

JUST 1.4% POINT
GROWTH PER YEAR IN
EDUCATION ATTAINMENT
GETS LOUISVILLE
THE COMPETITIVE
WORKFORCE IT NEEDS.



FAST FORWARD
2015 REPORT



55,000
Degrees | 


KENTUCKIANA WORKS



A DEGREE OF URGENCY

The future of our city depends on having more high-wage jobs, which in turn depends on more highly skilled employees.

Louisville's **55,000 Degrees** movement is halfway through its ten-year mission to increase educational attainment in Louisville. **KentuckianaWorks**, a founding partner of **55,000 Degrees**, has stepped up to provide incisive analysis on jobs, earnings, and workforce development. These valuable data provide context and clarity to our conversation.

Skills take many forms. We must be supportive of any program that increases employability. But the data here are clear that education beyond high school, especially a college degree, remains the single best path to a good job for individuals and a growing economy for the community.

Today, as we issue this joint report on how to create a more vibrant and innovative economy, we do so with a sense of urgency that has only increased with time. Our community deserves a dynamic, growing economy — one that pairs a competitive, highly skilled workforce with challenging, high-wage jobs that can support a family.



A handwritten signature in blue ink that reads "Greg Fischer".

Mayor Greg E. Fischer
Chair, 55,000 Degrees



A handwritten signature in blue ink that reads "Mary Gwen Wheeler".

Mary Gwen Wheeler
Executive Director, 55,000 Degrees



A handwritten signature in blue ink that reads "Michael Gritton".

Michael Gritton
Executive Director, KentuckianaWorks

CONTENTS

THE BOTTOM LINE ON PAYCHECKS4

PROGRESS TOWARD EDUCATION GOAL IS SLOWING 16

MAKING A FASTER LEAP FORWARD28

The image shows the cover of a spiral-bound notebook. The cover is primarily yellow, with two large, overlapping triangles in a darker olive green color. One triangle points towards the top-left, and the other points towards the bottom-right. The text 'THE BOTTOM LINE ON PAYCHECKS' is printed in white, bold, uppercase letters across the center of the cover. On the right side, the spiral binding is visible, consisting of a series of small, dark metal or plastic rings.

THE BOTTOM LINE ON PAYCHECKS

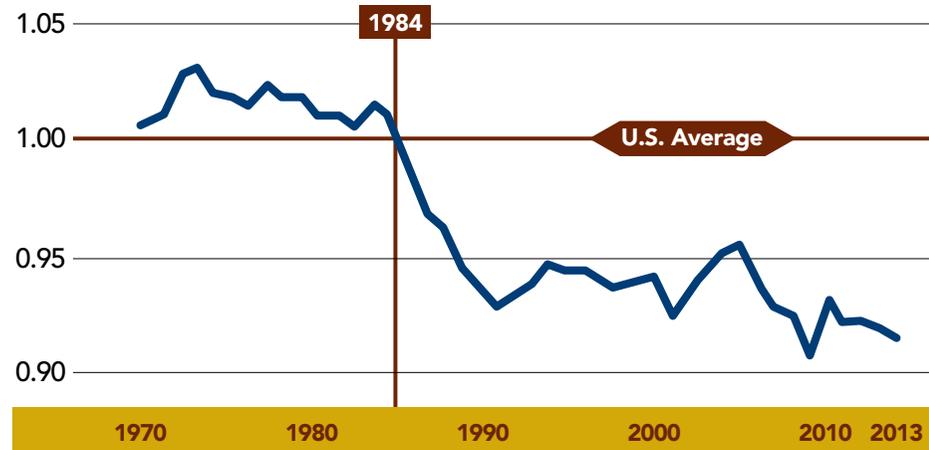
LOUISVILLE'S ECONOMY DEPENDS ON HIGH-SKILL, HIGH-WAGE JOBS

What does it take to support a family? In the Louisville region, it takes \$45,341 to support a family of four — even more with childcare costs — according to the Massachusetts Institute of Technology living wage calculator.¹

While not every job needs to support four people, a healthy economy thrives on family-supporting jobs. In the Louisville region, 70 percent of these existing jobs typically require some form of postsecondary education.²

High school level jobs used to be the backbone of the middle class, but American cities have gone through a radical transformation in the past half-century. In the 1970s and early 1980s, the average wages of workers in Louisville were above the national average. That changed as offshoring and technological disruption upended the economic picture. In 1984, Louisville's wages fell below the national average and have never recovered.³

Needing Higher Wage Jobs



Louisville's Average Wage and Salaries per Job.³



AVOIDING THE LOW SKILLS TRAP

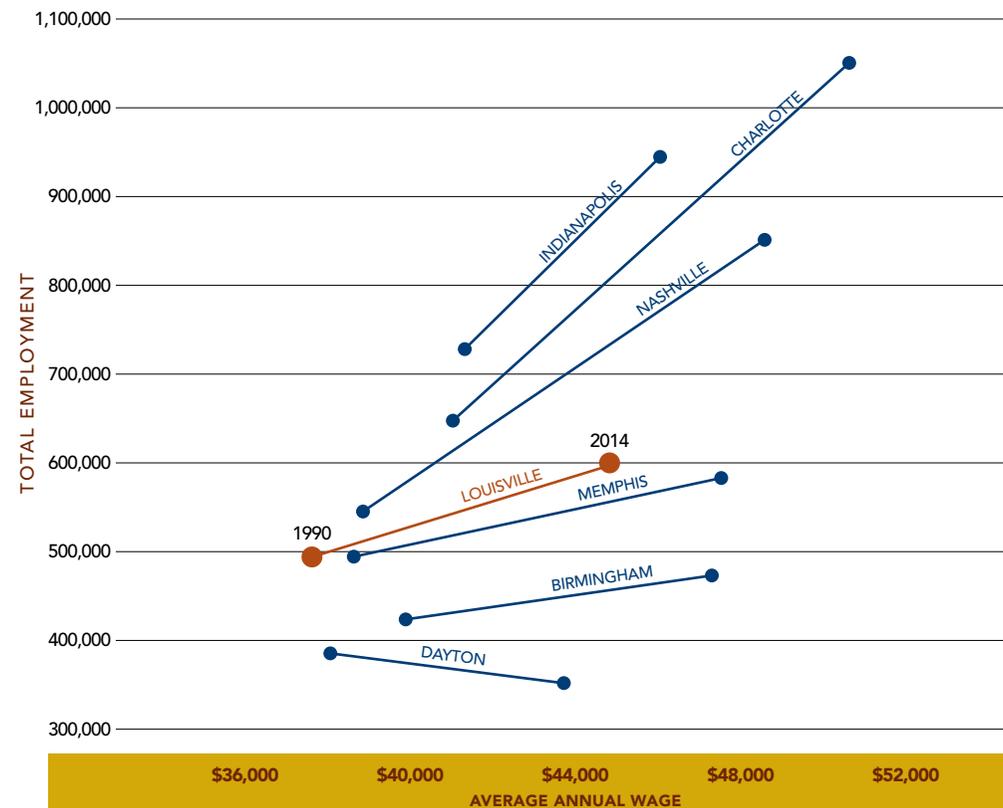
Now, like many cities in the South, Louisville faces what the Georgetown Center on Education and the Workforce calls the “low-skill trap of the Southern economy”—a downward spiral where “low demand for skill... discourages individuals and employers from developing skill from education, training, and on-the-job skill enhancement.”⁴ That negative cycle is essentially the opposite of the innovation economy we’re working to create.

On the other hand, there are some signs of promise. Louisville is not losing people. Educational attainment is rising, albeit not quickly enough. And wages and jobs are going upward, if not yet meeting our aspirations.

According to economist Enrico Moretti, there are now three kinds of cities: 1) super brain hubs—cities that are growing, attracting talent, attracting jobs, raising their educational attainment; 2) traditional manufacturing centers—cities that are losing jobs and people in a downward spiral; and 3) cities on the cusp.⁵

Louisville is on the cusp. In order to make sure the regional economy falls on the right side of this growing divide, we must carefully study the data on the interplay between wages and skills and apply new thinking and approaches to economic development. In fact, we have begun to do just that.

A City on the Cusp



In jobs and wages, the Louisville region has been growing at approximately the same rate as Memphis, and Birmingham. Meanwhile, Nashville, Indianapolis, and Charlotte have been accelerating.⁶

HITTING “FAST FORWARD” ON BETTER-PAYING JOBS

Recognizing the need to fast forward into the innovation economy, Louisville Mayor Greg Fischer this year adopted two interconnected economic goals.

The first goal is to raise the city’s median wage so that we are in the top half of peer cities by 2020. This goal will be adjusted by a cost-of-living index, to ensure that Louisvillians are truly getting ahead, not just running in place (which appears to be happening in Nashville, as the cost of living rises along with wages).

The second goal is to double the projected growth of high-skill, high-wage jobs in five of our community’s strongest industry clusters by 2024, identified in concert with Greater Louisville Inc.’s (GLI) Advantage Louisville plan. By focusing on industries where we are already strong, we can best leverage our momentum and accelerate our growth. We already expect to see 15,000 new higher-wage

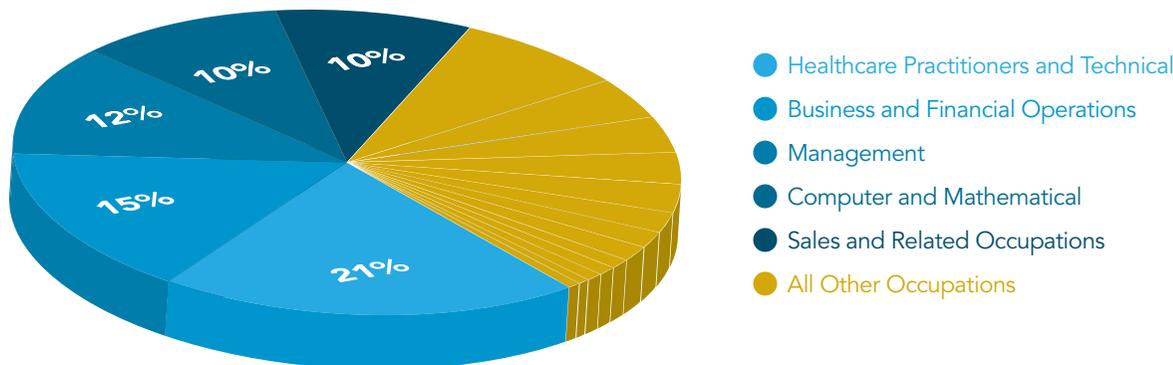
jobs by 2024 in these five industry clusters — growing that to 30,000 will strengthen those clusters and the entire regional economy.

LOUISVILLE’S FIVE TARGET CLUSTERS

- **Advanced Manufacturing**
- **Business Services**
- **Lifelong Wellness & Aging Care (often understood as “Healthcare”)**
- **Food & Beverage**
- **Logistics & eCommerce**

It’s important to understand that these clusters require a variety of skills and educational backgrounds, but current projections show 68 percent of the jobs paying a family-supporting wage coming from just five major occupation groups: Business & Financial, Computer & Mathematical, Healthcare Practitioners & Technical, Management, and Sales & Related.

68% of \$45K+ job growth projected to come from 5 job groups

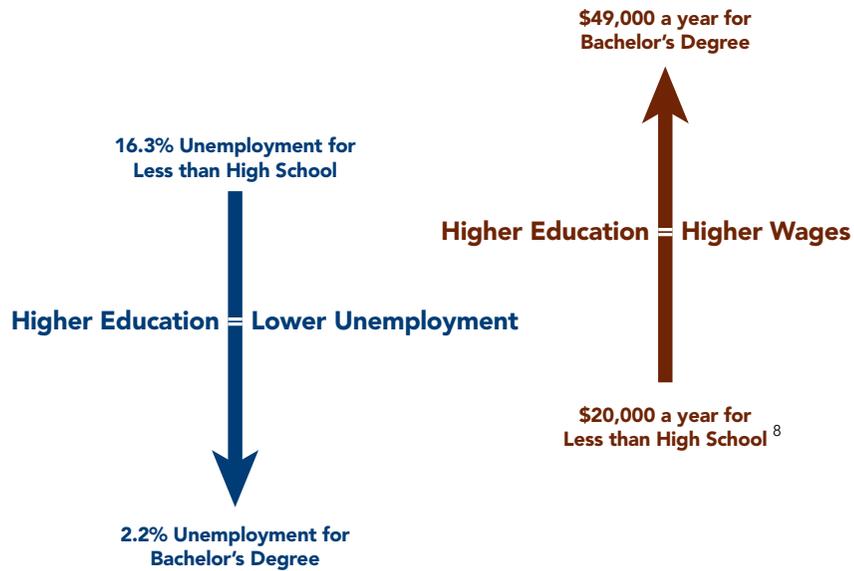


Source: KentuckianaWorks analysis based on data from EMSI Analyst⁷

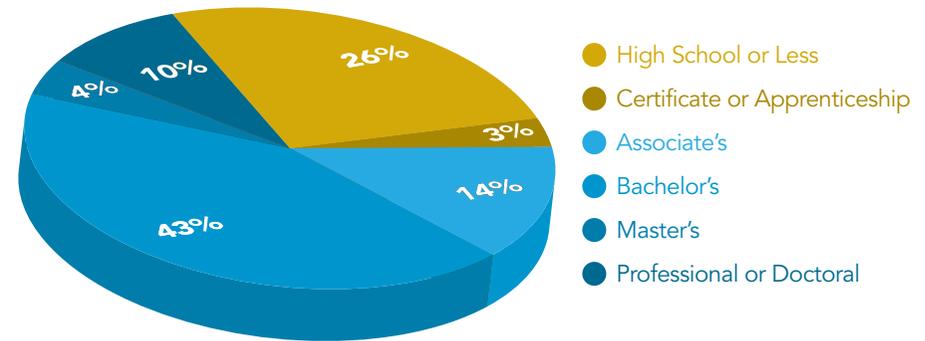
POSTSECONDARY EDUCATION IS A KEY DRIVER...

People with higher levels of educational attainment are both more likely to be employed and more likely to earn a family-sustaining wage. In fact, there is a very strong correlation between educational attainment and earnings. Looking at education levels as groups, only those with bachelor's degrees or above are, as a group, earning a family-sustaining wage. There will, of course, be exceptions, such as certain skilled trades or sales jobs. Still, a college education remains the surest way of getting to a family-sustaining wage.

This correlation between wages and education does not seem likely to change. Among the family-supporting jobs Louisville is projected to add over the next ten years, 75 percent will likely require some form of postsecondary education.⁷



3/4 of New Family Supporting Jobs Will Require Postsecondary Education

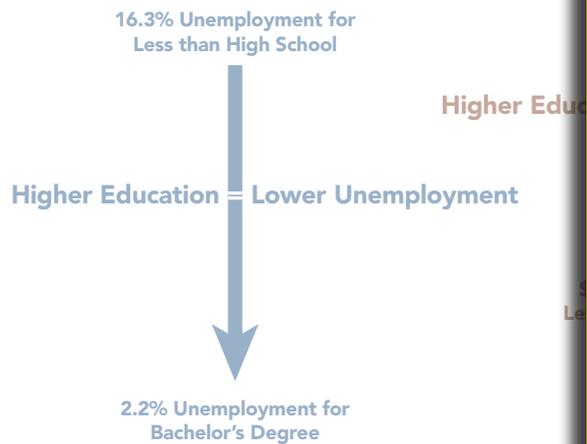


Source: KentuckianaWorks analysis based on data from EMSI Analyst⁷



POSTSECONDARY EDUCATION IS A KEY DRIVER...

People with higher levels of educational attainment are more employed and more likely to earn a family-sustaining wage. There is a very strong correlation between educational attainment and earnings. At education levels as groups, only those with bachelor's degrees are, as a group, earning a family-supporting wage. There are exceptions, such as certain skilled trades or sales jobs, but a college degree remains the surest way of getting to a family-supporting wage.



ARE CREDENTIALS A VIABLE ALTERNATIVE TO A COLLEGE DEGREE?

Credentials are becoming a bigger part of the workforce conversation, particularly to fill the so-called "middle skills" jobs. Recently, the appliance division of General Electric, based in Louisville, promoted their preference for the Certified Production Technician training as a qualification for production jobs at Appliance Park. They expect to hire 500 certified technicians in the next year and have challenged the region to increase the number of these certificates.

That kind of direct employer communication and action gives us a clear, reliable signal on a credential with real labor market value. Unfortunately, we do not have such clear indicators on most types of credentials.

We need better data to discern which credentials make a difference to wages and employability, and KentuckianaWorks is exploring whether alternative data sources, (e.g., online resumes), may be able to provide more specific data about the number and effect of credentials.



**AN EDUCATED WORKFORCE
SUPPORTS A BOOMING ECONOMY,
AND CREATES JOBS THAT
SUPPORT FAMILIES.**

WHAT ABOUT “THE SKILLS GAP”?

While some employers say they have trouble finding a skilled workforce, the available data make it difficult to say whether Louisville is over-producing or under-producing certain degrees or skill sets. Many complex variables must be accounted for — including migration of talent or jobs and the uncertainty about which career path people may take with their education.

Simply put, the data we have do not — for the most part — clearly illuminate gaps between local educational output and job growth. We need continued collaboration with employers, higher education institutions, and other community partners to collect and analyze the right data over the coming years.

However, the data we have do show that different college majors can lead to vastly different earnings outcomes. While a college graduate can expect to earn, over a lifetime, \$1 million more than a high school graduate, the gap between the lowest-earning major and the highest-earning major is \$3.4 million.¹⁰

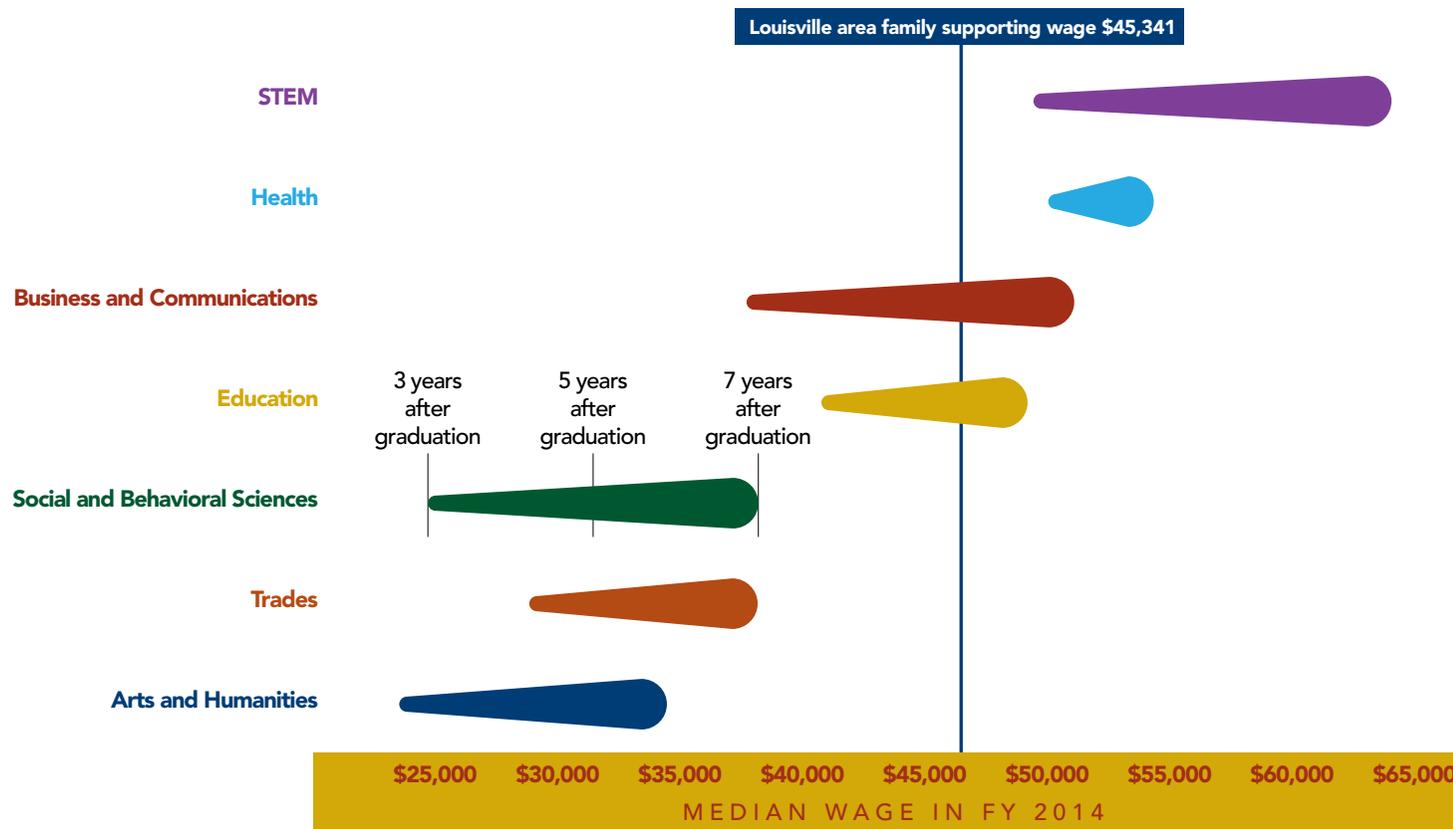
Multiple Career Paths Make It Hard to Do a Supply/Demand Analysis of Specific Majors ⁹



New data from the Kentucky Center for Education and Workforce Statistics on Louisville area college graduates indicates that some move up the wage ladder more quickly. In fact, three years after graduation, four-year degree holders with STEM (Science, Technology, Engineering, and Mathematics), Health,

Business & Communications, and Education majors earn more than those who majored in Social & Behavioral Sciences and Human Services, Trades, and Arts & Humanities. In fact, the top four major groups have higher earnings after three years than the bottom three groups have after seven years.¹¹

Some Majors Earn More Out of the Gate

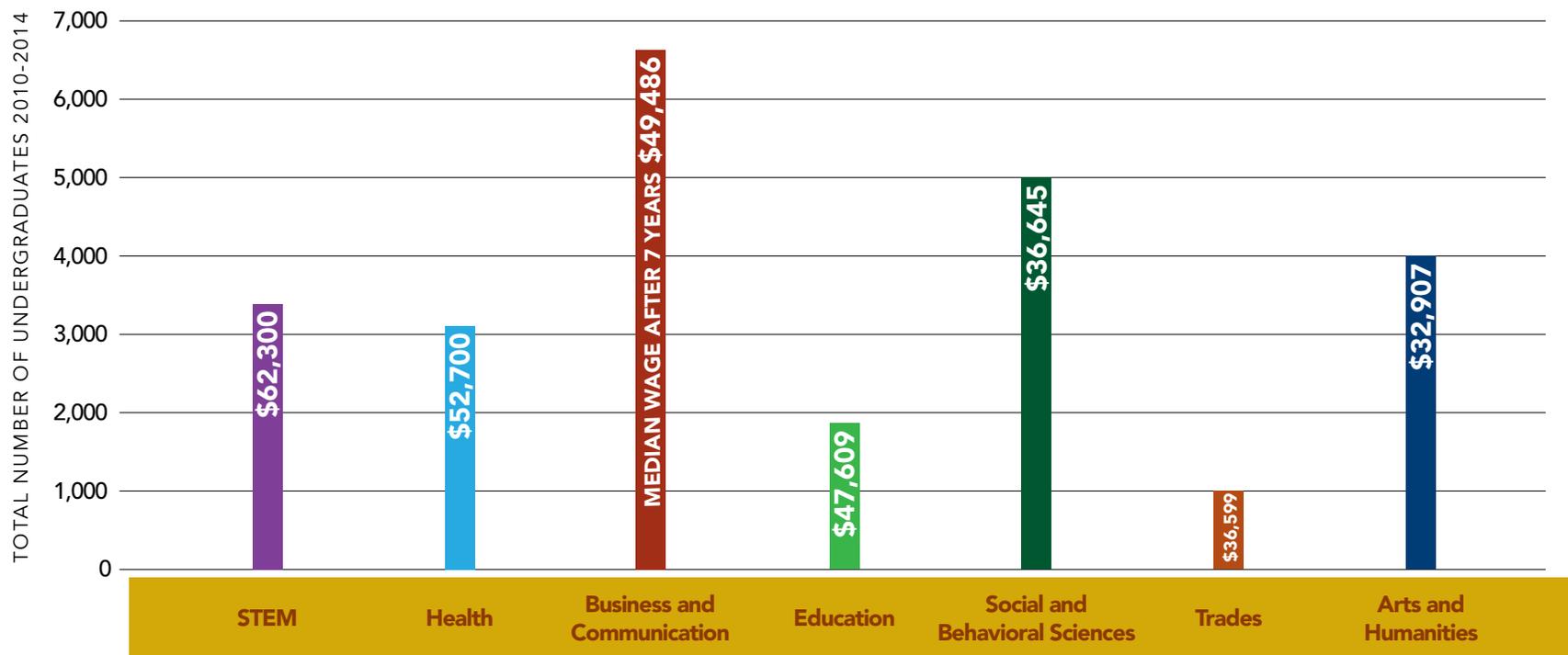


The bottom three groups of Louisville area graduates who are working in Kentucky 3, 5 and 7 years after graduation have lower median earnings after seven years than the other four groups have after three years. These are bachelor's graduates who did not go to graduate school within the timeframe.¹¹

The decision of what to major in has both personal and practical considerations, all of which must be balanced differently for each person. Earnings are just one part of the equation. But information about the return

on investment of different types of education and different types of degrees, can help students make the best choice for them — one that balances their interests and economic aspirations.

The Most Popular Louisville Area Majors Aren't Always the Best Paying



The most popular majors aren't always the best-paying. Business & Communications is the most popular major and the 3rd-highest-paying. But STEM and Health majors – the 1st and 2nd best-paying – fall behind Social & Behavioral Sciences and Arts & Humanities, which are the 5th and 7th major groups by wages (out of seven).¹²

THE PATH FORWARD

As the Georgetown Center on Education & the Workforce notes, breaking out of the low-skill trap “is no small feat.”⁴ It requires coordinated strategies to modernize existing industries, attract new ones, and raise postsecondary educational attainment. And these coordinated strategies require good information.

More than ever, we are using labor market intelligence to help policymakers and the public make more informed decisions on higher education.

These data are shining a light on the path forward: placing bets on our target industry clusters, supplying talent in key major occupation groups (either through degree production or talent retention and attraction), and highlighting the degrees most likely to lead to family-supporting wages.

PROGRESS TOWARD EDUCATION GOAL IS SLOWING

HOW ARE WE DOING IN REACHING THE 2020 GOAL?

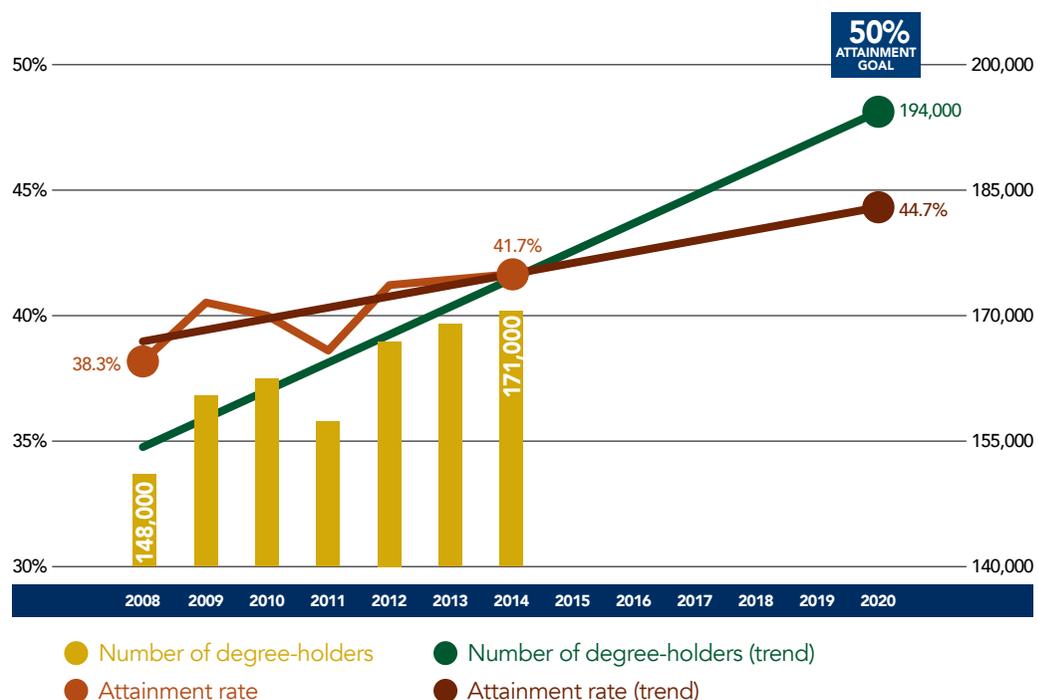
The analysis in the previous section shows that city leaders were on target in 2010 when they launched 55,000 Degrees with an ambitious goal: hitting a 50 percent college attainment rate in Jefferson County by 2020 — 40 percent or 40,000 more bachelor’s degrees and 10 percent or 15,000 more associate degrees. With postsecondary education increasingly linked to high-wage, in-demand jobs in the target sectors we want to grow, the 55K partnership met in June and reaffirmed its dedication to the goal as a way forward for our city.

So how are we doing?

There has been undeniable progress in Louisville’s education outcomes since 2010. High school graduation rates have increased in recent years.¹³ At the same time, the percentage of Jefferson County students graduating ready for college and/or a career has skyrocketed.¹⁴ Local postsecondary institutions are also awarding more degrees and credentials than ever,¹⁵ and they are graduating a higher percentage of the students they enroll.¹⁶ **And we are at a record high for degree attainment — 41.7 percent in 2014.** This represents an additional 23,337 degrees added to our working-age population since 2008.¹⁷

There are signs that progress is slowing. After some big ups and downs, **this is the second year in a row in which the city’s attainment rate grew by only 0.2 percentage points.** Also, the number of adults with an associate or bachelor’s degree in Louisville fell. This decline was balanced by the significant growth in graduate or professional degrees — mostly amongst 25-34 year olds. Their presences in Louisville will be key to our future success.

Louisville’s Education Attainment Stagnating



Jefferson County Education Attainment, Associate and Higher 2008-2014¹⁷ and Projections 2015-2020¹⁸

These numbers point to stagnation in our educational progress. At our current pace, Louisville will only reach 44.7 percent degree attainment by 2020, below the 50 percent goal.¹⁸ In short, our progress is stagnating. That’s not good enough — not when the stakes are so high.

WHERE ARE LEAKAGE POINTS?

Since the initiative began, city leaders have focused on areas where we are losing potential college graduates. We lose students who:

1. Don't graduate from high school or don't graduate "ready" to go on to college,
2. Graduate high school, but don't enroll in college or
3. Enroll in college, but don't complete their studies.

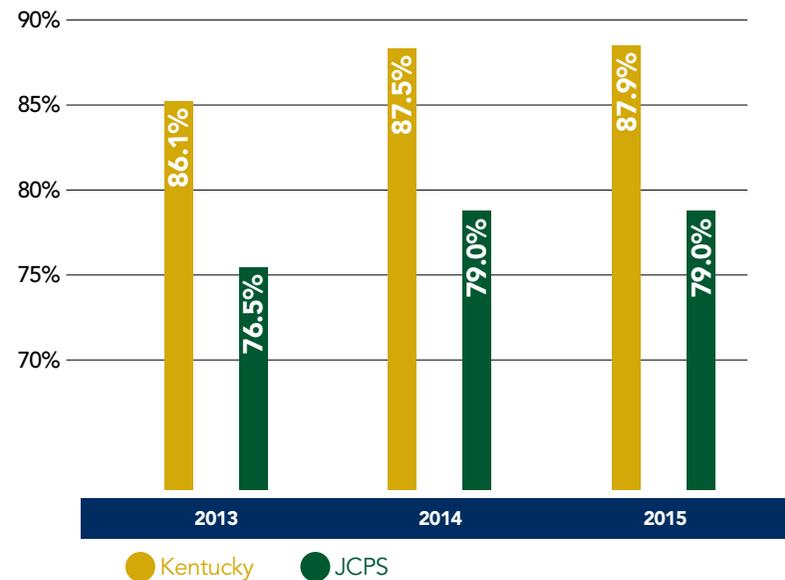
How are we doing in improving these "student success" indicators?

HIGH SCHOOL TO COLLEGE LEAKS CLOSING

With a high school diploma as the entry point for almost any successful career path, the local secondary education system is a crucial part of the talent pipeline. In particular, Jefferson County Public Schools (JCPS) represents about 80 percent of Jefferson County's K-12 students,¹⁹ which makes it a good population to study for trends that will affect our future labor market supply.

The good news is that high school graduation rates for JCPS are increasing. But the rate of increase is leveling off and still falls below state graduation rates. Even with the recent increase, the class of 2015 lost more than 1,500 students.¹³ That's too many people facing grim economic prospects.

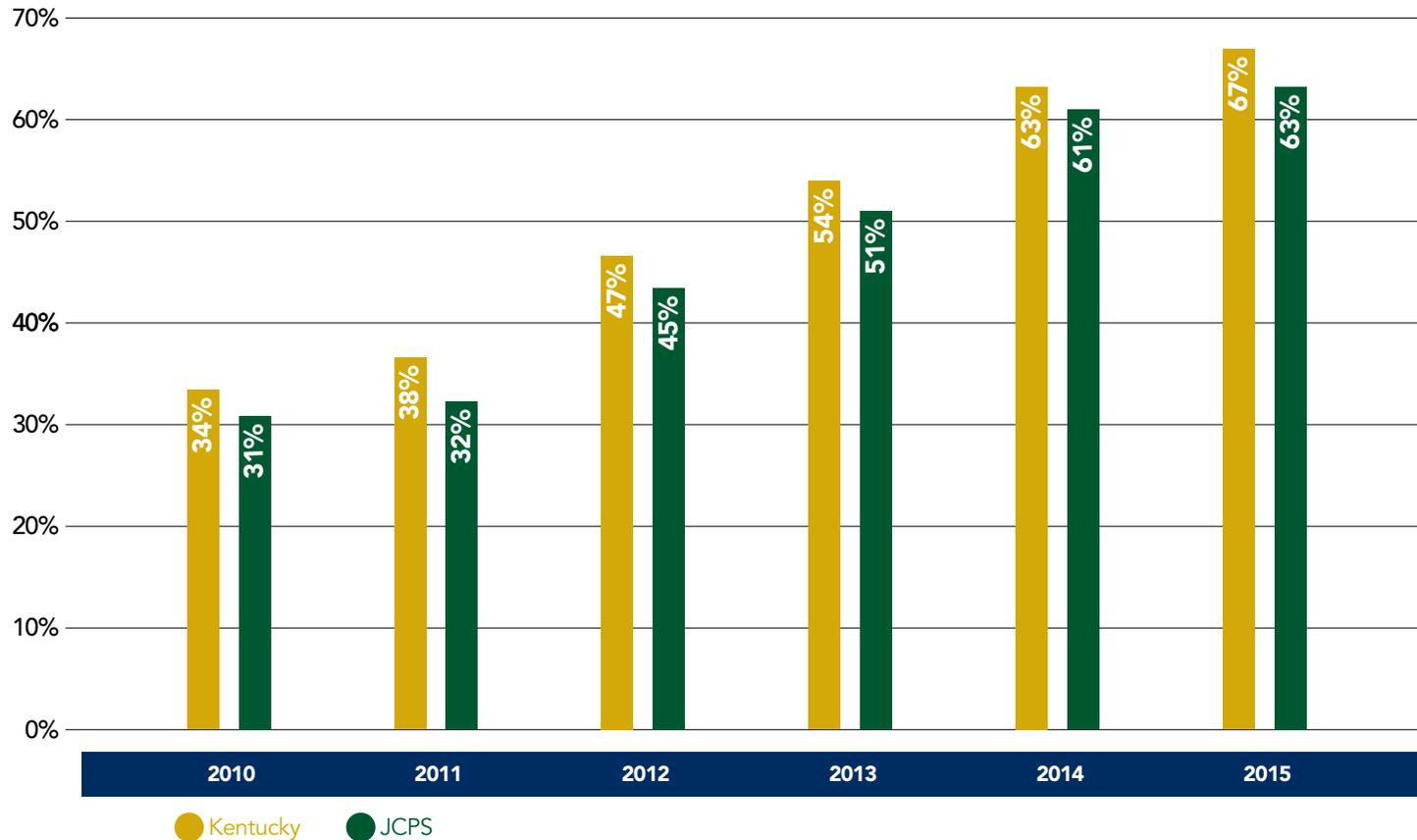
High School Graduation Rate Up But Leveling Off



Kentucky and JCPS High School Graduation Rates 2013-2015¹³

Graduating more students is one thing but graduating more prepared students is another. In recent years, JCPS has greatly improved in this area. Between 2010 and 2015 the percentage of JCPS students who were deemed college and/or career ready (CCR) leapt from 31% to 63%. In that time, the district averaged a 6.4% point increase annually in CCR. In 2015, 63% of JCPS graduates were CCR.¹⁴ This continued progress is welcome news. Moreover, it's a hopeful indicator of increased college-going — “ready” students at JCPS went to college at nearly twice the rate as those who were not ready.²⁰

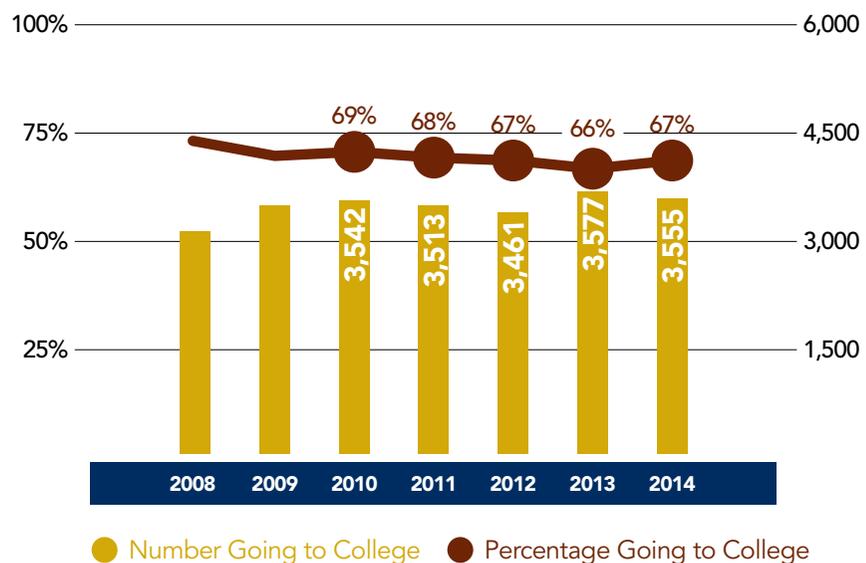
Readiness of Graduates Grows Yet Again



Kentucky and JCPS College and/or Career Readiness rates 2010-2015¹⁴

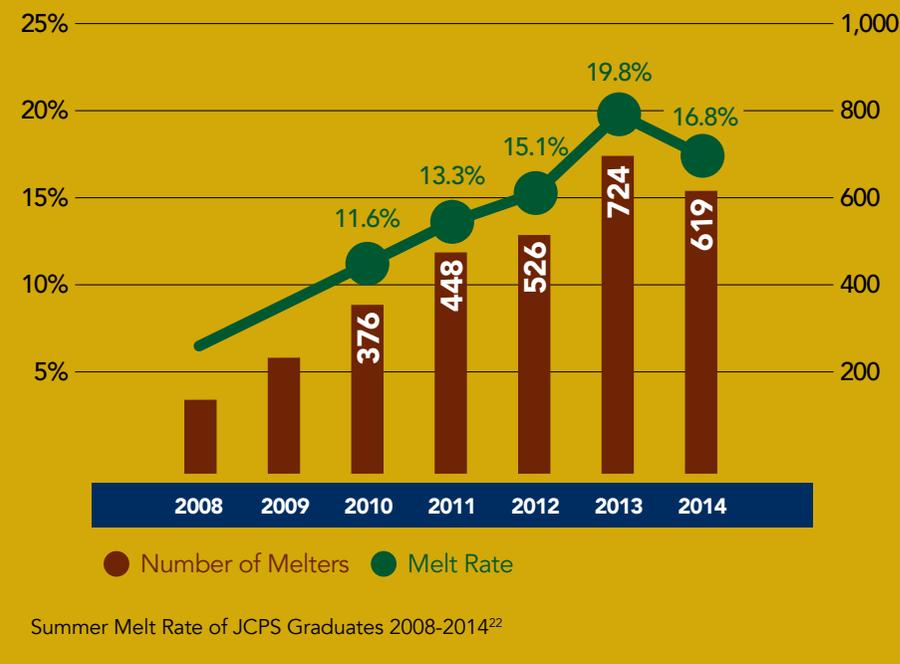
To ensure a secure economic future, most high school graduates need to continue their education and training. This past year, the percentage of JCPS and Archdiocesan graduates who enrolled in a postsecondary institution nudged up 1%, reversing a five year downward trend.²¹ While any progress is preferable to moving backward, the modest gain here continues the theme of stagnation. We must accelerate improvement to reach our goal.

Five Year Decline in College-Going Rate Comes to an End



JCPS College-Going Rate of Graduating Seniors 2008-2014²¹

Big Drop in JCPS Summer Melt Rate is Encouraging



Summer Melt Rate of JCPS Graduates 2008-2014²²

One encouraging sign is our success in mitigating “summer melt” — the phenomenon in which students who indicate an interest in college (by applying for financial aid) but do not actually enroll. In 2014, summer melt decreased by 3% points; down from 19.8% to 16.8% in just one year and reversing a five-year upward trend.²² This is a significant turnaround and an indication that one of the most critical leaks in our pipeline may be starting to close.

FOR-PROFIT SCHOOLS CHALLENGED, AFFECTING CAPACITY TO ACCELERATE COMMUNITY OUTPUT

Nationally, for-profit schools are at a crossroads — plagued by questions of cost and quality and subject to state and federal investigations. Last year alone, enrollment at for-profit schools in Louisville dropped by nearly 16 percent.²³ Similarly, an 11 percent decrease in for-profit degree completions dragged down overall growth despite positive growth of non-proprietary institutions.¹⁵

This situation highlights the value of good consumer information for students when selecting majors or institutions. While many for-profit schools offer quality programs, prospective students should consider the “return on investment” in terms of transferability of credit and average earnings of graduates. Regardless of questions of quality and cost, however, these data raise concerns as to the capacity of the rest of the system to fill the void left by the for-profit industry.

INS

Students Need Remediation Each Year

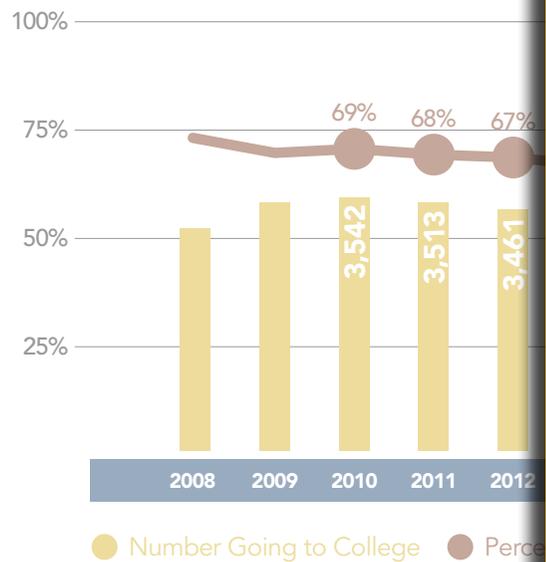


need of remedial coursework 2010-2013 and percentage of remedial Math, Reading, or English courses.²⁶

who pursue postsecondary education are deemed remedial. For example, a significant and consistent portion of students at Community and Technical College (JCTC) need remedial coursework. This raises questions about whether the CCR measure is a good indicator of student readiness for. Given the potentially dire consequences of remedial coursework, extra expense and, worst of all, incomplete remediation, it is imperative to address this issue.

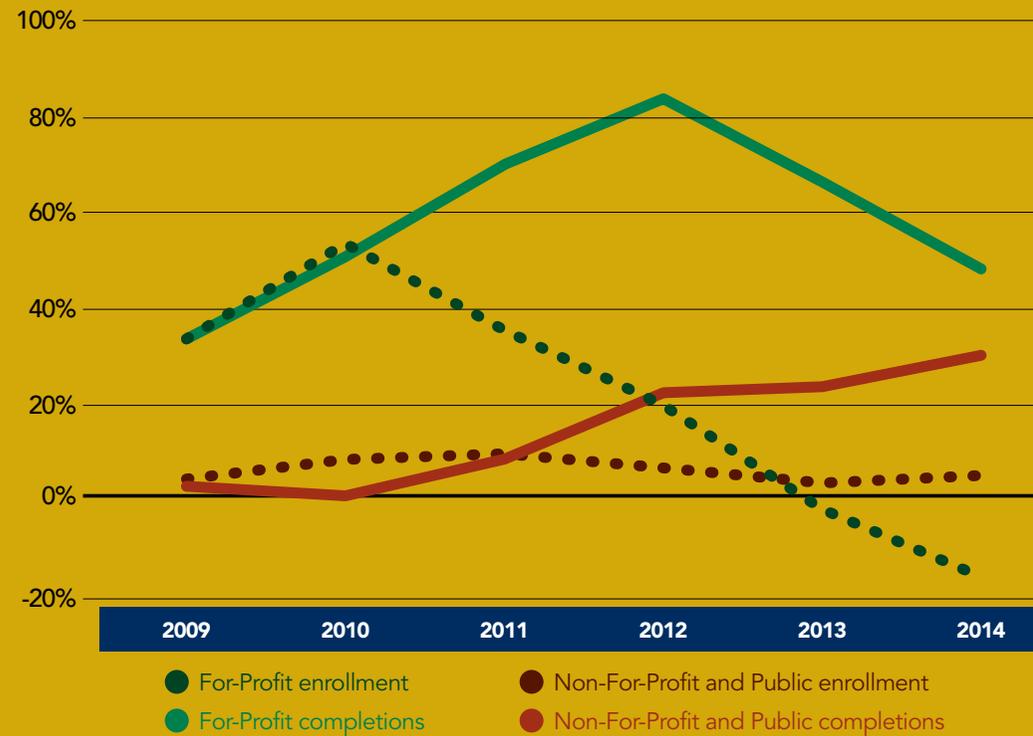
To ensure a secure economic future, most high school graduates must continue their education and training. This past year, the percentage of Archdiocesan graduates who enrolled in a postsecondary institution nudged up 1%, reversing a five year downward trend. While preferable to moving backward, the modest gain is a sign of stagnation. We must accelerate improvement.

Five Year Decline in College-Going Rate Comes to an End



JCPS College-Going Rate of Graduating Seniors 2008-2014

For-Profit Schools Negate Positive Trend for Enrollments and Completions



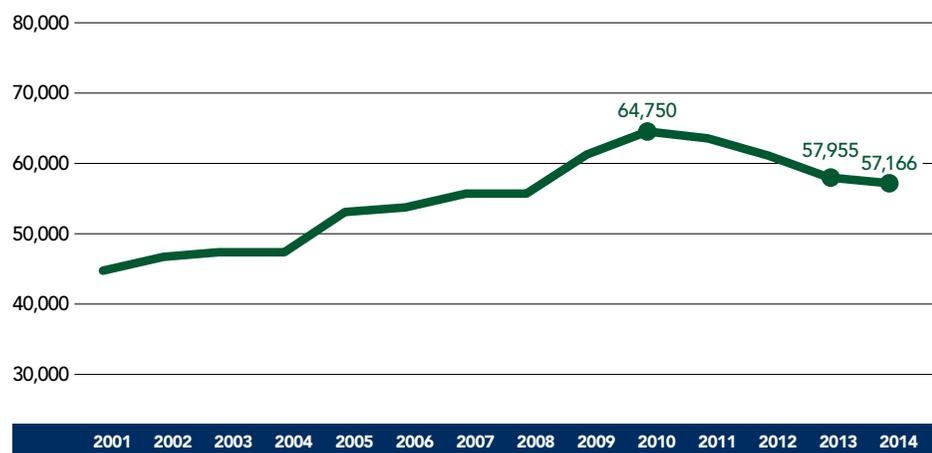
Percentage change, since 2008, in Enrollment²³ and Completions¹⁵ by Institution Sector

POSTSECONDARY INDICATORS MIXED: CAUTION SIGNS AMIDST SUCCESSES

Despite all this positive movement, enrollment at Louisville-area postsecondary institutions has been falling since 2010 – five years in a row. The result of this is a 12% decline in fall enrollment since 2010.²³ The decline mirrors a national downward trend in undergraduate enrollment.²⁴ This is partly because of the improving economy. (Many people responded to being laid off during the recession by going back to school.)²⁵

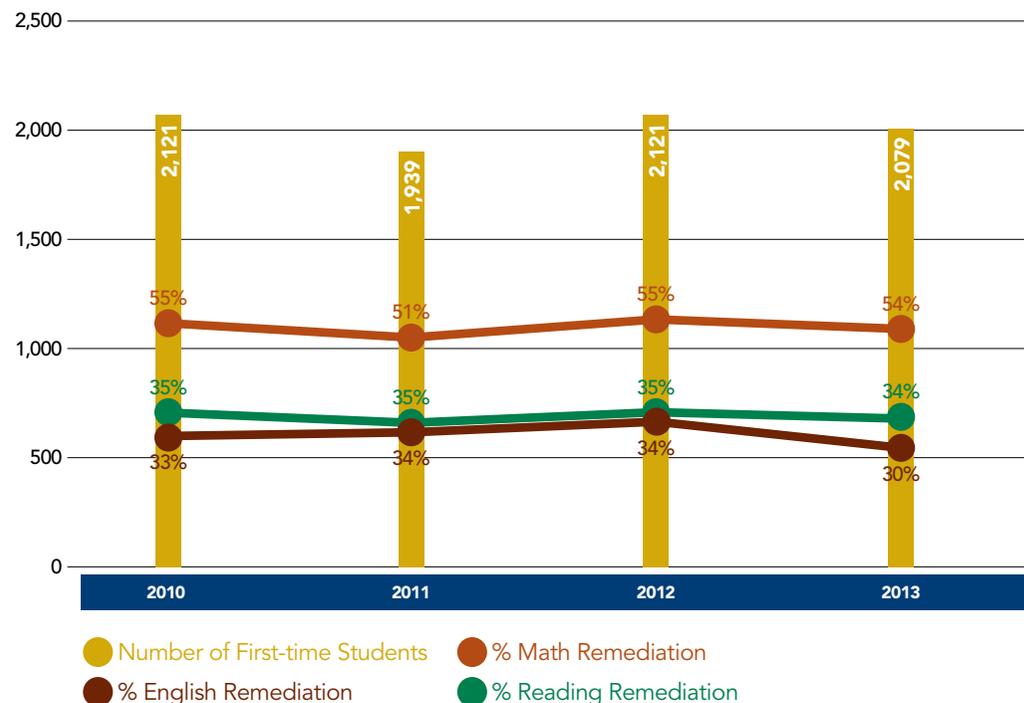
Local data also show a major contributor to be the declining enrollment at for-profit schools,²³ discussed below. With college costs rising, there is even more reason to be concerned about long-term enrollment trends.

Postsecondary Enrollment on Decline Since 2010



Fall Enrollment in Louisville-area Postsecondary Institutions 2001-2014²³

Approximately 1,000 Entering JCTC Students Need Remediation Each Year



Number of first-time JCTC students 2010-2013 and percentage of first-time students in need of developmental Math, Reading, or English courses.²⁶

Unfortunately, many students who pursue postsecondary education are deemed academically underprepared. For example, a significant and consistent portion of students entering Jefferson Community and Technical College (JCTC) need remedial coursework²⁶ — raising questions about whether the CCR measure matches what colleges are looking for. Given the potentially dire consequences of not being ready — delays, extra expense and, worst of all, incomplete degrees — we must continue to address this issue.

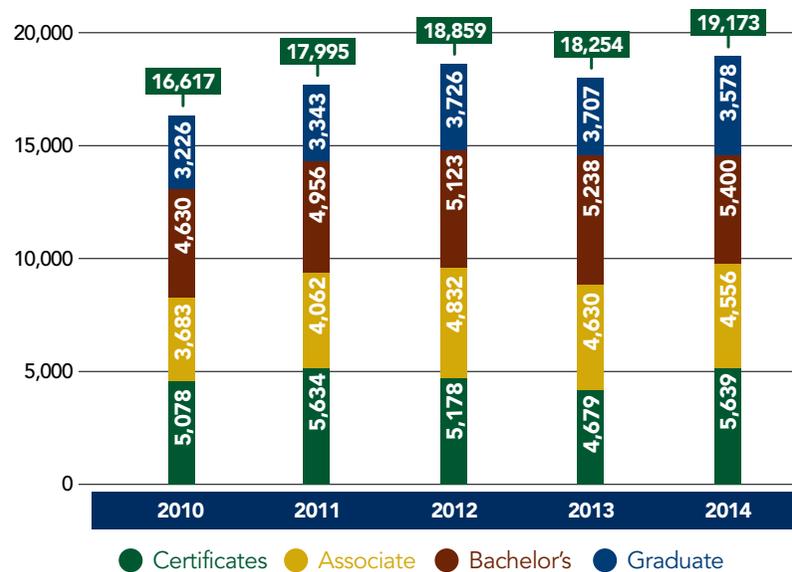
Degree Completions, Graduation, and Persistence

Enrolling in college, and in credit-bearing courses, is not the goal, however. Completing the degree is the goal. Here again, the picture is mixed.

In 2014, Louisville-area institutions awarded the largest number of associate and bachelor's degrees in our city's history — 20% more than the annual production in 2010. This appears promising, but the truer story is that growth in degree completions has come to a screeching halt. The 9,956 associate and bachelor's degrees awarded in 2014 was an increase of only 88 degrees, or less than 1% over 2013 and bests the previous high of 9,955 set in 2012 by only one.¹⁵

Degree completions have increased from 8,313 in 2010 to 9,956 in 2014, but growth has leveled off since 2012.

Increase in Completions led by Certificates and Bachelor's Degrees



Postsecondary Degree and Credentials (Less than 2-Year) Completions 2010-2014¹⁵

Some of these new graduates are part of a one-year five percent increase in the overall number of degrees and credentials awarded (including certificates, associate, bachelor's, and graduate degrees) in Louisville in 2014. (a record for our city.) However, closer analysis once again reveals a murkier picture. Graduate and associate degree production both fell in 2014. Therefore all of the growth seen in 2014 was due to a 3% increase in bachelor's degrees and a 21% spike in the number of certificates awarded.¹⁵

The only way to increase degree completions in the face of declining enrollments is to graduate more of those who start. Here, there is good news: The percentage of college students who complete a bachelor's degree within six years is increasing at most area four-year institutions.¹⁶

BACHELOR'S GRADUATION RATES

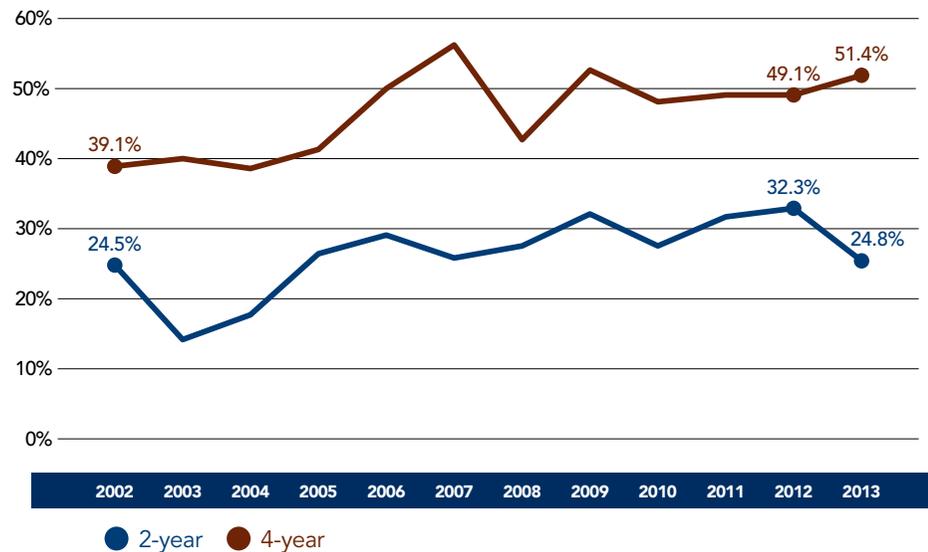
At Bellarmine, the rate increased from 62 to 66 percent.

At Hanover, it increased from 65 to 72 percent.

At Indiana University Southeast, it increased from 28 to 30 percent.

At the University of Louisville, it increased from 52 to 53 percent.

Mixed Trends in Graduation Rates



Graduation Rates within 150% of Time by Institution Type¹⁶

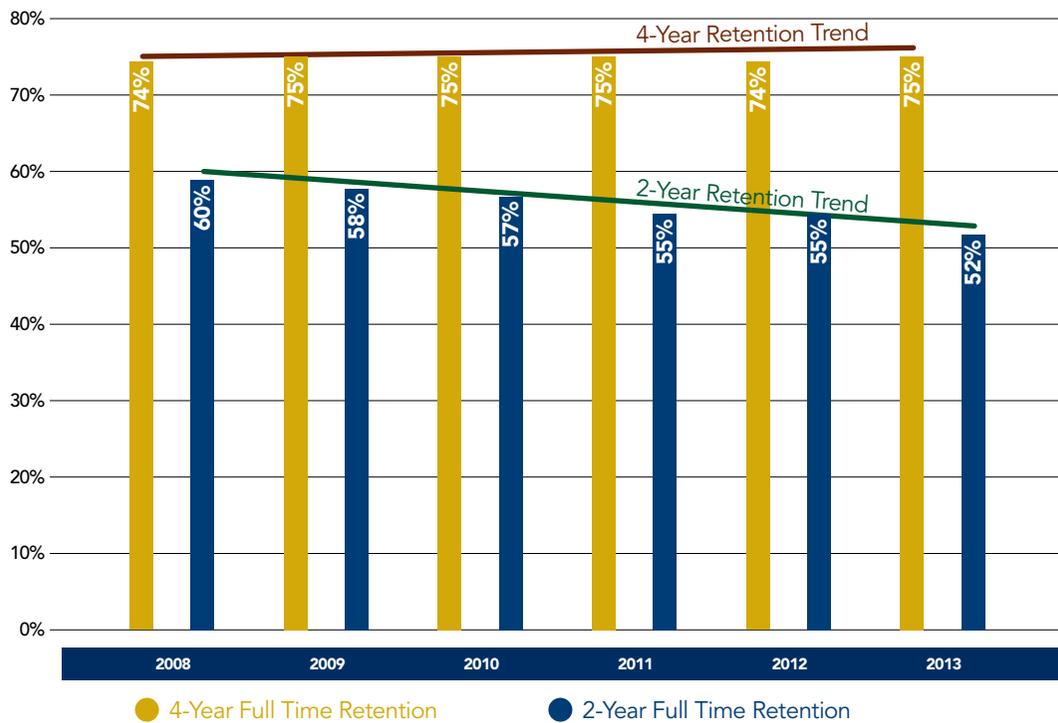
While taking an extra year or two to complete college is preferable to not finishing, it is also costly and can increase the odds of never graduating. That's why the data above are so promising.

Unfortunately, that progress is tempered by a seven percentage point drop in three-year graduation rates at local two-year colleges. That is the biggest one year drop in three-year graduation rates in more than a decade.¹⁶



Meanwhile, two-year colleges are also struggling to retain students after the first year. In fact, the second year retention rate at local two-year institutions dropped to a six-year low.²⁷ Although some of these students may come back, it creates a “leak in the pipeline” that is challenging both for the individual students and the community as a whole.

First-to-Second Year Retention of Full Time Students is Mixed



First-to-Second Year Retention of First-Time Full-Time Students at Four-Year and Two-Year Local Institutions.²⁷

A young man with short brown hair and glasses is smiling broadly. He is wearing a maroon t-shirt and a grey backpack. The background is a blurred school hallway with other students. A dark blue banner is overlaid on the left side of the image.

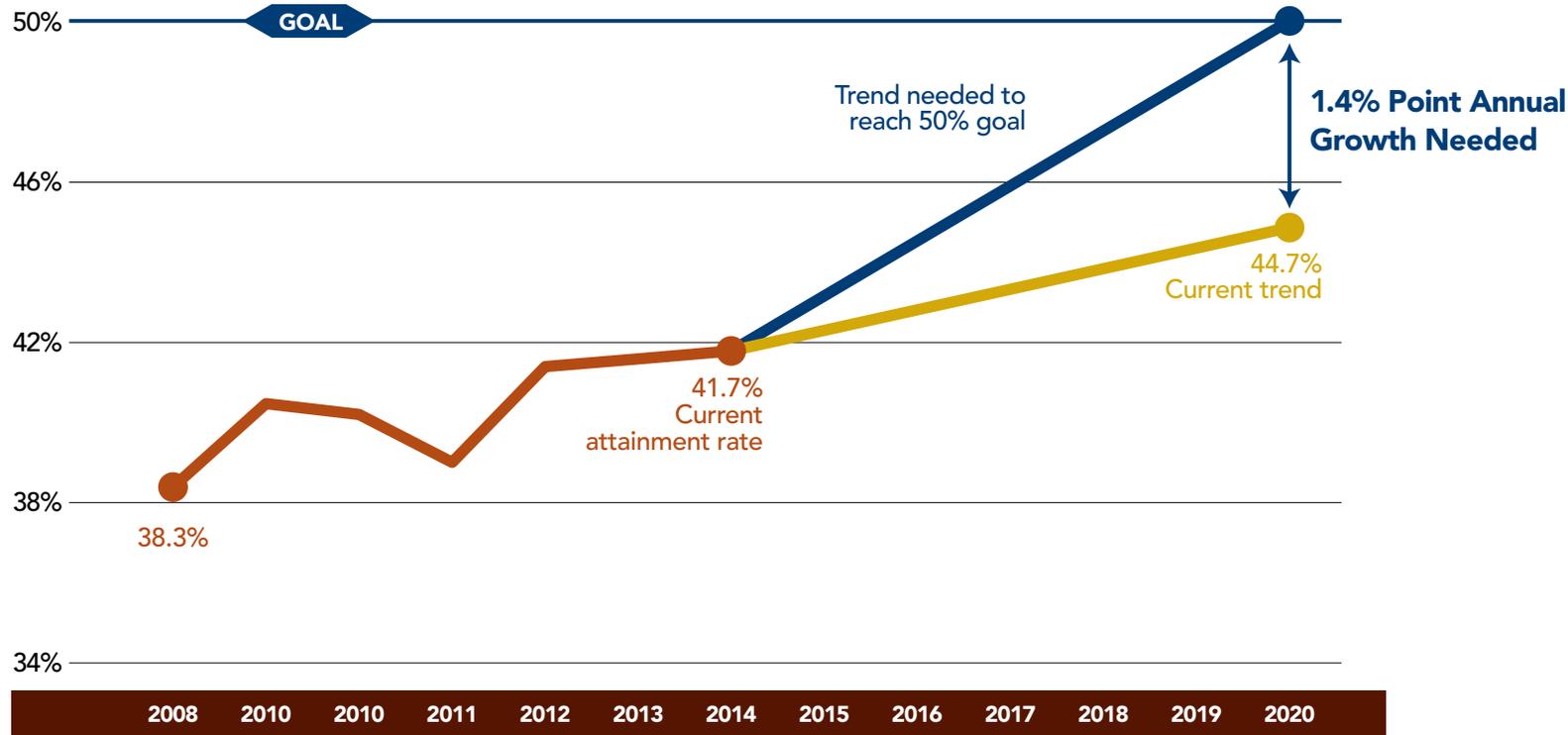
HELPING STUDENTS
PERSIST THROUGH
GRADUATION IS CRITICAL
FOR GROWTH.

MAKING A FASTER LEAP FORWARD

HOW TO ACCELERATE GROWTH

The divergence between our current trend line and the trend line we would need to reach our goal is striking. It makes clear that we need an “all-hands-on-deck” effort to close this gap. The stakes are high. The goal of 50 percent is not arbitrary. We chose 50 percent because that is the point where we would move into the top tier of our peer cities²⁹ and have the critical mass of degrees necessary to ignite a more innovative and robust economy.

The Gap Between our Current Trajectory and What we Need to Reach our Goal



Jefferson County Education Attainment, Associate and Higher 2008-2014¹⁷ and Projections 2015-2020¹⁸

Closing the gap will take an annual **1.4% point increase** in college attainment. Is this possible? Yes! Nashville has done it and Cincinnati and Dayton have come close. Since 2011, Nashville has averaged a 1.5% point increase per year, while Cincinnati and Dayton have each averaged an annual 1.2% point increase in attainment.²⁹

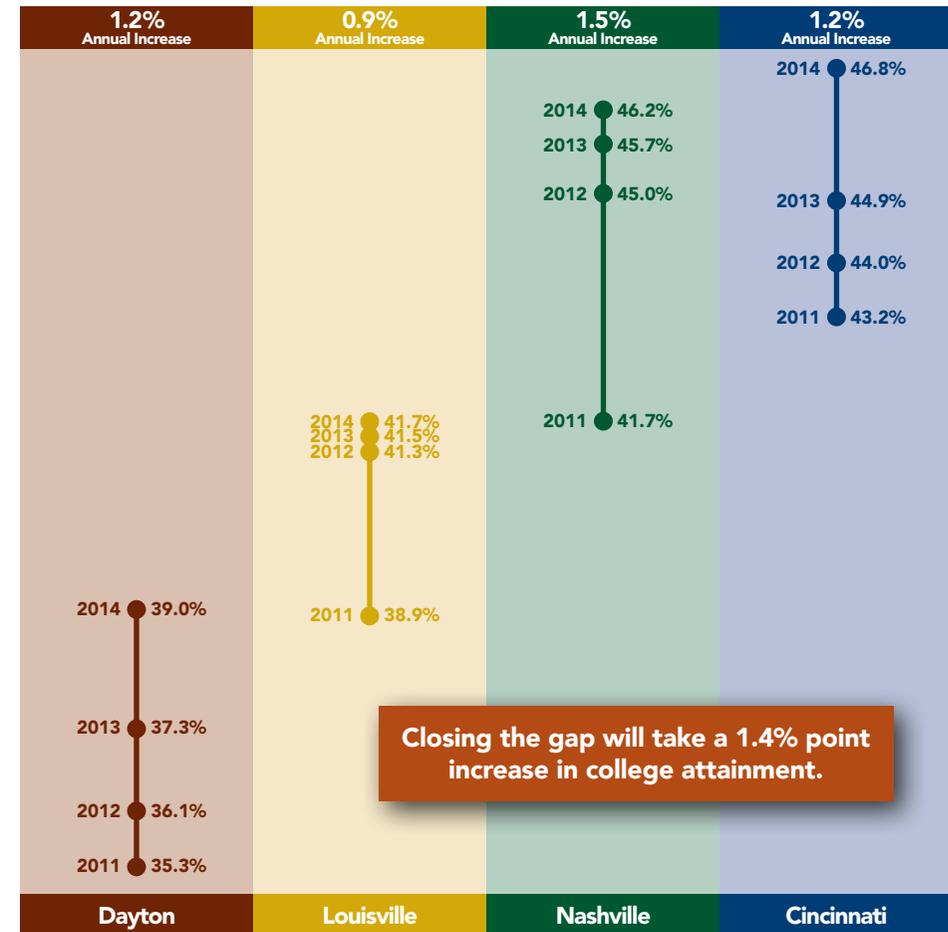
What does that challenge mean in hard numbers for Louisville? To reach the 50% goal, we need more than **36,000 additional degrees** added to the population — more than 6,000 a year over the six years of census data still to be reported by 2020.¹⁷ (Interestingly, Nashville added 8,700 per year from 2011-2014.)²⁹

Louisville's education pipeline has actually produced more than 62,000 undergraduate degrees between 2008 and 2014,¹⁵ but Louisville's population numbers reflected only about 23,000 additional degrees.¹⁷ If we maintain that ratio, we would need 16,400 degrees completed each year to meet our goal — more than a 60% increase in the number of degrees granted in our area each year. While Nashville did have a 30% average annual increase over six years (from 2008-2014)²⁹ they must have had other dynamics at play, such as talent in-migration.

We must focus on strategies that will not only increase annual degree production, but will also attract and retain skilled and educated talent.

Acceleration depends on boosting ALL the forces at play, from growing jobs to making Louisville a magnet for professionals to improving the efficiency of our education pipeline. In the short term, we must get to work and there are just three pools from which these additional degrees can come.

Percentage of Working Age Degree Holders



Education Attainment of Selected Peer Cities, 2011 - 2014²⁹

HOW LOUISVILLE CAN ADD 36,000 DEGREES

1. Encouraging and enabling adults already working in Louisville to go back to school.

- 95,000 adults in Louisville have some college but no degree¹⁷
- Another 144,000 have only a high school diploma or less¹⁷

2. Attracting new degree-holders and retaining degreed "talent."

- Boomerangers – approximately 14,000 local high school grads leave for college but could move back³⁰
- International immigrants who account for 50% of our population growth³¹
- Young and mid-career professionals who come for jobs

3. Continuing to ensure that current high school and college students graduate.

- A 25% increase in degree production would take us to 12,000 graduates per year¹⁵

er easier — Of the adults in Louisville with
) Degree," two-thirds have more than one
y have completed the credits necessary for an
don't realize it. In 2014, JCTC and the University
erse Transfer pathway. To date, over 2,000
identified as eligible to receive an associate
) students have been awarded more than 400
these types of cross-institutional co-operative

FILLING LOUISVILLE'S TALENT POOL

Closing the gap will take an annual **1.4% point** increase in attainment.²⁹ Is this possible? Yes! Nashville has done it and Cincinnati and Dayton have each averaged a 1.4% point increase in attainment.²⁹

What does that challenge mean in hard numbers for Nashville? To reach our goal, we need more than **36,000 additional degrees** — more than 6,000 a year over the six years of certification by 2020.¹⁷ (Interestingly, Nashville added 8,700 people

Louisville's education pipeline has actually produced more undergraduate degrees between 2008 and 2014,¹⁵ but the numbers reflected only about 23,000 additional degrees. If we had a 60% ratio, we would need 16,400 degrees completed each year — more than a 60% increase in the number of degrees granted. While Nashville did have a 30% average annual increase in degrees (2014)²⁹ they must have had other dynamics at play, such as

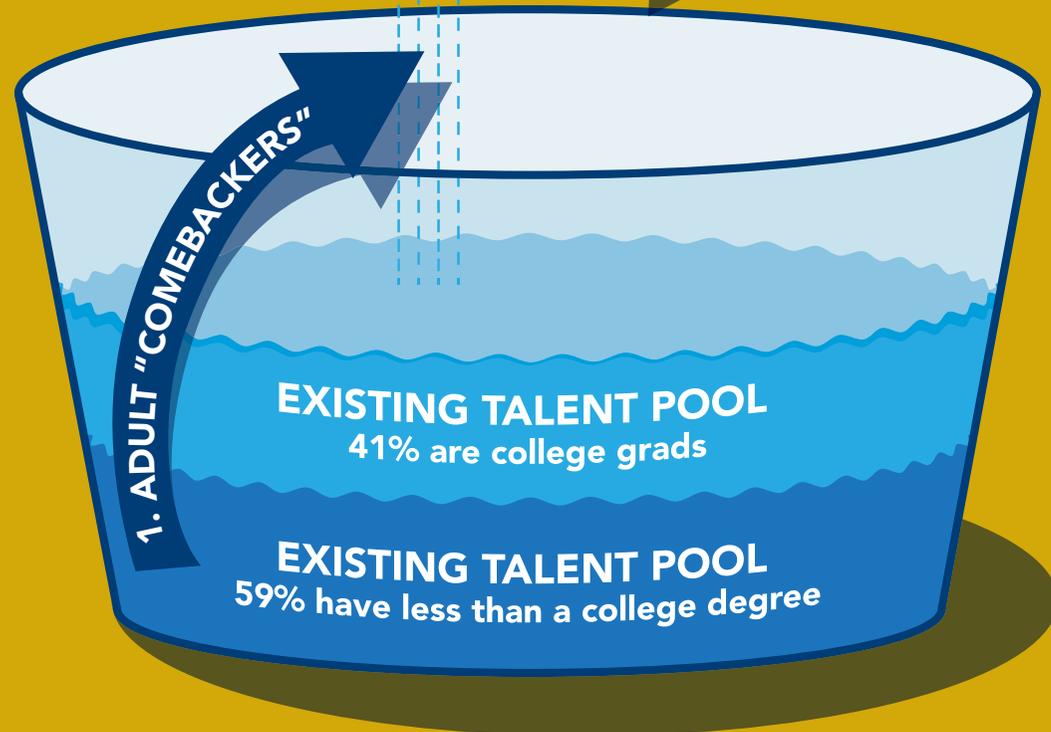
We must focus on strategies that will not only increase degree production, but will also attract and retain skilled workers.

3. EDUCATION PIPELINE

Plug leaks: reduce dropouts and keep more graduates in Louisville.

2. TALENT ATTRACTION

In-migration for jobs and locals who return after getting degrees elsewhere.



THREE SOURCES OF TALENT

Below we outline sample strategies for collective focus on each talent pool. Some of these are currently underway and need scaling. Also highlighted are areas that need “ownership” to drive action.

1. ENABLING ADULT “COME-BACKERS”

There are 95,000 adults with some college, but no degree in the Louisville area.¹⁷ If the people in this group all completed their degrees, we would exceed our goal two-fold through this category alone. Adult workers with professional and personal ties in Louisville would likely stay in Louisville after completing their degree. This group should be a top priority in the next five years

- **Increase Partnerships with Degrees Work** — We will soon announce a revamped Degrees Work program, hosted by KentuckianaWorks and dedicated to working with employer partners to provide coaching services to returning adult students.
- **Increase Alternative Pathways to In-Demand Skills and Credentials** — KentuckianaWorks and Louisville Forward have identified two specific skills gaps for free training. **Code Louisville** for software developers has already begun. In January, **Louisville Sells** will launch offering training for sales jobs, one of the most in-demand jobs with more than 700 local positions open daily.
- **Make Reverse Transfer easier** — Of the adults in Louisville with “Some College but No Degree,” two-thirds have more than one year of college.³² Many have completed the credits necessary for an associate degree and don’t realize it. In 2014, JCTC and the University of Louisville built a Reverse Transfer pathway. To date, over 2,000 individuals have been identified as eligible to receive an associate degree. More than 300 students have been awarded more than 400 degrees.³³ Supporting these types of cross-institutional co-operative pathways is vital.

2. ATTRACTING NEW “DEGREES” AND RETAINING TALENT

The “secret ingredient” to rapid degree growth in other cities may be talent attraction and retention. But the real key to talent attraction is creating high-wage, high-skill jobs that will attract the professionals that we need.

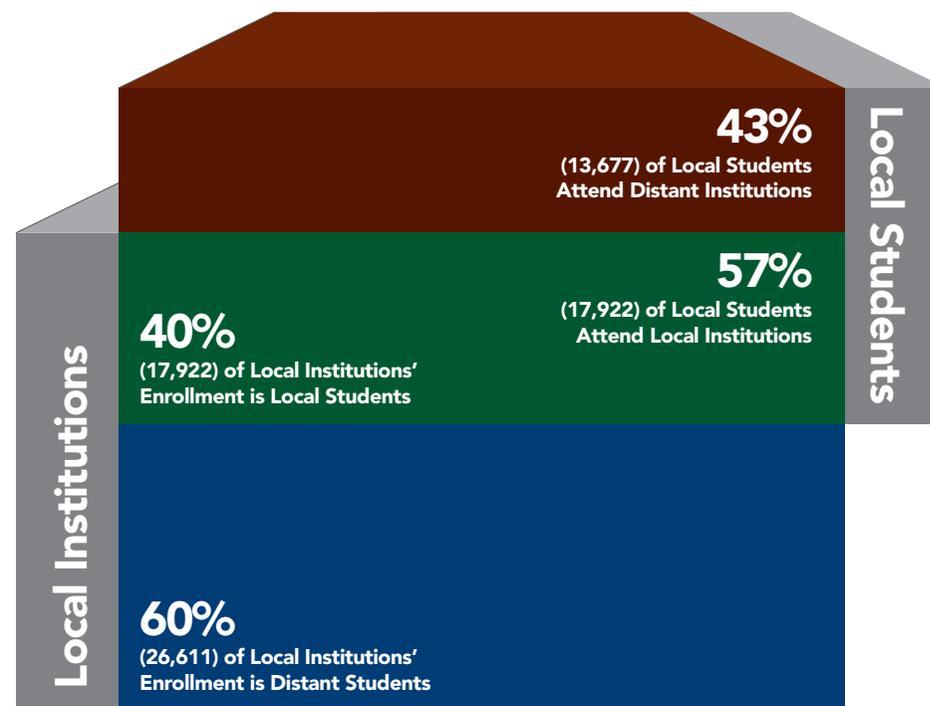
- Louisville Forward, the city’s economic development initiative, and GLI, have recently initiated multiple strategies to **attract talent**. Louisville Forward hired a director of globalization to focus on international talent attraction, developed a talent attraction work group of leading senior executives, and are producing a “Why Louisville?” video.
- Another promising avenue is to **retain our graduates** — including out-of-state and international students — by connecting them with employers and gaining work experience while in school. Internships not only provide training and skills, they often lead to job offers. KentuckianaWorks, GLI and Louisville Forward are all working on coordinated summer and semester-based programs to help college students, including students from Louisville studying out of town, create stronger professional ties locally. Postsecondary institutions increasing opportunities for programs of this kind will also be critical in this effort.

3. ENSURING CURRENT (OR NEAR FUTURE) STUDENTS GRADUATE

Meanwhile, we can’t let up on supporting new college students, particularly those who face special challenges — such as those who are the first in their family to go to college, are underrepresented, and are under-resourced. With Indiana including, and Kentucky proposing, student success metrics as a part of performance-based funding models, local colleges and universities are even more focused on persistence to graduation. Some key efforts in this area include:

- **Assisting Students Needing Remedial Classes.** For example, at JCTC, only 10 percent of students needing remediation (approximately 50%

Louisville has Opportunities to Keep More Grads Here and Bring Ours Back Home



Enrollment Patterns of Local High School Graduates and Local Postsecondary Institutions, Fall 2014³⁰

of first-time students in any given year) successfully earn an associate degree.²⁶ JCTC will be receiving technical assistance from Complete College America to better support these students.

- **Expand Early College Opportunities.** Earning college credits in high school increases the chances of students completing college. In Bullitt County, a partnership with JCTC enables students to earn an Associate Degree diploma at high school graduation. While JCPS also has an early college high school, increasing such opportunities for the district's students could be significant
- **Educate High School and College Students on Career Pathways.** Exploring career options leads to better decision-making and opens up opportunities to students who aren't exposed to diverse careers through their family. JCPS has implemented "Five-Star Schools" where students choose a career theme to explore in high school. Plans are underway for KentuckianaWorks to develop YouTube videos and an app to give students career data, including potential income and necessary skills. Bolstering career advising at the postsecondary level could also create stronger connections between education and workforce outcomes.



OBSTACLES TO ACCELERATION

The strategies outlined above provide significant hope that we can still accelerate degree attainment and reach our 2020 goal. But we must work hard to tackle two significant obstacles we face — the equity gap and the growing affordability challenge.

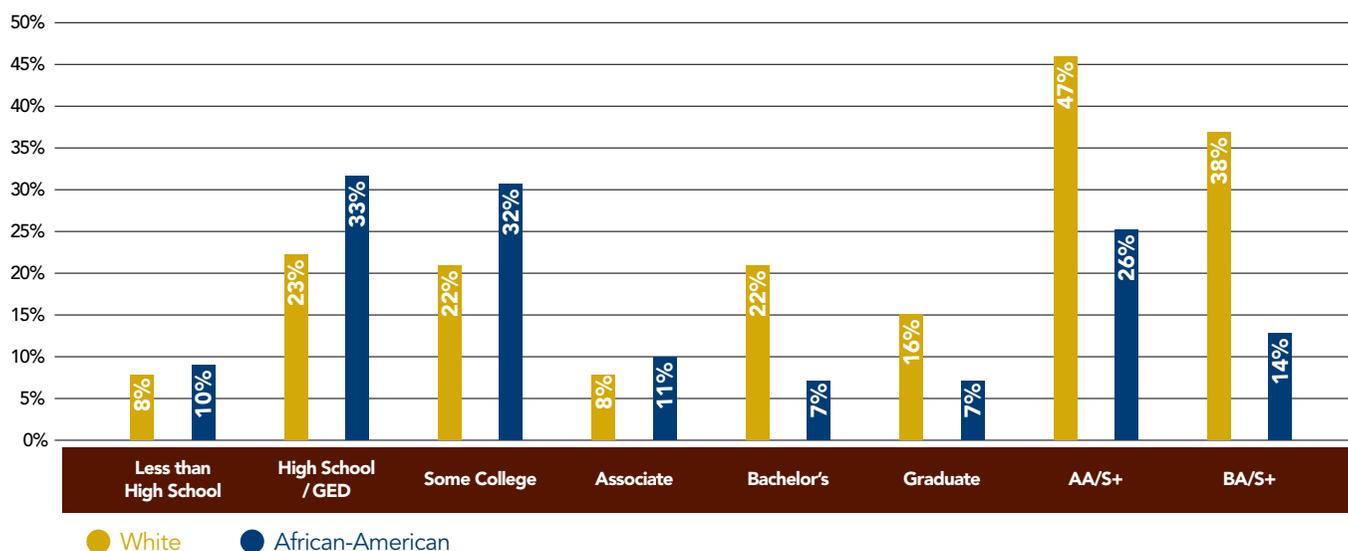
EQUITY GAPS

Louisville faces long-standing equity gaps in education attainment.³² Ensuring that all people have the opportunity to fulfill their potential is a moral imperative — directly improving the lives of thousands of families. Demographics make it an economic imperative as well. In 2013, JCPS became a “majority-minority” school system,³⁴ and nationally, the increasing diversity and aging of our population mean that we need to ensure all have the skills needed to compete in our globally-connected economy.

As already noted, JCPS’s CCR rates have skyrocketed. But a huge gap between races remains. Even with gains made since 2012, the gap that remains in 2015 is an unacceptable 30 points — 74 percent for white students to 45 percent for African American students.¹⁴ Similarly, while graduation rate gaps have started to shrink in recent years, white students still graduate from JCPS at a higher rate than African American students.¹³

As the chart shows, significant gaps exist at nearly every level of degree attainment. Achieving equity in educational success requires us to meet students where they are and provide the necessary supports and opportunities to close long standing gaps. Programs such as the JCPS Equity Scorecard, the 15K Degrees Initiative, Kentucky Latino Education Alliance (K’LEA), the community colleges’ Achieving the Dream, and My Brother’s Keeper are working on ways to move more people in our city forward — and leave fewer behind.

Equity Gaps in Degree Attainment Persist

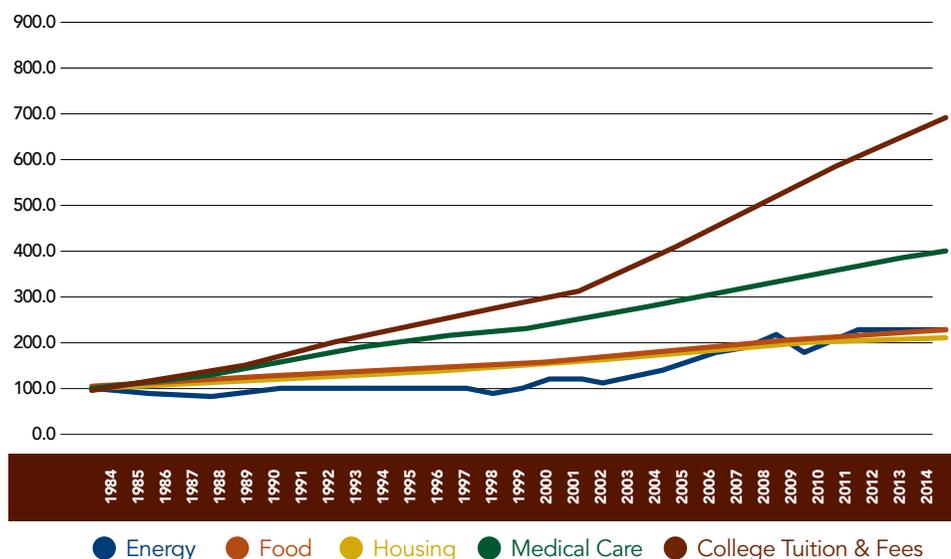


2014 Jefferson County Education Attainment by Race/Ethnicity³²

AFFORDABILITY

The skyrocketing cost of college reflects a shift in the way we finance public education — away from taxpayers and to individual students and their families. As recently as the 2007-08 school year, the amount of revenue Kentucky's public institutions received from the state was almost identical to the amount generated from tuition and fees. As state appropriations for higher education fell, however, that balance shifted. By 2013-14 revenue from tuition and fees was 40 percent higher than the amount of revenue received from the state of Kentucky — a sign that individual students and their families are now paying a much larger share of the cost.³⁵

The Cost of College has Skyrocketed



Changes in Average Annual Consumer Price Index 1984-2014³⁸

Since the beginning of the recession, Kentucky has cut its higher education spending per student by 28% – one of the largest cuts in the country. This is a direct factor in the state's 32% tuition increase.

This shift is part of a national trend, but is especially strong in Kentucky. Since the beginning of the recession, Kentucky has cut its higher education spending per student by 28% – one of the largest cuts in the country. This is a direct factor in the state's 32% tuition increase. While not as severe, Indiana has cut state spending on postsecondary education by 10% since the recession.³⁶

While this challenge exists in a national context, shown in the chart, solutions exist on a local and state level.

- Exploring options similar to state and local PROMISE Scholarships used in Tennessee, the Chicago area and elsewhere.
- Better educating students about how to use net price (not just tuition) to understand financial aid package in relation to the full costs of college.
- Helping students and families calculate whether an institution is affordable by comparing the potential earnings based on major, loan repayment and other factors in relation to the investment of loans and direct payments.

WE CAN AND MUST CHANGE OUR EDUCATION ATTAINMENT TRAJECTORY.

Nothing about Louisville can or should be stagnant. We are a vibrant city with a rich history. We are an innovative people. We are a good place to live and raise a family.

But our future depends on turning this ship now. We cannot allow the Nashville's of the world to pull further ahead.

Whether we're parents who want opportunities for our children, employers who want skilled workers, or simply ordinary citizens who want a growing, healthy city, we know we must attack this issue now. Our work here will ensure that Louisville remains a city where all people have the opportunity to live up to their full potential — and to support their family while they do it.

**FAST FORWARD TO A
BETTER EDUCATED,
BETTER PAID WORKFORCE.**



Thanks to our funders:

Humana Foundation

CE&S Foundation

James Graham Brown Foundation

Brown-Forman

JP Morgan Chase Foundation

Community Foundation of Louisville

Lumina Foundation

55,000 Degrees Board of Directors

Chairman **Greg E. Fischer**

Mayor of Louisville

James R. Allen

President, Chairman and Chief Executive Officer, Hilliard Lyons

Susan Barry

President and CEO, The Community Foundation of Louisville

Tony Bohn

System Vice President and Chief Human Resource Officer, Norton Healthcare

David Calzi

Managing Partner, EY

Dr. Kevin W. Cosby

President, Simmons College of Kentucky

Roger Cude

Enterprise Vice President, Talent and Organization Development, Humana

Wendy Dant Chesser

President and CEO, One Southern Indiana

Dr. Donna M. Hargens

Superintendent, Jefferson County Public Schools

Alice Houston

President and CEO, Houston-Johnson Inc.

David A. Jones, Jr.

Chair and Managing Director, Chrysalis Ventures

Dr. Gwen Joseph

Interim President, Jefferson Community and Technical College

William M. Lear Jr.

Chair of the Board of Directors, Stoll Keenon Ogden, PLLC

Tori Murden McClure

President, Spalding University

Dr. Joseph J. McGowan

President, Bellarmine University

Kent Oyler

President and CEO, Greater Louisville Inc.

Dr. James Ramsey

President, University of Louisville

Sadiqa Reynolds

President and CEO, Louisville Urban League

Mason B. Rummel

President, James Graham Brown Foundation

Leisa Schulz

Superintendent of Schools, Archdiocese of Louisville

Dr. Rita Hudson Shourds

Chancellor, Ivy Tech Community College, Southern Indiana

Victor A. Staffieri

Chairman, CEO and President, LG&E and KU Energy LLC

Glenn Sullivan

President, The Sullivan University System

Joseph P. Tolan

President and CEO, Metro United Way

Dr. Ray Wallace

Chancellor, Indiana University Southeast

Mary Gwen Wheeler

Executive Director

KentuckianaWorks Board of Directors

Tom Quick, Chair

Senior Human Resources Manager, GE Appliances

Mark Ballard

Plant Manager, Sabert Corporation, Shepherdsville

Derek Bland

Vice President, Houston-Johnson, Inc. - Logistics

Tony Bohn

Vice President, Norton Healthcare

Ken Brown

Regional Program Manager - Greater Louisville, Kentucky Career Center
Department of Workforce Investment

Willie Byrd

Director, Options Unlimited/Coalition for Workforce Diversity, Shepherdsville

Tony Carriss

Plant Manager, Voestalpine Roll Forming Corporation, Shelbyville

Dana Crittendon

President, IUE-CWA, Local 83761

Roger Cude

Enterprise VP, Talent & Org Development, Humana - Health Partner for Life

Steve Cunanan

Chief Administrator & Chief People Officer, Kindred Healthcare

Greg Fischer

Mayor of Louisville

Tony Georges

Human Resources Director, UPS - Air Region

Jennifer Hancock

President & CEO, Volunteers of America

Ryan Henson

Regional Program Manager - Central Region, Kentucky Career Center
Office of Vocational Rehabilitation, Florence

Dr. Donna Hargens

Superintendent, Jefferson County Public Schools

Rev. Vincent E. James, Sr.

Pastor, Elim Baptist Church

Kent Oyler

President & CEO, Greater Louisville, Inc.

Vidya Ravichandran

President, Glow Touch Technologies

Danette Rhoads

Vice President, Human Resources, Computershare

Rena Sharpe

Owner, Club Fitness, Mt. Washington

Daryl Sykes

Plant Manager, Ford Motor Company USA

Wayne Theiss

President, Theiss Furniture, LaGrange

Mary Ellen Wiederwohl

Chief, Louisville Forward

Steve Willinghurst

Director of Education & Training, Louisville Electrical Joint
Apprenticeship & Training Committee

Sources

1. This family supporting wage estimate comes from the Massachusetts Institute of Technology Living Wage Calculator for a family of two adults, two children without childcare. The family-supporting wage for the Louisville Metropolitan Statistical Area is \$45,341. This number varies accounts for food, medical costs, housing, transportation, and miscellaneous expenses such as clothing and household supplies. <http://livingwage.mit.edu/counties/21111>
2. KentuckianaWorks analysis of job projection data from EMSI Analyst.
3. Based on analysis by Paul Coomes, Professor Emeritus at the University of Louisville, using data from the Bureau of Economic Analysis
4. Georgetown Center on Education and the Workforce, *A Decade Behind: Breaking out of the Low-Skill Trap in the Southern Economy* <https://cew.georgetown.edu/wp-content/uploads/2014/11/DecadeBehind.ExecutiveSummary.073112.pdf>
5. Enrico Moretti, *The New Geography of Jobs*. New York: Houghton Mifflin, 2012.
6. Bureau of Labor Statistics Quarterly Census of Employment & Wages
7. KentuckianaWorks analysis based on data from EMSI Analyst
8. American Community Survey Public Use Microdata Samples 2014
9. Based on analysis by Ben Schmidt, Assistant Professor at Northeastern University, using data from the American Community Surveys Public Use Microdata Samples
10. Georgetown Center on Education and the Workforce, *The Economic Value of College Majors* <https://cew.georgetown.edu/wp-content/uploads/The-Economic-Value-of-College-Majors-Full-Report-Web.compressed.pdf>
11. Kentucky Center for Education and Workforce Statistics earnings by majors data for Louisville-area graduates employed in Kentucky
12. Kentucky Center for Education and Workforce Statistics enrollment by major at Louisville area-institutions, and earnings by major of 2007 Louisville-area graduate seven years later
13. Kentucky Department of Education Open House, 4-Year Cohort Graduation Rate, 2013 - 2015
14. Kentucky Department of Education Open House, Percent College and/or Career Readiness (no bonus), 2010 - 2015
15. U.S. Department of Education, Integrated Postsecondary Education Data System (IPEDS), Associate and Bachelor's Degree Completions for Louisville-Area Postsecondary Institutions, 2010 - 2014
16. IPEDS, Cohort Graduation Rate of First-Time, Full-Time Students Completing with 150% of Time, 2002 - 2013
17. U.S. Census Bureau, American Community Survey Data (1-year), Retrieved from American Factfinder, Table B15001, Jefferson County, Working Age (25 - 64 year old) Population
18. 55,000 Degrees Analysis Based on American Community Survey Data, Linear Regression Calculated Based on 2008 - 2014 Data
19. Jefferson County Public Schools (JCPS) Market Share Districtwide Total, 2013 - 2014, Retrieved from JCPS Data Books
20. National Student Clearinghouse (NSC) Data Analysis Provided by Kentucky Higher Education Assistance Authority (KHEAA) of JCPS Graduates 2008 - 2014
21. NSC Data Analysis Provided by KHEAA of JCPS and Louisville Archdiocesan Graduates 2008 - 2014
22. NSC Data Analysis Provided by KHEAA of JCPS Graduates who Complete a FAFSA but do not Enroll in any Postsecondary Institution within 12 Months of Graduation 2008 - 2014
23. IPEDS, Total Fall Undergraduate Enrollment 2001 - 2014
24. U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 2015*
25. 55,000 Degrees Analysis of National Student Clearinghouse Current Term Enrollment Report - Spring 2015
26. Jefferson Community and Technical College Remediation Data Analysis from the Office of Institutional Effectiveness, Research, and Planning, 2010 - 2013
27. IPEDS First-to-Second-Year Fall Retention of First-Time Full-Time Students at Local Institutions, 2008 - 2013
28. Greater Louisville Project Analysis Based on 2008 American Community Survey Data and Peer City Working-Age Education Attainment Rates for Associate Degrees and Higher
29. American Community Survey Data (1-year) from American Factfinder, Table B15001 for Selected Peer City Working-Age Education Attainment Rates for Associate Degrees and Higher 2011 - 2014
30. NSC Data Analysis Provided by Lumina Foundation for 2014 Pre-credential Postsecondary Enrollments (Fall Term)
31. Based on analysis by Matt Ruther, Department of Urban and Public Affairs, University of Louisville, using data from the U.S. Census Bureau
32. U.S. Census Bureau, American Community Survey Public Use Microdata Samples 2014 (1-year), Working-Age Population Education Attainment Rates
33. JCTC Analysis from the Office of Institutional Effectiveness, Research, and Planning.
34. JCPS Current Enrollment by Race and Gender, Districtwide Total, 2012 - 2013, Retrieved from JCPS Data Books
35. Kentucky Postsecondary Education Data System, Net General Fund & Gross Tuition Revenue per FTE, 2000-2001 - 2013-2014, Constant 2014 Dollars
36. Michael Mitchell and Michael Leachman, 2015. Center on Budget and Policy Priorities Analysis of Trends in State Funding Postsecondary Education, 2008 - 2015

55,000
Degrees | 



KENTUCKIANA WORKS

www.55000degrees.org | www.kentuckianaworks.org