

THE ISSUE

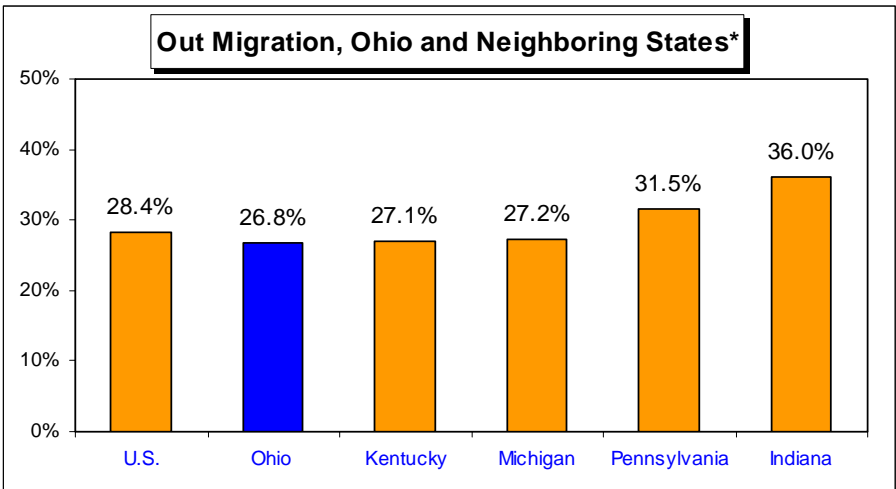
November 2004

IS OHIO EXPERIENCING "BRAIN DRAIN?"

Is Ohio losing its best and brightest minds to other states? Is the state investing hundreds of millions of dollars in public higher education every year only to see graduates move out of state upon graduating in search of greener pastures? The Governor's Commission on Higher Education and the Economy (CHEE) commissioned a report¹ about this issue to determine the extent of the problem and to discuss how to address it. This edition of *The Issue*, extracted from that report, will examine the issue of "Brain Drain," present information about migration in and out of Ohio, and offer alternatives policymakers may want to consider.

Some People Migrate

Americans are mobile people. Between 1995 and 2000 10% of the population 20 and over moved to another state. Education increases mobility -- in the same time period, 28% of the 20-29 year olds with at least a bachelor's degree pulled up stakes and relocated to another state.



*Percent of Population, Age 20-29 Migrating between states 1995-2000, bachelor's degree or higher

States with large population centers near state lines often experience higher rates of migration. This phenomenon is common in Ohio where 29% of the population lives in counties bordering another state.

What the Data Show

The 2000 Census showed that Ohio suffered a *net loss* in the migration of young college graduates in and out of the state.

The good news for Ohio is:

- ◆ In the last decade, Ohio's young college graduates were no more likely to leave the state than college graduates generally across the nation.

The bad news for Ohio is:

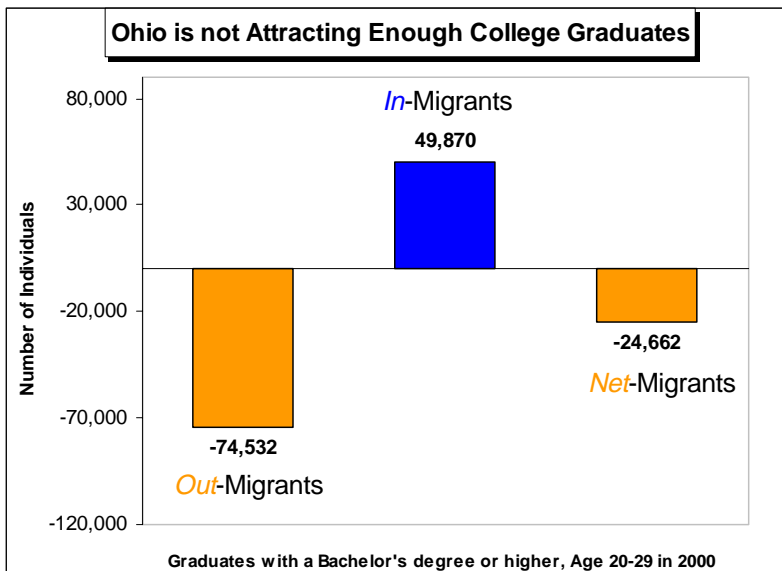
- ◆ Too few graduates are coming into Ohio from other states and abroad to replace those who leave.

To understand what is happening in Ohio, one has to look at the stream of people *into* the state, and the stream of people *out of* the state.

Two Sides of Migration

Between 1995 and 2000, Ohio had a net loss of nearly 25,000 college graduates 20-29 years old. This included the *out-migration* of about 75,000 and the *in-migration* of nearly 50,000 from other states.

Out Migration: The loss of 75,000 young graduates to other states sounds like a large number, but, in fact, it is a below-average amount



However, one should not jump to the conclusion that an exceedingly high number of Ohio's graduates are leaving the state. The news is not all bad.

¹ Brain Drain or Weak Attraction? Migration of Ohio's Young College-Educated Population, A Briefing for the Governor's Commission on Higher Education and the Economy, December 3, 2003. Dixie Sommers, Center for Human Resource Research, The Ohio State University, College of Social and Behavioral Science

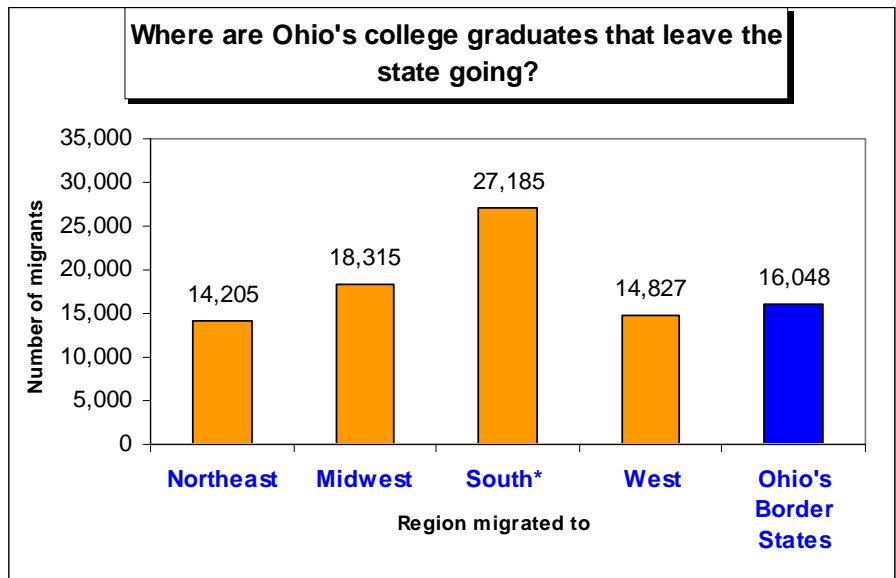
when compared to the national average and neighboring states. About 27% of Ohio's young college graduates moved to another state between 1995 and 2000 compared to 28% of U.S. young college graduates who moved between states. Ohio actually ranked 42nd among all states in the percentage of young college graduates who left the state. So Ohio graduates are **not leaving the state in disproportionately high numbers**, and are actually slightly less likely to migrate out of state than are graduates from neighboring states.

In-Migration: The reason for the net loss of college graduates in Ohio is Ohio's failure to attract graduates from other states and abroad. In 2000, Ohio ranked 49th in the percent of its population who were in-migrants.

Reasons for Low In-Migration

There are a number of factors that have contributed to Ohio's failure to attract young college graduates to the state. Several of these factors are discussed below.

- ◆ **Lack of new job growth.** From 1995-2000, nonfarm payroll jobs in Ohio increased by 5.6 percent, less than half of the 12.4 percent increase for the U.S. This rate of growth was actually slower than all but two other states in the U.S. It is no coincidence that young college graduates who leave Ohio most often move to states with higher rates of job growth where they earn an average of 11.6% more than those who remain in-state.
- ◆ **Ohio's economy** is not producing enough jobs that require a college degree. In 2000, only 19% of Ohio's jobs required a bachelor's degree or higher - lower than the national average of 20.7% and neighboring states such as Michigan (20%) and Pennsylvania (21.6%).
- ◆ **Not enough "arrivers."** A study by The Southern Technology Council found that "arrivers tend to stay" and "leavers tend to stay away." "Arrivers" are students who come into the state for college, and "leavers" are the state's high school graduates who go out of state to college.



*Note: This region includes Georgia and North Carolina - states that experienced 2 to 3 times the rate of job growth of Ohio between 1995 and 2001

On average, 43% of out-of-state students stay in the state where they went to college. Only 23% of leavers return to their home state after graduation. If fewer students are coming into Ohio to attend college, statistics show that fewer will remain here upon graduating.

What Can Be Done?

To reverse the trend of negative net migration of college graduates, policy makers may want to consider the following:

- ◆ Ohio must continue to strive to increase access to its institutions of higher education, and to once again become a net importer of college students. High school graduates who attend college in Ohio are more likely to be "stayers" than those who attend school out of state.
- ◆ Ohio must increase the percentage of its population in postsecondary education. Although the rate of college participation in Ohio is finally catching up to the national average, Ohio still lags behind in educational attainment. The fact that Ohio is an undereducated state, ranking 41st in the nation for the percent of population with at least a bachelor's degree, makes it difficult to attract new employers that provide the types of high skill jobs young graduates are looking for.

◆ Ohio must place an emphasis on attracting or creating jobs that require a college education. Ohio needs jobs and more jobs. But it is increasingly important to attract to the state the kinds of businesses that require high skills and knowledge. These types of jobs will provide higher salaries, will encourage more Ohioans to stay in the state, and will encourage graduates from out of state to locate here.

Conclusion

Ohio has a vital interest in keeping a high proportion of Ohio college graduates in the state after graduation while attracting graduates from other states and abroad. Ohio is an undereducated state, ranking 41st in the nation for the percent of its population with at least a bachelor's degree and for those with an associate degree. Negative net migration, and particularly, weak attraction, only worsens the educational attainment gap in Ohio. In today's knowledge economy, Ohio simply cannot afford to lose graduates to other areas. Maintaining a college-educated workforce is essential for economic growth.

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¹ Southern Technology Council, *Who Will Stay and Who Will Leave?* May 2001