Ill Winds Blowing: Social Mobility Today and Prospects for the Future

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Why Higher Education Matters

It’s Not Just a Workforce Issue
Relationship Between Educational Attainment, Personal Income, and Economic Strength, 2005

Correlation = 0.83
Educational Attainment and Income

1980

Correlation = 0.64

Source: U.S. Census Bureau, Decennial Census’ and American Community Survey
Educational Attainment and Income

Correlation = 0.76

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

Correlation = 0.80

Percent of Adults Age 25-64 with Bachelor’s Degrees

Personal Income Per Capita

$15,000 $22,000 $29,000 $36,000 $43,000 $50,000

10 15 20 25 30 35 40 45
Educational Attainment and Income

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

Correlation = 0.83
Relationship Between Educational Attainment and High Tech Employment

Correlation = 0.76

Source: State New Economy Index, U.S. Census Bureau
Relationship Between Educational Attainment and Health

Correlation = 0.69

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

Source: United Health Foundation, U.S. Census Bureau
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

Source: U.S. Census Bureau, 2005 American Community Survey
The Objectives in Every State

- A Highly Educated Citizenry
- Employed in Well-Paying Jobs
State Workforce and Economy

Who’s Entering the State’s Workforce?
- Characteristics of In-Migrants
- Entrants into the Workforce

The State Workforce and Economy
- Characteristics of the Workforce
- Economic Conditions

Who’s Leaving the State Workforce?
- Characteristics of Out-Migrants
- Retirees Leaving the Workforce

Net Gain/Loss
- Net Gains/Losses
  - Retirement
  - Migration
Differences in College Attainment (Associate and Higher) Between Young and Older Adults—U.S. and OECD Countries, 2004

Source: Education at a Glance 2006, Organisation for Economic Co-operation and Development (OECD)
Percent of Adults with an Associate Degree or Higher by Age Group—United States and Leading OECD Countries, 2004

Source: Education at a Glance 2005, OECD
Difference in College Attainment Between the Young and Older Population, 2005

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

Source: U.S. Census Bureau 2005 ACS; OECD
Number Changes in Educational Attainment (Age 25-64) as a Result of Projected Changes in Race/Ethnicity, 2000 to 2020

Given current educational attainment disparities by race/ethnicity and projected changes in the population, it is likely that the segment of population with less than a high school diploma will grow more than any other—unless successful intervention takes place.

Source: NCHEMS, As America Becomes More Diverse: The Impact of State Higher Education Inequality
Gaps in Personal Annual Income Between Wealthiest and Poorest Counties, 2000

Source: U.S. Census Bureau, 2000 Census
Gaps in Percentage of Residents Age 25-64 with a College Degree Between the Most and Least Educated Counties, 2000

Source: U.S. Census Bureau, 2000 Census
Closing the Gap—Number of Degrees Required Beyond Current Production

- To Meet International Best Performing: 15,600,000
- To Close Equity Gap: 10,500,000
- To Meet Manpower Demands: 16,200,000
Current Educational Attainment, Educational Attainment in 2025 with Current Degree Production, and Best-Performing Countries in 2025—United States (Percent)

- Current Percentage of Adults Age 25-64 with College Degrees, 2005: 37.4%
- Projected Percentage in 2025 with Current Annual Degree Production: 41.9%
- Projected Percentage in 2025 with Current Annual Degree Production and Net Migration: 45.9%
- Percentage Needed to Reach Best-Performing Countries by 2025: 55.0%
The “Gap”—Difference in Annual Degrees Produced and Annual Degrees Needed to Meet Benchmark

Accounting for Migration

U.S. = 781,304 (a 52.8 Percent Increase in the Public Sector)

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

In order to reach international competitiveness by 2025, the U.S. and 32 states cannot close the gap with even best performance with traditional college students. They must rely on the re-entry pipeline—getting older adults back into the education system and on track to attaining college degrees.
The Education Pipeline
Key Transition Points in the Education Pipeline

- Complete High School
- Enter College
- Finish College
- Enter the Workplace
Student Pipeline, 2004

Of 100 9th Graders, How Many…

- Graduate from High School
- Directly Enter College
- Enroll in Second Year
- Graduate Within 150% of Program Time
- Age 25-44 with Bachelor's Degree

Best Performing State
United States

Source: NCES Common Core Data, IPEDS Residency and Migration Survey, IPEDS Enrollment Survey, IPEDS Graduation Rate Survey
Adult Education and Literacy—Target Population, 2005

Age 18-64

Target Population (Exclusive Categories)

138,127,986

Target Population
42,357,936 (23.5%)

ESL: High school diploma only or less—no or poor ability to speak English
8,339,734

Not Prepared for College or Work: High school diploma only, in families earning less than a living wage (not ESL)
14,494,128

No High School Diploma or Equivalent (not ESL)
19,524,074

Note: Incarcerated population not separated out.
Source: U.S. Census Bureau, 2005 ACS; PUMS
Number of Adults Age 18-64 with Less than a High School Diploma (or Equivalent), 2005

Source: U.S. Census Bureau, 2005 ACS
Percent of Population Age 18-64 with Less than a High School Diploma (or Equivalent), 2005

Source: U.S. Census Bureau, 2005 ACS
Percent of Population Age 18-24 with Less than a High School Diploma (or Equivalent), 2005

Source: U.S. Census Bureau, 2005 ACS
Distribution (Percent) of Residents Age 18-64 with Less than a High School Diploma by Grade Level Completed and State, 2005

Source: U.S. Census Bureau, 2005 ACS

Note: Excludes residents age 18-24 enrolled in school.
Adult Education and Literacy—Target Populations as a Percentage of All Adults Age 18-64 by State, 2005

Source: U.S. Census Bureau, 2005 ACS; PUMS

Note: Incarcerated population not separated out.
Net Migration of Residents Age 22-29 with an Associate Degree or Higher, 2004-05

Source: U.S. Census Bureau, 2005 ACS PUMS File
Net Migration of Residents Age 30-64 with an Associate Degree or Higher, 2004-05

Source: U.S. Census Bureau, 2005 ACS PUMS File
Percent of Residents Age 25-64 with an Associate Degree Born In-State, 2005

Source: 2005 ACS
Percent of Residents Age 25-64 with a Bachelor’s Degree or Higher Born In-State, 2005

Source: 2005 ACS
The Environment
Within Which Competitiveness
Will Have to Be Pursued
Projected Change in U.S. Population by Age and Race/Ethnicity, 2000 to 2020 (In Millions)

The majority of expected growth in the younger population is among segments of the population with the lowest levels of education, while whites are projected to decline.

Note: Projections based on 2000 Census are not available for Native Americans.
Source: U.S. Census Bureau, Population Projections based on 2000 Decennial Census
Population Projections—Percent Change, 2000-25

Source: U.S. Census Bureau
Percent Change in Population Age 25-44
By Race/Ethnicity, 2005-2025

Source: U.S. Census Bureau
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)
Relationship Between Personal Income and Tax Revenues, 2003

Correlation = 0.84
Additional Annual Costs at Current Funding Levels
Per Student to States and Localities to Reach Benchmark,
Keeping Tuition the Same

(Dollars in Millions)

U.S. = 31 Billion
Projected State and Local Budget Surplus (Gap) as a Percent of Revenues, 2013

Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2005
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
Savings to States if U.S. Reaches Top Performance in Degree Production

Undergraduate Degrees Awarded Per 100 Full-Time Equivalent Students

Reduced costs to states would be $37.9 billion by improving efficiency of degree production to level of top states.

- **Public Two-Year**
  - U.S. Average: 25.2
  - Top State: 24.7
  - Cost to State Status Quo: 110.6
  - Cost to State Best Performance: 72.7

- **Public Four-Year**
  - U.S. Average: 18.9
  - Top State: 21.3
  - Cost to State Status Quo: 32.4
  - Cost to State Best Performance: 51.4

In $ Billions