

Building a College-Going Culture in the Valley

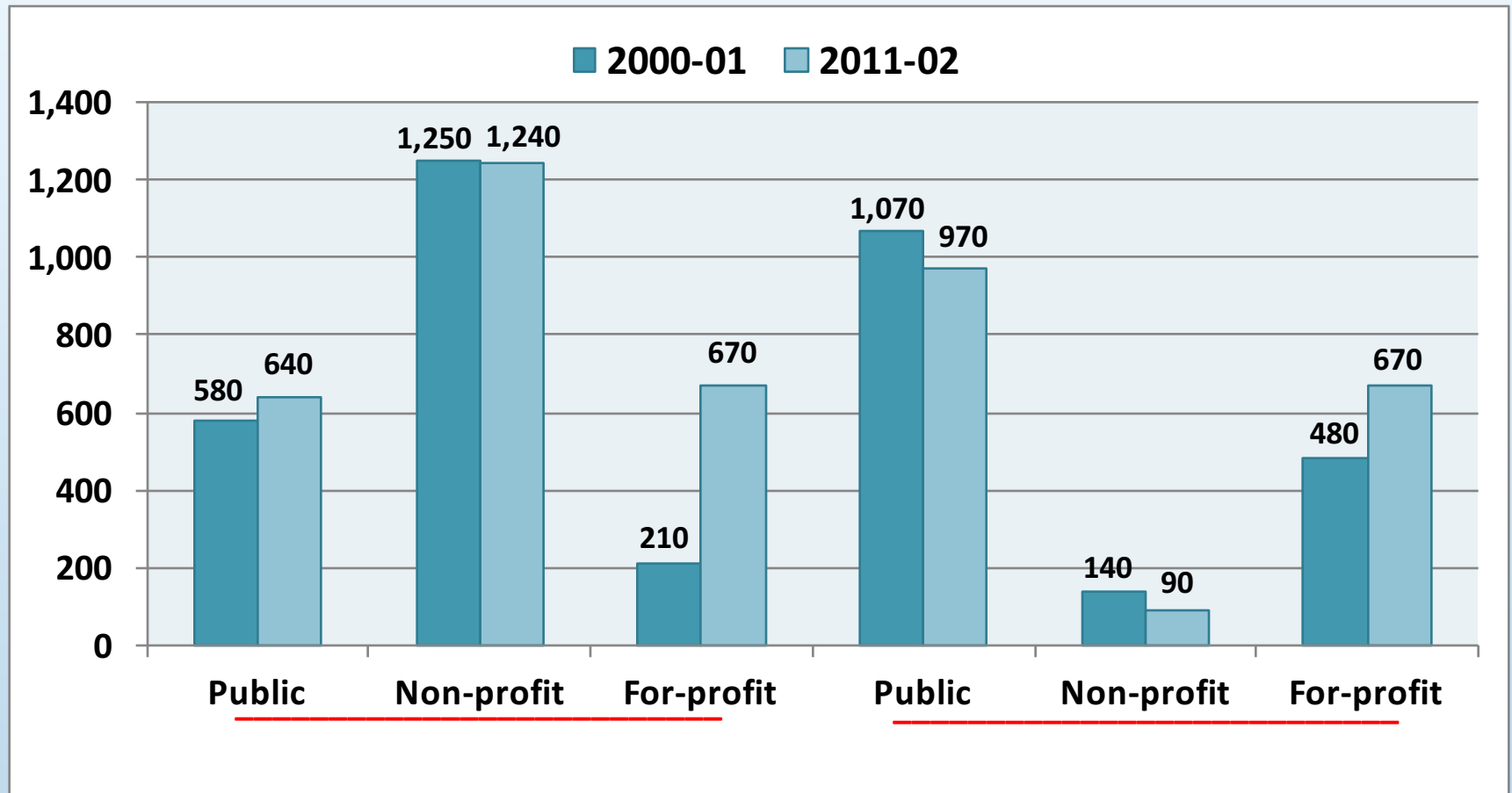
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President Emeritus
Fresno Pacific University

What's the problem?

- **Strong link between higher education and healthy, vibrant communities.**
- **U.S. slipped from 1st in the world to 16th in college completion.**
- **People and communities get left behind in absence of “college-going culture.”**
- **People are questioning the value of a degree.**

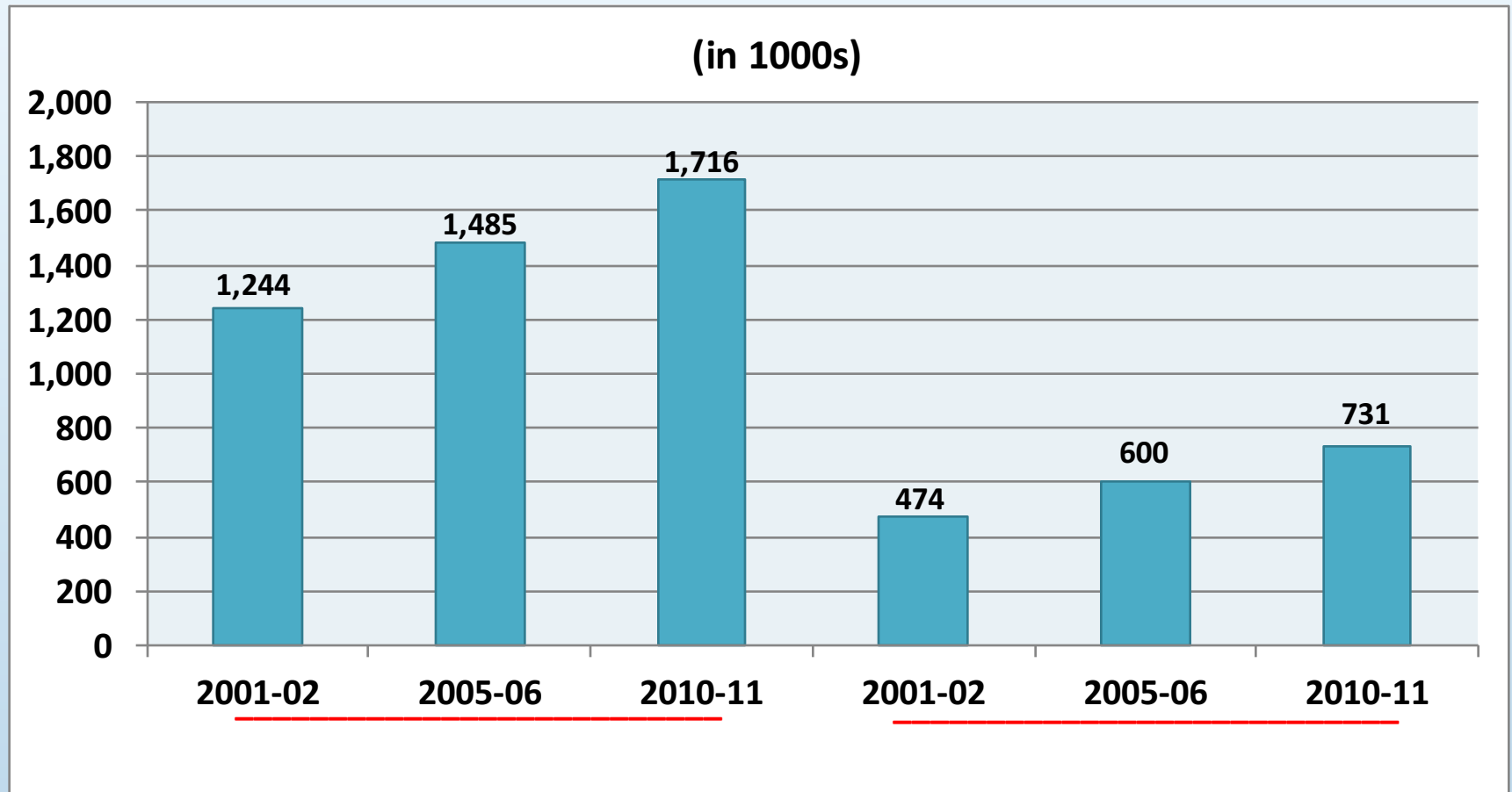
The Higher Education Context

Number of degree granting institutions with first year undergraduates; academic years 2000-01 & 2010-11



Source: *The Condition of Education 2013*. NCES, Postsecondary Education, Figure 2.
<http://nces.ed.gov/pubs2013/2013037.pdf>

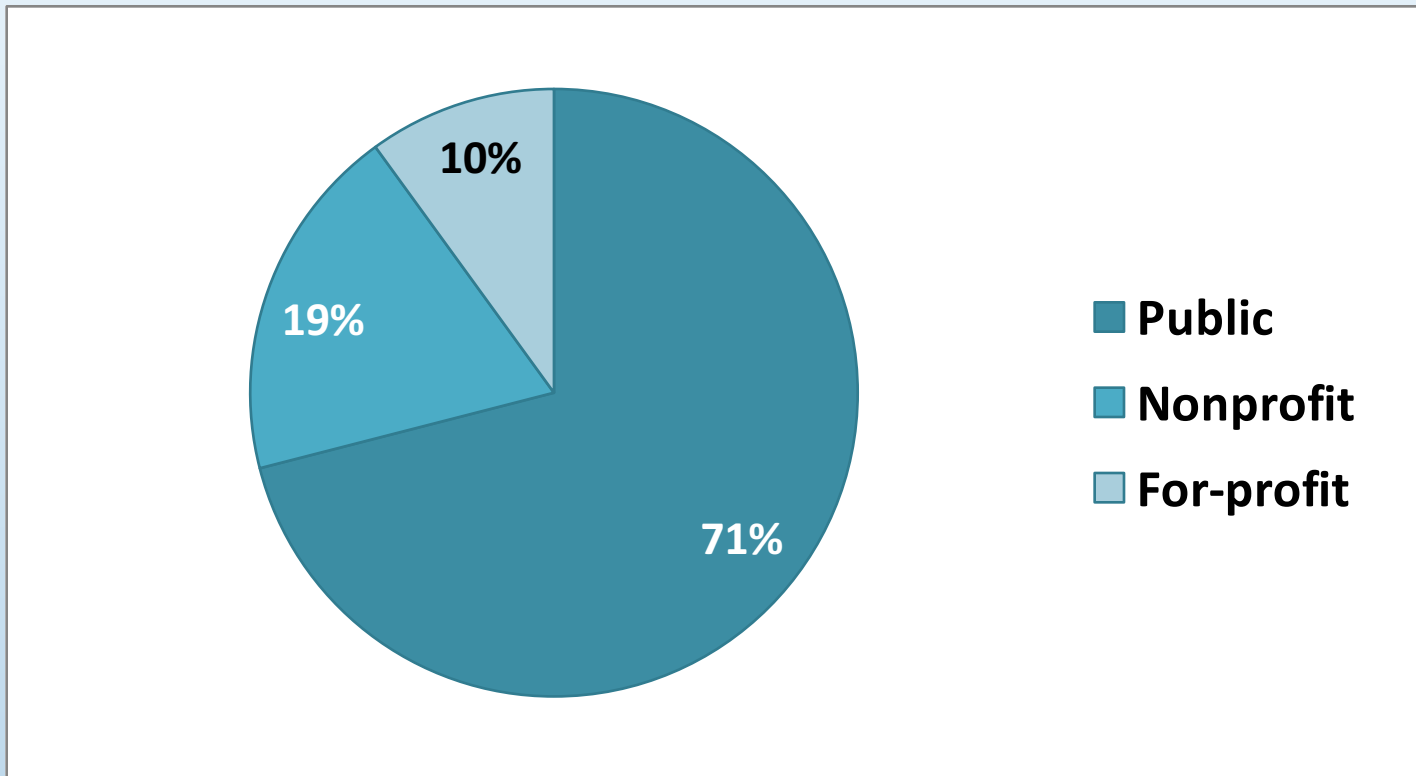
Number of degrees conferred by Title IV institutions by level of degree; academic years 2000-01, 2005-06, 2010-11



Source: *The Condition of Education 2013*. NCES, Postsecondary Education, Figure 2.
<http://nces.ed.gov/pubs2013/2013037.pdf>

Enrollments at Title IV Institution, Fall 2012

[Total: 21,470,000]

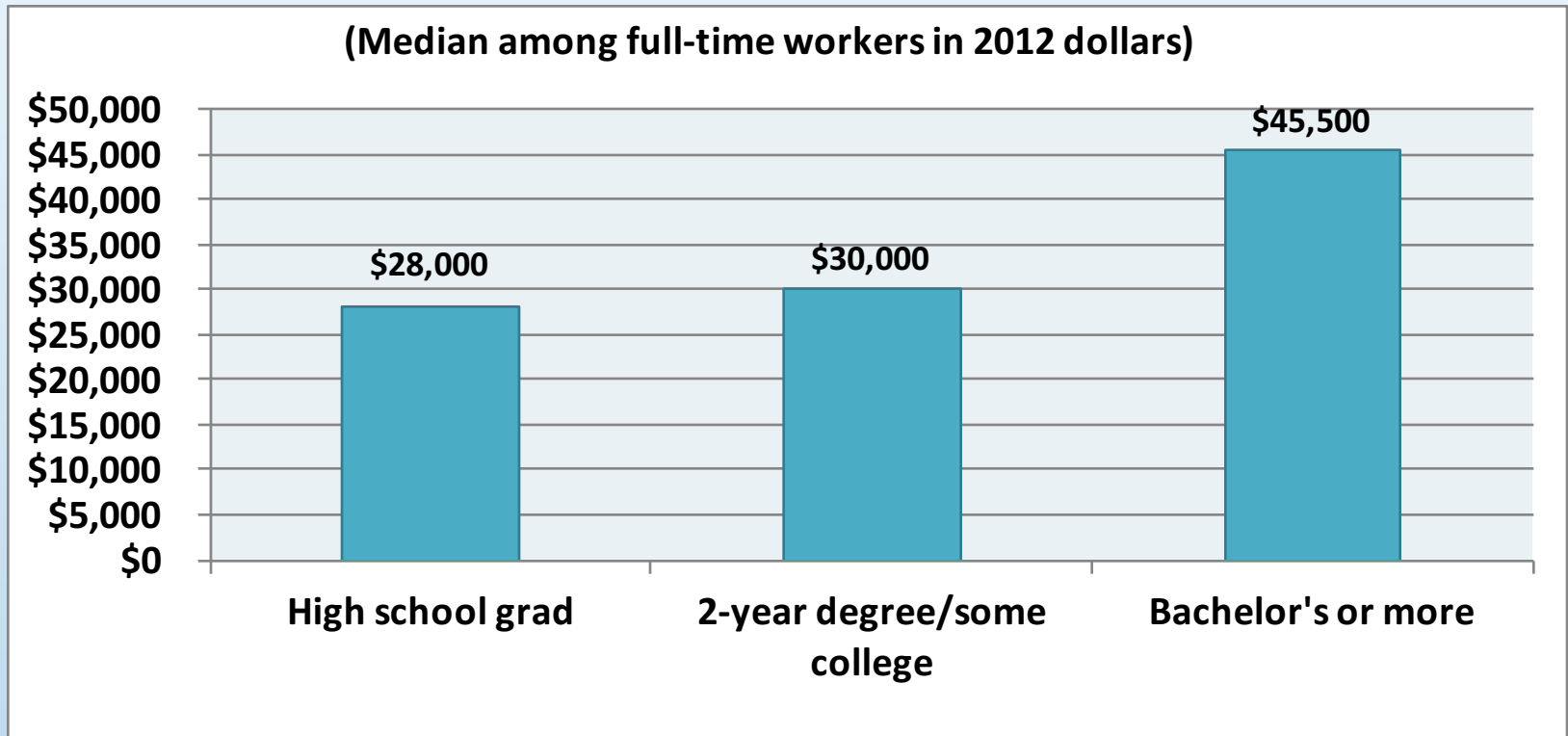


(Source: *Enrollment in Postsecondary Institutions, Fall 2012 (First Look)*, Table 1)

The Basic Question: *Does having a college degree really matter?*

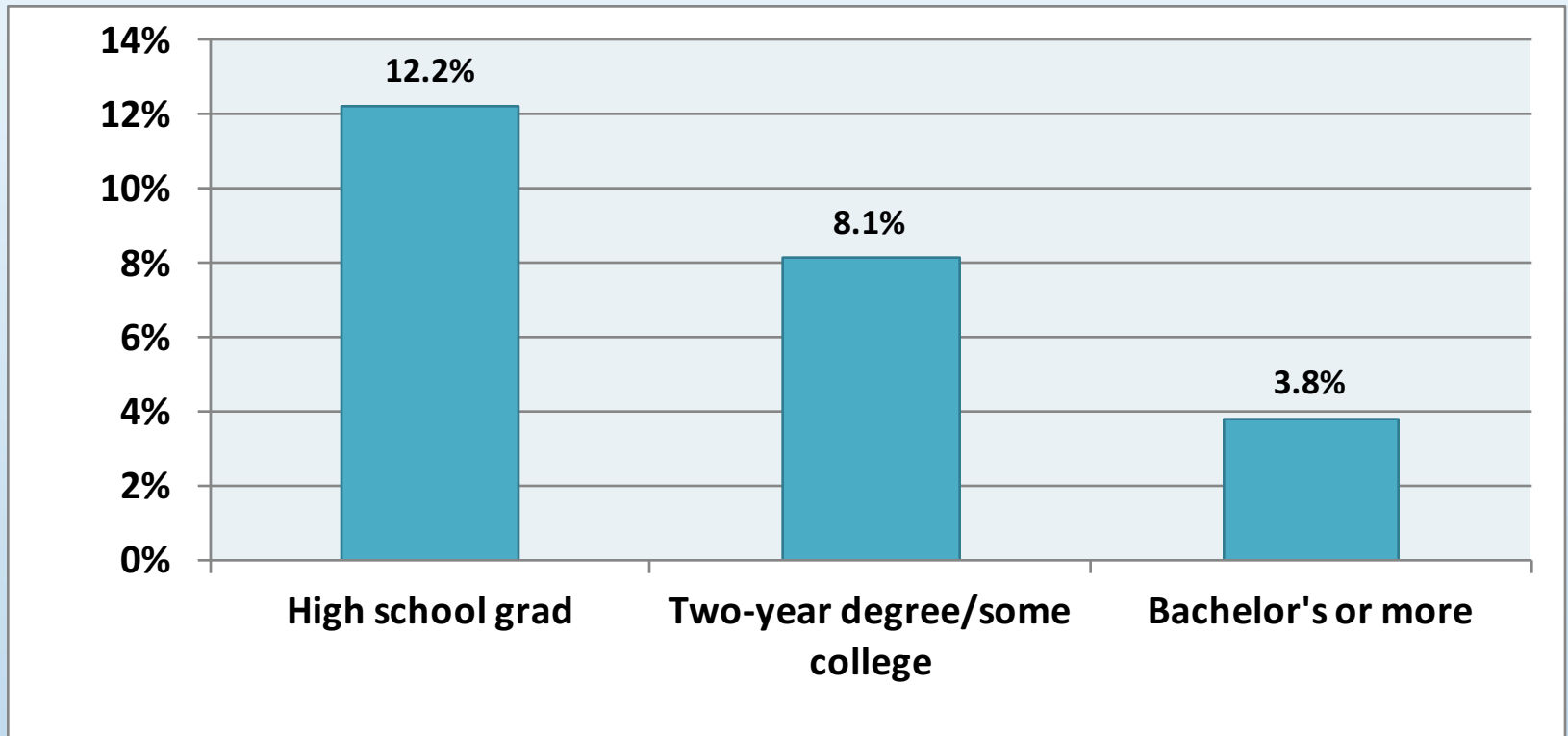
WHAT THE RESEARCH SAYS....

Annual Earning of Millennials (Age 25-32) by Educational Level



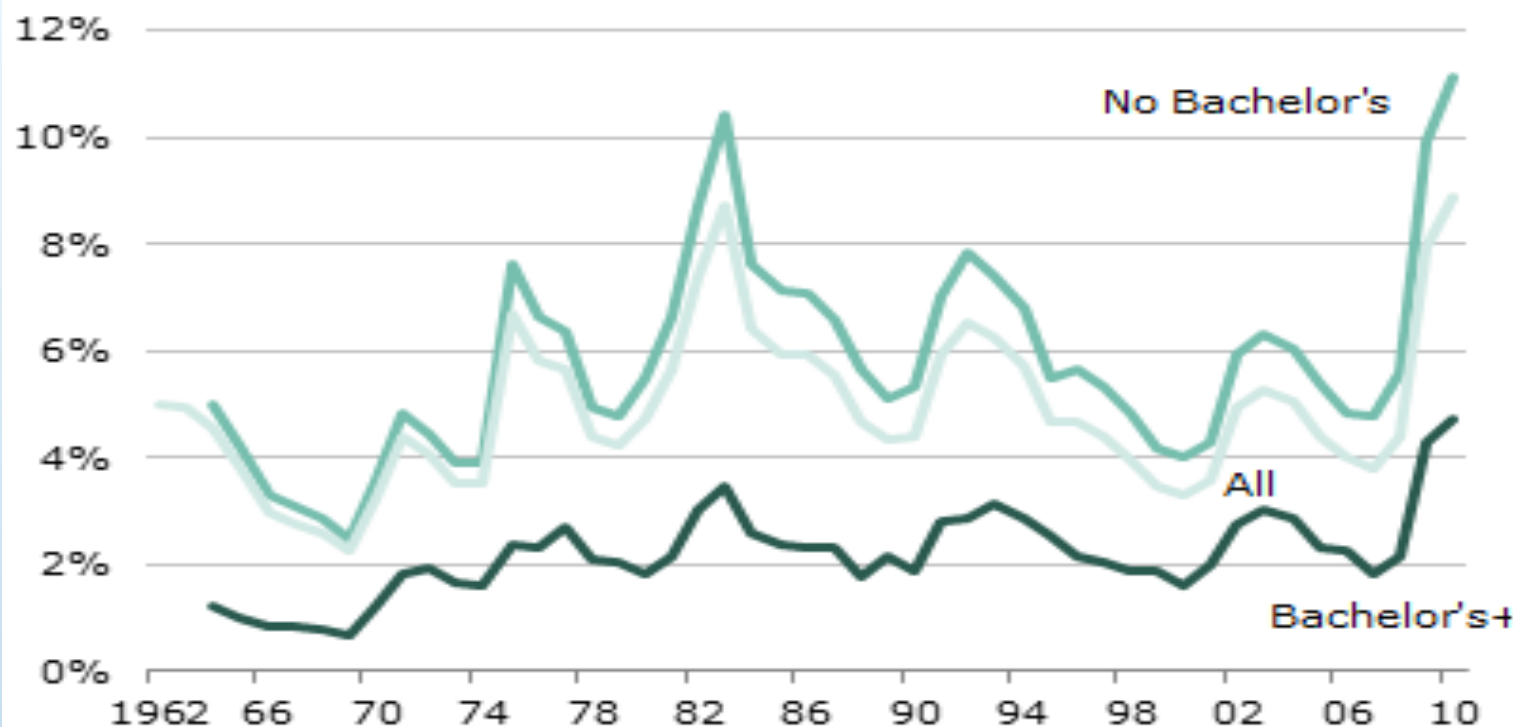
Source: The Rising Cost of Not going to College, Pew Research, *Social and Demographic Trends*, February 11, 2014.

Unemployment Rate for Millennials (Age 25-32) by Educational Level



Source: The Rising Cost of Not going to College, Pew Research, *Social and Demographic Trends*, February 11, 2014.

Unemployment Rates by Education, 1962-2010

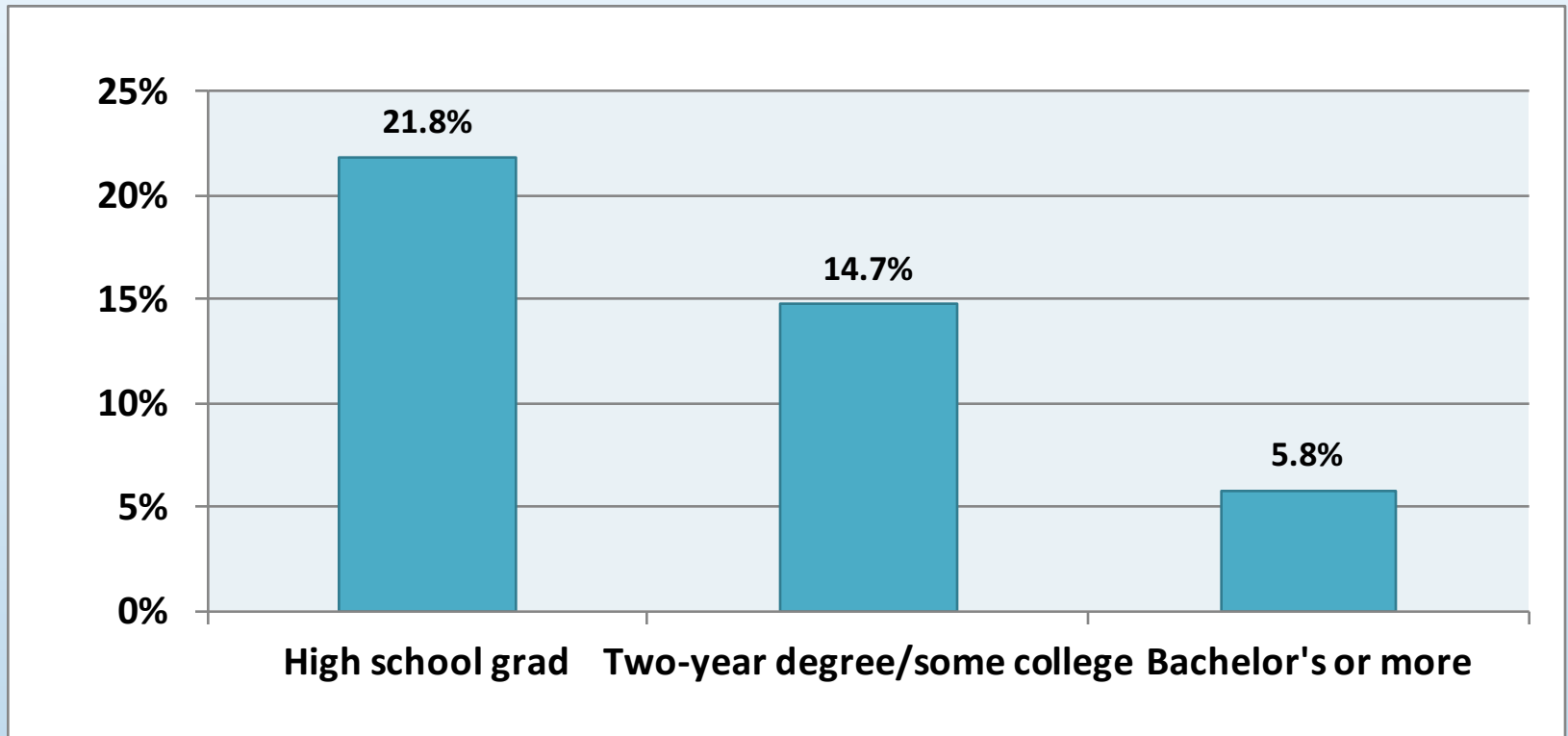


Source: March Current Population Survey (CPS) Integrated Public Use Micro Sample

Notes: For persons age 25 and over. Prior to 1992, persons with at least a bachelor's degree refers to those with four or more years of college.

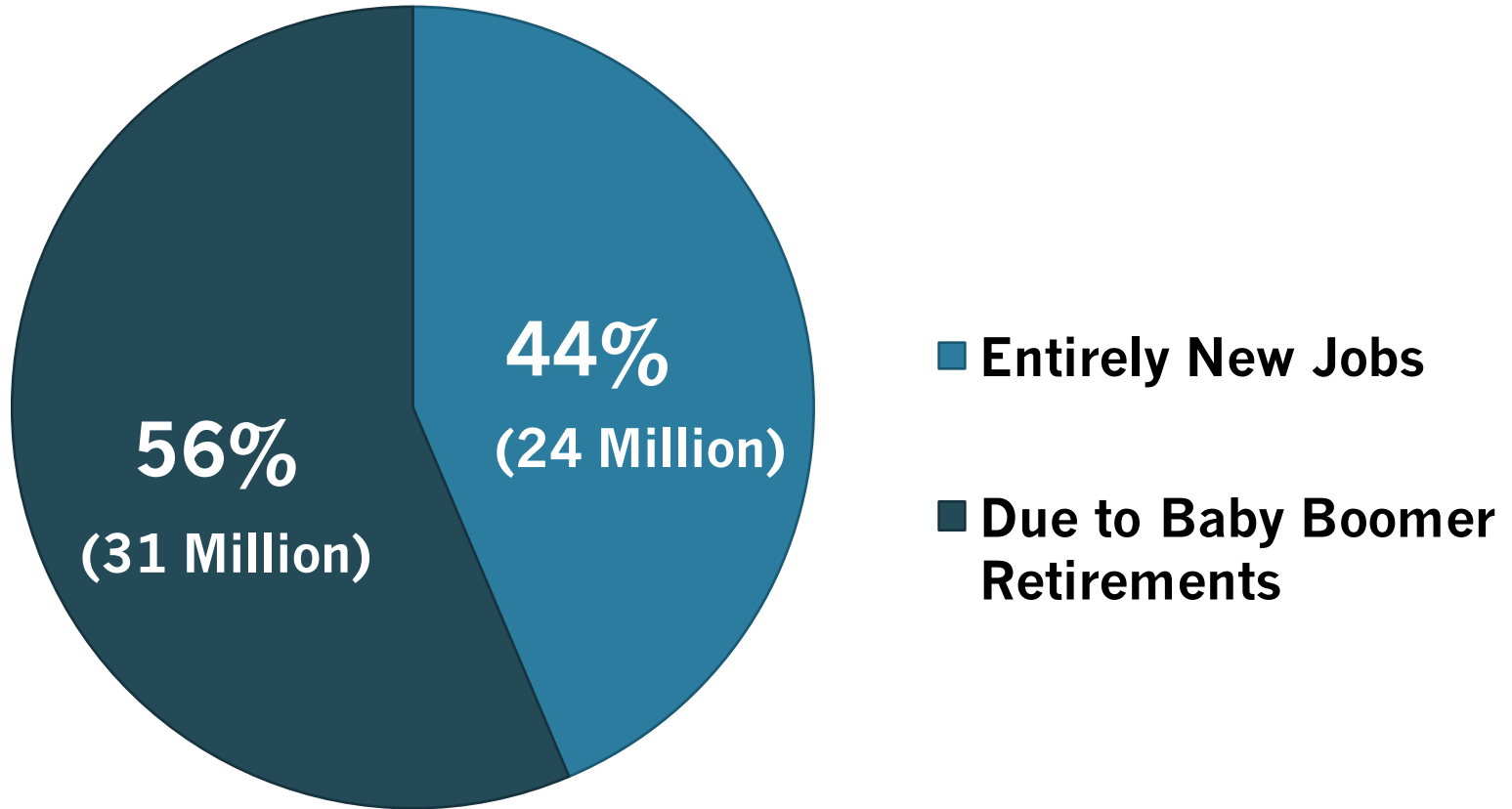
PEW RESEARCH CENTER

Millennials (Age 25-32) by Educational Level, Living in Poverty



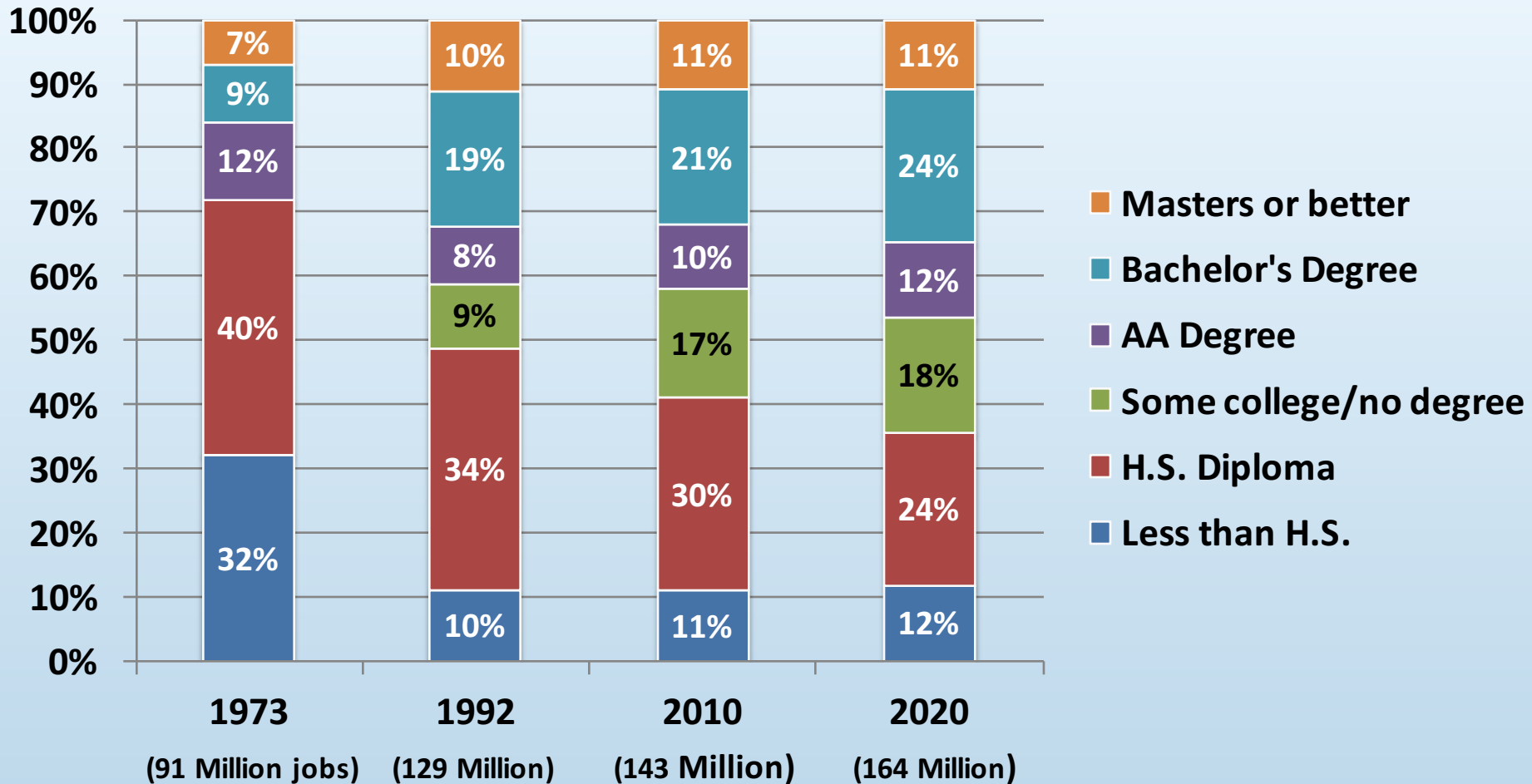
Source: The Rising Cost of Not going to College, Pew Research, *Social and Demographic Trends*, February 11, 2014.

55 Million Jobs Expected by 2020



(Source: Georgetown U. Center on Education and Workforce, June 2013)

Jobs Requiring Postsecondary Education



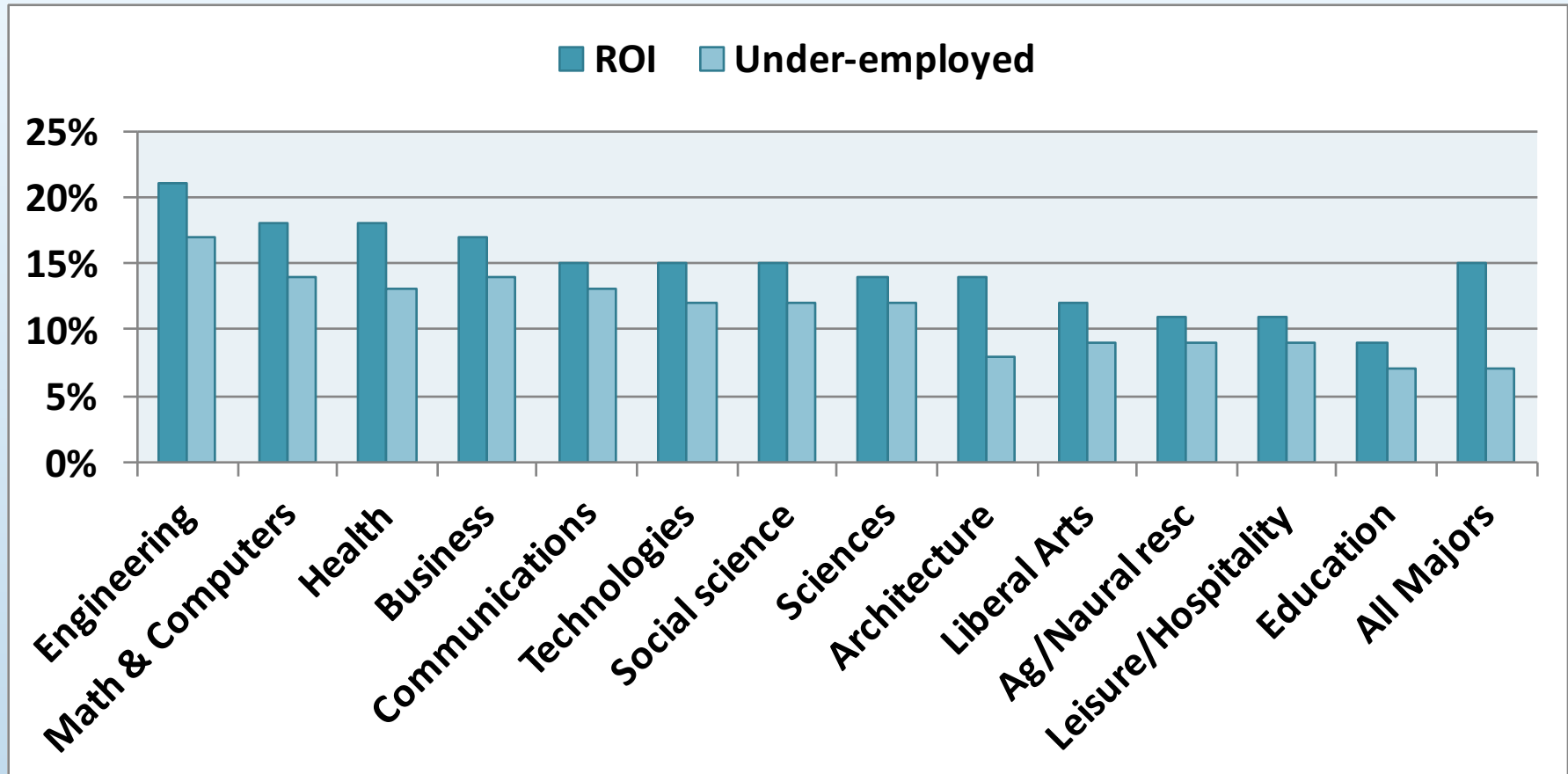
(Source: Georgetown U. Center on Education and Workforce, June 2013)

(Source: Georgetown U. Center on Education and Workforce, June 2013, Figure 3)

Economic Benefit to Individuals

- **“College premium” (\$1 million according to 2014 Pew Foundation study)**
- **Lower levels of unemployment**
- **More likely to have pension**
- **More likely to have health insurance**
- **Less likely to draw on public assistance**
- *Sources: Pascarella and Terenzini, College Board and the Pew Foundation.*

Return on Investment & Percent Under-employed



Source: Jaison R. Abel and Richard Deitz; "Do the Benefits of College Still Outweigh the costs?" Federal Reserve Bank of New York, *Current Issues in Economics and Finance*. Vol. 20, No. 3, 2014.
 [www.newyorkfed.org/research/current_issues]

Average Annual Return on Investment

- **Stocks – 7% since 1950**
- **Bonds – 3% since 1950**
- ***Bachelors degree – 15% for 2012**

***Note: Since this is a new measure, we don't have the data needed to calculate a long-term trend at this point.**

Source: Jaison R. Abel and Richard Deitz; "Do the Benefits of College Still Outweigh the costs?" Federal Reserve Bank of New York, *Current Issues in Economics and Finance*. Vol. 20, No. 3, 2014. [www.newyorkfed.org/research/current_issues]

The Bottom Line

- **People without some postsecondary training place themselves at risk**
- **Many of the jobs will be in new areas requiring the ability to adapt to new opportunities**
- **The growth of the information economy means that people need 21st century skills to survive**

Cognitive Benefits

- Increase in critical thinking
- Higher level verbal and quantitative skills
- Greater level of general knowledge
- Increase in “Level of principled moral reasoning”
(greater increase in small, private institutions
than in publics)

Source: Pascarella and Terenzini, Bok, College Board

Social Benefits

- **Greater self-confidence**
- **More identity development**
- **Greater leadership skills**
- **Lower levels of abuse/family violence**
- **Stronger networks of social support**

Source: Pascarella and Terenzini

Health Benefits

- **More likely to exercise**
- **Less smoking**
- **Less substance abuse**
- **Lower mortality rates**
- **Higher self-evaluation of own health**

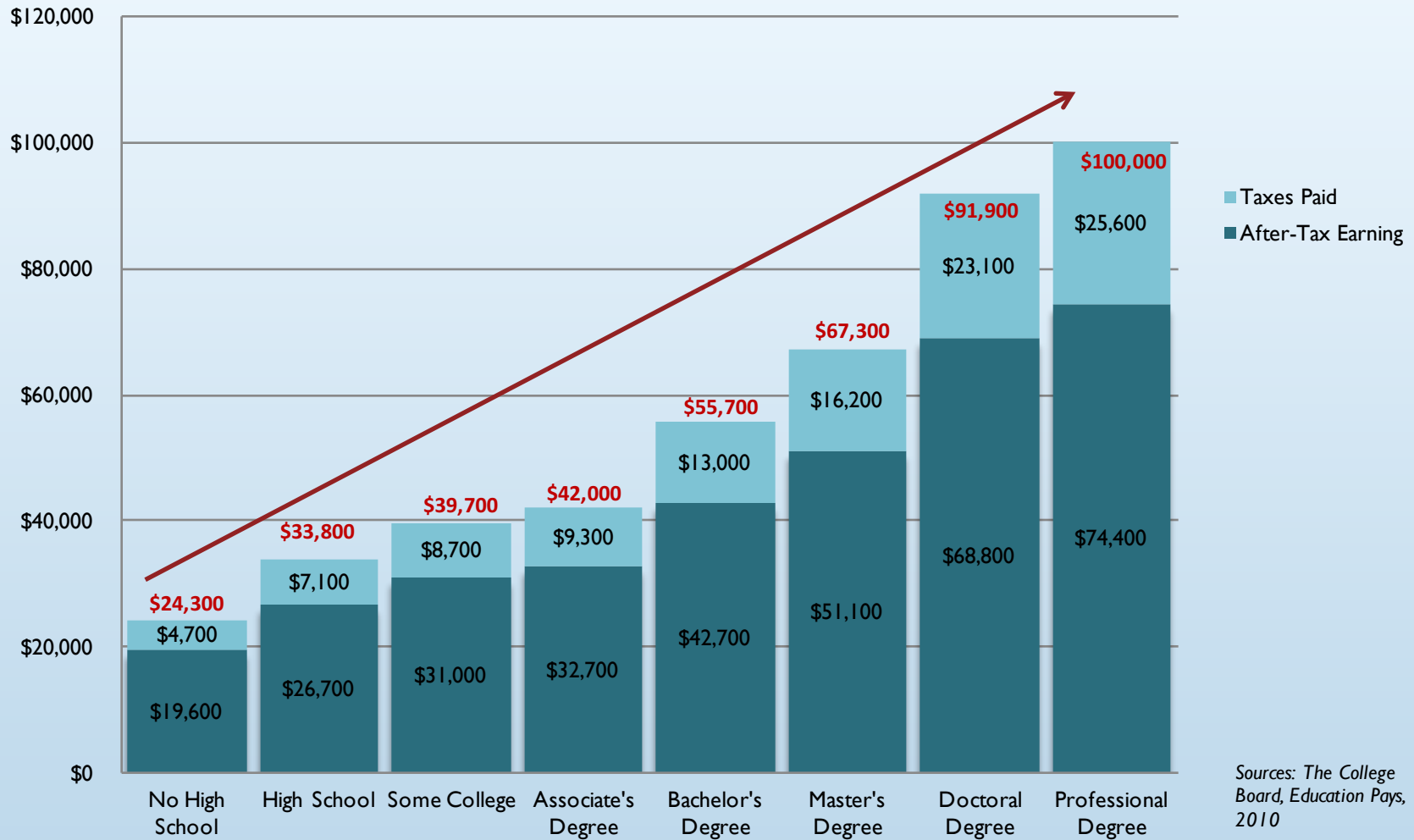
Source: Pascarella and Terenzini

Civic Benefits

- **More likely to vote**
- **More participation in political process**
- **More support for civil liberties**
- **More likely to give blood**
- **More likely to serve as volunteer**

Source: Pascarella and Terenzini

Earnings & Tax Payments by Educational Attainment

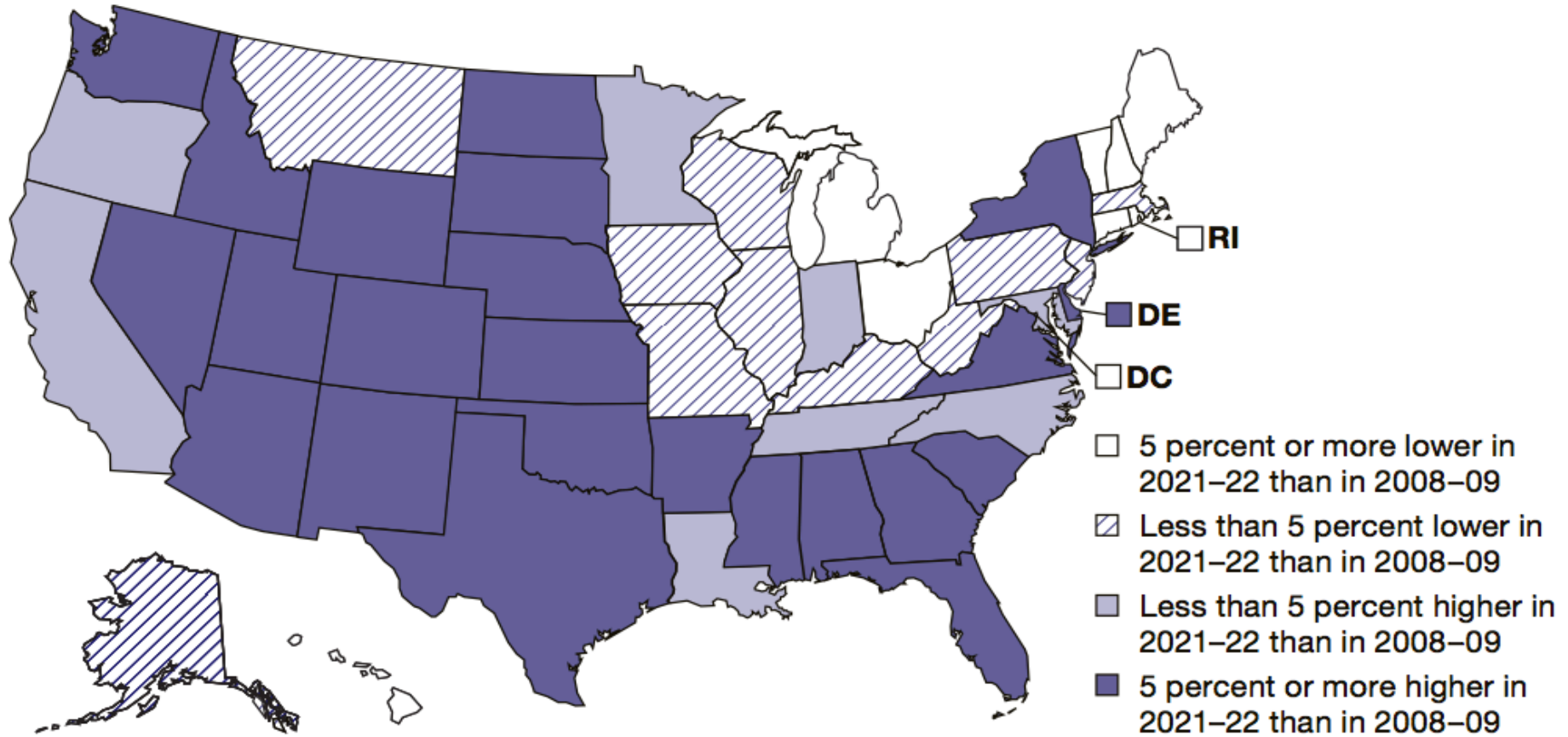


**Yes! Having a college education
matters!**

Causes for Concern

1. Changing Demographics

Figure 8. Projected percentage change in the number of public high school graduates, by state: School years 2008–09 through 2021–22



Source: *Projections of Educational Statistics to 2021*, NCES, table 8, page 10.

Postsecondary Enrollments and Projections

(in 1000s)

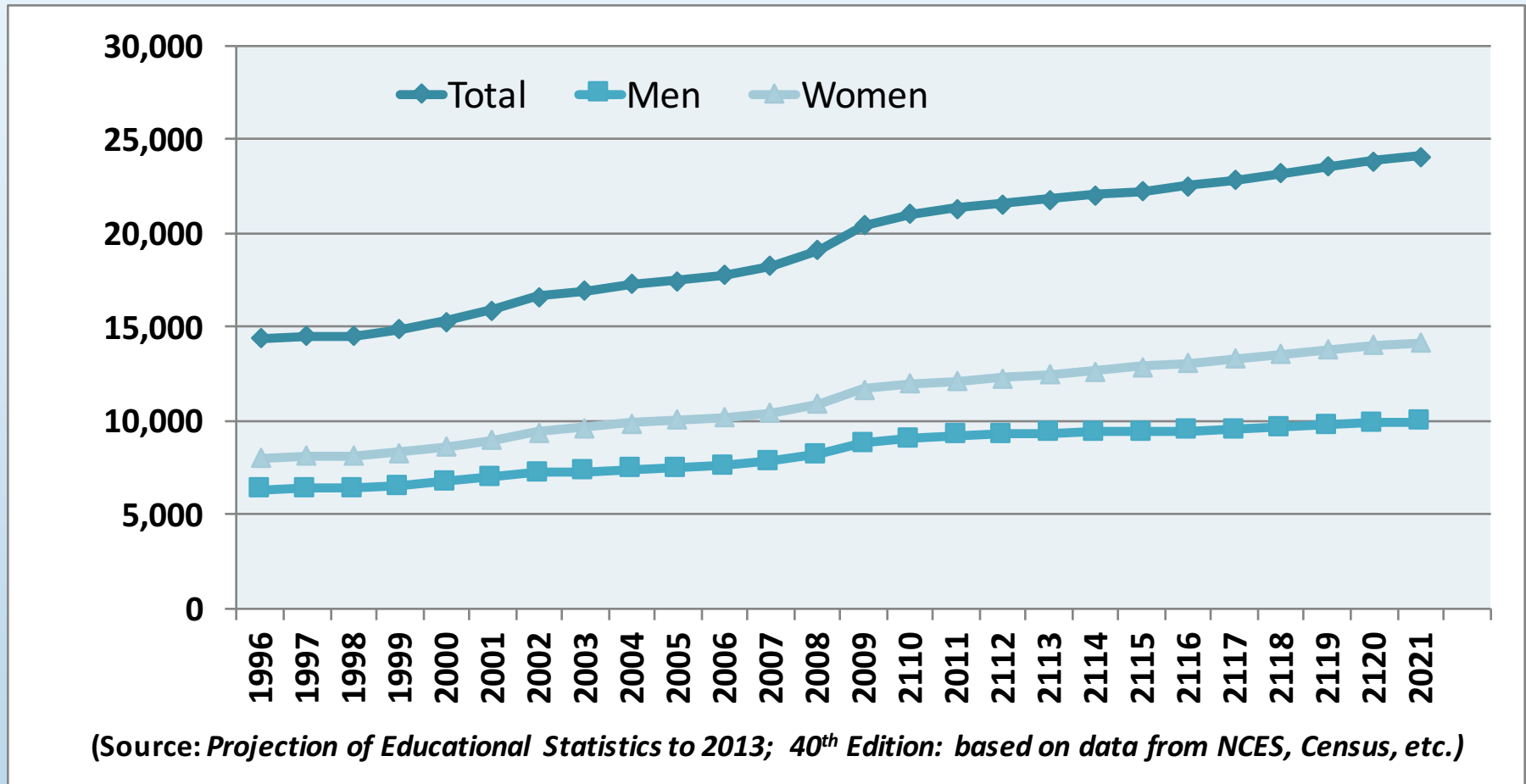
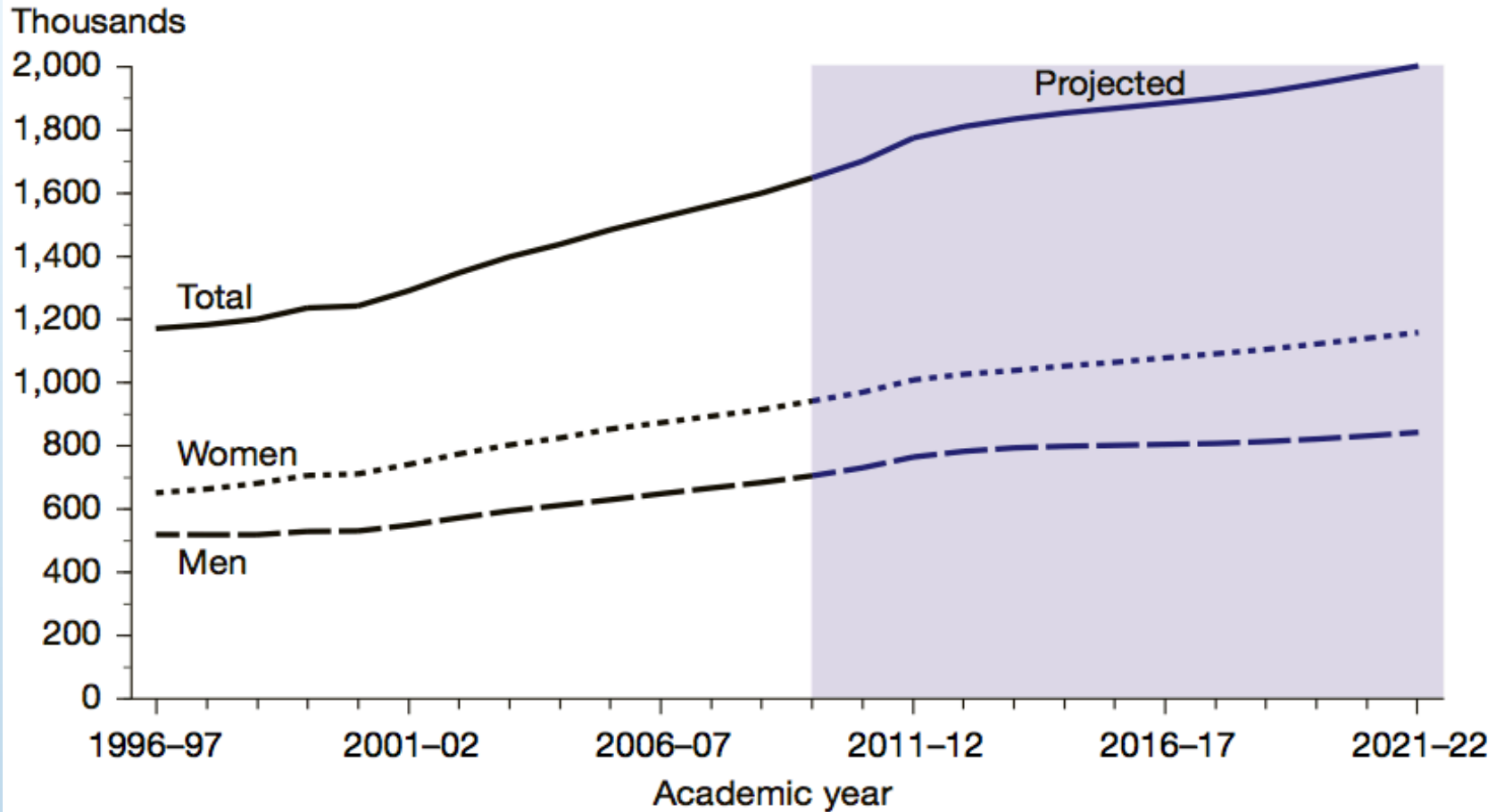


Figure 25. Actual and projected numbers for bachelor's degrees conferred by postsecondary degree-granting institutions, by sex of recipient: Academic years 1996-97 through 2021-22



Source: *Projections of Educational Statistics to 2021*, NCES, page 26.

2. Broken Business Model

Chronicle/CIC Survey of Small Colleges)

- **Nearly half missed either enrollment or net revenue goals for 2013-14**
- **Smaller institutions (under 1500) more likely to come in under goals**
- **More than half of those in the Great Lakes Region**

(Source: Chronicle of Higher Education, October 15, 2013)

“The [2014] outlook for the US higher education sector remains negative”

Heightened competition for government funds, donors, and students combined with pressure to increase compensation and invest in programs and facilities will result in continued deterioration of financial performance....

[Moody's Vice President/Senior Analyst, Eva Bogaty; New York, November 25, 2013]

https://www.moodys.com/research/Moodys-Outlook-for-US-higher-education-sector-remains-negative-for--PR_287582

Outlook Update: U.S. Higher Education

We maintain a negative outlook for the US Higher Education sector due to limited revenue growth prospects over the next 12 to 18 months, while expense pressures will constrain the ability of many universities to adjust. We expect regional public universities to be most pressured over the next 12 to 18 months while globally prominent private universities with large endowments will perform well, even as they continue to focus on improved financial operations.

[Moody's Investor's Services, July 11, 2014]

<http://moodys.pr-optout.com/ViewAttachment.aspx?EID=bHfK%2bTjyMGQlr1HVGNsxmZDggUmvbH%2fVK51te8xC6dM%3d>

3. Perceived Value of College

**Degree is Declining in the
Public's Mind**

Why People Are Questioning the Value of a College Degree

- **Rising cost of attending college**
- **Falling wages**
- **Difficulty graduates are having in finding jobs**
- **Myth of the successful dropout**

4. Growing inequality

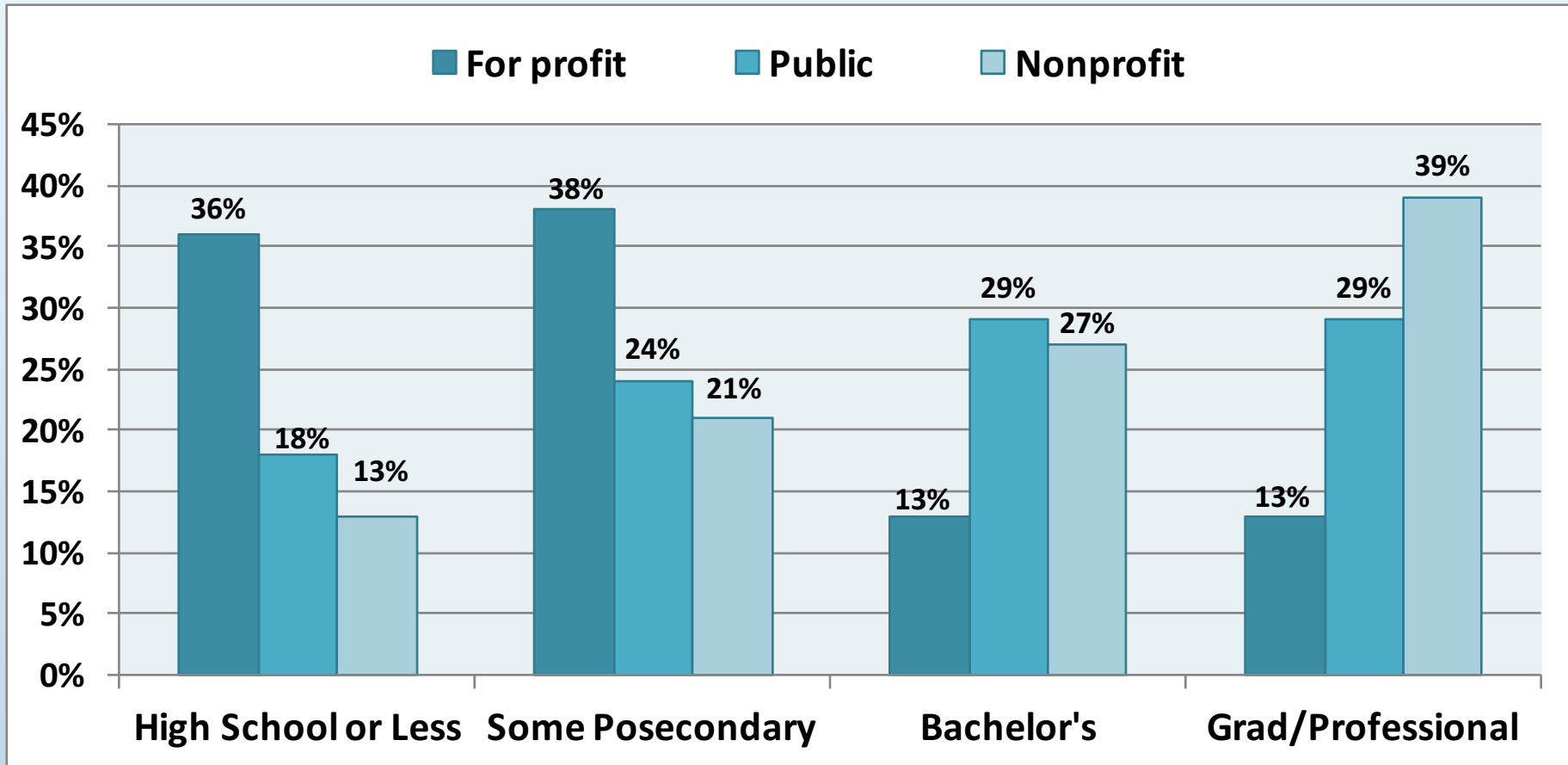
Change in Average Wages: 1982 - 2001

- **Workers with Bachelors – increased 31%**
- **Workers with Associates – increased 12%**
- **Workers with high school – remained flat**

Source: Jaison R. Abel and Richard Deitz; “Do the Benefits of College Still Outweigh the costs?” Federal Reserve Bank of New York, *Current Issues in Economics and Finance*. Vol. 20, No. 3, 2014.

[www.newyorkfed.org/research/current_issues]

Educational Level of Parents and the Type of Institutions their Children Attend



(Source: National Center for Educational Statistics, *2008-09 Baccalaureate and Beyond Longitudinal Study (B&B: 08/09, Table 2)*).

Who Earns a College Degree?

The probabilities go up:

- **208%** – if from highest income quartile (rather than lowest)
- **200%** – if always enrolled fulltime
- **38%** – if parents have bachelor's or higher rather than high school or less
- **63%** – if started at 4-year school

Source: Higher Education: Gaps in Access and Persistence Study. US Department of Education, National Center for Educational Statistics, August 2012.

Who Earns a College Degree?

The probabilities go down:

- **59%** – if started at for-profit school
- **19%** – if work more than 20 hours/week (it's 30% lower for men)
- **60%** – for each *stop-out* during one's postsecondary years

Source: Higher Education: Gaps in Access and Persistence Study. US Department of Education, National Center for Educational Statistics, August 2012.

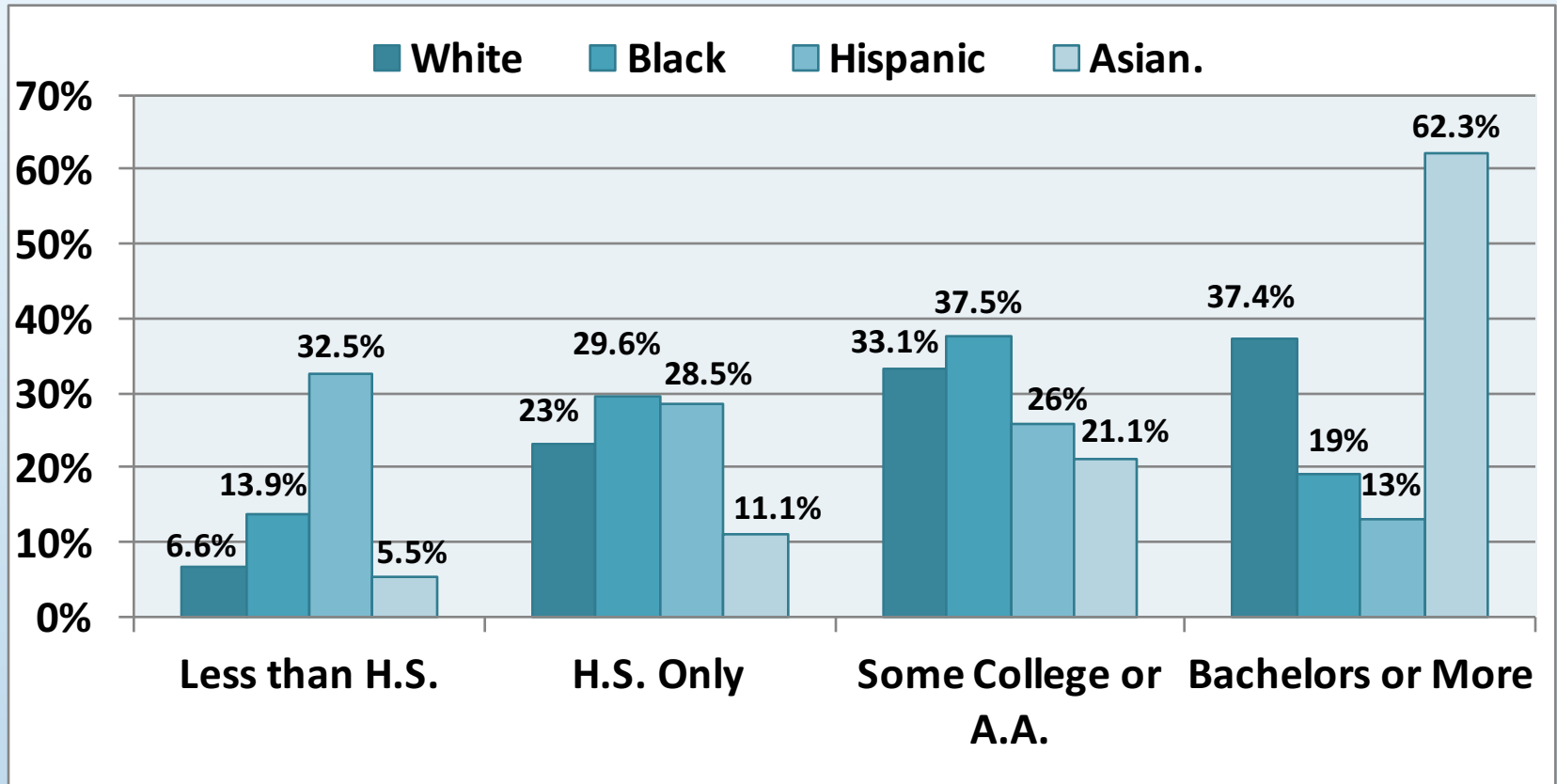
Who Earns a College Degree?

The probabilities go up:

- 39% – if participate in a school club during 1st year
- 40% – if took Algebra II/trigonometry
- 93% – if took pre-calculus/calculus

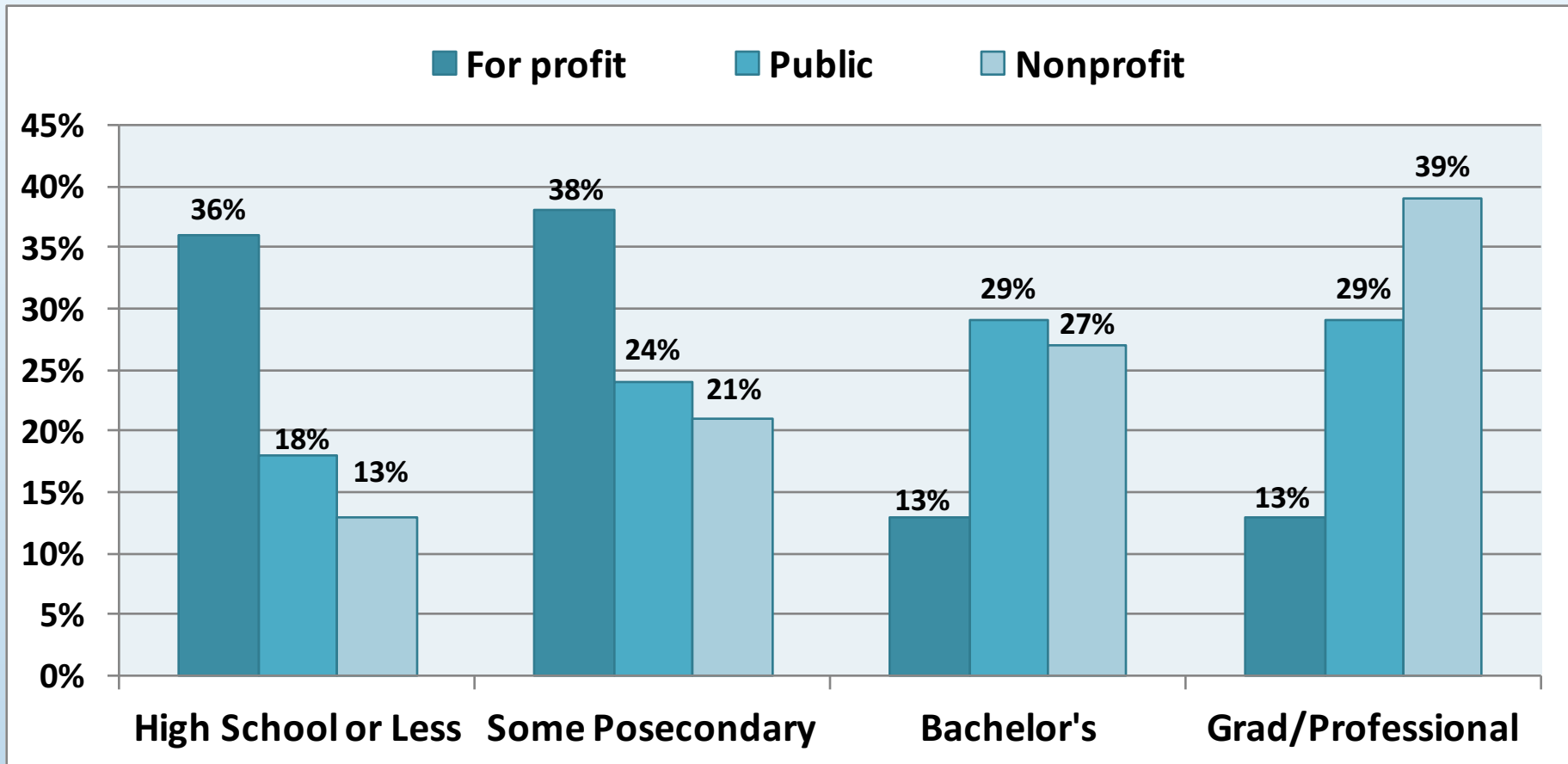
Source: Higher Education: Gaps in Access and Persistence Study. US Department of Education, National Center for Educational Statistics, August 2012.

Percentage of Adults Ages 24-34: by Highest Level of Educational Attainment



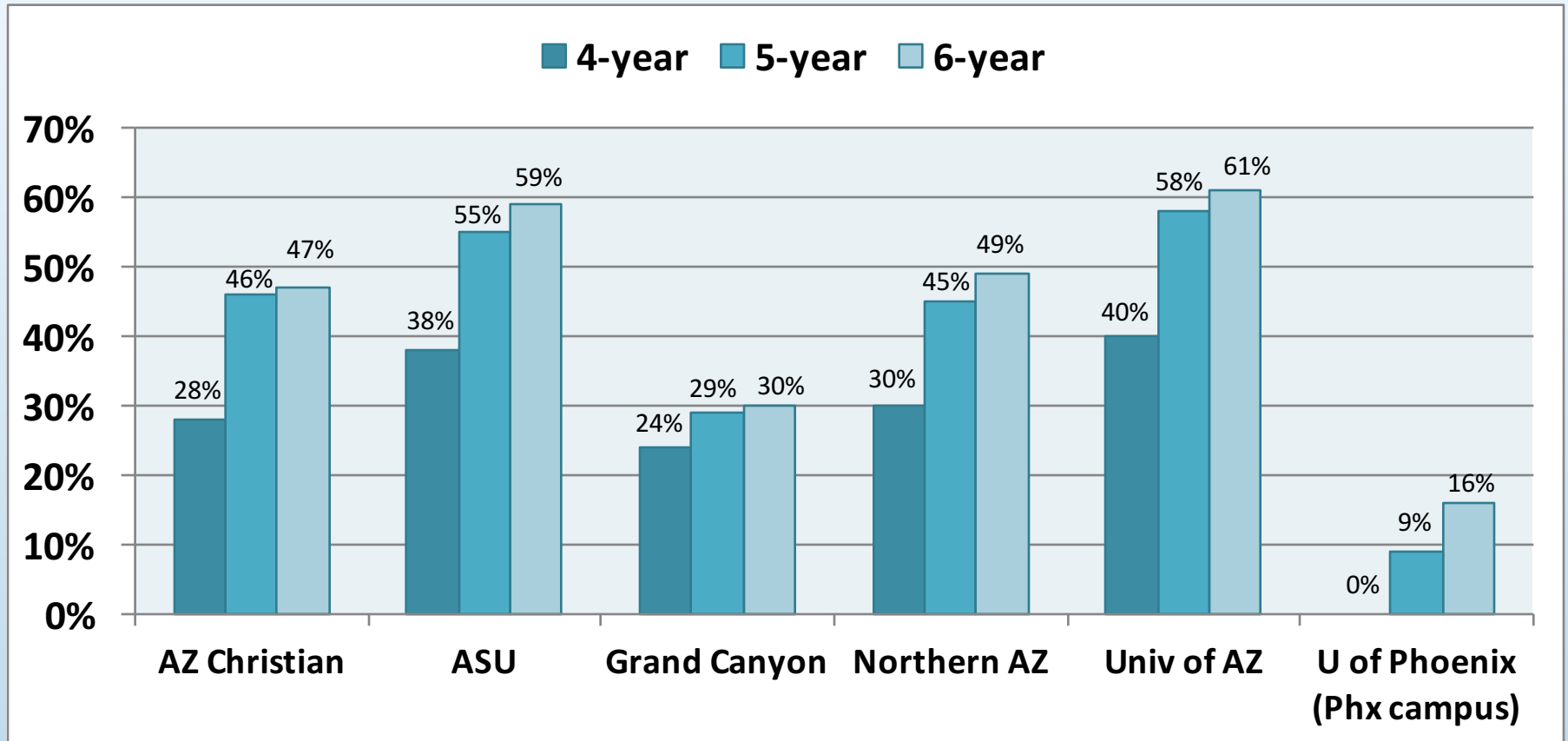
(Source: *Higher Education: Gaps in Access and Persistence Study. Table 43-1; NCES, August 2012*)

Educational Level of Parents and the Type of Institutions their Children Attend



(Source: National Center for Educational Statistics, *2008-09 Baccalaureate and Beyond Longitudinal Study (B&B: 08/09, Table 2)*).

Graduation Rates for Area Universities: Incoming Class of 2007



Source: The National Center for Educational Statistics; The Integrated Postsecondary Education Data System. <http://nces.ed.gov/ipeds/>.

The Bottom Line

- **People without some postsecondary training place themselves at risk**
- **Many of the jobs will be in new areas requiring the ability to adapt to new opportunities**
- **The growth of the information economy means that people need 21st century skills to survive**

The “North Star”

By 2020, America will once again have the highest proportion of college graduates in the world.

[President Barak Obama]