Community colleges are in a key position to move the needle on employment. This is because the strength of local economies and the productivity of employers has a lot to do with the quality of the workforce, and the quality of the workforce has a lot to do with how people are being trained, educated, and prepared for the labor market. Furthermore, roughly half of all undergraduate students in the U.S. are enrolled at community colleges, which means that community colleges have an enormous opportunity to impact the national economy through their education and training efforts.

INVESTMENT IN EDUCATION

First, a word on education. Education presents a unique investment scenario. Typically, investment opportunities with higher ROI have more risk and those with lower ROI have less. But for education, it’s actually the inverse. The greater the investment, the greater the return and the lower the risk. In this case, investment in education yields higher earnings and decreased chances of becoming unemployed.

“Never before has the link between a college education and postgraduate job prospects been more important.”

– Aspen Institute, 2012
This can be evidenced by many studies that we have performed over the years. For instance, a recent analysis of Florida colleges found that students receive a cumulative $6 in higher future income over the course of their working careers for every dollar they spend.

**WORKFORCE DRIVES ECONOMIC PROSPERITY**

To illustrate how workforce drives economic prosperity, we’d like to call your attention to a story from the Minnesota Star Tribune that discusses Minneapolis’s surprising economic growth and the number of Fortune 500 companies located in the region.

The Twin Cities’ better-than-expected growth is driven by strong companies. And what is driving those companies? Myles Shaver, a professor at the University of Minnesota who has been studying the phenomenon, put forward this theory:

> Our region has enjoyed a “virtuous circle” of strong managers who build companies that grow. That, in turn, attracts more talented people, and then they help build more growing companies into big ones, and so on.1

The key ingredient in Minnesota is workers who create strong companies and a good economy. Again, a quality workforce has a lot to do with how education and training providers prepare future workers for labor market demand, how people understand and perceive the labor market, and how companies hire, recruit, train, and choose locations.

**THE COLLEGE RESPONSE**

Because community colleges occupy this critical space in the labor market, they are being called on to bridge skills gaps, meet the demands of employers, prove their return on investment, and equip students with the knowledge and skills they need to find great jobs. And they are expected to do all of this for less tuition and lower funding than any other type of higher education institution. A tall order!

As education becomes more and more about the promise of a good job, it is crucial that colleges

have the right information about the careers and programs that lead to the best student outcomes. In addition, it is increasingly important that colleges help their students understand these realities as well. Essentially, colleges have to help students look through the institution and into the job market.

**EMSI’S DATA-INFORMED APPROACH**

For the past 12 years, we’ve enjoyed watching the tremendous success our clients have had using a data-informed approach as they address critical labor market issues. Just last week, for example, seven colleges that EMSI works with were recognized by the Aspen Institute in the 2013 Aspen Prize for Community College. We love applying our experience with and passion for data to the specific needs of colleges and their students so they can make the best program and career decisions.

Our approach can be broken down into three main focus areas:

**1. STRATEGIC PLANNING**

We pull together a large amount of economic and workforce data inclusive of real labor data, industries, occupations, job postings, business names, skills, and instructional programs. Next, we create associations between all these datasets so that college leaders can understand the environment for their institution’s programs. The goal is to better inform the development of programs so that they stay relevant and flexible to the needs of local business and the market as a whole. We call this service Analyst.
Analyst is a user-friendly, web-based tool that provides colleges with the most current and complete set of labor market data available. The data in Analyst, which is used by many colleges throughout the US, is updated four times a year and comes from more than 90 public and private sources. Analyst helps colleges understand important factors that should impact their program decisions: total jobs, job change, earnings, demographics, openings (a measure of new jobs plus turnover), completions by degree and institution, and current job postings. For any classified industry or occupation in any region, the tool pulls all this data together in a matter of seconds. This would take a very long time to put together if you went to the different data sources one by one.

A key thing to understand about Analyst is that we create associations between all these datasets so that college leaders can understand the environment for their institution’s programs. Basically, we associate industries to occupations to programs, which makes the development of programs based on labor market intel so much easier.

Below, we have included a simple illustration of how this works. You might have a program called Accounting Technology, which has a specific CIP code. We take this data and map it to the appropriate occupation (tax preparers), which also has a specific code. At that point we can learn a lot, such as what industries hire tax preparers and even key stats on demographics and growth trends.

In addition to the robust data inside Analyst, everyone who subscribes receives free training and customer support. Our goal is to make you and your staff an expert when it comes to data. We offer online and onsite trainings and host a user conference each fall.
2. COMMUNICATION & OUTREACH

Next, we use these same data elements to help colleges reach out to students and potential students via their own websites, so that students and stakeholders can see the connection between programs and concrete labor market outcomes. We call this service Career Coach.

Career Coach, which has been adopted by more than 100 US and UK colleges, is all about helping the institution reach out to students to help them find the right career vision. To set up Career Coach for a college, we map the school’s program data to the appropriate careers. We then review the data with each college to make sure it is accurate and what the college wants to communicate. With Career Coach, we can also help you feature specific occupations or programs that you know are strong in your area. The goal is to help students create the right career vision. This is the sort of thing that will encourage them to enroll, find the right program, and complete their education.

Career Coach features four important pieces of data:
- Local wages for nearly 800 occupations;
- Trends for the career that students are looking at;
- Current job postings; and
- How careers relate to your programs.

Career Coach also offers information like common job titles, descriptions of the occupations, similar occupations, and other cool stuff. We have heard a lot of positive things about how Career Coach is being used.
3. REVIEW & DEVELOPMENT

As colleges improve programs and how students get connected to good careers, their overall impact will grow exponentially. This is where it is important to stop and review the impact that your college is having on the lives of your students as well as the community, taxpayers, and your service area in general.

Since 2000, EMSI has conducted more than 1,200 economic impact studies for colleges. The study is unique and powerful because it measures your college’s impact based on the students entering the workforce, earning money, and returning to society. The EIS covers the dollars and cents, or the ROI, of all your efforts. In addition to reviewing your contributions to your region, you can also use the EIS to talk about what else could be developed to improve the impact.

Furthermore, when it comes to demonstrating your college’s worth and talking about how you fulfill this mission, it’s very powerful having stories and real data that speak directly to your impact on the economy through the lives of your students. We recently unveiled a new report called the Student Résumé Analysis that will help colleges better understand the performance of past students. We’re particularly excited about this effort because it is one of the firstfruits of our relationship with CareerBuilder.

To produce this report, EMSI pulls together résumés from CareerBuilder for an analysis of the performance of your past students – whom they work for, where they work, how much they make, and what programs they took. The benefit? A report that details your college’s labor market outcomes and allows you to follow the paths of past students and gain insight into how effective you have been.
CONCLUSION

With this comprehensive suite of services, EMSI enables community colleges to give their students (and themselves) a better economic future. As always, our goal is to help colleges improve outcomes for students, which will help lift the economy and create better economic prosperity across the board.

To conclude, here is a simple schematic. Starting on the left side:

Education helps build a workforce that is prepared to enter the labor market.

As well-educated, well-equipped workers enter the labor market, they will be easier to hire and recruit.

A company’s success has much to do with the types of people it can hire to drive efficiency, productivity, and innovation.

As companies grow and employ people, this will strengthen the economy, which will be good for everyone, including the educational institutions that train people for good jobs.

Through the use of key data and analysis, we provide colleges with valuable, easy-to-understand insight that college leaders can use to benefit their communities. Our mission is to see our education partners succeed in creating and nurturing strong local economies, businesses, and graduates.

For a deeper description on how EMSI helps community colleges, visit us at economicmodeling.com or email Rob Sentz (rob@economicmodeling.com)