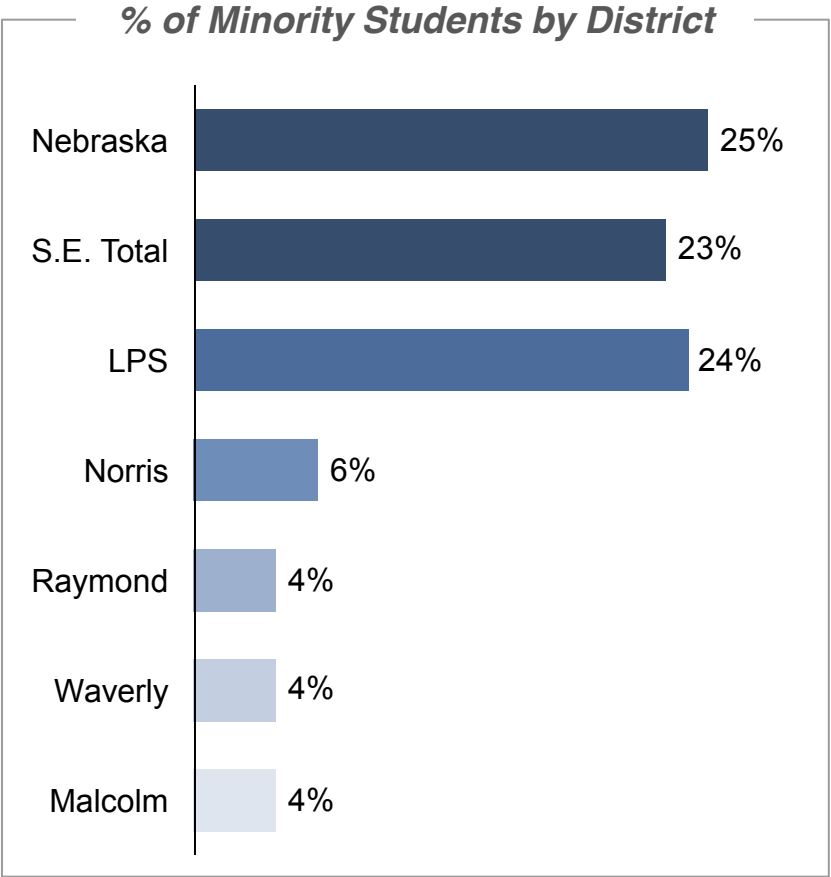
S.E. High School Students as a % of the State



Lincoln Public Schools hosts a majority of the region's minority students



Overall S.E.'s high school population is primarily **white (78%)** and **Hispanic (10%)** with **73% of all minority high school students in the region attending Lincoln Public Schools (LPS)**



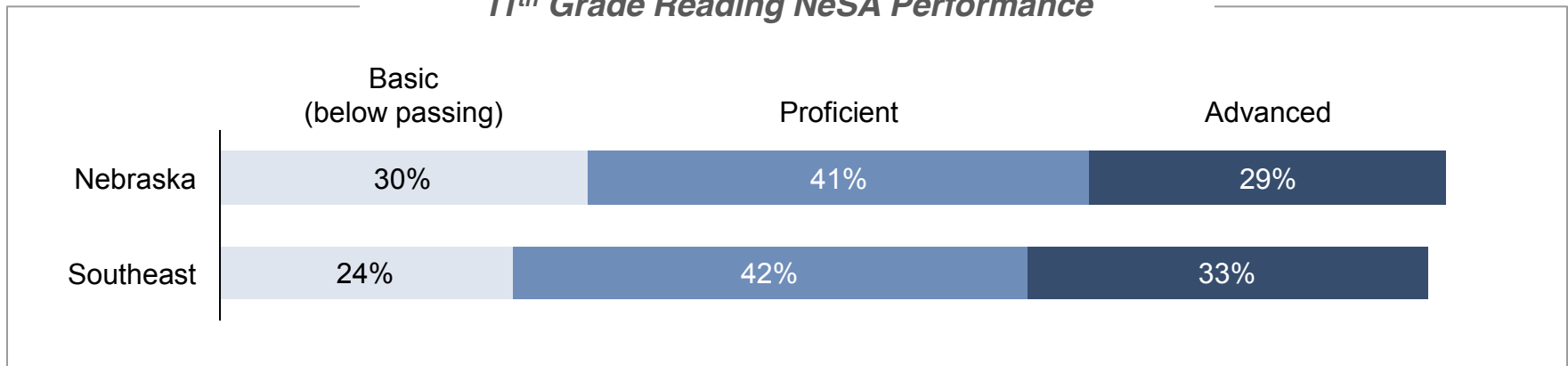
Source: Nebraska Department of Education
 Note: Minority counts do not include "Other" category, Native Hawaiian was removed due to low numbers

S.E. students perform better overall on the NeSA than the state average

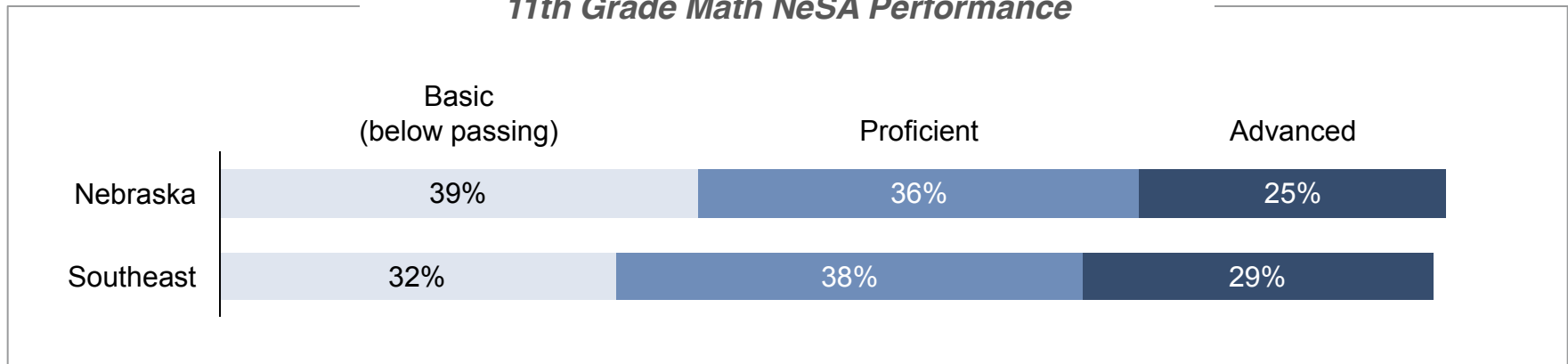


S.E. student's **perform above the state average on the 11th Grade NeSA**. This may be attributable to the generally high level of educational attainment of people in the region

11th Grade Reading NeSA Performance



11th Grade Math NeSA Performance



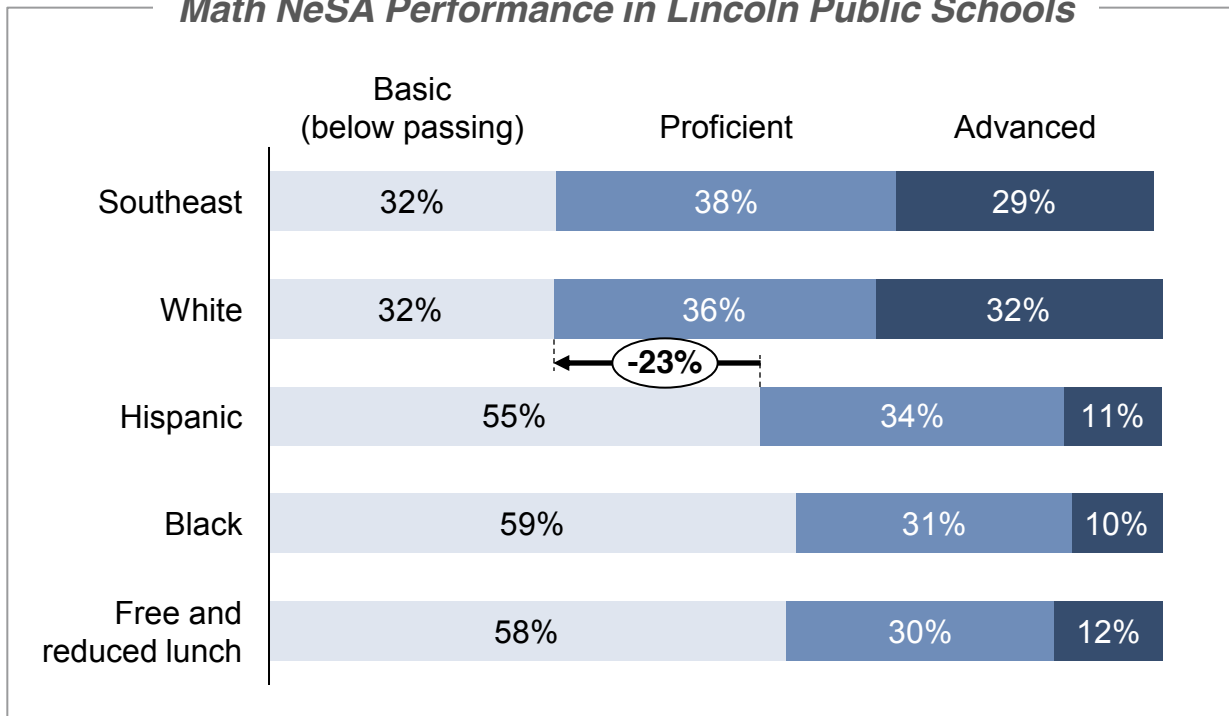
Source: 2014-2015 State of the Schools Report
All regional performance data are weighted averages of county level data.
Due to gaps in reporting regional NeSA scores will not add up to 100%. Please refer to regional presentation for additional insights.

LPS, home to large minority student populations, has significant achievement gaps



- **Minority students are about twice as likely to test below passing** on the 11th grade Math NeSA than their white peers
- Due to their heavy representation in the student population, **white student performance masks the poor performance of minority and low income students** in the region

Math NeSA Performance in Lincoln Public Schools

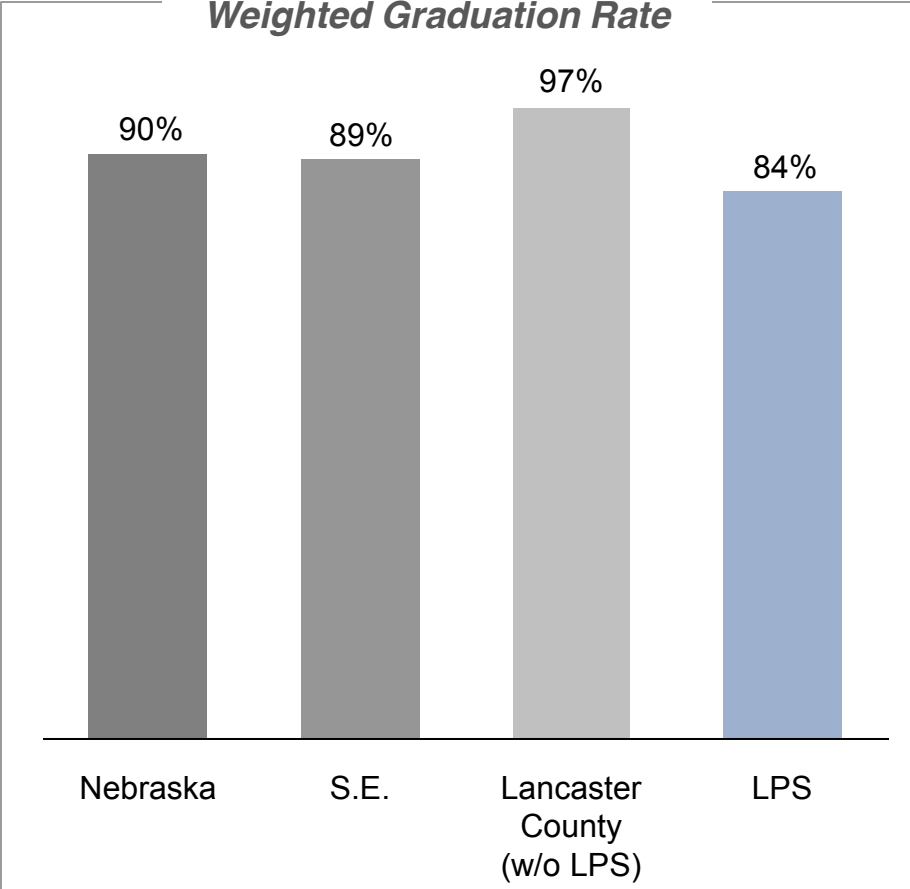


*“The bottom **quartile of students are not ready for college or community college.** They may have a high school degree, but then they take the Compass and they aren’t ready.”*
– State legislator

The large achievement gap in LPS results in graduation rates that lag behind the average



LPS, which hosts 11% of all high school students in the state, graduates students **6% points below the state average**. Further, **minority students at LPS graduate approximately 15% points** lower than the state average






	Proficient or above on 11 th Grade Math NeSA		Graduation rate
White	68%	vs	87%
Black	41%	vs	75%
Hispanic	45%	vs	74%
Free and reduced lunch	42%	vs	78%

PSE Education

UNL'S PRESENCE CREATES A STRONG PREFERENCE FOR
FOUR YEAR DEGREES

S.E. is home to the UN flagship and the state's second largest community college

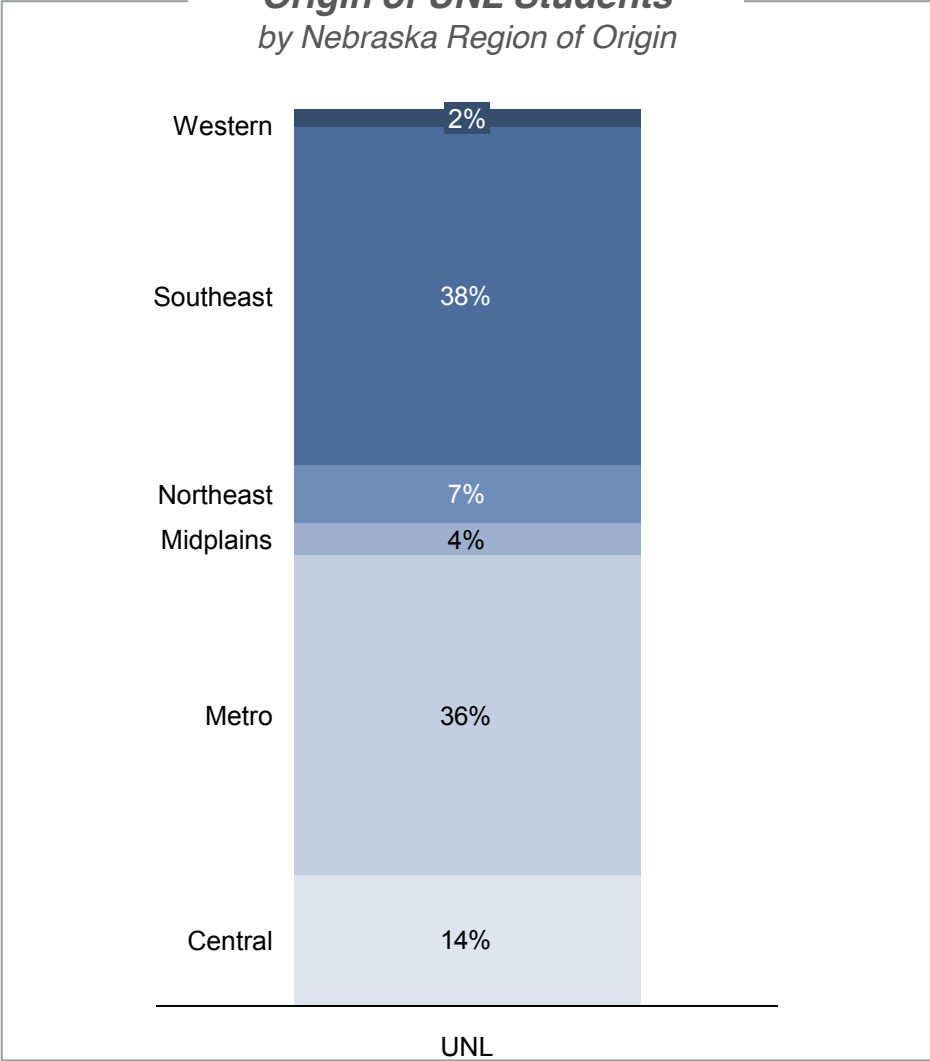
2014 Snapshot of S.E. Postsecondary Institutions

CC Community Colleges: 42,005 total	UN University of Nebraska: 38,348 total	ST State Colleges: 7,581 total
		
Enrollment (PT + FT) 9,751 (23% of all community college students)	Enrollment (PT + FT) 19,376 (51% of all university students)	Enrollment (PT + FT) 2,158 (28% of all state college students)
% minority enrollment 16% (20% community college average)	% minority enrollment 11% (14% university average)	% minority enrollment 12% (12% state college average)
Retention rate 57% (57% community college average)	Retention rate 84% (78% university average)	Retention rate 58% (62% state college average)
Completion rate (6 year) 27% (26% community college average)	Completion rate (6 year) 67% (52% university average)	Completion rate (6 year) 40% (41% state college average)

As the flagship, UNL serves students from across the state



*Origin of UNL Students
by Nebraska Region of Origin*



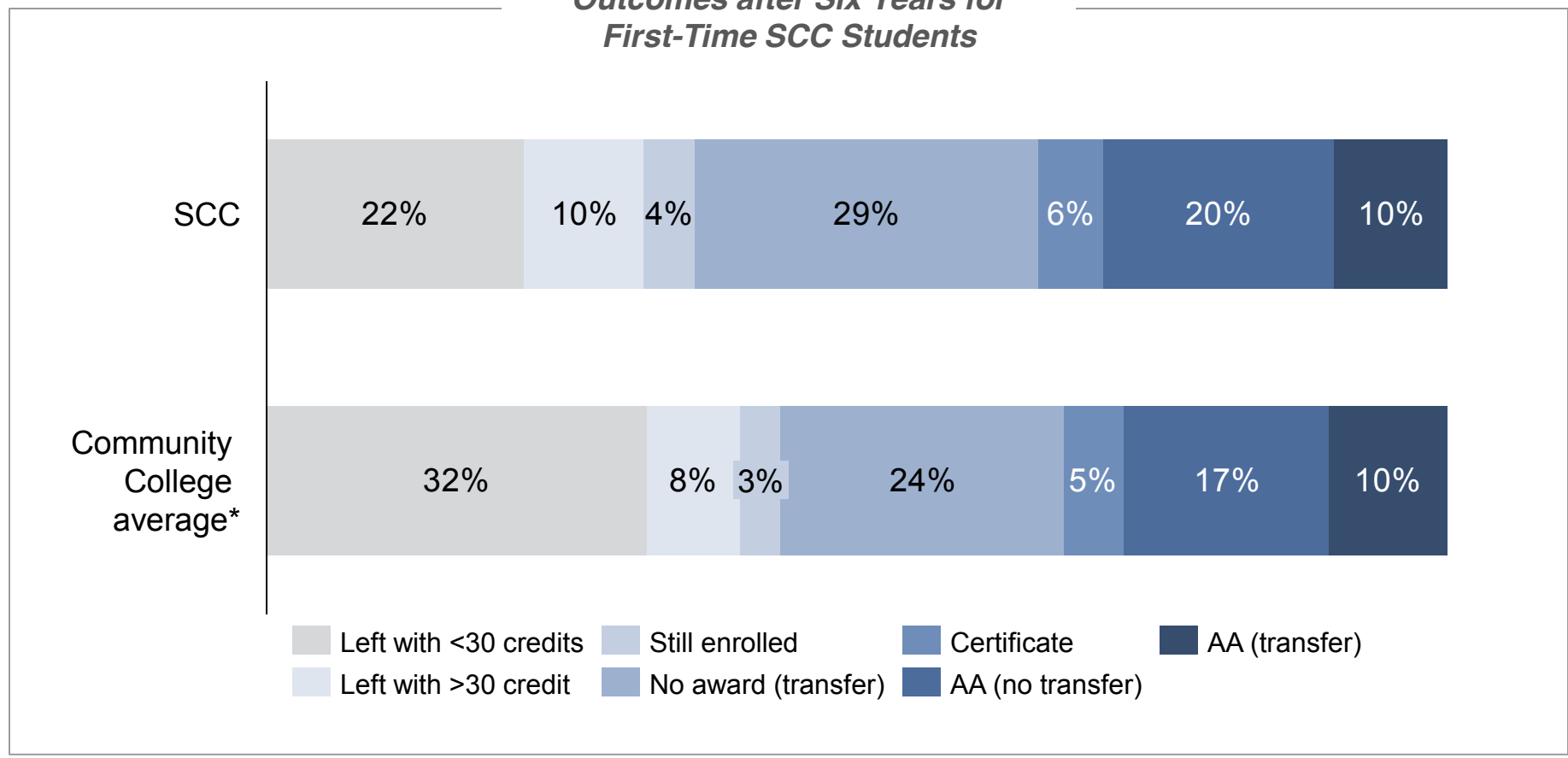
The home region of UNL's Nebraskan student population **closely aligns with the state's population distribution by region**

SCC students transfer to other institutions at a higher rate than the average



SCC has an above **average number of students who transfer without a degree**. Due to its proximity to UNL, many of these students may be **transferring to the flagship university**

Outcomes after Six Years for First-Time SCC Students



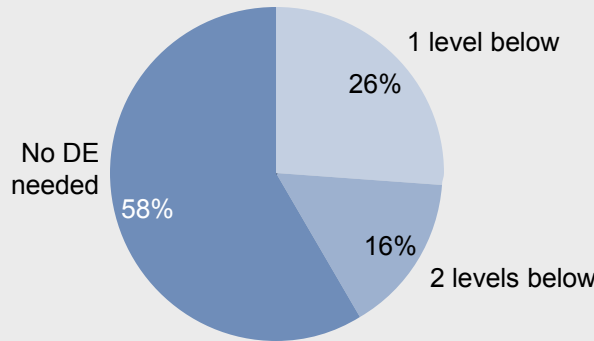
Source: Voluntary Framework of accountability
 * Does not include Metro Community College as they do not report to the VFA

While enrollment is lower, many students who complete dev. ed. do not go on to complete the college-level course

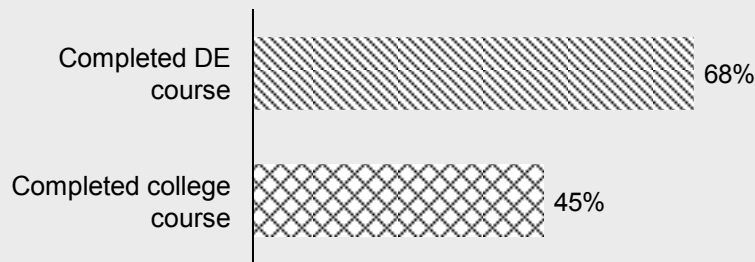


SCC may attract a higher achieving student due to its **transfer pathway to UNL** as well as the **relatively strong performance of regional high school students**

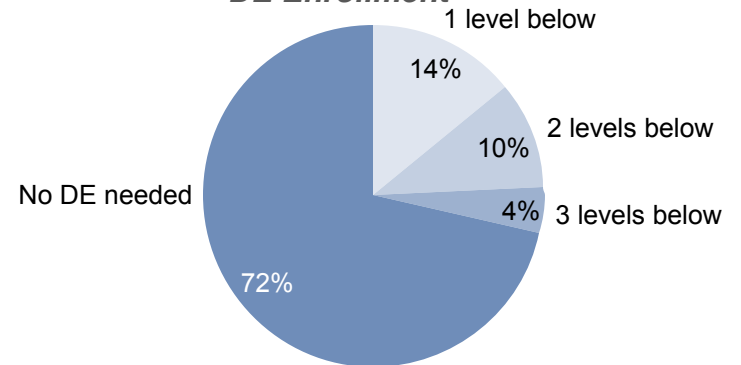
*First-Time Student **Math** DE Enrollment*



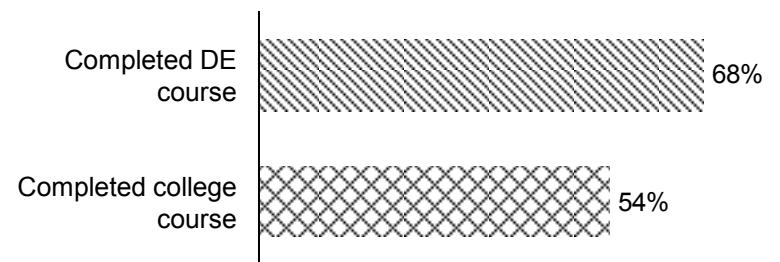
First-time Student DE and College Course Completion



*First-time Student **English** DE Enrollment*



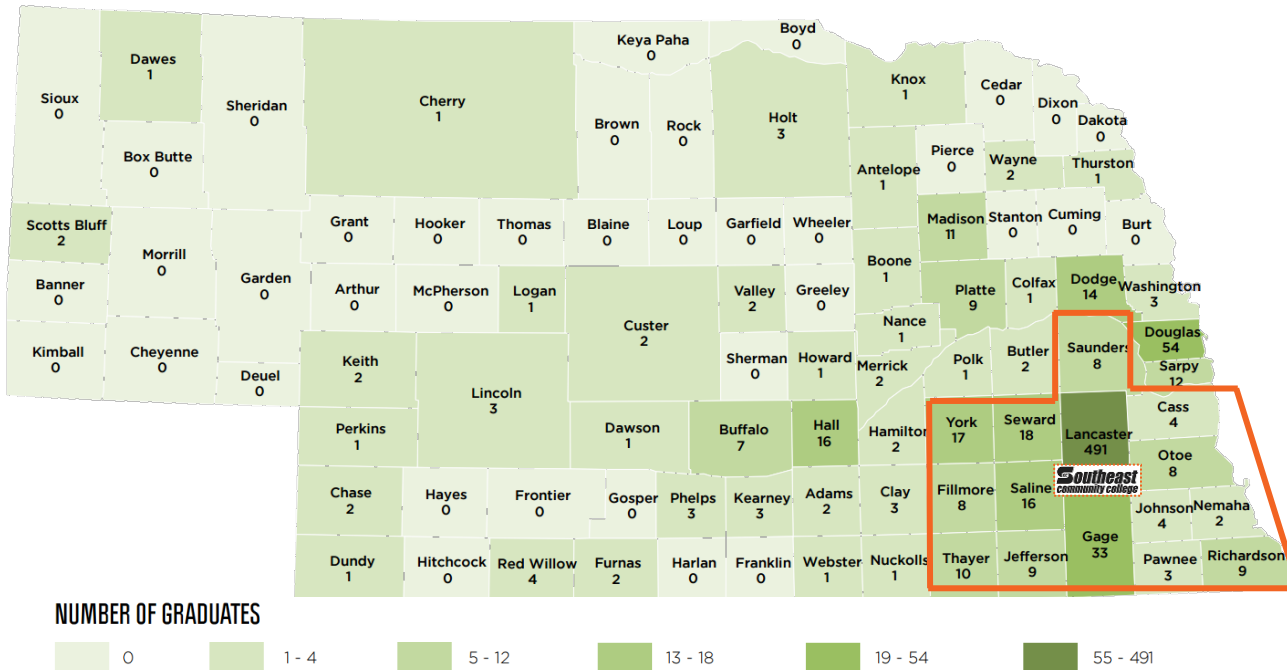
First-time student DE and College Course Completion



Of students who do graduate from SCC and stay in Nebraska, most remain in the S.E. region, primarily in Lancaster County



Graduate Employment by County



Top Industries of Employed Graduates

Industry	% of SCC grads working in industry	Avg. annual earnings*
Health Care	26%	\$29,762
Retail Trade	14%	\$19,453
Manufacturing	10%	\$35,131

Key Insights

- Most SCC graduates **remained in Lancaster County**
- **9% of SCC graduates were minorities**, this is below Nebraska's average of 11.4%
- Minority graduates were **less likely to be found working in Nebraska** than their white counterparts
- The **healthcare industry employed 26% of SCC graduates** working in Nebraska

Peru State plays a very different regional role due to its large online presence and focus on training educators



Key Insights

- Peru State has **a greater online presence than other state colleges**, which may be one reason it has been able to maintain enrollment in a region with two other postsecondary institutions
- **68% of white Peru graduates were found to be working in Nebraska**, compared to 32% of minority graduates
- Of the 65% of Peru graduates who work in Nebraska, **35% of them work in Douglas or Lancaster Counties**
- The **educational services industry employed 60% of Peru State graduates** working in Nebraska

Top Industries of Employed Peru State Graduates (2013)

Industry	% of Peru State grads working in industry	Avg. annual earnings*
Educational Services	60%	\$35,404
Public Administration	5%	\$32,921
Retail Trade	4%	\$24,415
Social Assistance	4%	\$17,733

*“Peru State has a **significant online presence**”
– Former state legislator*

Labor Market

MISMATCH BETWEEN THE TALENT PIPELINE AND LABOR
MARKET NEEDS

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

Lincoln MSA Major Employers	Industry	Employees
Lincoln Public Schools 	Education	5,000-7,500
State of Nebraska 	Government	5,000-9,999
University of Nebraska 	Education	2,500-4,999
Bryan LGH Medical Center 	Health care	2,500-4,999
Saint Elizabeth Health Systems 	Health care	2,500-4,999

Source: American Community Survey, Lincoln Partnership for Economic Development
 *MSA=Metropolitan Statistical Area, a U.S. Census Bureau classification for major population hubs and their surrounding communities
 Note: Due to data availability, this analysis used the Lincoln MSA as a proxy for the region

Lincoln has low unemployment with median earnings above the statewide average

Category	Nebraska	Lincoln MSA* (2014)
Labor force participation (2013)	Nebraska: 84%	Lincoln: 71.8%
Unemployment rate	Nebraska: 3.1%	Lincoln: 2.6%
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: 26% 2. Retail trade: 11% 3. Manufacturing: 10% 4. Professional services: 9% 5. Accommodation and food service: 9%
Median earnings by educational attainment (aged 25 and over)	<ul style="list-style-type: none"> • Median earnings: \$34,236 • HS diploma: \$27,605 • Some college or AA: \$32,210 • Bachelor's: \$43,503 	<ul style="list-style-type: none"> • Median earnings: \$35,638 • HS diploma: \$27,653 • Some college or AA: \$32,594 • Bachelor's: \$42,587

Source: American Community Survey, Lincoln Partnership for Economic Development, Bureau of Labor Statistics

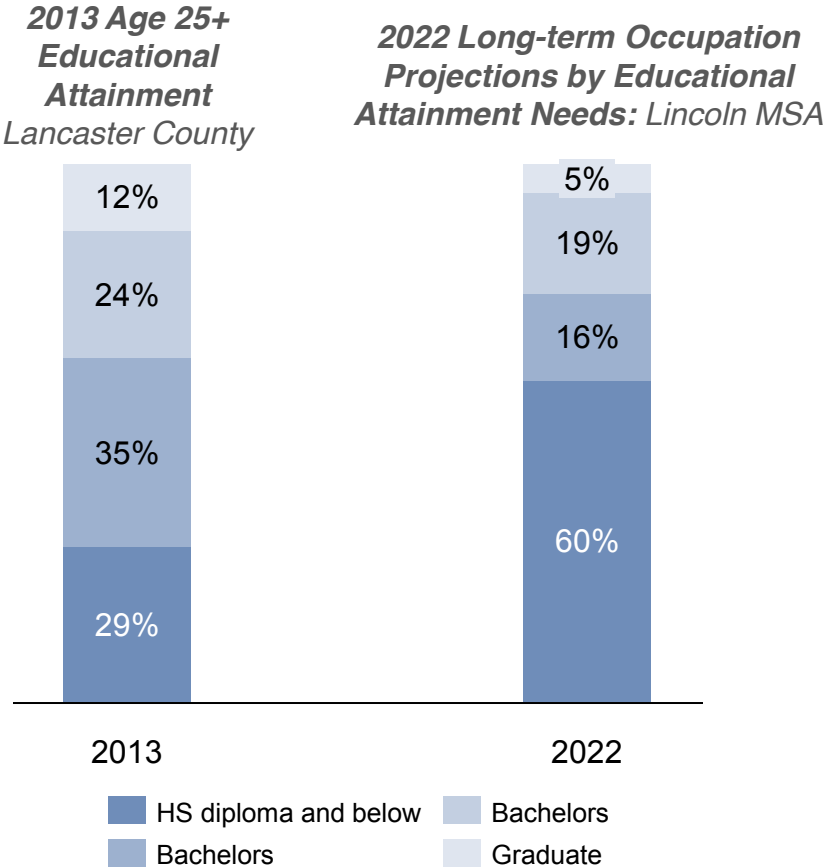
*MSA=Metropolitan Statistical Area, a U.S. Census Bureau classification for major population hubs and their surrounding communities

Note: Due to data availability, this analysis used the Lincoln MSA as a proxy for the region. All city or MSA unemployment data is from December 2014

Lincoln can invest in attracting new business to better meet the occupational needs of its skilled workforce



Given the current population’s educational attainment and the projected labor market needs, Lincoln 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**



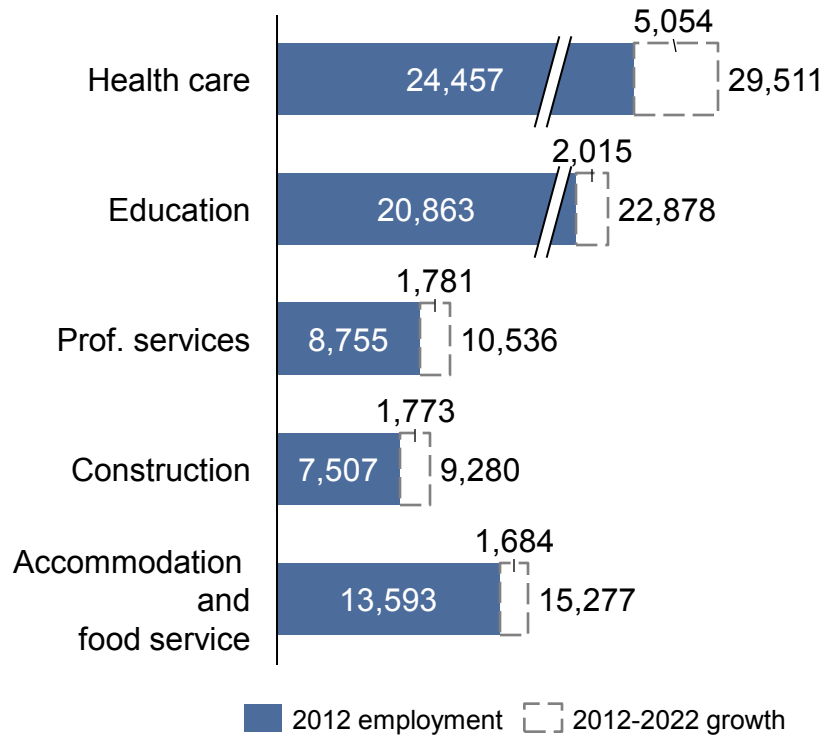
*“People in Lincoln are not unemployed, **they are under-employed**. A real issue for Lincoln is that our wages are so low.” – Community leader*

Future occupations in Lincoln will predominately be low and middle skilled

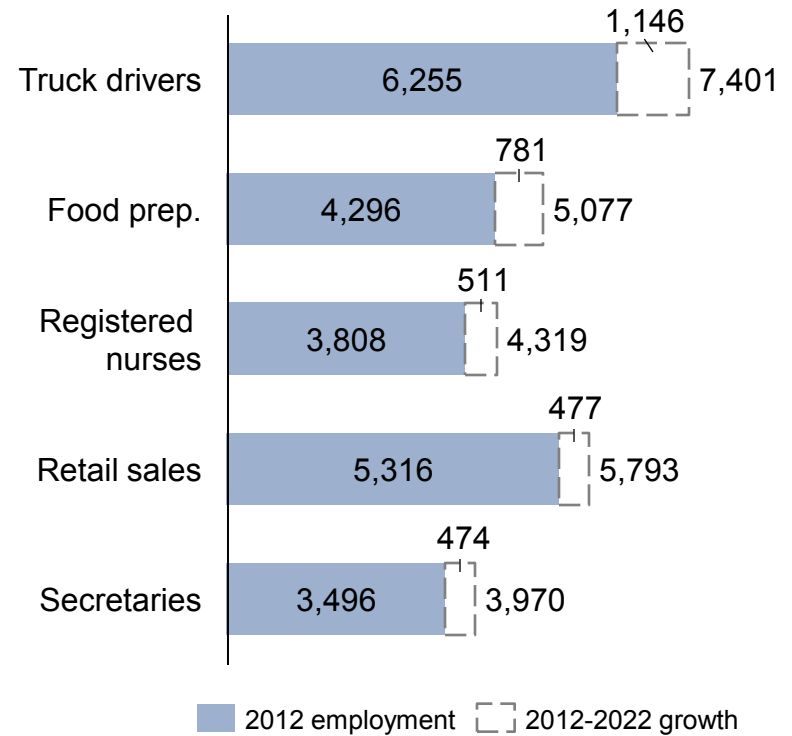


Lincoln's fastest growing industries include **health care and education** while truck driving is the fastest growing occupation

Projected Fastest Growing Industry by Employment (2022)



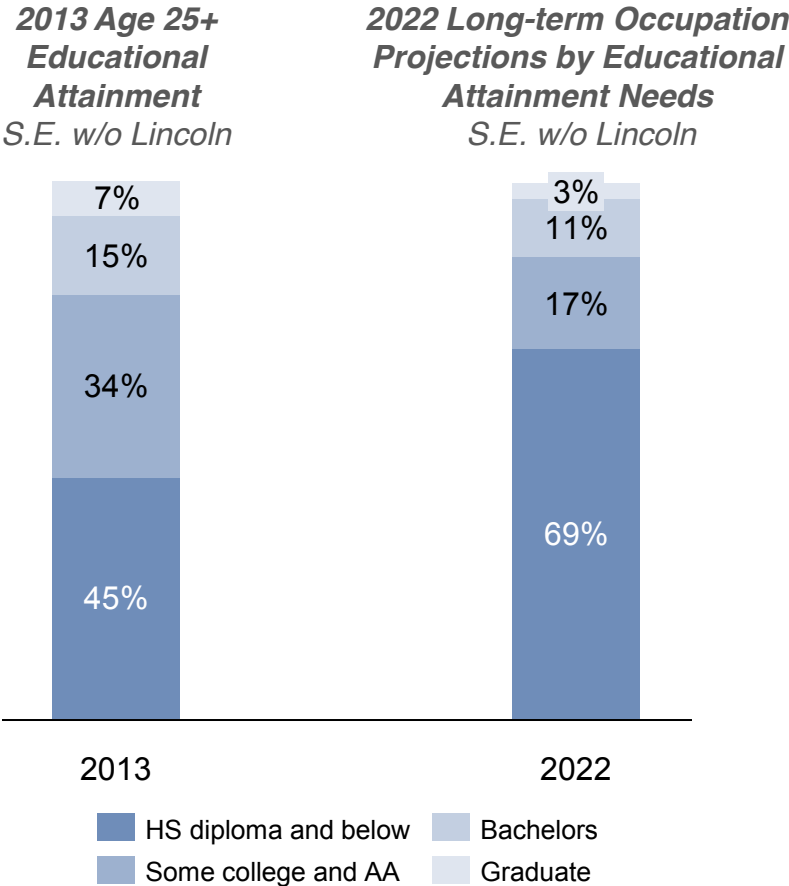
Projected Fastest Growing Occupations by Employment (2022)



The current versus future educational needs present an economic opportunity for S.E. to attract new employers



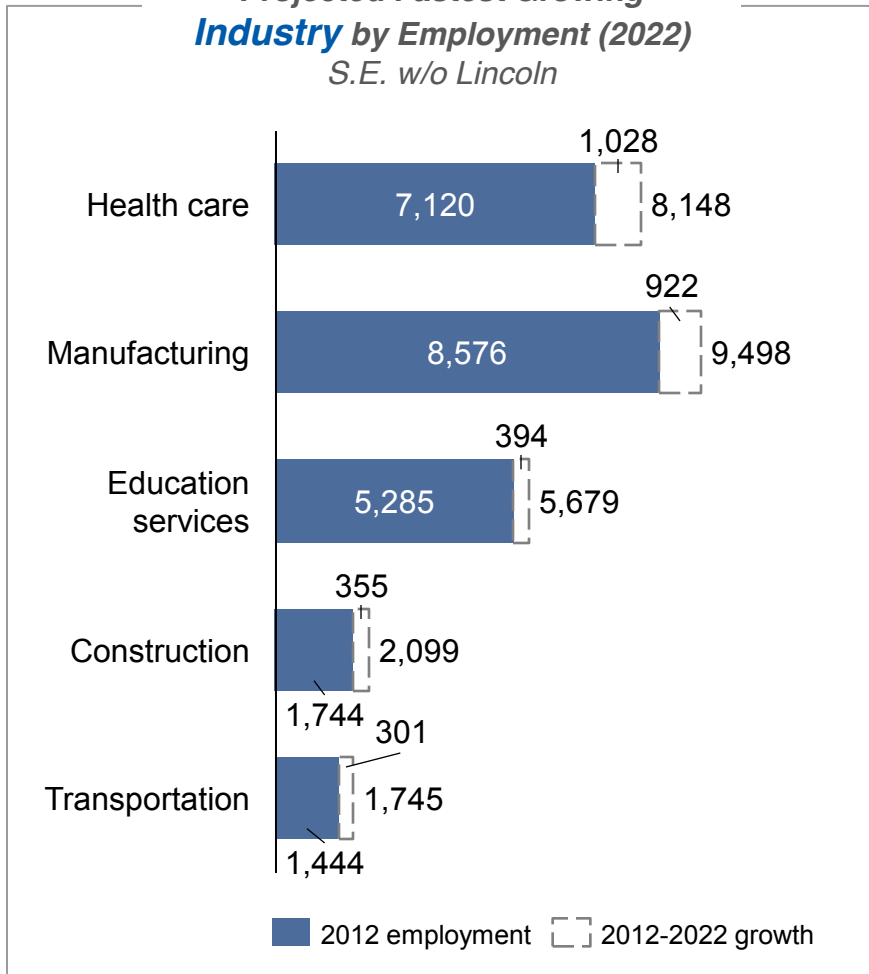
Without efforts to increase the number of jobs that require skilled employees, the rest of S.E. will see **only 31% of future jobs requiring some college or above**



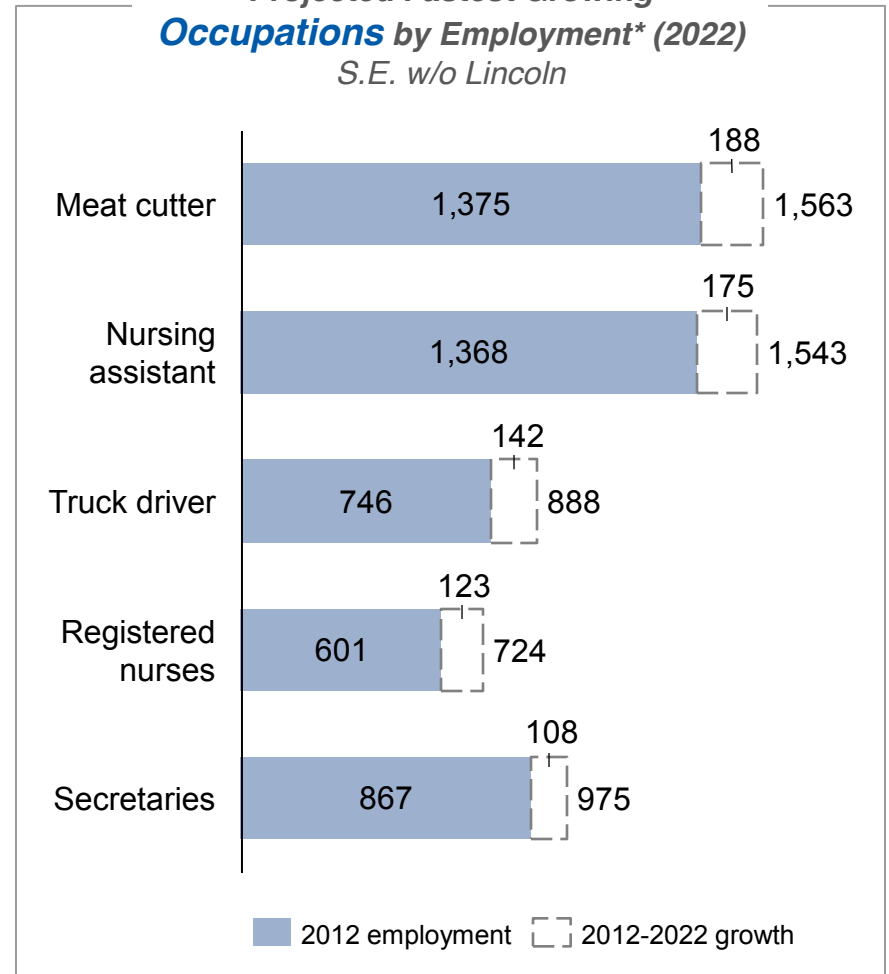
“We do not really have the business or companies to employ people with higher degrees. The higher salaries are not staying here” – Community leader

The rest of S.E.'s occupational growth will predominately be in low and middle skill jobs

Projected Fastest Growing Industry by Employment (2022)
S.E. w/o Lincoln



Projected Fastest Growing Occupations by Employment* (2022)
S.E. w/o Lincoln



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