



GREATER HOUSTON
PARTNERSHIP.

Making Houston Greater.

Improving Houston's Competitiveness Through Higher Education

Initiative Overview

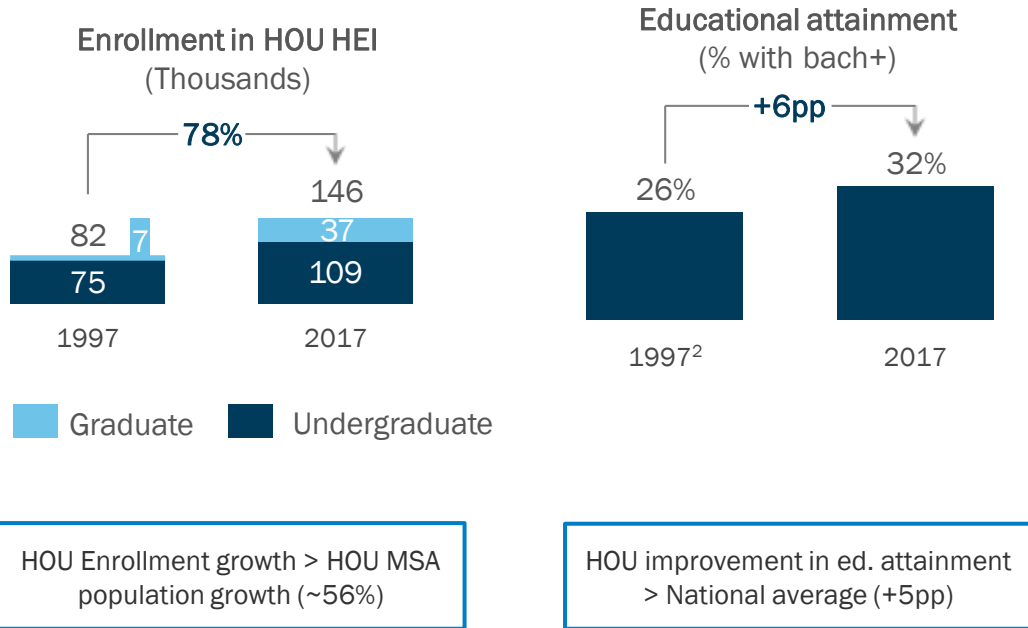


Houston Higher Education Initiative Objectives

- Develop Houston's current and future talent by creating a sustainable partnership between industry and higher education institutions
- Support the growth of Houston's higher education ecosystem by increasing student enrollment, degrees awarded and available funding sources
- Improve perception of Houston as an innovation hub through the talent and research produced by the region's higher education institutions

Houston Higher Education Growth

Over the past 20 years, Houston's higher education institutions (HEIs) have made significant progress to increase capacity and student attainment.



While ranking 6th in workforce size, Houston MSA ranks 32nd in degree production per person in workforce

Houston currently lagging behind other MSAs in degree production relative to workforce size



1. Includes Bachelor's, Master's and Doctoral degrees. 2. If we include Texas A&M, Sam Houston State University and Lamar University as part of Houston's degree production, rank would be 19th

Note: Out of top 35 MSAs by workforce size.

Source: National Center for Education Statistics. IPEDs: US Bureau of Labor Statistics; BCG analysis

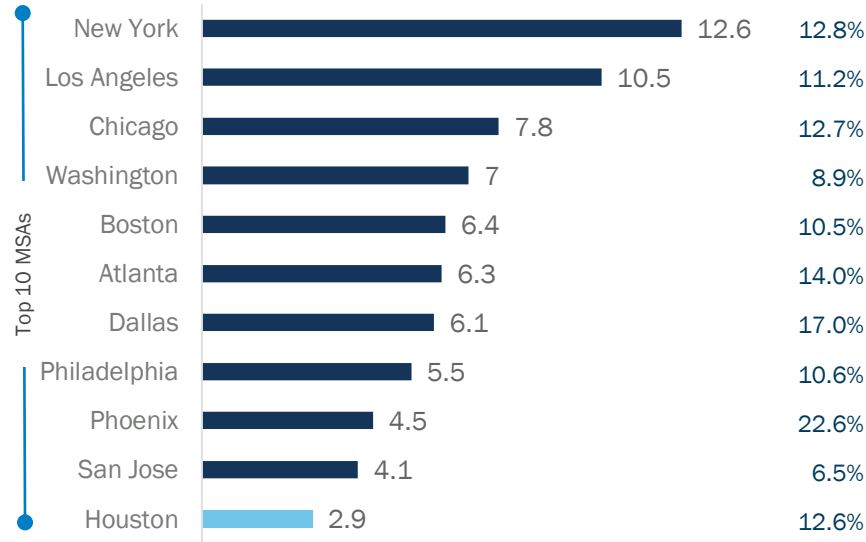
In order to stay competitive, Houston needs to more than triple its annual high-value, high-growth tech degree¹ production

Houston currently ranked 16th in high-value, high-growth tech degree production¹...

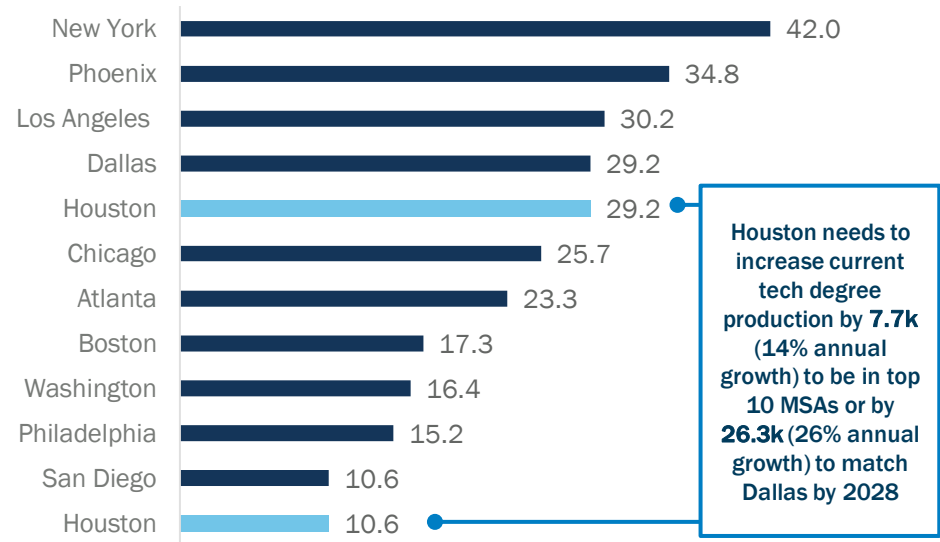
...and will need to increase to 10.6k within 10 years to be in top 10 MSAs

2017 Tech Degree Production (Thousands)

'12-'17
CAGR



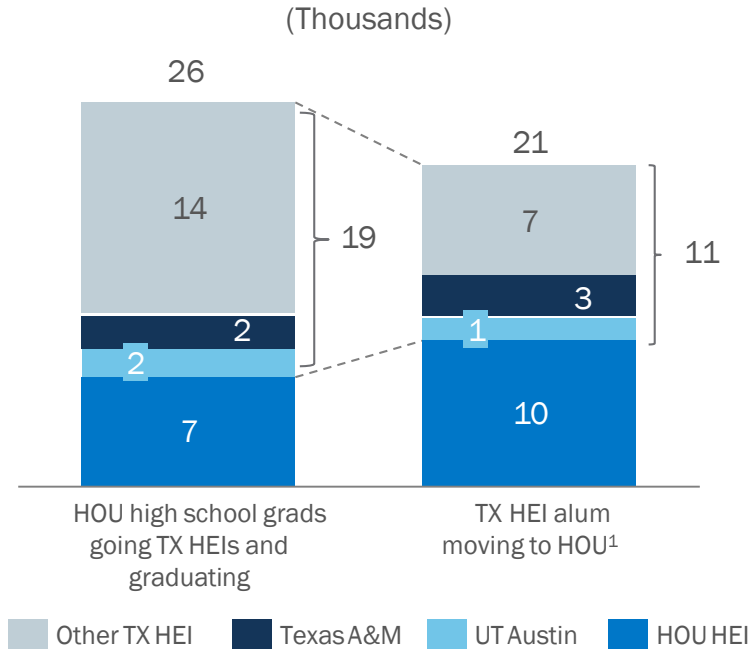
Projected tech degree production in 10 yrs² (Thousands)



1. Degrees aligned to high-value, high-growth tech occupations - top quartile national median wage, above average historical or projected growth, tech occupations based on CBRE and CompTIA classifications 2. Assuming continued growth at '12-'17 CAGR
Source: IPEDS; US Bureau of Labor Statistics; BCG analysis

Houston is currently sending more high schoolers to Non-Houston HEIs than receiving alum post-graduation

Number of students moving between HOU & TX HEIs

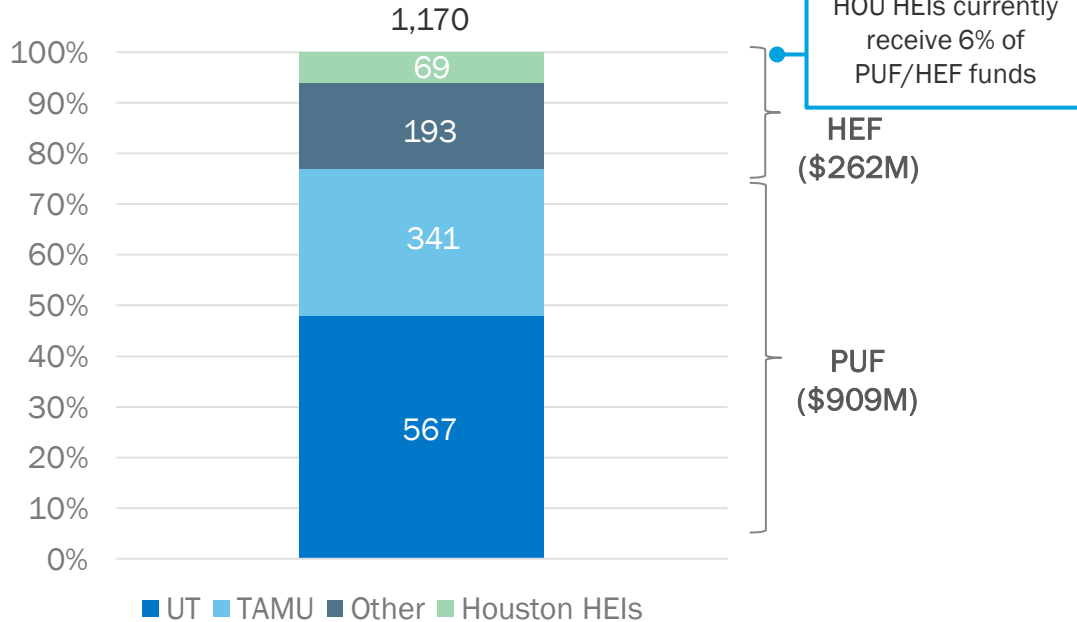


1. Only including other TX HEIs with >5% of alum moving to major TX city (HOU, DAL, AUS)
Source: WSJ's *Where Graduates Move After College*; Texas Higher Education Data, 2017; IPEDS, 2016-2017; BCG Analysis

Increased support necessary to close gap between HOU HEIs and TX average in public and private funding

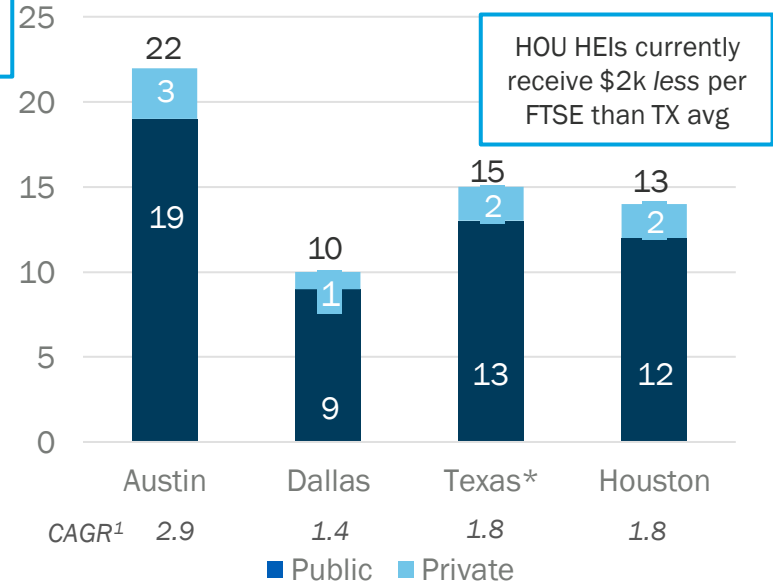
State Funds

2016 Allocations of PUF and HEF Funds (\$M)



Public & Private Funds

2017 State, Federal & Private by TX MSA (\$k/FTSE)



1. '12-'17 historical CAGR. 2. Includes schools from large MSAs (Houston, Dallas, San Antonio, Austin) and TAMU. Note: Weighted avg. by FTSE
Source: THECB Sources and Uses report FY 2017 & FY 2012

Bold goals for Higher Education in Houston

Goal	Today	2028	Rationale
Increase bachelor+ degree production	27,000 degrees/year	63,000-72,000 degrees/year	Become top 10 MSA
Increase high-value, high-growth tech degree production	2,900 degree/year	11,000-29,000 degrees/year	Match DFW, top 5 MSA
Close funding gap between Houston and TX MSAs	Avg HOU funding: \$13k/student	Avg HOU funding: \$18k/student	Match TX HEI average
Increase Houston attractiveness/reputation:			
<ul style="list-style-type: none"> # recognized faculty by Nat'l Academies (NAS, NAE) 	<ul style="list-style-type: none"> 53 faculty 	<ul style="list-style-type: none"> 100+ faculty 	Become top 5 MSA
<ul style="list-style-type: none"> % of alum from top TX HEI moving to Houston 	<ul style="list-style-type: none"> 24% alums 	<ul style="list-style-type: none"> 34% alums 	Match DFW levels

Source: IPEDS, US Bureau of Labor Statistics, THECB, BCG Analysis