

The Future of the Skilled Labor Force in New England: The Supply of Recent College Graduates

7:30 – 8:00 a.m.

Registration

7:45 – 8:00 a.m.

Continental breakfast

8:00 a.m.

Welcoming Remarks

8:15 – 8:40 a.m.

Presentation: “The Future of the Skilled Labor Force in New England: The Supply of Recent College Graduates”

8:45 a.m.

Responses, comments from the audience

9:15 a.m.

Meeting concludes

The Future of the Skilled Labor Force: The Supply of Recent College Graduates

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New England Public Policy Center
Federal Reserve Bank of Boston



Since 2000, New England has experienced slower growth in the recent college graduate population compared to other parts of the U.S.

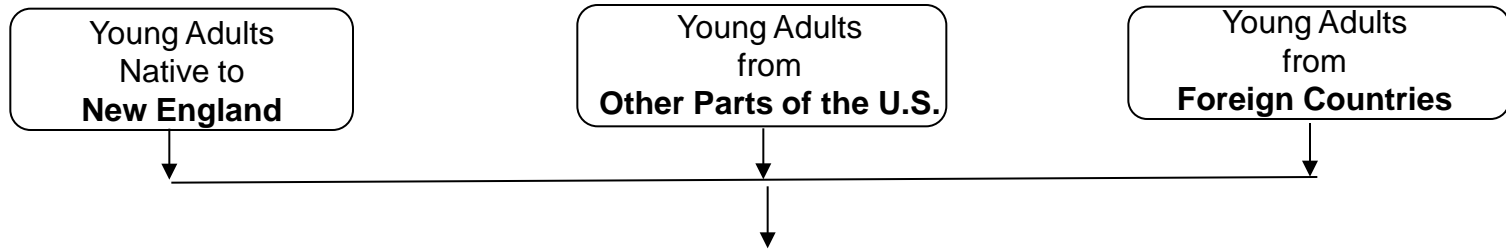
Change in the Number of Recent College Graduates, 2000-2006

	2000	2006	Percent Change
New England	316,423	344,025	8.7%
Massachusetts	184,904	185,261	0.2%
Mid-Atlantic	838,595	970,797	15.8%
East North Central	776,234	879,636	13.3%
East South Central	234,859	265,756	13.2%
South Atlantic	877,538	1,044,386	19.0%
West North Central	347,164	415,432	19.7%
West South Central	453,815	520,260	14.6%
Mountain	275,634	371,511	34.8%
Pacific	742,247	862,634	16.2%
U.S.	4,862,509	5,674,437	16.7%

Source: 2000 Census and 2006 American Community Survey.

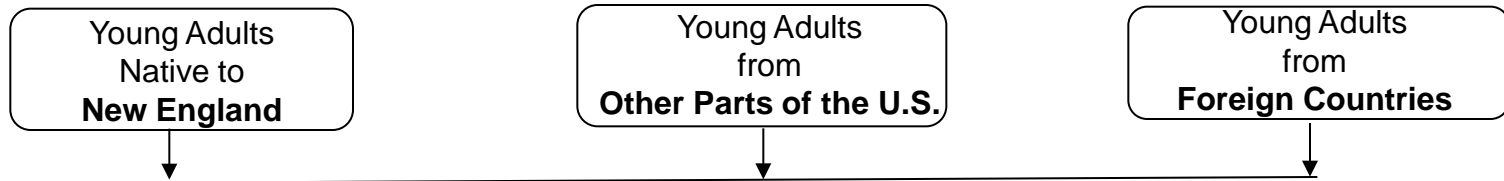
The flow of recent college graduates to New England depends on the supply of young adults...

Supply of Young Adults:

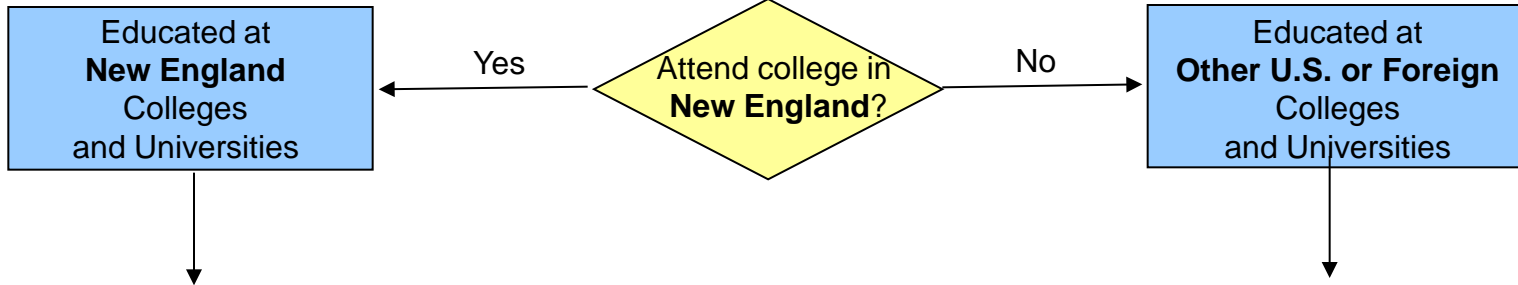


...the rate of educational attainment among high school graduates choosing to attend college...

Supply of Young Adults:

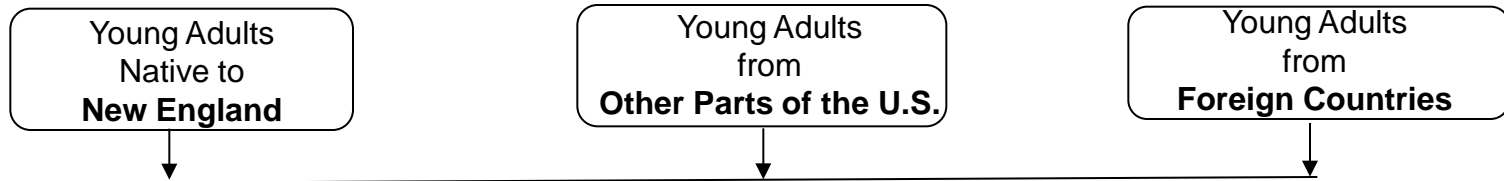


Rate of Educational Attainment:



...and the migration decisions of individuals upon graduation.

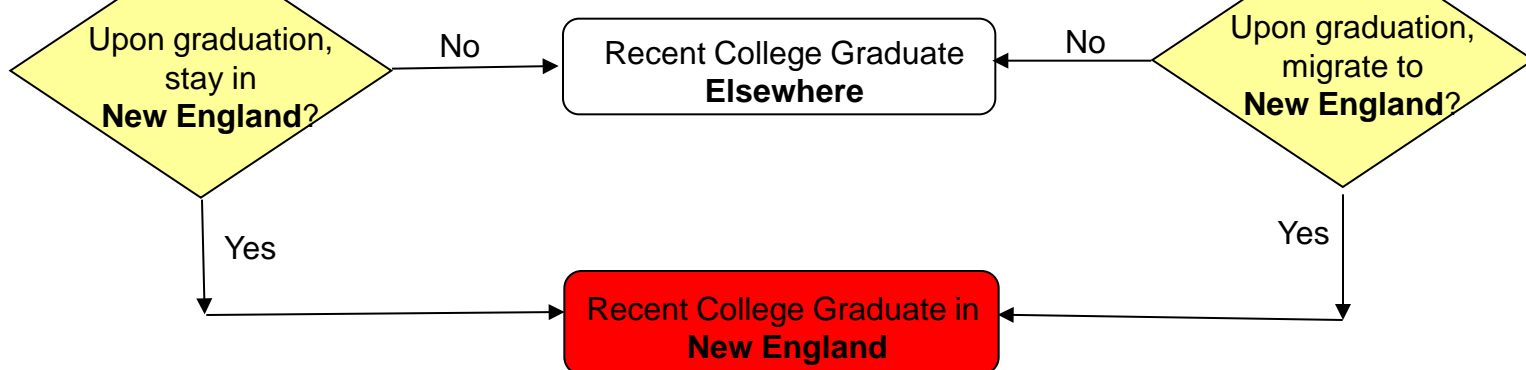
Supply of Young Adults:



Rate of Educational Attainment:



Migration Upon Graduation:



Research Questions

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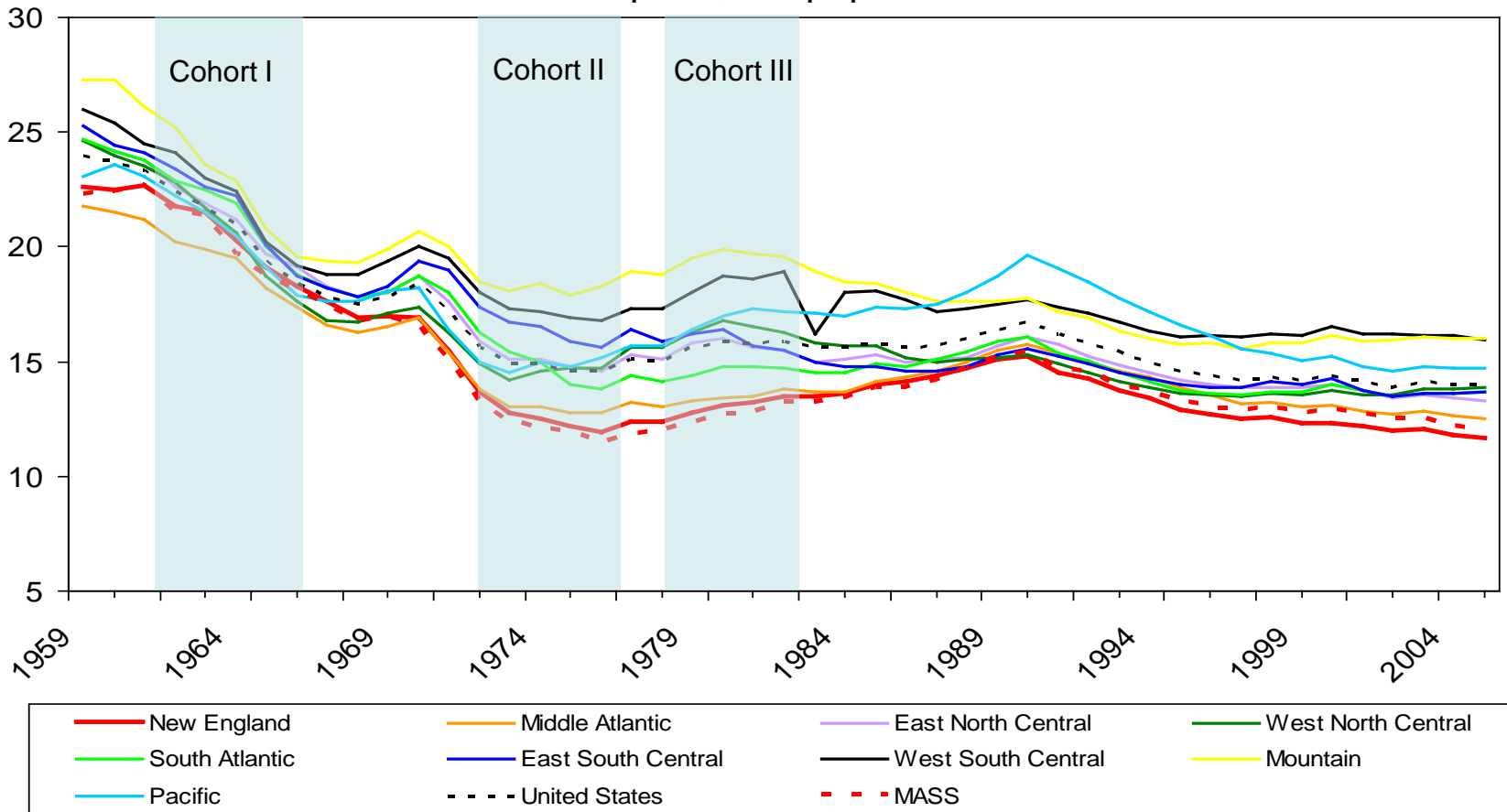
The supply of young adults fell sharply in New England during the 1980s and has been growing more slowly than the nation since then.

- During the 1970s, birth rates fell across the U.S. but more so in New England.
- The supply of native young adults fell sharply between 1980 and 1990 and has been growing more slowly than the rest of the nation since then.

New England's birth rate fell by more than a third after the baby boom, rising slowly thereafter.

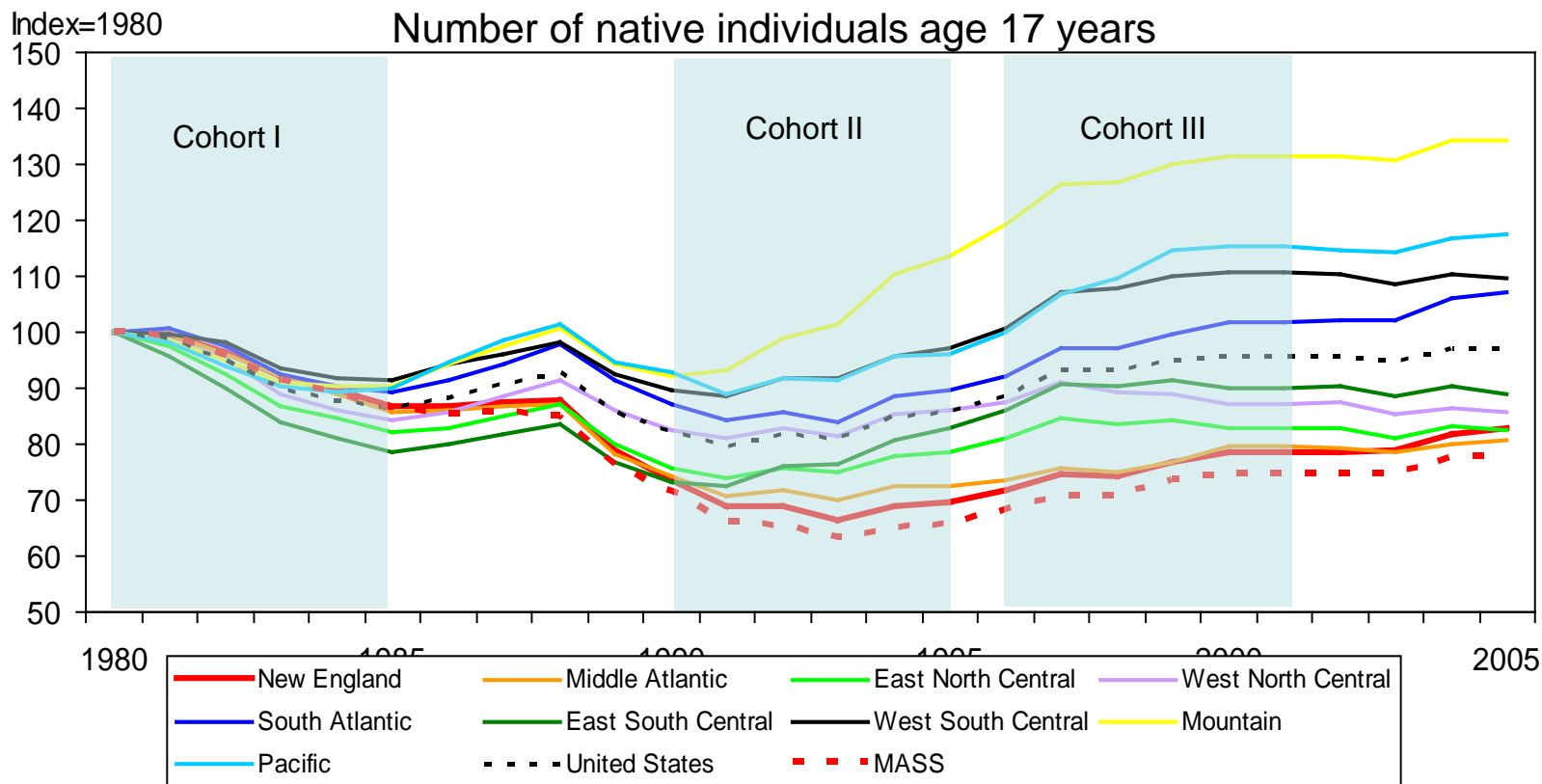
Number per 1,000

Live births per 1,000 population



Source: National Center for Health Statistics, Centers for Disease Control and Prevention.

Some 20 years later, New England had roughly 25 percent fewer native young adults of college-going age during the 1990s compared to the 1980s.

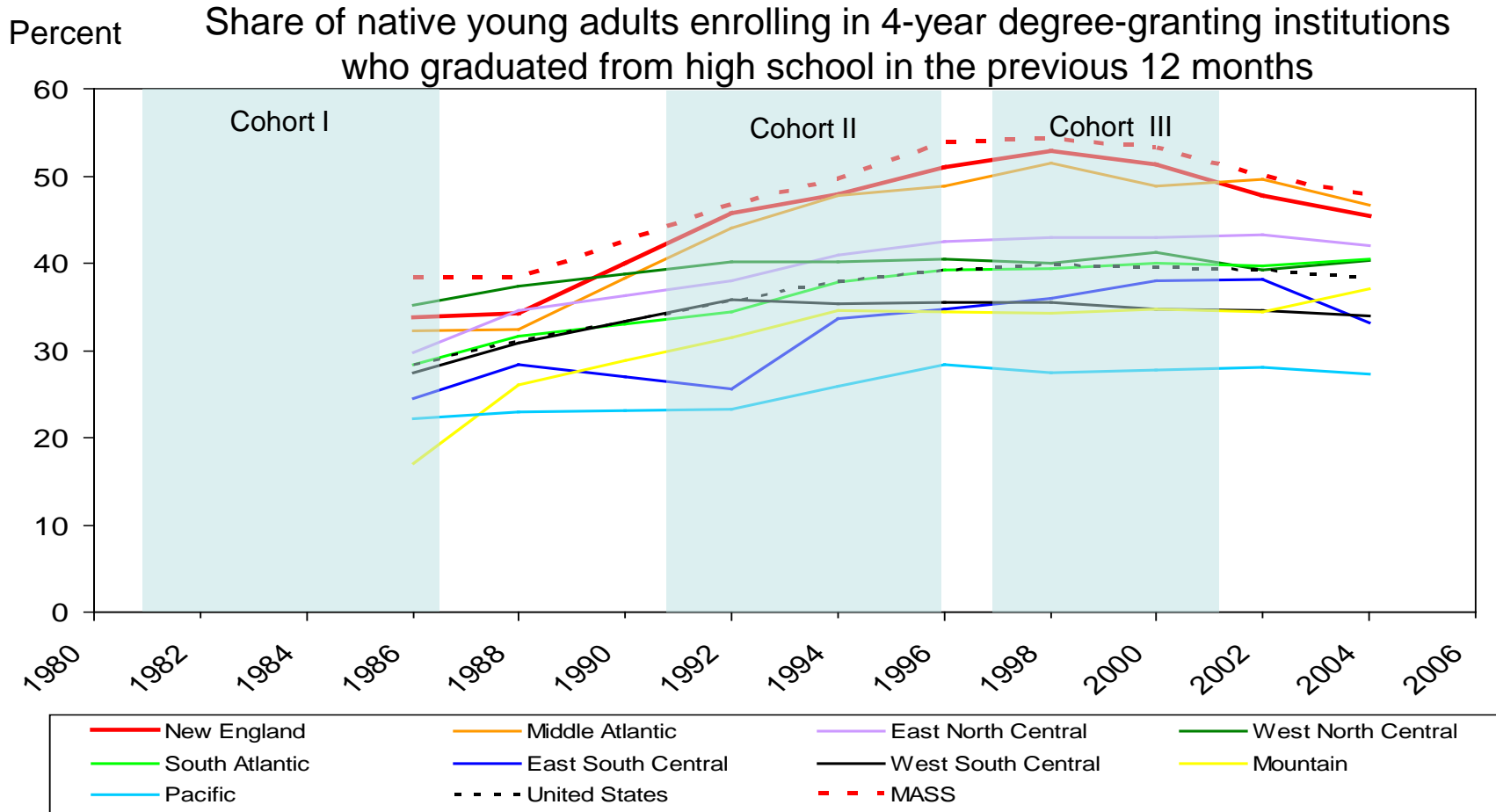


Source: U.S. Bureau of the Census, Census Population Estimates, 1980-2005.

Rising educational attainment helped New England swim against the tide of slower population growth.

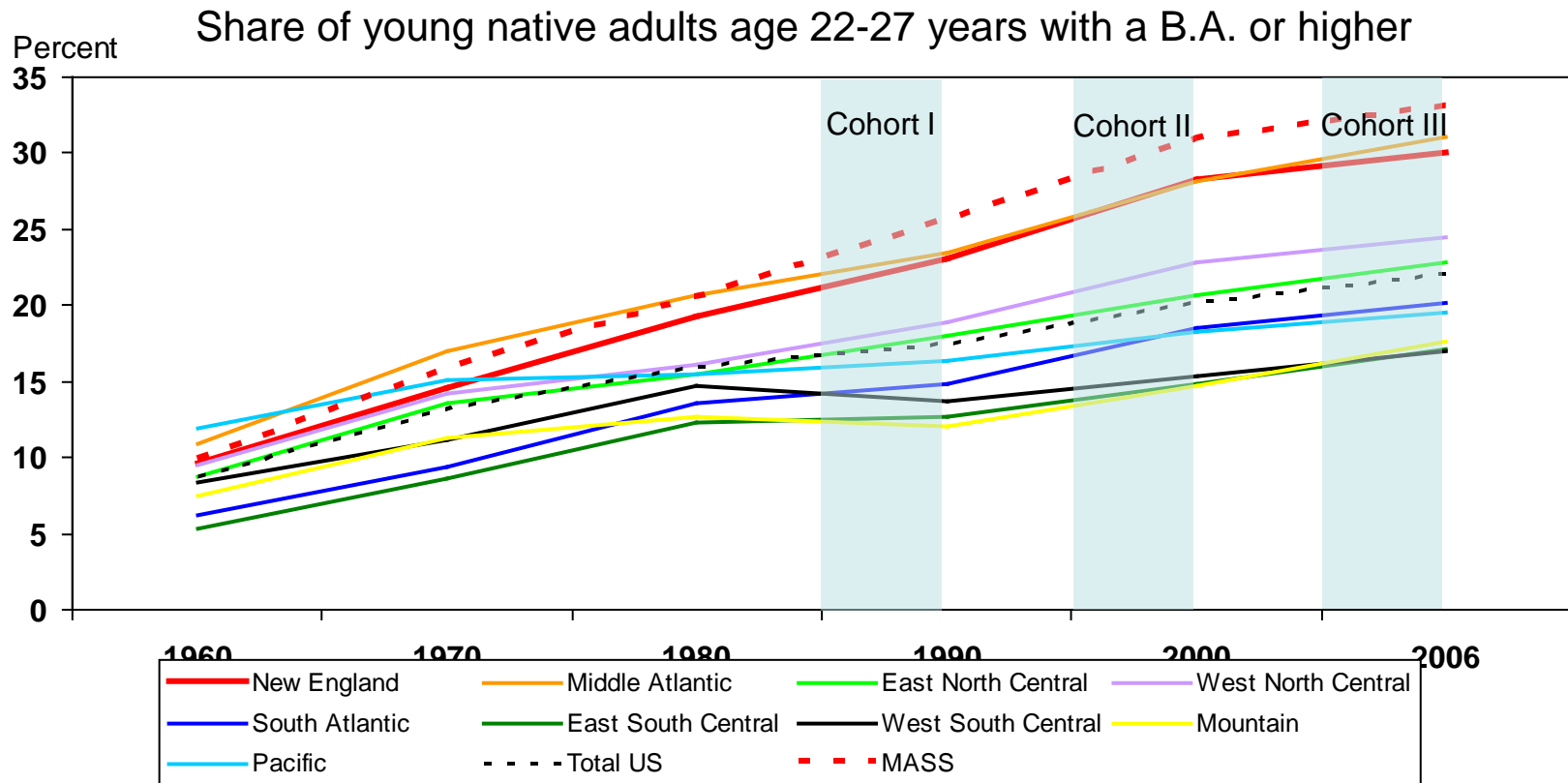
- The share of native high school graduates attending college rose more sharply in New England than most other parts of the nation.
- Educational attainment among native young adults increased more rapidly in New England during the 1990s.
- The decline in the stock of recent college graduates was not as steep because of a rising share of native young adults with bachelor's degrees.

The rate of college attendance in New England rose from roughly one-third to about one-half of high school graduates between cohorts I and II.



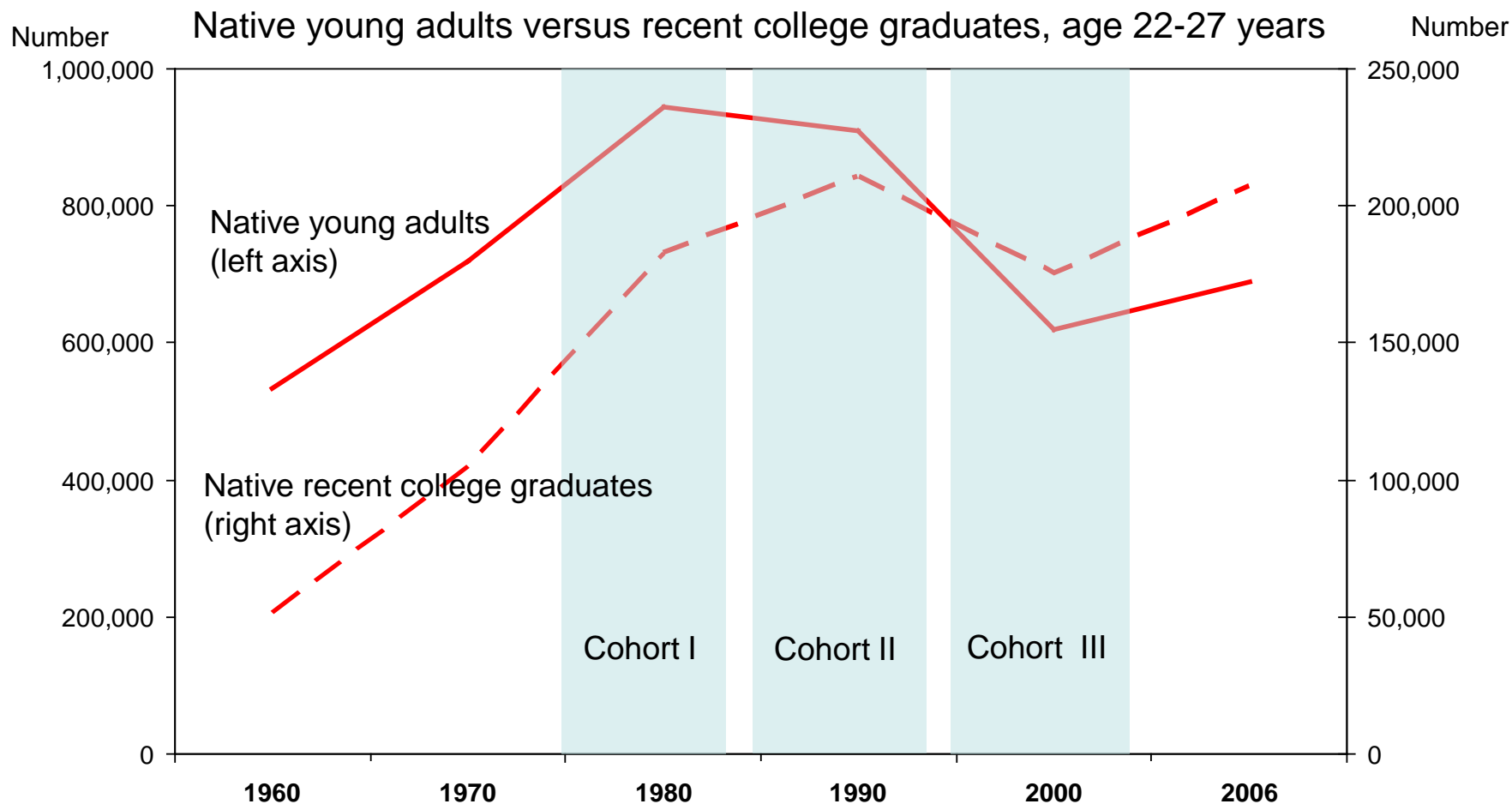
Source: National Center for Education Statistics (NCES).

By 2006, nearly one in three native young adults in New England had a BA or advanced degree compared to only one in five for the U.S. as a whole.



Sources: 1960, 1970, 1980, 1990, 2000 Decennial Censuses; 2006 American Community Survey

Despite having 25 percent fewer young adults, the stock of recent college graduates fell by only 11 percent due to a rising share of natives obtaining bachelors degrees.



Source: 1960, 1970, 1980, 1990, 2000 Decennial Census and 2006 American Community Survey.

Although migration patterns among recent college graduates changed little over this time period, the situation is more complex than it might appear.

- Typical migration rates reflect only moves made upon graduation, failing to capture the earlier in-migration of college students into New England to attend school.
- New England attracts a relatively high share of students from the rest of the country and this makes it more challenging to retain those individuals upon graduation.
- Contrary to conventional wisdom, recent college graduates leaving New England do so primarily for job-related reasons—not housing costs.

New England attracts a relatively high share of students from outside the region, who are more likely to migrate upon graduation compared to native students.

Division of Institution, Class of 2000	Share of college students who are non-natives	Share of graduates living in same region as BA institution one year after graduation		
		All Graduates	Non-Native Graduates	Native Graduates
New England	28.5%	70.5%	22.7%	91.0%
Class of 1993	29.6%	67.0%	19.8%	88.0%
Massachusetts	42.7%	60.0%	29.2%	82.9%
Mid-Atlantic	14.3%	79.9%	28.6%	88.7%
East North Central	11.6%	79.7%	18.0%	87.8%
East South Central	15.5%	72.2%	15.3%	82.8%
South Atlantic	16.2%	79.1%	29.2%	89.1%
West North Central	18.4%	74.9%	21.5%	86.9%
West South Central	9.4%	85.1%	24.2%	91.4%
Mountain	14.2%	76.4%	26.2%	84.8%
Pacific	6.0%	87.5%	32.3%	91.0%

Source: Baccalaureate and Beyond Longitudinal Survey, NCES, U.S. Department of Education.

New England's also has a relatively high share of graduates from private institutions who are more likely to migrate upon graduation than public institution graduates.

	Share of graduates who received their B.A. from a private institution	Share of graduates living in same region as BA institution one year after graduation		
		All Graduates	Private Graduates	Public Graduates
New England	56.3%	70.5%	59.2%	85.5%
Massachusetts	67.7%	60.0%	54.6%	71.3%
Mid-Atlantic	50.1%	79.9%	73.4%	86.6%
East North Central	35.2%	79.7%	74.3%	82.7%
East South Central	25.6%	72.2%	67.8%	73.7%
South Atlantic	26.0%	79.1%	71.6%	81.8%
West North Central	40.8%	74.9%	71.9%	77.0%
West South Central	23.1%	85.1%	72.5%	89.0%
Mountain	20.5%	76.4%	77.3%	76.1%
Pacific	29.7%	87.5%	82.0%	89.9%

Source: 2000/01 Baccalaureate and Beyond Longitudinal Survey, NCES, U.S. Department of Education.

The high share of students graduating from very selective institutions, who are more likely to migrate than other graduates, also lowers the region's retention rate.

Division of Institution, Class of 2000	Share of graduates who received their B.A. from a very selective institution	Share of graduates living in same region as BA institution one year after graduation		
		All Graduates	Very Selective Graduates	All Other Graduates
New England	52.4%	70.5%	55.5%	86.2%
Massachusetts	65.6%	60.0%	49.1%	84.0%
Mid-Atlantic	55.6%	79.9%	75.1%	85.1%
East North Central	13.6%	79.7%	70.1%	80.9%
East South Central	3.9%	72.2%	47.7%	71.5%
South Atlantic	50.9%	79.1%	74.4%	84.1%
West North Central	11.2%	74.9%	70.2%	75.3%
West South Central	18.3%	85.1%	82.7%	86.5%
Mountain	10.5%	76.4%	64.8%	76.6%
Pacific	31.7%	87.5%	81.8%	91.2%

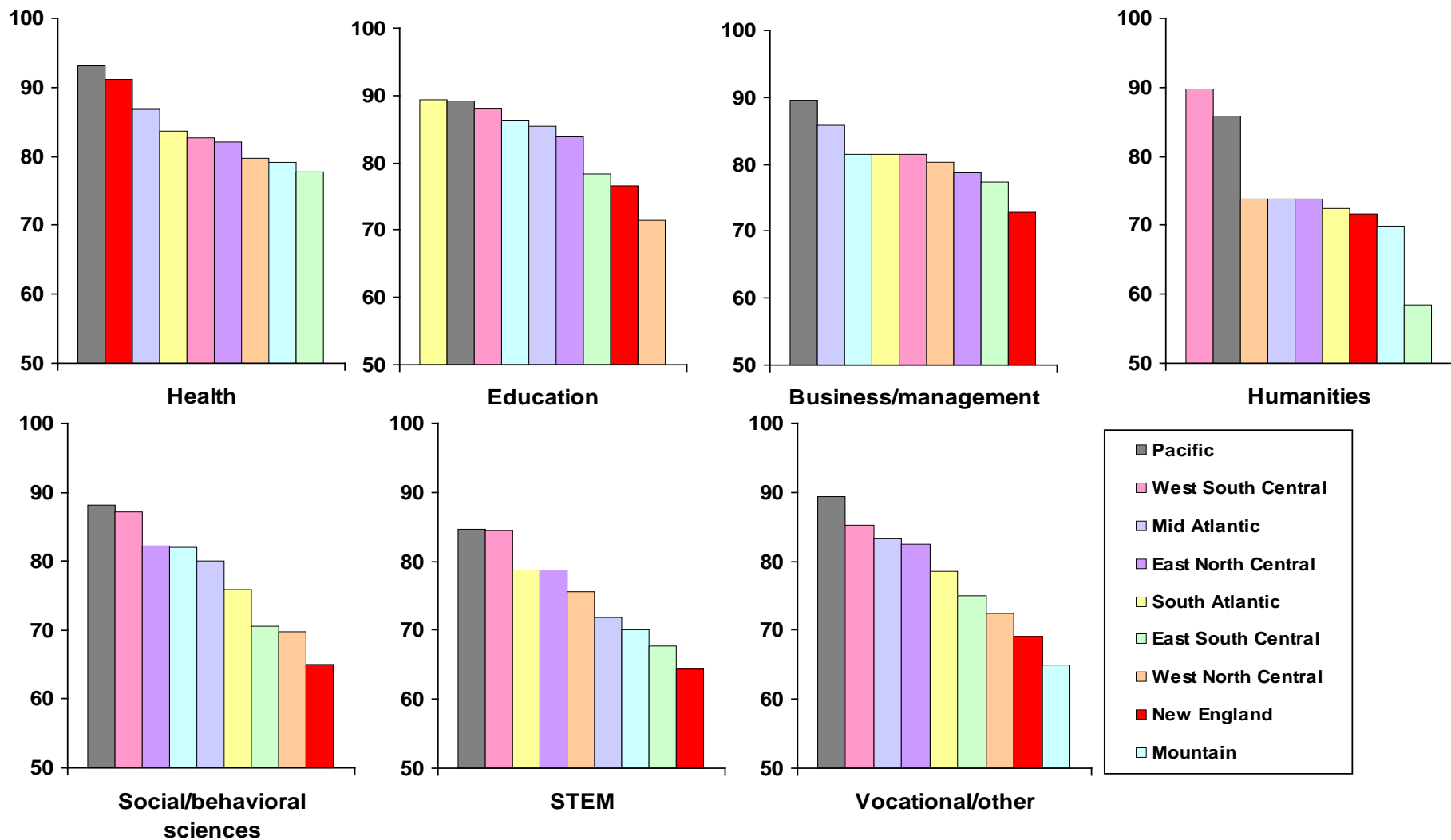
Source: 2000/01 Baccalaureate and Beyond Longitudinal Survey, NCES, U.S. Department of Education.

The share of college graduates retained for a given cohort decreases over time, but less so in New England than most other regions.

Division of Institution, Class of 2000	Share of graduates living in same region as BA institution			
	1 year after graduation	4 years after graduation	10 years after graduation	Decrease over time
New England	67.0%	62.5%	60.4%	-6.6
Massachusetts	57.9%	52.6%	50.4%	-7.5
Mid East	83.5%	79.7%	73.8%	-9.7
Great Lakes	80.9%	76.8%	72.2%	-8.7
Plains	82.9%	76.4%	72.5%	-10.4
Southeast	85.1%	82.0%	77.8%	-7.3
Southwest	85.1%	97.8%	77.8%	-7.3
Rocky Mountains	76.3%	68.9%	67.2%	-9.1
Far West	88.3%	83.2%	83.7%	-4.6

Source: 1993/94 Baccalaureate and Beyond Longitudinal Survey, NCES, U.S. Department of Education.

New England retains a relatively high share of graduates majoring in health-related fields.



Source: 2000/01 Baccalaureate and Beyond Longitudinal Study

Recent college graduates leaving New England do so primarily for employment-related reasons - very few cite housing as the motivation for their move.

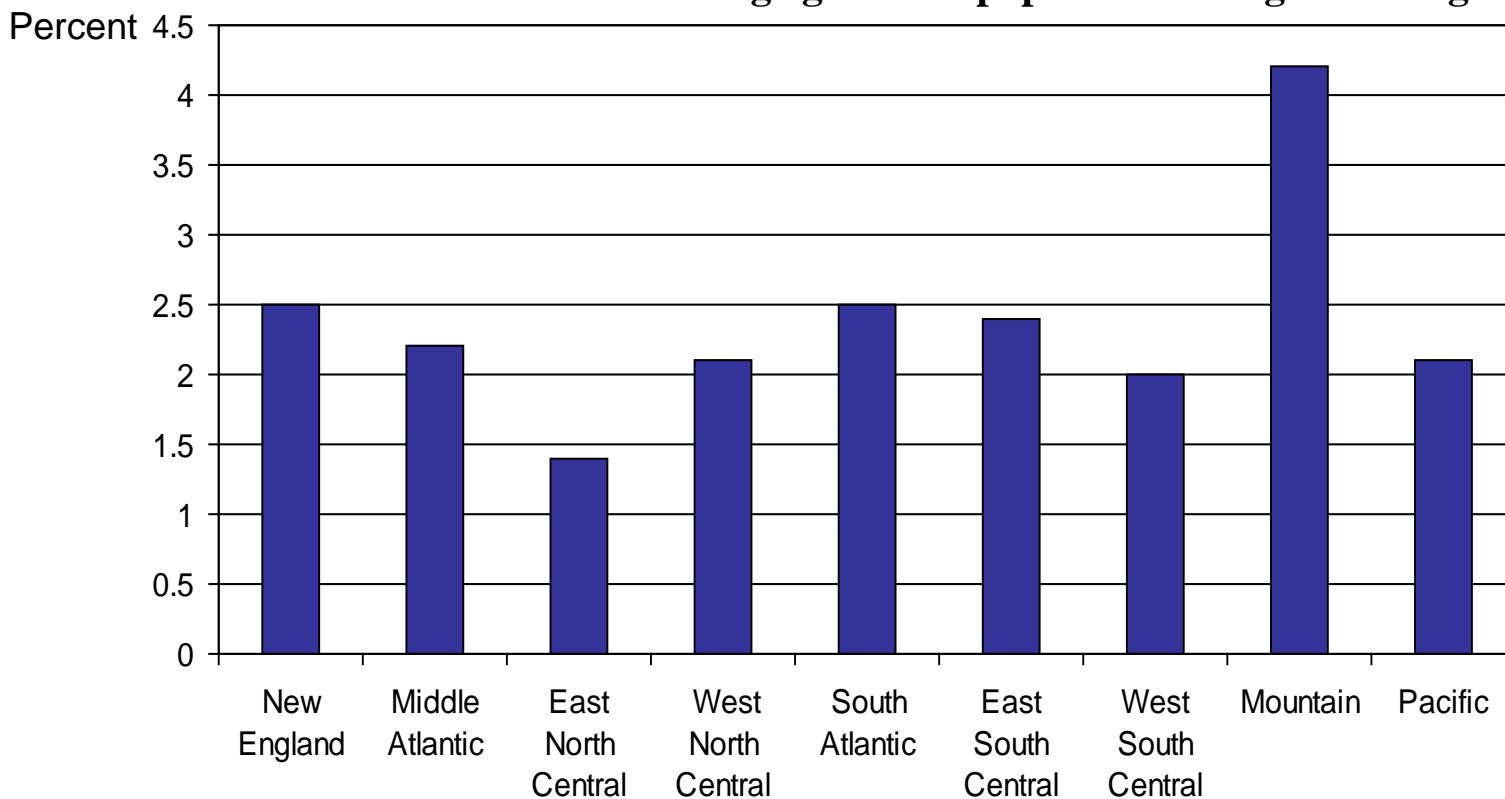
Primary reason for moving among recent college graduates by region of origin

	Employment	Other (attend/leave college)	Family	Housing
New England	49.4%	31.7%	17.0%	1.9%
Massachusetts	40.2%	46.5%	11.9%	1.4%
Mid-Atlantic	58.4%	34.0%	5.8%	1.7%
East North Central	58.4%	32.9%	7.0%	1.8%
East South Central	67.4%	28.4%	4.5%	0.0%
South Atlantic	62.2%	25.0%	10.6%	2.3%
West North Central	52.3%	33.7%	11.8%	2.3%
West South Central	66.4%	26.9%	6.4%	0.3%
Mountain	45.9%	38.1%	14.8%	1.1%
Pacific	47.8%	33.2%	12.2%	6.7%

Source: Current Population Survey, 1999-2007.

New England's ability to attract college graduates is comparable to that of most regions, once its smaller population size is accounted for.

College graduates educated elsewhere in the U.S. living in the region one year after graduation, as a share of the recent college graduate population living in the region



Source: Author's calculations Based on 2000/2001 Baccalaureate and Beyond Longitudinal Study.

Research Questions

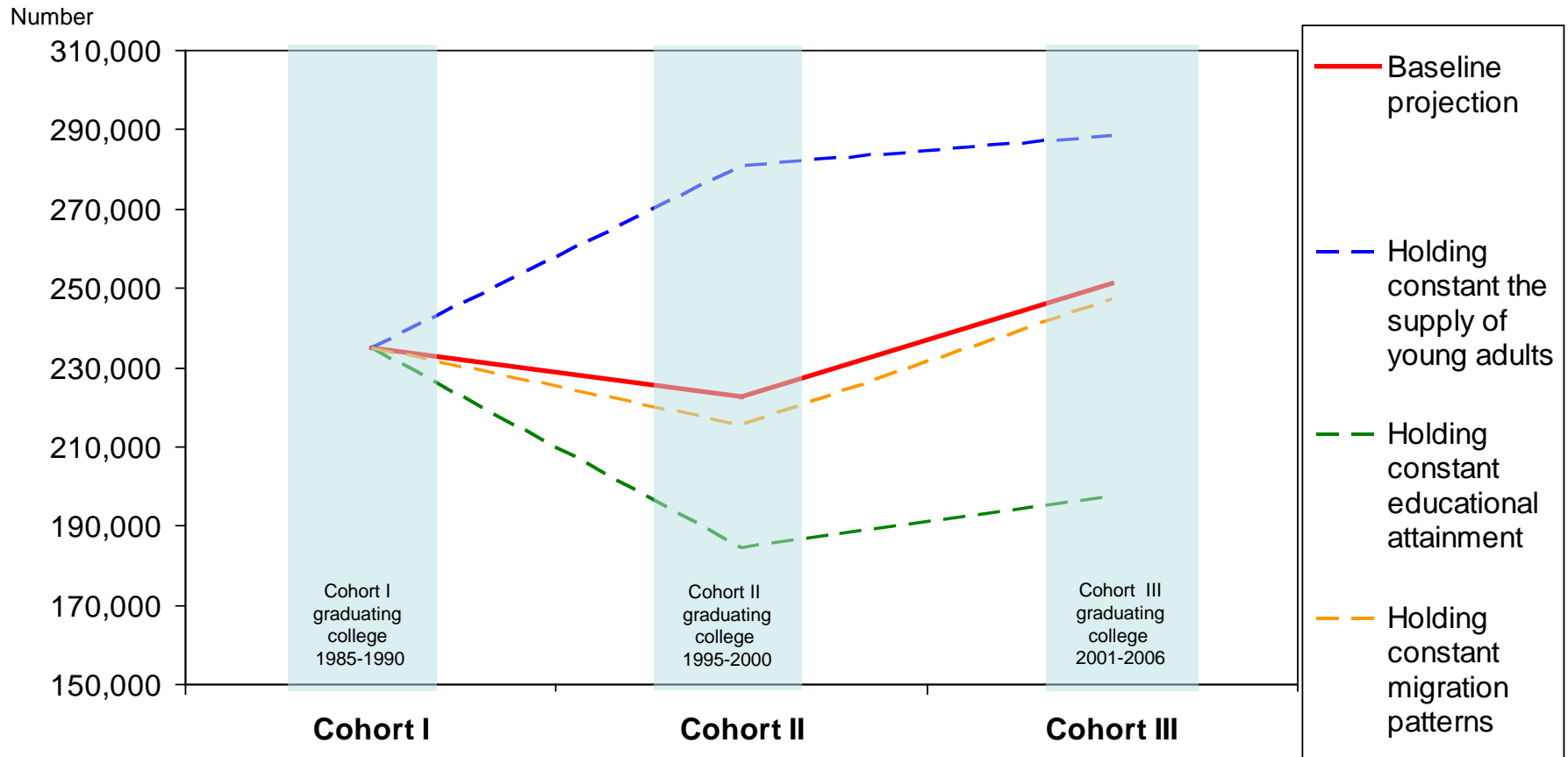
1. How have each of the three main factors changed over time?
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3. Given these findings, what are some things business leaders, policymakers, and academics can do to shore up the region's supply of recent college graduates?

Determining the relative importance of each factor can provide insight in how best to address the issue.

- Compare magnitude of changes over time for each factor
- Use these changes to estimate a baseline number of recent college graduates for each cohort
- Compare baseline projection to the number of recent college graduates under three alternative scenarios:
 - Holding the number of young adults constant
 - Holding the rate of educational attainment constant
 - Holding migration patterns constant

The majority of the sharp drop and slower growth in the number of recent college graduates is mostly due to having fewer native young adults to educate.

Projected number of recent college graduates under alternative scenarios



Source: Author's calculations based on holding steady each factor.

Should we be concerned?

- The recent college graduate population has grown more slowly in New England compared to other parts of the U.S. since 2000.
- Much of this trend can be attributed to slower natural population growth, leaving fewer young adults of college-going age.
- Fortunately, rising educational attainment has helped offset the region's slower population growth.
- But New England retains a lower share of recent college graduates than other regions—primarily because it attracts a higher fraction of students from elsewhere in the U.S. to attend school.
- Contrary to the conventional wisdom, recent college graduates are leaving the region primarily for employment-related reasons—not housing costs.

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Although migration has played a relatively small role over time, boosting retention among those educated in New England may offer the most promising strategy.

- Although expanding the supply of young adults would have the greatest impact,
 - In the short-run this means attracting more students from outside the region who have low retention rates
- Even though rising educational attainment has been a boon in the past,
 - May not be able to boost college attendance rates much further
 - As attendance has increased, completion has fallen

Some New England states are already pursuing policies to boost retention among college graduates.

- Building stronger ties between colleges and employers to better link students to jobs through internships that lead to permanent positions.
- Increasing investment in public higher education to make our state universities more competitive with prestigious private institutions.
- Branding the region to appeal to recent college graduates as a place to “work, play, and stay.”
- Providing financial incentives to offset the burden of high student loan payments for those who stay after graduation.