Private Benefit or Public Good?

Cut to the chase - the answer is

YES!

Note: Net tuition revenue used for capital debt service is included in net tuition revenue, but excluded from total educational revenue in calculating the above figures.

Source: State Higher Education Executive Officers
The Private Gains
The College Earnings Premium

Source: Carnevale, Jayasundera, and Cheah (2013)

Ratio of college earnings to high school earnings

- BA+ Premium
- Some College/AA Premium
- Recession


1.20 1.13 1.22 1.20

1.54 1.44

2.00 1.97
Median Income by Attainment Level, Ages 25-64, 2008-10

Source: U.S. Census Bureau, 2008-10 American Community Survey (ACS) Three-Year Public Use Microdata Sample (PUMS) File.
Workforce Participation by Attainment Level, Ages 25-64, 2010

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than High School</td>
<td>61.3%</td>
</tr>
<tr>
<td>High School</td>
<td>74.1%</td>
</tr>
<tr>
<td>Some College No Degree</td>
<td>78.9%</td>
</tr>
<tr>
<td>Associates Degree</td>
<td>83.2%</td>
</tr>
<tr>
<td>Bachelor's Degree</td>
<td>85.2%</td>
</tr>
<tr>
<td>Graduate Degree</td>
<td>87.8%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2010 American Community Survey (ACS) Three-Year Public Use Microdata Sample (PUMS) File.
Selective Recovery

Those with Bachelor’s degree or better gained 187,000 jobs in the recession.

Those with high school degree or less lost 5.6 million jobs altogether in recession.

Those with Associate’s degree or some college education gained 1.6 million jobs in recovery.

People with Bachelor’s degree or better gained 2 million jobs in recovery.

People with Associate’s degree or some college education gained 1.6 million jobs in recovery.

People with high school degree or less lost 230,000 jobs by February 2012 in recovery.

Legend:
- High school or less
- Associate’s degree or some college
- Bachelor’s degree or better
Get Over the Education vs. Training Distinction.

Liberal Arts degrees prepare individuals for the world of work.
Median Annual Earnings by Age-Group and Undergraduate Major (2010-11)

Source: How Liberal Arts and Sciences Majors Fare in Employment, 2013
Short-term vs. Long-term Earnings (2010-11)

Source: How Liberal Arts and Sciences Majors Fare in Employment. 2013
The Graduate School Earnings Bump

<table>
<thead>
<tr>
<th>Field</th>
<th>Earnings Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humanities and Social Sciences</td>
<td>$19,550</td>
</tr>
<tr>
<td>Professional and Preprofessional</td>
<td>$14,214</td>
</tr>
<tr>
<td>Physical Sciences, Natural Sciences, and Mathematics</td>
<td>$33,560</td>
</tr>
<tr>
<td>Engineering</td>
<td>$21,828</td>
</tr>
</tbody>
</table>

Source: How Liberal Arts and Sciences Majors Fare in Employment. 2013
Graduate and Professional Degree Attainment

Source: How Liberal Arts and Sciences Majors Fare in Employment. 2013

<table>
<thead>
<tr>
<th>Field</th>
<th>Professional</th>
<th>Doctorate</th>
<th>Master's</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humanities and Social Sciences</td>
<td>9%</td>
<td>5%</td>
<td>26%</td>
</tr>
<tr>
<td>(n = 3,973,129)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional and Preprofessional</td>
<td>4%</td>
<td>2%</td>
<td>24%</td>
</tr>
<tr>
<td>(n = 6,072,873)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physical Sciences, Natural Sciences, and Mathematics</td>
<td>16%</td>
<td>5%</td>
<td>24%</td>
</tr>
<tr>
<td>(n = 2,082,375)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>4%</td>
<td>5%</td>
<td>30%</td>
</tr>
<tr>
<td>(n = 1,310,435)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: How Liberal Arts and Sciences Majors Fare in Employment. 2013

NCHEMS
Percentages of Graduates in Top 5 Professions

Source: How Liberal Arts and Sciences Majors Fare in Employment. 2013
College Graduates in Education & Social Services Professions (2010-11)

Note: For this study, the category of “social services professions” includes counselors; social workers; social and human/community service assistants, managers, and specialists; clergy and other religious workers; and similar categories.

Source: How Liberal Arts and Sciences Majors Fare in Employment. 2013
Employers Prioritize Innovation & Transferable Skills

<table>
<thead>
<tr>
<th>Percentage of employers who agree “somewhat” or “strongly” with each statement</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Our company puts a priority on hiring people with the intellectual and interpersonal skills that will help them contribute to innovation in the workplace.</td>
<td>95%</td>
</tr>
<tr>
<td>Candidates’ demonstrated capacity to think critically, communicate clearly, and solve complex problems is more important than their undergraduate major.</td>
<td>93%</td>
</tr>
<tr>
<td>Whatever their major, all students should have experience in solving problems with colleagues whose views are different from their own.</td>
<td>91%</td>
</tr>
</tbody>
</table>

Employers Want Both Broad Knowledge & Specific Skills

Which of the following ranges of knowledge and skills are more important for recent graduates who want to pursue advancement and long-term career success at your company?

- Knowledge and skills that apply to a specific field or position
- A range of knowledge and skills that apply to a range of fields or positions
- Both field-specific knowledge and skills and a broad range of knowledge and skills

Employers Support Liberal Arts, Diversity, & Civic Learning

Percentage of employers who agree “somewhat” or “strongly” with each statement

<table>
<thead>
<tr>
<th>Statement</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All students should have educational experiences that teach them how to solve problems with people whose views are different from their own.</td>
<td>91%</td>
</tr>
<tr>
<td>All students should learn about ethical issues and public debates important in their field.</td>
<td>87%</td>
</tr>
<tr>
<td>All students should have direct learning experiences working with others to solve problems important in their communities.</td>
<td>86%</td>
</tr>
<tr>
<td>All students should take courses that build knowledge, judgment, commitment to communities, ensure integrity/vitality of democracy.</td>
<td>82%</td>
</tr>
<tr>
<td>All students should acquire broad knowledge in liberal arts and sciences.</td>
<td>80%</td>
</tr>
</tbody>
</table>

The Public Benefits
The Relationship Between Educational Attainment, Personal Income, and the State New Economy Index (2011)

- High College Attainment, Low Personal Income
- High College Attainment, High Personal Income
- Low College Attainment, Low Personal Income
- Low College Attainment, High Personal Income

Source: U.S. Census Bureau, 2011 American Community Survey; Bureau of Economic Analysis; ITIF 2012 State New Economy Index
Calculating the Economic Value of Increasing College Credentials by 2025

United States

Increase College Attainment View Returns on Investment Instructions and Definitions

Change in Personal Income per Capita

In Current $

Current Personal Income per Capita = $39,945

Additional State Revenues Generated

In Current $

Additional Revenues Generated

In Current $

State and Federal Costs vs Revenues Generated

In Current $

Note: The default positions reflect current rates and values. The results in 2025 assume linear progress toward goals.

Created by NCHEMS and CLASP
Calculating the Economic Value of Increasing College Credentials by 2025

**Increase College Attainment**

Set Postsecondary Performance Goals for Year 2025

- **Increase College Access**
  - High School Graduation Rate: 91.0%
  - College-Going Rate Directly from High School: 81.0%
  - 20 to 39 Year Olds Enrolled in College: 0.9%

- **Increase Number of College Credentials**
  - Public Research
  - Public Bachelor’s and Master’s
  - Public Two-Year
  - Private Colleges
  - Undergraduate Credentials Awarded per 100 Students

- **Change Enrollment Patterns of Additional First-Time Students**
  - Directly from High School
  - 20 to 39 Year Olds

Optional: Set 2025 College Attainment Goal (%): 60.0

Gap: Additional Degrees Needed to Meet Goal: 25,090,325

Results: Additional Undergraduate Credentials Awarded by 2025

- Associate’s: 7,382,570
- Bachelor’s: 10,328,554

= Additional Degrees: 17,711,124

Undergraduate Certificates: 4,653,361

Total Additional Undergraduate Credentials: 22,364,485

Additional Undergraduate Credentials Awarded Annually

- Certificates
- Associate’s
- Bachelor’s

2025 Enrollment patterns of additional first-time students as a result of the improvements made above.

Note: The default positions reflect current rates and values. The results in 2025 assume linear progress toward goals.

Created by NCHEMS and CLASP
Calculating the Economic Value of Increasing College Credentials by 2025

United States

Note: The default positions reflect current rates and values. The results in 2025 assume linear progress toward goals.

Created by NCHEMS and CLASP
Calculating the Economic Value of Increasing College Credentials by 2025

Set Postsecondary Performance Goals for Year 2025

Increase College Access
- High School Graduation Rate: 91.0%
- College-Going Rate Directly from High School: 81.0%
- 20 to 39 Year Olds Enrolled in College: 1.5%

Increase Number of College Credentials
- Public Research: 26.4
- Public Bachelor’s and Master’s: 24.9
- Public Two-Year: 42.7
- Private Colleges: 37.6

Undergraduate Credentials Awarded per 100 Students

Change Enrollment Patterns of Additional First-Time Students
- Directly from High School: 61%
- 20 to 39 Year Olds: 16%
- Must Equal 100%

Optional: Set 2025 College Attainment Goal (%)
- Goal: 60.0
- Gap: Additional Degrees Needed to Meet Goal: 25,090,525

Results: Additional Undergraduate Credentials Awarded by 2025
- Associate’s: 8,763,618
- Bachelor’s: 12,103,589
- Additional Degrees: 20,867,208
- Undergraduate Certificates: 5,517,366
- Total Additional Undergraduate Credentials: 26,384,573

Additional Undergraduate Credentials Awarded Annually

Note: The default positions reflect current rates and values. The results in 2025 assume linear progress toward goals.
Calculating the Economic Value of Increasing College Credentials by 2025

United States

Increase College Attainment | View Returns on Investment | Instructions and Definitions

Change in Personal Income per Capita

In Current $

Current Personal Income per Capita = $39,945

Additional State Revenues Generated

In Current $

Income Tax, Sales Tax, Property Tax, Medicaid Savings, Corrections Savings

Additional Revenues Generated

In Current $

Personal Income (After Taxes), State Revenues, Federal Revenues

State and Federal Costs vs Revenues Generated

In Current $

Note: The default positions reflect current rates and values. The results in 2025 assume linear progress toward goals.

Created by NCHEMS and CLASP
Prison Population by Education Level

- HS and Less: 87.0%
- Some College: 10.1%
- College Degree: 2.9%