

# Environmental Scanning

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Connecticut is at a crossroad. It must make decisions now to ensure it continues to thrive in the future. In 2008 at a conference sponsored by Connecticut Economic Resource Center they presented the report, "Connecticut 2020: Fiscal Implications of Economic & Demographic Change". The report centered on the following several themes:

- Like many other states, Connecticut is facing a future of chronic fiscal deficits. Demand for public services is increasing while slow population and economic growth are resulting in shrinking resources.
- Without significant policy interventions, the underlying structural factors that have been changing over time will result in the state's financial obligations outstripping its revenues.
- The current global financial crisis is exacerbating an existing structural problem.
- The state should focus not only on deficit reduction and across-the-board budget cuts, but on setting strategic priorities and allocating resources accordingly. These actions would develop a strategy-driven budget rather than a budget-driven strategy.
- Short-term solutions, while often necessary, are not sufficient. Strategic, comprehensive and integrated long-term planning is critical to averting the looming structural fiscal crisis.
- Crisis presents an opportunity to implement positive change.
- Strong leadership is critical to bringing about needed change.

An after conference survey showed the following statements were most important:

- Business investments are required for urban areas to be vibrant (business investment).
- Many facets of the urban culture need to be addressed, including educational achievement of residents, business investments and adequate supplies of affordable housing (education).
- Streamlining permitting would convey business friendliness to companies (business investment).
- Early childhood education programs should be further developed and focused on urban areas where needs are greatest (education).
- Promoting entrepreneurial development should be a key priority in Connecticut (business investment).

## Demographics

The NVCC Service Region is comprised of 22 towns. There are significant differences in the demographic and economic characteristics of the towns within our service region. The Connecticut State Data Center (<http://ctsdc.uconn.edu>) breaks Connecticut towns into five categories. The NVCC Service Region contains four of these sectors as follows: Urban Core, Urban Periphery, Suburban, and Rural.

The **Urban Core** is Waterbury. Nearly 30% of NVCC students enrolled for credit live in Waterbury. Based on historical enrollment patterns, more than one-third of Waterbury's high school graduates will take college courses at NVCC. Nearly 17% of incoming freshmen in fall 2011 attended Waterbury public schools. Although the city hosts a large labor force of more than 50,000 residents or 46% of the city's total population, low levels of educational attainment have taken their toll. More than 80% of workforce age residents age have not completed a bachelor's degree - 25% have some college; 55% have no college. Nearly 20% of the workforce has not completed high school. The city suffers 14% unemployment and a 21% poverty rate – nearly double the state's averages.

The **Urban Periphery** is Danbury and Naugatuck. About 20% of NVCC students enrolled for credit live in Danbury and Naugatuck. Based on historical enrollment patterns, more than one-quarter of public high school graduates from these towns will take college courses at NVCC. The Labor force in both towns exceeds 50% of its population - Danbury with 46,000 or 56% and Naugatuck with 17,000 workers or 53%. The unemployment rate for both towns is about 7% - half that of Waterbury. Educational attainment is slightly higher in Danbury with 40% of the workforce having attained a Bachelor's degree or better vs. only 20% of Naugatuck's workforce having earned a Bachelor's or graduate-level degree.

The **Suburban** sector represents about 43% the population and one third of the workforce in NVCC's service region. Nearly 25% of NVCC students enrolled for credit reside in the 16 suburban sector towns. Unemployment averages about 7% in these towns with a range of 5.3% in Roxbury to a high of 8.7% in Watertown. The disparity in unemployment reflects the differences in educational attainment of the workforce, notably nearly 75% of the Watertown labor pool lacks a bachelor's degree in comparison to 48% of the Roxbury workforce.

Enrollments from **Rural** communities – Beacon Falls, New Milford and Thomaston– represent about 5% of NVCC's student population. These three towns represent about 9% of the overall population and 8% of the labor pool in the NVCC service region. Roughly 57% of this rural population is part of the region's workforce. Disparity regarding unemployment rates and educational attainment in these rural towns is similar to other sectors. New Milford has 7% unemployment with approximately 40% of the workforce having completed a Bachelor's

degree or higher whereas Beacon Falls and Thomaston have about 8.5% unemployment with only 22% of their workforce completing four years or more of college. The poverty level in the rural sector is among the lowest in the state ranging from 1- 4%.

## **Workforce Demands**

From 2005 to October 2011 the unemployment rate of the NRWIB has closely mirrored that of the state and has even been about a tenth of a percent point below. The NRWIB's local market area (LMA) is comprised of Beacon Falls, Middlebury, Naugatuck, Prospect, Waterbury, Watertown and Wolcott and had the highest unemployment rates in the state for the past five years.

The analysis done by Northwest Regional Workforce Investment Board "A Comprehensive Audit and needs Assessment, January 2012", states that Health Care and Social Assistance had growth of 11.5% between 2005 and 2010. The Federal and State government employees had a decrease between 2007 and 2010. Retail had a decrease of 8% from 2007 and 2010. Manufacturing in the area remained flat between 2005 and 2007 yet experienced a 17 percent drop in employment between 2007 and 2010.

Occupational projections that most closely represent the colleges program offerings for the period of 2006 and 2016 show growth in the following areas from 2% to 5%:

- Office Professional 2.7%
- Health Care Practitioners 3.4%
- Sales and Related 3.8%
- Food Preparation and Serving 4.9%
- Education and Training and Library 2.9%
- Installation, Maintenance and Repair 2.5%
- Management 2.8%
- Protective Services 3.8%
- Manufacturing 2.1%

The Real-time labor information that was obtained from this report derives its data from Monster and Wanted Technologies and came out with supply and demand data based on job postings, Manufacturing and Health Care were the two industries in the high performance area indicating strong volume of both talent and demand and supply. It recommends that health care be monitored to ensure a balance supply of jobs and candidates. Construction and Retail were in the growth area as they have lower volume of both resumes and opportunities. Information, Finance & Insurance, Accommodation and Food Service industries have a surplus of candidates and would benefit from increase job postings.

According to this report from the NRWIB the recession has affected virtually every industry including Healthcare. The problem according to a focus group of our three local hospitals was the lack of specialized nurses. It was also determined that many healthcare employees postponed retirement due to the economic recession. Manufacturing experienced more retirements and unlike health care there is not a viable supply of trained apprentices or technicians willing to be trained. Companies complain of not being able to have a supply of candidates due to the stigma of manufacturing being “dirty”. However the Manufacturing industry is expecting a rebound due to companies that once shipped overseas to save money they are now realizing that the quality and production costs are more cost effective in the U.S.

## Changes in Technology

Students are early adopters of technology and use technology in their daily interactions. A Pew Research Center report indicated that

- Students lead the way in technology and gadget use by every key measurement. However, of four-year undergraduate students, graduate students and community college students, community college students do not use digital tools as much
- Young adults—students and non-students alike—own a wide range of gadgets at high rates compared with the overall adult population ... undergraduate and graduate students are more likely than both community college students and college-aged non-students to own a laptop computer and an iPod or other mp3 player
- College students are much more likely than the overall cell owner population to use the internet on their mobile phones, although all young adults do this at a relatively high rate regardless of student status.

Student expectations on the use of technology in education are greater. EDUCAUSE’s Center for Applied Research surveyed college students regarding many aspects of technology. They found:

- 43% felt institutions needed more technology in classrooms
- More than 1 in 2 believed they were more knowledgeable about technology than their instructors
- Students “value the technology that instructors use – and use effectively”:
  - Projectors (65%)
  - WiFi (59%)
  - Laptop (58%)
  - Desktop computer (57%)
  - Document camera (56%)

## **Educational Environment**

### **Trends in Higher Educations**

Some trend in higher education identified by the Chronicle Research Services include the following:

The traditional model of college is changing, as demonstrated by the proliferation of colleges (particularly for-profit institutions), hybrid class schedules with night and weekend meetings, and, most significantly, online learning.

Moody's acknowledges the following four critical factors for U.S. higher education in 2012:

1. Evolving demand trends for undergraduate and graduate programs highlight flight to quality and affordability
2. Rattled consumer confidence puts intense spotlight on college affordability
3. Pressure on non-tuition revenue underscores the importance of revenue diversification and operating efficiency
4. Liquidity and debt structure risks are reduced but not eliminated. University capital spending and borrowing have been cut back

NACUBO's five trends that are affecting higher education include the following

1. International economic landscape. "The development of huge talent pools in other parts of the world will make them eligible for jobs that Americans were suited for. It's imperative that we develop high-quality programs for attainment of higher quality American workers."
2. A "new normal" in higher education finance. "We must be realistic that even when state economies return to pre-2008 levels, the level of support for higher education will not return."
3. Rethinking the business of higher education. Raising tuition will not solve the challenges that higher education institutions face
4. Ascendance of for-profit providers
5. Increased emphasis on quality assurance

### **Students Preparation**

A significant portion of Connecticut high school students graduate without the knowledge, skills, and abilities that all high school graduates need to be prepared to succeed beyond high schools regardless of the setting. The goal is for high school graduates to be both college ready and career ready, enabling them to pursue any opportunity desired.

With the approval of a high school core curriculum, Connecticut is poised to graduate beginning in 2014 students that will need less remediation or developmental courses.

### **System Reorganization**

For the purpose of streamlining and flattening of management and administrative positions a newly consolidated Board of Regents was created in 2011. The newly consolidated system has established a number of priorities among them to generate savings that would be reinvested in services and resources for students. Nevertheless, moving from the Community College System to the consolidated Board of Regents still represents a state of flux in terms of identifying appropriate administrative procedures and new policies.