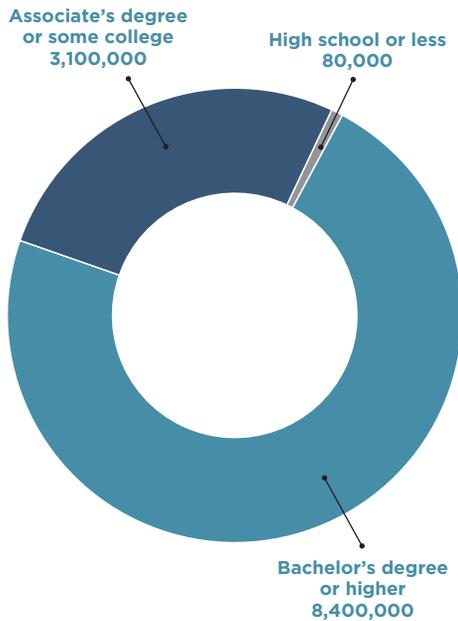


# Bachelor's Degrees Matter

## Educating Minnesota's Future Workforce

**Who Got Hired?  
U.S. Jobs Added 2010-2016  
by Education Level**



Source: Georgetown University Center on Education and the Workforce analysis of Current Population Survey (CPS) data, 2007-2016.

Minnesota is a thriving and competitive state in large part because of our educated workforce. Our diverse higher education institutions — including public and private colleges — offer a wide range of degrees and certificates. Together, these two- and four-year institutions provide our economy with the well-educated workforce our economy needs to thrive.

Despite the recent rhetoric about the oversupply of college degrees, the data clearly tell another story about what our economy needs. In order for Minnesota's economy to prosper, we must actually increase the level of educational attainment of our young people and graduate more individuals with degrees. New employers coming to our state and existing employers that want to expand are looking for an abundant supply of well-educated citizens who can bring knowledge, talent, and creativity to the business challenges of our globalized economy.

Economists predict that the rapid pace of technological innovation and globalization means that the jobs of the future will require a more highly educated workforce than we have today. An increase in four-year and advanced degrees will be necessary to meet the needs of our business community.

According to the Georgetown University Center for the Study of Education and the Workforce, Minnesota statewide will need 74 percent of its workforce to have at least some college

education by 2020. **And more than half of those workers will require a bachelor's degree or higher.**

### The High Value of a Bachelor's Degree

While our state needs greater post-secondary success at all degree levels, in today's economy, a four-year degree remains the surest pathway to economic security and a middle-class income. A four-year degree is valued by employers — and it pays off personally to individuals who obtain degrees. Benefits of having a degree include improved health, increased civic engagement, wider professional opportunities, more stable employment and higher wages. Consider some of the key facts about bachelor's degrees:

- **A large majority of the new jobs created in the economy are going to those with a bachelor's degree or higher.** Between 2010 and 2016, the U.S. economy created about 11 million new jobs. More than 8 million of those jobs went to people with a four-year degree or higher. Only 3 million

of those new jobs went to those with a two-year degree or some college, and there has been virtually no job growth in the economy for those with a high school degree or less. And that trend continues strong: U.S. Census data show that 83 percent of the new jobs created in the last year went to those holding a bachelor's degree or higher.

– **Americans with a bachelor's degree earn significantly more than those with just a high school degree.**

Looking at the median earnings of Americans aged 22-27, between 1990 and 1997 those with a bachelor's degree earned 42 percent more than those with just a high school degree. Between 2010 and 2017 that gap grew to 59 percent. The investment in a four-year degree yields a better return than investing in the stock market or buying a home.

– **Americans with a bachelor's degree are less likely to be unemployed.**

That was clear during the Great Recession. In 2010 the unemployment rate for bachelor's degree holders in Minnesota was 4.1 percent, while the unemployment rate for others was more than double that. And by 2016 the unemployment rate for bachelor's degree holders dropped to 1.9 percent.

– **The share of residents in a region who hold a bachelor's degree is one of the important factors that businesses use to decide where they will locate or grow.**

And right now we're not doing well enough,

according to the latest Greater MSP report card. With 41 percent of the population in the broader Twin Cities holding a bachelor's degree or higher, we rank sixth out of 12 peer markets.

### Minnesota's Demographic Challenge

Minnesota's labor force growth is slowing. In the near future, well-educated employees will be in short supply. At the same time, too many Minnesotans — particularly those from disadvantaged families — are not achieving their full educational potential. Students from lower-income families tend to have lower degree attainment rates than students from higher-income families. Nationally, only 11 percent of students from the lowest income quartile earn a bachelor's degree by age 25, compared to 58 percent of students from the highest income quartile. These attainment gaps represent a major challenge to producing a workforce with the education necessary to meet the state's current and future needs.

**Minnesota must ensure that no one falls through the cracks — our future workforce depends on it.**

This requires targeting higher educational resources to students through the State Grant program, which serves students earning both two-year and four-year degrees, at both public and private institutions. This strategic investment helps close the gaps in achievement while recognizing the importance of educating our future workforce if our economy is going to thrive.

## Private Nonprofit Colleges Educate Tomorrow's Workforce

Private nonprofit colleges in Minnesota award about one-third of all the bachelor's degrees earned in the state — similar to the state's two public systems. In other words, our colleges account for a sizable share of the state's future scientists, nurses, teachers, business leaders, and others needed for economic success. Without nonprofit private colleges, Minnesota wouldn't have the workforce it needs. About 300,000 of our colleges' alumni live in Minnesota, strengthening communities and our economy in every corner of the state.

When you're thinking about how critical higher education is to Minnesota's prosperity, remember that the public systems don't do it alone; private nonprofit colleges are also essential to educating our state's future workforce.