

Oregon Postsecondary Education and Workforce Training: Preparing for a Strong Recovery to the COVID-19 Crisis

May, 2021

Why prioritize postsecondary education and workforce training?

Oregon can emerge stronger than ever from this economic downturn by investing in equitable opportunity for all, with a heightened focus on transforming our postsecondary education and training systems to fully serve those who are suffering most from the effects of this pandemic.

The opportunity to earn quality postsecondary education and training is critical for Oregonians to have family-wage careers, economic mobility, and thriving futures. However, students, families, and the institutions that support them have faced extensive new financial hardships and uncertainties as a result of the pandemic. These challenges threaten to exacerbate inequities that are already far too pervasive across the postsecondary education system.

In order to emerge stronger from this crisis, Oregon needs to prioritize funding and innovation in postsecondary education and training, with an intentional focus on eliminating equity gaps and fostering real opportunity for learners of color, low-income learners, and others who are historically underrepresented. Only in this way can all Oregonians—including those who have been underserved and marginalized—benefit from the credentials and training needed for resiliency and success in the fast-changing economy.

COLLEGE CREDENTIALS PAY, BUT NOT

EQUITABLY: We know that higher education and training pays off for individuals, families, and communities. Postsecondary

credentials are associated with higher earnings, greater chance of economic mobility, greater resilience to unemployment during a recession and after, a lower chance of being unemployed or needing to rely on public assistance, and numerous other health and civic benefits. For Oregonians from low-income families who enroll in college as young adults, 62% become middle-income or high-income earners by their mid-30s, compared to 30% of those who do not enter college as young adults.¹ Whether an individual has access to postsecondary education, whether they earn a credential, and what credential they earn makes a difference in their ability to buy a home, support a family, build wealth, and share these benefits with their families. However, too few people of color, low-income students, and historically underrepresented populations are able to access and succeed in postsecondary education and training.

Commitment to Racial Equity

Oregon's Equity Lens and the State of Oregon Equity Framework in COVID-19 Response and Recovery anchor the Higher Education Coordinating Commission's commitment to eliminating racial disparities and reaching underserved communities in our pandemic response efforts.

Oregon's 40-40-20 and Adult Educational Attainment Goals galvanize our work to expand equitable educational opportunity.

Average US Salary by Education

Graduate degree:	\$83,000
Bachelor's Degree:	\$65,000
Associate Degree:	\$46,000
Some college no degree:	\$43,000
High school diploma:	\$39,000

Chance of Earning a College Degree by Race/Ethnicity

38% of underrepresented people of color earn a college degree, compared with

56% of white people

Source: HECC analysis of Current Population Survey, U.S. Department of Labor, U.S. Bureau of Labor Statistics. Earnings for full-time wage and salary workers, 2019, age 25+. Underrepresented populations include Black/African American, Hispanic/Latinx, Native American/Alaskan Native,

¹ Sources: Ma, J., Pender, M., & Welch, M. (2019) Education Pays 2019: The Benefits of Higher Education for Individuals and Society. College Board; Chetty, R, Friedman, J., Saez, E., Turner, N., and Yagan, D. (2017) Mobility Report Cards: The Role of Colleges in Intergenerational Mobility. Opportunity Insights.

Who in Oregon is most impacted by the hardships of the pandemic?

The economic and health impact of the pandemic threaten to exacerbate racial/ethnic, geographic, and economic inequities in educational access, affordability, and attainment that are already too deep. **The pandemic has introduced significant new hardships to the longstanding systemic barriers that people of color and other underrepresented communities face in postsecondary education and training.**

ECONOMIC IMPACT IS UNEVEN: The COVID-19

pandemic has triggered an unprecedented recession affecting all industries, regions, and populations in Oregon. However, the unemployment rates and economic impact have not been experienced equally. Young Oregonians age 25-34 and those with lower levels of education have been hit particularly hard with unemployment (see “Those with a High School Diploma or Less...” data table, above).

A recent ECONorthwest analysis commissioned by the Oregon Workforce and Talent Development Board (WTDB) shows that this recession has been unusually concentrated in the leisure and hospitality industry, with disproportionate costs for Black, Indigenous, and other people of color (BIPOC), low-income households, young adults, women, and residents of some particular regions such as Coastal and Central Oregon. Furthermore, the Oregon Employment Department has found preliminary evidence that Asian Americans and Black or African Americans appear to be facing unemployment for longer time periods during the pandemic than Oregonians in general.²

HEALTH IMPACT IS UNEVEN: In addition to the uneven economic impact across populations and regions, there is a disproportionate health impact on communities of color.

In Oregon, Black/African American, Hispanic/Latinx, Native American/Alaska Native, and Native Hawaiian/Pacific Islander people have disproportionately high case rates according to the Oregon Health Authority.³

Those with a High School Diploma or Less are Hardest Hit by COVID-19 Closures

Share of September 2020 Continued Unemployment Claims by Education

Bachelor's degree or advanced degree	21%
Some College or Associate degree	20%
High school diploma or less	54%

Source: Johnson, A. 2020. *Characteristics of the Covered Unemployed in September 2020*. Oregon Employment Department. Education data source: Bureau of Labor Statistics and U.S. Census Bureau, Center for Economic Studies, LEHD.

Developing a Roadmap to Economic Recovery

Oregon's Workforce and Talent Development Board (WTDB) and partners have released a series of reports to inform how Oregon can come out of the pandemic crisis stronger, more resilient, more prosperous, and more equitable. Explore the WTDB reports here, which includes a report on Artificial Intelligence in a post-pandemic world, a report analyzing the pandemic impact on the leisure and hospitality industry, the updated 2020 Oregon Talent Assessment, and more:
www.oregon.gov/WorkforceBoard/talent/Pages/talentassessment.aspx

WTDB Task Forces Focus on Fast-Evolving Workforce The WTDB has also convened several Task Forces driven by key leaders from business and industry, labor, and other education, training and talent development leadership which position Oregon to make informed decisions in responding to fast-evolving workforce needs. Among the task forces, WTDB has launched the Equitable Prosperity Task Force to help thousands of Oregonians share in equitable prosperity in the post-pandemic economy. Learn more:
www.oregon.gov/workforceboard/pages/index.aspx

² Source: Johnson, A. 2020. *Characteristics of the Covered Unemployed in September 2020*. Oregon Employment Department.

³ Source: Oregon Health Authority (OHA): [Case Demographic Data](#).

RECOVERY REQUIRES WORKFORCE RESKILLING AND UPSKILLING: The workforce environment is changing, and adjusting to it will require many employed and unemployed workers to reskill and upskill to emerge strong from this crisis.

A postsecondary degree or credential has become increasingly important to qualify for family-wage jobs in the 21st century economy, and this was true even before the pandemic. According to the Oregon Employment Department's most recent employment projections, 97 percent of job openings with above-average wages in upcoming years will call for applicants to have postsecondary education or training to be competitive.⁴ Moreover, the need for skills beyond high school is expected to increase, as occupations that require higher levels of education are projected to grow faster in the next decade.⁵

After the 2009 Great Recession, over 99 percent of job growth in the economic recovery went to workers with more than a high school education.⁶ However, the the current economic crisis caused by the pandemic appears unlike previous recessions. Today, displaced workers cannot necessarily depend on being able to return to their occupation after the recovery, and may face extended lengths of time without work. Some industries like leisure and hospitality or travel and tourism may be permanently changed by the pandemic, and many of these workers will require postsecondary education and training to regain employment.⁷ **The current economic environment makes expanding the flexibility and capacity of postsecondary education and workforce training even more critical.**

Projected Job Growth in Occupations with Above-Average Earnings by Entry-Level Education Level 2019-2029

<i>Doctoral or Masters</i>	+10.1%
<i>Master's degree:</i>	+13.5%
<i>Bachelor's Degree:</i>	+11.2%
<i>Associate Degree:</i>	+12.6%
<i>Some college no degree:</i>	+ 9.4%
<i>High school diploma:</i>	+ 5.9%
<i>Less than high school</i>	+ 9.1%

Source: Oregon Employment Department (2020). 2019-2029 Projected Job Growth by Typical Entry-Level Education. <https://www.qualityinfo.org/projections#13> Oregon Employment Department (2020) Statewide 2020 Oregon Wage Information. <https://www.qualityinfo.org/>

Oregon's Workforce and Talent Development Board (WTDB) and partners regularly produce the [Oregon Talent Assessment](#), an analysis of in-demand occupations and skills in Oregon, as well as current and future talent needs and gaps. In addition, WTDB released [a series of reports](#) in 2020-21 to inform how Oregon can come out of the pandemic crisis stronger, more resilient, more prosperous, and more equitable. Researchers recommend that Oregon tailor resources to specific needs of Oregonians across numerous communities and geographies, leverage increasing opportunities for online training, and make it easy for a large number of Oregonians affected by pandemic-related job losses to explore career and training options, including apprenticeships. Oregon will need to support locally-oriented, community-based educational opportunities along with critical wrap-around supports (e.g. childcare, housing, transportation, more) to ensure success. Finally, we can build resiliency for Oregonians by explicitly incorporating essential employment skills in occupational training programs as well as in credential and degree programs. The WTDB research has shown that many young people and even some adults need to improve essential employability skills such as solutions-oriented thinking, team work, communication, self-management and general work readiness to support their employability.⁸

⁴ Source: Oregon Employment Department. (2020). [Oregon Occupational Employment Projections 2019-21 and Occupational Employment Projections 2019-29](#).

⁵ Source: Oregon Employment Department. (2020). [2019 Employment by Typical Competitive Education](#).

⁶ Source: Anthony P. Carnevale, A., Jayasundera, T., Gulish, A. (2016) Divided Recovery, [College Haves and Have-Nots; Georgetown Center on Education and the Workforce](#).

⁷ Source: ECONorthwest. (2020). [Effects of Social Distancing on Oregon's Leisure and Hospitality Workers](#). Prepared for the State of Oregon Workforce and Talent Development Board by ECONorthwest.

⁸ Source: ECONorthwest. (2020). [Effects of Social Distancing on Oregon's Leisure and Hospitality Workers](#). Prepared for the State of Oregon Workforce and Talent Development Board by ECONorthwest.

What were the challenges in postsecondary education even before the pandemic?

SYSTEMIC INEQUITIES: Oregon already suffers from an equity crisis in postsecondary education and training, and the financial, academic, and health challenges imposed by the pandemic threaten to exacerbate this. Oregon's public postsecondary system is making progress in expanding postsecondary education access and success among underserved populations, but has far to go. Enrollment and completion rates for students at Oregon public institutions continue to show deep and unacceptable disparities by race/ethnicity, with most students of color less likely to enroll and complete their degrees or certificates at both the community college and university levels.⁹ In addition, first-generation college students are also less likely to complete their programs than students with a parent who has gone to college.

State leaders have prioritized action and accountability in response to this equity crisis in numerous ways. Many Oregon institutions, under the leadership of institutional governing boards, have prioritized student support, wrap-around services, scholarships, and other campus programming in recent years to serve students of color, low-income, rural and other marginalized communities. These types of support programs require staffing and funding. The Oregon Legislature and Governor determine the level of funding for the statewide postsecondary enterprise, and HECC administers the allocation models which determine how the overall state investment is distributed among institutions. The HECC-designed public university funding model rewards increased completion for underrepresented populations, incentivizing institutions to invest in the success of students who are most underserved today. The HECC also promotes application of the Equity Lens to state policy and funding decisions, issues disaggregated data and research by race and ethnicity to help steer state progress, and performs regular in-depth reviews of the public universities with governing boards. Despite limited funding, Oregon has made progress in narrowing racial equity gaps in access and completion in recent years¹⁰, but too many Oregonians of color continue to be left behind in the path to opportunity that postsecondary education fosters.

BARRIERS FOR ADULTS AND NON-TRADITIONAL STUDENTS: State and institution leaders are also working to transform policies and remove barriers to better serve adults who need retraining, transfer students who gain credits at multiple institutions, and other non-traditional learners. In 2019, the state established an [Adult Attainment Goal](#), recognizing that too many adult Oregonians lack the education and training to prepare them for well-paying job opportunities, and that the number of jobs requiring education and training beyond high school is projected to outpace the number of Oregonians with the necessary training, certificates or degrees. Strategies to improve certificate and degree completion include making information about credentials' value readily available, as well as providing adults with non-academic supports, such as childcare, transportation, and access to federal benefits.

DECADES OF UNDERFUNDING: Even before COVID-19, Oregon public postsecondary education and training in Oregon struggled with significant underfunding. State funding per student in Oregon (fiscal year 2020) is \$6,997, 19 percent below the national average of \$8,662.¹¹ And public investment levels are directly tied to student success: for every extra \$1,000 per student a state spends at public universities, a student's chance of earning a bachelor's degree by age 25

Completion Rates at Oregon's Public Colleges and Universities by Race/Ethnicity

Asian American:	64%
Black/African American:	41%
Hispanic/Latinx:	49%
Native American/Alaska Native:	46%
Native Hawaiian/Pacific Islander:	41%
White:	56%

Source: HECC Statewide Snapshots 2020.

<https://www.oregon.gov/highered/research/Documents/Snapshots/Statewide-Snapshot.pdf> Includes new community college students who complete an associate degree or certificate, or transfer to a university within 4 years as well 1st-time, as well as full-time university freshmen who complete a bachelor's degree within 6 years.

⁹ Community college completion includes transfer to any four-year institution nationwide.

¹⁰ Source: [HECC Key Performance Metrics, 2020](#).

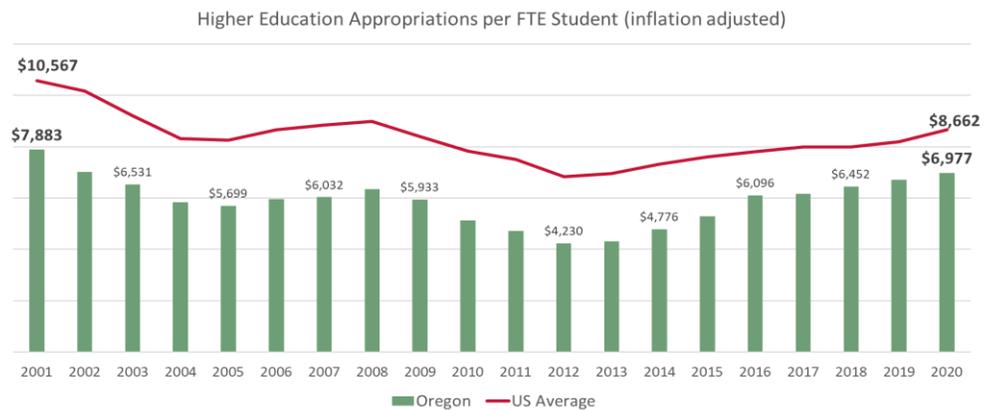
¹¹ Source: State Higher Education Executive Officers, State Higher Education Finance Report, Preliminary Data, FY 2020.

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increases by 1.5 percent. For every \$1,000 per student a state spends at community colleges, the chance of a community college student transferring to a four-year school increases by 3.5 percent.¹²

COLLEGE AFFORDABILITY AT A TIPPING POINT: With years of rising college costs and relatively low funding of financial aid, college is already unaffordable for far too many Oregonians.

Among students who filed for a grant or scholarship in 2018-19, almost half (44 percent) were unable to meet the published cost of attendance with the resources of expected family contribution, federal and state grants, most institutional aid, and an estimate of student earnings.¹³ Students are now paying a much larger share of the total cost of their attendance compared to the past. According to the preliminary 2020 SHEF report, from 2010-2020, net tuition and fee revenue at Oregon public institutions increased by 58% compared to 27% nationally.¹⁴ Tuition and fee levels are directly impacted by the costs and revenue of the institutions, so are closely related to state appropriations. And while tuition has increased, need-based financial aid in Oregon has not kept pace. State financial aid funding per FTE student adjusted for inflation was \$575 in 2019 in Oregon which is 29 percent below the national average of \$808, and below Oregon's funding level from a decade prior, \$604.¹⁵ The economic fallout of the pandemic will intensify what is already a college affordability crisis.



Source: SHEF Report, SHEEO. <https://shef.sheeo.org/> Table 3.2. FY 2020.

What are the immediate impacts of the pandemic on higher education?

The pandemic has created unprecedented fiscal challenges for Oregon's higher education institutions, threatening to diminish their capacity to provide affordable, quality programs and support services precisely when Oregonians need these programs most. Since the pandemic began, Oregon's colleges and universities have undergone a massive transformation of delivery channels, services, and campus spaces to continue their critical education and research missions, while protecting students, faculty, staff, and the broader communities as much as possible from spread of the virus. In the 2020-2021 academic year, most Oregon colleges offer primarily remote activities while others offer a hybrid mix of in-person and online coursework, and all institutions are required to meet public health standards to mitigate spread of the virus. In addition, research activities at the institutions continued and contributed to the state's public health response. However, the transition has introduced new challenges. The unprecedented economic hardships Oregonians are facing have caused thousands to delay or forego their educations. Online learning has also introduced new equity challenges for learners who do not enroll due to inequitable access to technology and connectivity, difficulty offering culturally responsive wrap-around services and tutoring in a remote environment, and more.

ENROLLMENT DECLINE = MISSED OPPORTUNITY. While the need for postsecondary education continues to be high, early numbers show that enrollment is down overall across the public postsecondary education

¹² Rajashri Chakrabarti, Nicole Gorton, and Michael F. Lovenheim. State Investment in Higher Education: Effects on Human Capital Formation, Student Debt, and Long-Term Financial Outcomes of Students. Federal Reserve Bank of New York, September 2020. https://www.newyorkfed.org/research/staff_reports/sr941

¹³ Source: HECC Statewide Higher Education Snapshots <https://www.oregon.gov/highered/research/Pages/snapshots.aspx>

¹⁴ Source: 2020 State Higher Education Finance Report (SHEF), SHEEO. <https://shef.sheeo.org/> Table 3.4.

¹⁵ Source: 2020 State Higher Education Finance Report (SHEF), SHEEO. <https://shef.sheeo.org/> Table 3.3.

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landscape in Oregon. Enrollment has historically increased in response to economic recessions, but early evidence is showing the opposite holds true during the COVID-19 economic crisis. Oregon is seeing significant enrollment declines which could have a significant long term economic cost for thousands of Oregonians if they cannot return to postsecondary education and earn the credentials that will prepare them for family-wage careers in the fast-changing workforce.

OREGON COMMUNITY COLLEGES SEE LARGEST DECLINES IN FALL 2020:

Enrollment is down statewide in Oregon's public colleges and universities in fall 2020. Community college enrollment

has fallen drastically: the number of community college students is 23 percent lower in fall 2020 than in fall 2019.

Enrollment in the public universities is more stable, but is still 3.3 percent lower in fall 2020 than the prior year. All 17 community colleges and five of the seven public universities showed reductions. Declines are evident across all racial/ethnic groups. At the universities, the steepest enrollment decline occurred among nonadmitted students, which includes students earning college credit in high school. While we do not yet know all the causes of the enrollment drop, there is evidence that wildfires, along with the pandemic, contributed to the decline. The declines are among both first-year students as well as students who were previously enrolled, and the likelihood that students who stop out return to complete their postsecondary degree decreases over time.

FISCAL CHALLENGES & UNCERTAINTY FOR INSTITUTIONS: The pandemic has created

unprecedented fiscal challenges for Oregon's higher education institutions. On top of the lost opportunity for students and families, decreases in enrollment can translate to millions of dollars in losses to Oregon institutions, with ripple effects for the local businesses and communities in which they are located, for which the campuses are critical economic engines. In addition, the shift to online learning and employing public health measures to minimize the spread of the virus has come with costs.

Added costs for institutions so far have included: emergency aid to students (above and beyond federal relief); technology and support for remote learning and student services; emergency paid leave for workers; PPE and cleaning; as well as testing and contact tracing. Lost revenue includes: reduced tuition and fee revenue due to reduced enrollment, and reduced auxiliary revenue which includes housing, dining, and athletics. Anticipating reduced enrollment in the 2020-21 academic year, many public institutions have already implemented budget and spending reductions, hiring freezes, use of fund balance, and other measures for FY 21, but the degree of uncertainty in terms of fiscal expectations is unprecedented.

Institutions have a limited set of options if faced with revenue shortfalls, which include raising tuition and fees, freezing or delaying hiring, reduction of services, reduction of compensation or staffing levels, delaying projects, curtailing or eliminating programs. These actions threaten to further diminish the support that Oregonians, and especially underserved students, need to succeed. Sufficient investment in public postsecondary education is needed to protect affordability, keep tuition increases moderate, avoid cuts to programs and services, avoid layoffs that increase the state's crisis of unemployment, and ensure that our postsecondary education enterprise can meet the statewide needs of its populace. Institutions have shown great flexibility

Oregon Community Colleges Fall Enrollment

Headcount enrollment declined 23% from 2019, and the number of full-time equivalent student (FTE) fell 19%

Enrollment declined at each college

Oregon Public University Fall Enrollment

Headcount enrollment declined 3.8% from 2019, and the number of full-time equivalent student (FTE) fell 3.9%

Enrollment did not decline at every college; some saw increases

Source: HECC Office of Research and Data

Estimated Financial Impact

Estimated impact on public institutions through spring 2021:

\$111.5 M in added costs

+\$414.2 M in lost revenue

\$525.7 M total impact*

**About 20% of Education and General Funds (E&G) budgets*

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already to meet emergency needs, but they will need the support to continue redesigning opportunities to meet the needs of today's learners and their communities.

How can Oregon best position its postsecondary education system to transform to meet these challenges?

The coronavirus pandemic has exposed new challenges and exacerbated weaknesses in Oregon's higher education and workforce system, from the college affordability crisis, to the deep disparities in access and student success for historically underserved populations, to the longstanding funding challenges institutions and programs face. At a time when postsecondary education is more important than ever to help Oregonians recover from the recession, Oregon is losing out on the talents of many students who have chosen not to or are unable to enroll, and we have yet to see if they will enroll in the future. In addition, the unprecedented fiscal uncertainty institutions face limits their ability to be resilient, and to respond flexibly to learner needs. Oregon is actively researching and identifying strategies to address the evolving workforce needs. Multiple complementary strategies are necessary to abate the most harmful impacts of the pandemic and to position Oregon for a strong recovery. The HECC is currently developing a Strategic Roadmap for the future of postsecondary and training that aims to focus action in coming years.