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Central Texas Regional Overview

Prepared for:



GREATER TEXAS FOUNDATION



COMMUNITIES
FOUNDATION
of TEXAS

HOUSTON ENDOWMENT INC.
A PHILANTHROPY ENDOWED BY MR. AND MRS. JESSE H. JONES

**The Meadows
Foundation**

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Executive Summary – Central Texas

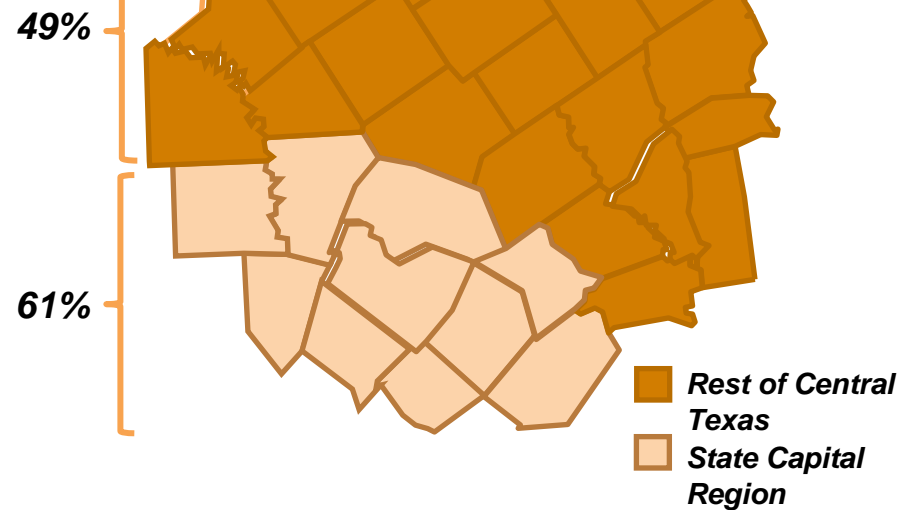
- Central Texas is home to the **wealthier than state average** and **predominantly white** State Capital region. It is also home to **three flagship institutions** that are magnets for the highest achieving students across Texas
- The high education achievement of white students pushes the region's attainment levels above the state average, which masks the **large gap between more affluent white students and a fast growing number of lower income Hispanic students**. This gap will only be exacerbated given that Hispanics will contribute almost 90% of the growth in student population over the next twenty years
- Central Texas's vibrant economy benefits from the flagships' high graduation rates, which are almost 30% higher than the Texas average. **The region's ability to meet the talent demand of the fastest growing occupations will depend on its capacity to produce more students with a postsecondary degree or credential**
- **Significant challenges, however, need to be addressed** to produce these graduates. Almost half the students in the region do not enroll in postsecondary immediately after high school, and only 1% of which ever get a degree or credential. Moreover, almost half of those who do enroll are not ready to take credit bearing courses and require developmental education
- The high visibility of the State Capital area's vibrant economy and the high-achieving flagship students have resulted in a more **limited sense of urgency to address upcoming demographic changes** and **weaker cross-sector coordination** than in other regions. **The region lacks four-year regional institutions that provide students with a four-year alternative to selective flagships**, which poses an additional challenge to student success, especially for underserved students
- The region has numerous assets to leverage towards education reform: **growing collaborative efforts, a vibrant business community and the broad set of political and talent assets of the State Capital region**. A public-private partnership can play a critical role in helping the region better realize the full potential of these resources

Central Texas Is Home to Austin, the State Capital, and Has a Predominantly White Population

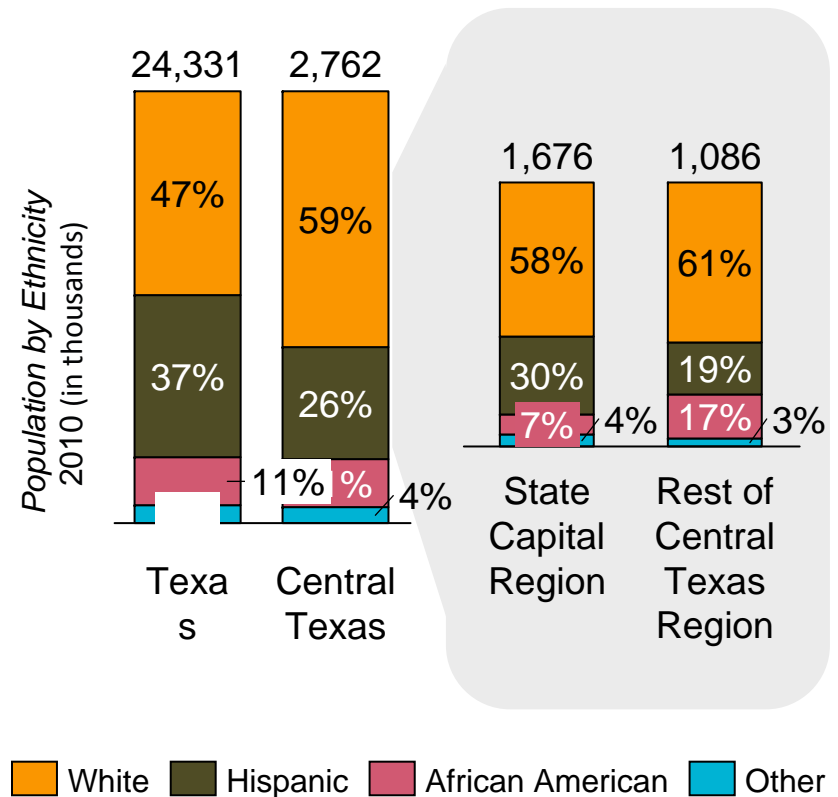
Central Texas makes up 11% of the total Texas population, with the State Capital region containing 61% of the total region population

Total Population = 2.7 M

Percentage of total population by area of region:



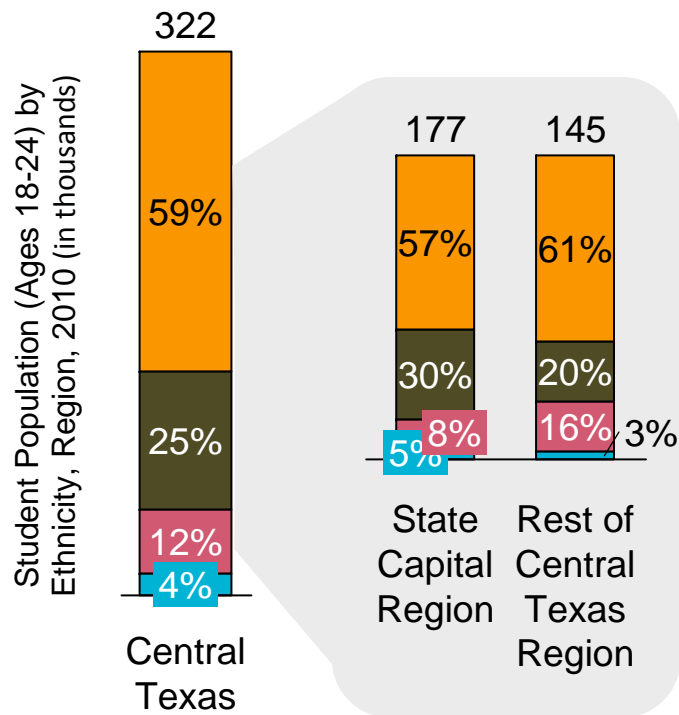
The counties surrounding the state capital have a higher percentage of Hispanics (30%) than the rest of the Central Texas region (19%)



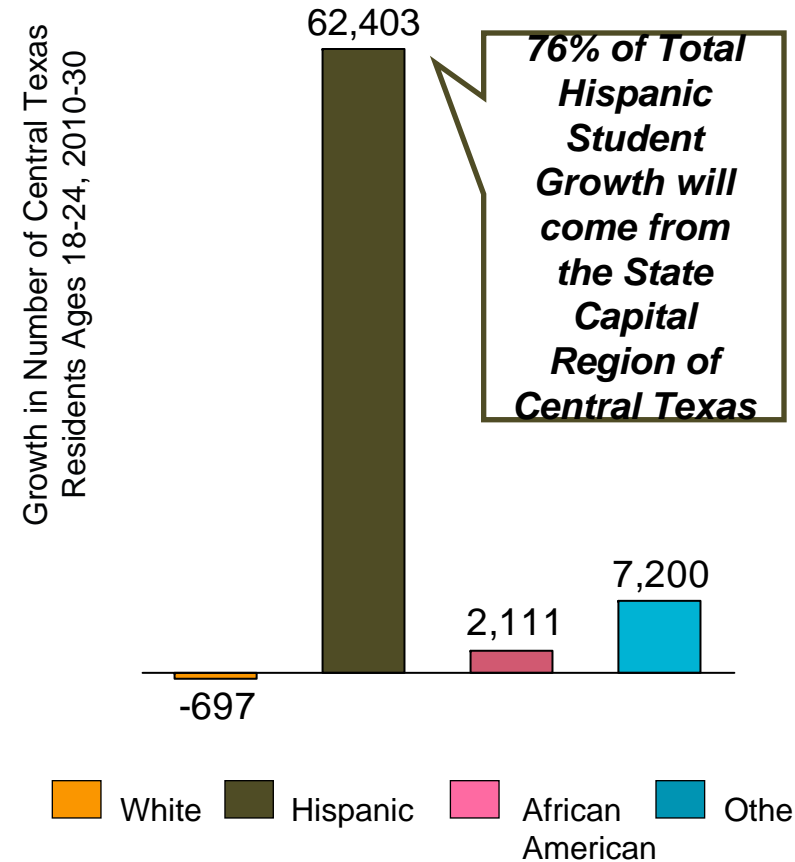
Notes: The State Capital Region refers to Bastrop, Blanco, Burnett, Caldwell, Fayette, Hays, Lee, Llano, Travis, Williamson Counties
 Source: Texas State Demographic Projections

While the Student Population Is Primarily White, Hispanics Will Contribute 88% of Total Student Growth Over the Next 20 Years

Hispanic student representation in Capital region is higher than in Central Texas region overall



Hispanic students will account for 88% of growth in student-age population and will grow to represent 37% of the student population



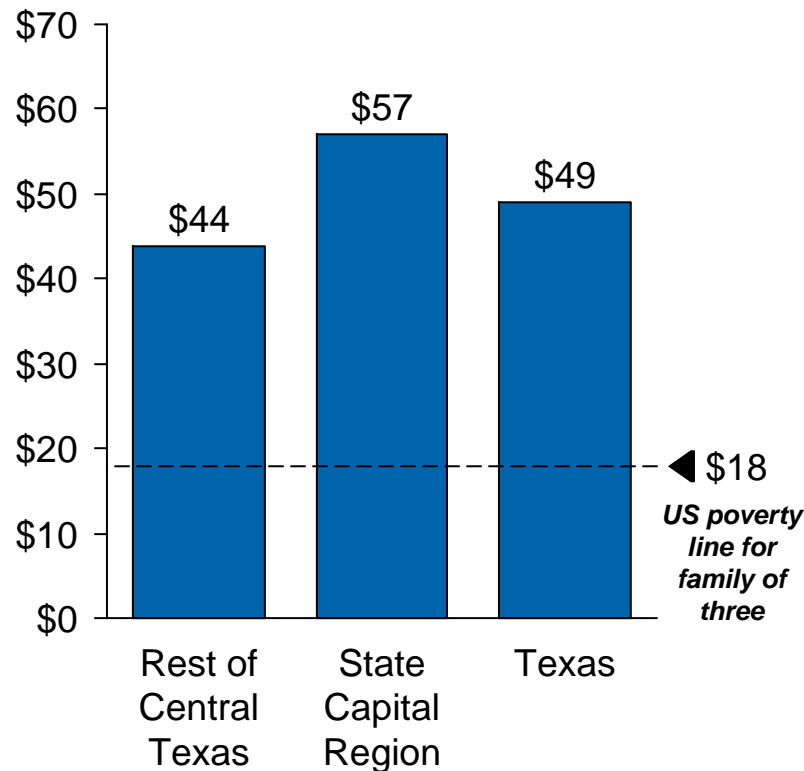
White Hispanic African American Other

White Hispanic African American Other

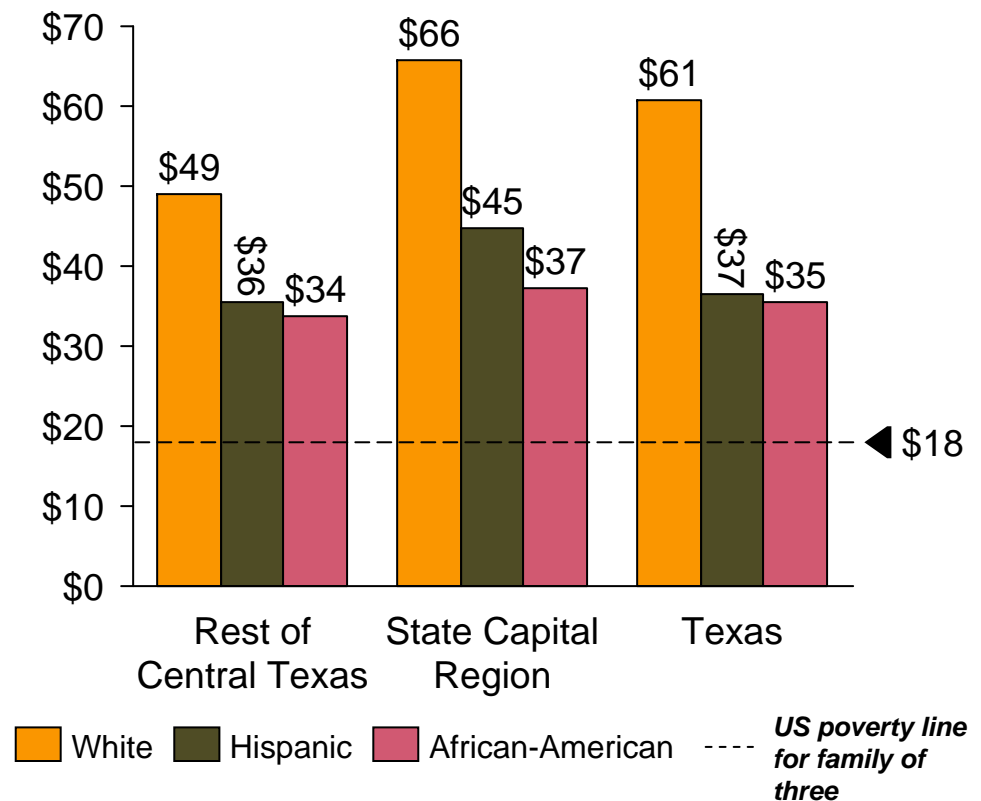
Notes: The State Capital Region refers to Bastrop, Blanco, Burnett, Caldwell, Fayette, Hays, Lee, Llano, Travis, Williamson Counties
 Source: Texas State Demographic Projections

The State Capital Region Has a Higher Income Than Regional and State Averages But Also Has the One of the Widest Ethnic Gaps

**Median Household Income, 2008
(thousands)^{1,2}**



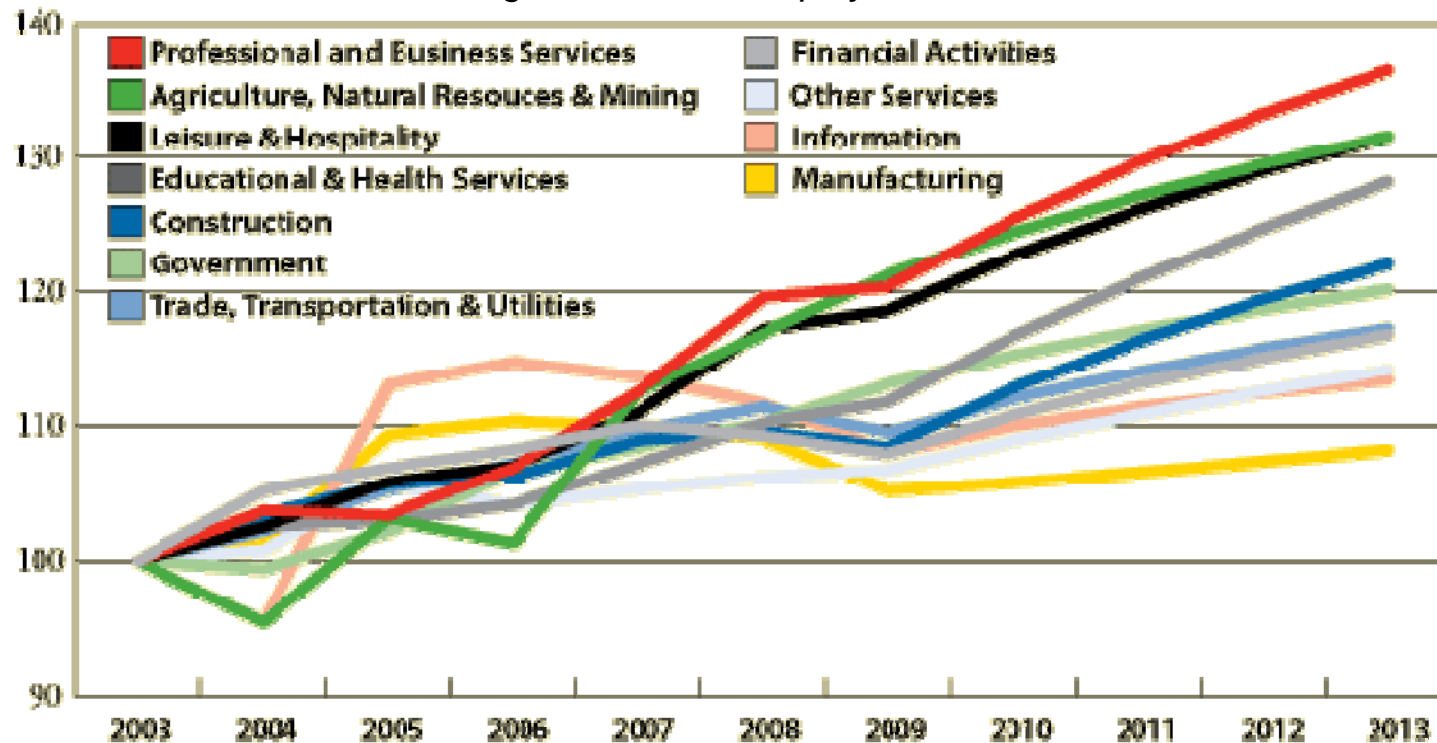
**Median Household Income by
Ethnicity, 2008 (thousands)**



Notes: (1) Median Household Income by Ethnicity calculated using the median household income per county and weighting by 2008 county population, (2) Federal poverty level for a 3 person household was \$17,600 for 2008, State Capital region includes Bastrop, Blanco, Burnett, Caldwell, Fayette, Hays, Lee, Llano, Travis, Williamson Counties but for above income analysis Blanco, Lee and Llano counties were not used in calculating weighed average because data is not available for those counties
 Source: US Census, 2008 American Community Survey; FSG analysis © 2011 FSG

Central Texas Has Benefited from Strong Economic Growth Due to Its Status as A Technology Industry Hub

Central Texas Region Industrial Employment Indices, 2003-2013



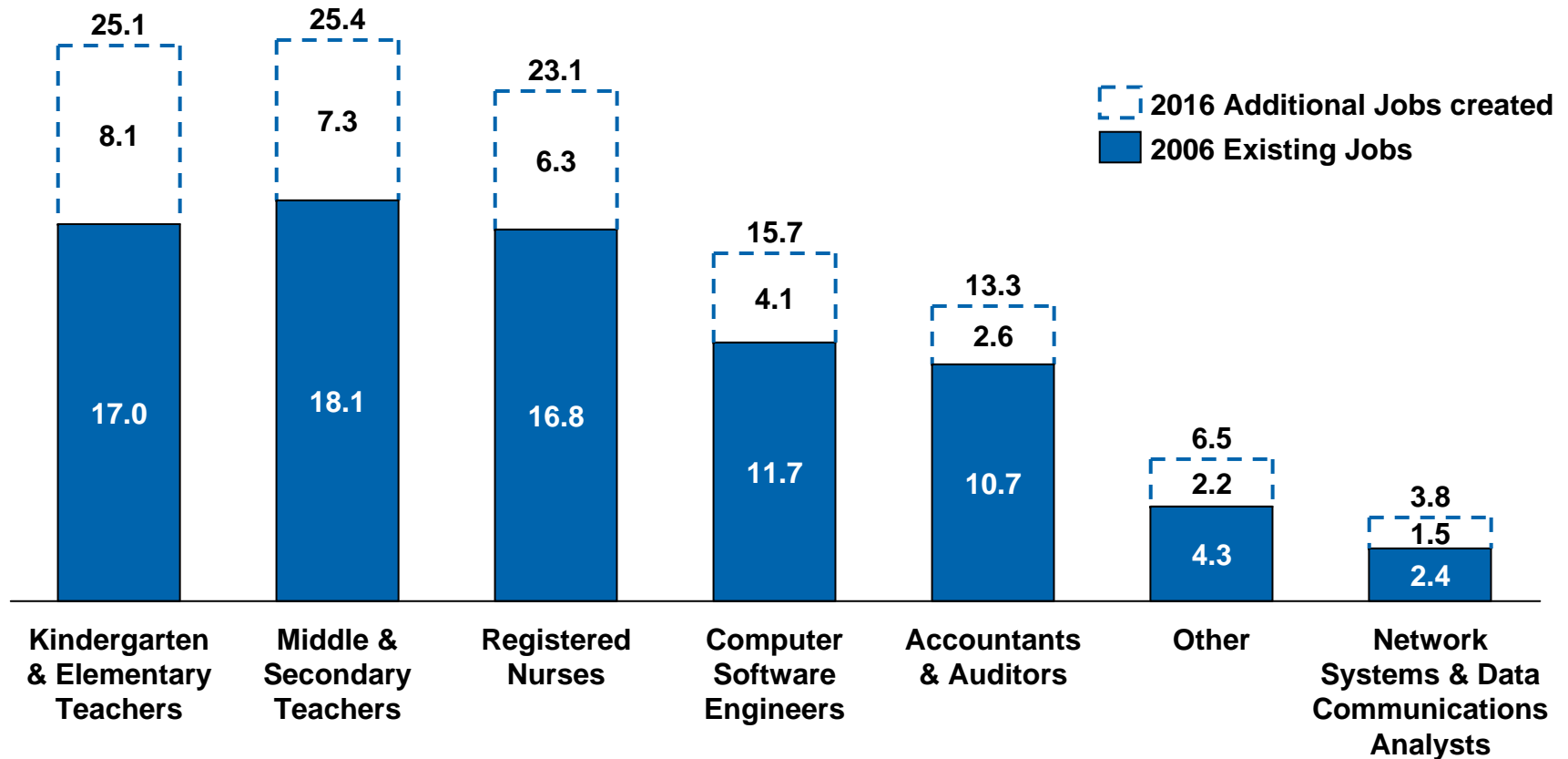
Note: Data after September 2009 are projected.

Sources: Economic Modeling Specialists Inc. and Texas Comptroller of Public Accounts.

Most of the fastest growing occupations require a postsecondary education degree or credential

The Ability Of The Region to Meet the Demand for Labor Will Depend on the Education System's Ability to Produce Qualified Graduates

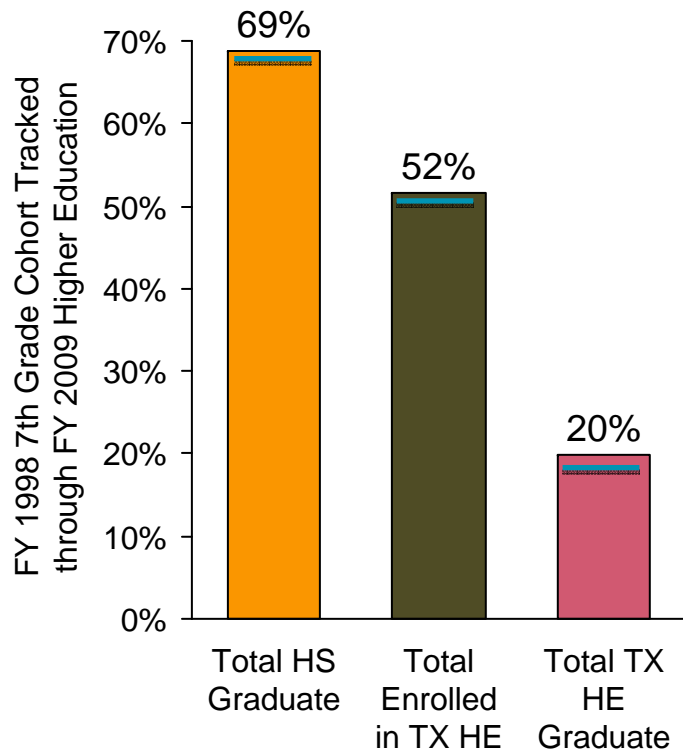
Occupations Adding the Most New Jobs or Growing the Fastest, 2006-2016, Central Texas (in thousands)



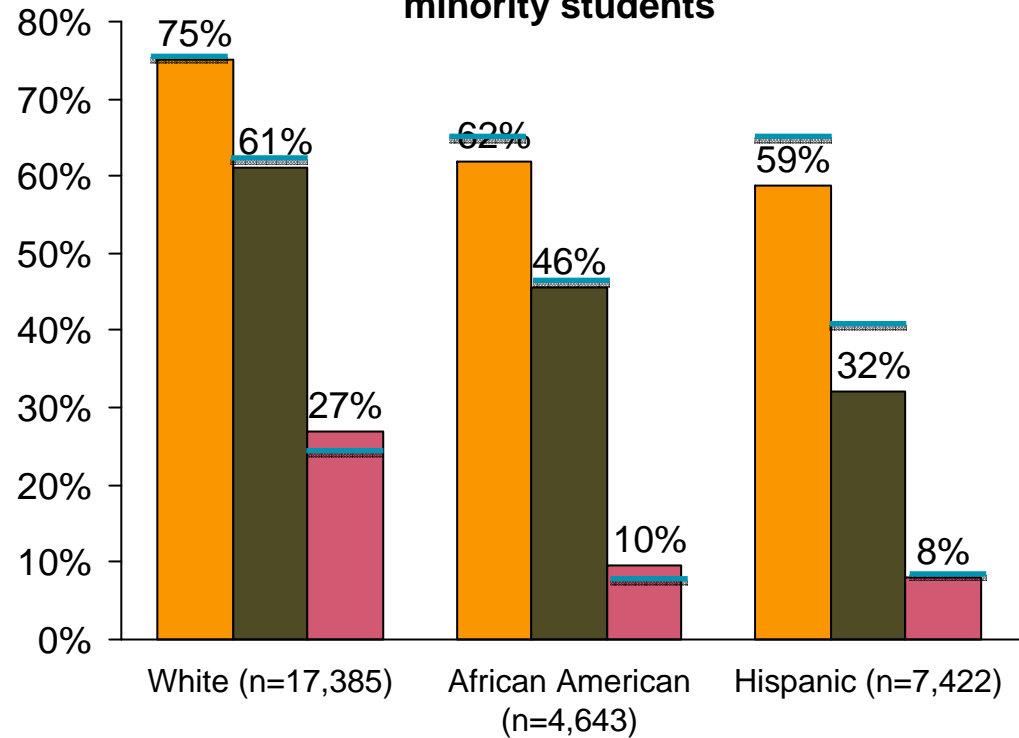
Source: Texas Workforce Commission as reported in the THECB's 2010 Regional Plan for Texas Higher Education

Central Texas Outperforms Texas in Educational Outcomes, Primarily Because of the High Attainment Rates of White Students

Central Texas as a whole slightly outperforms state averages



However, the high performance of White students masks a wide gap in attainment rates between White and minority students



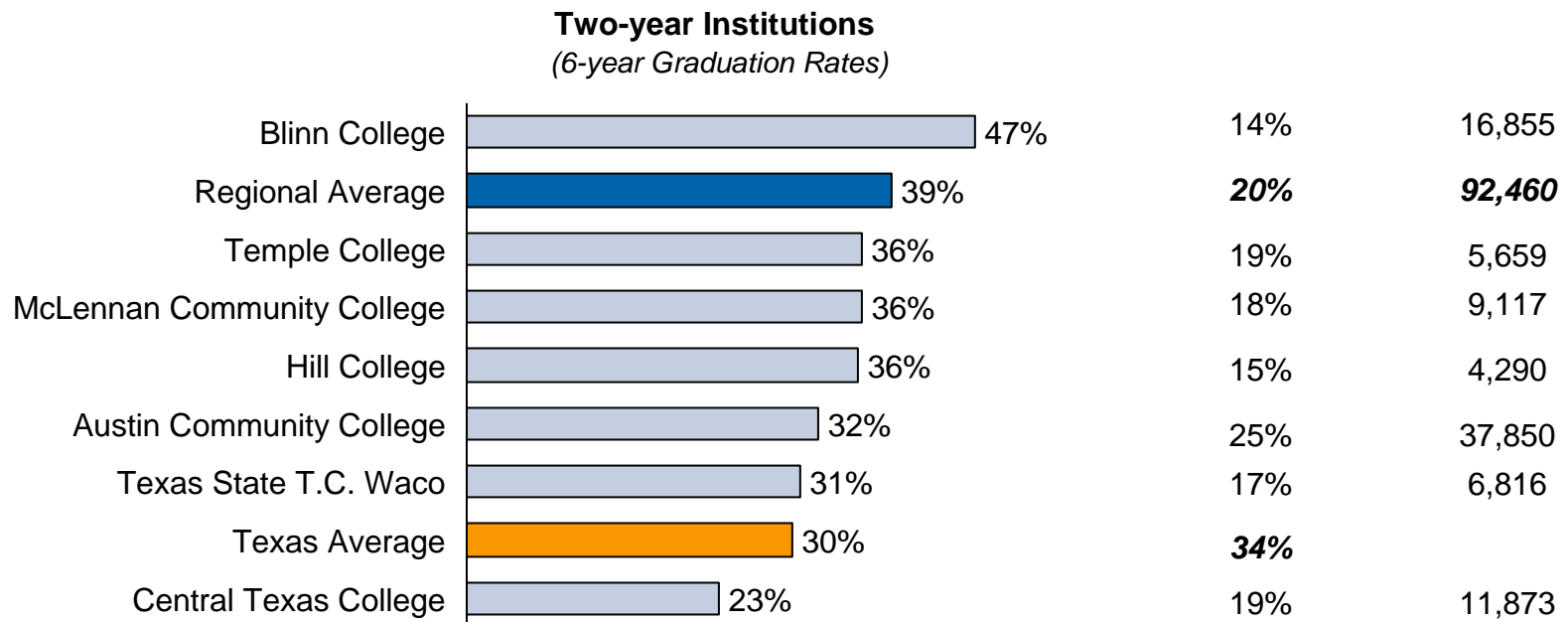
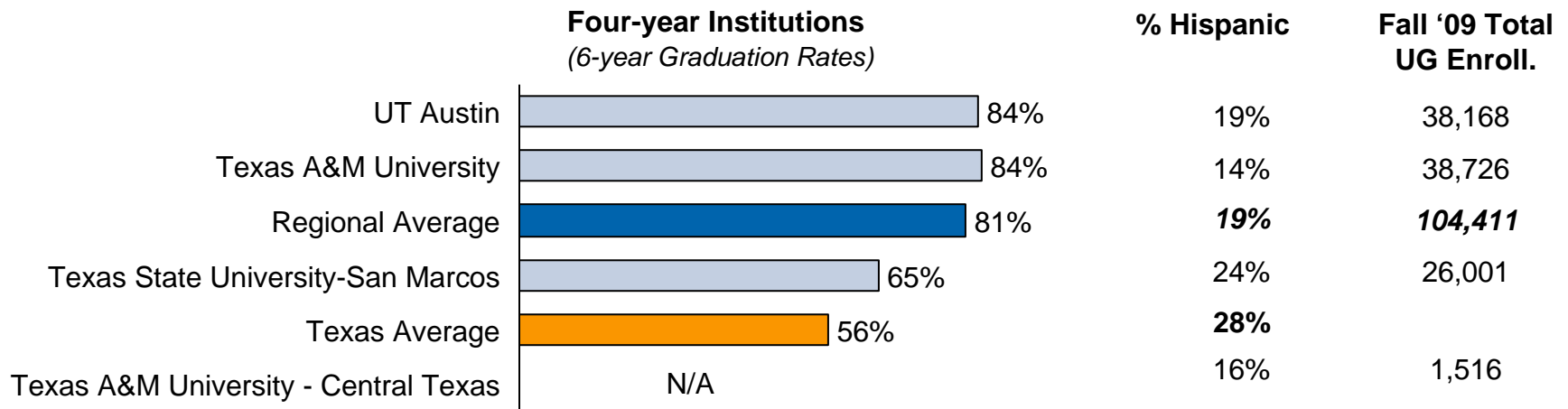
■ HS Graduate
 ■ Enrolled in HE
 ■ HE Graduate
 — TX Average

The gap between the fastest growing student population (Hispanics) and whites is among the highest in the state, which points to future challenges

Note: *n* indicates the size of the 7th grade cohort for each ethnicity

Source: Texas Higher Education Data, Regional Data for Seventh Grade Cohort and High School to College

Central Texas Is Home to Three Four-Year Flagship Schools, All of Which Outperform the Texas Average Graduation Rate



Notes: Data from THECB for Fall enrollment – credit students, Texas A&M University – Central Texas cohort graduation rate is not available as campus was opened in 2009
Source: THECB, FSG analysis

Although Central Texas Outperforms State Average, the Region Still Faces a Number of Challenges to Meet the Growing Demand for Postsecondary Graduates

Challenges	Description
<p>Insufficient coordination among reform activities</p>	<ul style="list-style-type: none"> • E3, the Central Texas P16, has helped generate a blueprint of reform for the region but not all stakeholders are committed to strategy • Weak cross-sector coordination
<p>Limited sense of urgency to address upcoming demographics changes</p>	<ul style="list-style-type: none"> • The historically underperforming Hispanic student population is set to grow 81% by 2030, but there is a lack of urgency from the capital region community as well as an absence of minority group leadership • As a high tech hub, Austin is a highly mobile community where people move in and out and do not see the growing problem as their concern or a place to invest time and effort
<p>Central Texas lacks a regional four-year institution</p>	<ul style="list-style-type: none"> • Central Texas is home to three flagship four-year research universities that bring many benefits to the region but do not generally play the linchpin role in local reform efforts that regional universities do in other areas of the state • Central Texas students lack access to local four-year institutions that are not highly selective flagships

Central Texas Has Numerous Assets to Leverage To Address the Region's Challenges, But Many of Them Remain Largely Untapped

Key Regional Assets

Growing Collaborative Efforts

- **E3 Alliance, the Greater Austin Chamber of Commerce and the Central Texas Student Futures Project have all begun to** mobilize the business community, as well as PSEs in the region, to begin to take necessary steps in addressing the challenge of a growing underperforming student population in Central Texas

State Capital Resources

- The state capital serves as a center of **policy change** and has a high level of **access to key leaders** that can be **influential in creating urgency** for improving educational outcomes
- Home to flagship schools that **attract high-tech businesses and highly educated labor force**. For every Central Texas adult without a high school diploma, there are 2.5 adults with Bachelor degrees
- The state capital region has a **highly developed nonprofit infrastructure**, with many organizations and leaders who are interested in education reform

Vibrant Business Community

- **The state capital**, is well equipped with a **strong, growing economy** which includes a **lower unemployment rate than the rest of the state** and thousands of **additional jobs** to be created in the next eight years of which two-thirds will require a bachelors degree
- Central Texas has several **industries** (IT, biotech) that not only **employ a sizeable portion of the workforce** but are a **source of skills and services to the rest of the country**. A vibrant business community can be leveraged to improve education through **partnership programs, such as** internships

A Public Private Partnership Could Help Central Texas Better Direct Its Existing Assets to Address Critical Gaps

ILLUSTRATIVE

Preliminary Opportunities for the Region

Increase urgency of the need for improved educational outcomes

- Create greater **awareness of the changing demographics** in the region through awareness campaigns
- **Increase awareness** among targeted groups such as **minority leaders**
- **Build on** the E3 Alliance efforts to **disseminate data** on educational system performance

Increase incentives for collaboration between the cross-sector players

- Organizations who have not been collaborating in the past might find it in their interest to **collaborate through a system of incentives**
 - Collaboration would need to be inclusive of **all counties in Central Texas**, including those outside of the capital region

Mobilize four-year university resources

- Resources from a public-private partnership might attract **increased involvement from UT Austin** and induce the university to **increase efforts in improving outcomes in Central Texas**
- **Increase** number and **comprehensiveness** of articulation agreements between ACC and UT Austin