FSG Social Impact Consultants

Discovering better ways to solve social problems

Gulf Coast Regional Overview

Prepared for:

Greater Texas Foundation

Communities Foundation of Texas

Houston Endowment Inc.
A Philanthropy Endowed by Mr. and Mrs. Jesse H. Jones

The Meadows Foundation

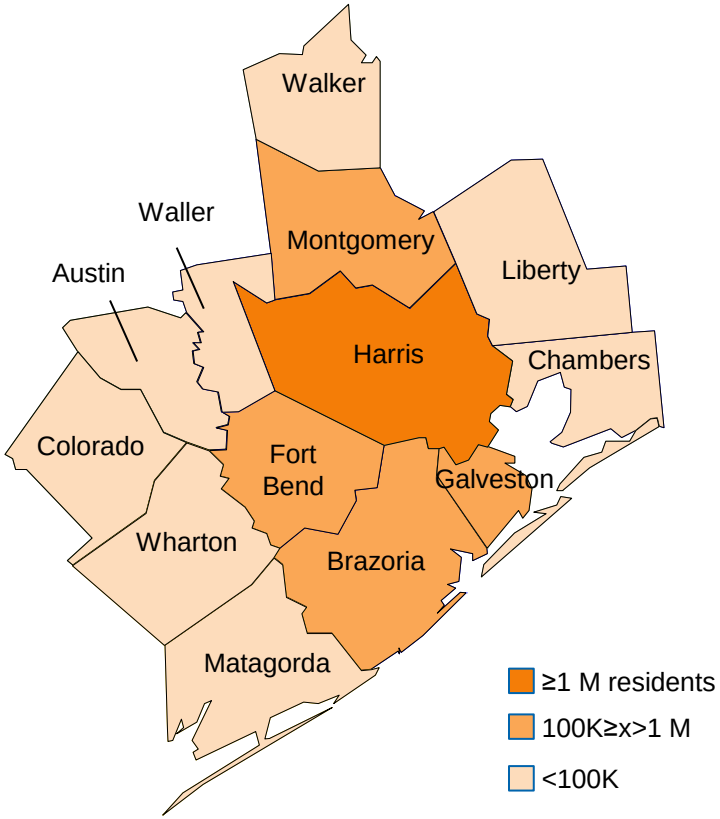
February 2011

Executive Summary – Gulf Coast

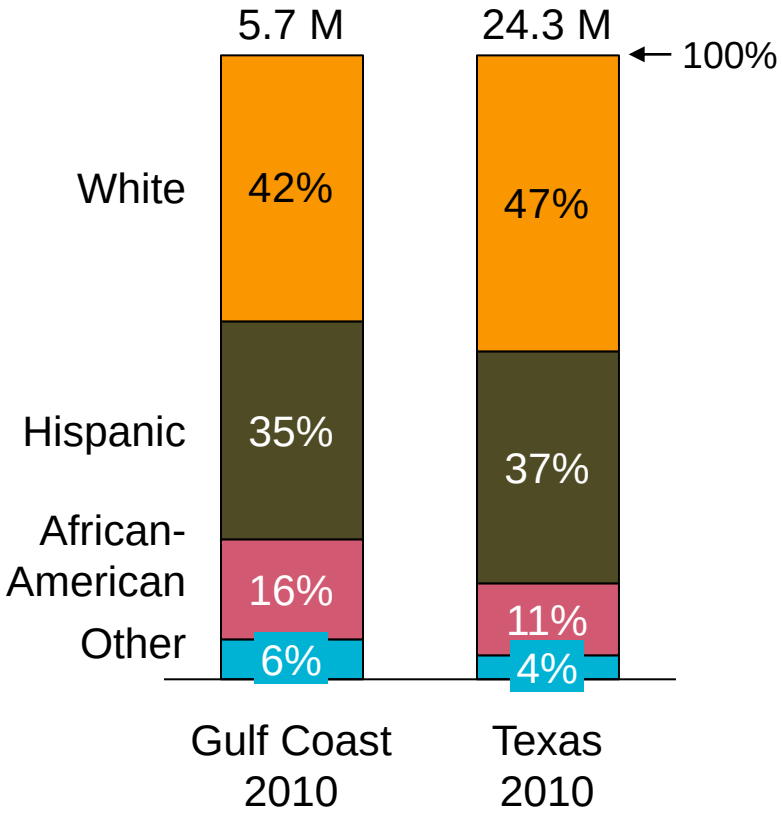
- The Gulf Coast contains **nearly one quarter of the state population**, largely concentrated in Harris county, and **mirrors the state's ethnic diversity.** However, in the next 20 years, **the Hispanic college-age population will grow by 70% and make up the majority (55%) of the 18-24 year old population**
- The region has benefited from strong economic growth, though there is a large disparity in income between white and Hispanic households
- Despite its relative wealth, the Gulf Coast has been struggling to produce graduates. **Graduation rates are low across the board, with the rapidly growing Hispanic population having the lowest graduation rate** – of the most recently tracked 7th grade cohort, only 8% of Hispanics completed a postsecondary credential
- One **major hurdle in the Gulf Coast is the huge disconnect between the high school preparation and curriculum and postsecondary readiness:** out of 100 students who pass Algebra 2 in high school -- i.e., on paper, qualified to take college-level math -- 88 must enroll in developmental education math courses in college
- Community colleges are critical to the region's success, with two-thirds of postsecondary enrollment and performance generally above the state average. However developmental education is a challenge: **59% of two-year entering students require in developmental education, but this group has only a 24% graduation rate** (versus 42% for entering students who do not need developmental education)
- Working in its favor, **the Gulf Coast has a cohesive sense of regional identity, a high level of philanthropic activity and support, numerous innovative pilot programs showing promising results**, large college systems that can help support smaller regional institutions, and growing coordination among K12 and postsecondary institutions

The Gulf Coast Population Is Concentrated in and around Harris County and Has a Similar Ethnic Composition to Texas

Population Concentrated in Harris County



Gulf Coast Demographic Composition Reflects Texas Average

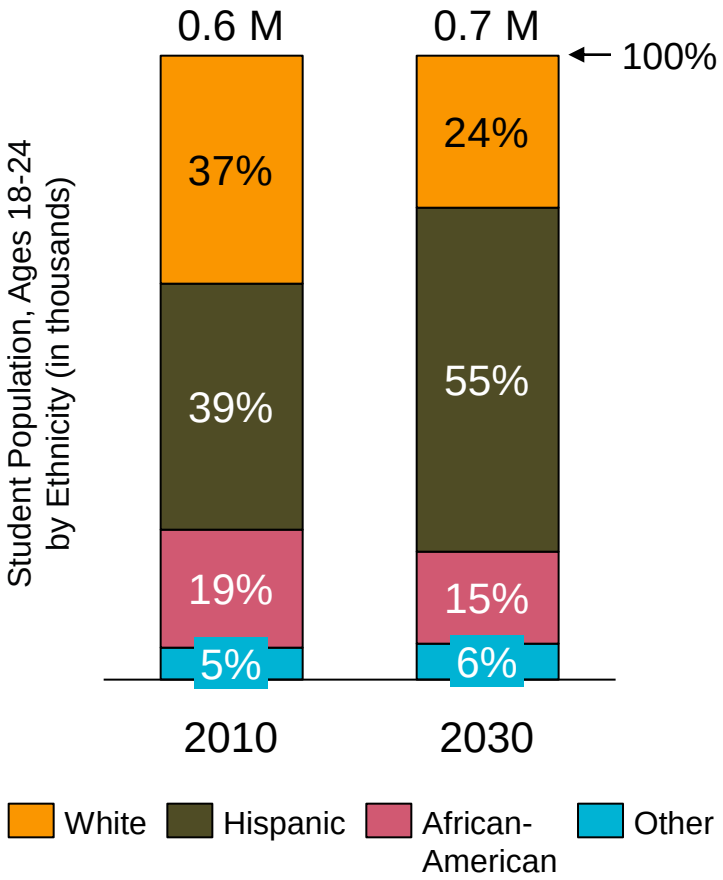


The region also represents a sizable portion of the state population: ~23%

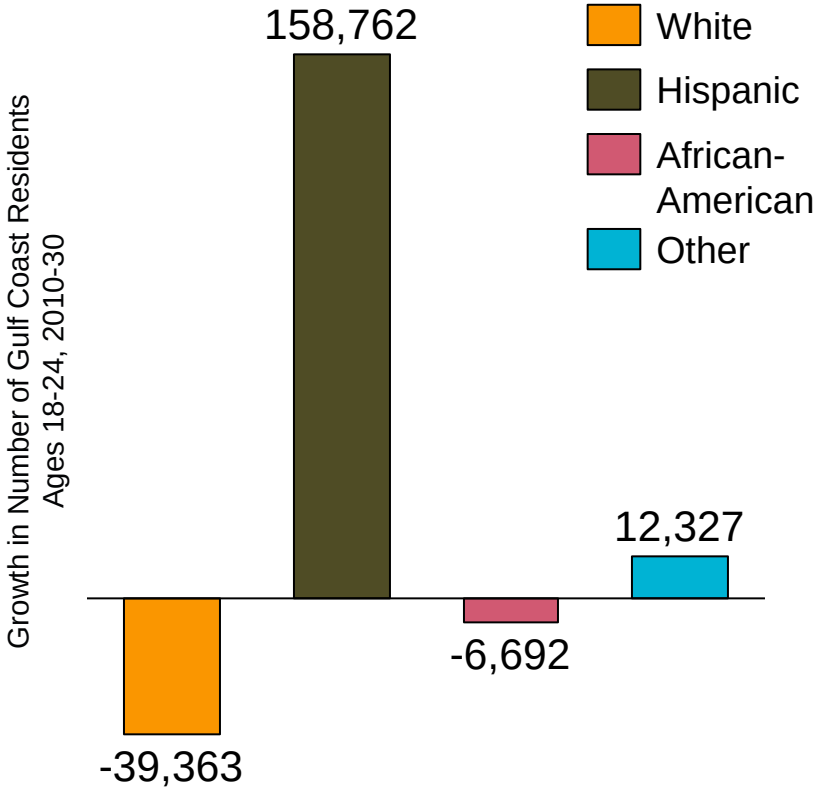
Notes: (1) Median Household Income by Ethnicity calculated using the median household income per county and weighting by 2008 county population
Source: Left chart, Texas Data Center, 2008 Population Projections, Migration Scenario 0.5; Right chart, 2008 American Community Survey, Texas Data Center; FSG analysis

Future Growth in the College-Age Population Will Be Driven by the Hispanic Population, Which Will Become the Majority

The Composition of College-Age Population Will Shift to Majority Hispanic



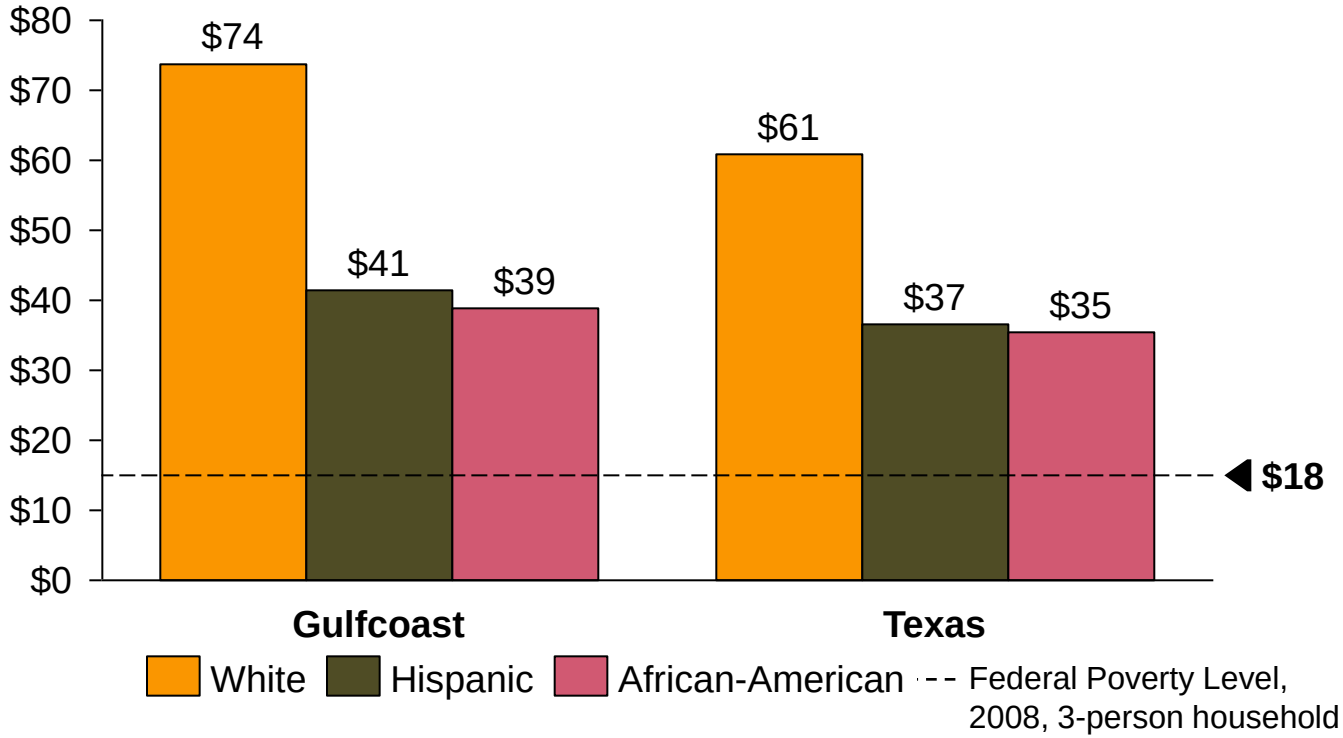
Hispanic Population Will Fuel Growth of College-age Residents



Source: Texas Data Center, 2008 Population Projections, Migration Scenario 0.5; FSG analysis

Households Have Enjoyed Higher than Average Median Incomes, But There Is a Large Gap Between White and Minority Households

2008 Gulf Coast
Median Household Income (in $'000s)[1,2]



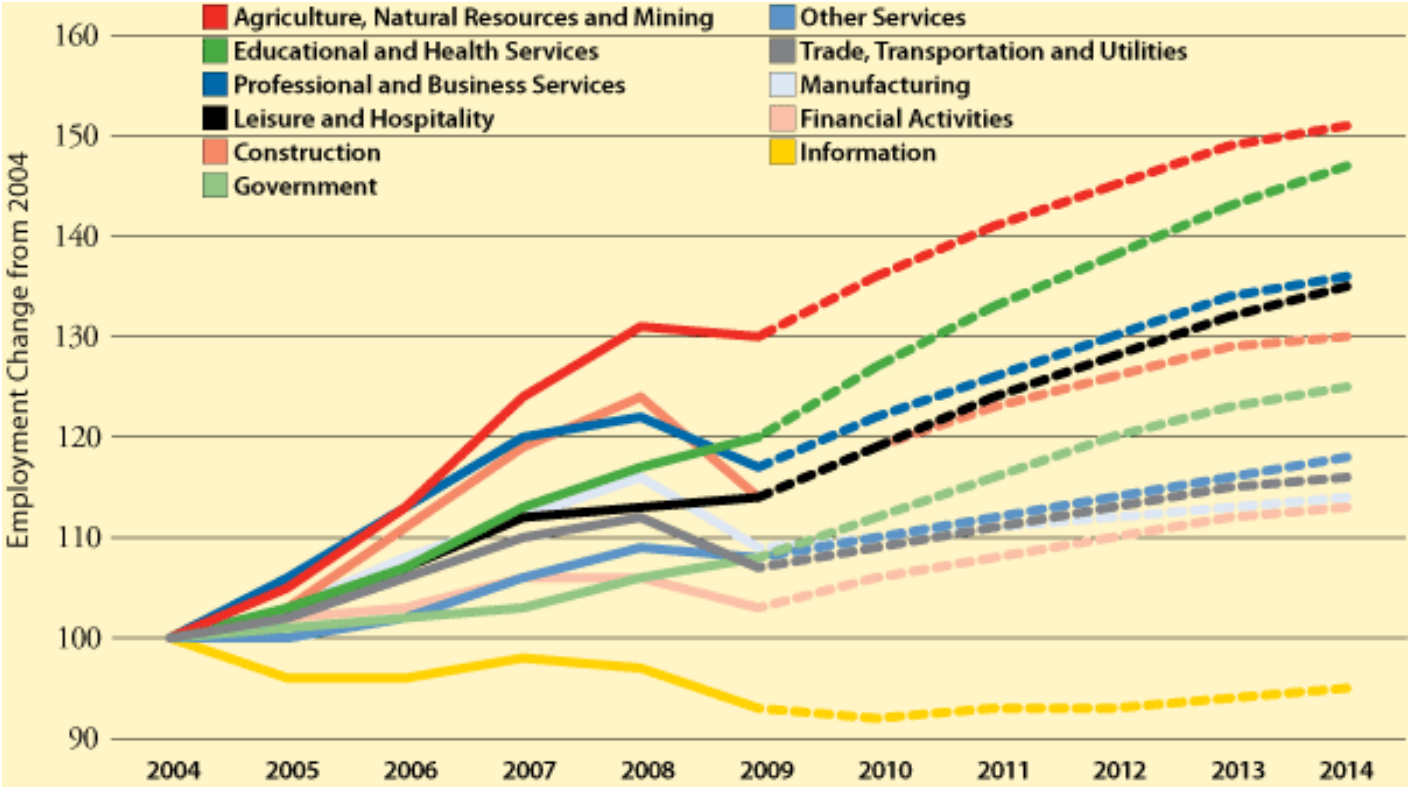
"We're already starting to see pockets of 'have' and 'have not' communities. The key to helping this is education and if we can't cycle education and learning in the 'have not' population, we are in dire straits as an urban center."
– Houston Education Leader

The gap in incomes reflects the gap in educational attainment

Notes: (1) Median Household Income by Ethnicity calculated using the median household income per county and weighting by 2008 county population, (2) Federal poverty level for a 3 person household was $17,600 for 2008
Source: 2008 American Community Survey; FSG analysis

Strong Economic Growth Across Many Sectors Has Contributed to Higher than Average Incomes

Gulf Coast Region Industrial Employment Indices Show Strong Growth Across Sectors

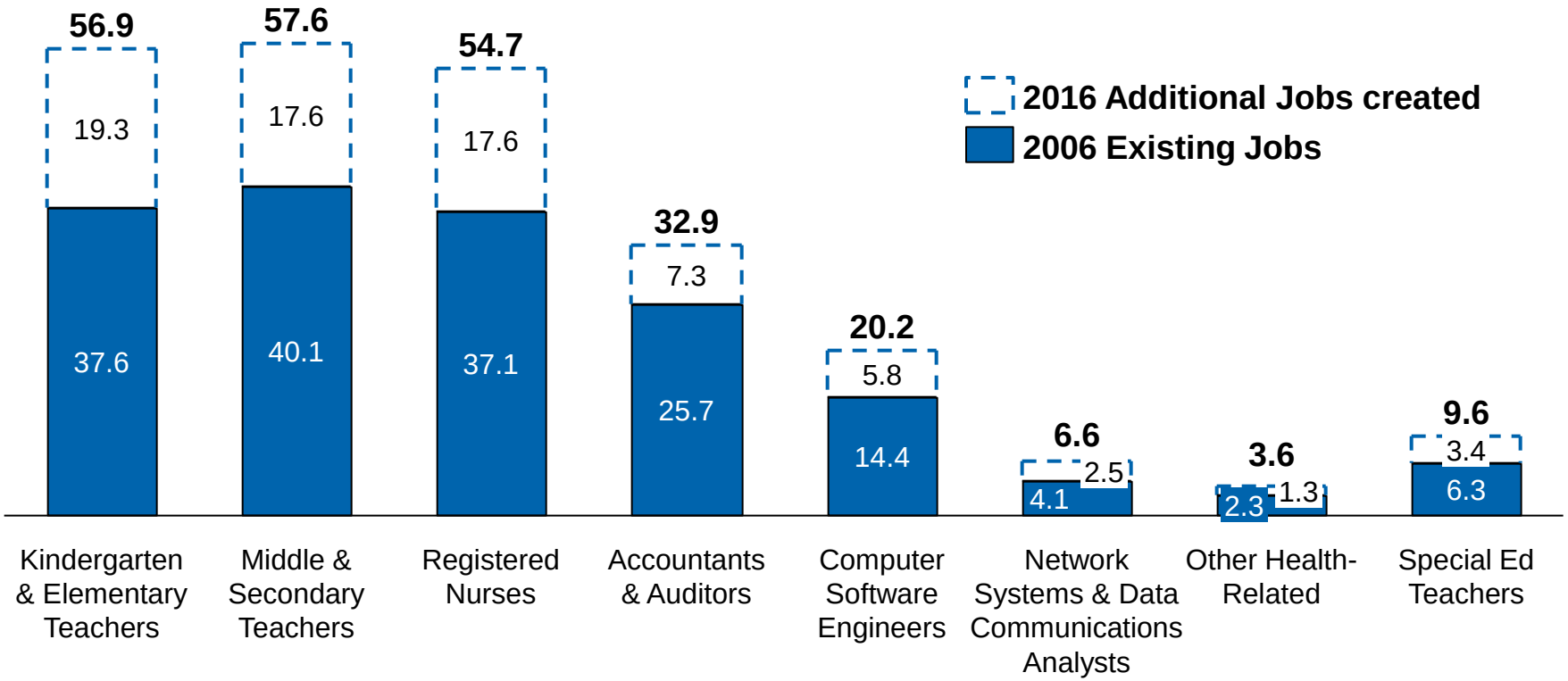


Note: Data after September 2009 are projected.
Sources: Economic Modeling Specialists Inc. and Texas Comptroller of Public Accounts.

Source: Window on State Government <http://www.window.state.tx.us/specialrpt/tif/gulf/ecodevo.php>

Economic Growth Is Also Spurring Job Creation for Fields Requiring a Higher Education Degree or Credential

Occupations Adding the Most New Jobs or Growing the Fastest, 2006-2016, Gulf Coast (in thousands)

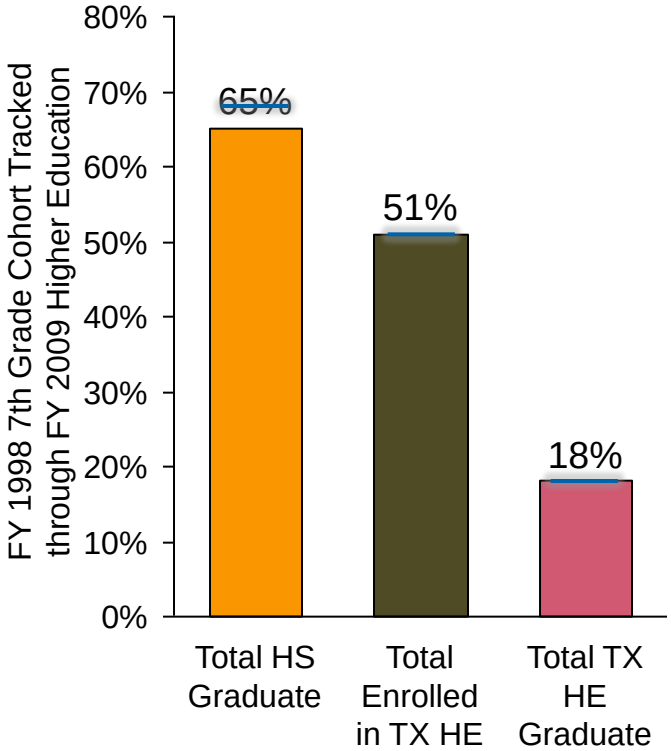


The ability of the region to meet the demand for labor will depend on the education system's ability to produce qualified graduates

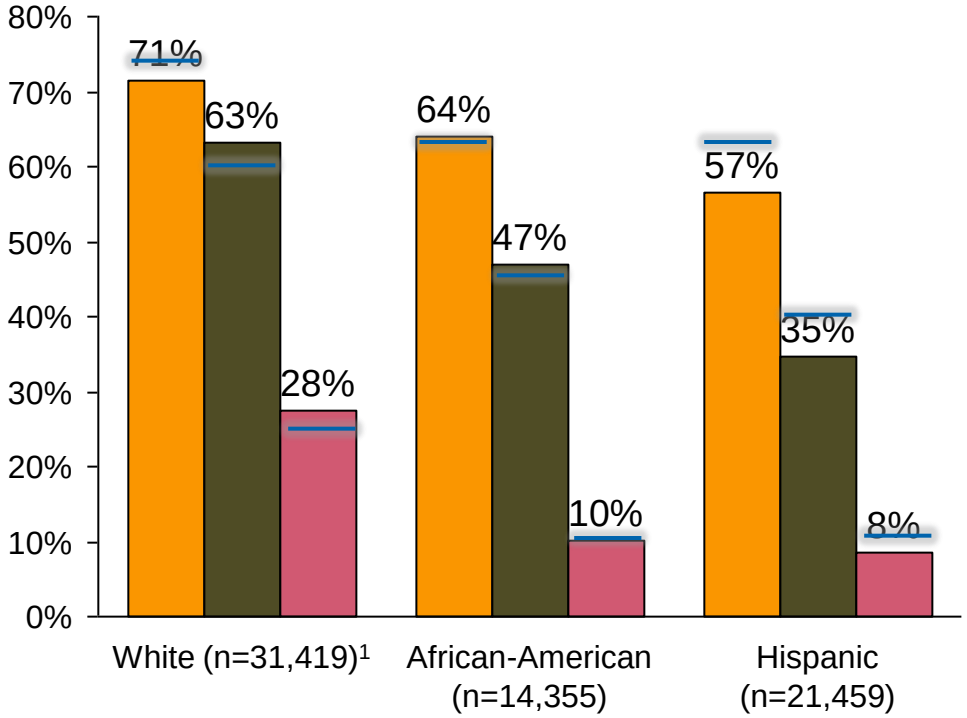
Source: Texas Workforce Commission as reported in the THECB's 2010 Regional Plan for Texas Higher Education

Low Graduation Rates Across All Student Demographics Pose a Challenge to an Economy Demanding More Graduates

Total Gulf Coast Cohort Achievement Slightly Below State for HS Graduation, but Average for Enrollment and HE Graduation



Graduation Rates Above Average for Whites, Average for African-Americans, and Below Average for Hispanics



HS Graduate | Enrolled in HE[2] | HE Graduate | Texas Average

While Gulf Coast graduation rates approximate Texas averages, the averages are extremely low, particularly for Hispanic students

Note: (1) *n* indicates the size of the 7th grade cohort for each ethnicity, (2) HE enrollment includes 5.7% of the 7th grade cohort that did not graduate from public HS. Source: Texas Higher Education Data, Regional Data for Seventh Grade Cohort and High School to College

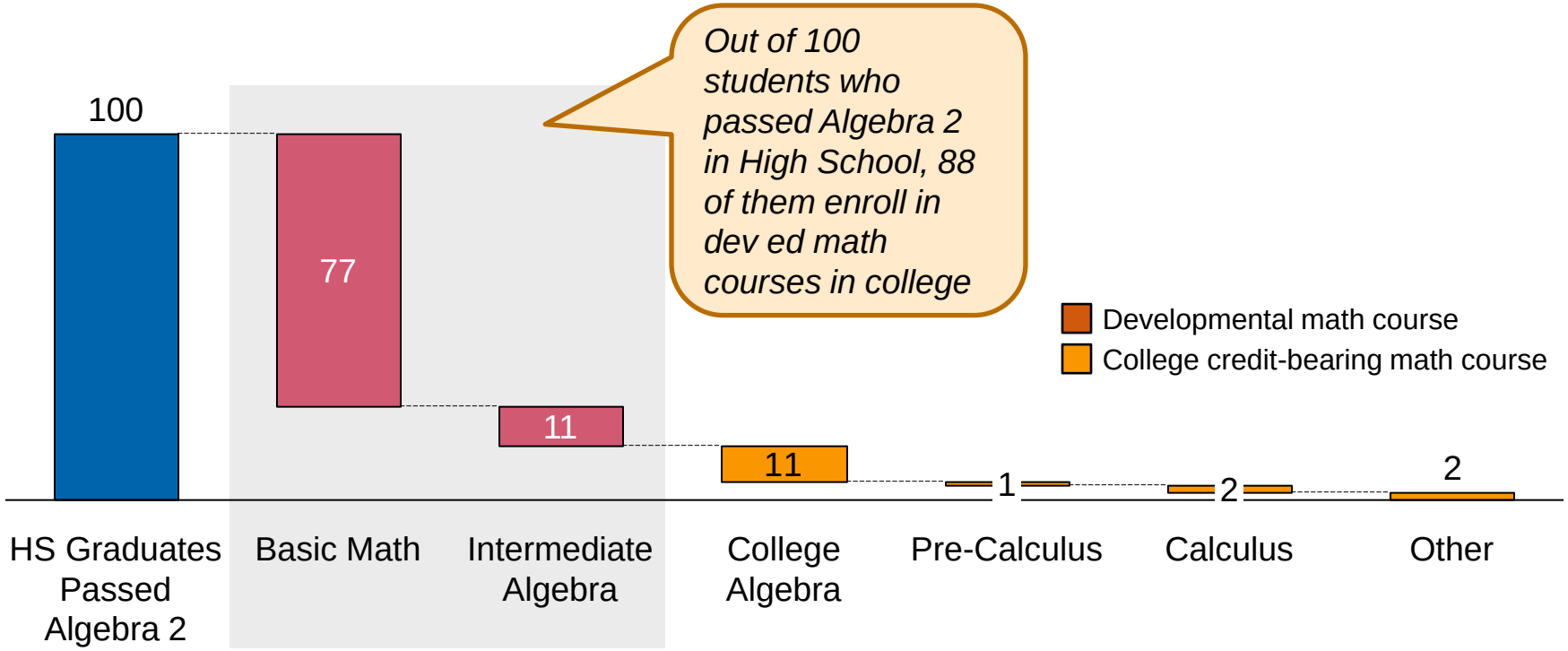
Graduation Rates Are Low for Both 2-year and 4-year Institutions, with Only Two Having Graduation Rates Greater Than 50%

	Four-year Institutions (6-year Graduation Rates)	Fall '09 Total UG Enroll.	% Hispanic or African-American
Texas A&M Univ At Galveston	59%	1,707	93%
Texas Average	56%		
Sam Houston State University	54%	14,555	30%
University of Houston	49%	28,074	16%
Regional Average	36%	6,617	93%
Prairie View A&M University	35%	12,742	39%
U. of Houston-Downtown	17%	7,258	34%
Texas Southern University	12%	3,970	66%
U. of Houston-Clear Lake	Not available	***74,253***	***51%***
Two-year Institutions *(6-year Graduation Rates)*			
Wharton County Junior College	39%	6,622	37%
Alvin Community College	37%	5,189	35%
Brazosport College	37%	3,866	35%
Lee College	34%	6,542	46%
San Jacinto College System[1]	33%	30,449	49%
Galveston College	31%	2,167	47%
Regional Average	31%		
Texas Average	30%	55,491	38%
Lone Star College System[2]	28%	42,104	55%
Houston Community College	27%	3,916	38%
College of The Mainland Community	***24%***	***156,346[3]***	***44%***

Notes: (1) San Jacinto College System includes four campuses: Central, North, Main, and South, (2) Lone Star College System includes six campuses: Cy-Fair, Kingwood, Main, Montgomery, North Harris, and Tomball, (3) Data from THECB for Fall enrollment – credit students
Source: THECB, FSG analysis

A Major Hurdle to Increasing Graduation Rates Is the Huge Disconnect Between the High School Curriculum and Postsecondary Readiness

First College Math Course at a 2-year Institution Taken by Students who Passed Algebra 2 in High School, H.S. Graduates 2005-2007[1]



"Tests in public high schools don't indicate whether students are college-ready. Even the best students at the top of class come in and they are so underprepared." – Gulf Coast Education Leader

Note: (1) Some students take more than one math class at a time, which is why percentages add to slightly over 100
Source: Houston Pathways Project, Houston Community College Data

In Addition, All Students, Particularly Hispanic and First-Generation Students, Face Many Challenges to Completion

Challenges	Description
Quick growth of Hispanic students	• 70% growth in Hispanic students in next 20 years, with a 20 point graduation gap vs. Whites
Low graduation rates	• In 2009, 55% of college-going residents enrolled in community colleges • Low graduation rates for 2-years (31%) and 4-years (36%)
Misalignment between K-12 and PSE	• CC: 59% take dev ed → only 24% of them graduate • 4-years: 29% take dev ed → only 27% graduate • Alignment difficult with multiple actors: 81 ISDs, 56 charter schools, 9 CC districts, 7 four-year institutions
Students not going directly into college	• 45% HS graduates do not attend college immediately → 3% of them graduate from PSE • 55% HS graduates attend college immediately→ 32% grad rate for 2-year, 60% grate rate for 4-year
"Shopping of classes"	• In Greater Houston, students often take courses at different institutions to fit work schedules, but decreases student engagement
Environment of limited resources	• Lack of funding and prioritization for student support services and implementing student success best practices especially in a budget constrained environment – Defer investment in support technologies – Reduce wrap-around services such as tutoring – Cut shared counselors with ISDs and CCs • Lack of funding & prioritization by legislators

Source: THECB and Institutional Data, FSG analysis and interviews

But the Gulf Coast Has Developed Unique Assets That Can Be Built Upon to Improve Outcomes

	Key Regional Assets
Numerous programs showing promising results	• Piloting numerous initiatives (e.g., Achieving the Dream, Pathways) designed to improve student success through the pipeline • Pilots showing promising results (e.g., student success course) have spread quickly across institutions in the region
High level of philanthropic activity and support	• Able to attract large private funding grants from Gates, Lumina, and Houston Endowment • Over the past 5 years, these foundations have contributed over $15M to higher education reform efforts
Large college systems supporting smaller regional institutions	• Large institutions (e.g., SJC, LSC, HCC, and U of H) taking a leadership role to collaborate and bring new initiatives to the region • Also beginning to think about ways to support smaller colleges who lack similar resources
Growing coordination among IHEs, ISDs, ESCs, and P-16	• Increasing trend towards regional collaboration and thinking about regional solutions (e.g., All Kids Alliance and Pathways project involve multiple players across sectors thinking strategically about how to improve education across the region)

Source: FSG analysis and interviews

A Public Private Partnership Could Help the Gulf Coast Build On Existing Efforts And Address Critical Gaps

ILLUSTRATIVE

Preliminary Opportunities for the Region

Student Engagement

- **Increase student engagement** and **keep students on campus**
  - Increase student awareness on benefits of being full-time at one institution (e.g., disseminate information on increased probability of graduating with higher future income)
  - Increase accessibility of work-study opportunities
  - Encourage students to participate in activities on-campus (e.g., clubs, tutoring)
- Encourage **regional policy collaboration** encouraging students to take most classes at one institution and efficiently progress towards a degree

Student Success Culture

- **Incentivize institutions to adopt a culture oriented towards student success**
  - Need to educate the entire staff and faculty to address student and their environment (e.g., offer faculty professional development, provide incentives to students for graduating on time)
- **Incorporate wrap-around services into the infrastructure of the institutions** (e.g., mandatory student success course)
- **Invest in data infrastructure and research projects** that allow institutions to provide students with the right direction to efficiently and effectively navigate the college system and graduate on time
  - Facilitate the sharing of resources and knowledge among institutions

K-12 and PSE Alignment

- Foster greater **academic alignment between K-12 and PSE**
  - Dedicate resources for redesigning gateway and dev ed courses by paying for release time
  - Continue efforts to align courses between high schools and colleges

Source: FSG analysis and interviews