Seeding the Knowledge Economy: Meeting Summary

By Pam Goins

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CSG’s 2010 Economic Summit of the States

Seeding the Knowledge Economy: Education and Economic Development

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Meeting Summary/Proceedings:

According to a study by the Rockefeller Institute of Government, the key to states’ success in economic development is no longer just the traditional packages of tax breaks, incentives and infrastructure, but the knowledge assets they possess in the form of their educational institutions. Economists term this “the knowledge economy” and most successful businesses will be those that depend on research, new ideas, technology and upgraded skills of their workforce. Some innovative programs ensure that they are meeting local and regional workforce needs by working with individual employers, employer associations, economic development agencies, business and industry to identify the skill sets needed. From there, educational institutions align their program focus and curriculum with the occupational priorities identified and collaborate with Workforce Development Boards, One-Stop Career Centers, Chambers of Commerce, community colleges and even labor unions.

Speakers for this session included Dr. Jim Applegate, Senior Vice President for Program Development, Lumina Foundation for Education, Johanna Duncan-Poitier, Deputy Chancellor for the Education Pipeline, State University of New York (SUNY) and Dr. Watson Scott Swail, President & CEO, The Educational Policy Institute. Representative Arnie Roblan, Speaker Pro Tempore, Oregon served as moderator.

“By 2018, 73 million jobs will need at least an Associate Degree,” Dr. Applegate noted when he opened the session. College is now a prerequisite to a middle class life and is key to a strong and equitable democracy. “We can’t balance the state budget on the backs of higher education.” Although jobs will be available, we will not have the qualified workers to fill those roles which justifies the need for preparation, success and productivity in higher education. The Lumina Foundation believes it will take a three-pronged approach to reach success in these areas: effective practice, public policy advocacy and public will building.

States can undertake a variety of actions to improve the educational opportunities for workers across the spectrum. Federal college access funds, to the tune of $750 million, can be utilized to create sustainable networks and outreach programs improving college success for low income, first generation and students of color. K-12 and postsecondary education also need to align exit and college admissions/placement standards and assessments. The new state-led movement, the
Common Core State Standards Initiative, is one mechanism to start the dialogue to create the seamless pathway for students. State financial aid programs should also evaluate how they provide aid to students and provide clear incentive to public institutions to use both state and institutional aid to support low-income student success. Need-based financial aid should also be increased.

Other opportunities for states to use policy to drive success rates include improving data systems that link K-12, higher education and workforce data. Linking accountability to completion and success and an expansion of adult learning opportunities are also critical. Performance-based funding and expanding the capacity of higher education systems to increase attainment is also vital to overall success in higher education degree attainment.

Dr. Duncan-Poitier brought the state university perspective to the discussion as she related programs that SUNY is implementing for student success. She noted that, for every 100 ninth grade students in New York, 57 will graduate from high school four years later, 41 immediately enter college, 31 are still enrolled in their second year, but only 19 students in New York will graduate with either an associate’s degree within 3 years or a bachelor’s degree within six years.

According to the SUNY strategic plan, which will revitalize the economy of New York and enhance the quality of life for its citizens, the university system will cultivate entrepreneurial thinking across the entire learning landscape, create a seamless education pipeline and demand a healthier New York by fully integrating healthcare enterprise by putting the right health professionals in the right places. Additional strategies include creating an energy-smart New York, developing greater intentionality across the entire system of developing vibrant communities, and nurturing a culturally fluent, cross-national mindset and put it to work improving New York’s global competitiveness.

Being the nation’s largest comprehensive system of public higher education, with 64 institutions, more than 465,000 students, 88,000 faculty and staff and 2.4 million alumni worldwide, SUNY has realized that in a knowledge economy, institutions of higher education can and must be pivotal in generating growth and revitalizing communities. By combining student-centeredness, community engagement, diversity, integrity and collaboration, SUNY will make a difference in the state of New York.

The final speaker, Dr. Watson Scott Swail, engaged the audience in a discussion of linking jobs and higher education. He posed the question “Are we producing enough or too many degrees?” For higher education, a recession is a double-edged sword. On one side, states traditionally cut higher education budgets during an economic downturn, forcing institutions of higher education to reduce staffing, enlarge class sizes, and increase tuition. Alternatively, more students typically enroll in college when the economy goes sour as many displaced workers return to education to retool for the marketplace. As well, currently employed workers take a more critical look at their future knowing that their livelihood may reside on the bubble and choosing to retool in hopes of either keeping their position or advancing.

The bachelor’s degree is a key link to higher income and social status in our society. Not that other levels of education, and certainly occupations not requiring a college degree, don’t do well. But the BA is the standard for business and professional levels within the workforce. More than ever, it is the dividing line between blue- and white-collar workers. However, Dr. Swail noted that we may need to ‘do’ higher education better instead of simply more.

What we probably need are better skills emanating from all levels of higher education, especially the less-than four-year programs. And certainly this would argue for retooling middle and high school education to provide a better foundation for careers and postsecondary studies.
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James Applegate, Senior Vice President for Program Development, Lumina Foundation for Education

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