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# Policy Brief

## **Advancing the Economy Through Attainment**

What Arizona Can Learn From States With  
Higher Education Attainment Goals

College   
Success  
Arizona  

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# Advancing the Economy Through Attainment

What Arizona Can Learn From States With  
Higher Education Attainment Goals

## Executive Summary

Recent research and lessons from other states confirm that the most powerful instrument of economic development for Arizona is a college degree or certificate. According to projections from the Georgetown University Center on Education and the Workforce, 68 percent of all jobs in Arizona will require a postsecondary certificate or degree by 2020. Arizona has a tremendous opportunity to improve its economic performance if the current 37 percent attainment rate is increased.

Lumina Foundation—the largest private foundation in the United States focused exclusively on postsecondary attainment policy and research—defines “attainment” as the percentage of adults in a state with high-quality postsecondary degrees and credentials, including both college degrees (associate’s degrees and above) and certificates that lead to further education or employment. This can be differentiated from the system goal established by the Arizona Board of Regents (ABOR), which governs the three public universities in the state. ABOR’s goal calls for increasing the share of Arizona adults who hold a bachelor’s degree to 30 percent by 2020.

Postsecondary attainment yields economic and social benefits for graduates and for the entire state. College graduates earn more over the course of their lifetimes, benefit from lower unemployment rates, and are ready to become 21st century employees.

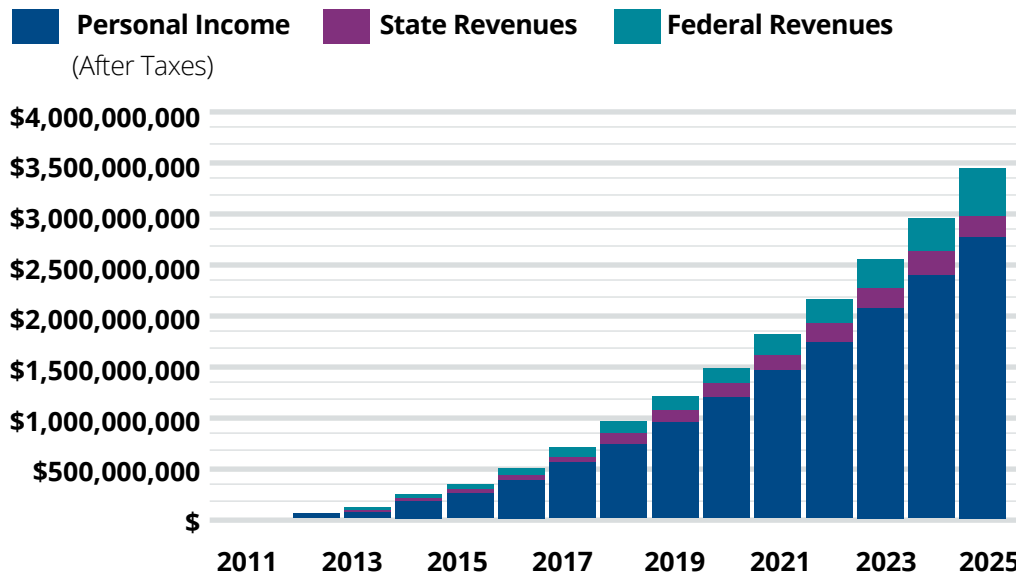
### Key Definitions

**Attainment:** The percentage of adults in a state with high-quality postsecondary degrees and credentials, including college degrees (associate’s and bachelor’s) and certificates.

**Completion:** A factor that contributes to a state’s overall attainment rate, completion measures the rate at which students enrolled in a higher education institution or system complete their degree or credential programs.



### Additional Revenues Generated In Current \$



An educated workforce strengthens Arizona's economy, and higher-earning citizens generate greater tax revenue for the state. Additionally, research indicates that a more educated workforce leads to increased productivity among all workers, due to the sharing of knowledge and skills across workers and shifting of production activities requiring greater educational attainment. In recognition of these benefits resulting from increased postsecondary attainment, Lumina Foundation has established a national goal of ensuring that 60 percent of adults hold a postsecondary credential by 2025.

Data gleaned from the NCHEMS/CLASP model, as highlighted by the Lumina Foundation Strategy Labs economic value model (pictured above), indicates that if Arizona did indeed increase its attainment rate to 60 percent by 2025, the combined increase in state and federal revenues would be more than \$645 million dollars. College Success Arizona estimates that merely adding 1,000 college graduates to the Arizona workforce would increase state tax revenue by more than \$2.2 million every year.

Setting a strong attainment goal is a key first step that many states have taken to increase attainment and ensure their economic competitiveness.

## Employment Benefits

The urgent need to close the attainment gap in Arizona cannot be over-stated. Individuals who hold a bachelor's degree are about half as likely to be unemployed than individuals who have only a high school diploma, and the average family income for bachelor's degree holders is nearly twice that earned by high school diploma holders. Individuals who hold associate's degrees are also more likely to be employed than diploma holders, and associate's degree holders will earn almost 20 percent more per year. The data are clear: Greater educational attainment equals a stronger workforce and a stronger economy in Arizona.



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## Advantages for States With Strong Attainment Goals

To share in this economic bounty, Arizona should consider joining several states across the nation that have set and embraced a strong postsecondary attainment goal, whether through legislation or state-supported initiatives.

Lumina's recent *A Stronger Nation* report states that governors, legislatures, colleges and universities, and other policy makers in 31 states have established statewide attainment goals. Further, the report highlights 16 states that have set the nation's strongest attainment goals—defining strong goals as those that are quantifiable, include a target date, have a basis in projections of state labor needs, and, perhaps most importantly, address gaps in attainment between majority and traditionally underserved populations.

Arizona has made initial steps toward establishing a statewide goal for bachelor's degree completion—the Arizona Board of Regents has articulated a goal of increasing to 30 percent the share of adults who hold a bachelor's degree by 2020—but this system goal is not counted among the 16 strong statewide attainment goals identified in Lumina's *A Stronger Nation* report. This brief looks at data from Colorado, Indiana, Kentucky, Tennessee and Texas, which have each set strong state attainment goals and made progress in recent years with regard to increasing their respective attainment rates.

Kentucky, for example, has seen multiple benefits since implementing its attainment goal. These benefits include an increase of nearly 4.5 percent of its overall attainment rate and increasing AP and SAT participation to rates well above the national average. By comparison, over that same period, Arizona's attainment rate has increased 1.6 percent and the state's participation rates in AP and SAT remain well below the national average. In addition, Kentucky has developed a series of policies that have helped adults without higher education credentials return to postsecondary education and training. Arizona has no such policy.

Tennessee is also using an attainment goal to drive progress. The state's nationally known "Drive to 55" campaign, established by Gov. Bill Haslam, Republican, articulates a statewide goal to have 55 percent of adults age 25 to 64 years old hold a college degree or certificate by 2025. A key policy of the campaign includes 100 percent completion of the Free Application for Federal Student Aid form (FAFSA) by high school students across the state. Another key element of the campaign, the Tennessee Promise, uses state lottery revenue to pay for tuition for two years of community college for any of the state's high school graduates.



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## Ideas To Strengthen Arizona

It is true that the on-time completion rate for Arizona's public universities represents one of the state's strengths. Arizona meets the national average and has a higher on-time completion rate than do Tennessee and Kentucky. This may be attributed to ABOR's Vision 2020 goal for completion as well as educational policies that encourage dual high school enrollment and aggressive community college-to-university transfer initiatives.

Yet, as is evident from the benefits gained by other states, setting a statewide attainment goal signals the increasing recognition that attainment is not the exclusive purview of K-12 and higher education systems but rather an area of focus integral to the economic competitiveness and viability.

To that end, we ask that state policy makers consider the following actions:

- ▶ **Align the attainment conversation with the state's economic priorities and workforce needs, including an emphasis on the opportunity group of low-income, minority, veterans and working-age adults to attain postsecondary credentials they need to become a 21st century employee.**
- ▶ **Set a state-supported postsecondary attainment goal that will galvanize momentum to achieve some of the benefits other states are experiencing.**
- ▶ **Establish policies that increase postsecondary access for all, targeting Arizonans who may not otherwise attain a college degree or workforce credentials.**
- ▶ **Connect with and learn from state and national organizations, including the Lumina Foundation, that are analyzing and supporting strategies in other states to support increasing postsecondary attainment.**

# About College Success Arizona

College Success Arizona is working to create a significant increase in the postsecondary attainment rate of students in Arizona, particularly for those who otherwise would not be able to attend or graduate. By doing so, we believe that we will improve the quality of life not just for those individuals and their families but also for the state as a whole.

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