

Rhode Island Pathways to Prosperity Summit: The Business Challenge

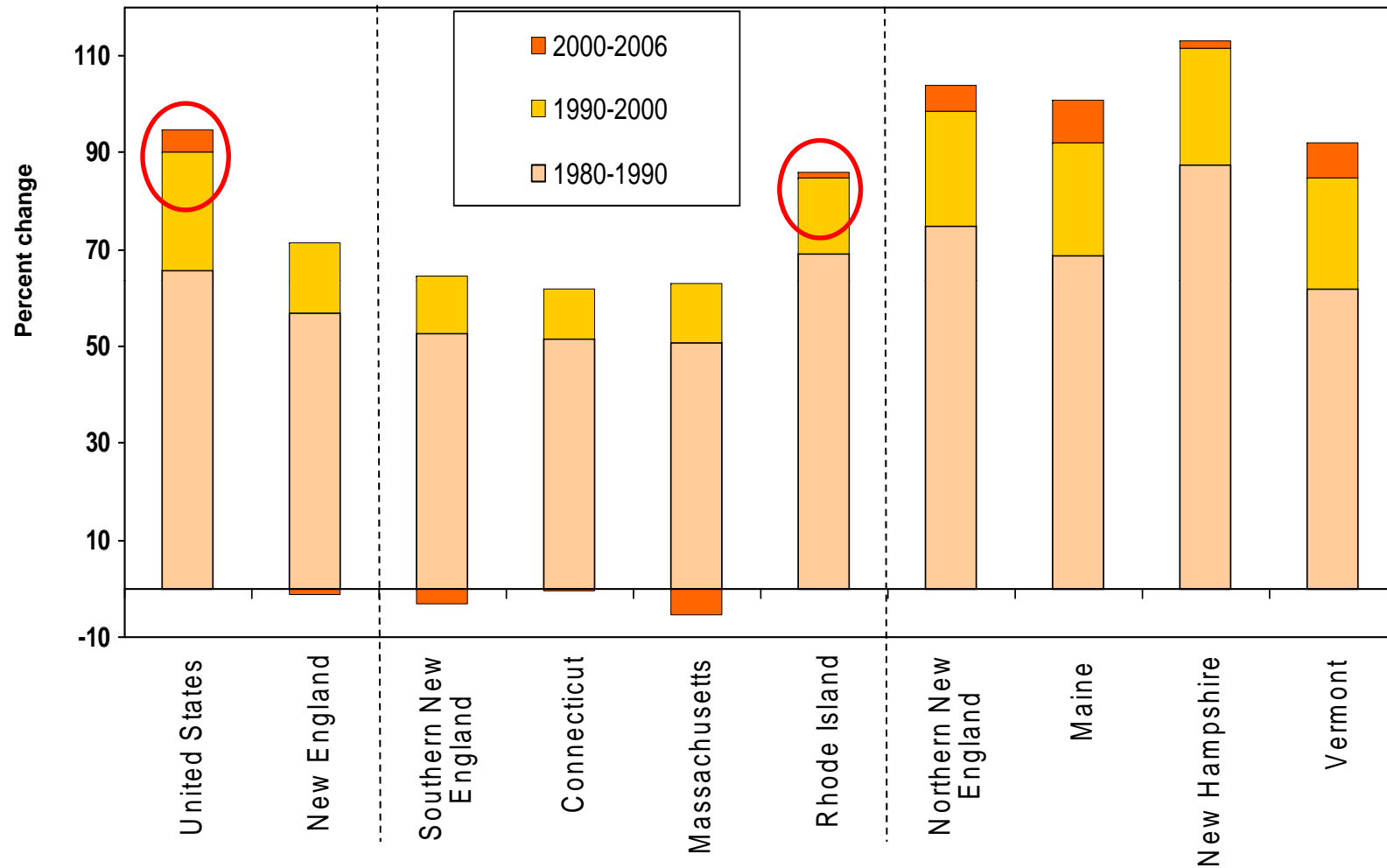
Alicia Sasser Modestino, Moderator
Senior Economist
New England Public Policy Center
Federal Reserve Bank of Boston

June 13, 2011



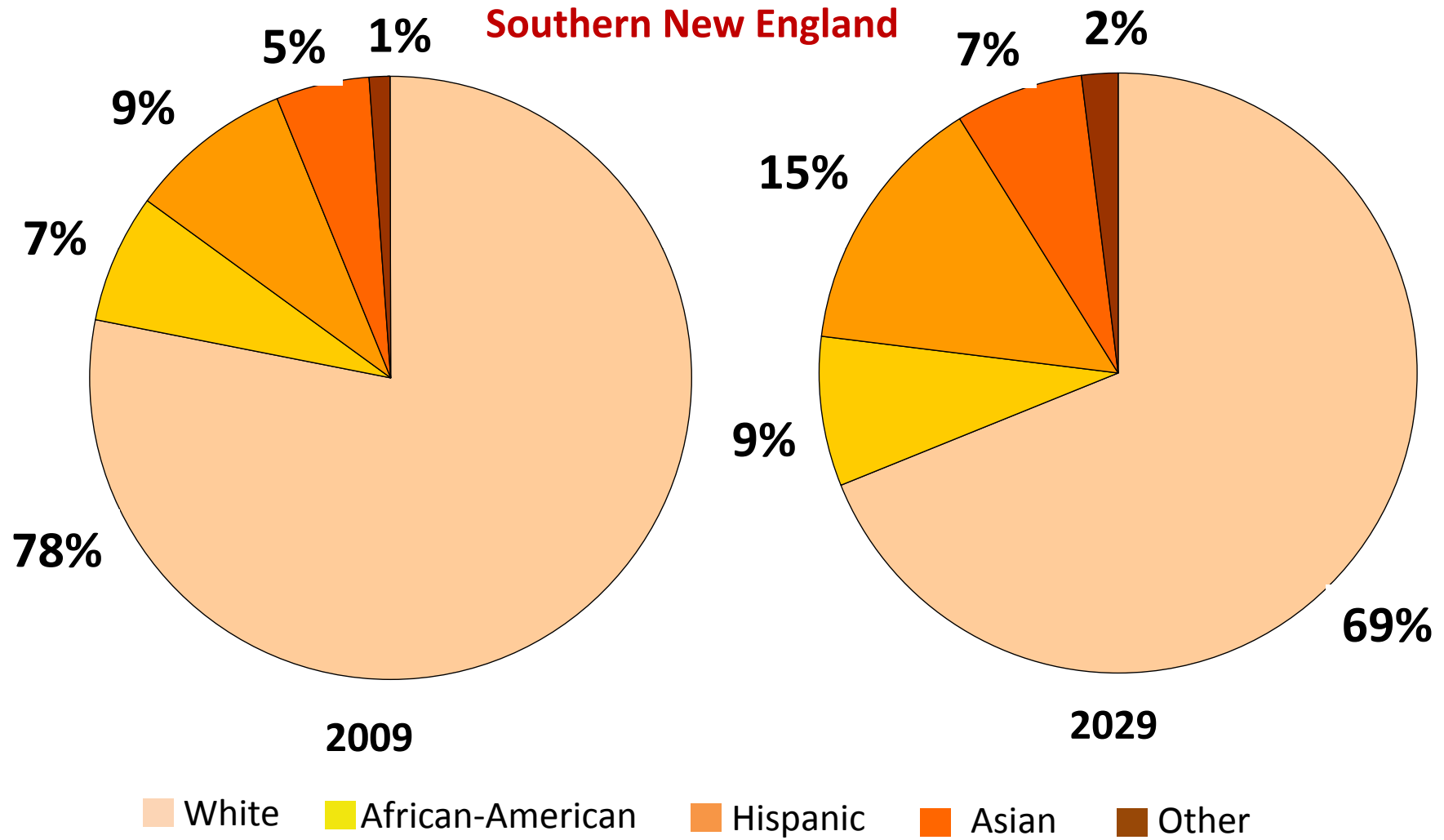
The number of middle-skill working-age adults in Rhode Island has been growing more slowly in recent decades.

Individuals aged 25-64 years with some college or an Associate's degree



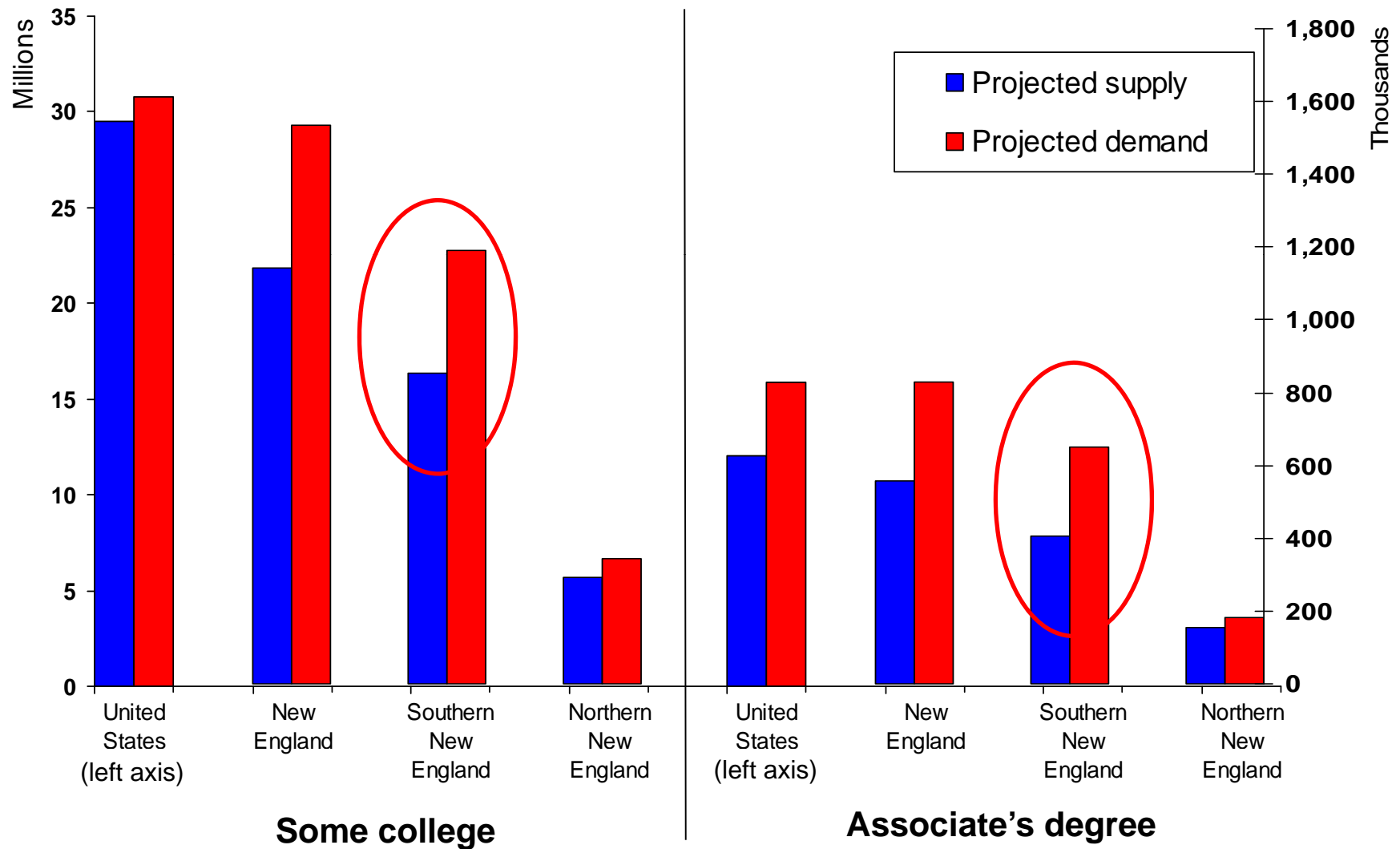
Source: Author's calculations based on the 1980, 1990, and 2000 decennial Census and the 2005-07 combined American Community Survey.

Southern New England's labor force will shift over the next decade to include a greater share of minority and immigrant groups.



By 2019, the number of middle-skill workers is projected to fall short of demand in southern New England.

Projected number of middle-skill worker versus jobs, 2019



While Rhode Island's four-year institutions are highly competitive relative to the nation, completion rates at two-year public institutions rank well below the national average.

Degree Completion Rates, 2006-2008

	Two-year public		Four-year public		Four-year private	
	Rate	Rank	Rate	Rank	Amount	Rank
Connecticut	11%	46	55%	18	70%	5
Maine	29%	14	48%	33	71%	3
Massachusetts	17%	32	54%	24	74%	2
New Hampshire	26%	17	64%	4	60%	19
Rhode Island	10%	48	54%	22	69%	8
Vermont	15%	38	59%	11	68%	9
United States	22%		53%		61%	

Source: *Trends & Indicators*, The New England Board of Higher Education, various years.

Increasing postsecondary education and training for middle-skill workers will require overcoming a number of challenges.

- Future gaps stem from changes in the composition of the labor force towards greater shares of immigrant and minority populations. Further gains in educational attainment among these traditionally disadvantaged groups would require significant investment in financial aid.
- In addition to financial assistance, middle-skill workers often face greater challenges to completion than those attending four-year institutions. Programs in other states have shown that offering remedial courses, stipends, child care, and transportation during periods of study can boost completion rates.
- Middle-skill jobs often require specific skill sets rather than general knowledge. Greater communication between firms that hire middle-skill workers and the institutions that educate them could better align training curriculum with employer needs.