

# STEPHEN F. AUSTIN UNIVERSITY: AN ANCHOR INSTITUTION IN DEEP EAST TEXAS

A POLICY RESEARCH PROJECT



Funded by IC<sup>2</sup> Institute

---

2021-2022

## **Policy Research Project #222**

# **The New Role of Anchor Institutions: Community Hubs and Opportunity Gateways**

Academic Year: Fall 2021 and Spring 2022

Course Number: PA 680PA [Unique: 60805]

Faculty: Pedigo, Steven

The LBJ School of Public Affairs publishes a wide range of public policy issue titles.

ISBN-13: [978-1-951006-17-4]

©2022 by The University of Texas at Austin

All rights reserved. No part of this publication or any corresponding electronic text and/or images may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any information storage and retrieval system, without permission in writing from the publisher.

# DEEP EAST TEXAS

## **A Region of Renewal:**

Where collaboration can reinvigorate the rural region's strengths and re-establish Deep East Texas in the state's economy

# OVERVIEW:

---

Beyond its big skies, natural beauty, and small-town feel, Deep East Texas is home to Stephen F. Austin University (SFA), a Tier 1 higher education institution. SFA is positioned as a strong talent and innovation hub for a region that is ready for an economic development plan that considers the changing regional dynamics and prioritizes regional collaboration, employment, talent retention, business attraction, industry innovation, and quality of life.

The Deep East Texas (DET) region is experiencing the same challenges that many rural regions face today: a high poverty rate, low labor participation rates, lackluster job creation, insufficient industry diversification, brain drain (talent leaving the region for urban cities), and a lack of social inclusion.

Deep East Texas looks to SFA, the regional public university, to be an active participant in addressing these trends and moving the economy toward resilience. In 2021, the Center for Applied Research and Rural Innovation (CARRI) was established to act as a bridge between the university and the community to address region-wide problems and further encourage collaboration.

To fulfill its mission of supporting academic programs and boosting regional economic development, SFA partnered with the LBJ School of Public Affairs to build a plan that incorporates the strengths of the region and the potential of CARRI.

## **Strategy Plan Goals:**

This Economic Development and Anchor Engagement Strategy is a holistic and community-centered plan that prioritizes collaboration and cohesion between regional public and private stakeholders, the alignment of workforce development programs and strategies, student retention and opportunities, and entrepreneurship and innovation.

Our strategy for SFA as an anchor in Deep East Texas is positioned along four key goals:

1. Position CARRI as a community hub to convene Deep East Texas stakeholders
2. Leverage SFA as a source of talent for the DET workforce
3. Foster more meaningful student-community connections in Deep East Texas
4. Create a landscape to foster and retain entrepreneurship in DET



# INTRODUCTION:

---

The popular story of the booming state of Texas depicts a thriving economy and enticing destination for new residents. However, most of the growth and prosperity within the state is confined within the Texas Triangle (Dallas, Houston, Austin-San Antonio). Often overlooked are Texans living in rural communities. There are approximately three million people living in rural Texas—the population size of rural Texas is larger than 17 U.S. states and equivalent to implanting the population of four Washington D.C.s in the state of Texas. To overlook these communities would exclude the millions of people living in those areas as they struggle to attain more equitable economic opportunities.

One of these valuable rural regions is Deep East Texas. DET is a picturesque 12-county region located in rich forest country near the Texas-Louisiana border. With a population of 385,613, the region is composed of 9,790 sq miles, 40 cities, 36 school districts, 11 special districts, and one Native American tribal council. Beyond its access to nature and a small-town feel, DET provides a low cost of living to its residents compared to other cities in Texas, hosts stable legacy industries like Forestry and Wood Products, and boasts an established regional anchor institution. This unique combination of assets positions DET above many of its peers.

Despite its positive attributes, DET is experiencing the same challenges that many rural regions face today. From 2010 to 2020, DET saw an average 15.2% poverty rate, less than half of the potential labor force was working or looking for work, job creation hovered around 2%, and talent from SFA largely left the region for urban cities.

# Leveraging SFA as an Anchor Institution

Engaging SFA as an anchor institution may accelerate economic development and resilience in DET. Anchor institutions are entities that have a large stake in a community and are unlikely to move (e.g., hospitals, universities, government agencies). Anchors generate jobs, create business opportunities, and develop the social and cultural capital in their cities and regions. As the name suggests, anchors can provide stability for local economies if they invest their human and intellectual resources to improve the long-term strength and sustainability of their communities.

Anchors demonstrate five key characteristics that enable them to play a critical role in the community's economic prosperity and resilience:<sup>1</sup>

## **1 Spatial immobility:**

The institution holds significant investments in the community, which physically binds them to a specific location and makes it difficult to leave.

## **2 Identity as non-profits:**

Anchors typically identify as non-profits, but there may be some large private corporations that can function as anchor institutions (e.g., banks, sports stadiums).

## **3 Large employers:**

Anchors are large employers that train a considerable portion of the local workforce, have significant purchasing power, and spend sizable amounts on procurement of local goods and services.

## **4 Possess a social-purpose mission:**

These institutions demonstrate inherent core values of democracy, equity, and inclusion that enable the organization to serve as a force of change that can significantly impact the quality of life of its community members.

## **5 Cluster development catalyst:**

Anchors often function as a catalyst for innovation and what Harvard Professor Michael Porter coined as 'cluster development.' A cluster is a geographic concentration of firms, suppliers, and field-related organizations developing and thriving because of the mutual benefits from being close to each other: access to skilled labor pools, shared public goods, and technologies sparking innovation and new businesses. An anchor can serve as a community hub for innovation and building export-driven economies.

SFA possesses all five key characteristics of a traditional anchor institution. Yet just because an entity is an anchor, it does not mean that it automatically generates value for its community. The anchor must employ an intentional strategy to expand its role beyond that of an educational institution and toward that of a regional collaborator and local economic developer. SFA has the opportunity to leverage its economic, human, and intellectual capital to advance the well-being of the region and generate an ecosystem of shared value.

---

<sup>1</sup> Holley, Karri & Harris, Michael. (2016). Universities as Anchor Institutions: Economic and Social Potential for Urban Development. 10.1007/978-3-319-26829-3\_8.

## **Generating Shared Value: Center for Applied Research and Rural Innovation**

An institution's success depends on the health of the social and economic ecosystems in which it exists. Anchor theory posits that if SFA expands its role as an anchor for DET, it can catalyze regional vitalization and improve the competitiveness of the region in which it is located. Competitive regions are those with economies that can attract and maintain firms and talent while also sustaining a high standard of living for residents. This symbiotic relationship occurs when both the university and the region benefit from the value they create and share with each other.

Moreover, there is limited research and exploration on the role rural anchors, such as SFA, can play in the resilience and economic development of rural regions. This is an opportunity for SFA to contribute to the limited body of knowledge on rural anchors through its new Center for Applied Research and Rural Innovation. SFA plans to leverage CARRI as a bridge between the university and the community to address region-wide problems and further encourage regional collaboration. In spring 2022, CARRI awarded funding for a wide range of research projects impacting DET, including workforce training, a fermentation laboratory, and tiny homes. While CARRI is in the process of hiring an executive director, it has a steering committee composed of compassionate regional stakeholders with a diverse set of professional backgrounds. In our stakeholder engagement, it became clear that the residents and large stakeholders of Deep East Texas look to SFA as a key actor in guiding the region toward both economic resiliency and growth. The establishment of CARRI provides an opportunity for SFA to expand its role as an anchor institution to meet these expectations.



## The Engagement

Economic development operates at the intersection of the public sector, private sector, and social development from which economic and social well-being are improved.

Our research over the past year was divided into four phases: defining project and scope, research, stakeholder engagement, and strategy development.

Defining the scope pulled from existing economic development literature, interviews with industry experts whose focus is on rural stabilization and resilience, and conversations with the main point of contact, Stephen Cooper. During this phase, we learned that CARRI's role was to support both the academic programs at SFA and the region's economic development. Any strategy developed would need insight into how the community, the economy, and the anchor were performing. Thus, we crafted two research questions to guide our work:

**What is the role of Stephen F. Austin University in the economic resiliency of Deep East Texas?**

**What capacity does Stephen F. Austin University have to expand its role as a regional anchor institution?**

The research phase consisted of three quantitative analyses: a community assessment of Deep East Texas, which gave perspective on how the Deep East Texas region is performing against its peer regions in regards to workforce potential, economic vitality, and equity; an industry cluster assessment, which measured the region's industry clusters' competitive advantage, equity, and resiliency against its peer regions'; and an anchor assessment of SFA, which captured the university's competitiveness against peer institutions.

This quantitative analysis framed our stakeholder engagement. We sought the input and lived experiences of community members in Deep East Texas to gain a resident-centered understanding of the region. To do so, we conducted five individual and two roundtable interviews, hosted a workshop with our steering committee, and circulated a survey among CARRI board members.

# RESEARCH AND ENGAGEMENT INSIGHTS

Our engagement quantitative analysis and stakeholder engagement led us to six key assessments for the region to consider:

## **Deep East Texas is underperforming in comparison to the state of Texas as a whole.**

Deep East Texas's population growth rate was 1.7% from 2010 to 2020—far behind Texas's 16.3%. Less than half of DET's potential labor force is currently working or looking for work. Additionally, the share of residents within DET who hold a college degree is 15% lower than the state's overall (23% versus 38%) and is on average four years older than the state median. Support for rural communities will be crucial to ensure that the many diverse communities within the state of Texas grow together.

## **A mix of innovation in foundational, legacy, and emerging industries can set up Deep East Texas for resilience and growth.**

Investing in foundational industries, such as Healthcare, is seminal to the overall health and resilience of Deep East Texas. Layering this with investments in legacy clusters (Forestry, Wood Products, and Agriculture) and emerging clusters (Plastics, Local Health Services, and Education and Knowledge Creation) can spur growth for the region while maintaining core stability and identity.

## **The DET economy has contracted while Texas has grown overall.**

From 2010 to 2020, the Texas workforce grew by 18%, while the DET region contracted by 2%. While Healthcare Services accounted for 73% of these losses, legacy clusters such as Wood, Forestry, and Lighting outperformed their peers and remained stable in the same time period.



## **SFA is an important anchor in DET with an opportunity to do more.**

In comparison to similarly situated peer institutions, SFA boasts superior affordability and higher graduation rates. Low-income students (income below \$30,000) on average pay over \$3,000 less than students at other peer institutions. The four-year and six-year bachelor's graduation rates at SFA are 30% and 48%, respectively, as opposed to 23% and 40% at peer institutions. Further, with one in four students coming from within Deep East Texas, SFA is a crucial part of the local education pipeline. Its students from elsewhere bring economic strength through consumer demand and labor potential. Investment in STEM and Healthcare, entrepreneurship, community engagement, and partnerships with other educators and employer stakeholders can leverage these assets and position SFA as an outstanding regional anchor.

## **Regional collaboration can align learning outcomes with employment opportunities.**

Partnerships between existing Deep East Texas stakeholders can provide skills, training, and opportunities for both students and residents. From well-established companies, like Lockheed Martin, who are key to future-looking and emerging sectors to the Small Business Development Center at Angelina College, actors within Deep East Texas can align their workforce goals to bolster economic vitality. Cooperation will serve to support existing residents and potentially retain more students by offering them viable career tracks.

## **Internship and employment recruitment should reflect the region's diversity, as 33% of the DET population are people of color.**

Only 4.4% of Deep East Texans who hold a college degree are residents of color. This gap does not reflect state or regional diversity and may result in having fewer people of color in higher-wage, knowledge-based careers or retaining fewer students of color after graduation. With people of color representing 95% of Texas's population growth since 2010, regions that fail to provide equitable education access cannot leverage the state's fastest-growing pool of talent.

# SFA and CARRI's Anchor and Economic Development Strategy

---

## USING THE STRATEGIC PLAN

The Economic Development Strategy for CARRI builds on the analyses from these quantitative and qualitative research phases and aims to provide a starting point for the new institution. It includes four overarching goals that have supporting priorities, action items, and key performance indicators to guide CARRI through implementation and provide a foundation for future iterations.

This plan provides a roadmap for SFA's economic development initiatives, with sufficient flexibility to respond to changing conditions, challenges, and opportunities. Although critical stakeholders from a wide range of roles in the region will be involved in the implementation of the plan, the strategy recommendations included in this report were curated with CARRI in mind, given its role as a connector between SFA and the community. SFA and CARRI will need to be the central organizers for the region through the initiation of the goals and priorities laid out in the strategy report. There is currently a disconnect, as the region sees SFA as an anchor community hub, while SFA sees itself as one of many key players. For this strategy to succeed, all key stakeholders must find consensus on the region's vision, values, and objectives to make the region more resilient as a place where all Deep East Texans can pursue a better quality of life.

The intent of this strategy is to provide CARRI with four broad goals to fulfill its vision for the region while also providing specific priorities and action items the center can work on immediately. Many of these actions will appear minor without the overall context of the plan, but together they will chart the course for a more prosperous future for Deep East Texas.

The plan below lays out the guiding principles upon which this analysis is based and is followed by the offering of four broad goals, with specific evidence explaining each goal's importance, key priorities, and actions for implementation. Our team has additionally identified outputs and outcomes, which act as qualitative and quantitative performance indicators to measure the success of each priority. The plan incorporates industry best practices on top of a regional quantitative Community, Industry, and Anchor Assessment (Appendix A) and a qualitative Stakeholder Engagement (Appendix B).



# Guiding Principles

---

As we approached this project, it was important to set guiding principles to direct the strategy.

## **1 Anchor engagement approach**

The institution holds significant investments in the community, which physically binds them to a specific location and makes it difficult to leave.

## **2 Legacy clusters as an integral part of the economy and the Deep East Texas identity**

Anchors typically identify as non-profits, but there may be some large private corporations that can function as anchor institutions (e.g., banks, sports stadiums).

## **3 Export cluster-driven guide**

Anchors are large employers that train a considerable portion of the local workforce, have significant purchasing power, and spend sizable amounts on procurement of local goods and services.

## **4 Collaboration to promote innovation and entrepreneurship**

These institutions demonstrate inherent core values of democracy, equity, and inclusion that enable the organization to serve as a force of change that can significantly impact the quality of life of its community members.

## **5 Equity**

Anchors often function as a catalyst for innovation and what Harvard Professor Michael Porter coined as 'cluster development.' A cluster is a geographic concentration of firms, suppliers, and field-related organizations developing and thriving because of the mutual benefits from being close to each other: access to skilled labor pools, shared public goods, and technologies sparking innovation and new businesses. An anchor can serve as a community hub for innovation and building export-driven economies.

## **6 Accessibility**

By their nature, rural areas are spaced far apart. It is a little over an hour-and-a-half drive from Livingston to Center, making it difficult for many residents to access medical care, education, and job training. Collaboration and creative thinking can make all the region's resources accessible to all its zip codes.

## **7 Effective storytelling**

For Deep East Texas to reach its full potential, it must invest in resources to tell its story. Economic development strategies depend on a community's ability to communicate its vision, strengths, assets, and opportunities. An effective story should be written to captivate and mobilize the support of a diverse set of stakeholders and audiences: talent, investors, policy makers, partners, and community members. Showcasing this passion through storytelling can demonstrate the value of the region and attract potential students and residents. It would also show potential employers that DET would provide their employees with not only a high quality of life in a vibrant economy but also with cleaner air.

## Goal 1 — Position CARRI as a community hub to convene Deep East Texas stakeholders

---

As CARRI seeks to connect SFA's people and resources to the DET community, it should be positioned as a community hub that convenes regional stakeholders. Stakeholders that are historically disconnected from SFA or excluded from regional development conversations altogether will be especially important to include. The work that our team has done engaging with and gaining insights from community partners has provided a strong start to establishing CARRI's interest in becoming a regional hub. CARRI now has an opportunity to advance that process through continuing outreach.

While traditional economic development actors—governments, economic development corporations, employers/employer associations, education providers—already have some venues for collaboration, such as the Texas Forest Country Partnership, positioning CARRI as a new community hub for Deep East Texas stakeholders can boost cooperative efforts.

## The evidence:

- Stakeholders understand collaboration as crucial for regional economic growth but see relationships between SFA and the broader DET region as an area of relative weakness; 70% of respondents only “Somewhat agree” that SFA has good relationships with DET counties (Appendix B).

Seems to be university world and then everybody else in the community area and they don't really transect. If the town burnt down, SFA probably wouldn't change a whole lot... SFA sits on an island.

- Stakeholders view connections between SFA and entities representing smaller counties, like county governments and chambers of commerce, as particularly lacking (Appendix B).

Counties “are not working together, there is a lack of trust, interest, and communication, no sense of unity, and the smaller counties feel like they are going to get dwarfed by other areas.”

- Stakeholder interviews indicate that while SFA is a regional anchor for the DET community, it is separated both culturally and geographically from those who live outside the central DET corridor of Nacogdoches, Angelina, and Polk counties.

# Priority 1.1 — Establish a regional network strategy to build trust among stakeholders

---

Without deliberate, explicit planning, future efforts tend to mimic past efforts and produce similar results. CARRI should prioritize the creation of a regional network strategy to formalize its work toward inclusive regional outreach. The strategy should establish a timeline for identifying and connecting with stakeholders, holding convenings, creating plans and goals cooperatively, and reviewing progress. Since building trust is a key goal, CARRI should consider how to blend both formal meetings and more casual fellowships to foster positive relationships.

## Actions:

- 1** Develop an inclusive regional planning team with traditional and nontraditional actors (community members historically left out of the development planning process) whose buy-in of any economic development plan for DET is vital.
- 2** Create a “Regional Partnerships” position to help CARRI’s executive director lead communication, collaboration, events, and partnerships with regional stakeholders.

## Key Performance Indicators

### **Outputs** *(key action to be completed by CARRI):*

- Connect with groups of nontraditional community members from each county

### **Outcomes** *(the desired effect from completing the priority):*

- Number of stakeholders included in the team from each of the 12 counties



# Priority 1.2 — Lead projects that unify stakeholders to establish mutual responsibility for the revitalization of DET

---

CARRI can solicit and fund and/or internally produce projects that reinforce the importance of common purpose and mutual responsibility while creating resources to facilitate collaboration more practically. Such resources can operate by disseminating critical knowledge about the region, keeping stakeholders up to date on each other's work, and shaping a definitive narrative about how partners are working together to advance DET. As with the regional network strategy, inclusion is paramount. Progress toward regional goals must be built on addressing concerns and celebrating accomplishments in particular places, not blurring them together.

## Actions:

- 1** Initiate a DET resource map to gain insights into the existing partnerships, community programs/projects, resources, and expertise.
- 2** Launch a “county listening tour” with community members traditionally left out of the development planning process. Share findings from the LBJ policy research project to start conversations and craft a common narrative.
- 3** Host an annual “State of the Region” event to discuss critical issues facing Deep East Texas, such as workforce gaps, supporting small businesses, broadband initiatives, fundraising, education opportunities, or region-wide projects that can or will be initiated.

## Key Performance Indicators

### **Outputs** *(key action to be completed by CARRI):*

- Create and send out resource mapping surveys to stakeholders in all 12 counties

### **Outcomes** *(the desired effect from completing the priority):*

- Number of stakeholders that participated in resource mapping process

## Goal 2 — Leverage SFA as a source of talent and skills for the DET workforce

---

Providing students with the knowledge and skills to succeed and lead in the workforce is a core component of SFA's mission as a public university. As the only public university in Deep East Texas, SFA already plays a critical role in supplying educated workers to regional employers. We believe that SFA can build on this essential anchor role through traditional programming and new ventures. Our assessment found SFA to be a strong education provider with great potential to develop into an exceptional anchor for the regional workforce.

### **The evidence:**

- SFA charges its students a lower average net price than peer institutions and better tailors its affordability to lower-income students, which is of particular importance given DET's low median income (Appendix A). On average, low-income students at SFA pay 44% of the cost charged to the highest-income students, compared to 66% at peer institutions.
- SFA also achieves better graduation rates than its peers (48% versus 40%) and has the distinction of delivering the same six-year graduation rate for Pell Grant recipients (i.e., lower-income students) as for all undergraduates, whereas

the average Pell recipient graduation rate at peer institutions drops four points to 36% (Appendix A).

- A demand gap assessment suggested that SFA's degrees conferred does not align well with fast-growing, high-wage, bachelor's-level jobs in DET cluster industries (Appendix A).
- SFA's small footprint in local K-12 education and lack of Continuing Education programs leave substantial room for growth in those areas, for which stakeholders expressed an immediate need (Appendix B).

I think there is definitely a skills gap...when you look at our labor participation rate, it's not great in Deep East Texas. And then I think our economy is doing really well, and our businesses are doing really well, and they just have more jobs than we have people to fill them at the moment unfortunately...just headcount. We just have more jobs than we have people and then we have people that don't have the skills to participate in the workforce.

- Stakeholder commentary reinforces the implication of the region's low bachelor's attainment rate: Deep East Texas urgently requires a larger, better-skilled workforce (Appendix A). We believe SFA can coordinate with regional partners to meet that demand.



## Priority 2.1 — Coordinate with Workforce Solutions DET to better align SFA instructional programs with DET workforce needs

---

SFA cannot and should not act alone to determine and meet the needs of regional employers. Workforce Solutions Deep East Texas, the regional workforce development board, provides both data resources and employer connections to help identify the areas of greatest need. In collaboration with Workforce Solutions, CARRI should consider the workforce alignment of both degree programs and the skills taught within those programs. CARRI should work with partners within SFA to consider how to apply labor market information to SFA's operations (e.g., student counseling, current program adaptation, new program creation, short-term credentials, etc.) and then turn to external partners as appropriate.

### Actions:

- 1** Assess current and projected skills needs of DET industries through quantitative data and employer/industry engagement.
- 2** Partner with Student Services to create workforce-oriented counseling that empowers students and advisers with real-time workforce data.

### Key Performance Indicators

#### **Outputs** *(key action to be completed by CARRI):*

→ Creation of program-occupation map for all SFA credentials

#### **Outcomes** *(the desired effect from completing the priority):*

→ Percent of credentials conferred that map to DET top occupations

## Priority 2.2 — Foster upstream coordination with ISDs and Angelina College

---

Strengthening the regional talent pipeline cannot focus exclusively on traditional undergraduates and reskilling DET's substantial population of adults without degrees. We recommend that CARRI coordinate with regional independent school districts (ISDs) and Angelina College to not only streamline students' paths between institutions but also create new opportunities for students to learn in-demand skills while still in high school.

### Actions:

- 1 Expand teaching of regionally in-demand skills in high school.
- 2 Foster dual credit coherent sequences with seamless transfer to SFA or Angelina.
- 3 Extend workforce-oriented counseling to high school onboarding (see 2.1).
- 4 Create articulation agreements for transfer, reverse-transfer, and Prior Learning Assessment (PLA).
- 5 Create data-sharing Memoranda of Understanding (MOUs) to facilitate student handoffs and academic/workforce outcome assessments.

### Key Performance Indicators

#### **Outputs** *(key action to be completed by CARRI):*

→ New/expanded dual credit MOUs with coherent CTE<sup>2</sup> sequences

#### **Outcomes** *(the desired effect from completing the priority):*

→ Percent of direct postsecondary enrollment of DET high school graduates and percent with postsecondary credit or credential

---

<sup>2</sup>Career and Technical Education as defined by Texas Higher Education Coordinating Board

## Goal 3 — Foster more meaningful community-student connection

---

A common point of success across schools that have successfully retained students locally following graduation is their ability to connect students to the community long before they receive their diplomas. Plugging students into Deep East Texas in the early years of their college experience may increase the likelihood of post-graduation retention. Retaining these students post-graduation, even if it's only for a year, offers long-term benefits for the student body, economy, and community. Locally based employment and volunteer opportunities can serve to encourage students to be active, participating members of the community while ensuring the retention of SFA alumni talent following graduation.

## **The evidence:**

- From a sample of 3,300 SFA alumni, 68% of graduates migrated to Houston, Dallas, or Austin following graduation while only 21% stayed in Nacogdoches, Tyler, or Lufkin.
- SFA students offer a valuable resource to bolster the workforce, with impressive graduation rates of 53% for six-year bachelor's students and 38% for four-year bachelor's students.
- The lack of diversity in leadership and internship positions in Deep East Texas is not reflective of the diverse student body at SFA. This disparity does a disservice to the growing diversity of the region and fails to retain students of color after graduation (Appendix B).
- There is a divide between the community of Nacogdoches and SFA. The university is publicly perceived to sit on an island, insulated from changes in the community (Appendix B).

## Priority 3.1 — Connect local DET employers with students for jobs and internships

---

Work experiences in the area will be valuable in shaping students' perception of Nacogdoches as a place they may want to live and work after earning their degree. College students in search of career guidance would benefit from early network connections facilitated by CARRI to assist them in their pursuit of relevant internship experiences. It will be crucial that the diversity of job placement matches the diversity of the students in terms of interest, socioeconomic status, and ethnicity. Hiring students can mutually benefit firms, limiting turnover by providing them with a workforce that is rooted in the area.

### Action:

- 1 Facilitate networking opportunities with a diverse set of employers.

### Key Performance Indicators

#### **Outputs** *(key action to be completed by CARRI):*

- Host two large networking events per semester

#### **Outcomes** *(the desired effect from completing the priority):*

- Percent of current students with an internship or job in DET

## Priority 3.2 — Create community investment early in students' college careers

---

Students' realization that they can make a difference in Deep East Texas public schools, healthcare institutions, and local economies can help to foster their sense of belonging beyond the edge of campus. Getting students out of the classroom and into the neighborhood also gives DET stakeholders a chance to shape the narrative formed around the region and show others, especially students who came from afar, what makes their community so special.

### Actions:

- 1 Provide students with community-based employment and volunteer opportunities at the beginning of their college career to shape their perception of Deep East Texas.
- 2 Incorporate College of Education freshmen and sophomores in local K-12 classrooms.

### Key Performance Indicators

#### **Outputs** *(key action to be completed by CARRI):*

- Organize two to three community service projects for students in their freshman or sophomore years

#### **Outcomes** *(the desired effect from completing the priority):*

- Percent of freshmen and sophomores who have participated in DET service projects



## Goal 4 — Create a landscape to foster and retain entrepreneurship in DET

---

Entrepreneurship is a valuable resource for Deep East Texas, as the creation of new firms will help to sustain a vibrant economy for the region. An entrepreneurial ecosystem launched at SFA can support new businesses as they overcome the challenge of early growing pains. The university's contribution of student entrepreneurs and business development resources can help ventures new and old with innovation in existing industries and new avenues of employment for graduates.



## **The evidence:**

- Deep East Texas has seen 2% negative growth in jobs, losing more than 2,000 over the 10 years.
- Four of the region's seven legacy clusters experienced less than 15% job growth between 2010 and 2020.
- The region's Traded Sector Establishment Births to All Establishment Births ratio is 145.9, compared to a national median of 104.6. The businesses that are started are typically traded, paying higher wages and having greater innovation.
- Entrepreneurially minded engineering students are known to get an MBA before pursuing a business, which is expensive in time and cost.
- Angelina College currently offers five specializations in its Workforce and Continuing Education (WCE) program, in partnership with its SBDC.
- SFA and Angelina College do not have an existing collaborative relationship to promote entrepreneurship because of scarce resources and funding—even between the two largest counties in the region.

# Priority 4.1 — CLaunch a student entrepreneurship ecosystem in SFA

---

The students at SFA can offer valuable, fresh ideas for entrepreneurship in the region when given the opportunity. The innovation of the student body should be leveraged through the existing entrepreneurship minor at the university. Harnessing student ideas through creative contests and collaboration with local industries can result in tangible changes to benefit the community. The establishment of connections between students and local industry leaders can lay a solid foundational network for the future entrepreneurial pursuits of SFA students.

## Actions:

- 1** Develop an inclusive regional planning team with traditional and nontraditional actors (community members historically left out of the development planning process) whose buy-in of any economic development plan for DET is vital.
- 2** Implement reverse pitch contests or other types of innovation competitions to solve pressing local problems in collaboration with local industries.
- 3** Connect SFA students interested in starting their own business with resources and technical training that will help them turn ideas into reality.

## Key Performance Indicators

### **Outputs** *(key action to be completed by CARRI):*

→ Host an entrepreneurship minor info event for incoming STEM students

### **Outcomes** *(the desired effect from completing the priority):*

→ Change in the number of individuals pursuing/completing the SFA entrepreneurship minor

## Priority 4.2 — Support enterprise development in DET

---

Creating a landscape conducive to entrepreneurship does not stop at the student level. Resources need to be open and accessible to the Deep East Texas community to provide support for both small businesses in the critical early stages of development as well as those that have been established so they can expand. Collaboration between CARRI and the SBDC at Angelina College will be key in achieving this priority.

### Actions:

- 1** Establish a partnership with Angelina College's Small Business Development Center to support early-stage development for small businesses and entrepreneurship.
- 2** Collaborate with SBDC to co-host business training courses in locations across DET.

### Key Performance Indicators

#### **Outputs** *(key action to be completed by CARRI):*

→ Collaborate with SBDC on at least two events within 6-12 months

#### **Outcomes** *(the desired effect from completing the priority):*

→ Change in number of small businesses that are 1-2 years old

# Meet our Team

---

Our team is composed of six master's candidates at the LBJ School of Public Affairs at the University of Texas at Austin. We are guided by our professor, Steven Pedigo, and supported by the IC2 Institute.

## Irving Calderon

Irving Calderon is a second-year MPAff student and a graduate fellow for the economic development non-profit National Development Council. He has state- and federal-level policy experience, having interned at both the Texas and U.S. House of Representatives. Before attending graduate school, Irving was a campaign management fellow at Blue Leadership Collaborative, a project manager at General Motors, and a volunteer at several civic engagement advocacy organizations.

## Sarah Campbell

Sarah Campbell is a second-year MPAff candidate focusing her research on policy relating to prisons, policing, and justice. Before making her debut as a Texan, Sarah grew up in both Indiana and Southern California and attended the University of Oklahoma for her bachelor's in criminal justice. She currently works as a policy and communications associate for the Correctional Association of New York, the only independent organization in New York with authority under law to monitor prisons. Recently, she was a criminal justice policy analyst for State Representative Gene Wu and conducted research relating to justice for multiple organizations and projects, including the Texas Center for Justice and Equity, the Texas Fair Defense Project, the Texas Prison Education Initiative, and the Center for the Study of Race and Democracy.

## Amanda Chung

Amanda Chung is a second-year MPAff student interested in education policy and communication. Prior to attending LBJ, Amanda attended the University of California at Berkeley, where she studied political science, public policy, and journalism. Amanda has six years of experience writing for the public, private, and nonprofit sectors to increase engagement with a wide range of target audiences. She currently works for the Office of Communications for the Graduate School at UT Austin, where she blends her passions for outreach and education accessibility.

## Jordan Cooley

Jordan Cooley is a second-year MPAff candidate whose focus is on economic and community development research and strategy. Prior to starting at LBJ, Jordan worked as a community leader for an arts non-profit in Bryan, Texas; a teaching artist in prisons and juvenile justice centers teaching poetry; and in bars around Austin, Texas. Since coming to LBJ, she has interned with Representative James White as a policy analyst, with the Crypto Research and Design Lab (CRADL), and with Ernst & Young as a researcher for their Economic Development Advisory Services (EDAS) team, where she will continue full-time after graduation.

## **Ryan Cramer**

Ryan Cramer is a second-year MPAff candidate interested in economic development and innovation policy. He brings six years of local government experience, including three in charge of the economic development division. He was a part of multiple economic development organizations and on the Executive Board of the Texas City Management Association. Ryan received his Bachelor of Arts in public affairs and administration from the University of Oklahoma.

## **Chris Fernandez**

Chris Fernandez is a second-year MPAff candidate focusing on higher education, workforce development, and labor policy. He has 10 years of experience in higher education policy, including six as a researcher analyzing financial aid systems and college affordability issues and four as director of policy analysis for the Texas Association of Community Colleges, where he currently works. Chris earned a bachelor's degree in sociology and public policy from Swarthmore College, where he also coordinated the campus visit program.

## **Faculty Advisor: Steven Pedigo**

Steven Pedigo is a professor of practice at the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin and the director of the [LBJ Urban Lab](#). As an expert in urban economic development, regional cooperation and placemaking, Pedigo has developed strategies for more than 50 cities and regions in the United States and across the world.



# Steering Committee

---

Dr. Steve Cooper, Chair of Steering Committee, SFA faculty

Dr. Todd Brown, SFA faculty

Dr. Summer Pannell, SFA faculty

Dr. Candace Hicks, SFA faculty

Dr. Stephanie Jones, SFA faculty

Dr. C.J. Aul, SFA faculty

Dr. Kim Childs, SFA faculty

Beverly Morehouse, SFA faculty

Jessica DeWitt, SFA faculty

Erma Brecht, SFA faculty

Trey Turner, SFA faculty

Larissa Philpot, Nacogdoches Economic Development Corporation

Nancy Windham, Texas Forest Country Partnership

Dr. Lorenzo Smith, SFA Provost

# About the Lyndon B. Johnson School of Public Affairs

---

Leadership starts at the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin, ranked top 10 in the nation among graduate public affairs schools. We make a difference, not only within the walls of academia, but also in the public and social dialogue of the world. Contributing viable solutions to society is the LBJ School's legacy and its benchmark. Its effectiveness in channeling the purpose and passion of students into professional careers is evident in the success of more than 4,500 graduates who are the living legacy of President Johnson's bold and fearless action. Learn more: [lbj.utexas.edu](http://lbj.utexas.edu).





# APPENDIX A

---

## COMMUNITY AND ANCHOR ASSESSMENT



Funded by IC<sup>2</sup> Institute

---

2021-2022

# EXECUTIVE SUMMARY

This report presents key findings of community, industry, and anchor assessments to better understand how Stephen F. Austin University (SFA) currently supports equitable economic resiliency in Deep East Texas (DET) and how that role might be expanded. We conclude that:

- ❖ SFA has taken supportive actions as a regional anchor institution for DET in the face of a variety of challenges to the region's economic resiliency and equity, and
- ❖ SFA can expand its anchor role in numerous ways that correspond directly to regional needs.

These conclusions are based on the following key research findings:

## **DET faces significant economic challenges that a strong anchor can help address.**

- The labor force participation rate is 52.2% versus 63.5% for Texas as a whole.
- The economy depends on stagnant industries; total jobs are in decline.
- The workforce is disproportionately under-educated and older, and workers in the highest-paying industries are disproportionately male.
- The foreign-born population in DET is 5.9% in contrast to Texas's overall foreign-born population of 16.4%.
- The regional median poverty rate of 15% is nearly 2 times the national rate and 1.75 times the Texas rate. Nearly 58,000 residents in DET live in poverty.

*Why it matters:* To continue the status quo is to put Deep East Texas at long-term risk; and in the current economy, DET is not operating at its full potential, as nearly one in two people is not participating in the labor force. Compared with most regions, DET faces a significant challenge to the expansion of its economy, with many people on the sideline and the current workforce close to retirement.

## **A slow decline in legacy industries can support a transition to more resilient sectors.**

- Regional strength in Education/Knowledge Creation and potential strength in Local Health Services hold promise for future growth supported by broad, often subsidized, demand from DET and beyond.
- Workforces in these sectors are younger than average and among the region's most diverse.

*Why it matters:* DET's legacy industries, especially those that are extractive, are declining at a slower rate than projected. This not only gives the region a safety net as it starts to grow new, more resilient sectors but also provides a runway to reinvigorate legacy industries with new technology and ideas.

**SFA serves the region through its provisions of affordable and effective education for students and its contributions to the local workforce.**

- SFA has higher graduation rates, on average, than its peer institutions. Additionally, the university is comparably more accessible to low-income students with a lower net price (\$8,900) and higher Pell recipient graduation rate (48%) than its peers.
- As a place of work for 1,167 employees, SFA significantly contributes to the workforce and economic vitality as the top employer in Nacogdoches.
- The university further contributes to the talent base of the region's workforce, as more than 7,000 students stay within the region after they graduate from SFA.

*Why it matters:* When it comes to being an anchor as a university in the traditional sense, SFA does well. SFA provides a steady employment base and a good education at an affordable price, and many students stay in the region after graduation. Here, we are trying to take that next step: for SFA to be a leader in the region's growth and revitalization.

**Healthcare can expand with support from the education ecosystem.**

- Healthcare is the largest industry cluster by employment and will see increased demand as the population ages; however, most positions require postsecondary education.

*Why it matters:* Hospital closures have hit rural America hard, and DET is no exception (GAO, 2020; Lozano, 2021). Without accessible healthcare, it becomes difficult to attract new residents to the region. The demand for quality healthcare will only increase, as a large portion of residents is approaching retirement age. SFA can help position its graduates in regional fields with employment gaps.

SFA already plays a large role in the economic resiliency of DET as a stable employer, educator, and major economic actor. Our analysis suggests some ways in which this role can expand by better fostering local economic resilience and drawing more resources into the region.

## INTRODUCTION

In our research and engagement proposal, we outlined four phases that would guide our project. In Phase One, we defined our project and scope and provided the SFA Steering Committee with our proposal. This report is Phase Two, which is an assessment of the community of Deep East Texas and its anchor, Stephen F. Austin University.

To recap, in Phase One, we established two guiding research questions for this assessment and our future stakeholder engagement:

1. What is the role of Stephen F. Austin University in the economic resiliency of Deep East Texas?

2. What capacity does Stephen F. Austin University have to expand its role as a regional anchor institution?

To help us unpack our research questions, this report offers insights from the following analyses:

- A community assessment analyzing Deep East Texas on three areas of focus—workforce potential, economic vitality, and equity
- An industry cluster analysis
- An assessment of Stephen F. Austin State University as an anchor
- Key findings from our research

## COMMUNITY ASSESSMENT

Before diving into our analysis of Deep East Texas, we want to provide a snapshot of the region:

- Deep East Texas is a 12-county region located in rich forest country near the Texas-Louisiana border.
- The total population of the region is 385,613.
- The Deep East Texas Council of Governments (DETCOG) includes 9,790 square miles, 40 cities, 36 school districts, 11 special districts, and one Native American tribal council.
- The poverty rate of the region is 15.2%.
- The cost-of-living index of 92.0 is below both state and national averages.

### Defining Community Assessment

A community assessment uses selected benchmark communities to calibrate how the target community, Deep East Texas, is doing overall. We identified five similarly situated benchmark communities using the Innovation Intelligence Tool from Stats America and the Economic Development Administration and data provided by the Indiana Business Research Center at IUPUI. We found economic development districts that were within five index points of the DETCOG across seven metrics:

- **Business Dynamics** is used to gauge a region's competitiveness by measuring the new businesses created as well as the expansions-to-contractions ratio.
- **Business Profile** gives us a rough measure of the local resources available to businesses and entrepreneurs. It is focused mainly on venture capital and foreign direct investment.
- **Economic Well-Being** explores the standard of living and other economic outcomes. This includes indexes such as residential internet connectivity, economic inequality, and government transfers to total personal income ratio.
- **Employment and Productivity** measures economic growth, the results of innovation with industry and cluster performance, GDP, and patents.
- **Headline Innovation Index** measures both a region's capacity for innovation as well as its outcomes.

- **Human Capital and Knowledge Creation** measures a region's general population and its workforce's capacity for innovation based on indexes like STEM education and technology diffusion.
- **University-Based Knowledge Spillover** is calculated by measuring university R&D spending in STEM areas and the university's distance from the region.

Using these criteria, we found one economic development district that was within five index points of the Deep East Texas COG on seven of seven metrics and four more that met the criteria on six of seven metrics. These comprise the regional benchmarks we utilized for this assessment:

- Southern Georgia Regional Commission (SG)
- East Central Planning and Development District (East Mississippi)
- Northeast Mississippi Planning and Development District (NE Mississippi)
- Northeast Texas Economic Development District (NE Texas)
- Western Arkansas Planning and Development District (WArk)

To compare the identified benchmark regions—Deep East Texas, Texas, and the U.S.—our community assessment uses three indicators:

**Workforce potential** examines characteristics of our current workforce to determine how we can best reskill and realign for the DET economy of the future. Strong workforce potential includes a diverse, young, and educated labor force that will continue their careers within the region and offer innovative perspectives to existing and emerging industries.

**Economic vitality** looks at DET's current economic landscape to guide our next steps in creating conditions for a resilient economy with upside. Indicators such as a region's employment growth, labor force participation rates, and median household income offer insight into how stable a region is and what gaps need to be addressed to ensure resiliency.

**Equity** is a region's ability to support historically marginalized residents. Indicators such as poverty share, education, and healthcare access reveal where the most vulnerable populations are operating and how the region could offer equitable support.

## WORKFORCE POTENTIAL

We analyzed certain indicators that may illustrate the workforce potential of Deep East Texas, such as population growth, age distributions, educational attainment, foreign-born population, and share of the population with higher education.

## Population Change

DET population growth mirrors other rural regions, with less than 2% growth from 2010 to 2020 but eight times less than the state.

A slow-growing population correlates to a weak labor supply for firms to recruit from for continued growth. If this trend is to continue, firms and organizations within Deep East Texas may have greater difficulty finding talent to both sustain and grow their industries.

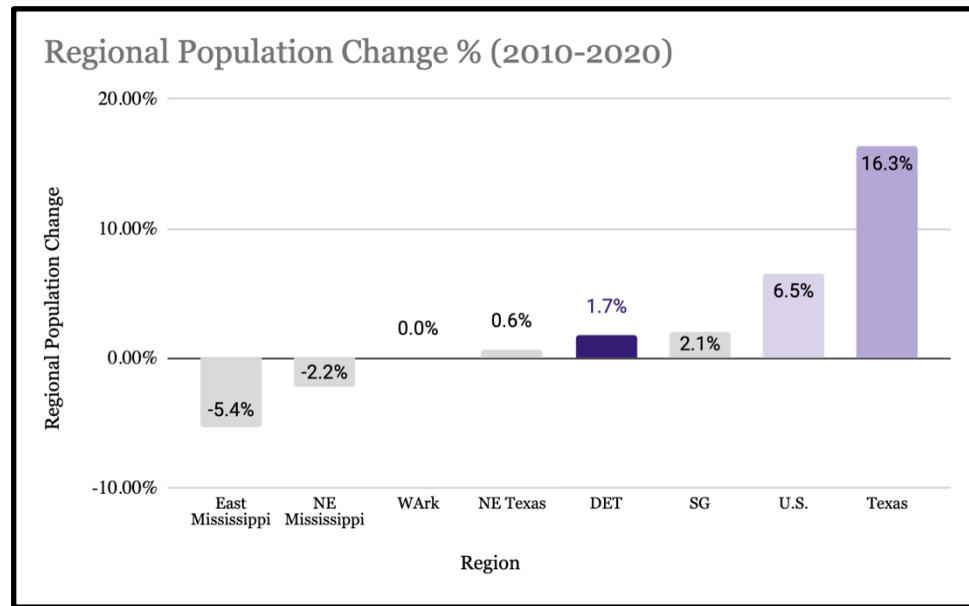


Figure 2. (Source: Emsi Burning Glass)

## Median Age

Deep East Texas's average age is higher than the average age of all our benchmark regions and the state of Texas. Only a third of the Texas population is older than 45, compared to almost half of the DET population.

If this trend continues, with large portions of the population near retirement and few young adults available to replace them, firms within the region will have a smaller labor pool to pull from for new talent. Additionally, attracting talent from outside the region will become more difficult, and the burden of supporting the economy will fall on fewer and fewer people.



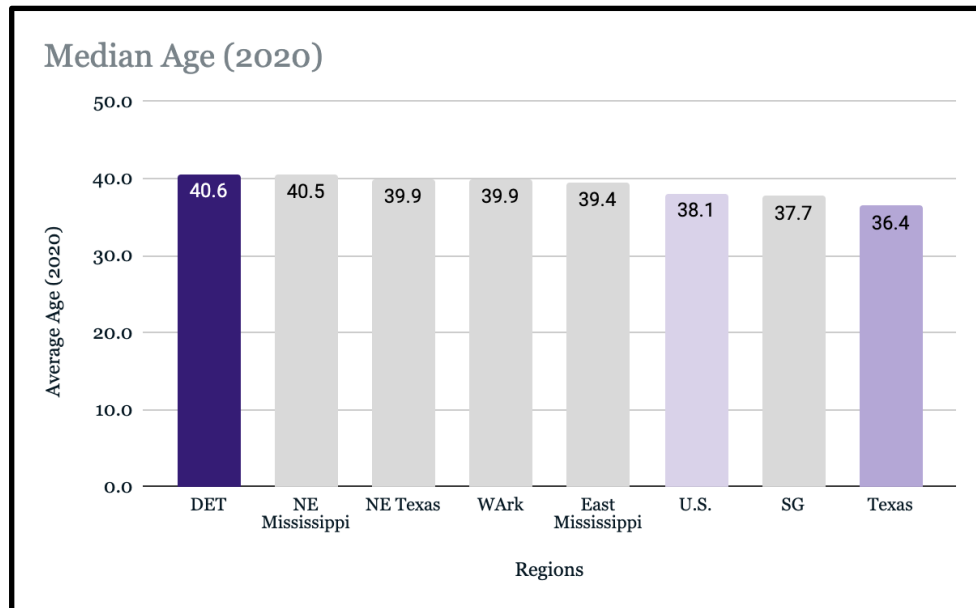


Figure 3. (Source: Emsi Burning Glass)

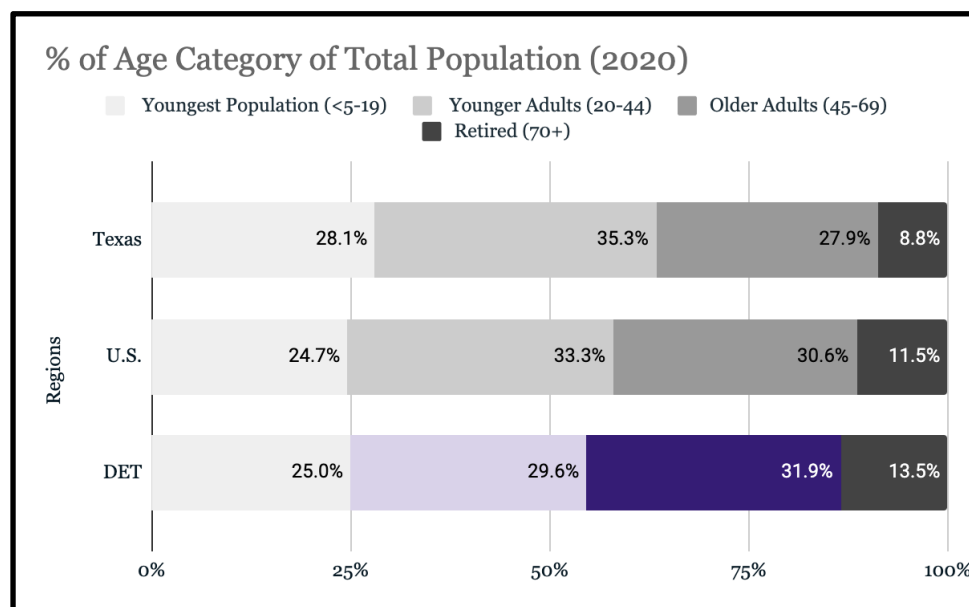


Figure 4. (Source: Emsi Burning Glass)

## Educational Attainment

Deep East Texas has a lower population of individuals holding a bachelor's degree or higher compared to the nation and most of the benchmark regions. Also, a high portion of residents (17.6%) in DET does not have a high school diploma.

If this trend continues, the lack of a higher-educated workforce can deter economic resilience—a workforce with more education is better equipped to weather economic downturns. Additionally, a well-

educated workforce is more likely to spur innovation and growth within a region, attracting new talent from outside to move to the up-and-coming area.

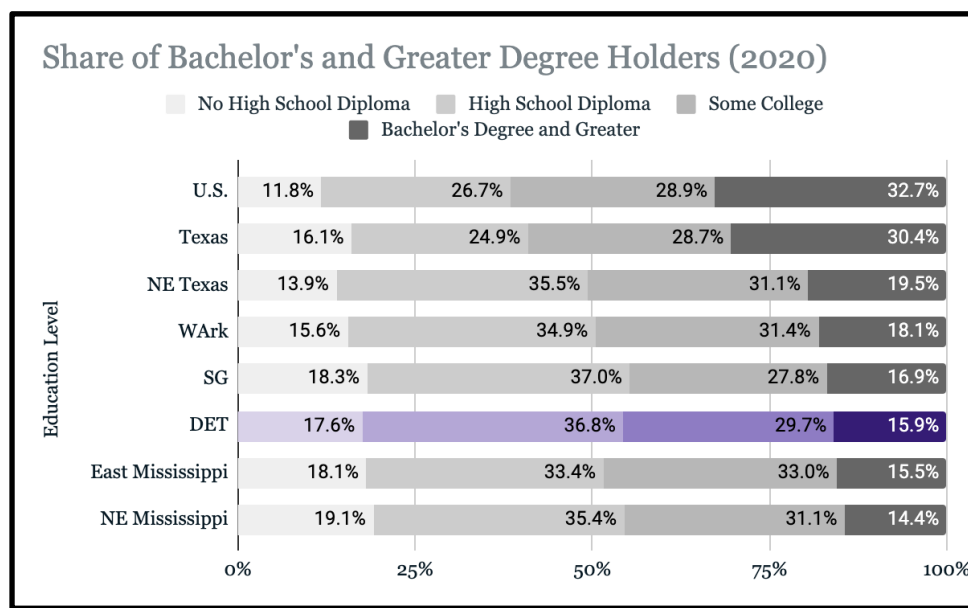


Figure 5. (Source: Emsi Burning Glass)

## Foreign-Born Population

Around 6% of the Deep East Texas population is foreign-born, which is half the share of the U.S. population and almost three times smaller than the share of foreign-born living in Texas. Among the 12 counties in the region, Angelina County has the largest share of foreign-born residents at 8.52%, and Newton County has the smallest share at slightly over 1% of the county's total population.

Immigrants and their children account for more than half of the growth of the U.S. workforce in the last two decades (Joint Economic Committee, 2020). If DET continues to have a low share of foreign-born population, it may indicate that the community is not attracting talent and will have a difficult time filling its future workforce needs.

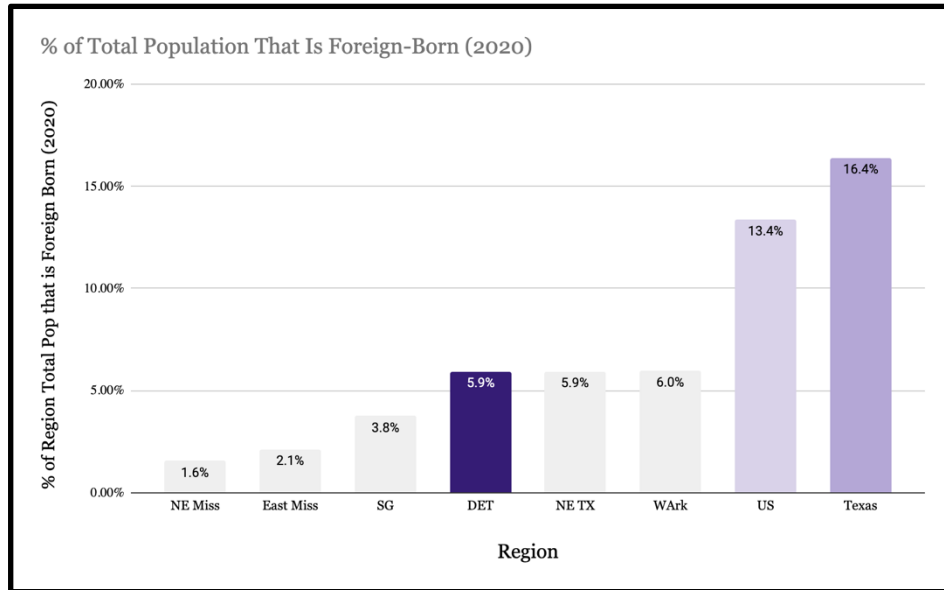


Figure 6. (Source: Emsi Burning Glass)

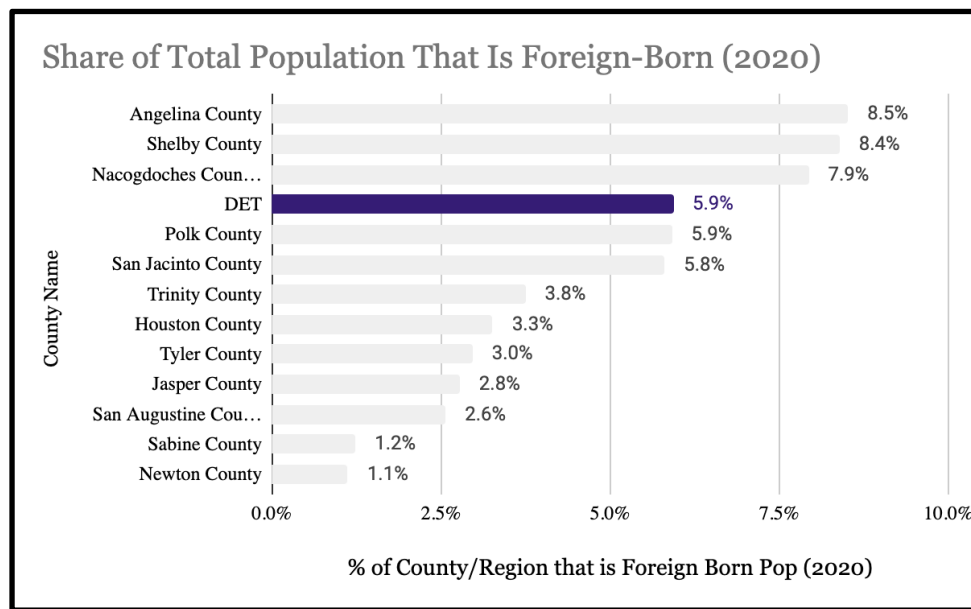


Figure 7. (Source: Emsi Burning Glass)

## Summary: DET Workforce Faces Demographic Headwinds

Texas overall has a strong potential labor force, offering companies and organizations a large base of potential employees from which to recruit. Our research indicates that DET is trending in the opposite direction of the younger, more-educated, and immigrant-rich state that surrounds it.

DET's aging population, combined with its low educational attainment levels and small immigrant populations, limits the region's pool of employees who have the skills needed to move the region into a resilient knowledge-based economy.

## ECONOMIC VITALITY

The economic vitality of the region of Deep East Texas is essential to inform a comprehensive understanding of the economic potential of the area. To assess vitality, we analyzed job growth, GRP, labor participation rates, and earnings potential.

### Job Growth

Figure 8 illustrates how the job growth among all industries in Deep East Texas has been negative over the last decade. This rate of decline is far behind the job growth rates of the nation and state, indicating that DET is not capitalizing on the overall growth of the larger geographical context and may continue to fall further behind.

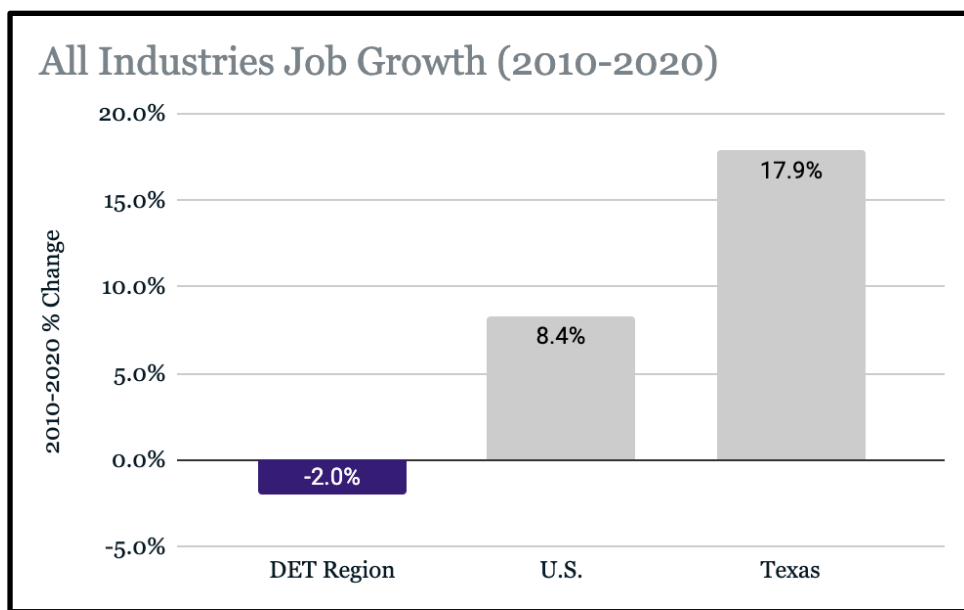


Figure 8. (Source: Emsi Burning Glass)

### GRP Growth

In the last decade, the growth of Deep East Texas's gross regional product has been around half of the national and statewide GRP growth, as shown in Figure 9 and Table 10. GRP is a measurement of the final market value of all goods and services produced in the region, similar to GDP. This indicates that while the region is seeing some growth with what it is producing, it is severely lagging behind national and state growth. If this trend continues, the wealth and income gap between the region and the rest of Texas will continue to grow and may incentivize potential labor and firms to look elsewhere for jobs.

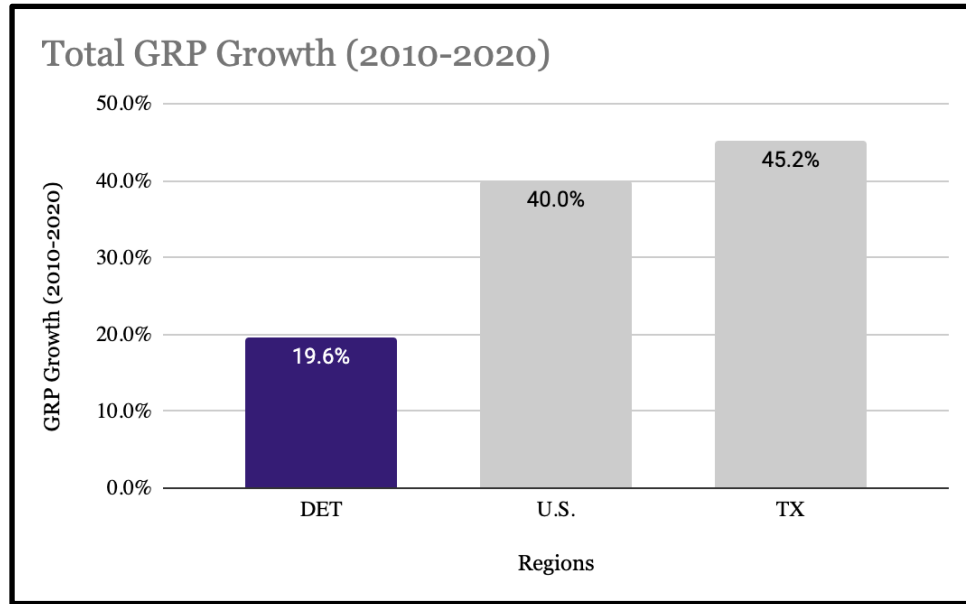


Figure 9. (Source: Emsi Burning Glass)

Region	Aggregate 2010 GRP	Aggregate 2020 GRP	Total GRP Change (2010-2020)	GRP Growth (2010-2020)
DET	\$8,636,277,943	\$10,332,125,698	\$1,695,847,755	19.64%
Texas	\$1,160,251,752,331	\$1,684,935,962,295	\$524,684,209,964	45.22%
U.S.	\$13,436,866,677,739	\$18,807,528,977,922	\$5,370,662,300,183	39.97%

Table 10. (Source: Emsi Burning Glass)

## Labor Force Participation Rate

One notable finding is that the labor force participation rate (LFPR) in Deep East Texas is quite low at only 52%, as seen in Figure 11. This lack of labor force participation is both alarming and an opportunity. It's alarming in that if this trend continues, only half of the potential labor force will be supporting the economy of Deep East Texas. A low labor participation rate may also disincentivize new firms from locating in the region and result in a smaller pool of labor for existing firms to staff their companies and organizations.

On the other hand, it is an opportunity for both SFA and firms within the region to target this existing labor force and provide the support needed to stabilize the economy.

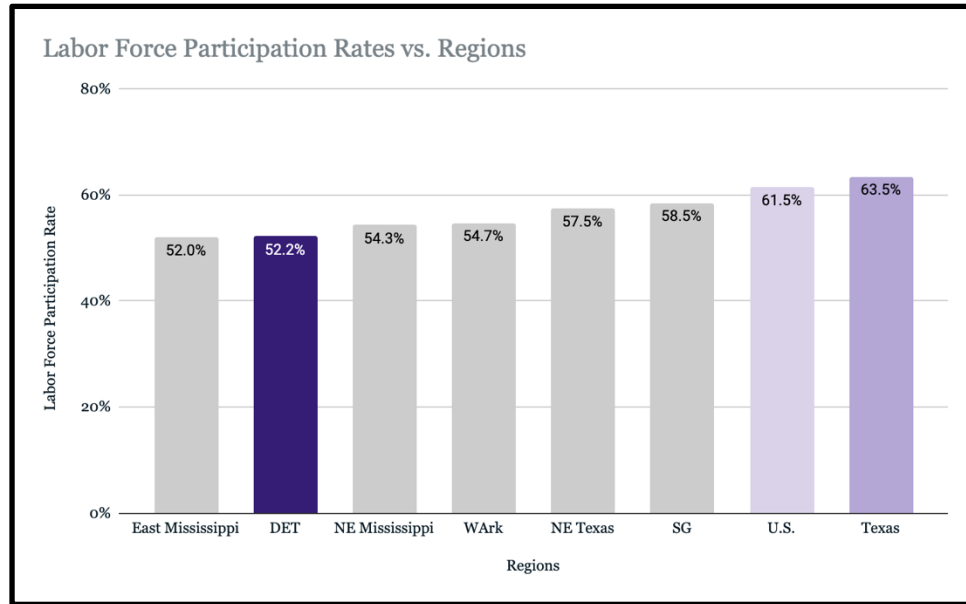


Figure 11. (Source: Emsi Burning Glass)

## Poverty Rates and Median Household Incomes

Such a low labor force participation rate likely also contributes to high regional poverty rates and low median household incomes (MHI). Figure 12 demonstrates that the median household income in Deep East Texas is lower than the Texas and national averages. In Figure 13, we find that the regional median poverty rate of 15% in Deep East Texas is nearly double that of the national average.

High poverty rates and low MHI indicate that the existing population of Deep East Texas cannot effectively contribute to the economy by supporting local businesses or providing later-in-life care for themselves. While a low cost of living may incentivize people to move to the region, a low ceiling for incomes may discourage younger people from staying there long-term.



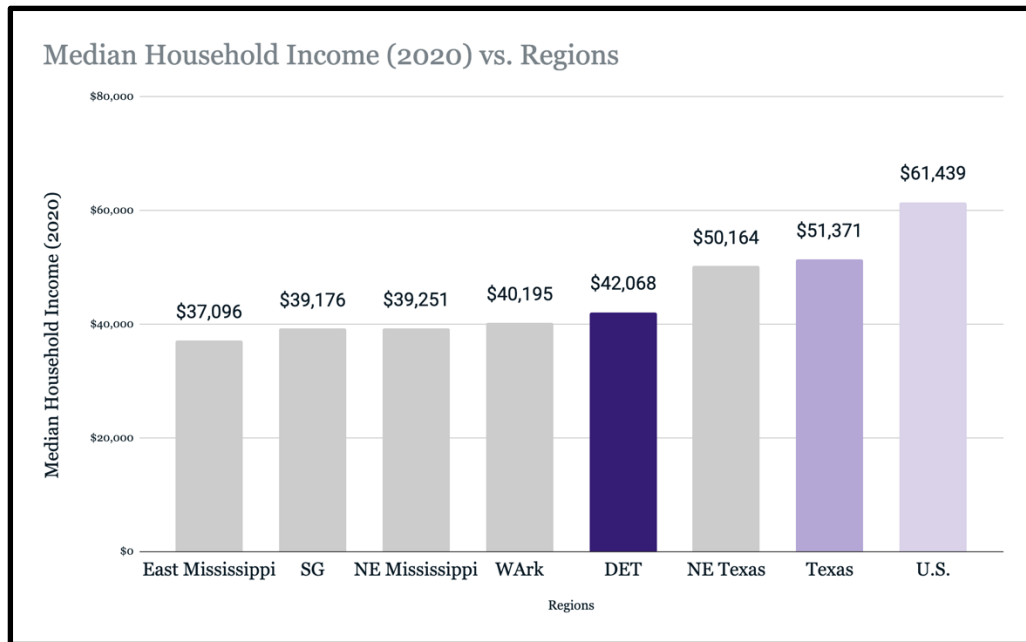


Figure 12. (Source: Emsi Burning Glass)

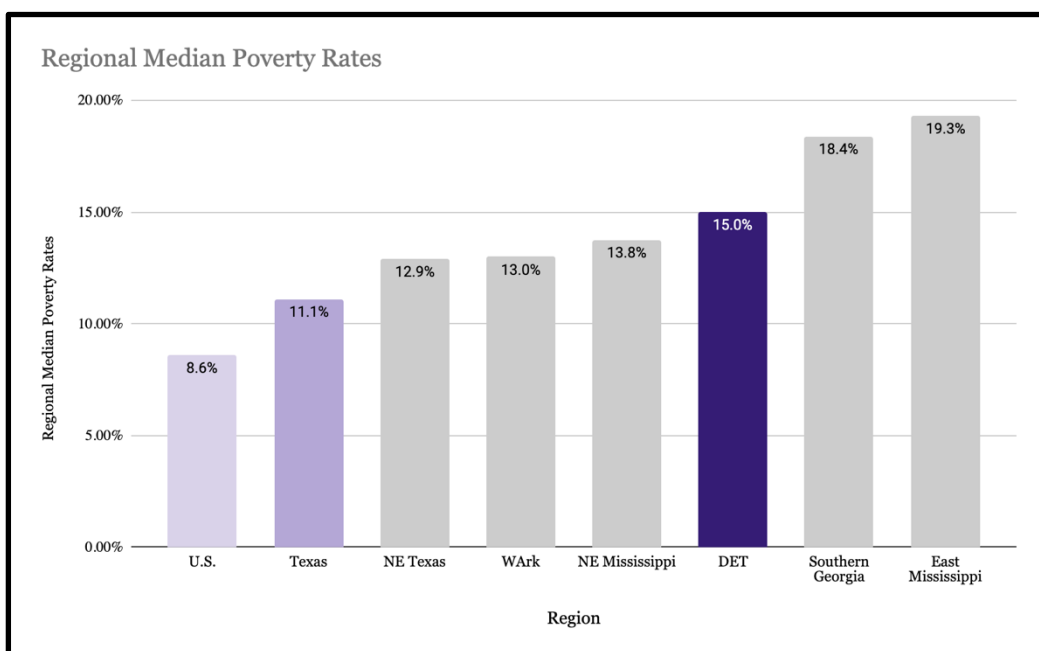


Figure 13. (Source: Emsi Burning Glass)

## Summary: DET Economy Is At Risk Of Being Left Behind

Over the last decade, Texas has experienced incredible growth and resiliency—even throughout the COVID-19 pandemic. Our research indicates that DET is failing to capitalize on statewide growth and stability, thus widening the gap between the region and the state. Particularly troubling is DET's

extremely low labor force participation rate. Half of its employable population is absent from the workforce.

Deep East Texas's negative job growth, lagging gross regional product growth, low labor force participation, and low median household income perpetuate a lack of opportunities for current residents and disincentivize both potential firms and residents from locating to the region.

The region's ability to provide a reliable and sustainable workforce for prospective employers is paramount to its appeal as a place of business for key industries. SFA can contribute to the incentivization for potential firms and residents to stay in the region by creating an economic landscape that is conducive to long-term economic vitality.

## EQUITY

Equity recognizes that certain people and communities have different life circumstances that may either increase or decrease their likelihood of economic success and full social participation. Understanding how vulnerable, historically marginalized populations are doing within the region will give insights into the health of the region as a whole. To analyze equity, we looked at demographics such as race, educational attainment, health insurance coverage, and median household income.

### Demographics

In Figures 14 and 15, we see that even though people of color comprise a smaller share in Deep East Texas than in the state overall, they still account for a third of the region's population.

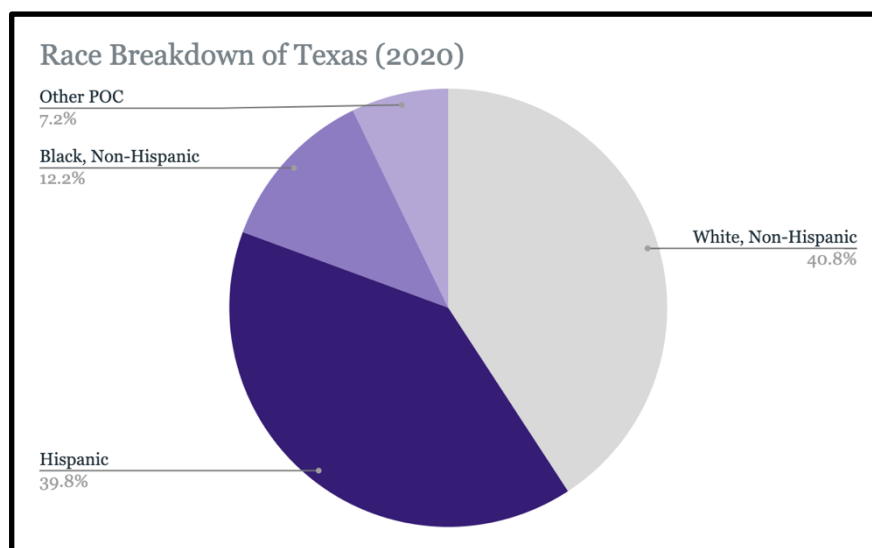


Figure 14. (Source: Emsi Burning Glass)

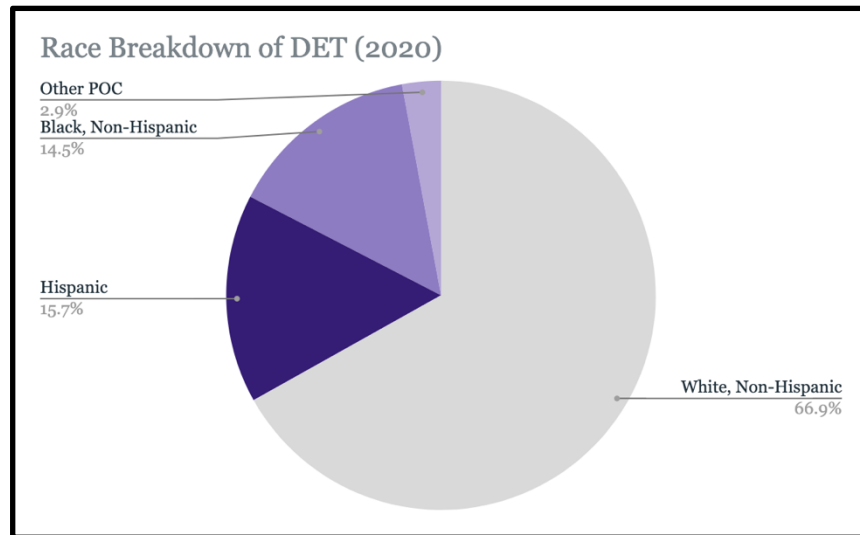


Figure 15. (Source: Emsi Burning Glass)

Around 67% of the population in Deep East Texas is White, as seen in Figure 16, which was high among benchmark region, state, and national averages. As mentioned, the low percentage (33%) of people of color in the region is disproportionate when we analyze other metrics according to race.

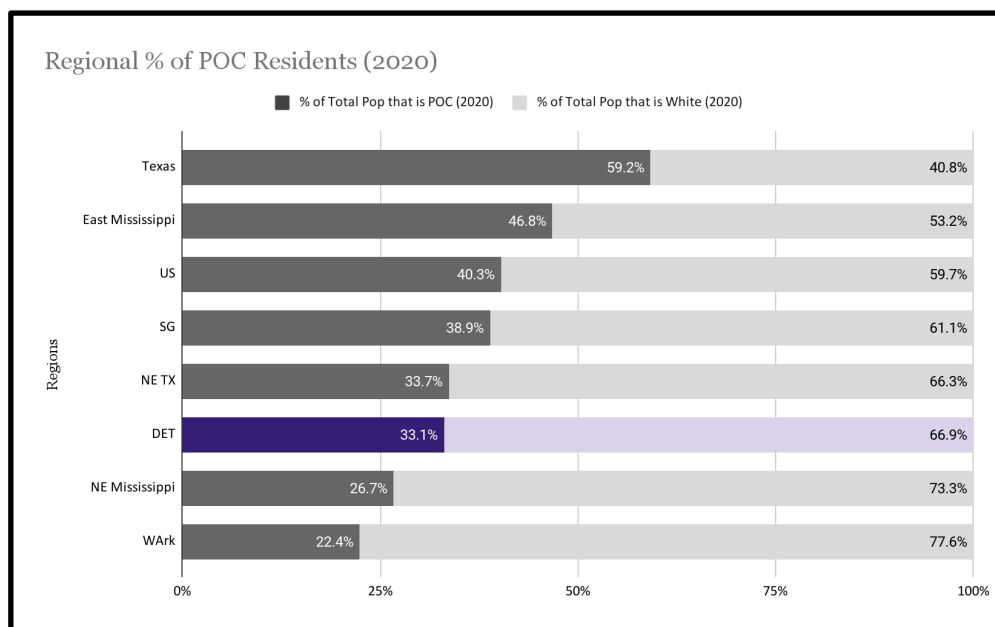


Figure 16. (Source: Emsi Burning Glass)

## Educational Attainment by Race/Ethnicity

In Figure 17, we find that of Deep East Texans who have less than a high school diploma, almost half are people of color, though POC constitute only 33% of the population.

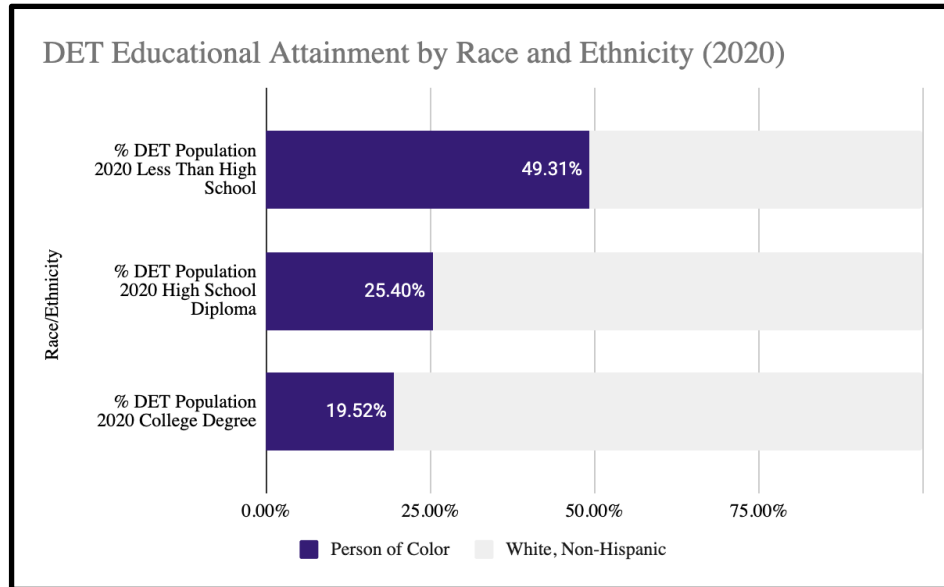


Figure 17. (Source: Emsi Burning Glass)

Figure 18 breaks down the data in Figure 17 to show that White residents are nine times more likely to have a college degree than Black or Hispanic residents. This means that Black residents and Hispanic residents have less opportunity for knowledge-based careers, which tend to yield higher annual incomes.

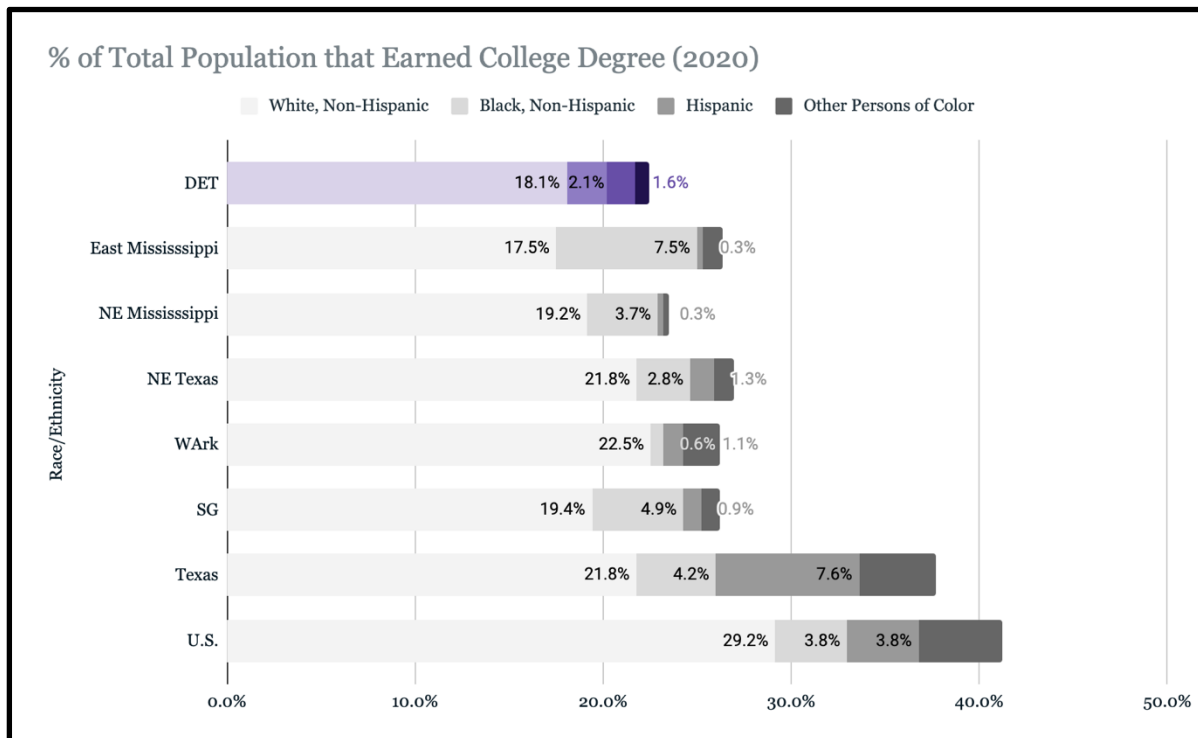


Figure 18. (Source: Emsi Burning Glass)



## Health Insurance Coverage

We analyzed the median household income of Deep East Texas, the state of health insurance coverage, and the diversity of the region's population to better understand equity within the community. We analyzed the percentage of each benchmark region's population with health insurance coverage as of 2019 and found that Deep East Texas had the lowest insurance coverage, as shown in Figure 19, with 2 of 10 residents living uninsured. As employers are often the suppliers of healthcare, this may indicate that a large proportion of residents are receiving federal Medicare or Medicaid or healthcare from their spouse. A lack of sufficient healthcare coverage within the region increases the precarity that residents experience and may disincentivize new labor supply from moving to the region if healthcare through employment is not easily accessible.

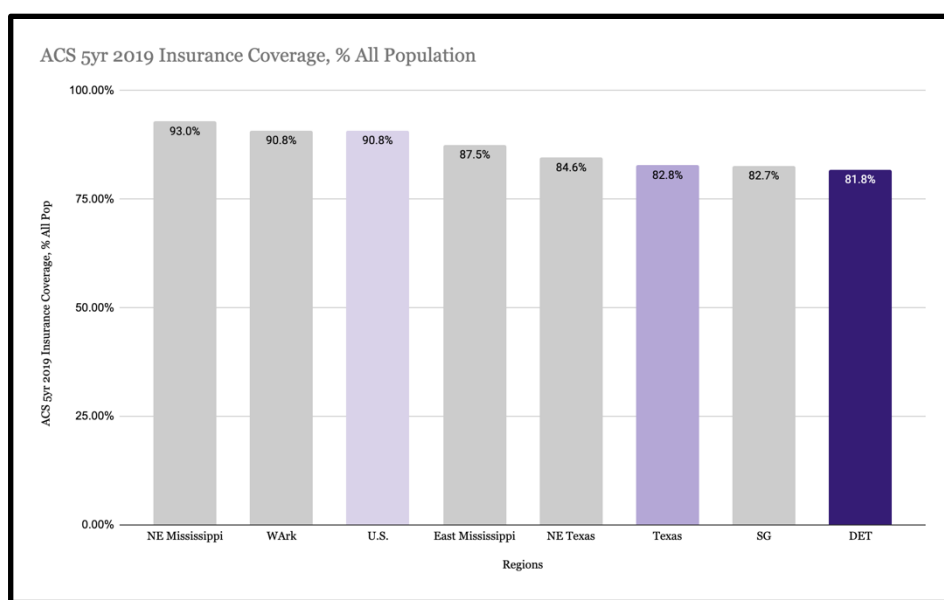


Figure 19. (Source: American Community Survey,)

## Median Household Income

The lower median household income in Deep East Texas shown in Figure 20 compelled us to further analyze the median household income among the 12 counties in the region. Here, as shown in Figure 21, we find that Sabine County has a median household income of \$34,992—which is around half of the national median household income of approximately \$61,000. Even the county in the region with the highest median household income, Angelina County, still falls below the average for both Texas and the nation.

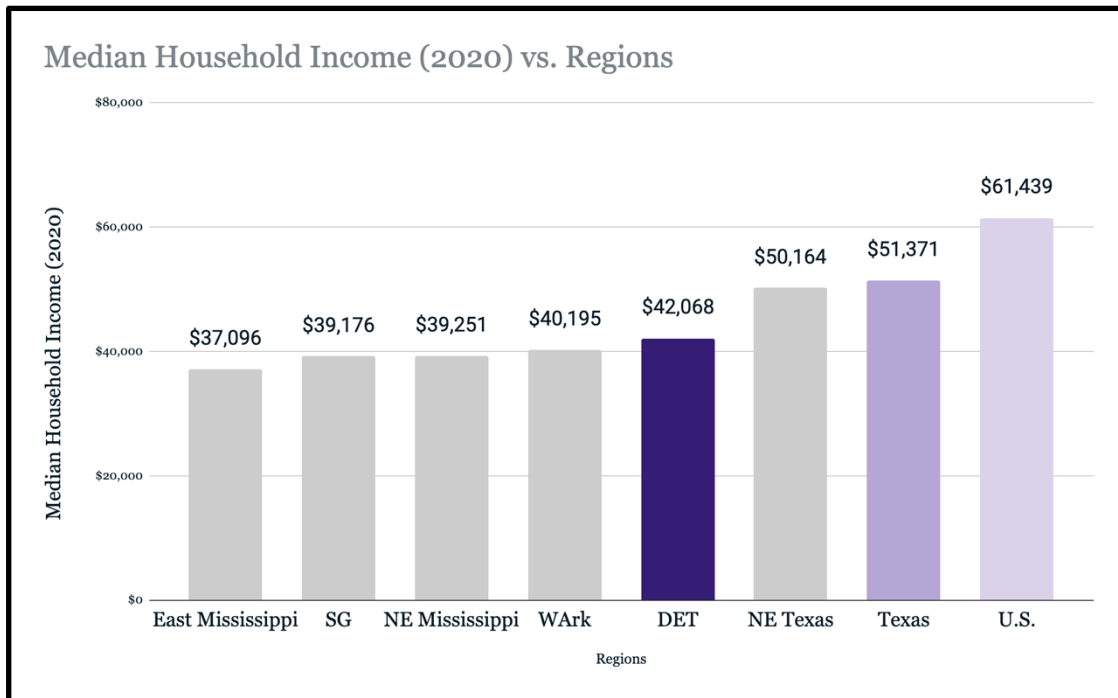


Figure 20. (Source: Emsi Burning Glass)

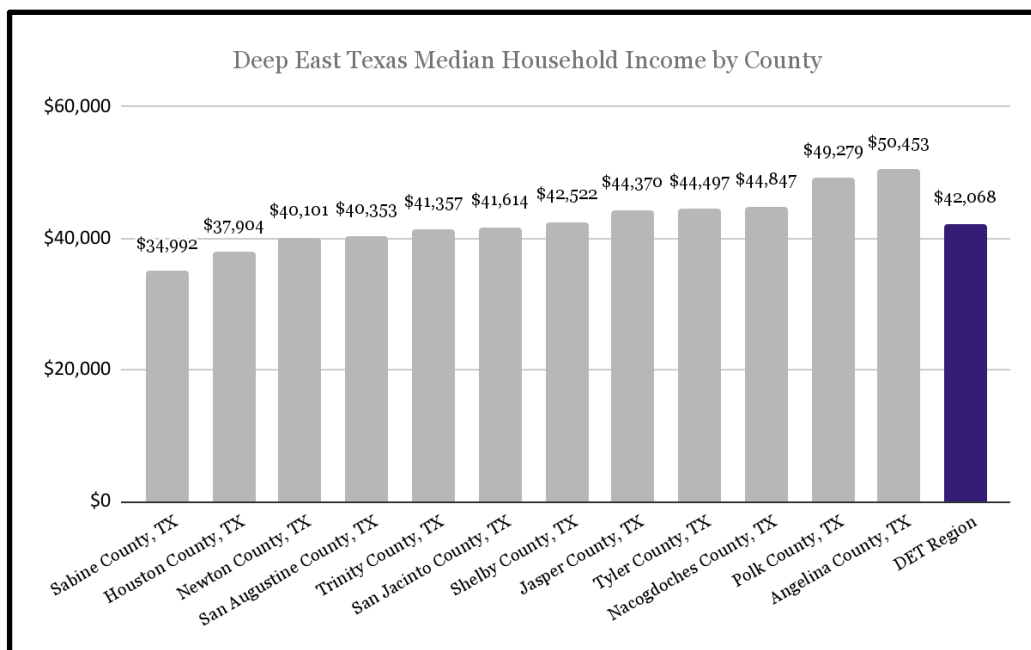


Figure 21. (Source: Emsi Burning Glass)

## Summary: Non-White Residents Are Disproportionately Disadvantaged

The DET region has a smaller proportion of people of color (POC) compared to the state of Texas. Despite comprising a third of the DET population, people of color make up almost half of the region's

population with less than a high school degree. This disproportionate overrepresentation results in an inequitable stifling of career and income opportunities for minority residents.

DET residents are underinsured in comparison to other benchmark regions and have lower median household incomes than the state and country by nearly \$10,000 and \$20,000, respectively. The incorporation of POC and residents in poverty to create a stable earning landscape will be crucial to jumpstarting the local economy. Attracting and retaining educated people of color to join the workforce will improve equity, economic vitality, and public health outcomes for DET.

## Community Assessment Summary

The community assessment illustrates that over the past decade, while Texas is experiencing tremendous economic growth and its workforce is proving to be resilient, Deep East Texas is moving in the opposite direction. The economy in DET is shrinking, its workforce is less prepared for future growth, and there are major disparities for people of color in the region.

Particularly troubling is that the region is not engaging a large portion of its workforce—one in two potential workers is not participating in the region's workforce. This participation problem is compounded by a decline in jobs, slow population growth, an aging population, high poverty, and low educational attainment rates. Over the past decade, jobs have decreased by 2%, and the population has grown by only 1.7%. About a third of the region's population is nearing retirement, twice as many people in DET live in poverty compared to the U.S., and the percentage of the population with a bachelor's degree is two times lower than state and national averages. It is worth noting that while DET has unique characteristics, our benchmarks demonstrated that overlapping pain points are common in rural regions.

In the next phase of our project, our team will need to gain a better understanding from the community of why Deep East Texas is experiencing these troubles and determine steps we can take to create conditions for a more resilient economy. To shift toward a robust economy, the region will need to figure out how to incorporate, train, and educate more of its available labor force—including its large population of people of color.



Figure 22. (Source: Colleges of Distinction)

## INDUSTRY CLUSTER ASSESSMENT

An industry cluster is a regional concentration of related industries in a specific place. Having strong clustered industries will attract firms who are either in the same industries or those related to it, as locating nearby may reduce supply and labor costs. These regional clusters may also spur innovation within industries, due to easy knowledge sharing and collaborative research and development. Economically, clusters are more likely to contribute to an export economy, which can bring in more capital to circulate within the region.



Clusters also benefit the existing labor supply there, offering more opportunities for employees to find similarly skilled jobs, upskill within an industry, and exchange tacit knowledge to optimize current processes (Brueckner, 2011).

We identified seven primary industry clusters for Deep East Texas: Agricultural Inputs and Services; Education and Knowledge Creation; Forestry; Lighting and Electrical Equipment/Analytical Instruments; Wood Products/Paper and Packaging; Plastics; and Local Health Services. These clusters not only have a high concentration within the region but they also capture industries that have a legacy within Deep East Texas, those that are emerging and have promise for providing continued economic support, and those that have been previously included in other economic development plans.

The analysis of these seven clusters, combined with the subsequent community analysis and the upcoming anchor analysis, will provide insights to identify the strengths that the region and SFA can capitalize on and continue developing. It will also provide insights into their weaknesses which, when viewed as opportunities for stabilization and growth, can provide resiliency for the region.

We analyzed the identified clusters within Deep East Texas through three lenses:

- **Competitiveness.** To analyze competitiveness, we looked at location quotients (LQs); share of cluster employees within industries with LQs greater than 1.25; total employment; 10-year job growth to show long-term, sustaining trends; total Gross Regional Product (GRP), and GRP per worker.
- **Equity.** To understand where the industries stand from an equity perspective, we analyzed the share of female employees per industry; share of employees by race and ethnicity; share of industries requiring a bachelor's degree or higher; and earnings per worker.
- **Resilience.** To analyze resiliency, we examined firm distribution by number of employees; number of industries in each cluster; growth per cluster, and the share of employees by educational attainment.

## COMPETITIVENESS

A cluster's competitiveness relates to its competitiveness on national and state levels and takes into consideration what it offers to the region as a whole. Competitive clusters have a high LQ—or concentration of industries compared to the national concentration—within the region and help support exporting aspects of the economy; employ a large share of the population and have positive employment growth over a 10-year period; and have high total GRP and GRP per worker amounts.

## LQ, or Regional Industry Concentration

Compared to the national average, five out of seven of our identified clusters are highly concentrated, with Wood Products/Paper and Packaging soaring far above the national average, as shown in Figure 23. The high concentration of these clusters indicates that they are exporting their service or products outside the region, bringing in outside capital to circulate within Deep East Texas's economy.

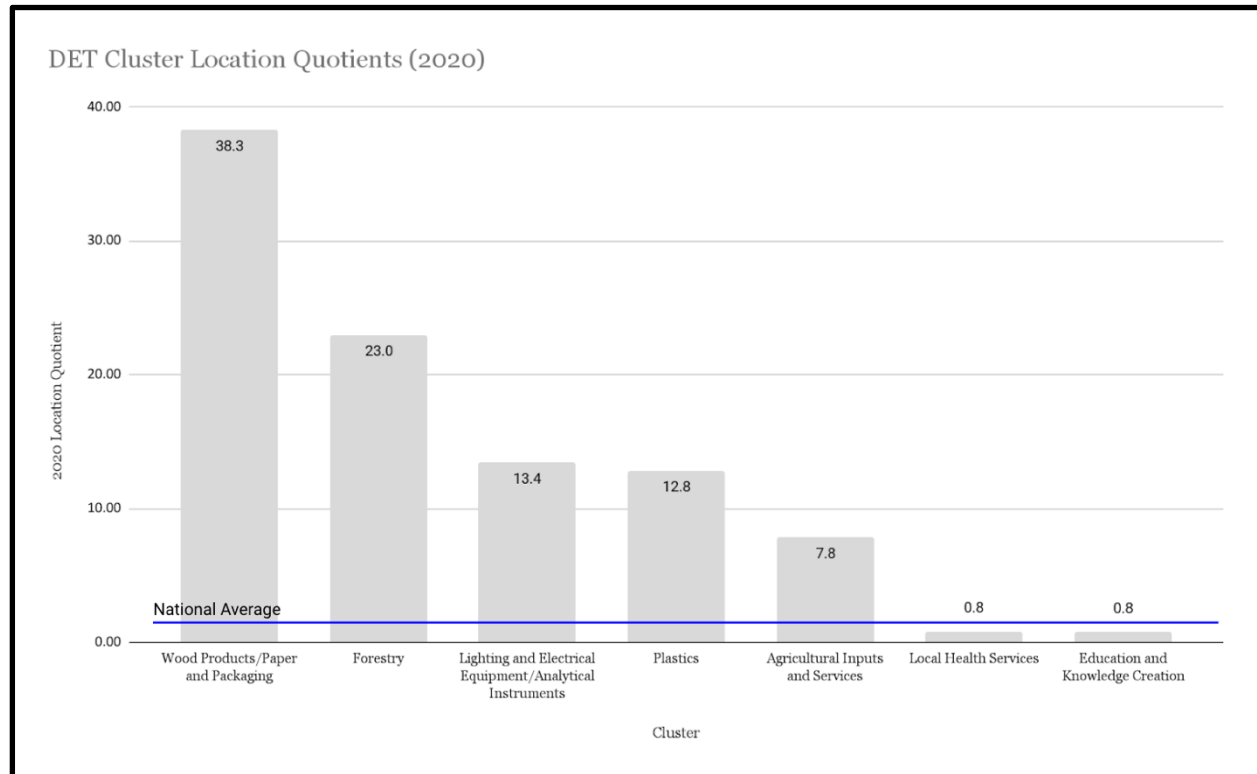


Figure 23. (Source: Emsi Burning Glass)

## Gross Regional Product (GRP) by Cluster

Figure 24 shows the GRP each cluster is contributing to the region's economy. Local Health Services, a largely localized cluster that does not bring outside capital into circulation, accounts for the largest amount. While it's not necessarily a bad indicator, it does mean that the economy may rely heavily on how well Local Health Services is doing in the long term.

Collectively, Wood Products/Paper and Packaging, Agricultural Inputs and Services, Lighting and Electrical Equipment, Plastics, and Forestry are bringing \$894 million into the economy as export industries. This shows the strength and importance of these industries in stabilizing the economy.

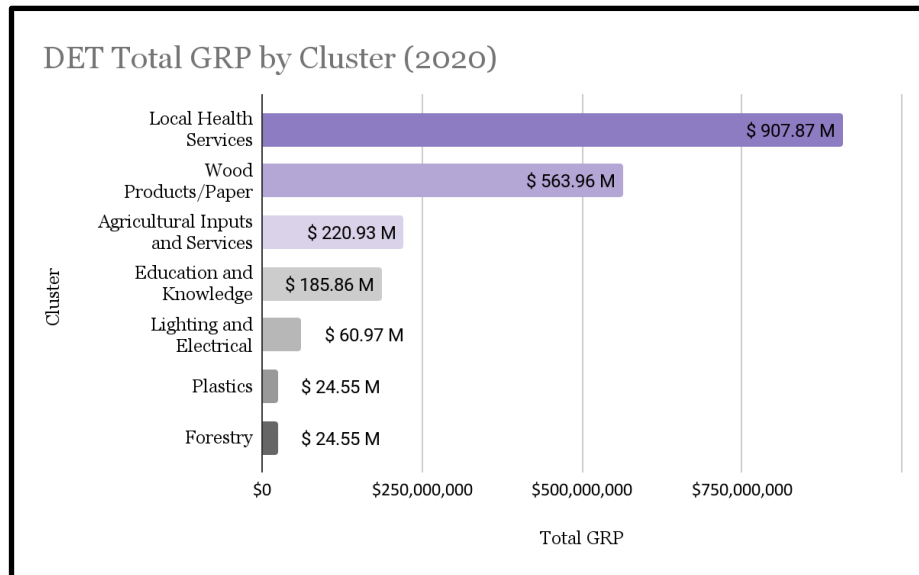


Figure 24. (Source: Emsi Burning Glass)

## Job Growth by Cluster

Figure 25 shows that job growth in the seven clusters has been weak over the 10-year period. Overall, the region has seen 2% negative growth in jobs, losing more than 2,000 jobs over the 10 years.

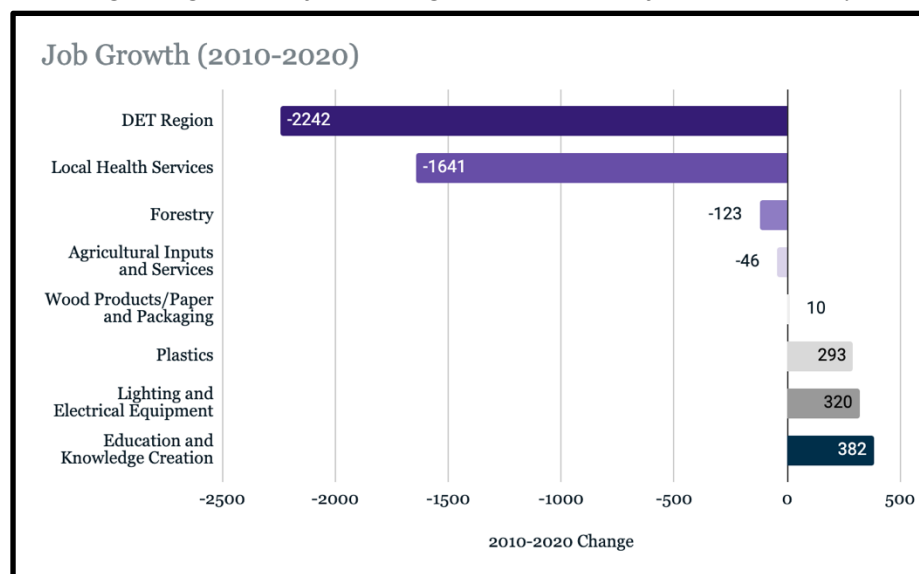


Figure 25. (Source: Emsi Burning Glass)

The Local Health Services cluster accounts for 73% of job loss in Deep East Texas among identified clusters, despite accounting for the largest share of GRP contribution. This job loss is concerning from both an economic and social point of view. If the trend continues, the economic support of Local Health Services will decline, and residents will have to go outside the region for specialized care.

Cluster	2010-2020 % Change	2020 Jobs	2010-2020 Change
Plastics	915.6%	325	293
Lighting and Electrical Equipment/Analytical Instruments	415.6%	397	320
Education and Knowledge Creation	13.5%	3,217	382
Wood Products/Paper and Packaging	0.3%	3,589	10
Agricultural Inputs and Services	-4.1%	1,080	-46
Local Health Services	-10.3%	14,234	-1641
Forestry	-34.3%	236	-123

Table 26. (Source: Emsi Burning Glass)

Plastics is the fastest-growing cluster over the last decade with a 915% change, as shown in Table 26. While the job change percentage from 2010 to 2020 is substantial, it is worth noting that, as seen from the raw number of jobs listed, the Plastics industry is still just emerging in Deep East Texas, with fewer than 350 employees as of 2020. The next fastest-growing industry is Lighting and Electrical Equipment/Analytical Instruments.

### Average Annual Earnings by Cluster

The average earnings per job show the pre-tax earnings of employees within the industry clusters. With a low cost of living in the region, the fact that all clusters are at or above the DET average earnings and well over the median household income means they have the potential to both help stabilize and ultimately increase the MHI.

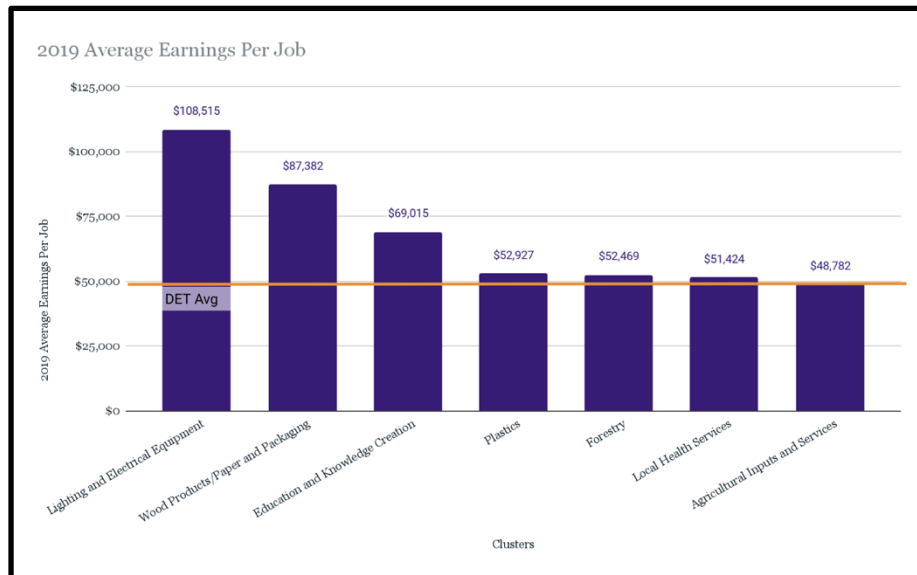


Figure 27. (Source: Emsi Burning Glass)

## DET Growth vs. Cluster Concentration (LQ)

Figure 28 demonstrates that the legacy clusters—Wood Products/Paper and Packaging, Forestry, Lighting and Electrical Equipment/Analytical Instruments, and Agricultural Inputs and Services—are strongly tied to Deep East Texas and employ many people but have not shown much growth from 2010 to 2020.

Both bubble charts display three metrics: growth (by the number or percentage of jobs), location quotient (how specialized an industry is to the DET versus the nation), and people employed (indicated by the size of the bubbles). Compared to the state of Texas, we can see that the industry clusters in the Deep East Texas region have an overall higher location quotient. This means that these industries are specifically choosing Deep East Texas rather than Texas as a whole.



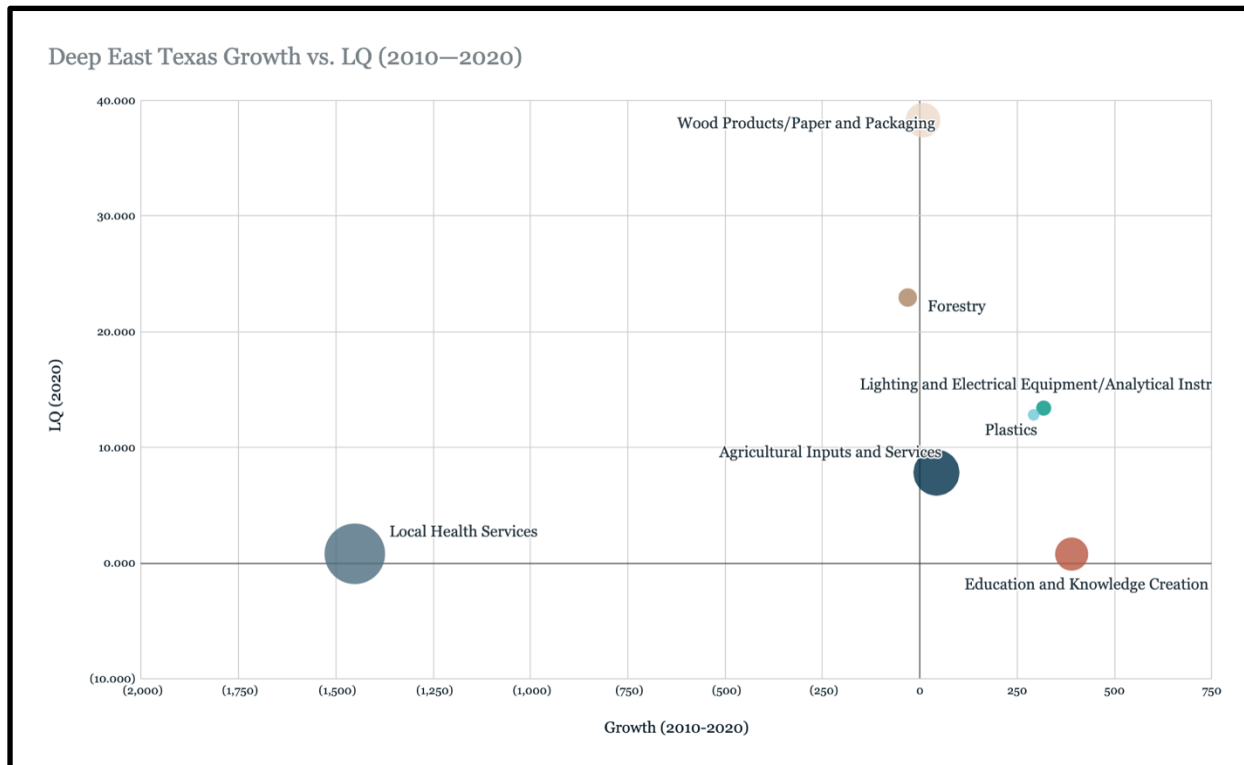


Figure 28. (Source: Emsi Burning Glass)

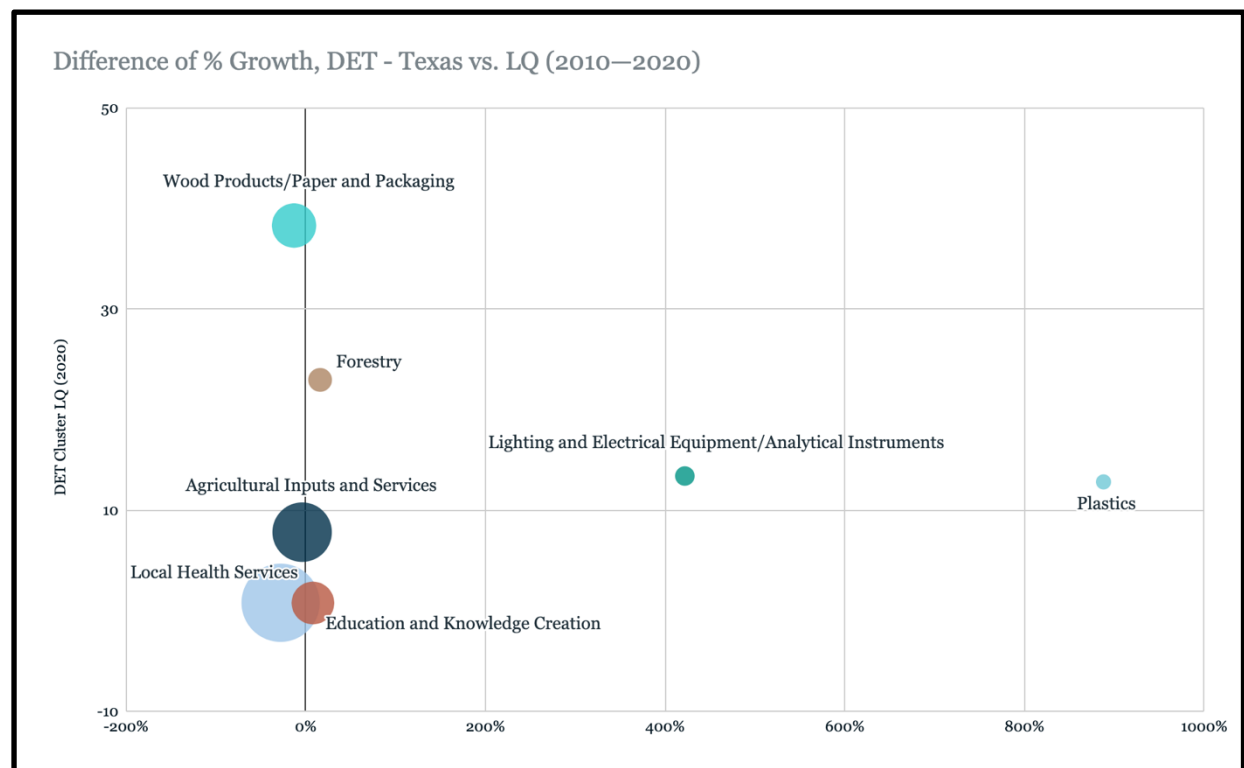


Figure 29. (Source: Emsi Burning Glass)

## Summary: Legacy Industries Stagnant; Growth Potential in Manufacturing

The Forestry, Plastics, and Wood Products legacy industries continue to be key pillars in the economic landscape of the region, as they are deeply entrenched in the community. Although these industries currently serve as stable forces in the economy, their stagnation and the potential for their decline make innovation and diversification important for the region to maintain competitiveness in the long term. Despite being the largest regional cluster, Local Health Services has the most job loss and one of the lowest annual earnings. Recent growth in Plastics, combined with the high concentration of the Wood Products/Paper and Packaging cluster, suggests that manufacturing may offer a potential for growth in the economy.

## EQUITY

Each person in DET needs to feel supported by their community to ensure both the individual and the surrounding area can thrive in a mutually beneficial manner. Understanding the varied experiences and economic positions of different residents will give SFA insight on groups the university can assist through tailored plans or focused support that meet community members where they are.

### Average Annual Earnings

Labor-intensive industries, such as Lighting and Electrical Equipment/Analytical Instruments, have higher average annual earnings than other industries, as shown in Figure 30. However, these industries may have hit their growth ceiling, as Lighting and Plastics earnings have stagnated over the last five years.



Figure 30. (Source: Emsi Burning Glass)

## Share of Employees Who Are Persons of Color by Cluster

People of color make up a third of the Deep East Texas population. Five of the seven clusters indicate that POC are disproportionately represented within the cluster's labor force, which is a strong sign of hiring equity. But it is important to note that three of those five clusters (Wood Products/Paper and Packaging, Agricultural Inputs and Services, and Plastics) are labor-intensive. It's also worth noting that three of these five industries (Agricultural Inputs, Local Health Services, and Plastics) are the lowest-paying of the identified clusters. People of color make up only 26.5% of Lighting and Electrical Equipment, the highest-paying cluster in the region.

People of color also comprise a disproportionate share of the employment in Education and Local Health Services. Both of these career fields require higher education, of which Black and Hispanic DET residents are underserved. While Education is growing in terms of total employment over the last decade, Local Health Services has seen significant negative growth, putting those who work in this cluster in a precarious position. This loss will either push those employees out of the region or into other industries of work, resulting in a disproportionate effect on people of color.

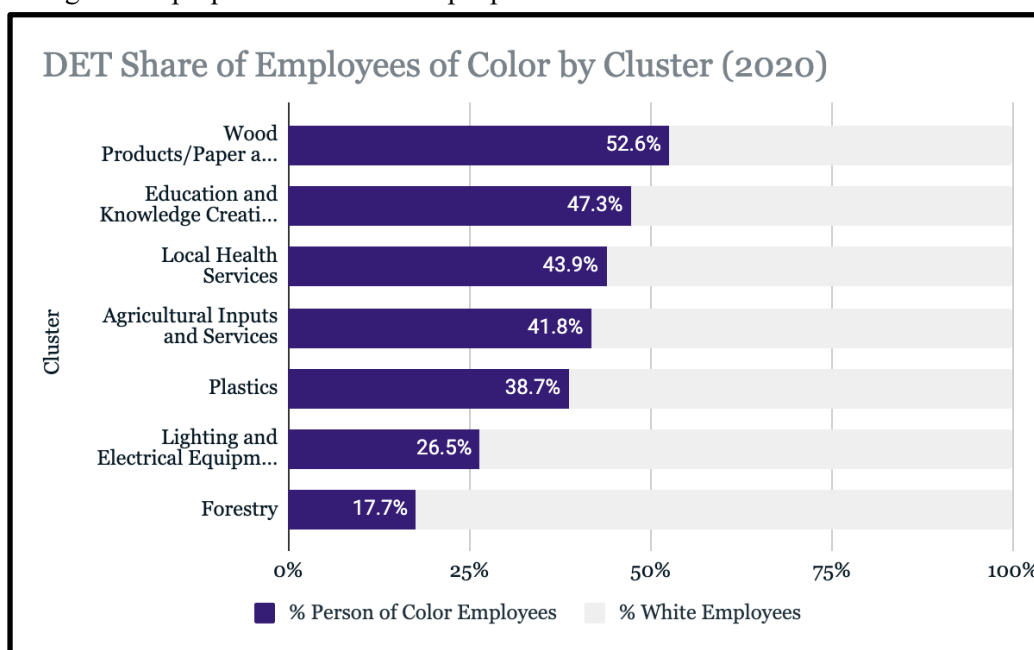


Figure 31. (Source: Emsi Burning Glass)

## Share of Employees by Gender

Women make up just over 50% of the population and are disproportionately represented in Local Health Services. This cluster has one of the lowest average annual earnings, \$53,000 per year, and women are underrepresented in the clusters which have the highest earnings. Local Health Services is seeing the greatest loss in employment, which will disproportionately affect women in the DET region, pushing them to seek work outside the region or in other industries. The combination of low wages and negative job growth puts women in DET into a more precarious financial situation than their male counterparts.

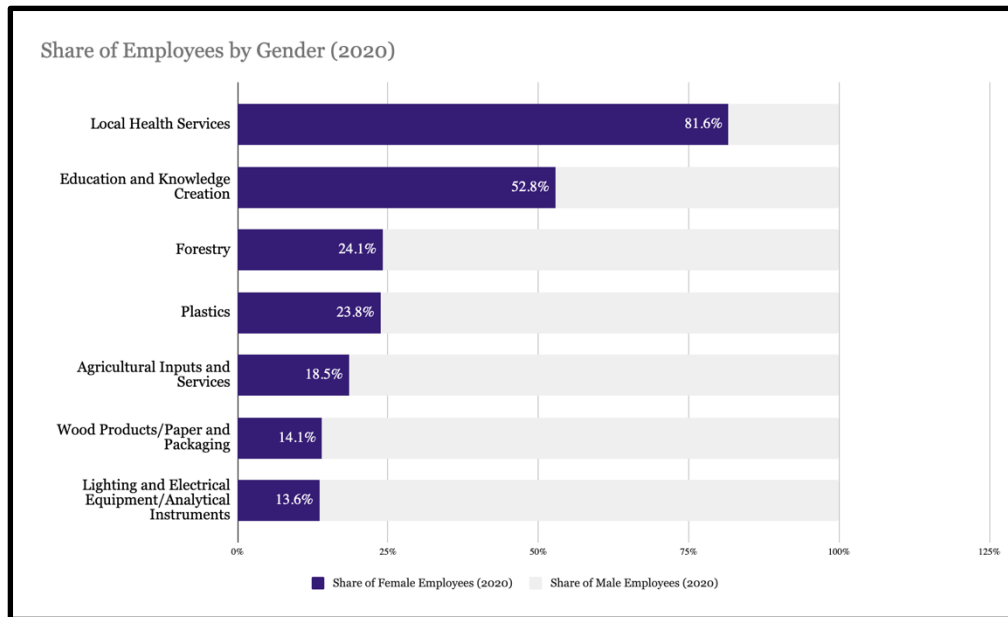


Figure 32. (Source: Emsi Burning Glass)

## Summary: Uneven Diversity Limits Growth and Opportunity

High concentrations of particular demographics in a small number of industries pose threats and opportunities for equity in the region. Women make up 50% of the population yet are overrepresented in a service-based industry that is losing jobs year by year. People of color, while adequately represented in the labor forces of our identified clusters, are concentrated in low-growth, low-paying industries. Increased hiring of POC and women to workforces that pay above-average wages will improve income inequality across the population and increase the stability of the region as a larger percentage of the population gets access to higher incomes and more stable employment.

## RESILIENCE

The resiliency of an industry is its capacity to withstand economic headwinds. A resilient cluster will have a young workforce, high anticipation for job growth, and an overall strong business dynamic score. Looking at DET's clusters through these lenses will give insight into which of them will continue to stabilize and potentially grow the economy.

### Age Groups By Industry Cluster

Most of our clusters have a relatively older workforce, with younger populations attracted to knowledge and service industries. For context, the average age in Deep East Texas is 40 years old; 30% of the total population in the region are younger adults, and 45% of the Deep East Texas population are older adults and those around retirement age. As shown in Figure 33, the legacy clusters have a higher share of an older workforce than the emerging clusters of Plastics, Local Health Services, and Education and Knowledge Creation.

The younger age proportions in clusters such as Education and Plastics indicate that the young talent will be able to sustain the industry for a longer time. This is concerning for a cluster like Local Health Services, which is seeing drastic negative growth in employment that may push more young residents out of the region to look for work. This age disparity also indicates that as employees in clusters such as Lighting and Electrical Equipment and Forestry start to age into retirement, there is not a substantial younger workforce to replace them.

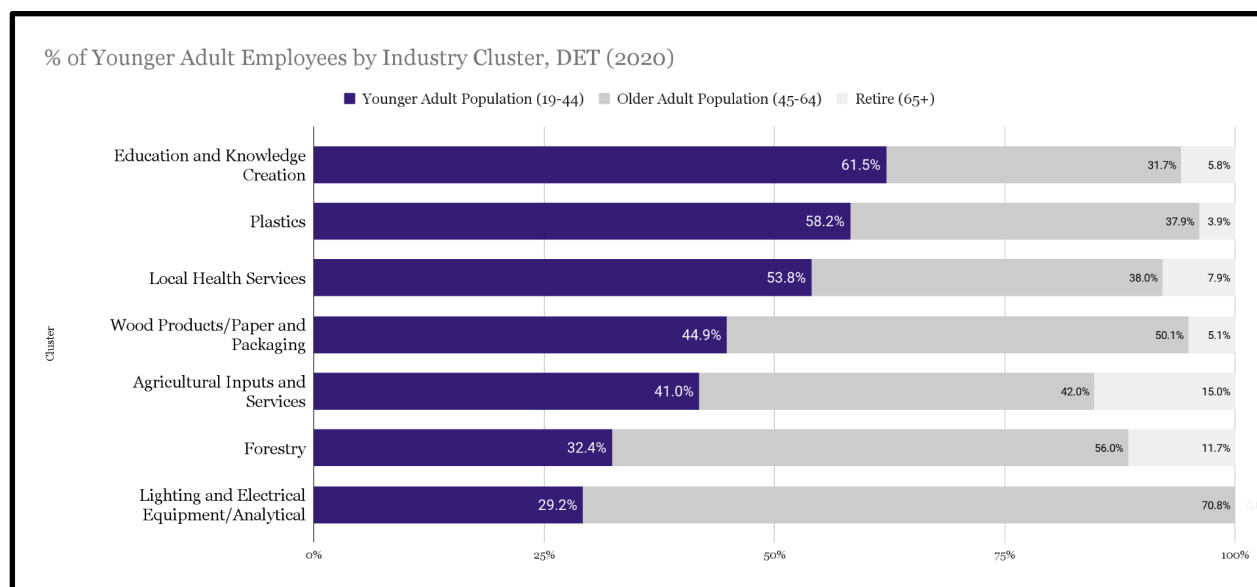


Figure 33. (Source: Emsi Burning Glass)

## Projected Job Growth by Industry Cluster

Plastics and Lighting and Electrical Equipment/Analytical Instruments have the highest anticipation for job growth for 2020-2030, expecting a 56% increase in Plastics jobs and a 30% increase in Lighting jobs. Both Agricultural Inputs and Services and Forestry are expected to see a decline in jobs over the next decade, as shown in Table 34.

Clusters	Projected Jobs Change to 2030	% Growth 2020-2030	Avg Annual Wage 2020
Education and Knowledge Creation	221	6.84%	\$55.7k
Plastics	181	55.76%	\$40.6k
Wood Products/Paper and Packaging	150	4.16%	\$67.2k

Lighting and Electrical Equipment/Analytical Instruments	118	29.66%	\$81.2k
Local Health Services	11	0.07%	\$43.9k
Forestry	(43)	-7.05%	\$52.7k
Agricultural Inputs and Services	(59)	-0.76%	\$40.3k

Table 34. (Source: Emsi Burning Glass)

## Business Dynamics Score for the Region, All Clusters

Business Dynamics is a metric from StatsAmerica that gives us a feel of both how many new firms are entering the market and market churn, based on Establishment Births to All Establishments Ratio, Traded-Sector Establishment Births to All Establishments Ratio, Jobs Attributed to Establishment Births to Total Employment Ratio, Change in Establishment Births to All Establishments Ratio, Average Small Establishments (per 10,000 Workers), Average High-Tech, Early-in-Life-Cycle Establishment Ratio, Establishment Expansions-to-Contractions Ratio, Establishment Births-to-Deaths Ratio, and Traded-Sector Births and Expansions to Deaths and Contractions Ratio. The metric aims to calculate the regional economy's vibrancy by measuring success in the creation and survival of small, start-up businesses. Business Dynamics provides insight into the relative age of the economy. This measure indicates whether there is new blood that can bring the needed energy for innovation to the economic landscape. A high Business Dynamics score may correlate with a heightened appeal to bring new residents to the area or encourage students to make their place of education their new home.



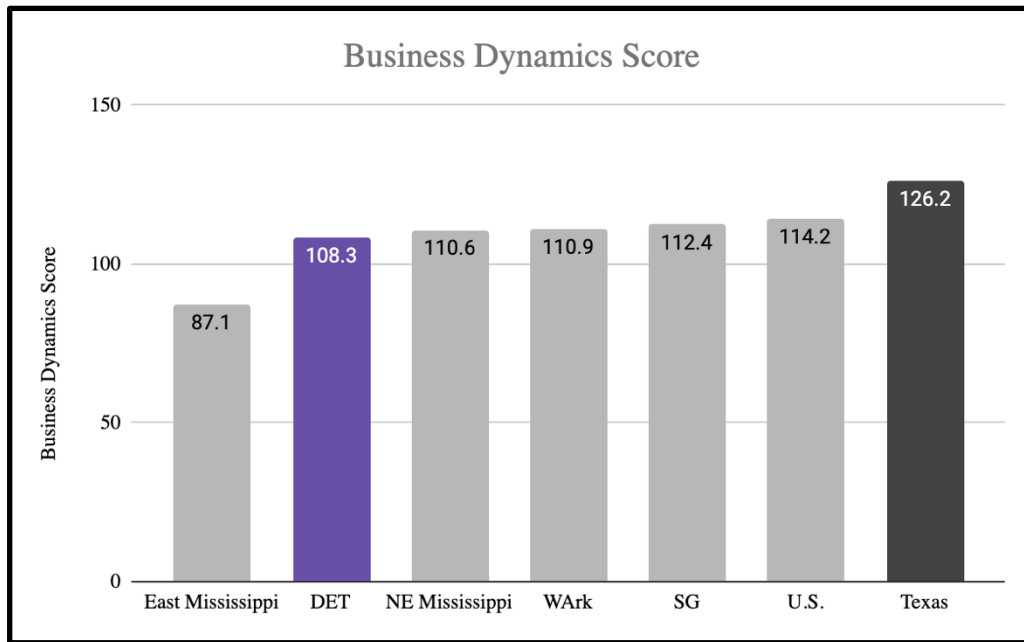


Figure 35. (Source: Emsi Burning Glass)

## Industry Cluster Analysis Summary: Need to Diversify Cluster Reliance and Workforce Membership

The resiliency of DET is highly dependent on its successful pivot toward new industries that alter the region's reliance on stagnant legacy industries and inequitable workforces. The expected growth of the Plastics cluster can serve as a source of high-paying jobs that do not require formal education.

Fortuitously, legacy clusters serve as a current point of stability for the economy, providing a bedrock for economic activity. The region must bolster new industries to broaden its horizons as the economic landscape evolves. One area of improvement that requires immediate attention is the disproportionate overrepresentation of certain races, gender, and age groups in a handful of industry workforces.

Diversification, within workforces and of key contributing clusters, will better position the region for economic development in the future.

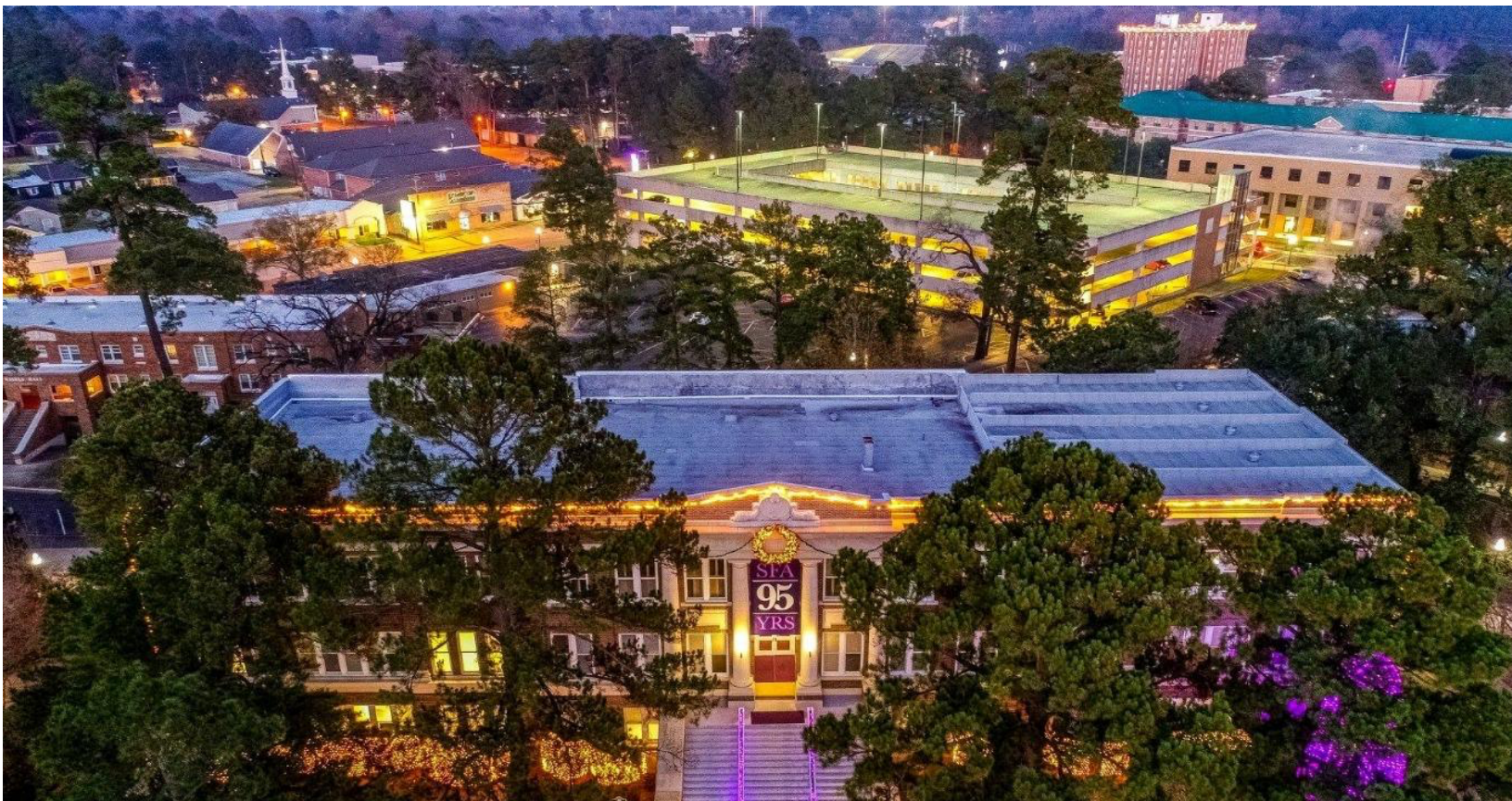


Figure 36. (Source: Honor Society)

## ANCHOR ASSESSMENT

SFA has enormous potential to serve as a regional anchor for Deep East Texas. Through its core instructional activities, as well as its procurement, hiring, and contributions to local quality of life, SFA can help to drive economic growth. Understanding how SFA compares to similar institutions and how its programs connect to the regional workforce is crucial for assessing how it currently functions as a regional anchor and how that role can be strengthened.

To better understand SFA's role as an anchor institution, we selected four similarly situated institutions to compare to SFA on key metrics, including affordability, graduation rates, enrollment, salaries, degree growth, and degrees conferred. The four peer institutions selected were Arkansas Tech University (ATU), Lamar University, Northwestern State University of Louisiana (NWSU), and Tarleton State University. The team identified peer institutions largely by following the methodology outlined in the Envisioned 2015-2023 strategic plan using the Integrated Postsecondary Education Data System (IPEDS 2011-2020).

Although our peer analysis did not require a Texas location, it did consider remote campus geography to identify similar regional arrangements.

## Affordability for Low-Income Students

One area in which SFA particularly excels in comparison to its peers is affordability for low-income students. SFA's average net price for students with an income less than \$30,000 is \$8,900 in comparison to an average price of \$12,000 among its peers (IPEDS 2011-2020). SFA does a better job tailoring costs to accommodate affordability for students: the lowest-income SFA students pay 44% of what the highest-income students pay, while the lowest-income students at peer institutions pay 66% of what the highest-income students do (IPEDS 2011-2020).

Accessible pricing allows the university to provide educational opportunities for a more socioeconomically diverse student population. The affordability of tuition at SFA may serve as an attractive point for the recruitment and retainment of students from regions outside Deep East Texas. SFA's provision of quality education for low-income students has long-term benefits for the region, as it creates a more diverse, qualified field of graduates to feed into the workforce.

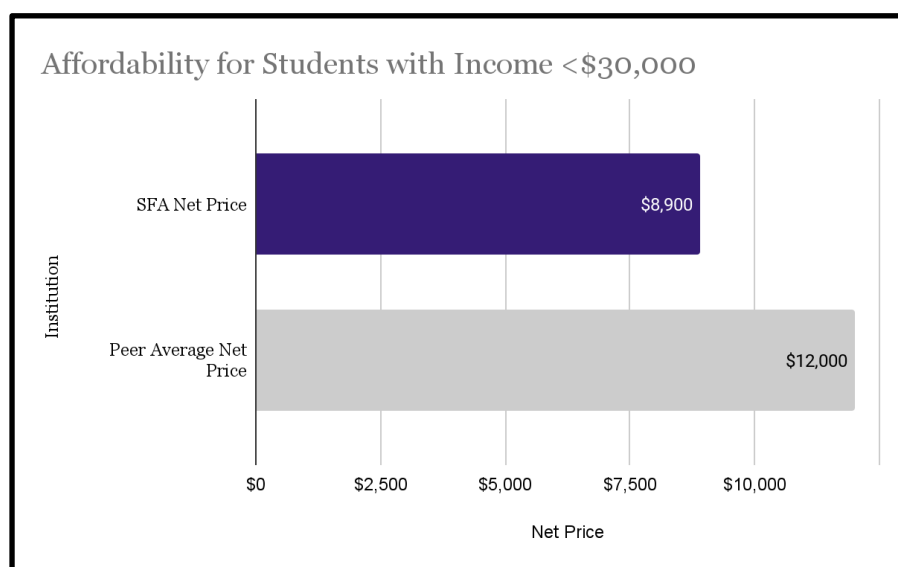


Figure 37. (Source: IPEDS)

## Graduation Rates

While there may be room for improvement, SFA already outperforms peers on six-year and four-year graduation rates, as well as the graduation rate among Pell Grant recipients. Strong graduation rates across a variety of student groups reflect positively on the academic support and counseling offered at the university. Furthermore, while Pell recipients have a slightly lower six-year graduation rate among peer institutions, Pell recipients at SFA have a six-year graduation rate equivalent to that for all students. This suggests that, unlike most universities, SFA retains and graduates lower-income students as effectively as

it does students who are not economically disadvantaged (IPEDS 2011-2020). The fact that Pell recipients are on par or exceed other groups' bachelor's completion rates indicates that the university supports low-income students beyond mere acceptance and the cost of tuition.

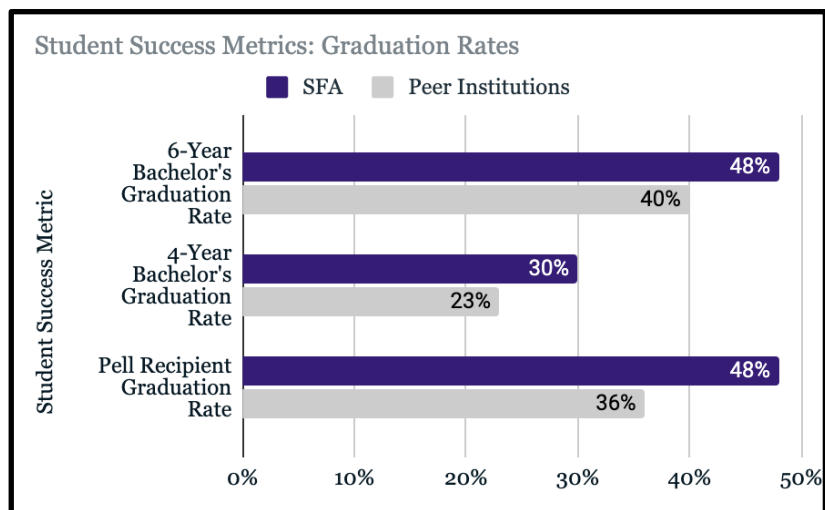


Figure 38. (Source: IPEDS)

## Sources of Enrollment

The James I. Perkins College of Education at SFA continues to be a strong source of both undergraduate and graduate degrees conferred at the university. In fall 2021, the college accounted for 25.4% of undergraduate enrollment (2,619 students) and 50.7% of graduate enrollment (835 students) (JackFacts 2021). The College of Education has long served as a point of stability for the university and will likely continue to do so; it has consistently conferred over 2,000 combined undergraduate, graduate, and doctoral degrees for the past 10 years (JackFacts 2021). The durability of the College of Education is particularly valuable for SFA as the university's 10-year degree growth trails far behind its peers (19% vs. 39%), due largely to lagging bachelor's degree growth (14% vs. 25%) (IPEDS 2011-2020).

The importance of the College of Education lies not only in the value of its students to the university but also in the value of its graduates to the education ecosystem in the DET region and beyond. An analysis of SFA degrees in the context of regional industry clusters suggests that the College of Education should be seen as a crucial growth asset to leverage in strengthening SFA's role as a regional anchor.



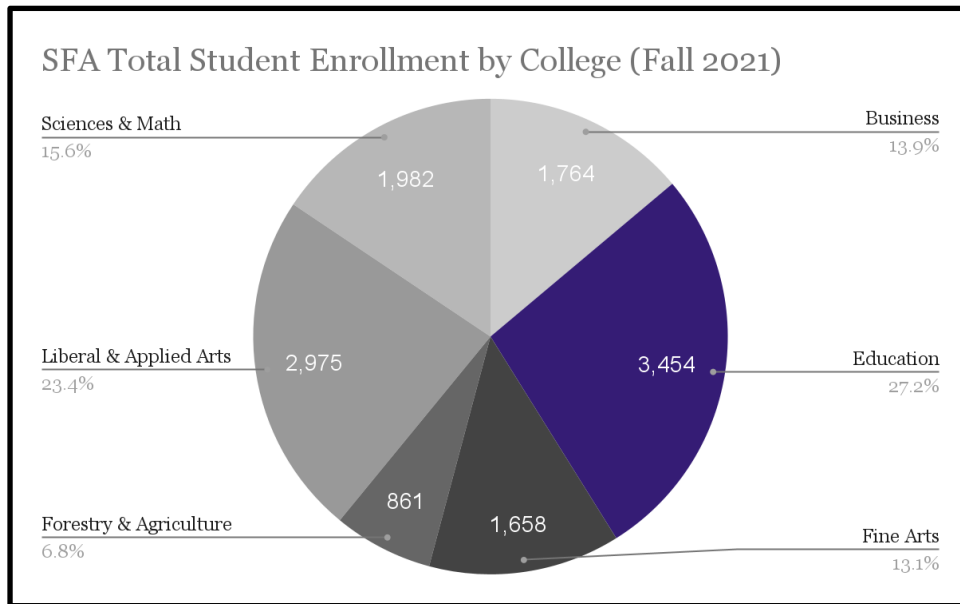


Figure 39. (Source: SFA Jack Facts)

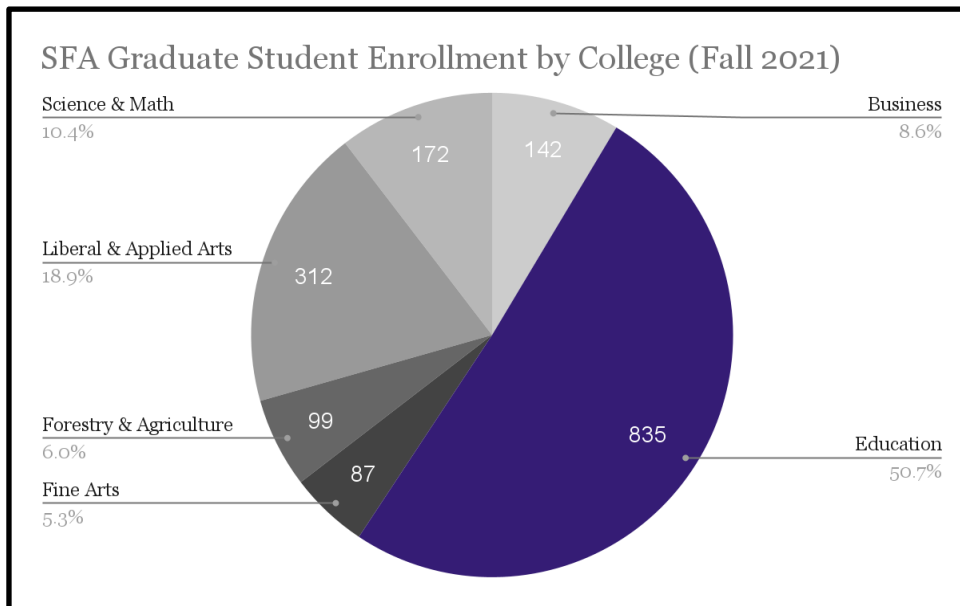


Figure 40. (Source: SFA Jack Facts)

## Competitive Salary Analysis

Sustained—if not increased—staffing and expanded instructional programming will likely be necessary if SFA is to broaden its anchor role in DET. Discussions with the Steering Committee, along with our analysis, found faculty salary and retention to be a point of concern. SFA’s average estimated 9-month FTE instructional salaries decreased between the 2019-2020 (\$57,550) and 2020-2021 (\$56,849) academic years (Jacks Facts, 2021). Average salaries have trended upward historically; this is the first instance of a decrease in more than eight years. Our research on where employees come and go surrounding their time at SFA shows that five of the top seven employers following SFA are other educational institutions, e.g., Nacogdoches Independent School District and Texas A&M University.

If salaries at SFA fail to keep pace with these competing places of employment, employees may resort to relocating in the interest of higher incomes. Competitive salaries are essential to the university's ability to retain and recruit talent. If recent decreases in salaries develop into a trend, staffing may be negatively affected.

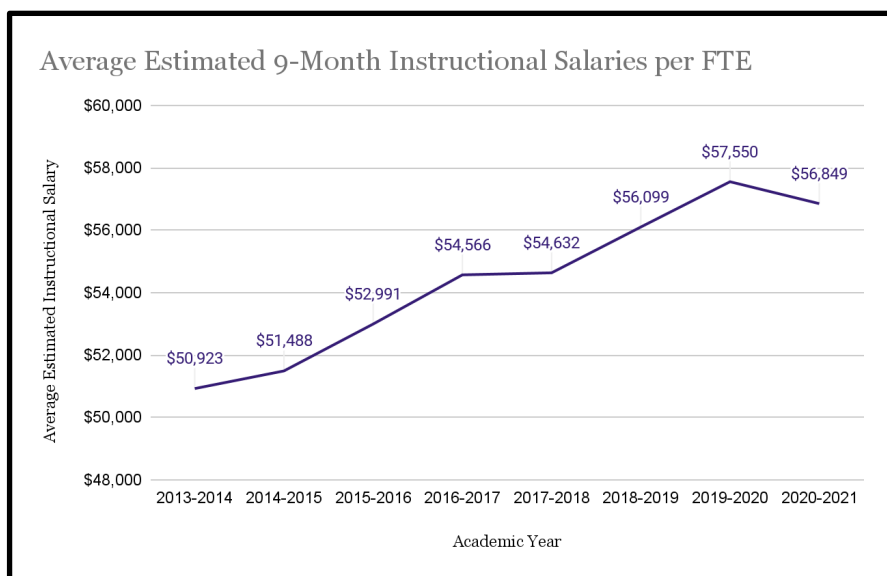


Figure 41. (Sources: SFA Jack Facts and Emsi Burning Glass)

## Trends in the Conferral of Bachelor's Degrees

SFA has also experienced slower degree growth in comparison to its peers. Since 2011, total degrees conferred at the university have grown by 19% while peer institutions have experienced a 39% increase in the same period. A lag in SFA's bachelor's degree growth compared to peers (14% vs. 25%) has significantly contributed to this disparity. Graduate degrees have been the main source of growth in recent years.

Fortunately for SFA, degree growth is currently buoyed by graduate enrollment. However, this presents only a temporary solution; the university will need to focus on bolstering bachelor's programs in order to remain competitive among its peers and maintain a steady source of income from the collection of tuition. Increasing STEM degree completion, in particular, will help advance the university's interest in innovation and complement the important work that the CARRI center will do in the future.



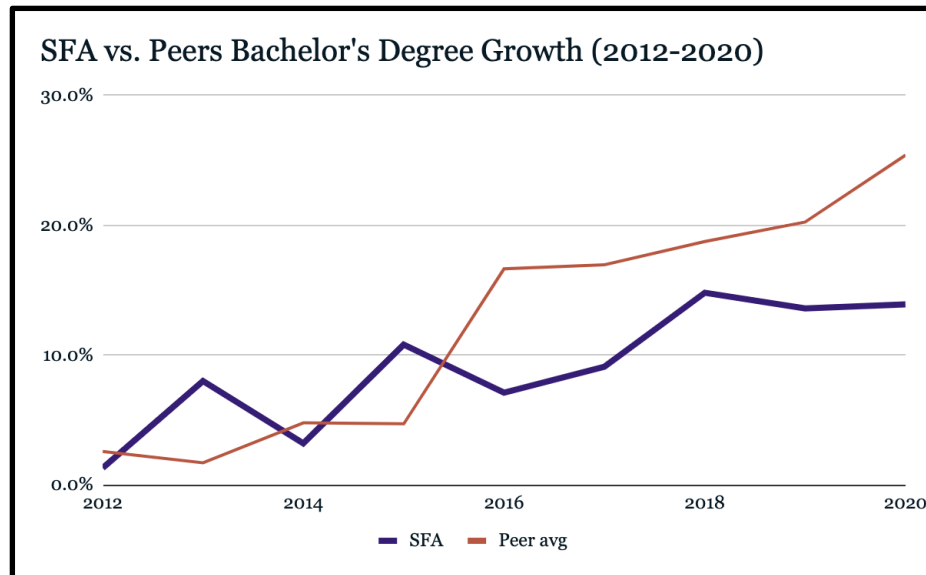


Figure 42. (Source: SFA Jack Facts)

## Degrees Conferred by Field

SFA's slow bachelor's degree growth may be related to its relatively small footprint in key growth fields: SFA trails its peers in degrees conferred in STEM and Healthcare. We focused on these key fields because of their relevance to workforce demand and the opportunity for innovation in the region. SFA is less likely to graduate students with degrees in education, healthcare, engineering, computer science, and other STEM areas in comparison to the average among its peers. The greatest discrepancy in a particular field is in engineering: only 0.6% of SFA graduates in 2020 studied engineering, compared to 5.1% of graduates at peer institutions.

SFA's ability to produce graduates that complement the needs of the region's workforce positions the university to play a highly influential role in the economic vitality of DET. Healthcare studies, for instance, presents a key entrance point for the university to fill regional employment needs. Nursing and healthcare-related hard skills have seen a sharp rise in demand in Nacogdoches and DET. The current shortage of healthcare workers may signal that SFA should invest in health-related degree programs to provide job security for students following graduation and to improve the public health of residents.

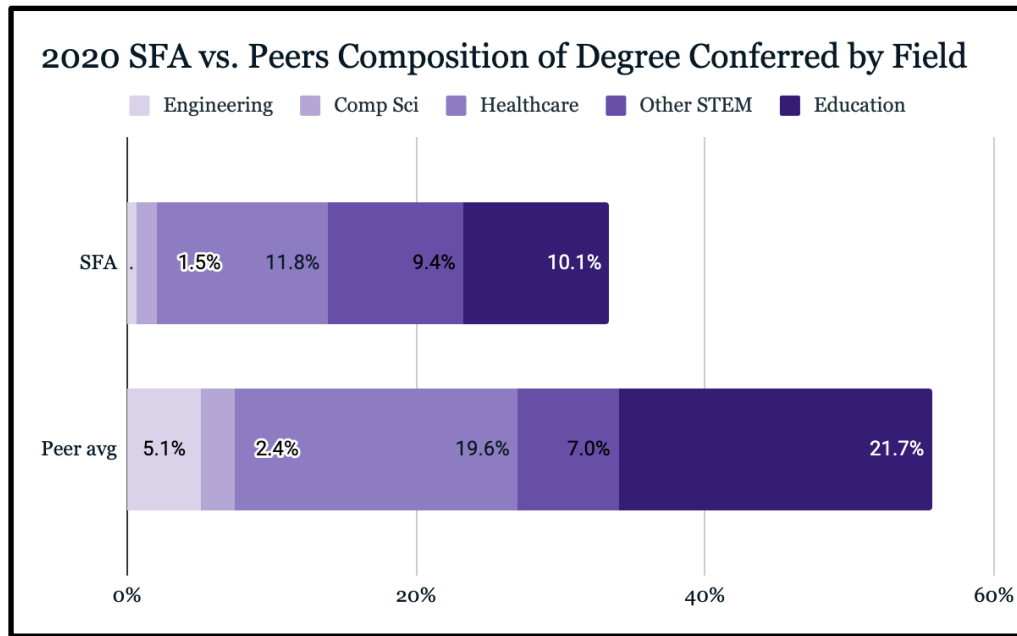


Figure 43. (Source: IPEDS)

## CLUSTER ALIGNMENT

Guidance from our SFA Steering Committee indicated strong interest in assessing the connection between SFA’s current degree offerings and living-wage job opportunities in the DET region. In considering an approach to this question, we elected to merge this interest with our broader focus on SFA’s anchor role in fostering regional economic resilience. The result is an analysis of the extent to which SFA credentials align with a set of target occupations defined by their wages, general workforce demand, and demand specifically within the industries that comprise DET’s industries clusters.

### *Defining Target Occupations*

Our analysis began with the industry clusters defined above in this report. From Emsi’s Staffing Pattern report, we produced a set of all occupations typically employed within the identified clusters. This list was filtered according to the following criteria:

1. Projected to grow over the next 10 years
2. Typically requires a bachelor’s degree or higher for entry
3. Average wage greater than DET’s average hourly wage (\$15.23)
4. All management positions removed, as they typically require on-the-job experience.

These filters resulted in a list of 50 occupations (after removing postsecondary educator). This list was then matched to academic fields at the four-digit CIP level, using the Department of Education’s CIP SOC crosswalk to enable a comparison of the demand for those occupations (annual openings in the most recent year) with supply as measured by matched completions in the most recent year (Institute of Education Sciences 2020).

### *Target Occupation Gap Analysis*

Comparing workforce demand with academic supply at the occupation level requires a further adjustment to account for the fact that academic fields do not match with occupations on a one-to-one basis. Several different fields can lead to the same occupation, but simply summing degrees from all of those fields will overstate the supply, since other occupations likely also rely on those same fields. The portion of the degrees in a given field that counts toward the supply for a matched occupation is calculated as the ratio of demand for that occupation divided by the sum of demand for all occupations matched to the field.

Figure 37 (see Appendix) shows the Target Occupations for which total 2020 demand (openings) in DET exceeded supply, defined as degrees conferred by SFA in 2020 matching the occupation and adjusted according to the methodology described above. The occupations are organized according to the cluster or clusters that employ them according to the Staffing Pattern—many are typically employed in multiple clusters and so are repeated—but the demand is comprised of openings across DET, not only within a cluster.

Our results suggest a need for skilled business personnel in DET. Accountants, buyers/purchasing agents, and various marketing, management, and business analysts, all of which are employed by most clusters, are significantly undersupplied when regional demand is compared to SFA degrees. Most clusters also employ engineers and/or some variety of computing specialists, which are also undersupplied. We find that the Education and Healthcare clusters employ the highest number of unique undersupplied Target Occupations, including the occupations that are most deeply undersupplied across the region.

### *Framing and Key Caveats*

While we believe that this analysis suggests areas where SFA degrees do not meet the needs of regional industry clusters, it should not be interpreted as a definitive statement on the matter or as a suggestion for a course of action. Potential caveats should be noted; for instance, it may be the case that the cluster industries have well-established recruitment pipelines from other institutions/regions, such that the appearance of unmet demand is not fully justified. Conversely, the appearance of adequate supply may conceal some organizations' inability to find a small number of individuals with the skills necessary for innovation or growth. While the adjusted supply calculation makes conceptual sense, in practice, most graduates with a certain degree might enter only one or a few occupations to the exclusion of others with which they are theoretically matched; the connections between academic fields and occupations might be different in reality. Further, this analysis considers supply only for the subset of occupations that fall into the Target Occupations list defined above—significant demand outside DET or outside the cluster industries may exist for occupations that do not appear to have a net demand gap.

These results must be properly framed as the basis for further investigation and as one perspective among many in the question of degree-demand alignment. We welcome further discussion with the Steering Committee and other stakeholders on the implications of these results and on further analyses also pertinent to the connection between SFA degrees and regional workforce opportunities.

## Anchor Assessment Summary

With affordable prices and a relatively strong graduation rate, SFA maintains a robust platform for traditional undergraduate education; however, this operation is not keeping pace with its peers' growth rates or their shift to STEM and Healthcare. Our analysis suggests that growth in these areas and in professional business services may help sustain and grow regional industry clusters while also providing much-needed acceleration in bachelor's degree growth. SFA successfully delivers higher education to disadvantaged students, who are a large and growing contingent of both DET and Texas as a whole. If this operation can scale up, reach more students, and better align with regional workforce demand, it could more effectively support regional economic growth and socioeconomic mobility while placing the university on a firmer footing. However, given recent salary trends, this type of expansion may require investments in compensation to support additional instructors and student success personnel.

## KEY TAKEAWAYS

Through the direct comparison of benchmarks in similarly situated universities and rural regions, our team assessed the current economic vitality in Deep East Texas. We highlight that while the overall economy in the state of Texas is generally experiencing tremendous growth and diversity, the economy of Deep East Texas is shrinking, and both its industries and communities lack diversity. Particularly troubling is that the region is not engaging a large portion of its workforce: **one in two potential workers is not participating in the region's workforce.** There are too many folks on the sideline—nearly half of the eligible population—making it difficult to recruit, retain and create businesses. We also found that **the local economy is largely dependent on the relatively static legacy industry sectors of Forestry, Wood Products, and Agriculture.** Although these stagnant sectors happen to have the highest-paying jobs in the region, their workforces are disproportionately filled by older men—and this may be associated with equity issues for women looking for higher-paying jobs in the region. Further, it is concerning for the region to have most of its higher-paying jobs in industries that are neither attractive to half of its population nor engaging young talent. As a region looking to expand, Deep East Texas will need to figure out how to bridge the gap between available, attractive jobs and a low labor force participation rate.

This participation problem is compounded by a decline in jobs, slow population growth, an aging population, and low educational attainment rates. Over the past decade, jobs have decreased by 2%, the population has grown by only 1.7%, about a third of the region's population is nearing retirement, and the percentage of the population with a bachelor's degree is two times lower than state and national averages. **Poverty is not only due to the college population.** Attainment of a college degree is nearly half the rate of the state as a whole, and the population is older than that of the state and all of DET's peer communities.

**The region's extraction sectors are not declining as fast as we may assume, which provides the region time to transition into more resilient sectors.** We found two industry sectors important to the

region's ability to diversify and transition into industries that are typically more resilient: Education and Knowledge Creation, and Local Health Services. It is worth noting that, although our team does not currently see enough evidence to designate it as a resilient sector, Plastics is an emerging field with the largest percent growth of all the sectors, although it remains relatively small. While not growing, Deep East Texas legacy sectors have managed to stay buoyant in contrast to their counterparts statewide. This provides an important safety net and a base for innovation going forward.

Education is a large, growing sector in terms of the number of people it employs in the region, yet it still stands to benefit from attempts to specialize the industry. Local Health Services is the largest sector in the region; however, it appears that there is no regional specialization occurring in this sector and it is not experiencing growth. The Healthcare industry accounted for 7 in 10 lost jobs (almost 2,000 jobs lost) in DET from 2010 to 2020. This is concerning not only because of the impact the loss of jobs has on the local economy but also because a strong Healthcare industry is needed to serve the region's largely older population, where 2 in 10 residents are uninsured.

Despite the few downsides, **we see potential in both the Education and Healthcare industries.** First, although the educational attainment in the region is low, there is a large pool of people who have some sort of college experience and a much higher percentage, compared to the national average, of people with a high school diploma. There is an opportunity to target and re-engage the portion of the population with some college as a means of increasing educational levels and bolstering the industry. Further, our assessment of Stephen F. Austin State University reveals that the university's College of Education enrolled the largest number of students among all programs and its graduates are valuable assets to the educational ecosystem in DET. Our team's analysis of SFA degrees in the context of regional industry clusters suggests that the College of Education should be seen as a crucial growth asset to leverage in strengthening SFA's role as a regional anchor.

Although the Local Health Services sector is not currently growing and is not a specialized sector in DET, it is the region's largest industry cluster by employment. Our team believes that there are many reasons why vibrant and thriving communities depend on having reliable healthcare services as an anchor. As previously mentioned, a large portion of DET's population is nearing retirement, which means that the demand for healthcare services will inevitably be on the rise. The aging population may become a point of concern should the Healthcare industry remain in its current state. Luckily, there is also an opportunity to meet the demand of the region's population with more trained healthcare professionals. The Education and Healthcare sectors have many openings and provide average to above-average wages.

Collectively, our research speaks to two large industry sectors that are critical to a thriving community and the unmet demand for nursing: Local Health Services and Educational Services. When considering how to prepare the region's current workforce for the future and how to align workforce solutions with the region's generational poverty, SFA has the opportunity to increase its already significant role in the economic development of the region. For instance, when our team compared all our benchmarks, Deep East Texas was the only region with a comparable anchor university. This means that while Deep East

Texas shares many of the rural economic struggles, it has one significant advantage over other similarly situated regions: the affordable and reliable educational institution of SFA. SFA is in a position to create on-ramps to careers in Healthcare and Education to help DET transition its economy to more resilient sectors and release the region from over-dependence on stagnant industries.

## NEW QUESTIONS

While this research gave us answers to one of our initial questions, during stakeholder engagement we will begin to answer whether SFA can expand its role as an anchor institution. This research also leads us to three new questions:

- Is there a successful rural region with an anchoring institution that may be a useful aspirational model for our recommendations?
- What role can SFA play in increasing entrepreneurial activity in Deep East Texas?
- Can better high-speed internet access provide new avenues to economic resilience?

We are facing multifaceted challenges in Deep East Texas, but many of these challenges are being addressed by similar communities throughout the country, giving us a large catalog of programs from which to draw inspiration. The creation of a strategy does not have to involve recreating the wheel—finding good rural anchor institutions will provide a testing ground of sorts.

Our research found that much of the DET economy is heavily reliant upon legacy industries, many of which face long-term viability risks, especially without significant innovation. Universities present a great opportunity to bridge the gap between academia and business with their large population of young people who are studying the cutting edge and willing to take on the risks of entrepreneurship. It is worth investigating whether SFA can be a catalyst for entrepreneurship to reinvigorate the legacy clusters and diversify the DET economy.

Rural broadband is on the front of many minds as a means of closing the digital divide. The federal government has included funding for it in the \$1 trillion infrastructure bill, and the State of Texas has created the Texas Broadband Development Office under the comptroller with the hope of making rural Texas more economically competitive. Areas with a strong outdoor lifestyle, like DET, could capitalize on the work-from-home movement and bring in professionals who need a strong internet to work, which will also help to meet the needs of tech and other data-heavy industries to “grow their own.” The potential is worth investigating whether broadband proliferation is a worthwhile goal for SFA and CARRI.



## References

- Brueckner, J. (2011). "Agglomeration Economies." *Lectures on Urban Economics* (pp. 5-9). The MIT Press.
- U.S. Government Accountability Office. (2020). Rural Hospital Closures: Affected Residents Had Reduced Access to Health Care Services. GAO-21-93. Retrieved from <https://www.gao.gov/products/gao-21-93>
- Stephen F. Austin State University. (2021). JackFacts. Retrieved November 12, 2021, from [https://jackfactsnew.sfasu.edu/ibi\\_apps/bip/portal/JackFacts](https://jackfactsnew.sfasu.edu/ibi_apps/bip/portal/JackFacts)
- Kelley School of Business. (2021). Indiana University for the Economic Development Administration. Innovation intelligence. Retrieved March 3, 2022, <https://www.statsamerica.org/innovation/ii3.aspx>
- Lozano, J. (2021). Fight for Healthcare Access in Rural East Texas Continues as Some of the State's Hospitals Face Closures. *Frontline PBS*. Retrieved from <https://www.pbs.org/wgbh/frontline/article/rural-texas-hospitals-closure-healthcare-access/>
- U.S. Department of Education, National Center for Education Statistics. (2020). CIP SOC Crosswalk." *Institute of Education Sciences*. Retrieved November 5, 2021, from <https://nces.ed.gov/ipeds/cipcode/post3.aspx?y=56>
- U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS). (2011-2020). Retrieved on November 5, 2021, from <https://nces.ed.gov/ipeds/use-the-data>

# APPENDIX B

---

## STAKEHOLDER ENGAGEMENT



Funded by IC<sup>2</sup> Institute

---

2021-2022

## STAKEHOLDER ENGAGEMENT CHAPTER

The community and anchor data assessments provided an empirical landscape of the region's workforce potential, economic vitality, and most competitive industries. To better inform our strategies and recommendations, we sought the input and lived experiences of community members in Deep East Texas (DET) to gain a qualitative understanding of the region.

The third phase of our research entailed stakeholder engagement to learn what key actors identify as the important objectives for a successful partnership between Stephen F. Austin State University (SFA) and the region. Throughout this engagement, we prioritized feedback from key stakeholders in the Deep East Texas and SFA communities. We conducted structured interviews, roundtable discussions, workshop sessions, and surveys with the Center for Applied Research and Rural Innovation (CARRI) board members to learn how we can better serve the populations our project aims to impact.

Providing space for community members to openly share their expertise, opinions, and hopes for the region's future development generates a shared understanding of the region's challenges and opportunities. This effort brings key stakeholders together to discuss the challenges they face and what actions should be prioritized to create conditions for a more resilient economy. Our team hopes that, upon completion of this project, key stakeholders can continue to have conversations and collaborate on future economic development initiatives.

Below is the list of stakeholders we engaged with and their key issues and areas of interest:

- **Stephen Cooper**, *professor and associate director of research, SFA*
  - Insight on his vision for CARRI and its strategic alignment with the DET Region. Dr. Cooper was our team's connector to other regional stakeholders.
- **Mark Durand, Lauren Phipps, Karen Stubblefield, and Aubrey Jones**, *executive director and team, Workforce Solutions Deep East Texas*
  - Insight on the state of workforce development and engagement in the region, including potential for SFA and gaps in meeting demand skills and occupations.
- **Nancy Windham**, *president and CEO, Texas Forest Country Partnership*
  - Insight on how we can nurture the symbiotic and long-term cooperation among DET counties, SFA, and regional businesses.
- **Kim Childs, Erin Childress, Tammy Harris, and Kevin Langford**, *dean and team, SFA College of Science and Mathematics*
  - Insight on where healthcare and STEM programs currently stand, including gaps in the STEM program overall and how the program can support the Healthcare sector.
- **Larissa Philpot**, *president and CEO, Nacogdoches Economic Development Corporation (NEDCO)*

- Understand existing approaches and challenges to economic growth in Nacogdoches, focusing on emerging industries, existing partnerships, and opportunities for SFA's role to evolve.
- **Center for Applied Research and Rural Innovation, board members**
  - Understand the priorities and values of CARRI.
- **Deborah Diamond**, consulting director, Campus+City
  - Insight on how we can enhance students' desire to stay in Nacogdoches following graduation, based on success with programs/policies in urban areas.
- **Gregory Pogue**, executive director, IC<sup>2</sup> Institute, The University of Texas at Austin
  - Insight on general challenges to rural economic development and what other universities are doing to help extractive economies, engage students, and promote entrepreneurship.
- **SFA Steering Committee Members**
  - **Beverly Morehouse**, sponsored project specialist, SFA Office of Research and Sponsored Programs
  - **C.J. Aul**, assistant professor, SFA College of Sciences and Mathematics
  - **Summer Pannell**, associate professor, SFA Educational Leadership
  - **Erma Brecht**, executive director, SFA Enrollment Management

As mentioned above, we conducted roundtable discussions, presentations, interviews, a workshop, and surveys with regional stakeholders. Our engagement process identified ways to address an array of issues: the need for collaboration among Nacogdoches and other counties and a bolstering of local industries, the promotion of CARRI as a community hub for the region, and ideas to leverage the SFA student body to serve and connect with the community. From these engagements, the following insights emerged and will help guide the final strategy recommendations.

### ***Insight 1: Siloed Regional Stakeholders***

In the world of rural economic development, no single entity can go at it alone. While rural America is not a monolith, the necessity to make the most of strained resources is common. Stronger relationships among rural stakeholders can reduce overlap and generate economies of scale. A sentiment shared by many of our stakeholders is that people in Deep East Texas are doing good work, but that work is not collaborative and, in fact, is “siloed.” For example, these silos are apparent in the way each individual college is working with industry, but neither SFA nor the other colleges has a point person on staff who is dedicated to these efforts. This patchwork technique makes it difficult to create a coordinated approach for working with industry, which delays response times and impacts students' ability to join the regional economy. The Small Business Development Center at Angelina College illustrates another example of siloing: Providing this entrepreneurial training to SFA students would benefit the region, yet there is minimal cross-pollination between Angelina and SFA.

### The Divide Between SFA and Nacogdoches

The silos start close to home with a perceived “lack of community-university-student integration.” Of the relationship between Nacogdoches and SFA, one stakeholder remarked, “Seems to be university world and then everybody else in the community area and they don’t really transect. If the town [burned] down, SFA probably wouldn’t change a whole lot... SFA sits on an island.” Current collaboration efforts between the city and SFA can and should be improved: It will be difficult for SFA to attract regional stakeholders if it does not first make inroads within its own community. This is not something that requires one party to sacrifice either—further teamwork between the two entities would be mutually beneficial.

### Deep East Texas Counties

In the anonymous survey, we asked CARRI board members to rank—on a scale of 1-5, with 1 being “Completely Disagree” and 5 being “Completely Agree”—how much they agree with the following statements:

*“Collaboration and cooperation with counties in DET provides a clear direction for regional economic growth.”*

Seventy percent of respondents said they either “Agree” or “Completely Agree.” Yet, when the survey asked the following two questions, the responses were less agreeable.

*“SFA has good relationships with the counties in DET.”*

*“I feel connected to the members of my regional community.”*

Seventy percent of respondents said they “Somewhat Agree” that SFA has good relationships with the counties, and 90% said they either “Somewhat Agree” or “Disagree” that they feel connected to members of their regional community. Most board members agree that collaboration between counties is important for the region’s economic well-being, but they do not necessarily feel connected with the overall regional community or believe that SFA currently has great relationships with surrounding counties. This feeling was reiterated during our conversation with the Texas Forest Country Partnership, where we heard that SFA has room for improvement as a partner and collaborator. At the same time, the larger counties need to do a better job incorporating smaller counties into regional decision-making. This incorporation could give the smaller counties a greater feeling of agency in the process, allowing them to see the benefits of regionalism and be more likely to engage in the process.

Getting counties—especially a dozen counties dispersed in rural areas—to collaborate and agree on overarching goals for the region is no easy task. When asked, “*Are there any rifts with other economic development groups/actors concerning the vision for DET?*” stakeholders revealed that counties are “not

working together, there is a lack of trust, interest, and communication, no sense of unity, and the smaller counties feel like they are going to get dwarfed by other areas.”

In other words, counties are not sold on the idea that regionalism and collaboration will lead to better economic outcomes for their communities. It was also noted in a conversation that not only is there a lack of collaboration from county to county but there is also some misalignment within each county. We begin to see the mountain of a task it will be to engender a sense of unity among all the counties. As one stakeholder said, “Can’t be part of a region if they can’t be part of a county.” Apart from the clashes of “egos” and territorialism exacerbating the need for improved alignment within counties, the lack of funding—especially for smaller counties—is a major hurdle for those wanting to initiate economic development projects.

There are some bright spots worth noting. Nacogdoches and Lufkin boast strong new economic initiatives and leadership for their areas. Newton County recently got \$1.8 billion for its aviation fuel project, and Mayor of Ivanhoe Cathy Bennett was cited as a county leader who has “excellent fundraising skills” that other counties can emulate.

#### Entrepreneur Partnership With Angelina College

Angelina College is a public community college that focuses on, and succeeds at, providing technical training. Located in Lufkin, Texas, about 30 minutes southwest of SFA, Angelina College is also home to the region’s Small Business Development Center which—if paired with Nacogdoches Economic Development Corporation’s Entrepreneur Program and/or with SFA— would serve as a valuable asset for budding entrepreneurs.

Despite this potential asset—both for individuals within the DET community who wish to start their own businesses and for the region to organically craft more entrepreneurs—SFA and Angelina College do not have an existing relationship. This lack of collaboration has to do with scarce resources and funding, even between the two largest counties in the region. As a result, avenues to increase enrollment, and other resources, are being left on the table.

#### CARRI As a Community Hub

CARRI, the Center for Applied Research and Rural Innovation at SFA, is a collaborative research center founded in late 2021 with CARES Act funding. CARRI promotes regional economic development and resiliency by providing funding for research in diverse areas and through other measures.

A positive insight from our engagement is that many of our stakeholders recognize the lack of collaboration across regional entities as a problem and see CARRI as a potential part of the solution, even if some differ on how large of a role that may be.



When asked, “Do you believe CARRI should lead and be the community hub for local businesses, workforce development organizations, schools, and counties in DET?” the overwhelming sentiment among community members was, “Yes. It would be a good idea for CARRI to fulfill the role, but it shouldn’t be only them.” It was largely thought that leadership should come from those already working regionally, like NEDCO, the Texas Forest Partnership, or political entities like the 12 DET counties. However, currently “these parties aren’t working in concert together.”

A recurring theme throughout our engagement was that the smaller counties in the region felt like their voices were not being heard in conversations about the regional economy. CARRI, acting as a community hub and a bridge between counties, presents a new opportunity to reach out a hand and “get people to believe they’re a united region.”

The implications of siloed regional entities are clear. By nature, it is difficult to make the best use of limited resources when entities are duplicating their efforts. Collaboration allows for the necessary economies of scale to make rural areas more competitive. Stakeholder recognition of this problem and excitement for CARRI’s potential to begin building these bridges are very encouraging.

### ***Insight 2: Bridging the Gap Between SFA Students and the Community***

As a diverse group of 12,620 individuals already engaged in higher education, SFA’s student body is an invaluable asset not only for the university but also for the entire Deep East Texas region. SFA students can help strengthen the social and economic fabric of DET as consumers, employees, volunteers, renters, and in other capacities. Moreover, students who engage with the community while enrolled may be more likely to stay in the area after leaving SFA, further supporting economic growth and community strength. Programs that connect students with hands-on, employer-based training programs can provide valuable learning experiences, giving SFA additional interest in furthering students’ connections to employers.

#### **Retaining SFA Graduates**

Multiple stakeholders emphasized that labor shortages, especially skilled labor shortages, pose perhaps the largest obstacle to economic growth in DET. High labor demand stretches across industries and education levels: poultry processors need frontline workers; manufacturers are seeking engineers; and regional businesses have openings for accountants, human resources specialists, and other white-collar professionals. While many efforts are underway to bring new workers to the area, train current workers and unemployed residents, and connect people with the many jobs available in DET, stakeholders depend on SFA graduates to fill many of the region’s openings. Stakeholders envision an expanded role for SFA in connecting its students to the community, given the fact that many SFA graduates head to major metropolitan areas<sup>1</sup> after graduation, with Houston and Dallas being the top cities for migration.

---

<sup>1</sup>SFA stakeholders offered these figures as a ballpark estimate; we found that Emsi’s profile analytics had a severe white-collar bias that made it unsuitable for a confident estimate.

*“I think there is definitely a skills gap...when you look at our labor participation rate, it's not great in Deep East Texas. And then I think our economy is doing really well, and our businesses are doing really well, and they just have more jobs than we have people to fill them at the moment, unfortunately...just headcount. We just have more jobs than we have people and then we have people that don't have the skills to participate in the workforce.”*

*“The entire region needs to look at students and better equip them to succeed in the region. I believe SFA is doing an excellent job in filling that role, but SFA can do a better job informing students of current regional opportunities.”*

### Expanding Programs for Community Connection

Expanding employer connections for current students can not only connect them to local opportunities but also enable the growth of highly demanded academic programs, like nursing. Stakeholders point to a shortage of clinical placements as a key limitation on the growth of nursing programs. The COVID-19 pandemic has exacerbated this issue by both limiting existing opportunities (hospitals and other care providers curtailed placement spots as a safety precaution) and increasing demand for healthcare workers. Stakeholders see the way forward in identifying creative ways to work with partners who have needs related to healthcare services. As one stakeholder put it,

*“[The nursing program] has had to be creative with clinicals and other things. COVID has been a huge challenge for the nursing field since this is a hands-on program and is difficult to teach virtually. The ability to interact with the community is huge. They helped answer community questions and work in testing sites right when the pandemic began, so it was a great learning experience. They’ve also played a major role in vaccination distribution—Nacogdoches County was vaccinated way faster than surrounding counties because of resources nursing students were able to have and help distribute. It solidified great partnerships between SFA and emergency services, county health departments, etc.”*

Along with employment and internships/work placement, volunteering offers an important vector for both strengthening the region and connecting SFA students with community life in DET. SFA students already engage regularly with DET through volunteerism, many with organized community service opportunities that have garnered appearances on the President’s Higher Education Community Service Honor Roll.<sup>2</sup> Stakeholders see these service activities as promising mechanisms for fostering deeper connections between students and DET; as one stakeholder said,

*“When we get a student off campus, they seem to get invested even if they go, you know, volunteer in maybe a low-income neighborhood that they're never going to go back to. They see people and things bigger than just SFA in the community, and so I think that that has an impact.”*

In students’ experience with volunteerism—which some stakeholders suggest SFA could require for

---

<sup>2</sup> <https://www.sfasu.edu/life-at-sfa/get-involved/community-service>

certain programs or in general—our team sees the potential for promoting student-community connections that go beyond jobs and work. When students have roles and relationships beyond the campus, they can begin to identify with the broader community and envision themselves as full-fledged members as opposed to transitory passersby who “subscribe to the local newspaper,” as one stakeholder put it.

### Need for Coordinated Intervention and Promising Practices

Stakeholders understand that some characteristics of the region likely impede student-community engagement and graduate retention. Without intentional efforts and investments from SFA in coordination with regional partners, it may be challenging to make progress in connecting the SFA student body to the DET workforce. For example, geography poses a major challenge: An employer might have significant workforce needs but be located too far from campus. One stakeholder also pointed to “child-care deserts”—areas without proximity to child-care services—as “a real challenge in these rural counties.” We also heard concerns regarding assumptions that local employment is “still heavily influenced by poultry processing and wood products processing...pretty hard jobs that are not sexy and fun,” despite the fact that firms are “struggling to attract people all the way up to the c-suite.” SFA’s Center for Career and Professional Development offers an impressive array of resources and services for incoming and current students, alumni, faculty/staff, and employers; but dispelling stereotypes about job opportunities in Deep East Texas may be an enduring challenge.<sup>3</sup>

Stakeholders identified a further legacy of DET’s historically low-skill agricultural and natural resource economy: a hesitance among some employers to raise wages and invest in technologies that require training and skills beyond those of a typical high school graduate.

*“[Employers] need to adjust their wages to be competitive, and they are starting to do that. When you look at DET in that mindset of this being an unskilled workforce, we are trying to change that with emphasis on education and CTE and skills and are working on the upskilling of lower-skilled workers. These companies are going to have to increase wages and benefits and the atmosphere of these jobs to keep employees here. We have to change the job seeker and the employer’s mindset.”*

Employer partnerships for opportunities for SFA students and graduates do not require investment only from SFA; stakeholders are looking for substantive investments and improvements from employers as well. With workers across the educational spectrum becoming seemingly more selective about wages and working conditions, business models that rely heavily on low-pay, low-skill labor are increasingly unsustainable and unattractive to the educated professionals needed for managerial, administrative, and technical roles. Especially in legacy industries, stakeholders are eager to co-invest with employers in

---

<sup>3</sup> <https://www.sfasu.edu/ccpd>

technological innovation and training so long as employers invest in the workplace quality and compensation also necessary to attract talent and leverage it efficiently.

Strategies for retaining former students in their academic regions have been advanced in other regions and cities. Stakeholders and others outside DET pointed our team toward models for student community engagement that can lead to graduate retention. They emphasized social and cultural linkages, employment connections for current students, and job opportunities for graduates. Based on our discussions with a variety of stakeholders, we believe some of these models may be appropriate for DET. Our participants shared a variety of reasons why they love this area: natural beauty, charm, community togetherness, and a shared sense of purpose to fulfill its potential and maintain its vibrancy. None answered that their favorite thing about DET was job opportunity, despite knowing that DET has more job openings than workers. The job is a prerequisite—the condition that “allows you to enjoy the local area” for the things that make it a place people love to call home. In our Strategy chapter, we discuss these models and how they connect students not only with a region’s job opportunities but also with its people and culture.

### ***Insight 3: Leveraging College of Education Students in Local K-12 Schools to Boost Community Engagement***

A strong partnership between SFA and K-12 schools in Nacogdoches offers an entry point for the community engagement of students. One interviewee suggested a collaboration between SFA’s James I. Perkins College of Education and local schools to boost the quality of primary education offered in the region while encouraging students to invest their time in local initiatives. SFA has already demonstrated feasibility and interest in these types of partnerships, having recently established paid internship positions for College of Education students with Huntington Independent School District. Matching students with community-based opportunities, such as service events or local employment, early in their college career is highly influential in shaping their perceptions of Nacogdoches. Students’ involvement in the community is crucial to increasing the likelihood that they will consider Nacogdoches a desirable location for their lives and careers.

#### **Symbiotic Benefits for K-12 Schools, SFA Students, and DET**

Leveraging College of Education students as a resource for K-12 schools is a win-win for the university and the region. The College of Education accounted for 25.4% of undergraduate enrollment (2,619 students) and 50.7% of graduate enrollment (835 students) in 2021 (JacksFacts 2021). The College of Education has long served as a point of stability for the university and will likely continue to do so (JackFacts 2021). SFA would benefit from increased enrollment and heightened demand for dual-credit programs—a particularly valuable opportunity given the university’s slower growth in the completion of bachelor’s degrees compared to its peers. Additionally, education students at SFA will benefit from the hands-on learning experience in classrooms. Additionally, the fieldwork experience gained from time spent in local classrooms will prepare candidates to satisfy licensure requirements. College of Education

student involvement would be a valuable resource for local school districts to gain fresh talent in the workforce. Overall, improved K-12 education would serve as a tremendous asset for the Deep East Texas region. Better schools will attract families and employers to DET. The retention of families and employers in DET, as it relates to Nacogdoches's quality of primary education, will help to stimulate economic demand.

#### Creating Community Investment Early in Students' College Careers

One of the many local points of attraction described by stakeholders is the sense of community in Deep East Texas. Many emphasized that the people of DET make the place special. As one stakeholder who has lived in Nacogdoches for the past 20 years said, "The beautiful landscape and warm, welcoming, supportive community are major attractions for the city." Long-time residents value the neighborly support between locals and appreciate the area's small-town charm. Local parents and children are experts in the communities in which they live. Working with families in the region can inspire buy-in from SFA students, as local residents' love of the place can be infectious with college students. Showing students that they can make a difference in the community also helps to foster their sense of belonging beyond the edge of campus.

*"We have a couple positions in my organization where we regularly hire folks who are freshly graduated students... It's those kinds of students that get involved off campus that seem to really appreciate [Deep East Texas] for what it is. I'm hoping that we can [involve more students] in the future and see a lot more people begin to appreciate life in a small town and [the] job opportunities here."*

#### ***Insight 4: Workforce Development as a Stabilizing Bedrock***

Throughout our stakeholder engagement processes, a primary insight has been the need to fill workforce gaps in the Deep East Texas region and promote skills alignment between industry and the community. SFA plays a key role in workforce development by providing the community with the tools needed to obtain in-demand skills and in-demand jobs.

Collaborations between local industry and SFA have the capacity to better serve the regional economy. There is a disconnect between industry and the workforce, which is exhibited through too few meaningful partnerships, continued dialogues, and internship/career development opportunities. Local businesses in Deep East Texas have needs that can often be met through the resources that SFA has available. In one instance of successful workforce alignment, a local business identified that they were struggling with training, and SFA was able to locate a student whom the business hired as a training intern. The entire regional economy benefits from connections like these.

### Internships As a Pipeline

Stakeholders at SFA see expanding structured internship programs<sup>4</sup> as a key strategy for improving academic programs, especially in STEM and healthcare fields. Internships can encourage students to persist to graduation by showing them professional applications of the knowledge and skills they are acquiring and providing an alternative to classroom-based education. Paid internships also help students meet their basic needs—food, housing, transportation—that otherwise might take their time and focus away from education or impede learning and compel some to drop out.

With half of our survey respondents disagreeing that job availability currently motivates students to start careers in DET, there is skepticism that students are aware of the local job opportunities their degrees prepare them for. Lack of knowledge about job opportunities could dissuade students from entering fields, completing their degrees, or job hunting locally after graduation. In the words of one stakeholder, “students often dream of a location that’s tied to career interests...career interests at a young age may keep students [here] or take them away”.

Matching students with community-based opportunities early in their college career is highly influential in shaping their perceptions of Deep East Texas as a place of work. As we previously mentioned, one great example of this is SFA College of Education’s new paid internship partnership with Huntington ISD, a community-based school district. One stakeholder with success in consulting campuses connected to cities emphasized the need for early intervention to increase the likelihood that students will consider Deep East Texas a desirable location for their lives and careers. Introducing students to the community and to local businesses in the first or second year of their college experience and nurturing those connections through graduation improves their view of the region as a place to advance their careers.

### Environment for Entrepreneurship

A complete workforce development strategy requires that thought be given to entrepreneurship, as new firms represent lifeblood in the economy, innovation in existing industries, and avenues for the employment of grads. Stakeholders shared that NEDCO offers entrepreneurship training, in which SFA professors can provide training. While past trainings have been geared toward students, SFA could provide increased infrastructure or training in this regard. Entrepreneurial-minded engineering students are known to get an MBA before pursuing a business, which is expensive in time and cost. A faculty stakeholder told us they would like to see more of the business side incorporated into the engineering curriculum as well.

For Deep East Texas to reach its goals of diversifying its economy and continuing to keep strong legacy sectors viable, DET residents and SFA students need to see a path forward for their entrepreneurial goals.

---

<sup>4</sup> That is, internship requirements or opportunities for credit, accompanied by placement support at employers in a relevant field who have a relationship with the academic program and provide substantive training and experience to the intern.

## References

JackFacts, Stephen F. Austin State University, 2021. Retrieved November 12, 2021 from [https://jackfactsnew.sfasu.edu/ibi\\_apps/bip/portal/JackFacts](https://jackfactsnew.sfasu.edu/ibi_apps/bip/portal/JackFacts).