

WOE IS US...

The Implications of Demography, Economy, and International Competition on the Demand for and Supply of Highly-Trained Workers in the West

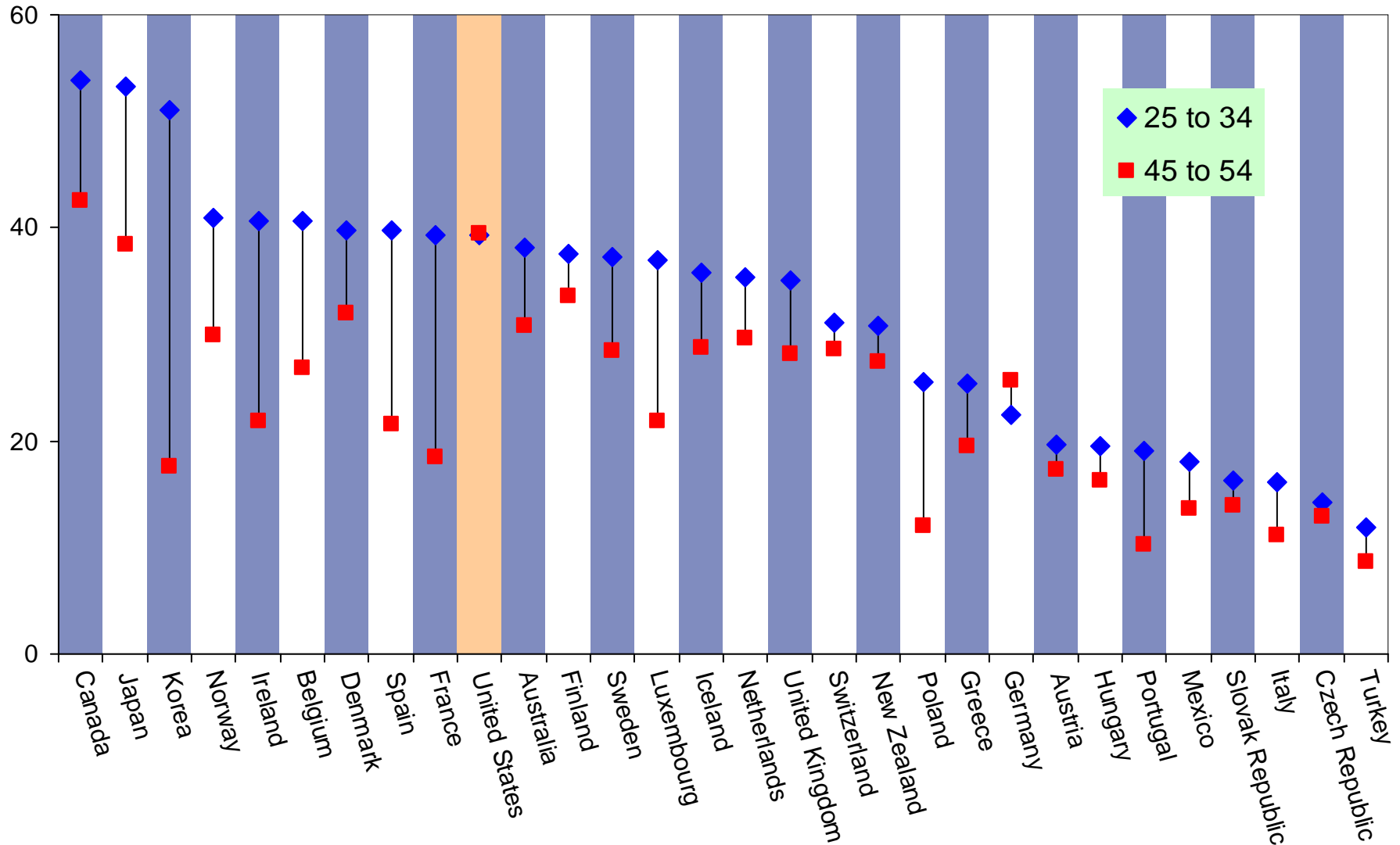
Presented to the
WICHE Commission Meeting
Rapid City, South Dakota

May 20, 2008



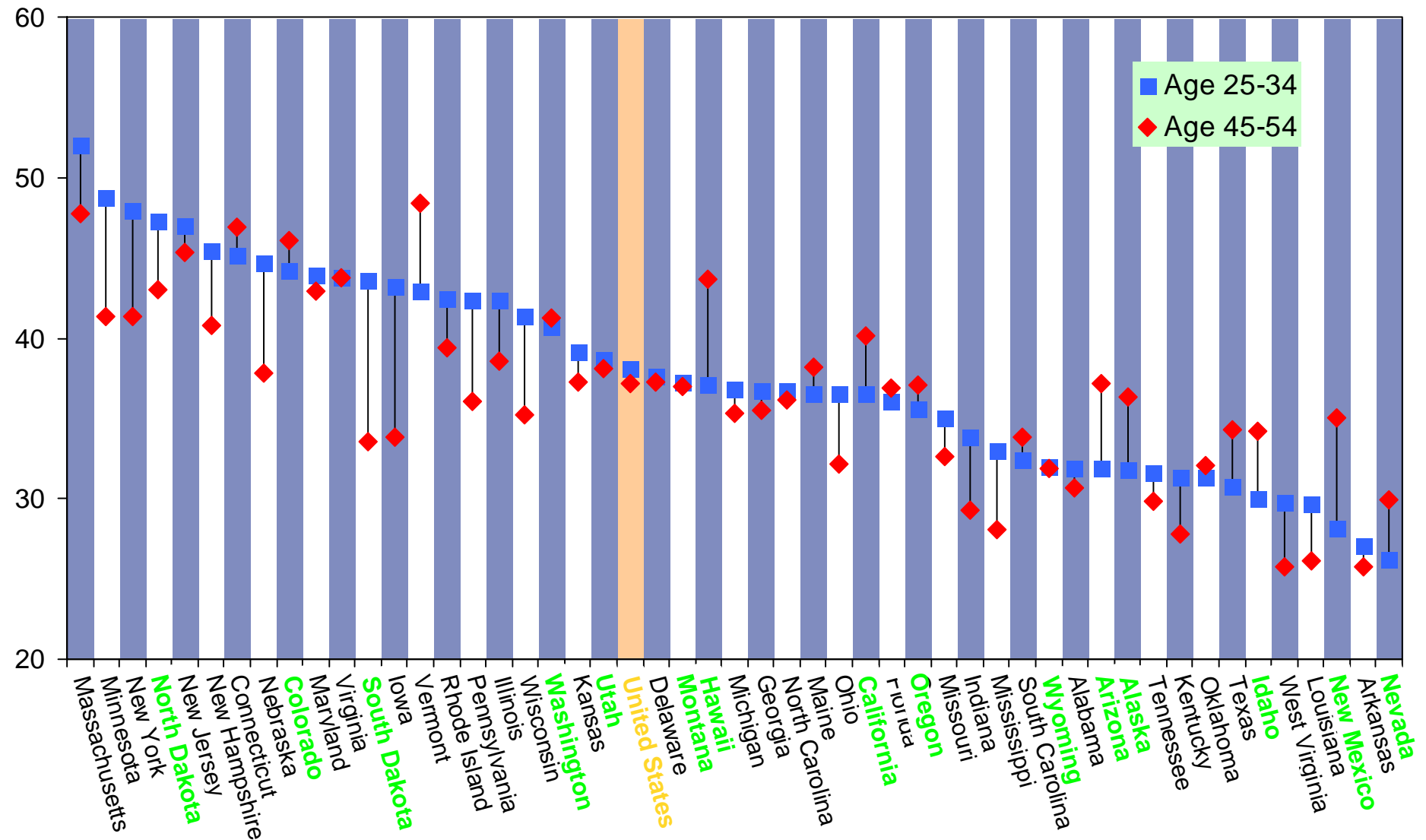
National Center for Higher Education Management Systems
3035 Center Green Drive, Suite 150 Boulder, Colorado 80301-2251

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



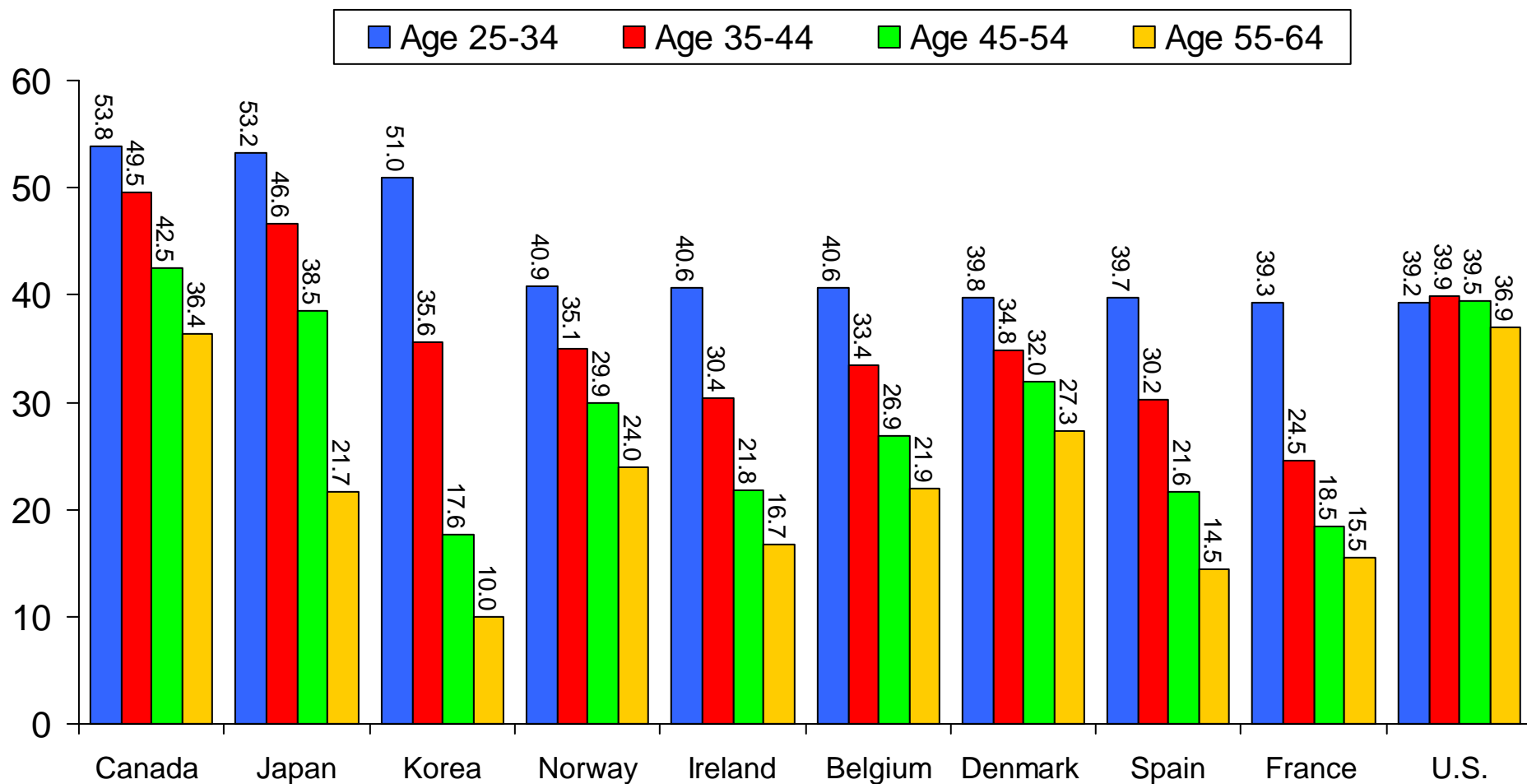
Source: Organisation for Economic Co-operation and Development (OECD), *Education at a Glance 2007*

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



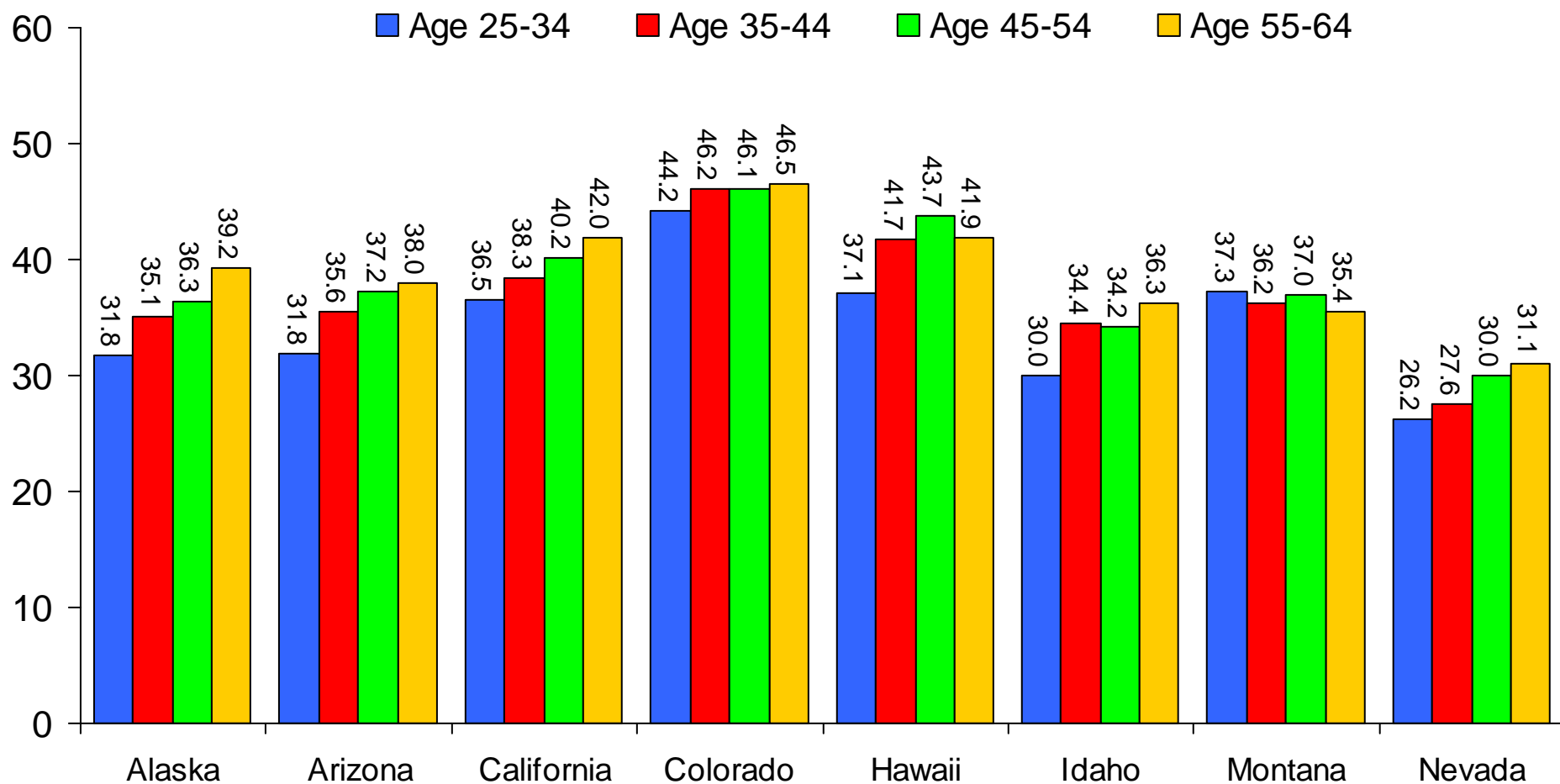
Source: U.S. Census Bureau, 2005 American Community Survey (ACS)

Percent of Adults with an Associate Degree or Higher by Age Group—U.S. and Leading OECD Countries



Source: OECD, *Education at a Glance 2007*

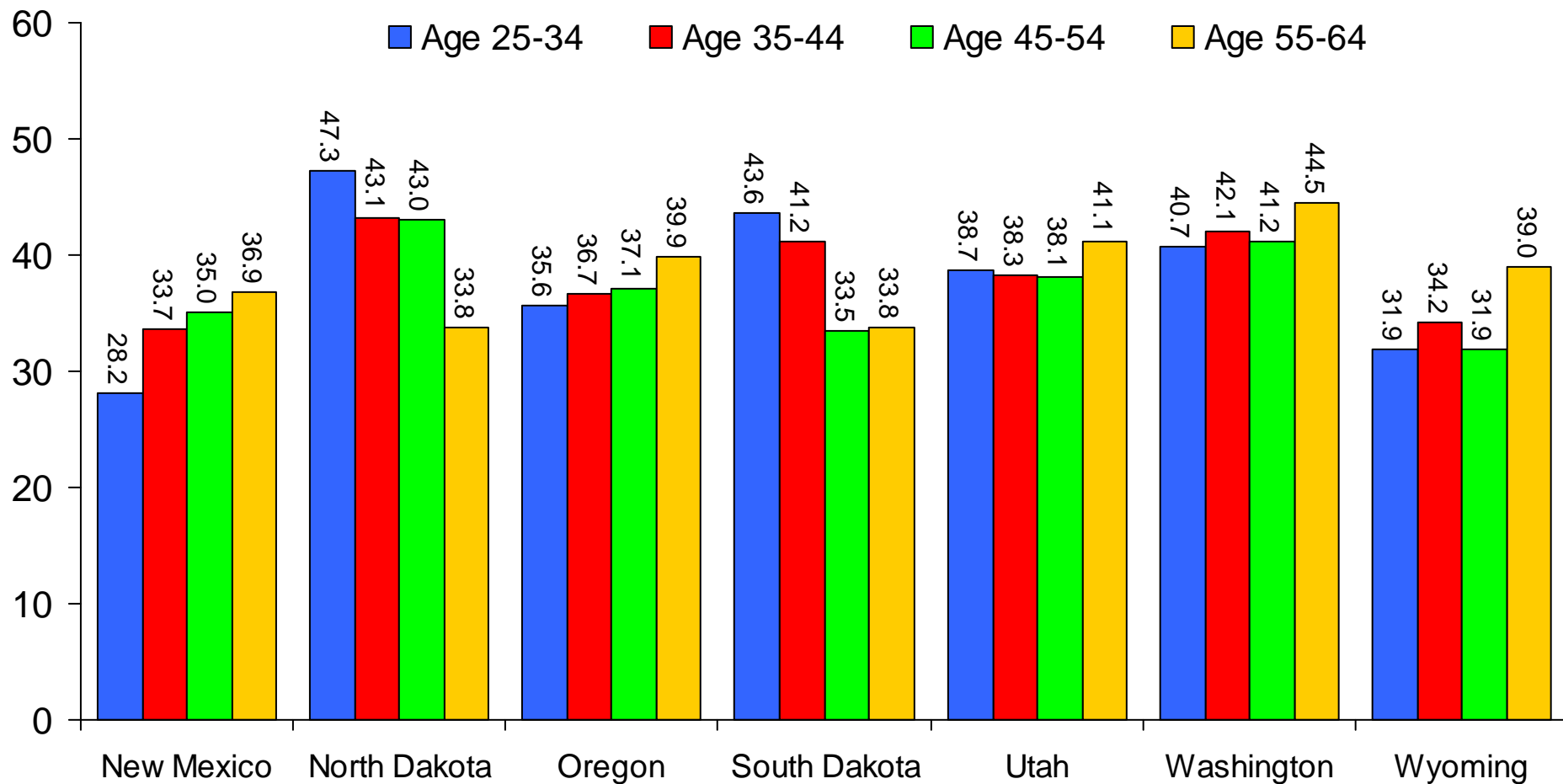
Percent of Adults with an Associate Degree or Higher by Age Group—WICHE States



Source: OECD, *Education at a Glance 2007*

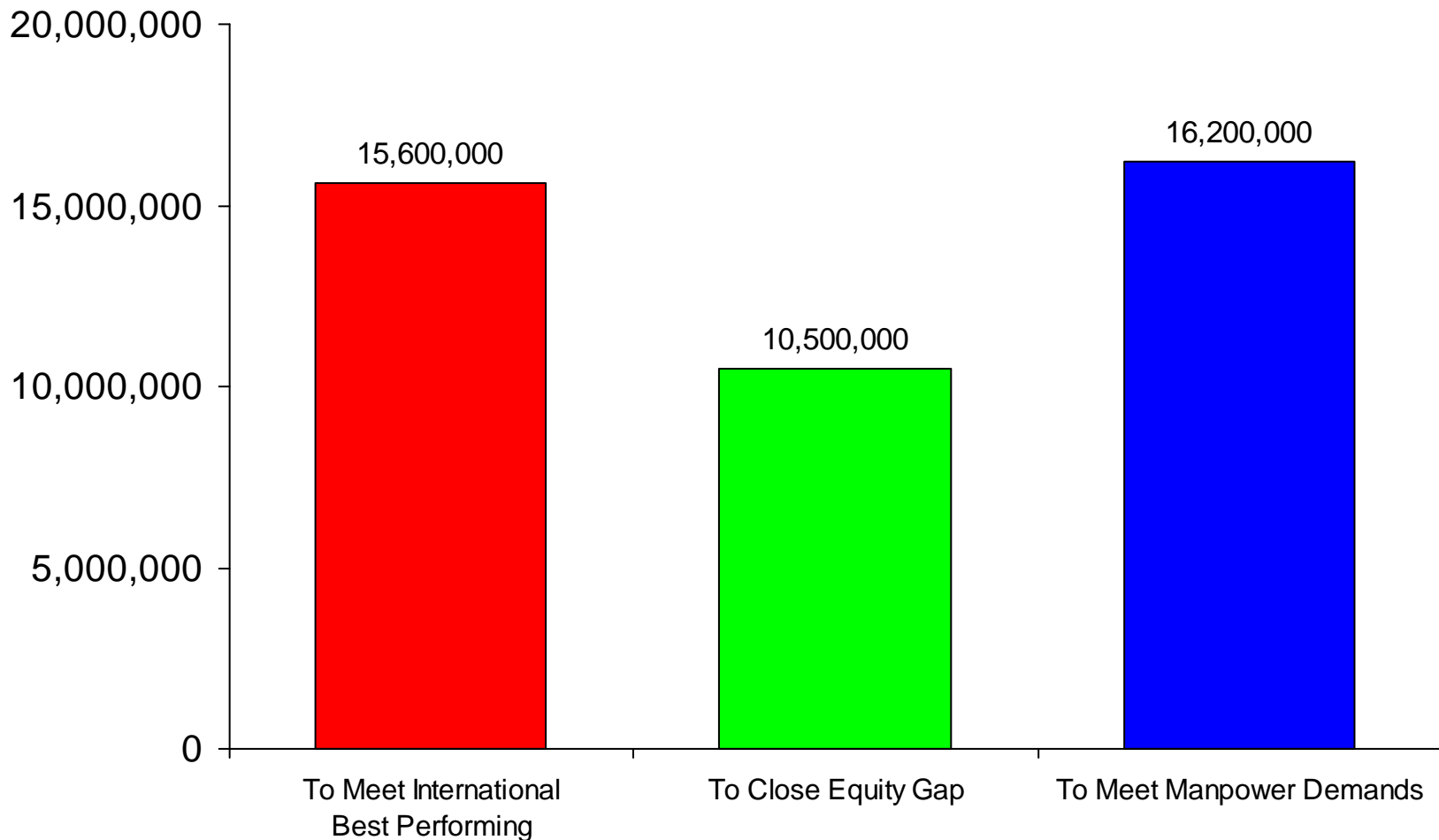
(continued)

Percent of Adults with an Associate Degree or Higher by Age Group—WICHE States (continued)



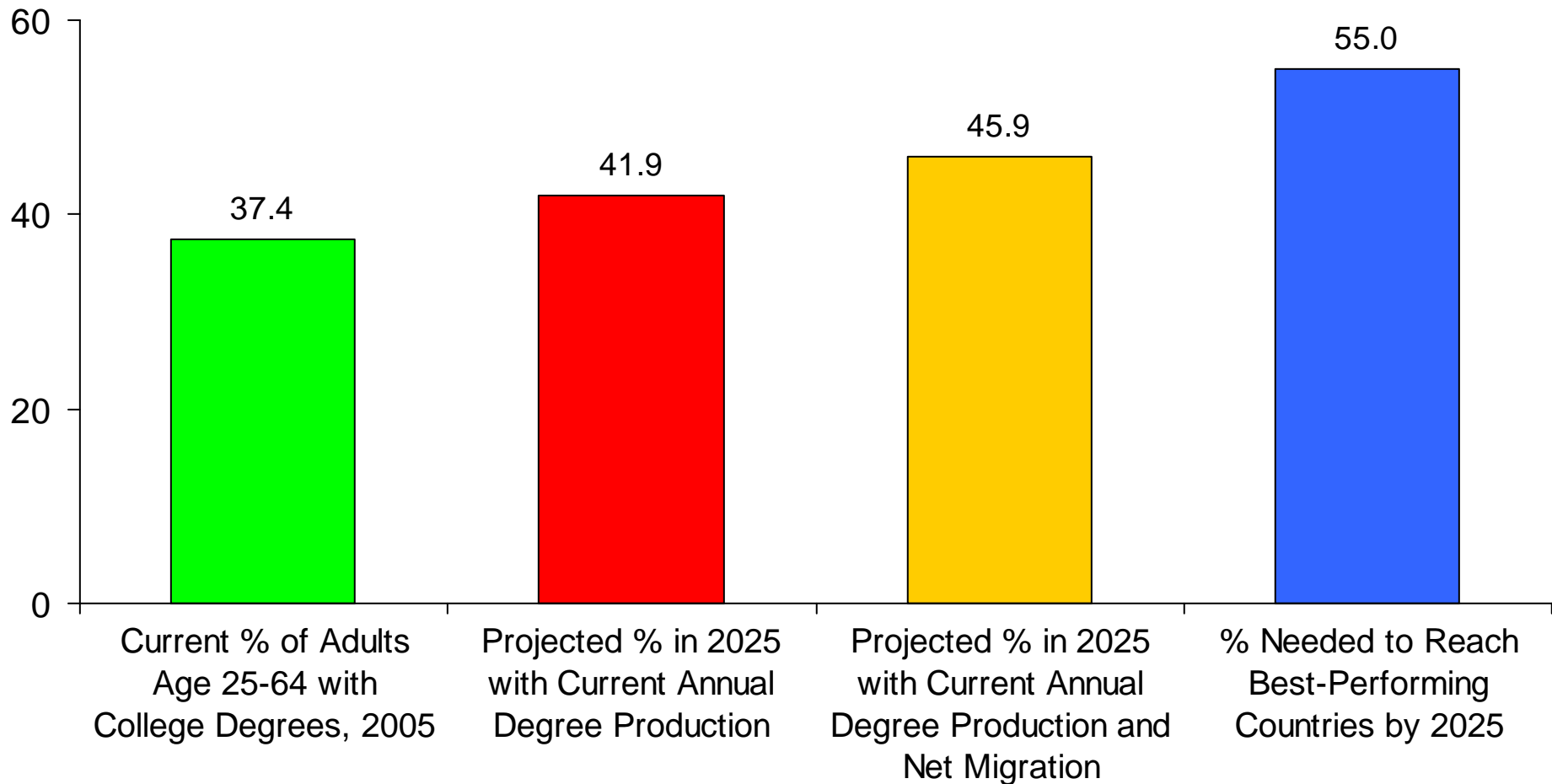
Source: OECD, *Education at a Glance 2007*

Closing the Gap—Number of Degrees Required Beyond Current Production



Educational Attainment (Percent)

Current, In 2025 with Current Degree Production,
and Best-Performing Countries in 2025

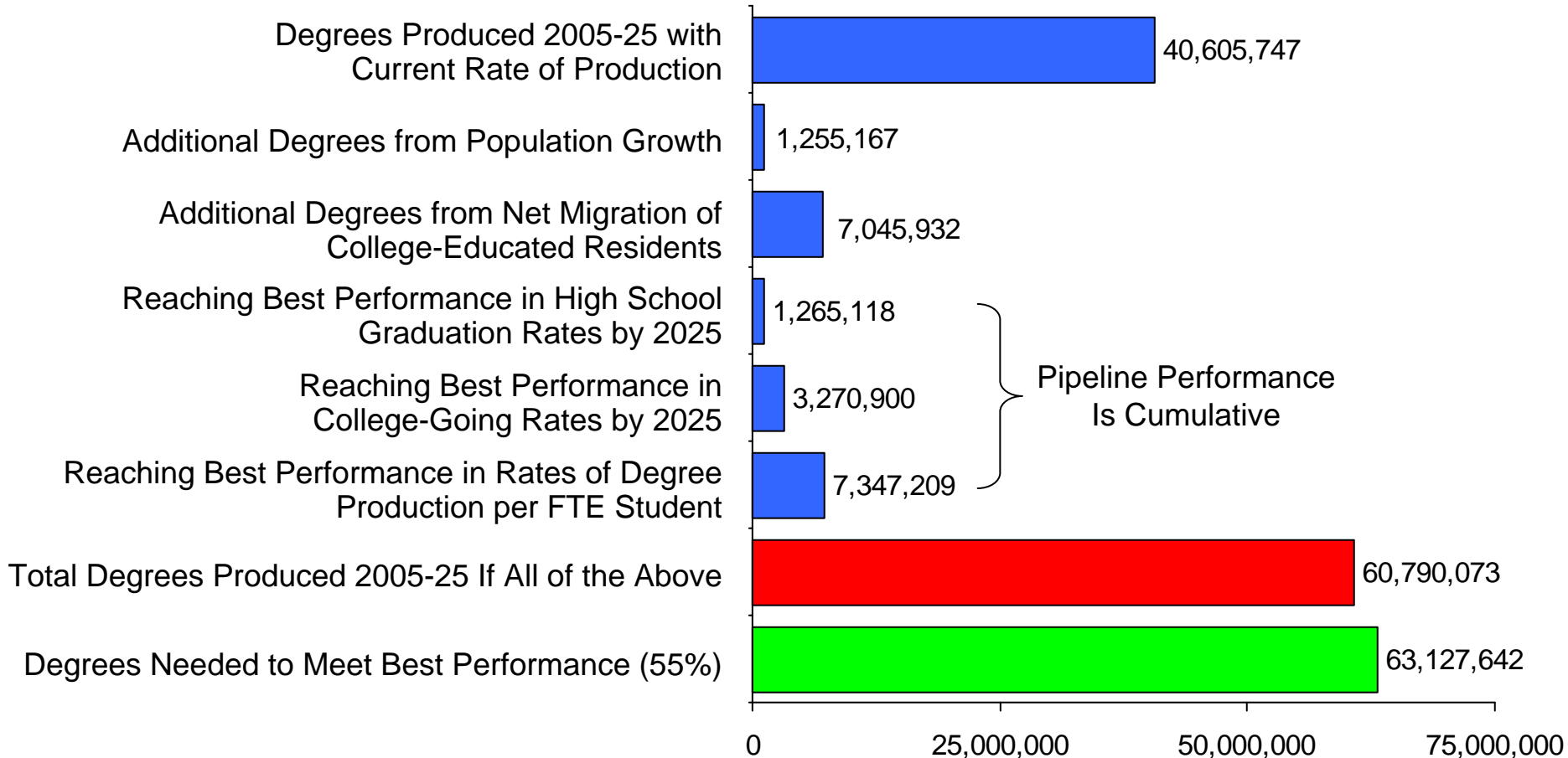


Reaching Top Performance by 2025 (55%)— United States

94,510,473	Number of Individuals to Match Best-Performing Countries (55%)
31,382,831	Number of Individuals (Age 25-44) Who Already Have Degrees
63,127,642	Additional Degree Production Needed (2005 to 2025)
40,605,747	Degrees Produced at Current Annual Rate of Production
7,045,932	Additional Residents with College Degrees from Net Migration
15,626,080	Additional Degrees Needed
781,304	Additional Degrees Needed per Year (Currently Produce 2,135,924 in All Sectors)
52.8%	Increase in Annual Associate and Bachelor's Degree Production Needed (in Public Sector Only)

How Can the U.S. Reach International Competitiveness?

Current Degree Production Combined with Population Growth and Migration and Improved Performance on the Student Pipeline Measures



Source: 2005 ACS, PUMS

Collective Cost to States, Assuming: Tuition Stays the Same

\$ 31.0 Billion = Annual Costs of Additional Students
at Current \$ per Student

\$ 78.2 Billion = Current State Contribution

39.7% = Percent Increase in Annual State
Support Needed

*Average Cost to Students, Assuming:
No Additional State Investment*

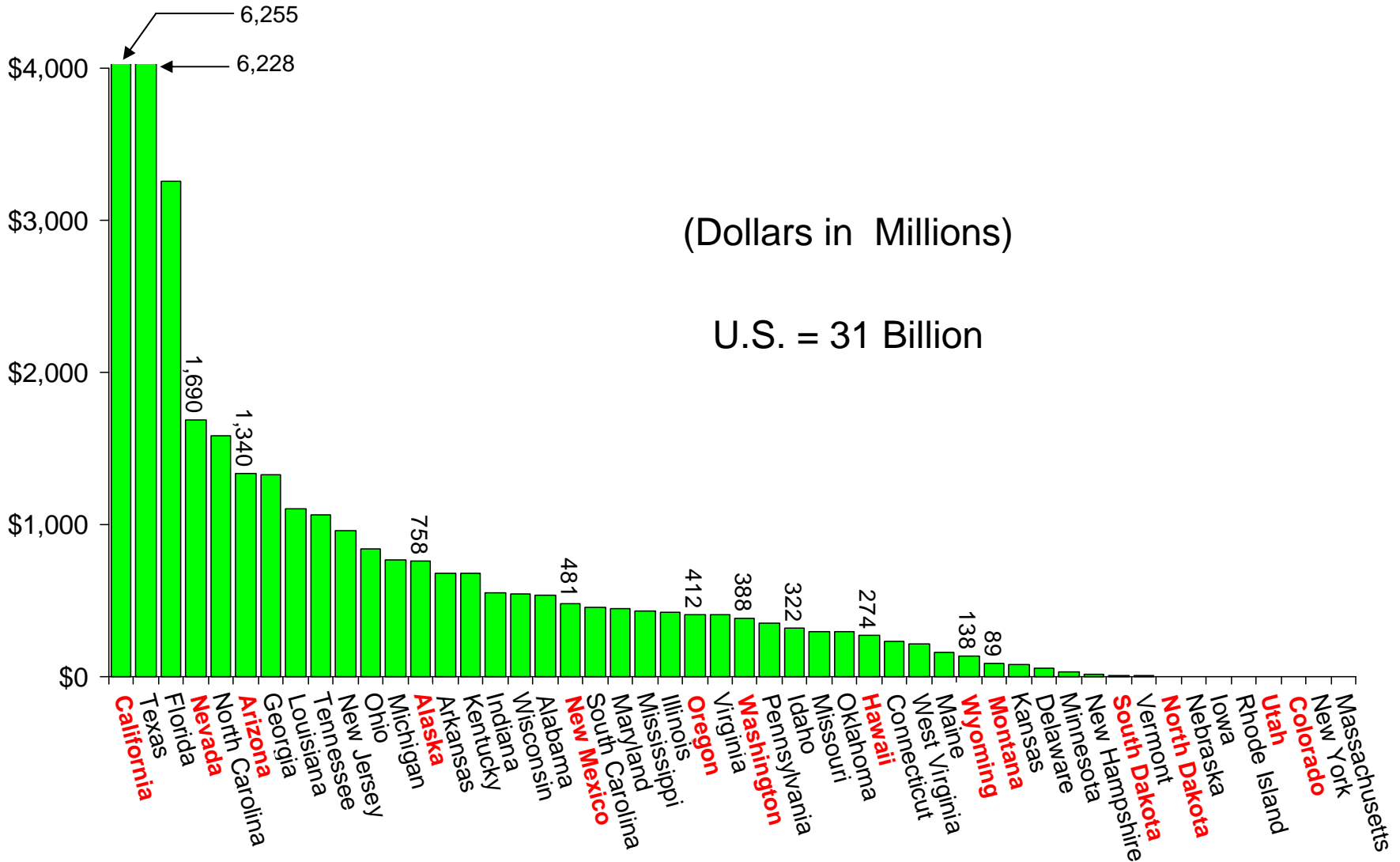
\$ 2,565 = Additional Annual Costs to Students at
Public Four-Year Institutions

47.9% Increase in Tuition and Fees
(Currently \$5,355)

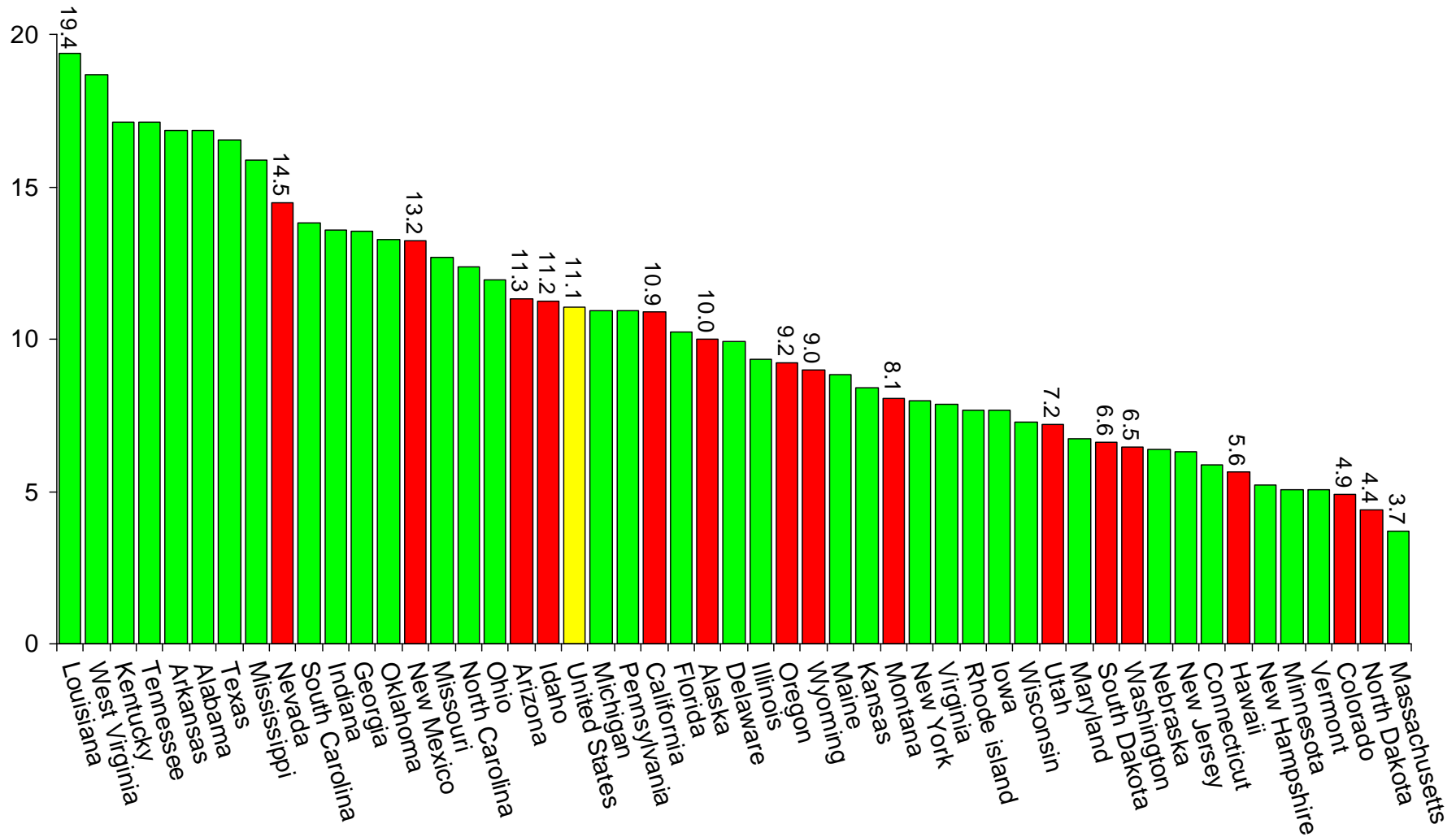
\$ 1,824 = Additional Annual Costs to Students at
Public Two-Year Institutions

108.8% Increase in Tuition and Fees
(Currently \$1,677)

Additional Annual Costs at Current Funding Levels Per Student to States and Localities to Reach Benchmark, Keeping Tuition the Same

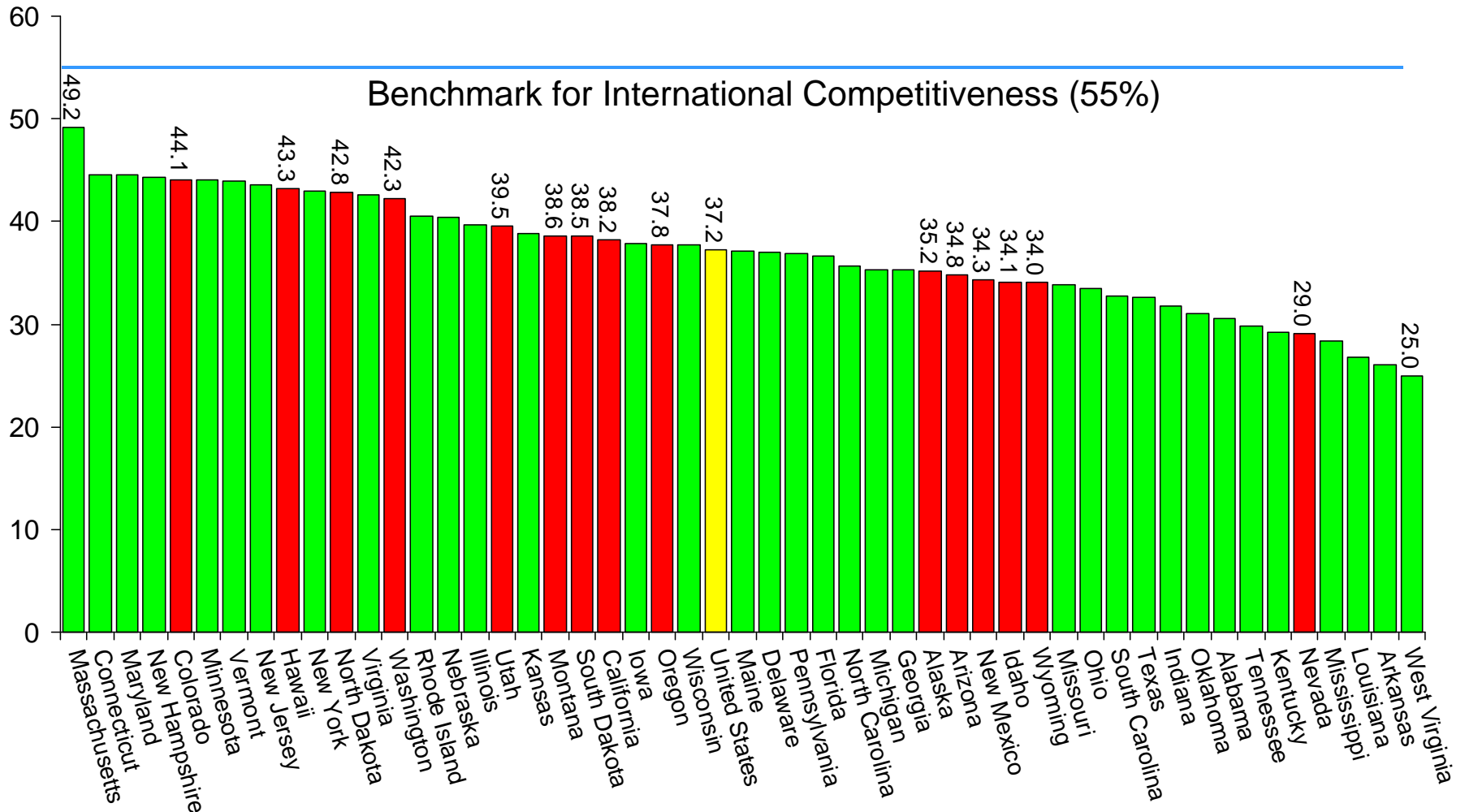


Percent Increase in Personal Income Per Capita if States Reach 2025 College Attainment Benchmark (55%)



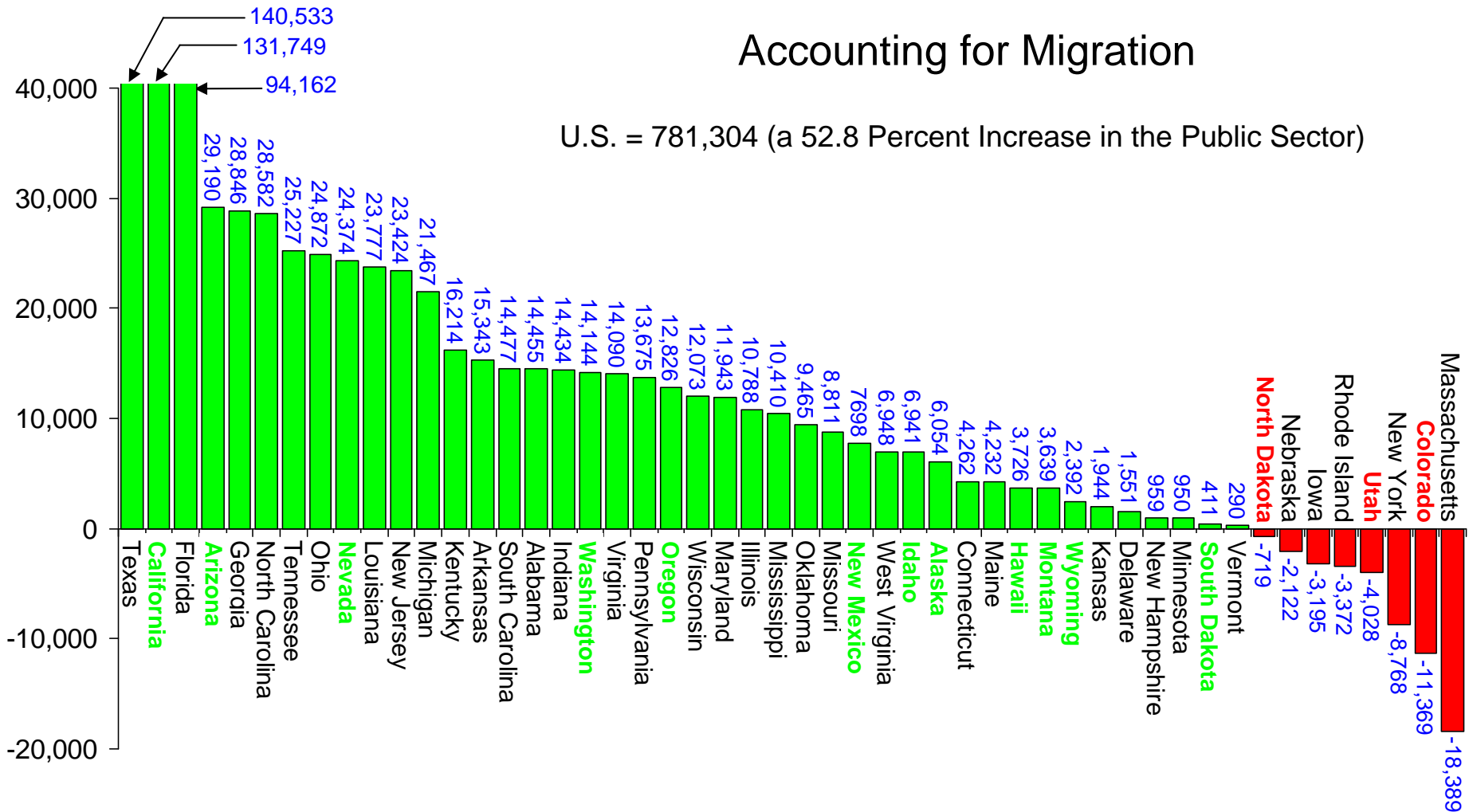
Source: U.S. Census Bureau Population Projections, 2005 American Community Survey

Percent of Population Age 25-64 with an Associate Degree or Higher, 2006



Source: U.S. Census Bureau, 2006 ACS

The “Gap”—Difference in Annual Degrees Currently Produced and Annual Degrees Needed to Meet Benchmark



Source: U.S. Census Bureau, PUMS and Population Projections, IPEDS Completions Survey 2004-05

State-to-State Results

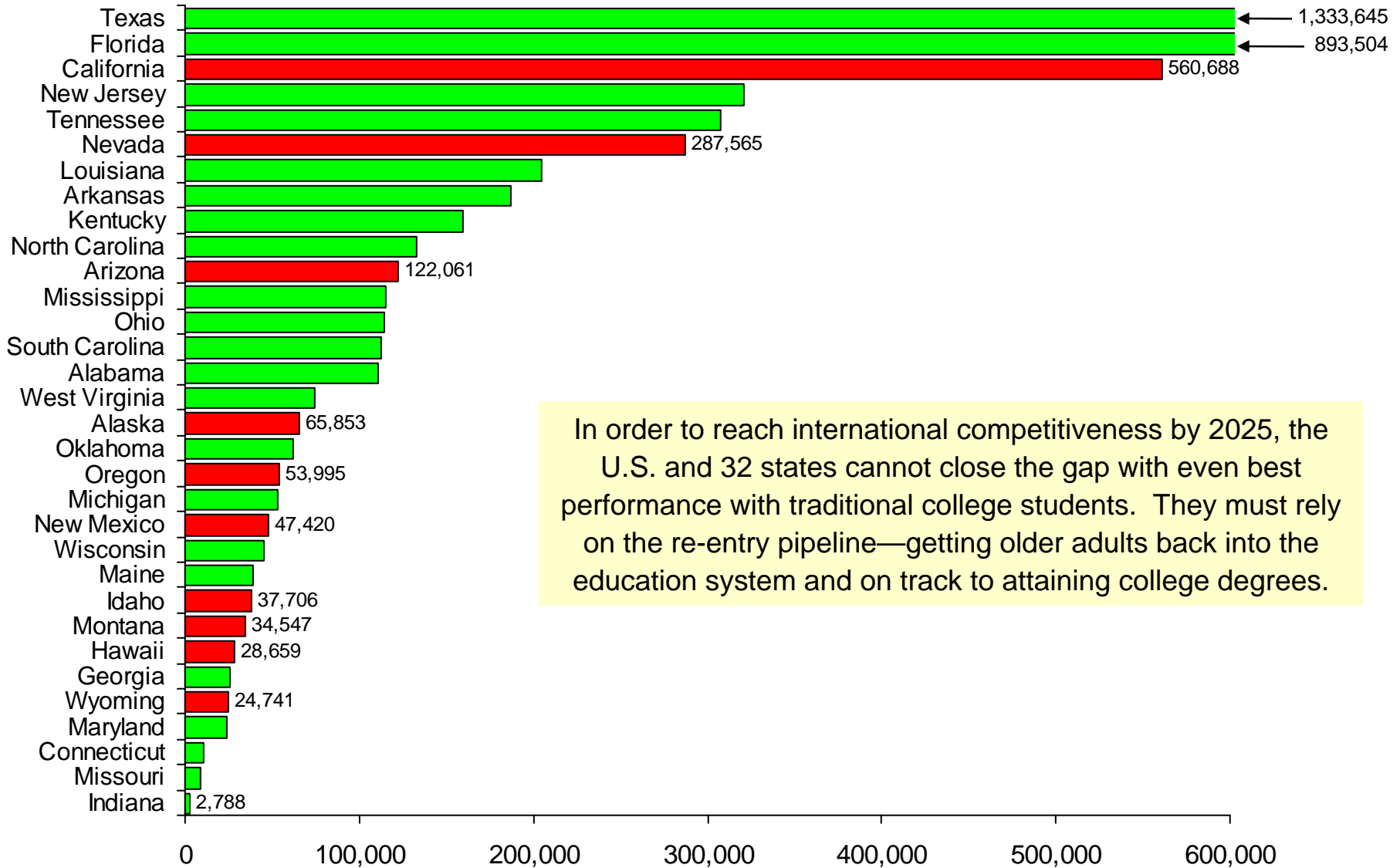
Nine States Have No Projected Degree Gap (3 Types)

1. States that Produce Very Large Numbers of Degrees in the Private Sector
Massachusetts, Rhode Island, Utah, New York, and D.C.
2. States that Produce Large Numbers of Degrees Relative to Their Populations and Are Experiencing Population Declines—Maintaining Current Levels of Production Will Be Difficult
Iowa, Nebraska, North Dakota
3. A State that Relies Heavily on Importing College-Educated Residents—Maintaining Current Levels of Net Migration Will Be Difficult
Colorado

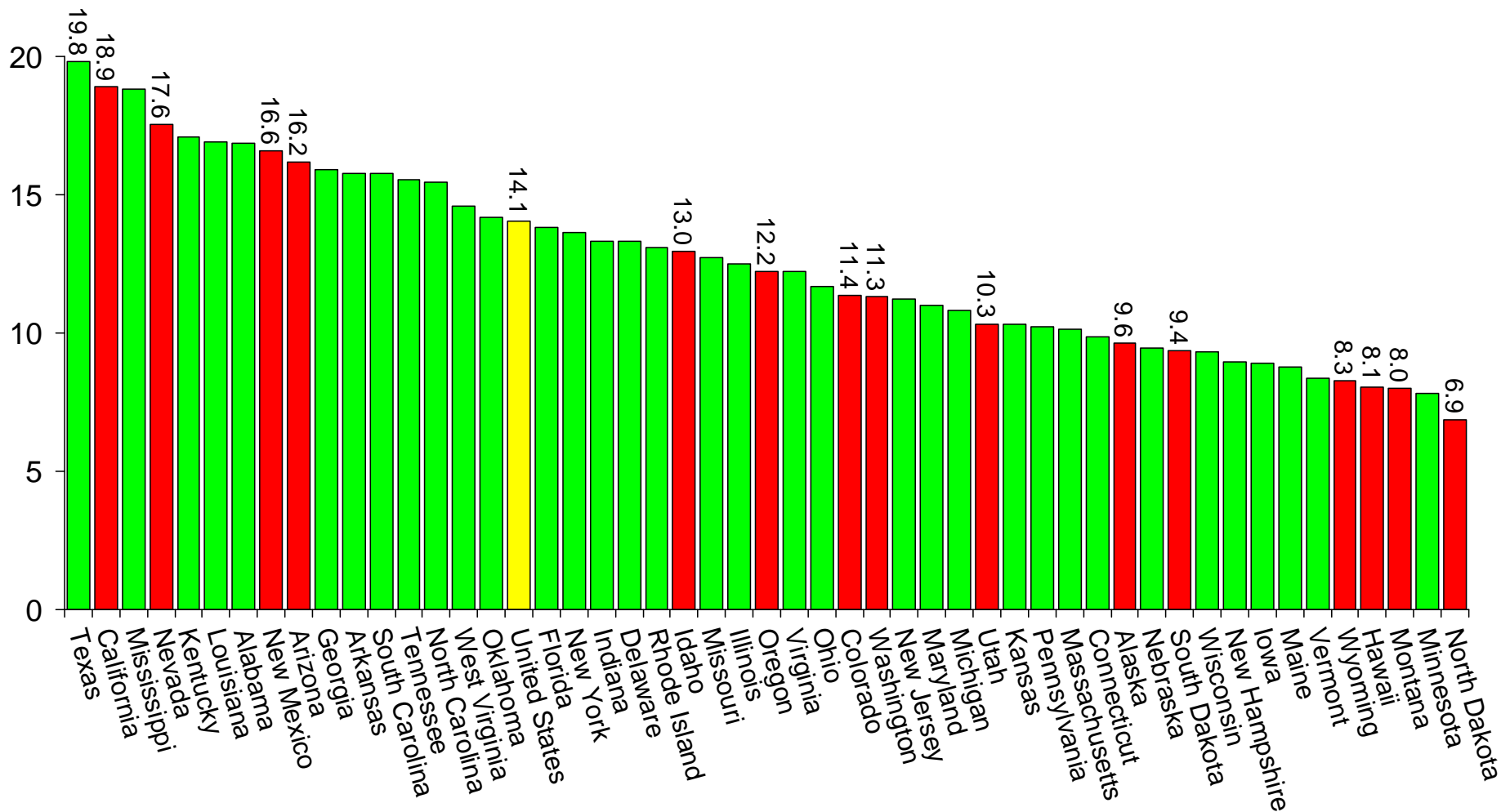
Note: Some States that Import Large Numbers of College-Educated Residents Still Won't Recover

e.g., California, Arizona, Nevada, Florida, Georgia, North Carolina

Even Best Performance with Traditional College-Age Students at Each Stage of the Educational Pipeline Will Leave Gaps in More than 30 States

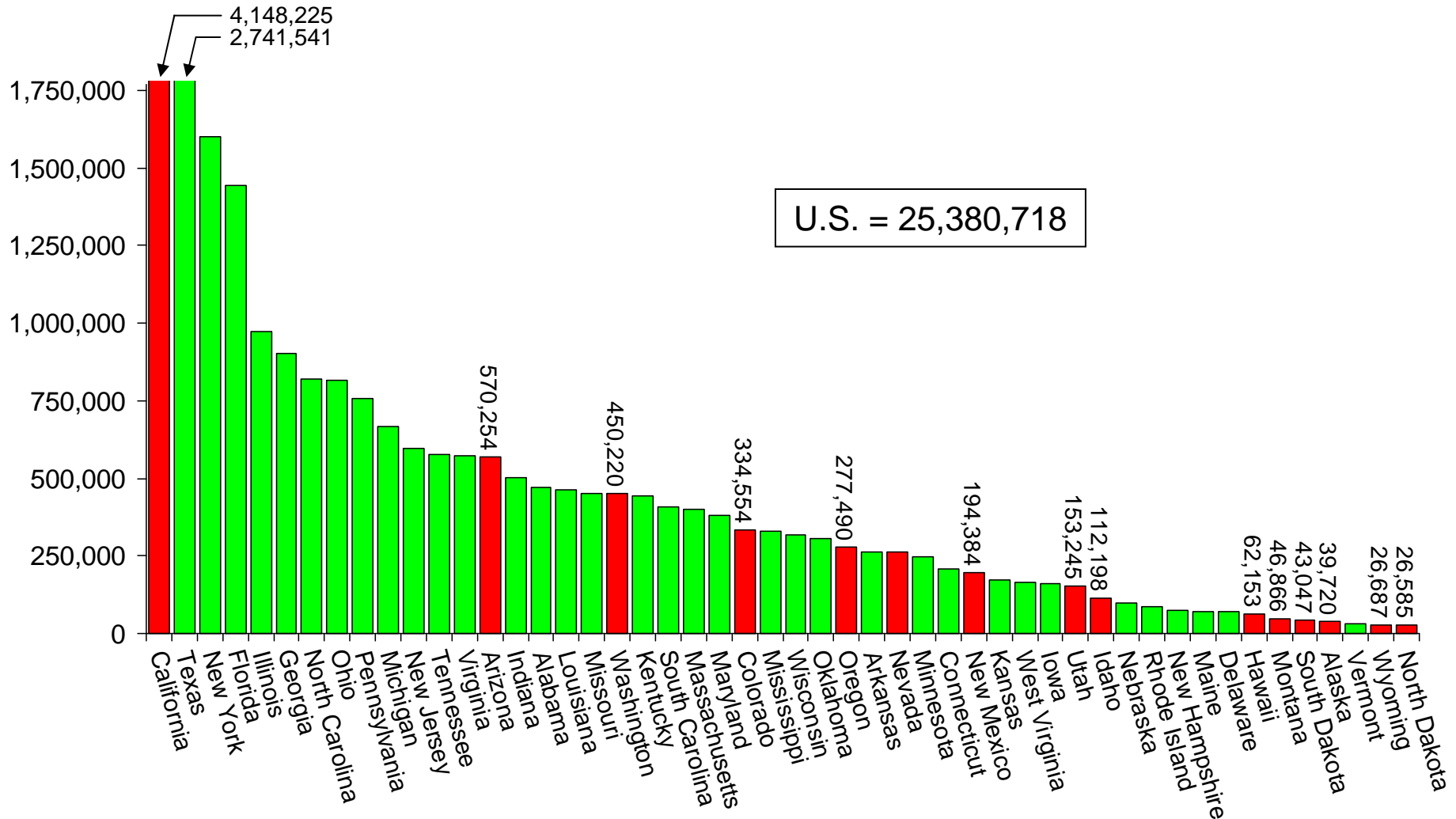


Percent of Population Age 18-64 with Less than a High School Diploma (or Equivalent), 2005



Source: U.S. Census Bureau, 2005 ACS

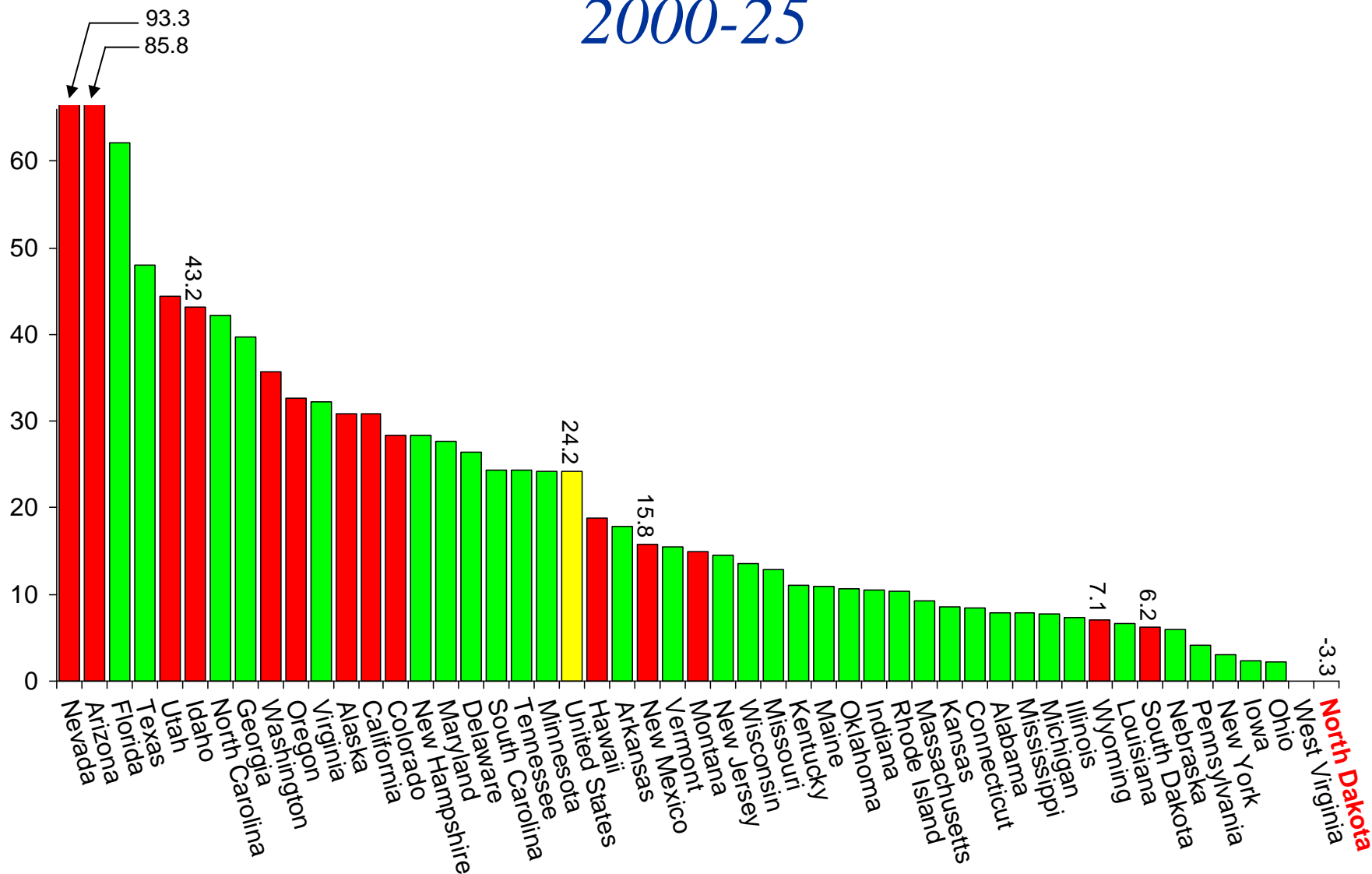
Number of Adults Age 18-64 with Less than a High School Diploma (or Equivalent), 2005



Source: U.S. Census Bureau, 2005 ACS

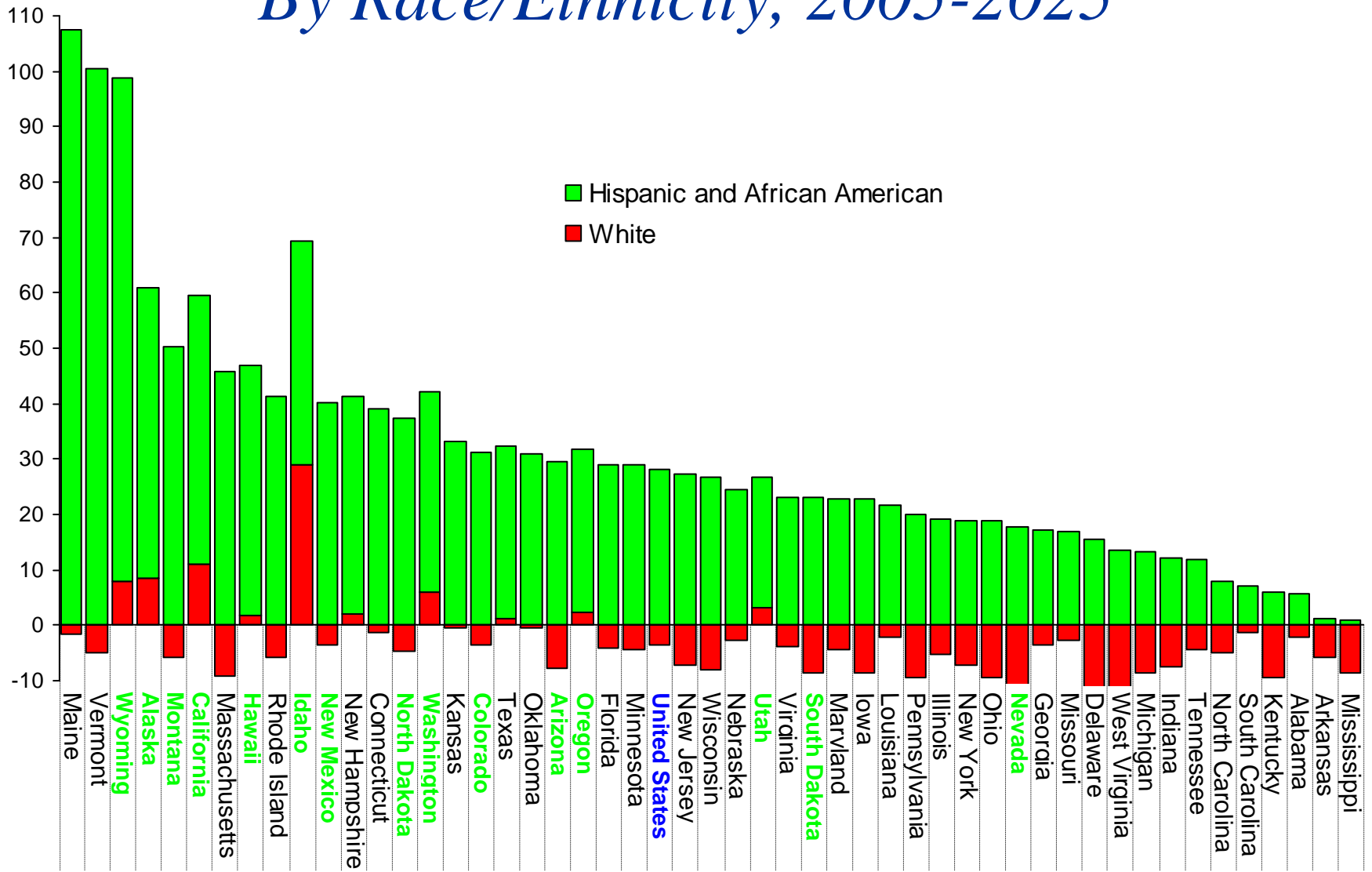
The Demographic Context

Population Projections—Percent Change, 2000-25

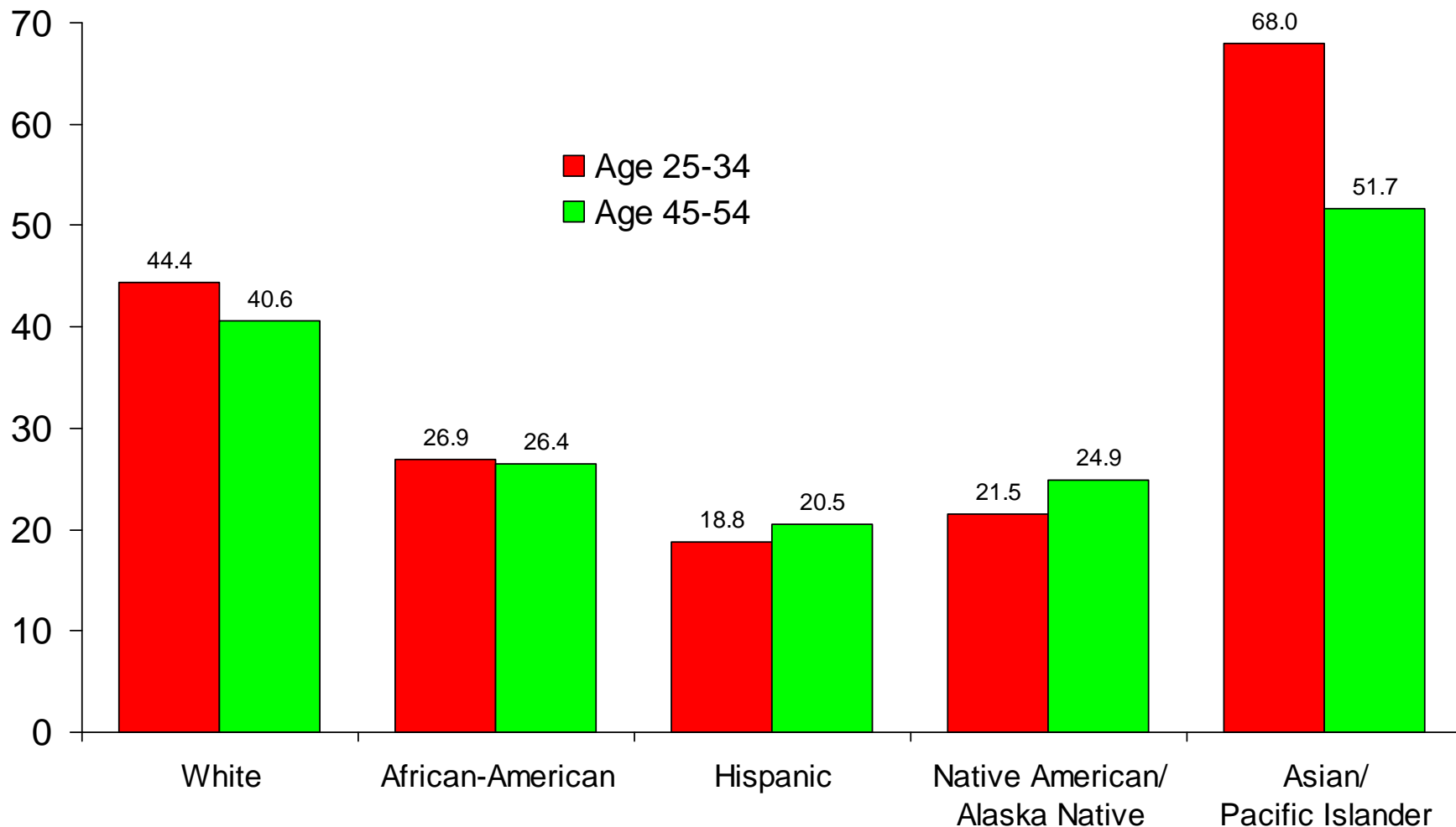


Source: U.S. Census Bureau

Percent Change in Population Age 25-44 By Race/Ethnicity, 2005-2025

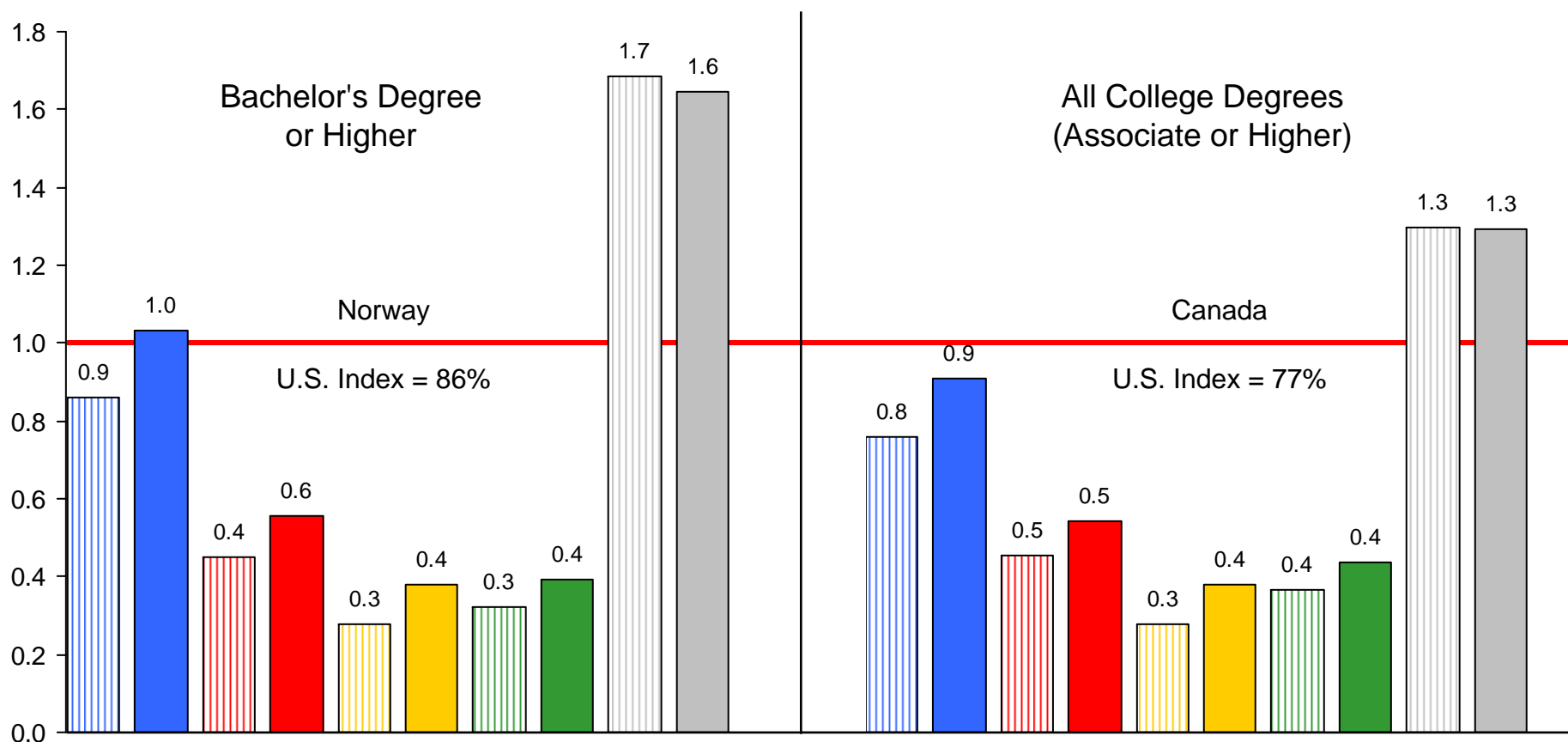
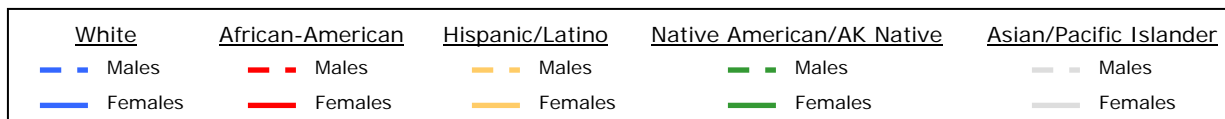


Percent of Adults with an Associate Degree or Higher, 2005

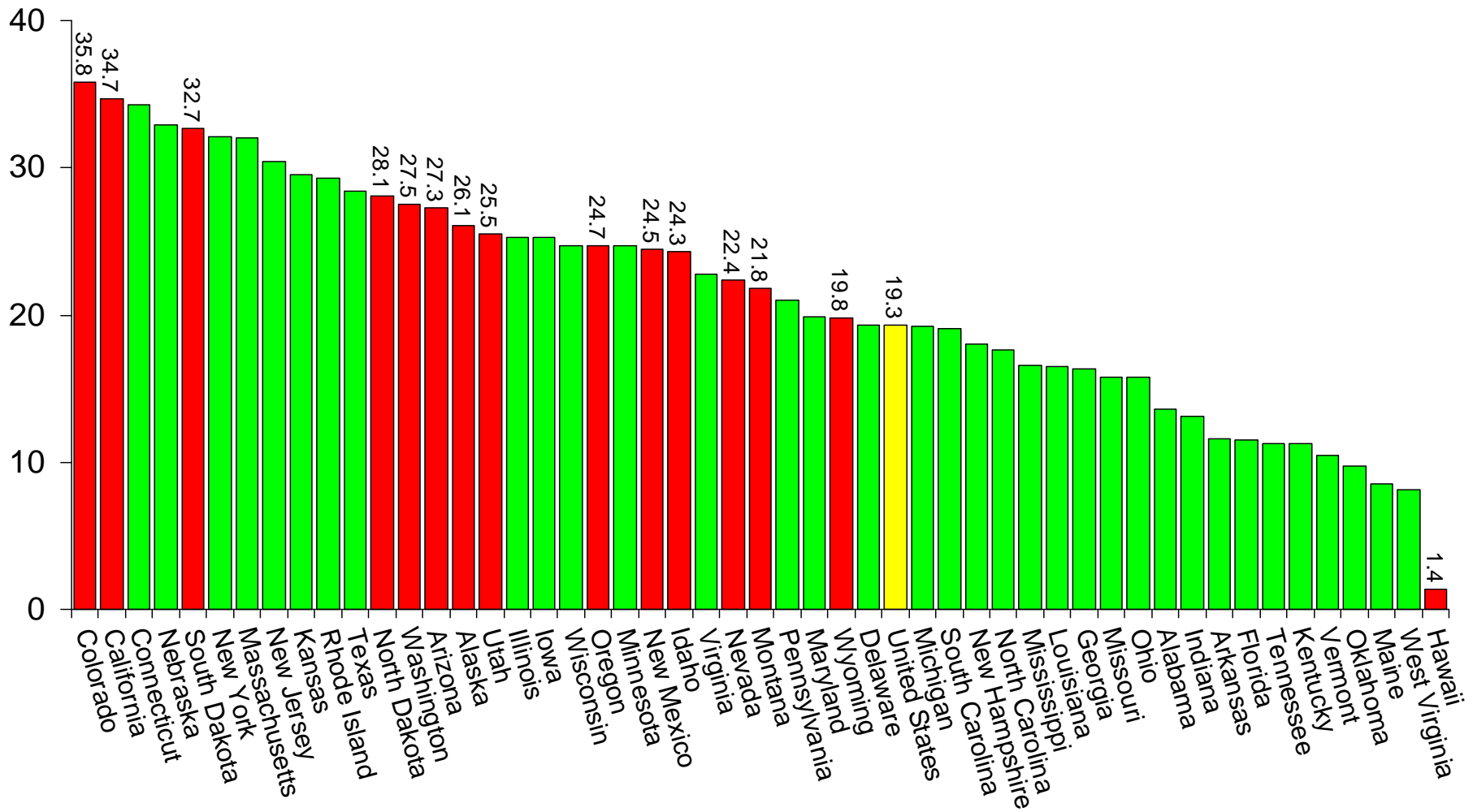


Source: U.S. Bureau of Justice Statistics 2002 data, U.S. Census Bureau 2005 data

Educational Attainment of Young Workforce (Age 25-34) Indexed to Most Educated Country, 2005



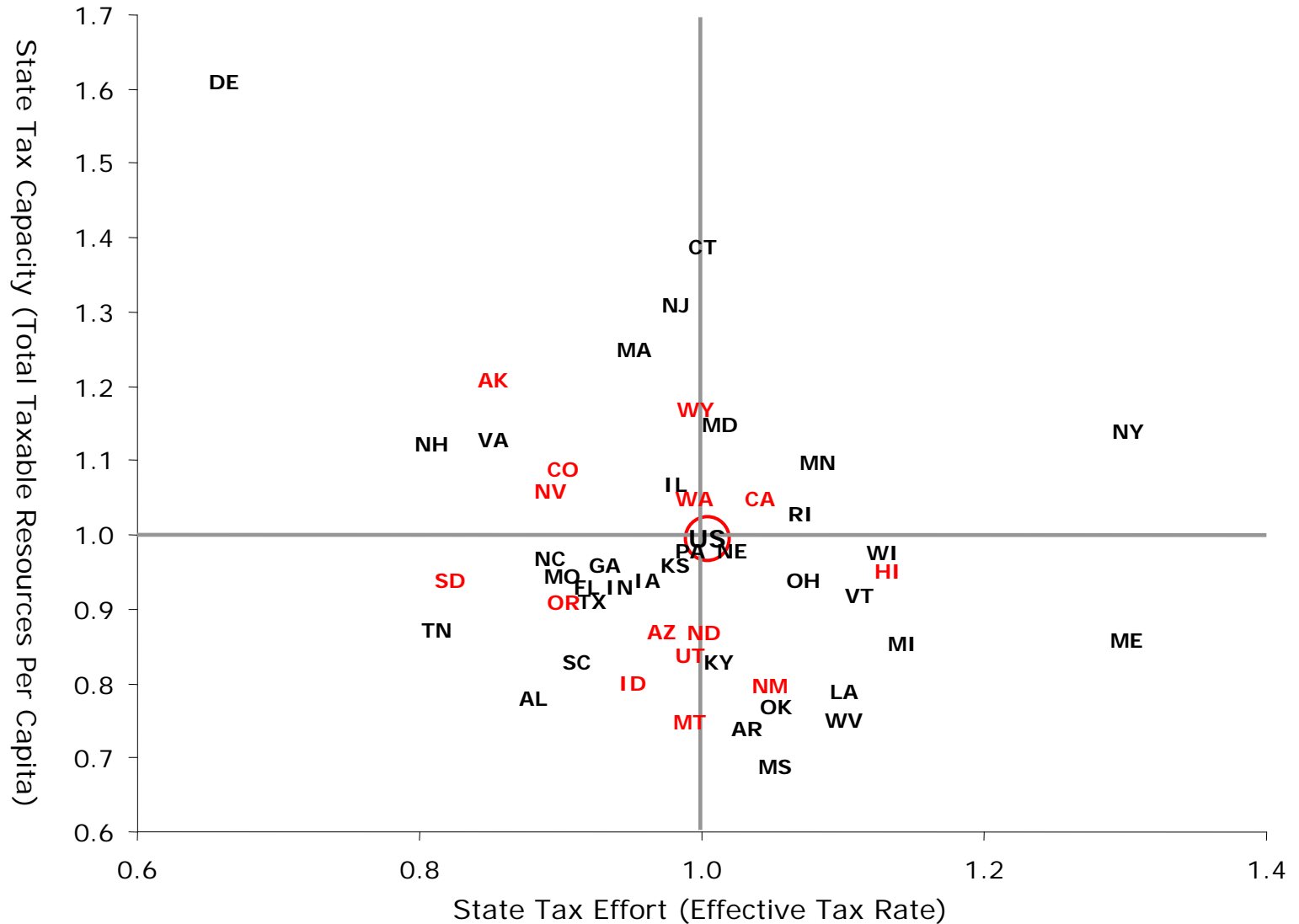
*Difference Between Whites and Next Largest Race/Ethnic Group
in Percentage of Adults Age 25-34 with an
Associate Degree or Higher, 2000*



Source: U.S. Census Bureau, PUMS (based on 2000 Census)

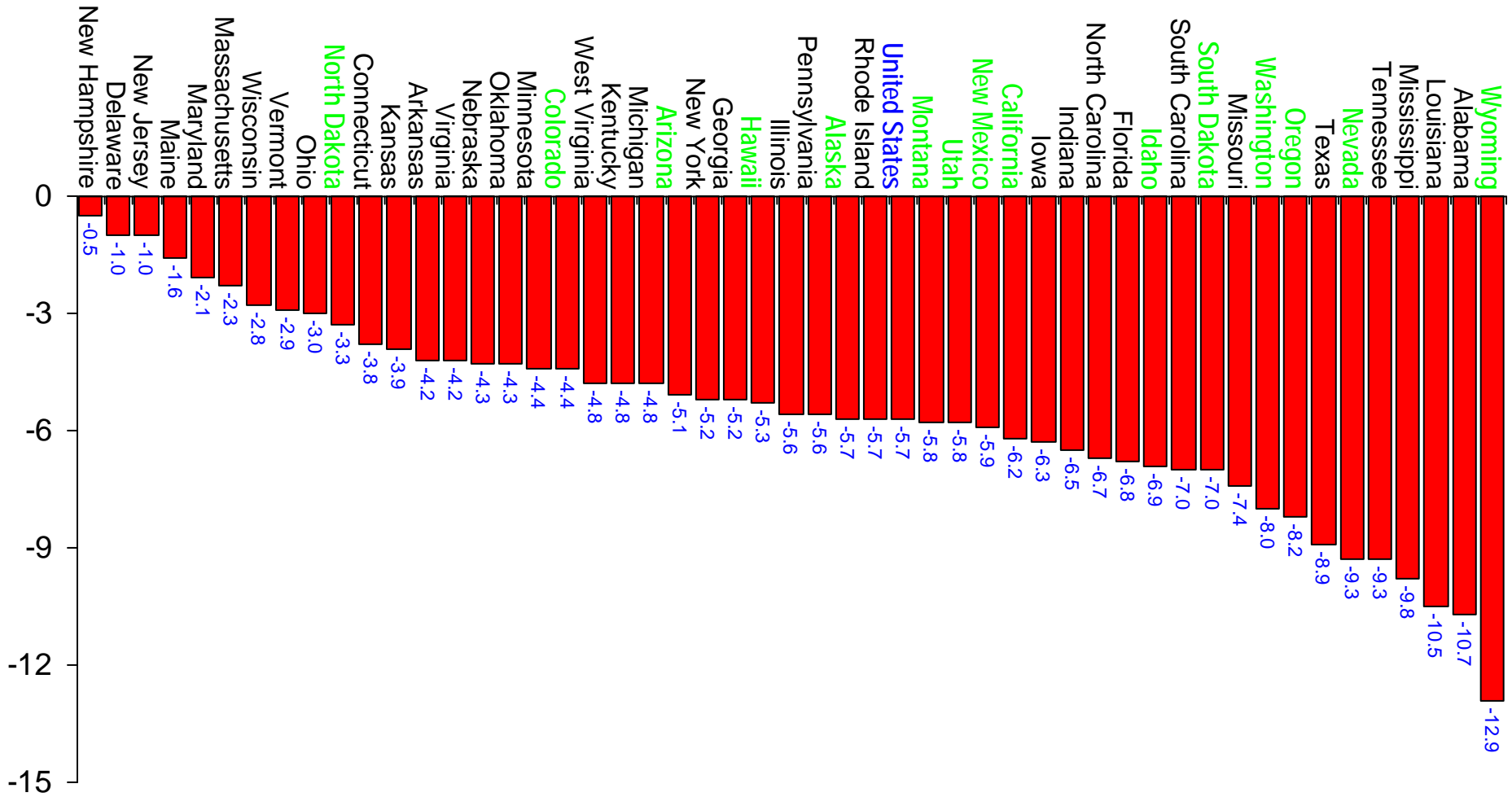
Financial Environment

State Tax Capacity and Effort—Indexed to U.S. Average



Source: State Higher Education Executive Officers (SHEEO)

Projected State and Local Budget Surplus (Gap) as a Percent of Revenues, 2013

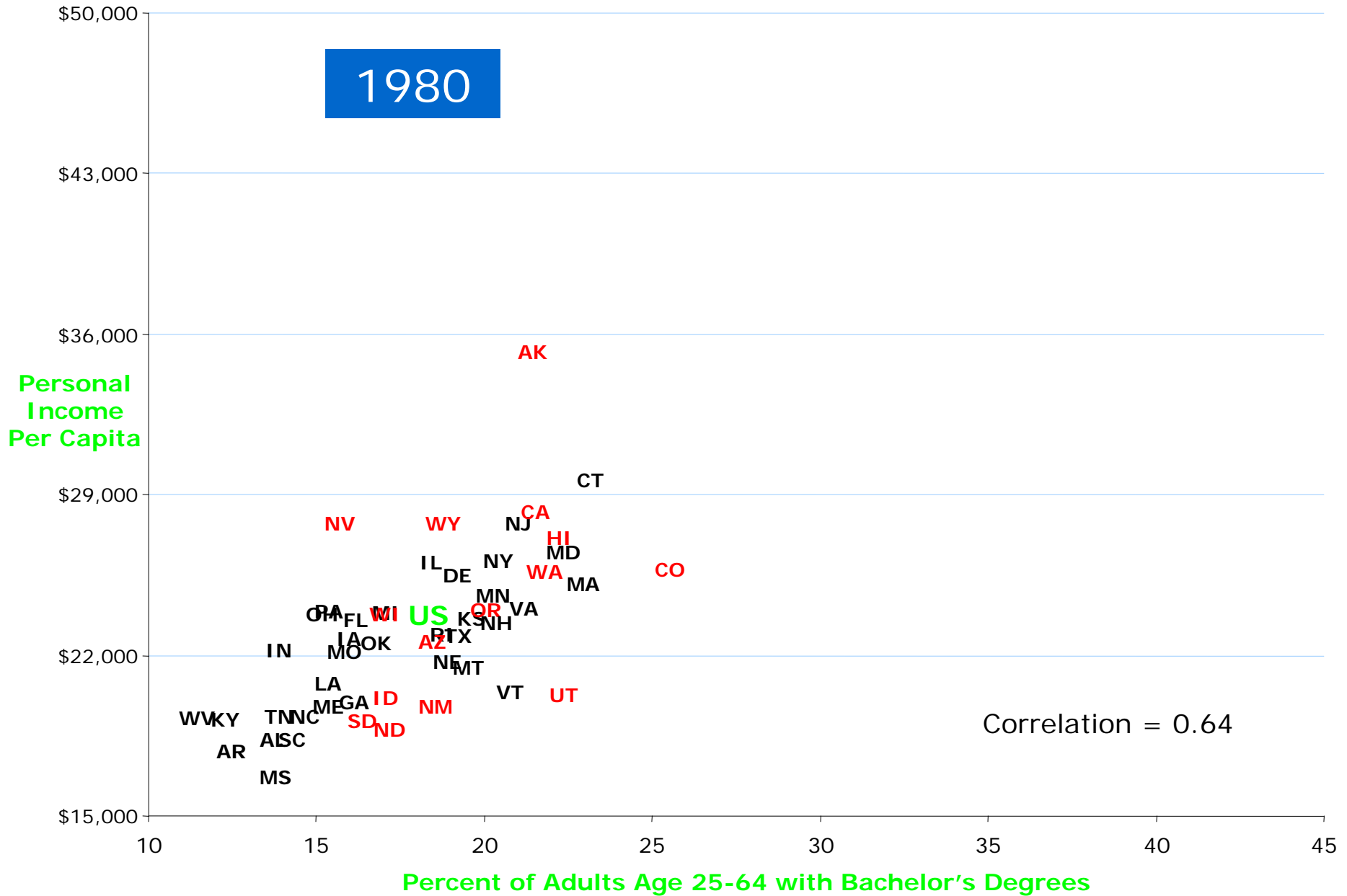


Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2005

Why Higher Education Matters—

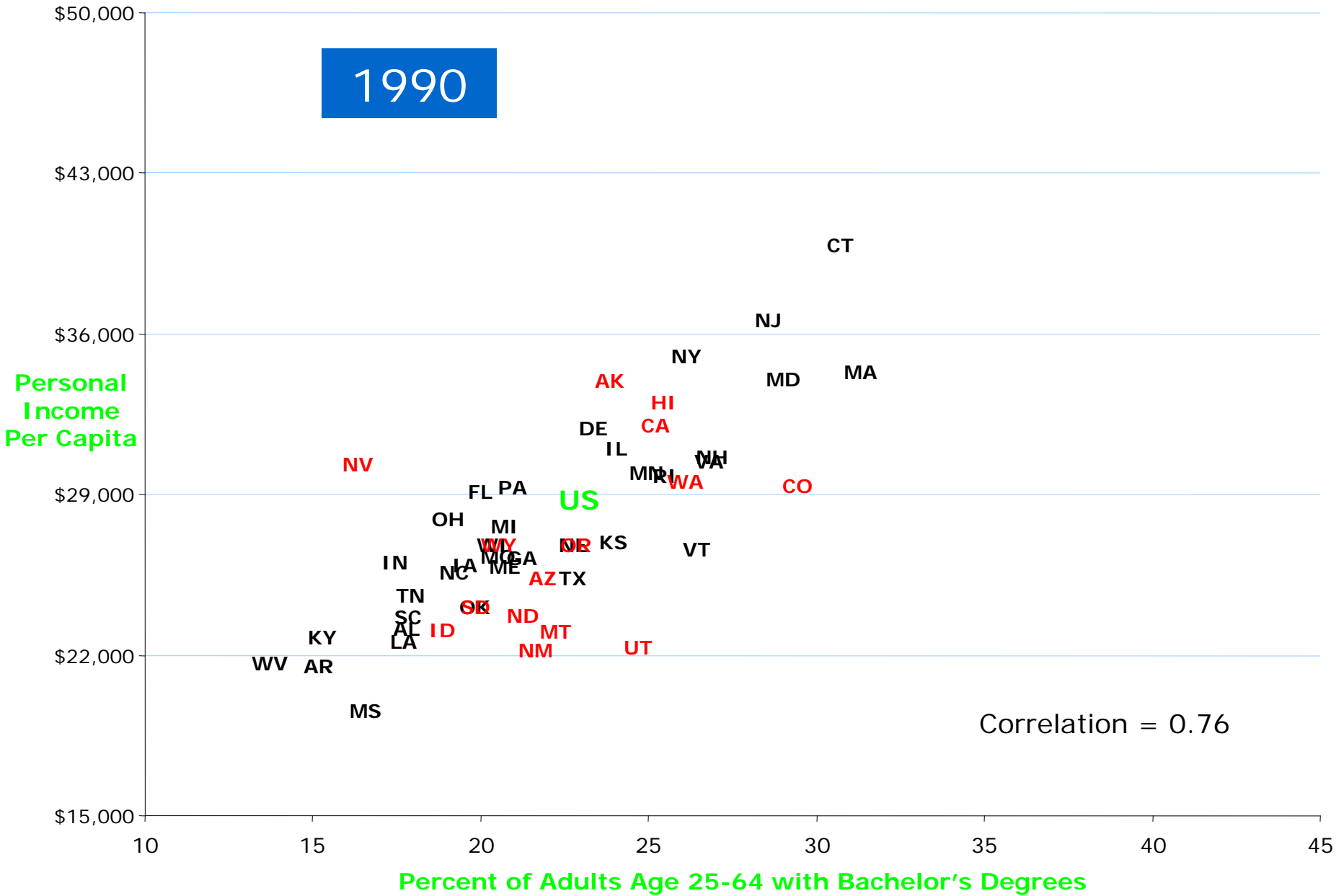
It's Not Just a Workforce Issue

Educational Attainment and Income



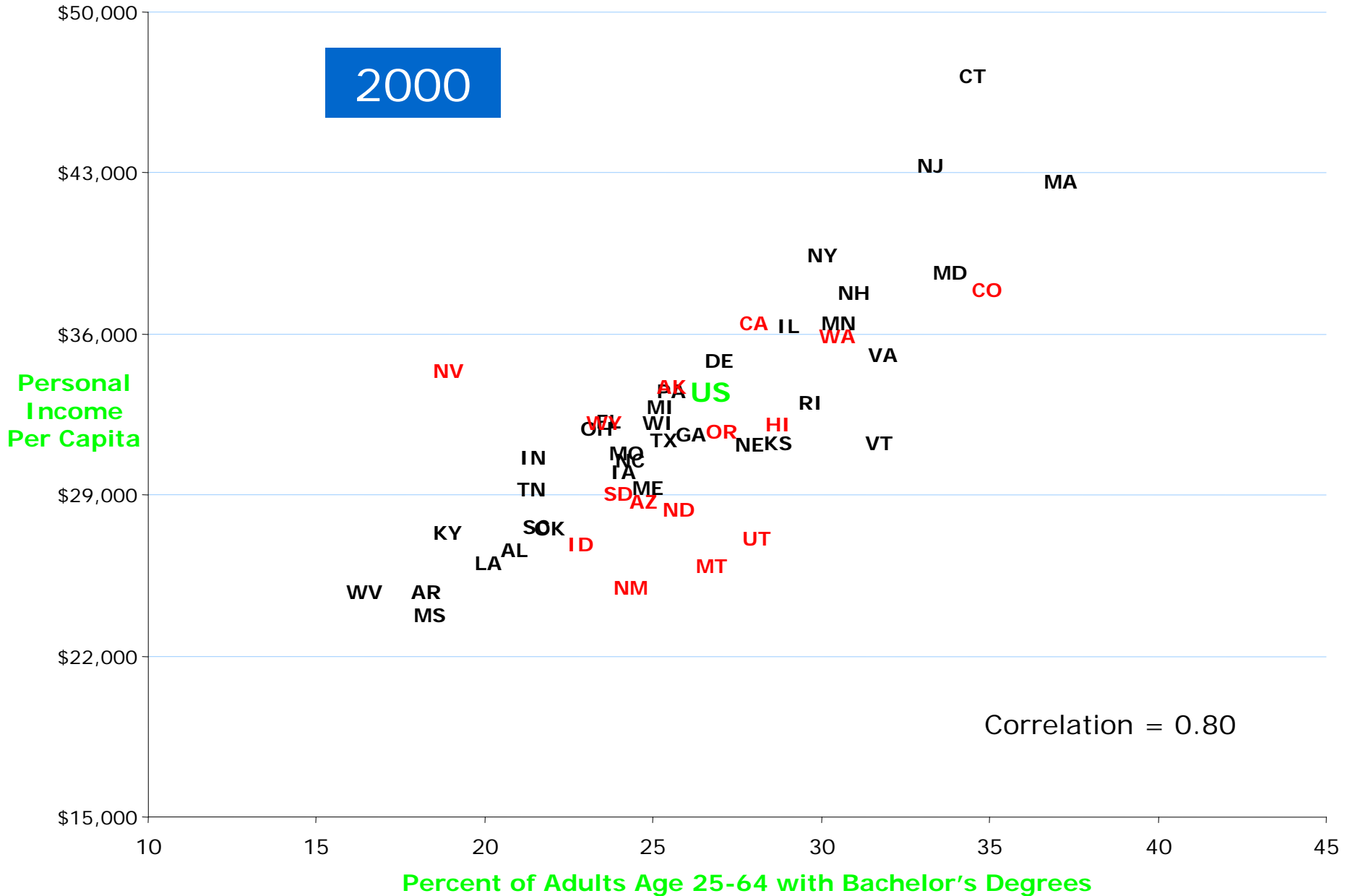
Source: U.S. Census Bureau, Decennial Census' and American Community Survey

Educational Attainment and Income

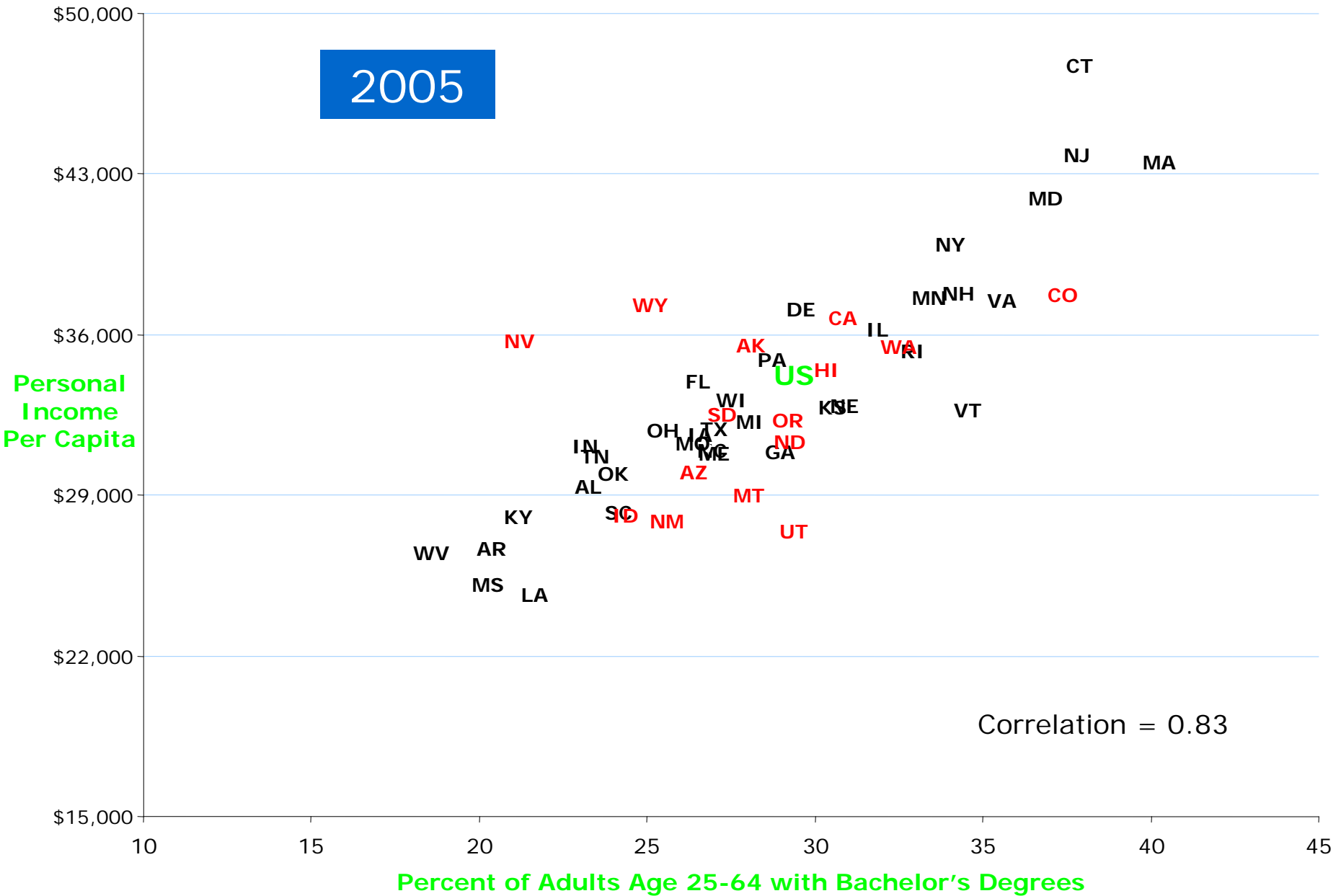


Source: U.S. Census Bureau, Decennial Census' and American Community Survey

Educational Attainment and Income

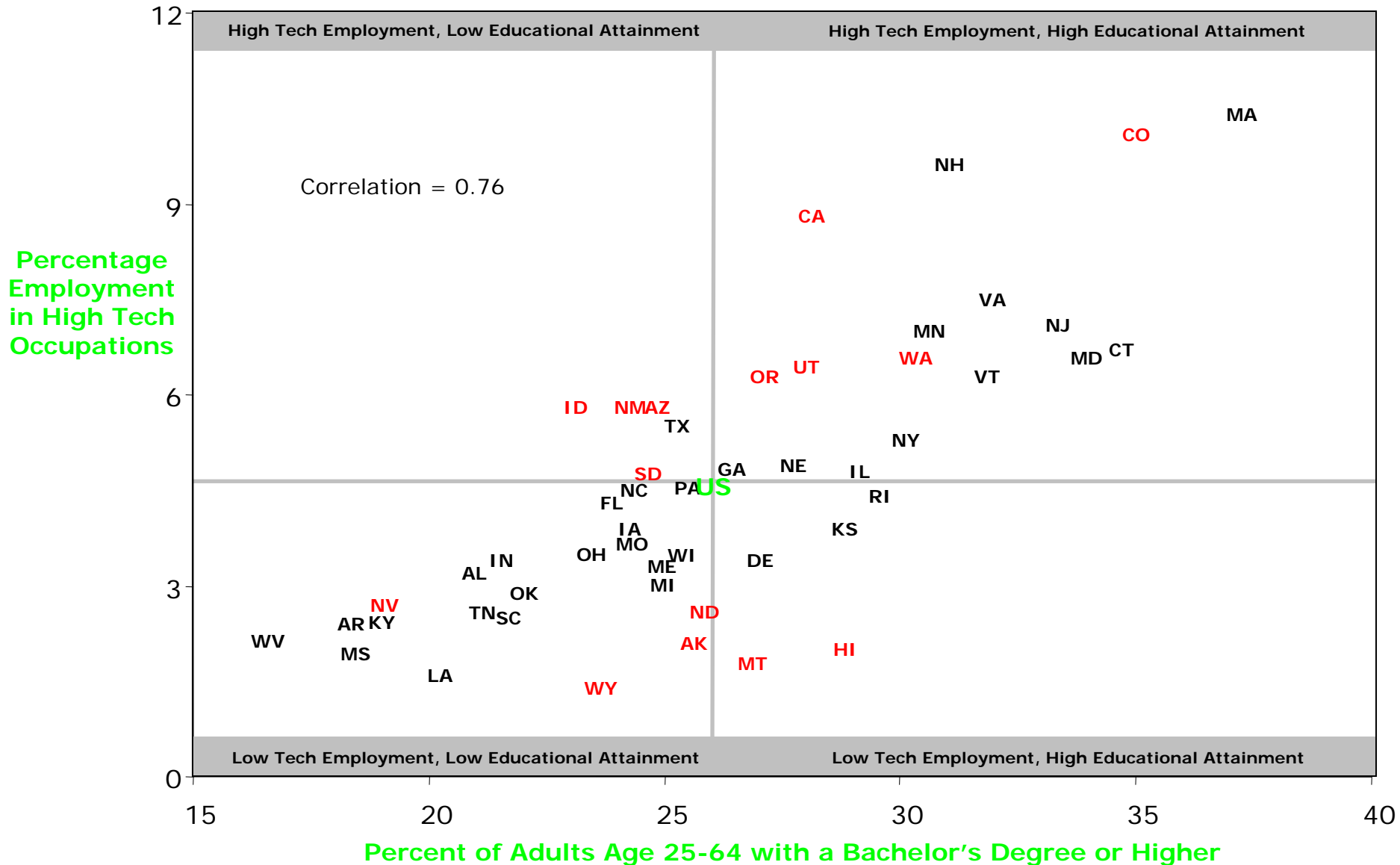


Educational Attainment and Income



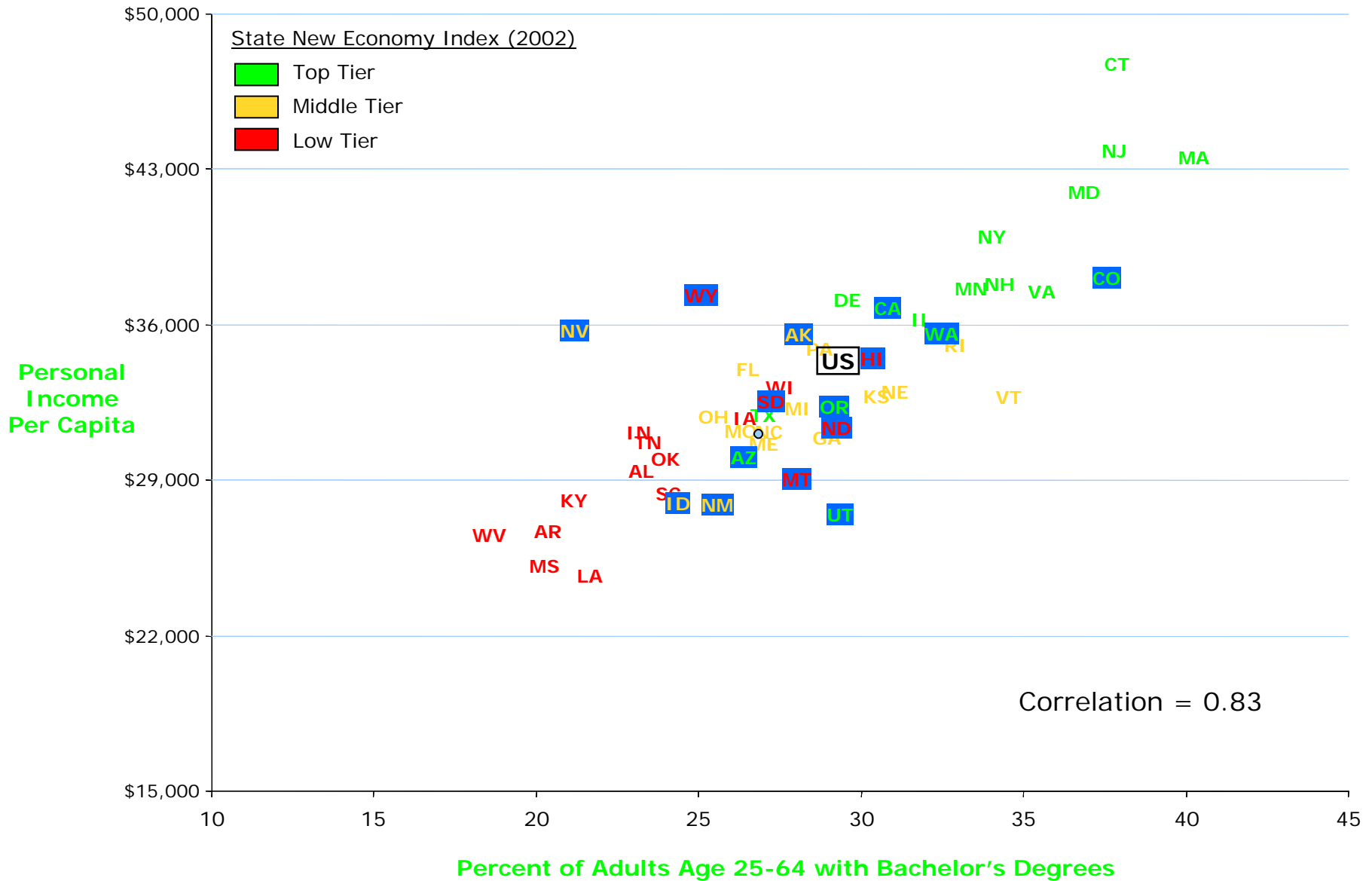
Source: U.S. Census Bureau, Decennial Census' and American Community Survey

Relationship Between Educational Attainment and High Tech Employment

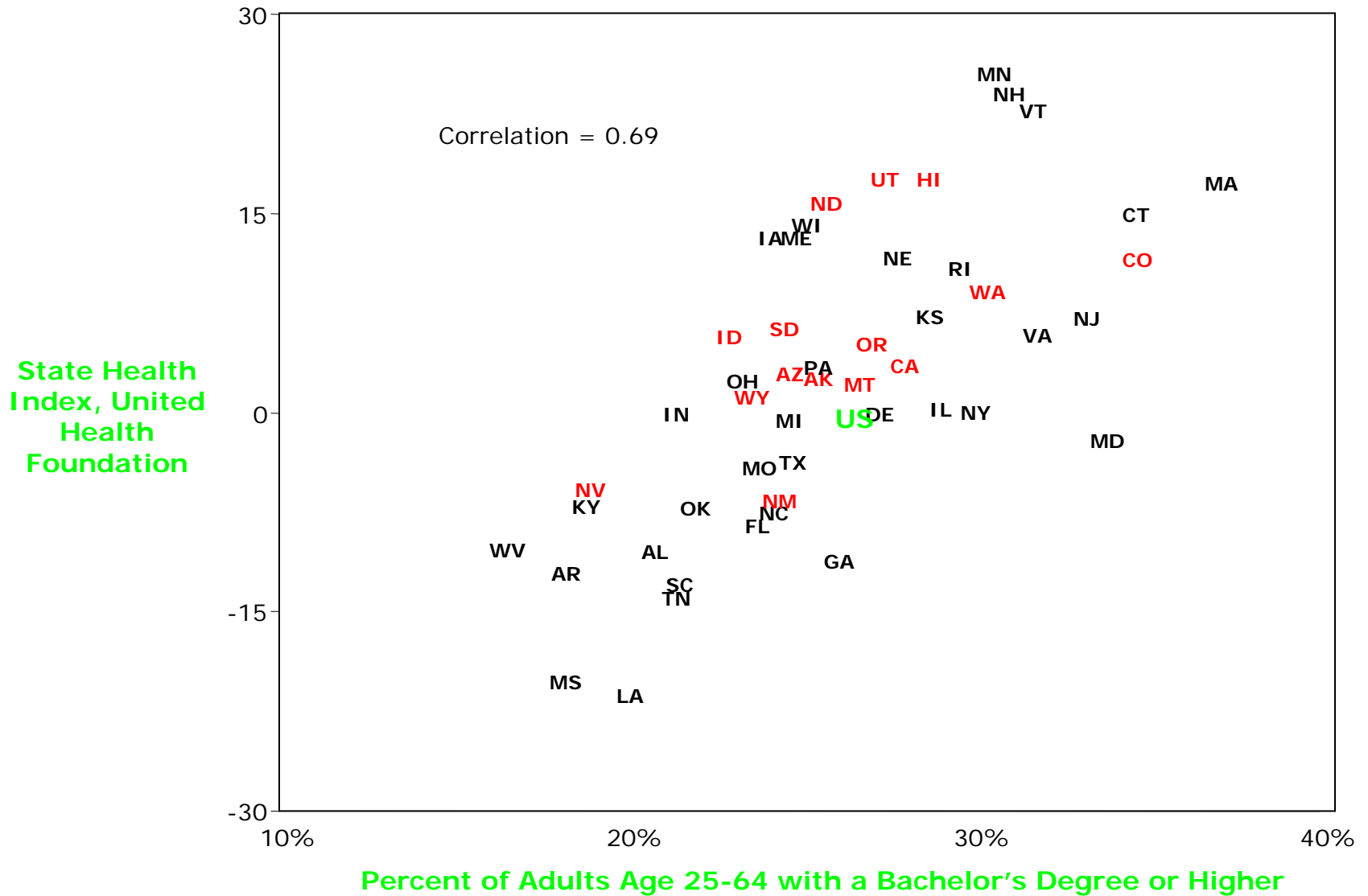


Source: State New Economy Index, U.S. Census Bureau

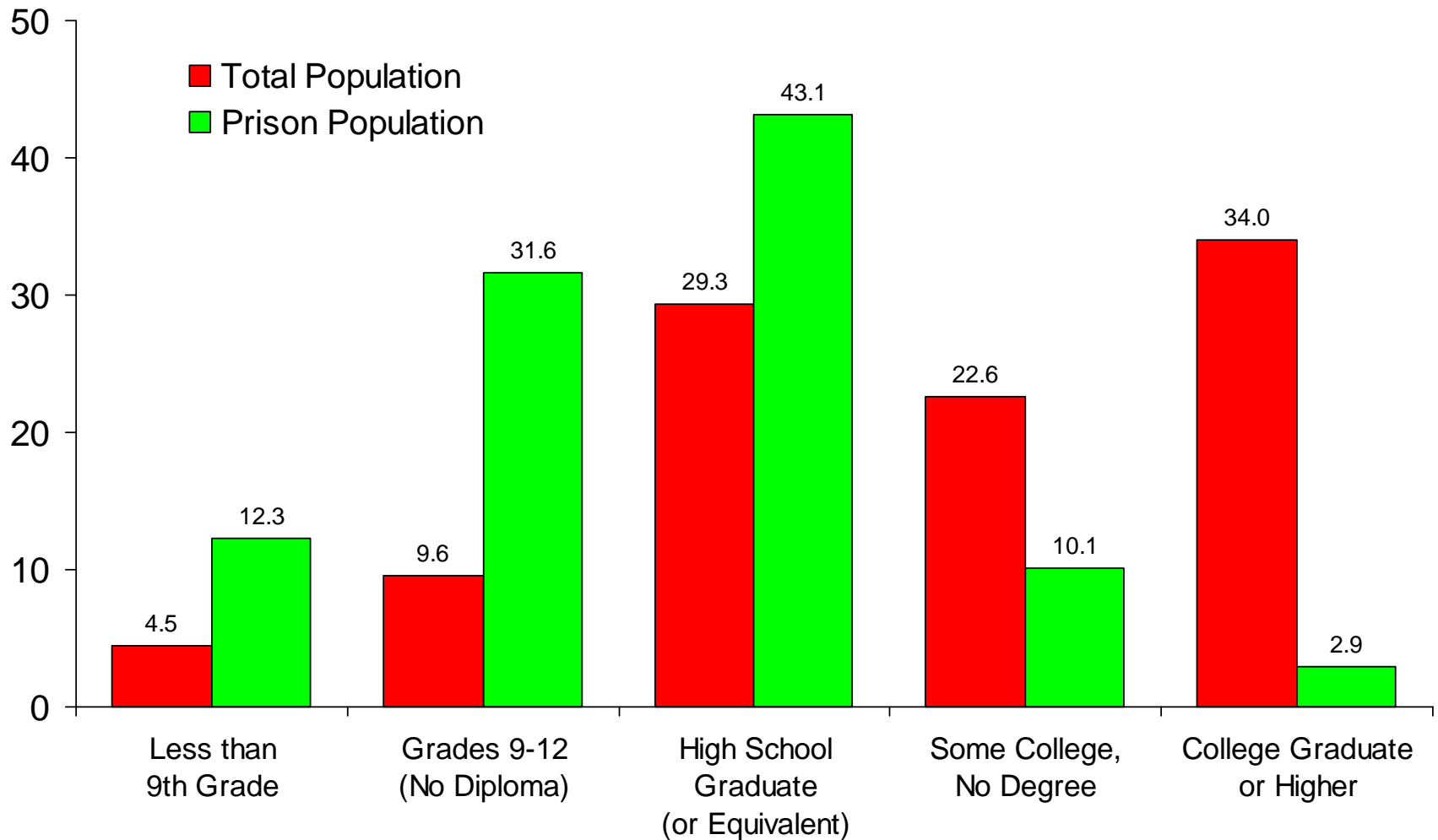
Relationship Between Educational Attainment, Personal Income, and Economic Strength, 2005



Relationship Between Educational Attainment and Health

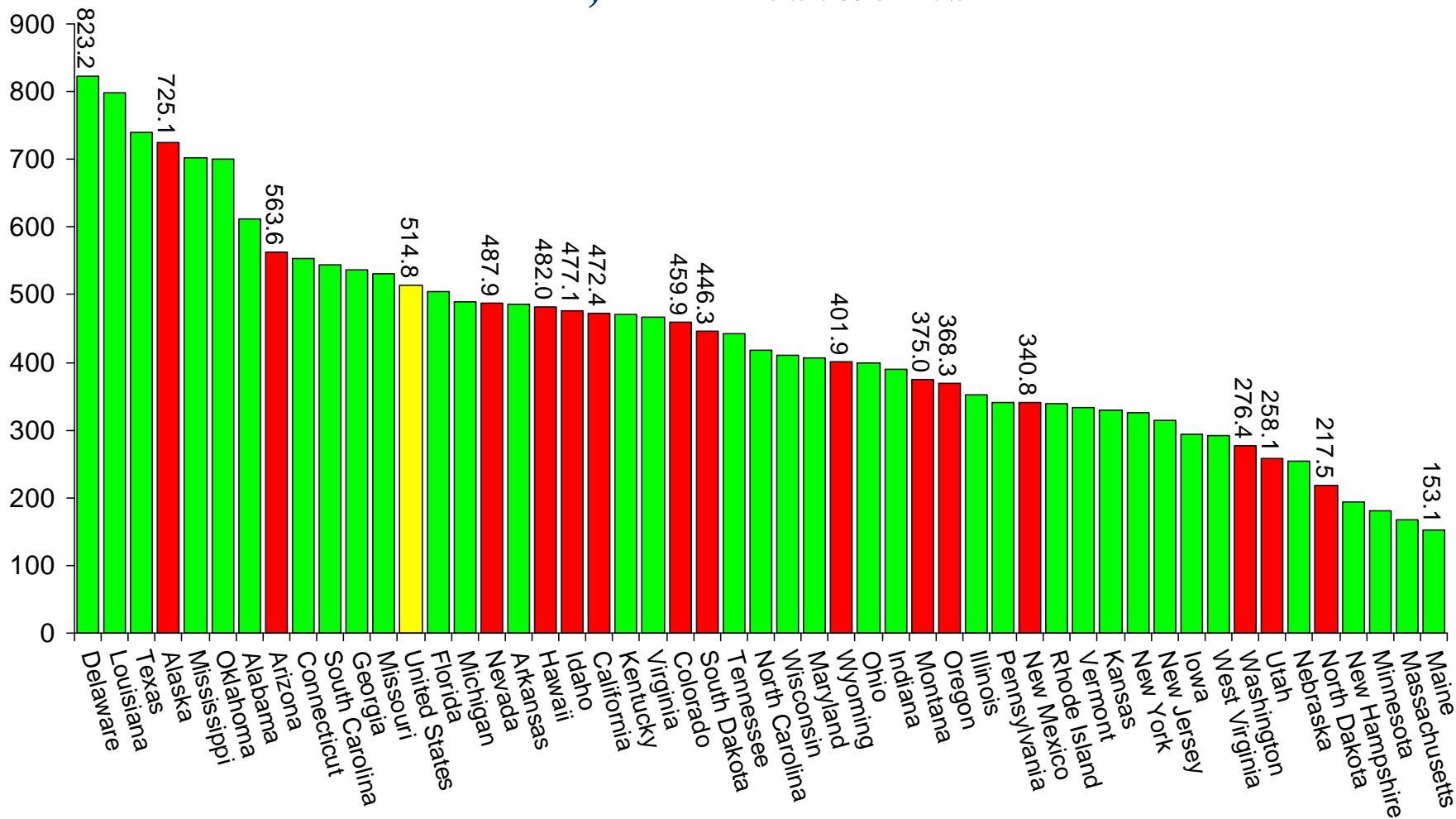


Educational Attainment of Adults Age 18-64—Total U.S. Population vs. Prison Population (Percent)



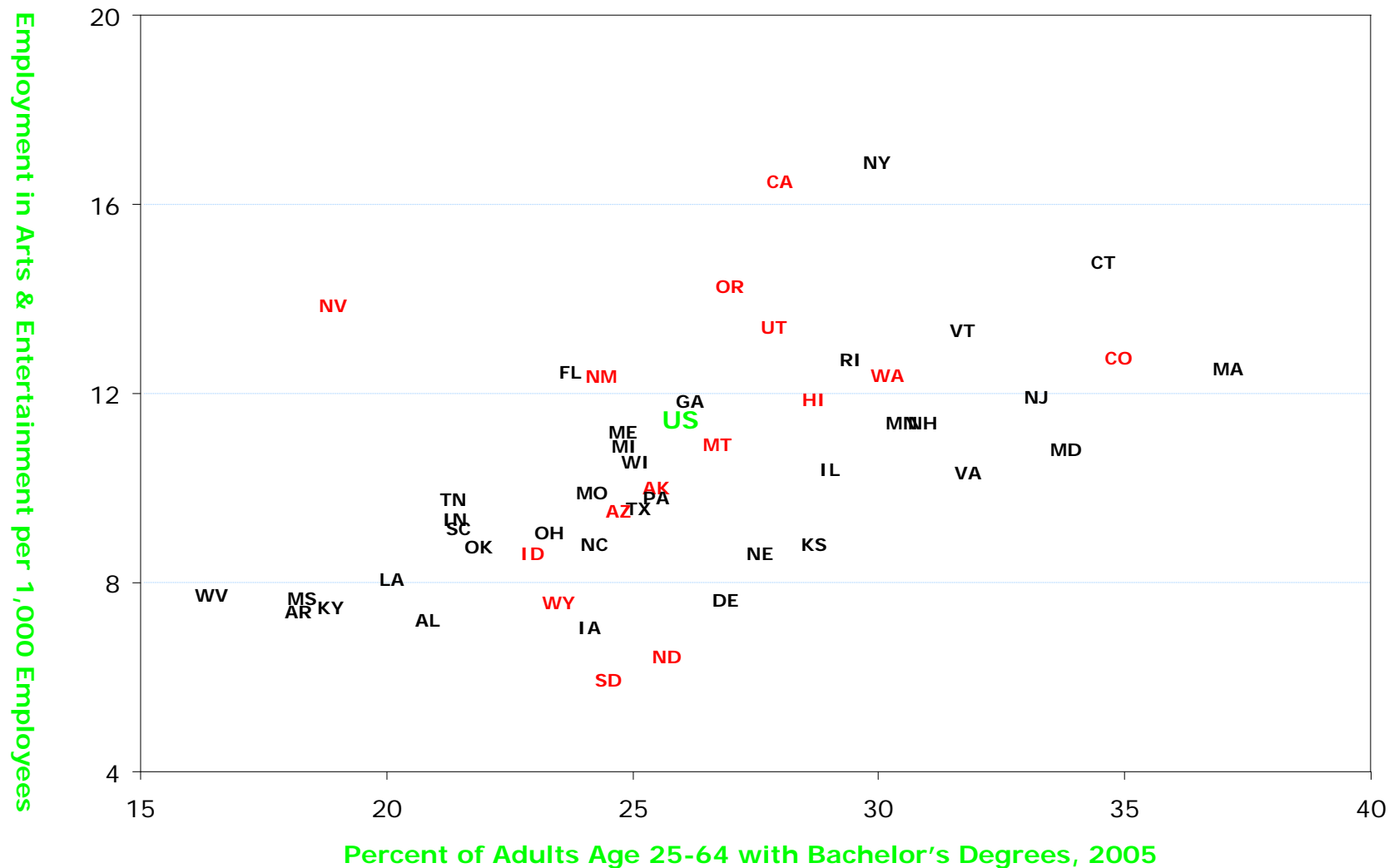
Source: U.S. Bureau of Justice Statistics 2002 data, U.S. Census Bureau 2005 data

Incarceration Rate by State in 2005—Prisoners Under Federal and State Jurisdiction per 100,000 Residents

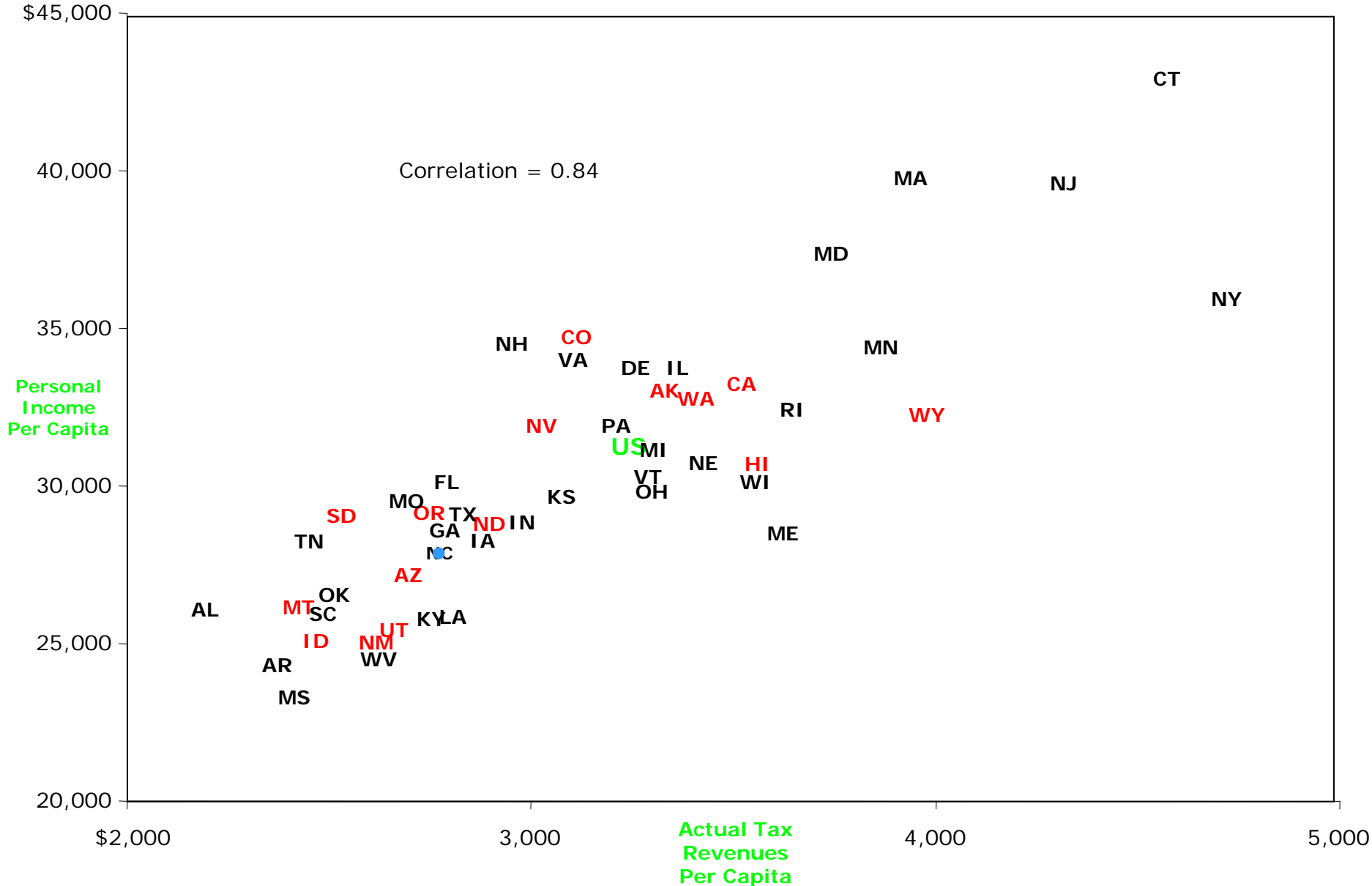


Source: U.S. Bureau of Justice Statistics, U.S. Census Bureau

The Relationship Between Educational Attainment and Employment in the Arts, 2005



Relationship Between Personal Income and Tax Revenues, 2003



For more information, contact Dennis Jones

dennis@nchems.org

and visit the

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Higher Education Policymaking and Analysis

www.higheredinfo.org