



External Environmental Scan

February 2016

The Office of Institutional Research

Holyoke Community College

EXECUTIVE SUMMARY

Multiple factors, including projected demographic changes, shrinking high school class sizes, declining public funding, and increasing unemployment rates, are compelling community colleges to find innovative ways to fulfill their mission while responding to multiple challenges. In Massachusetts, community colleges relied on state funding that now has been significantly reduced. Creative funding sources such as public-private initiatives, reaching out to new target populations, workforce readiness programs and other non-traditional education opportunities are expanding. It is essential that Holyoke Community College (HCC) understand the impact of the continually changing external environment in which it exists.

In this external environmental scan, the focus is to identify the most recent available information on major national, regional, state, and local trends that might impact college enrollment. The purpose of this extensive environmental scan is to inform institutional decision making in areas such as enrollment management, program development, and marketing. The external environment in which Holyoke Community College (HCC) operates is continually changing; therefore, the external environmental scan will be updated periodically to reflect the most recent available information on key trends.

Framework

The environmental scan framework presented below is used in this report.

Categories	Trends	Population
Demographics	· Population growth	· Nation
	· Population composition by age and race	· State
	· Population Projections	· Region
		· Local
Public School and Colleges	· Public Schools	· State
	· Higher Education Institutions	· Region
	· Educational Attainment	· Local
	· Projections	
Economic Trends	· Cost of Higher Education	· Nation
	· Income	· Region
	· Poverty	· State
		· Local
Employment and Workforce Trends	· Unemployment	· Nation
	· Labor force	· Region
	· Job market	· State
	· Projections	· Local
	· Industry focus	

Key Findings

This Executive Summary provides an overview of the key findings in area demographics and trends in education, and the economy and workforce.

State and Region Demographic Trends:

- ◆ The population in Hampden County has been growing at a steady rate over the past two decades. The number of county residents increased from 464,160 in 2010 to 468,161 in 2014, a 1% increase, at the same time Massachusetts population grew of 3%. HCC feeder cities and towns have seen minimal growth in between 2010 and 2014.
- ◆ While the population of Massachusetts is expected to grow 12% by 2035, the population in Hampden County will only experience 8% growth. By the year 2035, a little over 30,000 residents are expected to be added to the current population of the county and approximately 1,600 more residents are expected to be added to Hampshire County.
- ◆ The population between the ages of 20 and 24 will decline 1% in Hampden County between 2010 and 2035; Westfield and Holyoke are projected to experience a decline of 8% and 7%, respectively for the same age group. Hampshire County's population of 20 to 24 year olds is expected to decrease dramatically by 13%, while the 20 to 24 year old population in Massachusetts will drop 10% for the same timeframe.
- ◆ Between 2015 and 2035, among HCC's top feeder cities and towns, Belchertown is projected to experience a 28% growth followed by Southampton (12%), Springfield and Chicopee (11%), West Springfield (9%), and Holyoke (8%).
- ◆ The population of Hampden County is aging. The number of residents between 65 and 74 years old increased 11% from 2000 to 2014 (5-year estimates). The working-age adult (25-64 year old) population increased 5% between 2000 and 2014 (5-year estimates) whereas the school-age population declined 7% for the same period. Decline in the regional school-age population will likely create a challenge to increase college enrollment.
- ◆ Growth in the Hispanic population in Massachusetts and within HCC's region is worth noting. Massachusetts's Hispanic population grew 59% in recent years compared to 2000. The Hispanic population of Hampden County increased by 49% and in Hampshire County by 55% in 2014 (5-year estimate). The Hispanic share of the population of Springfield increased from 27% in 2000 to 41% in 2014 (5-year estimates), a 14 percentage point increase; the Hispanic population of Holyoke rose from 41% in 2000 to 47% in 2014 (5-year estimates), a 6 percentage point increase.

Public Schools and Colleges Trends:

- ◆ Since peaking in 2007-08, high school enrollment in HCC's service areas declined 7.5% compared to a 2.4% decline in Massachusetts in 2014-15.
- ◆ Since 2007-08 there has been a notable decrease in the high school dropout rate, in nearly all HCC service areas. The dropout rate for Massachusetts has decreased from 3.4% in 2007-08 to 2% in 2013-14. Springfield, Holyoke, Ware, and Chicopee are among the top four school districts having the highest dropout rates (7.2%, 6.4%, 5.5%, and, 4.0%, respectively) compared to other HCC service area school districts in 2013-14. However, dropout rates for these districts have declined since 2007-08.
- ◆ High school graduate production will be declining in Massachusetts by 10% between 2015-16 and 2027-28. Asian/Pacific Islanders will see the largest growth at 35%, followed by Hispanics at 33% and African Americans at 9%. White high school graduates are expected to decline by 22% between 2015-16 and 2027-28.
- ◆ Current elementary class sizes in HCC's service area school districts are smaller than the secondary class sizes. These elementary students are future secondary students. Therefore, smaller class sizes in lower grades will impact future high school enrollment and graduation. HCC's market share from the feeder school districts will decline drastically between 2015 and 2026. Springfield school district enrollment will improve until 2018; thereafter, the enrollment will decline for a few years before it starts growing again at a slower pace between 2021 and 2026.
- ◆ Among top feeder high schools, a greater percentage of Holyoke High School seniors plan to attend a community college, 53% in 2013-14 (up from 43% in 2004-05). The intent to attend a community college is consistently going up for Springfield high school graduates, from 37% in 2004-05 to 52% in 2013-14.
- ◆ During the economic recession of 2008-09, public higher education institutions experienced a substantial growth in enrollment. The effect of the recession began in 2008, peaked in 2010, and thereafter, enrollment started to decline as the economy improved and unemployment slowly started to drop. Massachusetts Community colleges have experienced a decline in enrollment in the past two years. However, the enrollments at Massachusetts State colleges and universities have been growing consistently. Therefore, competition with four-year universities, for-profits, and other educational providers will escalate as the need for student enrollment revenue increases. Holyoke Community College must continuously ramp up marketing and recruitment efforts to maintain, and possibly increase, market share.

- ◆ The market potential for HCC in Hampden and Hampshire counties comes from the 25 years and older population who have an educational attainment less than an associate degree. Based on 2014 (5-year estimates), 143,405 individuals in Hampden County (47% of the 25 years and older population in the county) and 30,489 individuals in Hampshire County (31% of the 25 years and older population in the county) have an educational attainment less than an associate degree. Identifying these individuals can increase college participation rates and enrollments.
- ◆ HCC has started to experience an influx of students enrolling who come from increasingly diverse backgrounds and cultures. In Massachusetts, the White college-age population is projected to decrease by approximately 25% between 2010 and 2024 whereas the Hispanic college-age population will increase about 13%. The Hispanic college-age population in Hampden County will increase 1.8%. The White college-age population in Hampden and Hampshire counties is projected to decline by 32.4% and 40.4%, respectively.

Economic Outlook Trends:

- ◆ The cost of going to college continues to increase. College tuition continues to outpace family income. Across Massachusetts Community colleges, the average tuition increased by 20% between 2010 and 2014 compared to 17% in Northeastern States. However, the median family income for Massachusetts increased only 3% and only 4% for the Northeastern States for the same period.
- ◆ In 2001, Massachusetts appropriations accounted for approximately 71% of the cost of public higher education in the state. By 2014, the state's contribution had dropped to about 55%.
- ◆ Even though the median *household* income in Western Massachusetts counties rose between 2000 and 2014, the increase for Hampden County remained lower (26%) than Massachusetts at 34%. Within the Western Massachusetts region, there are significant median *family* income disparities. Hampden County has a median family income of \$61,989 in 2014 (5-year estimate), the lowest in the region. Only 27% of the families in Hampden County have incomes of \$100,000 or more compared to 42% in Massachusetts, and only 29% in the U.S. as a whole in recent years.
- ◆ In Massachusetts, 13.9% of school-age children were living in poverty in 2014 (5-year estimates) compared to the 20.3% in the U.S. Among its neighboring counties, a higher percentage of Hampden County school-age children were living in poverty, 24.8%. In Springfield and Holyoke, the poverty rate for school-age children was 42% and 42.6%, respectively (based on 2010-2014 5-year estimates from the American Community Survey).

Employment and Workforce Outlook Trends:

- ◆ The economic recession of 2008-2009 resulted in dramatically higher unemployment and poverty rates. The unemployment rate for Hampden County was 3.5% in 2000 which grew to 6.9% in 2014 (5-year estimates), the highest among neighboring counties and higher than Massachusetts and U.S. rates. As of October 2015, the unemployment rate for Springfield, the third largest city in Massachusetts, was at 8.3% followed by 7.3% in Holyoke.
- ◆ Between 2010 and 2014, growth in Service industry employment opportunities in HCC's primary service area will continue to expand and influence the nature of career programs that should be offered by the College.
- ◆ Nearly half of all employments in HCC's service area are located in Springfield, Holyoke, and Chicopee, reaching a combined total employment of 119,508.
- ◆ Health care will remain a major growth industry in Massachusetts. Health Care and Social Assistance; Retail Trade; and Educational Services are likely to maintain a strong hold in Hampden County. Manufacturing is among the top 10 largest industries in the County. However, employment in manufacturing is projected to decline 6.6% by 2022.
- ◆ Job openings in Hampden County show continued growth over the next few years including new employment opportunities in Health Care and Social Assistance; Ambulatory Health Care Services; Accommodation and Food Services; Food Services and Drinking Places; and Hospitals.
- ◆ The fastest growing occupations in Hampden County are Registered Nurses; Combined Food Preparation and Serving Workers, including Fast Food; Personal Care Aides; Retail Salespersons; and Nursing Assistants.

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