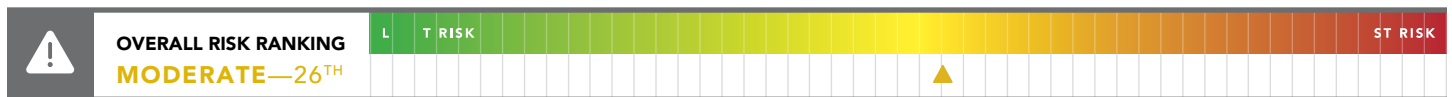


College Opportunity Risk Assessment: New Jersey



For New Jersey to thrive, all residents must have access to quality higher education. This state risk assessment is the first state-by-state analytic tool to compare the many intersecting risks to postsecondary educational opportunity. These risks are shaped by a complex interplay of dynamic forces that are internal and external to higher education.

Intersecting risks related to educational performance, educational equity, higher education funding and productivity, and state economy and finances threaten New Jersey's ability to provide the number of educated workers that its economy needs.

PROJECTED NEED

The nation will need **60%** of its workforce to have college degrees, workforce certificates, industry certifications, and other high-quality college credentials by 2025. In 2016, **51.2%** of New Jersey residents had these credentials.

If the state fails to improve, New Jersey will fall short of this 60% benchmark by **418,584** credentials in 2025.

RISK CATEGORIES

Understanding New Jersey's areas of greatest risk to educational opportunity is critical to creating effective public policies for the future.



Education Performance

Risk: **MODERATE**



Education Equity

Risk: **LOW**



Higher Education Funding & Productivity

Risk: **MODERATE**

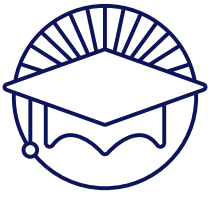


State Economy & Finances

Risk: **HIGH**

For more information see the national report, *College Opportunity at Risk: An Assessment of the States*, and the State Risk Assessment Technical Guide, both available at <https://irhe.gse.upenn.edu/College-Opportunity-at-Risk>.

SUGGESTED CITATION: Institute for Research on Higher Education. (2018). College Opportunity Risk Assessment: New Jersey. Philadelphia, PA: Institute for Research on Higher Education, Graduate School of Education, University of Pennsylvania. <https://irhe.gse.upenn.edu/sites/default/files/College-Opportunity-Risk-Assessment-2018-NEW-JERSEY.pdf>

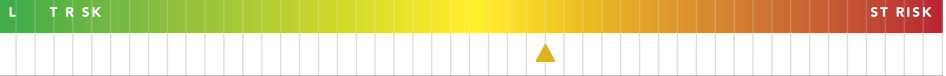


Education Performance



RISK RANKING

New Jersey ranks **29th** in the nation for educational performance.



Preparation

Student performance in national assessments in mathematics and reading, high school graduation rates, and AP courses.

46.9% of 4th graders are proficient and above in NAEP Mathematics.

RANK: 7TH

42.8% of 4th graders are proficient and above in NAEP Reading.

RANK: 6TH

46.2% of 8th graders are proficient and above in NAEP Mathematics.

RANK: 4TH

40.6% of 8th graders are proficient and above in NAEP Reading.

RANK: 5TH

87% of students graduate from high school.

RANK: 9TH

37.9 passing AP test scores per 100 juniors and seniors.

RANK: 6TH

To calculate the Education Performance risk ranking, each indicator (preparation, participation, completion, and affordability) receives a single score based on its individual components. The state risk ranking is determined by adding these four rankings together. For more details, see page 3 of the technical guide.

Participation

The extent to which young adults and working-age adults enroll in educational programs beyond high school.

33.8% of 18–24-year-olds are enrolled in educational programs beyond high school.

RANK: 44TH

3.8% of 25–64-year-olds are enrolled in educational programs beyond high school.

RANK: 41ST

Completion

Completion of college programs in a timely manner.

22.0% of community college students earn an associate’s degree within three years.

RANK: 40TH

65.4% of students enrolled in four-year institutions earn their bachelor’s degree within six years.

RANK: 8TH

Affordability

Percent of family income, on average, after all financial aid, to pay educational costs to attend postsecondary institutions in the state.

Student and families pay, on average, 29.8% of family income after all financial aid to attend postsecondary education.

RANK: 35TH

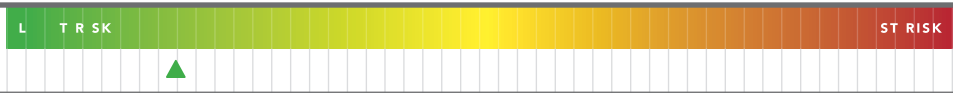


Educational Equity



RISK RANKING

New Jersey ranks **9th** in the nation for educational equity.



High School Completion Equity

High school graduation gap between white students and students from all other racial and ethnic groups.

The graduation rate of white students in New Jersey is 8.8 percentage points higher than that of students from all other racial and ethnic groups.

RANK: 22ND

Postsecondary Participation Equity

Percentage of racial and ethnic minority students enrolled in degree or workforce certificate programs compared to the racial and ethnic minority population in the state.

There is a 0.4 percentage point difference between racial and ethnic minority students enrolled in degree or workforce certificate programs and the percentage of this group in the overall state population. A smaller proportion of students from racial and ethnic minorities are enrolled in undergraduate institutions than are in the population.

RANK: 9TH

Postsecondary Completion Equity

Postsecondary completion gap between white students and students from all other racial and ethnic groups.

The on-time four-year and two-year degree completion rate of white students is 8.8 percentage points higher than that of students from all other racial and ethnic groups.

RANK: 25TH

Geographic Equity

The distance from each county center to the closest in-state degree-granting education institution.

There is an average of 3.6 miles between each county center and the closest degree-granting institution.

RANK: 5TH



Higher Education Funding & Productivity



Postsecondary Productivity

The total state investment in higher education per undergraduate degree and certificate produced at all public institutions.

New Jersey spends \$30,462 per degree and certificate produced at all public institutions.

RANK: 25TH

Degrees and Workforce Certificates Awarded

The educational efficiency of degree-granting institutions, in terms of the number of workforce certificates and degrees awarded for every 100 full-time equivalent students.

New Jersey awards 22.7 degrees per 100 full-time equivalent students per year at all degree-granting institutions.

RANK: 43RD

Volatility of Higher Education Appropriations

The average annual fluctuation of higher education appropriations from year to year, between 2000 and 2015.

The amount of money New Jersey appropriated specifically for higher education fluctuated, on average, 3.8 percentage points per year between 2000 and 2015.

RANK: 7TH

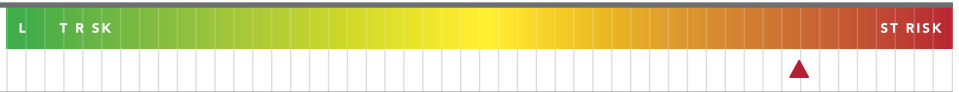


State Economy & Finances



RISK RANKING

New Jersey ranks **42nd** for state economy and finances.



Volatility of General Fund Expenditures

The average annual fluctuation of state expenditures from year to year, between 2000 and 2015.

New Jersey's expenditures fluctuated on average 3.7 percentage points per year between 2000 and 2015.

RANK: 39TH

State Gross Domestic Product

Total revenue from all goods and services in a state's economy.

New Jersey's GDP per capita in 2016 was \$56,565.

RANK: 10TH

New Economy Index

The extent to which a state's economy matches knowledge-based industries.

RANK: 8TH

State Reserves

"Rainy day" fund resources maintained to offset economic downturns.

Between FY2016 and FY2018, New Jersey's average rainy day fund balance as a share of annual expenditures was 0.0%.

RANK: 47TH

State Debt and Unfunded Liabilities

Debt and unfunded liabilities as a portion of state revenue.

New Jersey's debt and unfunded liabilities total 533.5% of annual state revenues.

RANK: 50TH

Income Inequality

The gap between the median family income of families in the highest and lowest income groups.

New Jersey's families whose income is \$110k or more have incomes that are 12.7 times as much the annual income of families whose income is \$30k or less.

RANK: 48TH

Recommended Steps for State Policymakers

- Enhance the State Risk Assessment with additional state-level data to provide specificity and context for assessing state risks to educational opportunity.
- Conduct a statewide “public policy audit” to understand the policies that increase risks to educational opportunity.
- Using the results of a policy audit, develop a fiscally sustainable compact for higher education that enhances college opportunity, specifying the responsibilities of students and families, colleges and universities, and taxpayers.
- Use the State Risk Assessment to inform state higher education budgeting and accountability on an ongoing basis.