Youth in the Knowledge Era

A Crisis Is A Terrible Thing To Waste
A Crisis Is A Terrible Thing To Waste

Genesis of the Phrase
- Rahm Emanuel – Chief of Staff, President Obama

Change Is Tough
- More Possible in Tough Times
- So, Sieze the Moment

Or not . . .
A Crisis Is A Terrible Thing To Waste

Setting The Stage – So, Do We Really Have A Crisis

Rhetoric certainly says so

- On the finance side
  - States don’t love us anymore
  - Student are tapped out, given tuition increases
  - Federal government is broke
    - Financially (strapped)
    - Functionally (broken)
  - Economy is terrible
Rhetoric certainly says so (continued)

On the Demand Side
- Declining international competitiveness
- Increasing demand from disadvantaged populations

Woe Is Us

So, Fact or Fiction?
A Crisis Is A Terrible Thing To Waste

- The States Don’t Love Us Any More.
Expenditures

Annual Percentage Budget Increases, Fiscal 1979 to Fiscal 2010

*32-year historical average rate of growth is 5.9 percent

**Fiscal 09 numbers are estimated

***Fiscal 10 numbers are recommended

Source: NASBO June 2009 Fiscal Survey of States
One Size Doesn’t Fit All

2009-2010 without stimulus

2009-2010 with stimulus

Source: SHEEO & WICHE Preliminary Data – November 2009
One Year Doesn’t Make a Trend

2009-2010 with stimulus
Public FTE enrollment, educational appropriations and total educational revenue per FTE, United States – FY 1983-2008
### Projected State and Local Budget Surplus (Gap) as a Percent of Revenues, 2016

<table>
<thead>
<tr>
<th>State</th>
<th>Projected Surplus (Gap) %</th>
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<tbody>
<tr>
<td>Maryland</td>
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<tr>
<td>Maine</td>
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Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2009 Via NCHEMS
A Crisis Is A Terrible Thing To Waste

- Students Are Tapped Out
- Tuition Ranges Greatly
  - Net Tuition – State
    - California: $824 per student
    - Vermont: $8,972 per student
  - Average by Sector
    - Community Colleges: $2,402
    - 4 YR Colleges & Universities: $6,585
A Crisis Is A Terrible Thing To Waste

- The Federal Government Is Broke
- Not Exactly
American Recovery and Reinvestment Act of 2009

$787 billion
($100+ billion for education/ training/ R&D)

Select items impacting higher education...

State Fiscal Stabilization Fund -- $54 Billion

Student financial assistance -- $12 Billion

WIA programs -- $4 Billion

State longitudinal data systems -- $250 Million

Research and development -- $22 Billion
A Crisis Is A Terrible Thing To Waste

The United States Is Losing It’s Competitive Advantage
Differences in College Attainment (Associate and Higher) Between Younger and Older Adults - U.S. and OECD Countries, 2005

Differences in College Attainment (Associate and Higher) Between Younger and Older Adults - U.S., 2005

Source: U.S. Census Bureau, 2005 ACS
Relationship Between Educational Attainment, Personal Income, and Economic Strength

Source: NCHEMS

State New Economy Index (2002)

- **Top Tier**
- **Middle Tier**
- **Low Tier**

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

Source: NCHEMS
A Crisis Is A Terrible Thing To Waste

Demographics Present A Challenge
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
Difference in Education Attainment Between Whites and Hispanics (2006, Percent)

Source: U.S. Census Bureau, 2006 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File. Via NCHEMS
Projected Change in Colorado Population by Age and Race/Ethnicity, 2006-25 (in Thousands)

Source: U.S. Census Bureau Via NCHEMS
Is There A Crisis or Not

Yes, but it is a silent crisis
- The financial pinch is yet to come
- The demographic pinch is yet to be fully realized
- We just don’t believe that we are in a global competitiveness squeeze

But that is about to change
A Crisis Is A Terrible Thing to Waste – The Opportunity

The Imperative – Improve Productivity

Meaning
  - More students completing their educations
  - Have those students learn more
  - Have those “more” students “learning more” do so faster.

The jargon: “More, Better, Faster"
A Crisis Is A Terrible Thing to Waste – The Opportunity

How In The World Do You Do This?

- Create a Crisis Mentality
  - Makes Change Possible
- Redesign Policies To Reinforce Desired Results
  - Fund completions, not failures
  - Measure well what you need to know
    - Successful completion
    - Successful learning
    - True costs
How In The World Do You Do This?

- Redesign Policies To Reinforce Desired Results
  - Refocus
    - Institutional Missions
    - Governmental Expectations – First things first
  - Get Modern
    - Rely on evidence based practice
    - Use technology to transform the industry
A Crisis Is A Terrible Thing to Waste – The Opportunity

How In The World Do You Do This?

- Redesign Practices To Reinforce Desired Results
  - Scuttle under-enrolled courses and programs
  - Begin new courses and programs only where student demand exists
  - Use cost-effective technology to reduce costs and increase student learning
  - Reduce excess credits to degree
  - Increase credit for prior learning
  - Collaborate on pedagogy with other institutions – use their best courses
So, Where Does This Leave American Higher Education?

- Know it or not; we do face a crisis
- We have to have more graduates
  - And we will have fewer resources to do so
  - And we can’t sacrifice quality
- Can We Change Enough
  - Absolutely
  - But not easily

The key to success – Be student centered