

## Threats to Higher Education Capacity and Gaps in Digital Connectivity

A well-educated and adequately skilled workforce is a key engine of any regional economy. Supported by our strong and diverse system of close to 90 post-secondary education and training institutions, our regional capacity to produce a strong talent pipeline has been one of our **core competitive advantages**.

With the [unprecedented job loss and subsequent unemployment rates](#), the regional education and training systems will be more important than ever. Many of the lost jobs may not return. Many may come back with a different focus. And, others may be completely new and demand a very different skillset. Many of the **120,000+ people still out of work** will need to find different career paths, pursue new learning or train for new skills. These workers will need access to robust and flexible higher education and training system.

### *Vulnerability of Post-Secondary Education System*

COVID-19 has accelerated the crisis within the higher education sector. Long-term declines in regional birth rates have resulted in secular enrollment decline in higher education. Since 2008, there have been **30,000 fewer students enrolled in the region's K-12 system**. This 10% decrease in school age children is shrinking the pipeline of post-secondary students. As a result of enrollments growing below the national average, most of the region's higher education institutions were already **financially constrained** before COVID-19. The pandemic **increased these financial pressures** as institutions experienced significant declines in revenues due to restricted campus activities while having to invest heavily in new technologies and systems. In addition, even the already secured student enrollment is at risk as **almost half of freshman** surveyed nationally said they would very likely **defer enrollment or look for a different school during the pandemic**, and about **20% already switched to a less expensive and closer to home school**. At the graduate level, barriers to international students threaten the business model of schools dependent on students who pay full tuition and expenses.

### *Gaps in Digital Infrastructure*

For those seeking a new career path, reskilling opportunities, or even to hold an existing job, digital connectivity will be as important as a well-functioning higher education and training system.

Digital connectivity has been one of the key differentiating factors in a household's ability to cope with the pandemic. People with reliable digital infrastructure were better able to engage in critical remote interactions, including work, learning, healthcare or essential shopping. Black and low-income households are significantly disadvantaged in the remote world. Only **61% of Black households having digital access** (compared to 77% of white households), and **49% of households with an annual income of less than \$25K having access to internet** (compared to 95% of households with annual income over \$150K).

Digital connectivity is also an issue for **rural communities**. Eight out of the 10 counties in our region have **more than 25% of the households without internet connectivity**, significantly below the national coverage gap at less than 20%. This represents a critical competitive disadvantage for our regional economy.