The Challenge: Educating and Preparing Students for a Changing World

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Council of University Presidents
Educate Locally to Compete Globally

- Test scores from the Program for International Student Assessment (PISA) are viewed by policymakers and analysts as an indicator of future economic competitiveness in the world.

- 2012 assessment results show U.S. teenagers average in reading and science, and below average in math compared to 64 other countries.

- Since the PISA test was first given in 2000, U.S. students’ test scores have remained about the same.

- “Our scores are stagnant. We are not seeing any improvement for our 15-year-olds. But our ranking is slipping because a lot of these other countries are improving.” (Jack Buckley, Commissioner, National Center for Education Statistics)
International Students Advance While US Students’ Scores Do Not Improve

PISA is an international assessment that measures 15-year-old students in reading, math, and science literacy every three years. PISA is coordinated by the Organization for Economic Cooperation and Development, and tests are conducted in the United States by the National Center for Educational Statistics.

- Earnings increase and unemployment decreases with additional years of education.

- Employers are more likely to hire, invest in and promote college graduates.

New Mexico’s Workforce

Earnings and Unemployment Rates by Educational Attainment, New Mexico, 2014

- Unemployment Rate in 2014:
  - Bachelor’s Degree or Higher: 3.1%
  - Some College or Associate’s Degree: 7.4%
  - High School Graduate (Includes Equivalency): 9.1%
  - Less Than High School Graduate: 13.6%
- Median Annual Earnings in 2014:
  - Bachelor’s Degree or Higher: $42,412
  - Some College or Associate’s Degree: $30,299
  - High School Graduate (Includes Equivalency): $25,086
  - Less Than High School Graduate: $17,275

Unemployment rate for the population 25 to 64 years: 7.3%
Median for population 25 years and over: $30,897

Source: U.S. Census Bureau, American Community Survey, 2014 1-Year Estimates, Table S2301: Employment Status and Table S1501: Educational Attainment
Note: Median annual earnings are for the population 25 years and over with earnings. The unemployment rate is for the population 25 to 64 years.
Today’s Bachelor’s Degree is Worth More Than in Previous Generations

- Average earning levels between young adults with and without a Bachelor’s degree has stretched to it’s widest gap in 50 years.
- For the "Silents" generation born between 1925 and 1942, a Bachelor’s degree resulted in 15% more annual income than a two-year degree.
- For the Millennial generation that difference has ballooned to more than 50%.


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Bachelor’s Degrees: A Great Return on Investment

- College-educated Millennials earn more and have lower unemployment and poverty rates than their less-educated peers.
- College graduates are more likely to be involved citizens.
- College graduates contribute far more in tax revenues and require far less in government assistance.
- College graduates place less of a burden on the health care system.
- College educated parents spend more time with their children and are more attentive to their developmental needs.
- Healthy and growing economies need college graduates.
In Economic Recovery, *Good Jobs* Have Grown the Most

- “Good Jobs are Back: College Graduates are First in Line.” A report from Georgetown University reveals that between 2010-2014 the economy added 6.6 million new jobs and the majority—2.9 million—are “good jobs.” These are jobs that pay more than $53,000 per year, are full-time, and offer health insurance and retirement benefits.

- Middle-wage jobs pay $32,000-$53,000 per year. These job opportunities remain 900,000 below their pre-recession employment levels.

- Low-wage jobs offer less than $32,000 per year. They have recovered from recession job losses—but, are still growing at a slower rate than good jobs.

![A Good Jobs Recovery Chart](chart.png)

Out of the 6.6 million jobs added from 2010 to 2014, 2.9 million were good ones. That compares to 1.9 million middle-wage jobs and 1.8 million low-wage positions.
Since the Recovery, 97% of “Good Jobs” have Gone to People with Bachelor’s Degrees

- Of the 2.9 million "good jobs" created during the recovery from 2010 to 2014, 2.8 million — or 97 percent — have gone to workers with at least a bachelor's degree.

- "The numbers are clear: postsecondary education is important for gaining access to job opportunities in the current economy," researchers Anthony Carnevale, Tamara Jayasundera and Artem Gulish wrote in the report. "Job seekers with bachelor's degrees or higher have the best odds of securing good jobs."

- Having a college degree also offers a certain level of job security during turbulent economic times, according to the Georgetown report. Between 2008 and 2010, college-educated workers saw fewer job losses than workers without degrees, and they have seen greater job gains since that time, the report states.
Education Offers Career Choices – It’s Not a Straight Line
What Matters Most is Getting That Degree
University Student Success Efforts Are Yielding Positive Results

Students at financial risk are outpacing all others in earning degrees.
Bachelor’s and Master’s Degree Attainment Among Financially At-Risk Students Steadily Climbing
Efforts to Improve Time-to-Degree Are Paying Off

Universities have seen an 11 percent increase in the number of students completing bachelor’s degrees in five years from FY 2012 to FY 2015. Over 82 percent of students completing within the 6 year time frame graduated in five years, an increase of nearly 12 percent.
In three years, instructional funding to the state’s universities was reduced by $72.5 million while concurrently serving more students at a cost of $53.4 million. The combined effect was a net $125.9 million impact. Within higher education, three of the four sectors have returned to FY 2009 funding levels. The exception is the state’s research institutions, which are still $11 million below their initial FY 2009 funded level.
After the Recession University Sector Shares of I&G Funding Continued to Decline Under Performance Funding
With the advent of performance-based funding, measuring productivity is a topic of growing interest in higher education finance and literature. This chart shows the relative cost of producing Tier 1 Associate’s degrees by dividing the total value of degree production by the Tier One Associate’s degree value to determine the equivalent numbers of degrees produced and then dividing I&G funds by the number of Associate degree equivalents.
The two essential inputs in higher education are students and funding. These charts look at degree production relative to enrollment. Using equivalent Associate’s degrees as the outcome, FTE enrollment becomes the divisor to determine relative levels of production per student.
Questions?