Setting the Stage for A Higher Education Master Plan

Colorado’s Perfect Situation – Perfect Storm or Perfect Opportunity?

Presentation by:
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President, Western Interstate Commission for Higher Education (WICHE)
The Converging Waves

Wave One: Our Economic Competitiveness

Wave Two: Who We Are – Can We Be Competitive

Wave Three: What We Have in Resources
The Converging Waves

Wave One: Our Economic Competitiveness

Wave Two: Who We Are – Can We Be Competitive

Wave Three: What We Have in Resources
Relationship Between Educational Attainment, Personal Income, and Economic Strength

State New Economy Index (2002)
- Top Tier
- Middle Tier
- Low Tier

Percent of Adults Age 25-64 with a Bachelor’s Degree or Higher

Personal Income Per Capita, 2000

$15,000
$20,000
$25,000
$30,000

High Income, Low Educational Attainment
High Income, High Educational Attainment
Low Income, Low Educational Attainment
Low Income, High Educational Attainment

Top Tier
Middle Tier
Low Tier

CO
Percent of Population Ages 25-64 with a Bachelor’s Degree or Higher

Massachusetts: 41.3%
Connecticut: 37.4%
New Jersey: 37.0%
Colorado: 36.5%
Vermont: 35.9%
Virginia: 34.4%
Maryland: 33.6%
New Hampshire: 32.7%
New York: 32.2%
North Dakota: 31.7%
Washington: 31.3%
Oregon: 31.1%
Illinois: 30.7%
Pennsylvania: 30.3%
California: 29.9%
Georgia: 29.7%
Colorado: 29.5%
Utah: 29.0%
Hawaii: 28.9%
North Carolina: 28.5%
Missouri: 28.3%
Arizona: 27.7%
Kentucky: 27.5%
Virginia: 27.4%
North Dakota: 27.3%
Mississippi: 27.1%
West Virginia: 27.0%
Missouri: 26.7%
Alabama: 26.6%
Washington: 26.3%
South Dakota: 26.3%
Texas: 26.0%
Montana: 25.8%
Ohio: 25.6%
Idaho: 24.6%
New Mexico: 24.3%
South Carolina: 24.2%
Utah: 23.9%
Florida: 23.5%
Mississippi: 23.0%
Indiana: 22.1%
Kentucky: 21.7%
Arizona: 21.6%
Tennessee: 20.7%
Alaska: 20.2%
Nevada: 19.0%

Source: U.S. Census Bureau, 2007 American Community Survey. Via NCHEMS
Percent of Population Ages 25-64 with an Associate Degree

Source: U.S. Census Bureau, 2007 American Community Survey. Via NCHEMS
Colorado Rank = 10
In 1999 and 2000, Colorado ranked 3

Source: ITIF, 2008 State New Economy Index Via NCHEMS
Percent of Adults with an Associate Degree or Higher by Age Group – Colorado, U.S. & Leading OECD Countries

Source: OECD, Education at a Glance 2008, Via NCHEMS
We’ve Been A Leader
Education Level
The New Economy Index

But Slip-Sliding Away
Losing Ground:
On Education Level
  Falling Nationally
  Falling Internationally
On Economic Index – tell-tale signs of decline

And One Size Doesn’t Fit All
Really Two Stories – The Haves & the Have Nots
The Converging Waves

Wave One: Our Economic Competitiveness

Wave Two: Who We Are – Can We Be Competitive

Wave Three: What We Have in Resources
Public & Nonpublic High School Graduates 1991-92 through 2021-22, Colorado

Actual

Projected

Total = public and non public, all races.
Source: WICHE, Knocking at the College Door
High School Graduation Rates - Public High School Graduates as a Percent of 9th Graders Four Years Earlier, 2006

Source: Tom Mortenson, Postsecondary Opportunity Via NCHEMS
College-Going Rates—First-Time Freshmen Directly Out of High School as a Percent of Recent High School Graduates, 2006

Source: Tom Mortenson, Postsecondary Opportunity Via NCHEMS
Of 100 9th Graders, How Many…

- Graduate from High School: 86 (Best-Performing State), 69 (United States), 70 (Colorado)
- Directly Enter College: 60 (Best-Performing State), 42 (United States), 44 (Colorado)
- Enroll in Second Year: 42 (Best-Performing State), 28 (United States), 26 (Colorado)
- Graduate Within 150% of Program Time: 30 (Best-Performing State), 20 (United States), 22 (Colorado)
- Are Age 25-44 with Bachelor’s Degree: 43 (Best-Performing State), 29 (United States), 35 (Colorado)

Source: Tom Mortenson, Public School Graduation Rates and College-Going Rates of Students Directly from High School, 2006; NCES, IPEDS Fall 2006 Retention Rates and 2006 Graduation Rate Survey; U.S. Census Bureau, 2006 ACS, Via NCHEMS
Patterns of U.S. High School and College Participation and Completion by Age (Average Annual from 2005 to 2007)

Not Much Happens After the Age of 24

High School Participation
- Earn High School Diploma or Equivalent – Levels off at Age 21

Undergraduate College Participation – Peaks at Age 19, Levels off at Age 30
- Complete Undergraduate College Degree – Peaks and Levels off at Age 31

We are left with 13 percent of adults with no high school diploma, and 60 percent with no college degree.

Note: Includes associate and bachelor's degrees, but not certificates.
Source: U.S. Census Bureau, 2005-07 American Community Survey (Public Use Microdata Sample)
Projected Change in Colorado Population by Age and Race/Ethnicity, 2006-25 (in Thousands)

- **White**
- **African American**
- **Hispanic**
- **Native American**
- **Asian**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>White</th>
<th>African American</th>
<th>Hispanic</th>
<th>Native American</th>
<th>Asian</th>
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<td>1,278</td>
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<td>2,740</td>
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Source: U.S. Census Bureau Via NCHEMS
Difference Between Whites and Next Largest Race/Ethnic Group in Percentage of Adults Age 25-34 with an Associate Degree or Higher, 2000

Source: U.S. Census Bureau, PUMS (based on 2000 Census), Via NCHEMS
Those with whom we have succeeded are declining.

Those with whom we have not succeeded are increasing.

“Average” won’t sustain us, and may not even be achievable.

And, And One Size Doesn’t Fit All.

Really Two Stories – The Haves & the Have Nots.
The Converging Waves

Wave One: Our Economic Competitiveness

Wave Two: Who We Are – Can We Be Competitive

Wave Three: What We Have in Resources
Revenues Per Student from Net Tuition, State, & Local Appropriations Public Research

Revenues Per Student from Net Tuition, State, & Local Appropriations Public Masters and Baccalaureate

Projected State and Local Budget Surplus (Gap) as a Percent of Revenues, 2016

Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2009 Via NCHEMS
The White Caps on the Third Wave

We’re already either lean or starved

Prospects look bleak for much more in the short term

The good news
  We’re not alone
Demographics present a challenge, all else being equal

The finances are perilous
- A lean system has little fat
- And Colorado falls of the “stabilization” cliff this coming year.

Colorado has been economically competitive, but:
- It’s slipping, as is the U.S. in general
- And the good life has not been equitably distribute
Opportunity One: Our Economic Competitiveness

Opportunity Two: Our Changing Demographics

Opportunity Three: Our Revenue Base
Opportunity One: Our Economic Competitiveness

- Colorado is still amongst the leaders
Opportunity Two: Our Changing Demographics

We start from a reasonably successful base, over all.

Improvements in serving Hispanic students will reap huge benefits.
Opportunity Three: Our Revenue Base

- Colorado is very cost-effective in current delivery
Productivity: Total Funding per Degree/Certificate (Weighted*, 2006-2007)

<table>
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<tr>
<th>State</th>
<th>Tuition and Fees</th>
<th>State and Local</th>
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<td>Alaska</td>
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</tr>
</tbody>
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Sources: SHEEO State Higher Education Finance Survey 2008; NCES, IPEDS Completions Survey; U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)

*Adjusted for value of degrees in the state employment market (median earnings by degree type and level)
Opportunity Three: Our Revenue Base

- Colorado is very cost-effective in current delivery
- The State has the capacity
State Tax Capacity & Effort
Indexed to U.S. Average

Source: State Higher Education Executive Officers (SHEEO)
Opportunity One: Our Economic Competitiveness
- Colorado is still amongst the leaders

Opportunity Two: Our Changing Demographics
- We start from a reasonably successful base, over all
- Improvements in serving Hispanic students will reap huge benefits

Opportunity Three: Our Revenue Base
- Colorado is very cost-effective in current delivery
- The State has the capacity if it can develop the Will
The Master Planning Challenge

You have the context, now

Just Do It!

And if WICHE can help, just let us know
(www.wiche.edu)