

“We Got More Educated, We Are Better Off...Right?”

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Stuart Andreason is a doctoral candidate at the University of Pennsylvania in the Department of City and Regional Planning. His research focuses on the influence of local economic development efforts on the labor market and regional economy. As an associate of the Penn Institute for Urban Research, Andreason is working on a research project on indicators of sustainability and livability for the federal Partnership for Sustainable Communities. He has worked on research projects funded by the Kettering Foundation, the U.S. Economic Development Administration, and the Ford Foundation. Prior to returning to graduate school, he worked as the executive director of the Orange Downtown Alliance in Orange, Virginia. He holds bachelor's and master's degrees in urban and environmental planning from the University of Virginia.

Summary and Findings: Human capital and educational attainment are key components of 21st-century economic competitiveness. Structural changes in the global economy favor workers who are highly educated and adaptive to new ideas. Regions that have high concentrations of skilled or educated workers are more adaptive to economic change. Recent economic analysis even suggests that low-skill workers are paid more and enjoy a stronger labor market in higher-skilled places. For example, it is better to be a retail worker in Silicon Valley than the Philadelphia metro area. Given the documented benefits associated with increased bachelor of arts (BA) attainment, local and state governments have engaged in promoting, attracting, and retaining well-educated workers, but there is little research on how positive change in regional educational attainment affects the local labor market. This analysis identifies the geography of regional change in BA attainment between 1990 and 2010. It also shows that many regions that increase BA attainment see little or no attendant improvement in labor market indicators like unemployment, poverty, per capita income, or labor force participation during the same period. Using statistical approaches, including regression and cluster-discriminant analysis, I identify demographic and economic conditions associated with growth in BA attainment. I also propose a number of conditions that connect increases in BA attainment with better labor markets.

Implications for Policy and Practice: Economic development and urban planning professionals engage in talent attraction and retention in order to improve the local economy, but this research shows that increasing BA attainment does not always lead to better outcomes for the entire labor market, or importantly, low-skill workers. At the individual level, a bachelor's degree means increased life opportunity almost universally. Regionally, this does not seem to be the case. In some regions increased attainment means better pay and job opportunities for all members of the labor market. Unfortunately, other places become more unequal, as the labor market does not become healthier with higher BA attainment. I aim to identify what drives these divergent outcomes. Influential factors seem to include levels of residential segregation, levels of political engagement, the industrial makeup of the regional economy, dominant demand industries, and the level of enrollment in postsecondary education. Policymakers cannot focus solely on improving the percentage of adult workers who have a bachelor's degree if improving the labor market for low-skill workers is a goal. Talent attraction and retention programs should be formed in conjunction with strategies that reduce residential segregation, improve enrollment in postsecondary programs, and consider job opportunities for middle- and low-skill workers.