

New Jersey's Economic Competitiveness

New Jersey and the nation are at an educational and economic crossroad. Our future economic prosperity depends on our ability to compete in a global, knowledge-based economy that requires most workers to have higher levels of education. Yet if current trends continue, the proportion of American workers with high school diplomas and college degrees will decrease over the next 15 years.

According to a recent *Policy Alert* from the National Center for Public Policy and Higher Education, substantial increases in those segments of the country's young population with the lowest level of education coincide with the coming retirement of the most highly educated generation in U.S. history. The center predicts the result will be a drop in the average level of education of the U.S. workforce over the next two decades, putting the U.S. and its workers at a competitive disadvantage as many other nations continue to increase the education levels of their workforces. They further conclude that such a decline in the average level of education of U.S. workers will lead to lower personal income levels for Americans and a corresponding decrease in the nation's tax base. But these projected declines need not occur if states reverse the trend by doing a better job of raising the education level of all income groups.

Fortunately, New Jersey is in a better position than most states to address these challenges of changing demographics and the global economy. A study by Thomas J. Mortenson in *Postsecondary Education OPPORTUNITY* indicates that in 2003 New Jersey was second in the nation in the college participation rate of low-income students – the rates ranged from a low of 9.4 percent in one state to a high of 43.7 percent. New Jersey's rate was 41.8 percent. A New Jersey low-income student between the ages of 18 to 24 was nearly five times more likely to reach college than was a student in the state with the lowest participation rate. Credit for this achievement is due in large part to the state's longstanding commitment to need-based aid, such as TAG (Tuition Aid Grants) and EOF (Educational Opportunity Fund).

Although New Jersey is a national leader in the percentage of low-income students who attend college, those students, like their counterparts in other states, still go to college at much lower rates than do students from higher-income families. New Jersey is, however, finding ways to further close that gap through early intervention programs that have resulted in significantly higher participation rates for low-income students.

In August 2005, the New Jersey Commission on Higher Education was awarded a \$20.9 million federal GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) grant, following completion of its initial grant of \$12 million in 1999. New Jersey's GEAR UP State Project is built on the state-supported College Bound Grant Program.

Together, these programs work to prepare low-income Abbott School District students in grades six through twelve for success in school, college, and the workplace. And the result is a college participation rate far beyond the 41.8 percent that earned New Jersey its

high ranking in the Mortenson study. Initial outcomes indicate that over 80 percent of students who completed the NJ GEAR UP program went on to postsecondary education, a rate similar to that of students from high-income families. Clearly, the best practices identified in these programs should be shared and widely used to benefit all low-income students.

As more disadvantaged, low-income students gain access to college, additional support for college completion will be essential. The academic support programs provided through the Educational Opportunity Fund (EOF) at New Jersey's colleges and universities will play an increasingly important role in helping ensure that these students not only attend but successfully complete college.

A Blueprint for Excellence, the state's long-range plan for higher education, notes that New Jersey's future economic prosperity depends on providing opportunities for all students to develop the increasingly sophisticated skills needed in a global, knowledge-based economy. Institutional and state commitment to need-based aid, early intervention, and academic support programs for students from disadvantaged families will have to increase to reverse the projected declines in the education and income levels of America's population. We cannot afford to fail. Programs like GEAR UP, College Bound, and EOF provide a path to success, and the benefits of that success go beyond the individual students to enhance the competitiveness of the state and the nation.

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