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November 2, 2021

The Honorable Connie Bernardy, Chair Higher Education and Career Readiness Policy and Finance 563 State Office Building 100 Rev. Dr. Martin Luther King Jr. Boulevard St. Paul, Minnesota 55155

Dear Representative Bernardy:

Enclosed is the latest report detailing the state's progress in meeting Minnesota's educational attainment goal as required by *Minnesota Statute* 135A.012. By law, updates occur on October 15 of each fiscal year. Information on enrollments and tuition and fee changes were provided by public and private institutions.

2021 Estimates

Current estimates show that 62.5% of Minnesotans aged 25-44 years completed a postsecondary credential. This percentage increased slightly as compared to 2015 (57.5%), the first year after the goal was established.

Approximately 7.0% of Minnesotans hold a postsecondary certificate and 55.5% hold an associate degree or higher credential.

Estimates by Race

White Minnesotans still have the highest attainment at 68.3%, while American Indian and Hispanic communities share the lowest attainment percentage at 28.6% and 29.2%, respectively. Black Minnesotans have an attainment rate of 38.2%. Asian (64.8%) and multiracial Minnesotans (55.3%) have attainment rates over the 50 percent benchmarks.

Credentials Need to Meet the Goal

In order to reach the 70% educational attainment goal set by the Legislature, Minnesota will need an additional 108,500 new postsecondary credentials by 2025. Of those credentials, 82% must be earned by students of color or American Indian students.

The report can be viewed online at http://www.ohe.state.mn.us/sPages/educ attain goal 2025.cfm. Feel free to contact me or the report authors if you have questions or would like more information.

Sincerely,

Dennis Olson Commissioner

Enclosure

cc: Rep. Michelle Christensen, Vice Chair Rep. Sondra Erickson Rep. Michael Howard

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OFFICE OF HIGHER EDUCATION



Educating for the Future 2021 Update

October 2021

Authors

Meredith Fergus

Director of Research and SLEDS Tel: 651-259-3963 Meredith.Fergus@state.mn.us

Nicole Whelan

Senior Research Analyst Nicole. Whelan@state.mn.us

About the Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to postsecondary education. The agency also serves as the state's clearinghouse for data, research and analysis on postsecondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program is the largest financial aid program administered by the Office of Higher Education, awarding more than \$210 million annually in need-based grants to Minnesota residents attending eligible colleges, universities and career schools in Minnesota. The agency oversees other state scholarship programs, tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Plan, licensing and early college awareness programs for youth.

About This Report

This is a legislative-mandated report. As requested by Minnesota Statutes, section 3.197, this report cost approximately \$1,599 to prepare, including staff time.

Minnesota Office of Higher Education

1450 Energy Park Drive, Suite 350 Saint Paul, MN 55108-5227

Tel: 651.642.0567 or 800.657.3866

TTY Relay: 800.627.3529

Fax: 651.642.0675

Email: info.ohe@state.mn.us

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Executive Summary

In 2015, the Minnesota Legislature enacted a state postsecondary educational attainment goal that 70% of Minnesota adults (age 25 to 44) will have attained a postsecondary certificate or degree by 2025 (Minn. Laws 2015 Chapter 69 Article 3 Sec. 6). Most importantly in recognition of existing gaps in attainment, the law also sets 30% and 50% educational attainment benchmarks for all races and ethnicities as interim goals.

Current estimates show that 62.5% of Minnesotans aged 25-44 years completed a postsecondary credential (Figure 1). This percentage increased as compared to 2015 estimates (57.5%).

White Minnesotans have the highest attainment at 68.3%, while American Indian and Hispanic individuals share the lowest attainment percentage at 28.6% and 29.2%, respectively. Black Minnesotans have an attainment rate of 38.2%. Asian Minnesotans (64.8%) and multiracial Minnesotans (55.3%) have attainment rates over the 50 percent benchmark.

In order to reach the 70% educational attainment goal set by the Legislature, Minnesota will need an additional 108,500 persons age 25-44 to complete a postsecondary credential by 2025.

• In total, persons of color or Indigenous Minnesotans must earn 82% of the 100,700 additional postsecondary credentials. Among the 108,500 new credentialed persons needed, 6,100 credentials must be earned by American Indian persons, 5,000 by Asian persons, 34,700 by Black persons, 5,300 by multiracial persons, 38,000 by Hispanic persons, and 18,400 by white persons.

Attainment rates for the basic race categories hide large disparities within racial groups.

- The overall attainment rate for Black Minnesotans for an associate degree or higher credential is 31.5%. However, Liberian persons have the highest attainment rate of 45.5% compared to Somali persons (21.1%) with the lowest.
- Salvadoran persons have an attainment rate of 10.3% as compared to Puerto Rican persons with an attainment rate for associate degree or higher credential of 40.8%. The overall attainment rate for Hispanic Minnesotans is 25.4%.
- Although Asian Minnesotans have an associate degree or higher attainment rate of 60.7%, Burmese Minnesotans have an attainment rate of 8.1% compared to Indian Minnesotans have an attainment rate of 90.0%. Laotian (37.1%), Hmong (37.0%), and Cambodian Minnesotans (45.2%) have attainment rates under the 50 percent benchmark. Vietnamese (56.0%), Filipino (66.7%), Koreans (71.8%), Chinese (79.8%), and all other Asian ethnicities (65.9%) have attainment rates above the 50% benchmark.

While Minnesota is making progress towards the 70% educational attainment goal, attainment gaps persist among Black, Indigenous, and persons of color. Showing attainment rates by basic race groups hides differences within each group that are important. In order for Minnesota to maintain economic growth and ensure continued prosperity, the state and its colleges must engage communities of color and American Indian communities in postsecondary education.

Minnesota's Attainment Goal

In 2015, the Minnesota Legislature enacted a state postsecondary educational attainment goal that 70% of Minnesota adults (age 25 to 44) will have attained a postsecondary certificate or degree by 2025 (Minn. Laws 2015 Chapter 69 Article 3 Sec. 6). The law also sets 30% and 50% educational attainment benchmarks for all races and ethnicities.

Educational attainment refers to the highest level of education an individual completes. Educational attainment of a population is the percentage or count of the persons that holds a postsecondary credential (certificate, associate degree, diploma, bachelor's degree, master's degree, graduate certificate, doctoral or professional degree). The population sampled for measuring educational attainment can vary widely depending on the source. In Minnesota, educational attainment estimates for the state's attainment goal are limited to persons aged 25-44 years. The Legislature chose this age group because age 25-44 is the primary age range at which individuals have completed or are pursuing education or training. The population reported by other sources, for example the U.S. Census Bureau, uses the population aged 25-64 years.

Greater educational attainment correlates with increased earnings, lower unemployment, better health, and other social and economic benefits. The ability of Minnesota workers to live in and raise their families relies on their ability to find employment at a family-sustaining wage to cover the costs of housing, food, transportation, and childcare. Employment and overall economic success requires that Minnesotans enter the workforce and advance their careers to achieve a family-sustaining wage. Given that Minnesota's communities of color and Indigenous populations lag whites on numerous economic outcomes, ensuring the path to greater educational attainment and therefore, family-sustaining wages for our communities of color and Indigenous communities represents a moral and practical imperative for the state.

The report uses data obtained from the American Community Survey and analyzed by the Minnesota Demographic Center, with supplemental data provided by the Minnesota Office of Higher Education and Minnesota State Colleges and Universities, to create state-level estimates of postsecondary attainment. Minnesota uses the 1-year American Community Survey (ACS) sample grouped into the most recent 5-year period (2015-2019) to create the attainment estimates and are referenced in the report as "2021 estimates".

Currently, the ACS does not include data on how many adults have sub-baccalaureate certificates as their highest level of education. The Census category "some college, no degree" is a catch-all category that includes individuals who are currently enrolled in college and have not finished, individuals who attended college and did not complete their education, and individuals who earned a postsecondary credential below an associate degree. To reach an estimate of the number of certificates awarded, we used student data provided by Minnesota State Colleges and Universities and the Office of Higher Education between 1990 and 2020, broken down by the age of the certificate holders to separate out certificate holders from the some college, no degree group within ACS data.

The size of each certificate cohort changes over time based on four factors: mortality, migration, individuals' achievement of higher credentials, and age of individuals. Migration and educational achievement have greater

relative impacts on the number of certificate holders than mortality does. Attainment estimates shown have been rounded to the nearest 100 persons or tenth of one percent. Subgroup totals may not add to the all person totals due to rounding. These estimates contain sampling and other sources of error displayed by the margin of error unless noted. Percentages for individuals self-identifying as "other" race are not calculated.

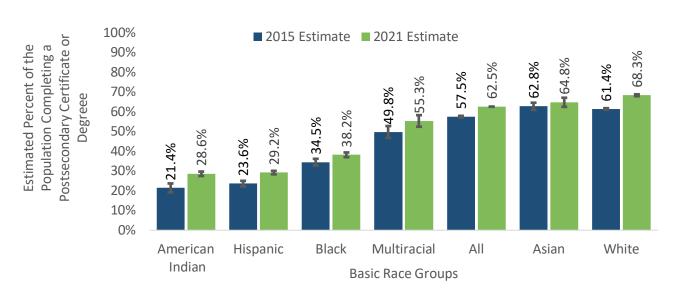
2021 Educational Attainment Estimates

Current estimates show that 62.5% of Minnesotans aged 25-44 years completed a postsecondary credential (Figure 1). This percentage increased as compared to 2015 estimates (57.5%).

White Minnesotans have the highest attainment rate at 68.3%. Asian (64.8%) and multiracial Minnesotans (55.3%) have attainment rates over the 50 percent benchmarks. Black Minnesotans have an attainment rate of 38.2%. Both American Indian and Hispanic Minnesotans have attainment rates lower than the 30 percent benchmark established in Minnesota law (28.6% and 29.2% respectively; Figure 1).

As shown in Figure 2, Minnesota will need an additional 108,500 persons age 25-44 to complete a postsecondary credential by 2025 in order to reach the 70% educational attainment goal (Figure 3). In total, persons of color or Indigenous persons must earn 82% of the 108,500 additional postsecondary credentials needed. These needed credential include: 6,100 credentials to American Indians, 5,300 to Asian persons, 34,700 to Black persons, 5,000 to multiracial persons, 38,000 to Hispanic persons, and 18,400 to white persons.

Figure 1: Percentage of the Population Age 25-44 with a Certificate or Higher Credential Minnesota, 2015 and 2021 Estimates by Basic Race Groups



Source: IPUMS Microdata version of U.S. Census Bureau American Community Survey (survey years 2008-2012, 2015-2019), certificate data provided by the Office of Higher Education and Minnesota State Colleges and Universities, with tabulations and analysis completed by the Minnesota Demographic Center. Holders of certificates as their highest postsecondary award were estimated using a cohort analysis method applied to administrative data on certificates awarded.

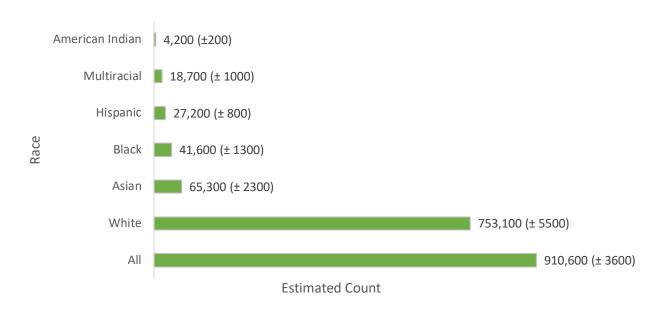
Table 1: Percentage of the Population Age 25-44 with a Certificate or Higher Credential Minnesota, 2015 and 2021 Estimates by Basic Race Groups

Basic Race Group	Persons with Certificate or Higher Credential, 2015 Estimates	Margin of Error 2015 Estimates	Persons with Certificate or Higher Credential 2021 Estimates	Margin of Error 2021 Estimates
AMERICAN INDIAN	21.4%	2.3%	28.6%	1.2%
HISPANIC	23.6%	1.4%	29.2%	0.9%
BLACK	34.5%	1.7%	38.2%	1.2%
MULTIRACIAL	49.8%	3.0%	55.3%	2.9%
ALL	57.5%	0.4%	62.5%	0.2%
ASIAN	62.8%	1.8%	64.8%	2.3%
WHITE	61.4%	0.4%	68.3%	0.5%

Source: IPUMS Microdata version of U.S. Census Bureau American Community Survey (survey years 2008-2012, 2015-2019), with certificate data provided by the Office of Higher Education and Minnesota State Colleges and Universities, with tabulations and analysis completed by the Minnesota Demographic Center.

Figure 2: Estimated Count of Persons Age 25-44 with a Certificate or Higher Credential, Minnesota, 2021

Estimates by Basic Race Groups



Source: IPUMS microdata version of U.S. Census Bureau 2015-2019 American Community Survey for Associate or Higher Degree, with tabulations by the Minnesota State Demographic Center.

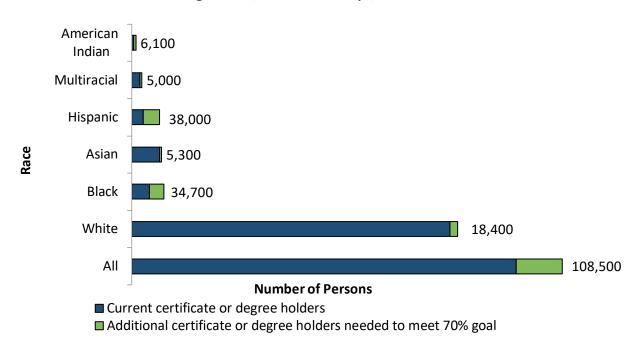


Figure 3: Persons with a Certificate or Higher Credential and Number Needed to Reach 70% Goal, Minnesota, Ages 25-44, Basic Race Groups, 2021 Estimates

Note: Above graph does not show or account for margins of error. Source: IPUMS microdata version of U.S. Census Bureau 2015-2019 American Community Survey for Associate or Higher Degree, with tabulations by the MN State Demographic Center.

Certificate versus Degree Attainment

The estimates for 2021 in Figure 1 include the combined certificate estimates and the associate degree or higher estimates. Approximately one in every eight persons age 25-44 (11.2%) completed a certificate as their highest credential. For American Indians, however, one in three persons (28.6%) have a certificate as their highest degree credential as shown in Table 2. American Indians in Minnesota have the highest rate of certificate completion as their highest credential compared to all other groups. Black persons (17.5%) and Hispanic persons (12.9%) also have a higher than average rate of certificate completion as their highest credential. Asians (6.3%) have the lowest rate of certificate completion as the highest credential earned. This difference in certificate completion indicates that American Indian, Hispanic, and Black Minnesotans are pursuing short-term credentials at a higher rate as compared to Asian, white, and multiracial Minnesotans.

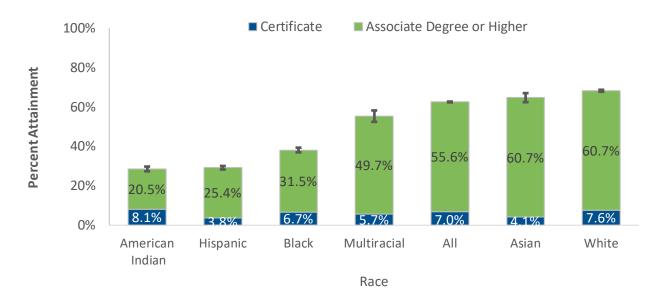
The overall attainment rate of persons with an associate degree or higher is 55.6% (Figure 4). Asian and white Minnesotans have the highest rate of associate degree or higher attainment at 60.7%. The attainment rates for associate degree or higher for the remaining basic race groups are: multiracial persons (49.7%), Black persons (31.5%), Hispanic persons (25.4%), and American Indian persons (20.5%).

Table 2: Certificates Earned as a Percent of Total Credentials Earned Persons Age 25-44, Minnesota, 2021
Estimates by Basic Race Group

Basic Race Group	Count of Persons with a Certificate	Count of Persons with an Associate Degree or Higher	Total Persons with Certificate or Higher Credential	Certificates Earned as a Percent of Total Credentials
AMERICAN INDIAN	1,200	3,000	4,200	28.6%
HISPANIC	3,500	23,700	27,200	12.9%
BLACK	7,300	34,300	41,600	17.5%
MULTIRACIAL	1,900	16,800	18,700	10.2%
ALL	102,300	809,300	910,600	11.2%
ASIAN	4,100	61,200	65,300	6.3%
WHITE	84,300	668,900	753,100	11.2%

Note: Above table does not show or account for margins of error. Source: IPUMS microdata version of U.S. Census Bureau 2015-2019 American Community Survey for Associate or Higher Degree, with tabulations by the MN State Demographic Center.

Figure 4: Percentage of Population Age 25-44 with a Certificate or Higher Credential, Minnesota, 2021
Estimates by Basic Race Groups



Note: Numbers in Figure 4 may not add to the totals in Figure 1 due to rounding. Source: IPUMS microdata version of U.S. Census Bureau 2015-2019 American Community Survey for Associate or Higher Degree, with tabulations by the Minnesota State Demographic Center.

Associate or Higher Degree Attainment by Detailed Race/Ethnicity Groups

The previous sections of this report used basic race categories. Using American Community Survey data we are able to disaggregate attainment numbers by detailed ethnic groups for individuals attaining an associate degree or higher credential. Disaggregated data by detailed race/ethnicity groups is not available for certificate estimates. Basic race categories mask the complexity of educational attainment within race/ethnicity groups. For this reason, it is critical to talk about educational attainment within race/ethnicity groups as shown in Figures 5 and Table 3 as opposed to basic race categories.

Black

Figure 5 disaggregates the Black basic race category into more detailed race/ethnic groups. As shown, the overall attainment rate for Black Minnesotans for associate degree or higher credential is 31.5%. However, by looking at the detailed racial/ethnic categories, we can see that Liberian Minnesotans have an attainment rate of 45.5%, compared to Somali Minnesotans, who have an attainment rate of 21.1%. The difference between these two groups demonstrates that there are substantial gaps in attainment within basic race categories.

Hispanic

Diversity within groups is evident within the Hispanic category. Figure 5 shows that the overall attainment for Hispanic Minnesotans is 25.4%. Salvadoran Minnesotans have an attainment rate of 10.3% and Puerto Rican Minnesotans have an attainment rate for associate degree or higher credential of 40.8%.

Asian

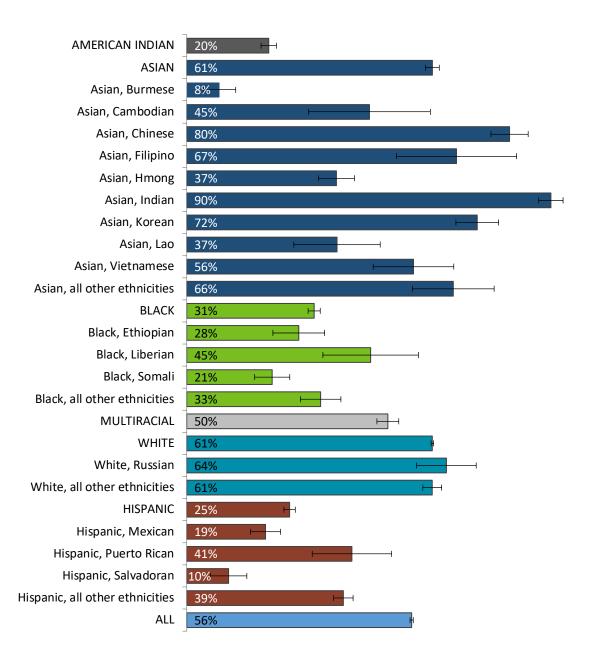
The Asian basic race category perhaps shows the starkest within-group differences. Asian Minnesotans have an overall associate degree or higher attainment rate of 60.7% (Figure 5). When disaggregated, Burmese Minnesotans have an attainment rate of 8.1% and Indian Minnesotans have an attainment rate of 90.0%. In addition to Burmese, Laotian (37.1%), Hmong (37.07%), and Cambodian Minnesotans (45.2%) all have attainment rates under the 50 percent benchmark. Vietnamese (56.0%), Filipino (66.7%), Korean (71.8%), Chinese (79.8%), and all other Asian Minnesotans (65.9%) have attainment rates above the 50% benchmark.

Conclusion

Although Minnesota is making progress towards the 70% educational attainment goal, attainment gaps persist among Black, Indigenous, and persons of color. In order for Minnesota to maintain economic growth and ensure continued prosperity, the state and its colleges should engage communities of color and American Indian communities in postsecondary education. To be successful, the state should focus on increasing the high school graduation rate, postsecondary enrollment, postsecondary persistence, and postsecondary completion, with an

emphasis on Black, Indigenous, and students of color. There should also be a concerted effort to encourage and support adults with no college or some college to enroll and complete a postsecondary credential.

Figure 5: Educational Attainment for Associate Degree or Higher Credential Disaggregated by Detailed Race/Ethnicity Groups, 2021 Estimates



Source: IPUMS Microdata version of U.S. Census Bureau 2015-2019 American Community Survey with tabulations and analysis completed by the Minnesota Demographic Center. Detailed cultural subgroups are included if there were at least 50 respondents (unweighted) from that subgroup in the ACS survey data for Minnesotans age 25 to 44.

Table 3: Educational Attainment for Associate Degree or Higher Credential Disaggregated by Detailed Race/Ethnicity Groups, 2021 Estimates

Detailed Race/Ethnicity Groups	Count of Persons Age 25-44	Count of Persons Age 25-44 with an Associate Degree or Higher	Percent of Persons Age 25-44 with an Associate Degree or Higher	Margin of Error
AMERICAN INDIAN	14,800	3,000	20.3%	5.5%
ASIAN	100,800	61,200	60.7%	3.8%
Asian, Burmese	3,700	300	8.1%	6.7%
Asian, Cambodian	3,100	1,400	45.2%	12.1%
Asian, Chinese	9,400	7,500	79.8%	8.4%
Asian, Filipino	5,400	3,600	66.7%	15.6%
Asian, Hmong	27,300	10,100	37.0%	2.8%
Asian, Indian	23,000	20,700	90.0%	1.8%
Asian, Korean	7,800	5,600	71.8%	10.4%
Asian, Lao	3,500	1,300	37.1%	16.2%
Asian, Vietnamese	9,100	5,100	56.0%	10.4%
Asian, all other subgroups	8,500	5,600	65.9%	4.2%
BLACK	108,900	34,300	31.5%	3.8%
Black, Ethiopian	6,500	1,800	27.7%	5.3%
Black, Liberian	4,400	2,000	45.5%	17.3%
Black, Somali	16,100	3,400	21.1%	7.5%
Black, all other subgroups	81,900	27,100	33.1%	6.1%
MULTIRACIAL	33,800	16,800	49.7%	5.9%
WHITE	1,102,100	668,900	60.7%	0.8%
White, Russian	6,700	4,300	64.2%	4.9%
White, all other subgroups	1,095,400	664,600	60.7%	3.3%
HISPANIC	93,200	23,700	25.4%	3.5%
Hispanic, Mexican	60,600	11,800	19.5%	4.0%
Hispanic, Puerto Rican	4,900	2,000	40.8%	10.6%
Hispanic, Salvadoran	2,900	300	10.3%	4.1%
Hispanic, all other subgroups	24,800	9,600	38.7%	4.5%
ALL	1,455,900	809,300	55.6%	0.4%

Source: IPUMS Microdata version of U.S. Census Bureau 2015-2019 American Community Survey with tabulations and analysis completed by the Minnesota Demographic Center. Detailed cultural subgroups are included if there were at least 50 respondents (unweighted) from that subgroup in the ACS survey data for Minnesotans age 25 to 44.

