The Heart of it All

How Ohio’s lagging investment in post-secondary education and training must be reversed for its people to prosper in today’s economy
According to many experts, 64 percent of jobs in Ohio will require some form of post-secondary degree or credential by 2020. Yet only 42 percent of Ohioans meet this criteria today. This huge talent gap has been the focus of many urgent calls¹ for the state to step up investment in post-secondary learning and training options. It was discussed by Governor-elect Mike DeWine during his recent victory². And while both major party candidates for Governor had different approaches to the problem, the fact that both agree it needs addressed is an increasingly rare example of bipartisan agreement in today’s hyper-partisan political environment.

This post-secondary investment is critical because, as Eric Hanushek of the Hoover Institution at Stanford University told a recent Ohio Mayors education attainment summit, if Ohio were able to improve its educational standing to that of Minnesota or Canada, the state would see an additional $1.5 trillion in economic activity to the state over these students’ lifetimes.

This report will serve as a compendium of Ohio’s current post-secondary climate and help point the way for policy makers to seek the essential improvements necessary to ensure the future economic health of our state and community.

The state should consider place-based strategies that could improve the state’s disproportionately low access and success of students of poor students, urban and rural students, and students of color.
Ohio at Vanguard of National Problem

Ohio needs to invest in education beyond high school to compete in today’s global information age. Yet the state is currently far behind the eight ball. According to John Friedman – a Brown University Economist – barely half of Americans born today will earn more than their parents. And the trend is not good for Ohio either.

Ohio is Canary in a Coal Mine Nationally

Ohio’s experience has simply been on the leading edge of a national trend, making college and other post-secondary options more difficult to attain just as the country needs more Americans to attain them.

In 1990, the typical college going family nationally had to pick up 25 percent of the cost of a college education. In 2015, that cost had jumped to 50 percent. That is a significant increase, but in Ohio it is even greater. Last year, according to the
State Higher Education Executive Officers Association, the state of Ohio had the ninth lowest per student financial commitment to higher education in the United States – nearly $2,100 less than the national average.

According to the Ohio Legislative Service Commission, Ohio’s higher education enrollment drop of 17.4 percent between 2011 and 2017 was the largest drop in the country. And while Ohio’s 2015 enrollment was higher than before the 2008-2009 Great Recession, the difference was only 0.8%, which was the nation’s sixth lowest increase.³

Another report shows that in 2031, the state will graduate 11 percent fewer high school students than it did in 2017⁴ – the state ranks last in the nation in postsecondary enrollment growth, with the number of college-going Ohioans declining year over year.

This trend will only exacerbate Ohio’s traditional problems keeping pace with education attainment levels. Overall, 44% of Ohio adults aged 25-64 have at least an associate’s degree or a high-quality workforce credential, compared to 47% of the country.

This is a dangerous, downward trend for Ohio’s economic competitiveness in the 21st Century economy, which is growing more and more dependent upon a highly skilled and educated workforce.

Even on industry recognized credentials, which can be an effective and far less costly alternative for non-college bound students to become upwardly mobile economically, Ohio has seen a 30 percent increase in the percentage of students receiving them between 2014 and 2018. However, the average school district percentage is still a meager 6.26 percent. While better than the barely 4 percent in 2014, the number remains far lower than what is needed in many school districts.

**DIVESTMENT CONTRIBUTING TO STARK GAPS IN COLLEGE ACCESS FOR POOR STUDENTS, RURAL STUDENTS, AND STUDENTS OF COLOR**

The state’s three-decade-long, 25 percent lower commitment to higher education (20 years ago, 14 percent of state expenditures went to higher education; this year it’s barely 10 percent), coupled with its reduction in need-based aid have made Ohio the 45th least affordable state to attend college.
For example, according to a new report\(^5\) from Policy Matters Ohio, “in 2019, funding for [the Ohio College Opportunity Grant, Ohio’s need-based aid program] will be $122 million less than in 2008, not adjusted for inflation. Low-income students and students of color are more likely to attend community colleges, but students at those institutions are not eligible to receive OCOG.”

Couple that with the fact that Ohio’s tuition increased by $500 between 2008 and 2018, and it’s not difficult to understand how even those Ohio students who end up finishing school do so with far more debt than nearly every other state. According to the Ohio Student Association, Ohio students have the 6th highest share of graduates holding debt at 69 percent, and those students carry the nation’s 9th highest average debt load at $29,000.

This financial divestment appears to disproportionately impact college access for students in both urban and rural districts. The major impediment to Ohio prospering in today’s knowledge economy is the access and affordability of our state’s post-secondary options. And for the first time, using state data, Innovation Ohio can demonstrate just how powerful a factor wealth is in attaining post-secondary education.

Even as larger school districts in Ohio report higher graduation rates and ACT scores, they register a shrinking proportion of their students enrolling in college. Overall, 10 percent fewer students in Ohio’s biggest urban districts are enrolled in college within two years of graduating high school today as they were five years ago.

Among major metropolitan areas, Toledo and Dayton fall farthest behind the state average, with 38% and 40% of adults having at least an associate’s degree or a high-quality workforce credential, respectively.

The next biggest percentage drop in college goers (at 4.5%) has been in poor, small town districts like Hamilton Local in Franklin County or Elida Local in Allen County, followed by the state’s poorest rural districts (at 2.9%) like Newcomerstown. Those two drops outpaced the drops in Ohio’s smaller urban districts like Lorain or Mansfield, which saw a college growing rate drop of 2.9% on average.

In Ohio, since 2012, the average Ohio rural, poor district had 49.81 percent of their high school graduates attending college within two years of graduation – the only type of Ohio district other than Ohio’s urban districts to be under 50 percent. Likewise, poor rural and small town districts are the only districts in Ohio other than its urban districts with 25 percent or fewer high school graduates ending up with a college degree within six years of high school.

Rural counties like Holmes, Noble, and Adams have the lowest rates of having at least an associate’s degree or workforce credential (12%, 17%, and 19%, respectively), while suburban counties like Delaware, Warren, and Greene have the highest rates of having at least an associate’s degree or workforce credential (63%, 54%, and 50%, respectively).
This aligns with national trends. Nationally, according to the National Center for Education Statistics, 42 percent of people ages 18 to 24 are enrolled in all of higher education, but only 29 percent come from rural areas, compared with nearly 48 percent from cities.

MAJOR GAP BETWEEN OHIO STUDENTS STARTING AND FINISHING COLLEGE. WORSE FOR POOR STUDENTS, RURAL STUDENTS AND STUDENTS OF COLOR

Socioeconomic status impacts not just enrollment, but also completion.

According to state data⁶, there is a significant difference between the percentage of Ohio high school students who start and finish college. Overall, 44.4 percent fewer students graduate college within 6 years of high school graduation than enroll within 2 years of graduation.

While representing a clearly huge gap, the difference is especially yawning for poor and minority students. In the top 10 percent poorest Ohio school districts, the average difference between the rates of students who graduate and enroll in college is 60.6 percent lower. Meanwhile, in the 10 percent wealthiest districts, the rate difference is only 30.1 percent lower, meaning that wealthy students are almost twice as likely to graduate college once they enroll than poor students. This is a clear indication that wealth, and therefore cost, is a powerful determinant of whether an Ohio student finishes college.

This phenomenon has also played out almost exactly the same along racial and ethnic lines. This is problematic because in Ohio, 26% of African-Americans and 27% of Hispanics have at least an associate’s degree or a high-quality workforce credential, compared to 40% of Whites.

However, the top 10 percent most heavily minority districts have a completion to enrollment percentage difference of 59.3 percent. The top 10 percent most heavily white districts have a completion to enrollment percentage difference of 37.8 percent. So while the percentage differences are somewhat narrower along racial than poverty lines, they remain stark and troubling.
There are regional differences in Ohio too. The differences are about the same in scale as the others discussed. Students in wealthy, suburban districts’ are just about twice as likely to finish college once they start as students in poor rural or small town districts. In poor, rural areas, 49.6 percent of students who start college end up finishing. In wealthy, suburban areas, only 25.9 percent fewer students fail to complete college once they start.

While other factors, such as education attainment levels of parents, college preparedness and remediation also play roles in these data differences, what is clear is that simply being able to afford college - as a practical matter - is the most powerful factor. It is also the single factor with which state lawmakers can deal most directly. Making college more affordable would eliminate significant portions of these enrollment and completion gaps.

Based on Education Trust’s College Results Online, which examines campus-level completion data, there are thousands of African American and Latino students who attend public four-year institutions with very low graduation rates and substantial graduation rate gaps when compared with White students - gaps that would be even greater if not for Ohio’s relatively low White graduation rate.

These graduation gaps — as well as underrepresentation of African American and Latino residents attending Ohio public institutions — leads to a smaller share of African American and Latino students receiving a degree each year and will likely increase disparities in degree attainment.

(See table A)

**WHAT TO DO?**

The solution to Ohio’s clear talent challenge requires that the state invest in increasing the number of Ohioans with college degrees or other post-secondary certificates. This will necessitate additional investment in Ohio’s higher education system, as well as stepped up need-based aid from a state that has spent the last 20 years doing the opposite.

However, it is clear that today investment in human capital is the single best economic development tool in a state and community's arsenal. Without this investment, Ohioans will continue to struggle to succeed in today’s knowledge-driven economy.

The key to a higher level of attainment in Ohio is narrowing gaps between wealthy students, white students, and suburban students, and poor students, urban and rural students, and students of color.

As a new administration and budget take shape next year, we will be developing specific ideas and policy initiatives that can help policymakers develop a better trained, more educated workforce to ensure a better, more prosperous future for all Ohioans.
| Institution                                      | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate | 2016 6-Year Grad Rate |
|-------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Ohio State University-Main Campus               | 83.70%                | 73.80%                | 84.40%                | 76.70%                | 85.40%                | 80.60%                | 73.80%                | 85.40%                | 8.70%                 | 10,600                | 42,801                | 70.60%                | 20.40%                | 2.40%                 | 70.60%                | 20.40%                | 3.80%                 | 70.60%                |
| Miami University-Oxford                         | 78.40%                | 72.40%                | 79.50%                | 71.00%                | 80.50%                | 79.50%                | 72.40%                | 80.50%                | 10.30%                | 16,170                | 42,801                | 78.00%                | 11.20%                | 2.80%                 | 78.00%                | 11.20%                | 3.80%                 | 78.00%                |
| University of Cincinnati-Main Campus            | 66.80%                | 54.00%                | 71.30%                | 13.30%                | 69.00%                | 60.90%                | 62.30%                | 60.90%                | 7.80%                 | 22,628                | 69.70%                | 71.30%                | 8.60%                 | 71.30%                | 8.60%                 | 9.00%                 | 71.30%                | 9.00%                 | 71.30%                |
| University of Cincinnati-Ave Maria              | 54.80%                | 36.10%                | 43.80%                | 19.20%                | 36.00%                | 35.80%                | 40.40%                | 35.80%                | 13.30%                | 20,983                | 53.80%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                |
| University of Toledo                            | 43.40%                | 34.90%                | 35.80%                | 19.20%                | 36.00%                | 35.80%                | 35.80%                | 35.80%                | 13.30%                | 20,983                | 53.80%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                |
| Miami University of Ohio                        | 42.80%                | 36.10%                | 43.80%                | 19.20%                | 36.00%                | 35.80%                | 35.80%                | 35.80%                | 13.30%                | 20,983                | 53.80%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                |
| University of Akron Main Campus                 | 42.80%                | 36.10%                | 43.80%                | 19.20%                | 36.00%                | 35.80%                | 35.80%                | 35.80%                | 13.30%                | 20,983                | 53.80%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                |
| Wright State University                         | 42.80%                | 36.10%                | 43.80%                | 19.20%                | 36.00%                | 35.80%                | 35.80%                | 35.80%                | 13.30%                | 20,983                | 53.80%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                | 7.80%                 | 13.30%                |
| Ohio State University-Mansfield Campus          | 38.20%                | 30.00%                | 38.80%                | 21.30%                | 36.00%                | 35.80%                | 35.80%                | 35.80%                | 13.30%                | 11,063                | 42,801                | 70.60%                | 20.40%                | 2.40%                 | 70.60%                | 20.40%                | 3.80%                 | 70.60%                |
| Ohio State University-Marion Campus            | 35.40%                | 25.00%                | 35.00%                | 25.00%                | 35.00%                | 35.00%                | 35.00%                | 35.00%                | 13.30%                | 11,063                | 42,801                | 70.60%                | 20.40%                | 2.40%                 | 70.60%                | 20.40%                | 3.80%                 | 70.60%                |
| Wright State University-Lake Campus             | 34.80%                | 25.00%                | 35.00%                | 25.00%                | 35.00%                | 35.00%                | 35.00%                | 35.00%                | 13.30%                | 11,063                | 42,801                | 70.60%                | 20.40%                | 2.40%                 | 70.60%                | 20.40%                | 3.80%                 | 70.60%                |
| Wright State University-Akron Campus           | 31.00%                | 21.30%                | 21.30%                | 11.90%                | 19.00%                | 19.00%                | 19.00%                | 19.00%                | 11.90%                | 11,063                | 42,801                | 70.60%                | 20.40%                | 2.40%                 | 70.60%                | 20.40%                | 3.80%                 | 70.60%                |
| Wright State University-Youngstown              | 31.00%                | 21.30%                | 21.30%                | 11.90%                | 19.00%                | 19.00%                | 19.00%                | 19.00%                | 11.90%                | 11,063                | 42,801                | 70.60%                | 20.40%                | 2.40%                 | 70.60%                | 20.40%                | 3.80%                 | 70.60%                |
| Wright State University-Marietta                 | 27.00%                | 19.40%                | 27.00%                | 19.40%                | 27.00%                | 19.40%                | 27.00%                | 19.40%                | 11.90%                | 11,063                | 42,801                | 70.60%                | 20.40%                | 2.40%                 | 70.60%                | 20.40%                | 3.80%                 | 70.60%                |
| Wright State University-Nikola                    | 25.90%                | 21.30%                | 21.30%                | 11.90%                | 19.00%                | 19.00%                | 19.00%                | 19.00%                | 11.90%                | 11,063                | 42,801                | 70.60%                | 20.40%                | 2.40%                 | 70.60%                | 20.40%                | 3.80%                 | 70.60%                |
FOOTNOTES


6 https://reportcard.education.ohio.gov/download

7 This is a reference to Ohio's district typeology system, which can be seen at the Ohio Department of Education website here: http://education.ohio.gov/Topics/Data/Frequently-Requested-Data/Typology-of-Ohio-School-Districts