

A topographic map of New England, showing the states of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island. The map uses a color gradient from light yellow to dark green to represent elevation, with darker green indicating higher terrain. State boundaries are outlined in black. The Atlantic Ocean is visible to the east and south.

What It Takes to Succeed in the 21st Century—and How New Englanders Are Faring

**A NELLIE MAE EDUCATION FOUNDATION REPORT
PREPARED BY JOBS FOR THE FUTURE**

EXECUTIVE SUMMARY

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Who are the New Englanders of the 21st century and how are they faring in a rapidly changing society and economy? What knowledge and skills can we confidently predict will be required for future success in work and civic life? This background discussion paper, commissioned by the Nellie Mae Education Foundation, answers these complex questions through a data-rich assessment of the educational and economic prospects of New England residents—particularly those traditionally underserved by our region’s educational and economic institutions—in light of rising demand for skills and knowledge across the region.

The ultimate conclusion is clear: New England, as a region whose competitive advantage nationally and internationally depends upon the skills, knowledge, and entrepreneurial instincts of its residents, cannot afford complacency.

The region’s population growth is slow; new population and labor market growth are concentrated in immigrant and other groups whose educational achievement and attainment lag; educational and economic disparities are significant, by racial, ethnic, and socioeconomic status. Our educational and economic institutions have left a significant proportion of the region’s population ill-prepared for advancement in education and the labor market.

In the 21st century, poor preparation for learning and for career advancement is a serious disadvantage. The skills and knowledge required to be able to make sound career choices, pursue good jobs, and adapt to economic realities have been rising steadily. A high school diploma alone cannot guarantee a path to a decent standard of living—and the lack of a high school credential makes economic hardship all but certain.

Success in today’s economy requires academic skills that signal college-readiness in reading, writing, and math at a minimum. In addition, though, quality employers increasingly look for a broad set of non-academic skills: intellectual skills such as critical thinking, problem-identification and problem-solving skills; practical work-related skills such as time management, the ability to work in teams, and the ability to adapt effectively to changing work situations. A consensus has formed that the most reliable way to learn and use these skills is by earning a postsecondary credential valued by other education institutions and by employers. Postsecondary education is the gateway to advancement and success.

In this environment of rising expectations from both colleges and employers, educational institutions are under great stress and face great challenges. They must accom-

plish for all their students what they once only had to do well for about one-third of them: graduate young people ready for college and career. To do this will require a very different commitment to motivating and supporting all students to succeed—starting with enriched learning experiences early in their educational trajectories, creating options and programs to help those who fall behind get back on track, and making college-going culture a routine component of schooling for all youth. This will also require creative collaborations to stimulate deep innovation in how we organize and deliver educational opportunities, from early childhood through young adulthood and beyond. Collaborations need to bring together not only educational institutions but also non-school stakeholders in learning, including employers, civic leaders, community-based organizations and agencies, and government.

Demographics, Educational Outcomes, and Employment Trends

As in the country as a whole, New England’s population base is becoming increasingly diverse. By 2020, minorities will comprise more than a quarter of the working-age population. Immigrant populations are on the rise, particularly in southern New England states.

New England is also becoming an older region. The number of young people entering the workforce is projected to decline, and all states in the region except New Hampshire rank among the top 15 “grayest” in the nation.

By some indicators of social welfare, New England states fare well compared to other regions. However, these relative strengths obscure serious challenges: child poverty rates hover between 12 and 18 percent across the region. Opportunity and economic advantage are unevenly distributed across states, communities, and population groups.

As New England’s residents become a more diverse group, the region continues its transformation into a highly skilled, knowledge-based economy. New England has always lived by its wits and the innovative and entrepreneurial skills of its residents. This is true today as well: two New England states place among the nation’s top ten on the Progressive Policy Institute’s New Economy Index, which measures capacity for innovation and growth in a knowledge and innovation-based economy. Over the next decade, the region will continue to generate demand for more workers with baccalaureate and advanced degrees; at the same time, the largest segment of the region’s employment base, as in other regions, will still be comprised of jobs requiring some postsecondary training and education, even if not necessarily a Bachelor’s degree.

In today’s increasingly complex economy many New Englanders are prospering and benefiting, but many are slipping further behind. For less-skilled workers, it is becoming more difficult to find good, steady jobs. Men, particularly those with limited education, are leaving the workforce in troubling numbers. A recent Massachusetts study shows that teen employment there, which is a strong predictor of

future workforce participation, has been falling—and that black and Hispanic male teens are far less likely than their white counterparts to find summer employment.

Education attainment and achievement indicators show that important segments of the population are not prepared for success in a knowledge-based economy. The region's urban minority and immigrant populations have unacceptably low rates of academic achievement beginning in the elementary and middle school years. They lag in high school completion and achievement, and they also trail their white peers in persistence to and through college. Low-income New Englanders, no matter where they live, are far less likely to complete high school, enter and complete college, and secure family-supporting jobs and careers than are their more affluent peers.

These trends pose serious problems for the region's economic growth and vitality. New England's residents, employers, and economy cannot afford for these inequities and inefficiencies to persist or deepen.

Changing Demand for Skills and Knowledge

If more skills and knowledge are a prerequisite for educational, economic, and civic success, just which skills matter most? How important are postsecondary credentials to individual and regional productivity and prosperity?

A considerable body of research suggests that the demand for skills and knowledge is rising steadily. The wage premium for a college credential over a high school diploma has risen from 34 to 56 percent in recent decades, even as the supply of college educated workers has tripled. Occupational trends also show a steady increase in the proportion of jobs within occupational categories that require at least some college education.

The best indicator of the skills that employers want to see—in terms of academic skills and also non-academic knowledge, skills, experience, and maturity—is a post-secondary credential of some kind. A consensus has emerged that a two-year credential or its equivalent (such as a formal apprenticeship or one year of college credits plus an industry-recognized certificate) should be the minimum goal for all individuals in today's economy. A credential has a much greater economic value—particularly in a technical field and particularly for lower-income students—than taking some college courses without obtaining the credential.

Success in the 21st century workplace and society requires a higher level of academic achievement than in the past but not only that. Individuals who advance also demonstrate and make productive use of an array of important non-academic skills, many of which are difficult to measure and not easily taught in a formal classroom setting. But they are increasingly valued by quality employers. These include skills related to problem-solving, critical thinking, communication, working in teams, and technology-related competencies. Employer surveys also suggest that creativity and the capacity to innovate are increasingly valued.

Implications for the Region's Educational and Economic Institutions

New England will rise and fall, as it has in past eras, on the ingenuity, entrepreneurship, and quality of its residents' human capital. But making sure that the stock of skills and knowledge needed for economic vitality and growth are cultivated broadly and that gaps in preparedness of different segments of the population are redressed will require significant creativity and commitment from New England's educational institutions and other stakeholders in the region's future.

The region's educational institutions are not well-equipped to help all students graduate high school ready to succeed in college and to develop additional work-related skills and knowledge valued in the labor market. Too many young people and working adults leave school academically underprepared for the new economy, particularly individuals from low-income and other traditionally underserved groups who have had weak education experiences.

A much more varied range of schools, programs, supports, and opportunities for learning, inside and outside traditional school buildings and time constraints, will be needed if the opportunity gaps facing New England residents are to be overcome. And multiple pathways to mastery of academic and other 21st century skills will be needed so that the region's young people and underprepared workers who want to advance can learn what they need to succeed in postsecondary learning and careers. New routes are needed that can help the underprepared advance quickly and efficiently from wherever they start—and enable them to meet the higher expectations of colleges and employers. This will be a major undertaking, but one that the region cannot afford to ignore.

The confluence of demographic change and rising educational and skill expectations demands a concerted effort to overcome current gaps in performance of our educational institutions before they become even more acute. This response cannot come solely from educators and schools. Rather, a long-term political and public-will campaign is needed across the region.

What is needed is a combination of *messaging* about the challenges we face, improvements and innovation in *practice* that can help more underprepared youth and adults advance and succeed, and *policy* changes that can spread and sustain more effective learning opportunities and outcomes. These can be thought of as efforts to end the *invisibility* of the most at-risk members of our society, spur a wave of *innovation and invention* of new options and models for serving struggling and underprepared individuals and enabling them to benefit from college learning, and invest in the *infrastructure* of policies and partnerships for change that can be sustained over time and lead to significant upgrading of knowledge, skills, and economic success. Philanthropic organizations can play a critical role in helping the region respond to these challenges and plan strategically to improve the educational and economic prospects of the region's residents, particularly its low-income, minority, and underprepared young people and working adults.

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The full report is available at www.nmefdn.org and www.jff.org.



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