American Higher Education
In the New Normal

Same Old, Same Old
No More

Presentation by:
David Longanecker
President, Western Interstate Commission for Higher Education (WICHE)
How We Compare

Competitiveness
Demographics
Finances
Productivity
How We Compare

- Competitiveness
- Demographics
- Finances
- Productivity
Relationship Between Educational Attainment, Personal Income, and Economic Strength

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

Personal Income Per Capita, 2000

Low Income, Low Educational Attainment

Low Income, High Educational Attainment

High Income, Low Educational Attainment

High Income, High Educational Attainment

Percent of Adults Age 25-64 with a Bachelor’s Degree or Higher
Differences in College Attainment (Associate & Higher) Between Younger & Older Adults—U.S. & OECD Countries, 2009

Source: Organisation for Economic Co-operation and Development (OECD), *Education at a Glance 2011*
Differences in College Attainment (Associate & Higher) Between Younger & Older Adults - U.S., 2009

Source: U.S. Census Bureau, 2009 American Community Survey (ACS)
Differences in College Attainment (Associate & Higher) Between Younger & Older Adults - U.S., 2009

Source: U.S. Census Bureau, 2009 American Community Survey (ACS)
Differences in College Attainment (Associate & Higher) Between Younger & Older Adults - U.S., 2009

Source: U.S. Census Bureau, 2009 American Community Survey (ACS)
Difference in College Attainment Between Whites and Minorities (Blacks, Hispanics, Native Americans) (2009)

Source: U.S. Census Bureau, 2009 American Community Survey
Composition of Public Higher School Graduates By Race/Ethnicity 2008-09 (Actual) and 2009-10 to 2027-28 (Projected)
Composition of Public Higher School Graduates By Race/Ethnicity 2008-09 (Actual) and 2009-10 to 2027-28 (Projected)
How We Compare

Competitiveness

Demographics

Finances

Productivity
Figure 3
Public FTE Enrollment and Educational Appropriations per FTE, U.S., Fiscal 1987-2012

Note: Net tuition revenue used for capital debt service are included in the above figures. Constant 2012 dollars adjusted by SHEEO Higher Education Cost Adjustment (HECA).

Source: State Higher Education Executive Officers
Educational Appropriations per FTE Percent Change by State, Fiscal 2007-2012

Note: Dollars adjusted by 2012 HECA, Cost of Living Adjustment, and Enrollment Mix Index.
Educational Appropriations per FTE Percent Change by State, Fiscal 2007-2012

Note: Dollars adjusted by 2012 HECA, Cost of Living Adjustment, and Enrollment Mix Index.
Total Educational Revenue per FTE Percent Change by State, Fiscal 2007-2012

Note: Dollars adjusted by 2012 HECA, Cost of Living Adjustment, and Enrollment Mix; total educational revenue excludes net tuition revenue used for capital debt service.
How We Compare

- Competitiveness
- Demographics
- Finances
- Productivity
## National Student Clearinghouse Information on Student Completion in Six Years

<table>
<thead>
<tr>
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<th>Completion</th>
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<tr>
<td></td>
<td>US 1tft</td>
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<tr>
<td>Public Universities</td>
<td>56%</td>
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<tr>
<td>Private Colleges &amp; Universities</td>
<td>62%</td>
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<td>Public Community Colleges</td>
<td>20%</td>
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Credentials and Degrees Awarded per $100,000 of State, Local, and Tuition & Fee Revenues: All Public Colleges and Universities -- 2010
Credentials and Degrees Awarded per $100,000 of State, Local, and Tuition & Fee Revenues: Public Research Universities -- 2010

[Graph showing the distribution of credentials and degrees awarded per $100,000 of state, local, and tuition & fee revenues across various states in 2010.]

Source: NCES, EDC Completions and First-Time Enrollees, U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)
<table>
<thead>
<tr>
<th>State</th>
<th>Credentials and Degrees Awarded per $100,000 of State, Local, and Tuition &amp; Fee Revenues: Public Baccalaureate and Masters Universities -- 2010</th>
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<tbody>
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<td>Colorado</td>
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<td>Washington</td>
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<td>Delaware</td>
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<tr>
<td>Alaska</td>
<td>1.15</td>
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Source: NCES, TEDS Completion and Financing Survey: U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)
Credentials and Degrees Awarded per $100,000 of State, Local, and Tuition & Fee Revenues: Public Two Year Colleges - 2010
So, How Are Stakeholders Responding

Competitiveness
Demographics
Finances
Productivity

Stakeholders
Students, Employers, Policy Makers
So, How Are Students Responding

- **Traditional Students**
  - Concerned about both price and value
  - But increasing participation
    - Price elasticity of demand
      - only for low income on *whether*
      - some apparent impact on *where*
    - and willing to borrow
- **Modified traditional in attendance patterns**
  - Blended on-line with on-campus
  - Rumored to be tech savvy – but . . .
- Reduced equity gaps in participation; but not in success
- Time is the pleasure but also the enemy
So, How Are Students Responding

- Non-Traditional Students
  - Barriers to success
    - Life
    - Us CAEL ALFI
    - Finances, but *more cash* flow than *cash*
  - Participation
    - 40 Million – some college, no degree
      - The Opportunity/The Necessity
    - Price elasticity of demand -- *we don’t know*
  - Multiple attendance patterns
    - Most of the on-line that aren’t on-campus
    - Some relish on-campus
    - Not all tech savvy
    - MOOCs --- ?
  - Time dimension potentially much different than with Traditional
So, How Are Employers Responding

• Lots of Jabber:
  • Not job ready – competencies (hard & soft)
  • Not job ready – workplace competence
  • Talk of new credentialing systems
    • Assessment of competence
    • Badges

• But ... when hiring:
  • Hiring college grads
  • Increasing job requirements to require college grads
  • Just mostly not hiring
So, How Are Policy Makers Responding

The Themes Driving Public Policy

- More, Better, Faster
- The New Normal of Finances
  - No new taxes; ergo, no new dollars
- The Completion Agenda
- Reduce Equity Gaps
- Return on Investment/the Value Proposition
- Workforce Development for National Competitiveness, and a few other nice outcomes
So, How Are Policy Makers Responding

- On Financing Higher Education
  - State Level
    - The New Normal – No less, no more
      - Growth from marginal funding
      - No stomach for the Hopkins-Massey philosophy
    - Performance funding – the name of the game
  - Federal Level
    - The New Normal – No less, no more
      - More “partnership”
        - Which means – pony up “your share”
    - Back to the future – a focus on need, not nice
    - Beware of “tax reform” – We need it, but “ouch”
So, How Are Policy Makers Responding

• On Accountability Higher Education
  • State Level
    • Performance Funding -- the new alternative to report cards
    • But “quality assessment” next in line
    • Outcomes on “Themes” – the metrics of the future (more, better, faster, etc.)
  • Federal Level
    • State authorization for on-line programs FOR EVERYONE
    • After accreditation – what?
    • The New Unit of Analysis – Institution, Program, Activity/Course, Demonstrated Competence
Enough, Already

That’s all I have,

Questions, Comments, . . . .