

Florida TaxWatch

ECONOMIC COMMENTARY

Beyond the Pandemic: Long-Term Changes and Challenges for Postsecondary Training

COVID-19 LEGACY SERIES PT.4

AUGUST 2021

Note: This economic commentary is one of a multi-part “COVID-19 Legacy Series” discussing the long-term changes brought on by the COVID-19 pandemic and the challenges facing the state of Florida in the years to come. Each installation will examine a particular focus area and describe how the changes will impact the Florida economy.

TO RECOGNIZE THE FUTURE CHANGES AND CHALLENGES FOR FLORIDA'S POSTSECONDARY TRAINING, IT IS IMPERATIVE TO BEGIN WITH AN UNDERSTANDING OF THE FUTURE WORKFORCE. As highlighted in last month's economic commentary, Florida's workforce is poised for disruptive change as automation, artificial intelligence, and other innovative technologies take hold in the coming years, accelerated in part due to the COVID-19 pandemic. Shifting demographics as the Baby Boomer generation exits the labor force will also fuel broader changes for the working population. For these reasons, the needs of the future workforce place a premium on human skills development—equipping individuals with the requisite skills to be prepared for a workforce full of disruption and displacement. Increasingly, postsecondary institutions and industry will both be crucial to training workers for an ever-evolving economy.

FLORIDA'S POSTSECONDARY ATTAINMENT GOALS AND TALENT PIPELINES

Florida has the ambitious goal of becoming the best state in the nation for workforce development by 2030, known as the Get There Faster initiative.¹ Expanding access to quality Career and Technical Education (CTE) courses along with traditional postsecondary credentials will require more participation and completion around the state.

Another long-term goal—“Sail to 60”—aims to increase the percentage of working-age Floridians with a high-value postsecondary degree, certificate, or training to 60 percent by 2030. Florida is approximately at 52.8 percent of its attainment goal with around 10.5 percent of individuals possessing a short-term credential and 42.3 percent having an associate, bachelor, or graduate degree.² Since 2008, Florida's overall postsecondary educational attainment rate has risen by 16 percentage points from 36.8 percent to 52.8 percent.³

¹ Office of Governor Ron DeSantis, Press Release: “Governor DeSantis Announces a Proposed \$75 Million to Invest in Two New Get There Faster Initiatives,” Mar. 22, 2021.

² Lumina Foundation, A Stronger Nation: Tracking America's Progress Toward 2025, Accessed July 30, 2021. <https://www.luminafoundation.org/stronger-nation/report/2021/#nation>

³ Ibid

For Florida to fully realize its 60 percent postsecondary attainment goal and eventually exceed it, the priorities outlined throughout this commentary offer a basic starting point, such as understanding enrollment trends at institutions and enhancing upskilling priorities with industries. Another innovative approach can be found in the Broward UP model—a community-centric approach to providing postsecondary training to individuals in underrepresented communities. Broward UP directly goes into local areas and provides workforce training programs that lead to in-demand certificates and credentials. A prior TaxWatch analysis found that students are expected to earn an additional \$204,000 in lifetime earnings after participating.⁴ It should be further studied how a similar model would yield economic value to Florida if employed across the entire state. Additionally, much research remains for understanding the dynamics of postsecondary training throughout the COVID-19 pandemic and beyond.

COVID-19'S INFLUENCE ON POSTSECONDARY ENROLLMENT AND LONG-TERM IMPLICATIONS

Conventional wisdom and past economic research would suggest that during times of economic downturn, enrollment at postsecondary institutions tends to spike as a lack of job opportunities encourage individuals to develop new skills for the future.⁵ This countercyclical relationship has often been observed in past recessions. During the Great Recession, for example, enrollment at postsecondary institutions rose by 12.9 percent across the U.S. between 2007 and 2010 with public two-year colleges driving overall enrollment increases.⁶ Individuals who encountered fewer job prospects amid the Great Recession saw an opportunity to return to college and develop newer or more advanced training.

The COVID-19 pandemic, however, departed from the common pattern of previous recessions. Rather than leading to a surge in postsecondary attendance, the pandemic resulted in an overall decrease in enrollment as health concerns, remote learning, and employment disruptions abounded. Across the nation, total postsecondary enrollment decreased by 2.5 percent in fall 2020 compared to fall 2019, and sharp declines at public two-year colleges surged to 10.1 percent lower than the previous year.⁷ In Florida, a similar challenge played out. During fall 2020, postsecondary enrollment fell by 0.2 percent at public four-year universities, 0.7 percent at private nonprofit colleges, and a staggering 15.5 percent at public two-year colleges (See Table 1).

TABLE 1. CHANGE IN FLORIDA POSTSECONDARY ENROLLMENT DURING COVID-19

Institution	Fall 2020	Fall 2019	Percent Decrease
Public 2 Year	36,476	43,154	-15.5%
Public 4 Year	708,641	709,977	-0.2%
Private Nonprofit 4 Year	145,867	146,918	-0.7%

Source: National Student Clearinghouse Research Center. Note: Enrollment figures may not include the total universe of students depending on reporting for Fall 2020. Other types of institutions are not captured in this data.

One possible explanation for the outsized decline at two-year public colleges deals with the students often served at these local institutions. Florida's two-year public colleges are critical access points for a large share of students who come from predominantly low-income, first-generation backgrounds as well as older adults who seek more advanced technical training.⁸ The COVID-19 pandemic had a disproportionate effect on individuals from low-income communities, making it harder for these students to justify the costs and complexities of attending college predominantly online while also dealing with employment difficulties.⁹ As the College Board noted: "Among students in the two-year sector, the pandemic most adversely affected the college trajectories of first-generation, underrepresented minority, and lower-achieving students from higher-poverty communities and high schools."¹⁰

4 Florida TaxWatch, An Independent Assessment of the Value of Broward UP, Apr. 13, 2021.

5 National Bureau of Economic Research (NBER), The Financial Crisis and College Enrollment: How Have Students and Their Families Responded? Dec. 2014.

6 U.S. Census Bureau, Postsecondary Enrollment Before, During, and Since the Great Recession, Apr. 2018.

7 National Student Clearinghouse Research Center, Term Enrollment Estimates, Fall 2020.

8 Brookings Institute, "Why Expanded Student Supports Can Improve Community College Outcomes and Boost Skill Attainment," Apr. 7, 2021.

9 NPR, "Fewer Students Are Going to Community College, Despite High Unemployment," Sept. 24, 2020.

10 College Board, College Enrollment and Retention in the Era of COVID," June 2021.

These negative enrollment trends have several long-term implications for Florida. For students who opted out of postsecondary settings during COVID-19, especially at local colleges, foregone learning reduces the likelihood of future educational attainment and lowers lifetime earnings potential.¹¹ According to some estimates, delaying college even by a year due to the pandemic may result in the potential loss of \$90,000 in lifetime earnings.¹² Furthermore, students without any postsecondary training—whether from degrees, certificates, or licenses—generally have lower prospects for economic mobility.¹³ From a fiscal perspective, individuals who lack any form of postsecondary education often contribute less in local and state tax revenue throughout their lives, further affecting communities.¹⁴

DEMAND FOR UPSKILLING, RESKILLING, AND OTHER WORKFORCE TRAINING

Though more subtle, another long-term implication is that the workforce of the future will increasingly demand alternative ways to boost postsecondary training, especially for nontraditional students. This does not preclude the importance of traditional degree and certificate pathways at the institutional level; instead, it underscores the importance of identifying supplemental ways to expand and enhance postsecondary training within institutions and industries. Simply put, not every person who requires some form of postsecondary education will be able to devote several years to classroom instruction—made even more evident by the fact that workforce disruption will become more prevalent.

Upskilling and reskilling offer two avenues to expand postsecondary education in a manner that is expedient in nature and responsive to sudden changes in the economy. Upskilling refers to learning additional skills to enhance existing skill sets, whereas reskilling involves learning a completely new set of skills for a new role. Given the expected job growth in certain occupations, one out of every ten workers in the U.S. may need to transition to new jobs with different skills by 2030.¹⁵ In response, upskilling and reskilling may yield economic benefits for the future in Florida. According to one analysis, upskilling may boost U.S. Gross Domestic Product (GDP) by 3.7 percent by 2030, assuming newer skills translate into more productivity.¹⁶ These boosts to GDP may be most beneficial for Florida's manufacturing, consumer service, and health care sectors where upskilling needs are evident.¹⁷

Workforce education, sponsored education programs, and other continued training models offer varied pathways and provide a two-fold benefit to both workers and companies in the post-COVID era. Not only do organizations fulfill and retain talent needs tailored to their specific company, but workers can also deepen their skills and rapidly adapt to evolving demands at lower costs.¹⁸

CONCLUSION

Whether through degrees, certificates, licenses, or other work-based programs, postsecondary training is a worthy return on investment for many individuals. Robust training can have an important bearing on lifetime earnings, economic mobility, and continued economic growth. As Florida emerges from the COVID-19 pandemic and enters a distinctly new workforce, the conversation surrounding postsecondary education will likewise evolve. Growing workforce disruptions in the future will necessitate postsecondary training that is responsive and adaptable to sudden change.

Historically, postsecondary education has revolved around college-aged students seeking traditional degrees; however, going forward, the value of training will require more attention toward older adults and other nontraditional learners who have distinctly different time frames and needs. For these older adults, seeking some form of postsecondary training can be a daunting task. Yet as this commentary highlights, forthcoming changes in the economy will produce more opportunities for businesses, institutions, and communities to rethink how training and development can be accomplished. A holistic approach to postsecondary training is essential for Florida to achieve and exceed its workforce development goals by 2030.

11 Brookings Institute, "Major Decisions: What Graduates Earn Over Their Lifetimes," Oct. 8, 2020.

12 Federal Reserve Bank of New York, "Delaying College During the Pandemic Can Be Costly," July. 13, 2020.

13 Urban Institute, Education and Economic Mobility, Retrieved on July 29, 2021.

14 RAND Corporation, "How Taxpayers Benefit When Students Attain Higher Levels of Education," 2009.

15 McKinsey Global Institute, The future of work after COVID-19, Feb. 18, 2021.

16 World Economic Forum (In Collaboration with PwC), Upskilling for Shared Prosperity Insight Report, Jan. 2021.

17 Based on the author's analysis of the World Economic Forum report. Additional GDP is broken down according to sectors.

18 Forbes, "Why Businesses Need to Prioritize Upskilling and Reskilling to Stay Competitive," July. 15, 2021.

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