

# Higher Education Press Roundtable

February 8, 2019

Daniel Hurley, CEO



# Discussion Agenda

- Higher Education: Key to Michigan's prosperity
- Trend in higher education state funding
- Demographic challenges
- Actions by Michigan's public universities to boost student success, attainment
- Summary / call to action for state leaders
- Open discussion



# **Higher Education: Key to Michigan's Prosperity**

# HOT 50: Michigan's **high-demand,** **high-wage** careers

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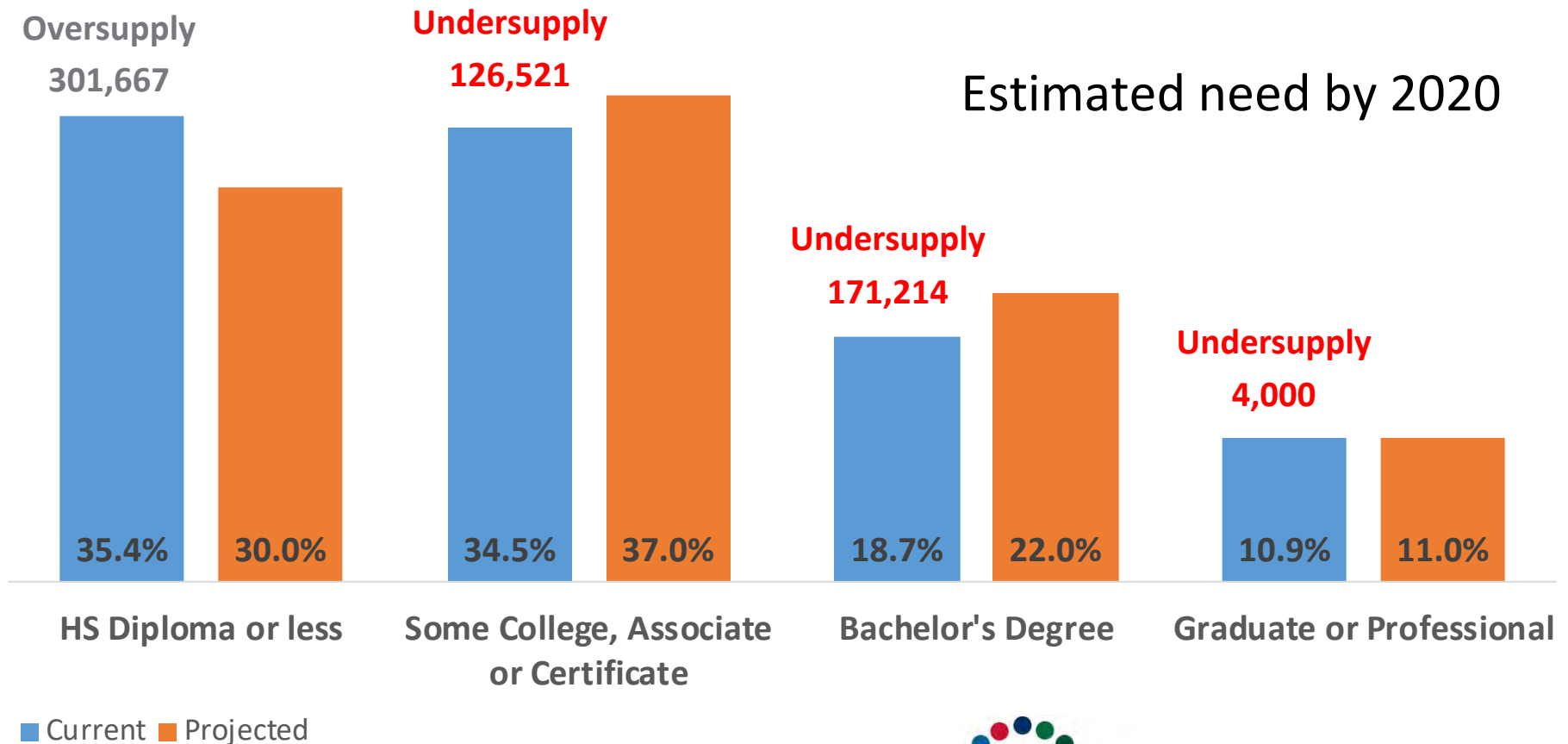
**Of the 50** high-demand, high-wage occupations in Michigan through 2026, **36** require a four-year college degree or higher.

Annual HOT 50 job openings requiring a four-year degree: **51,100**.  
Annual HOT 50 job openings not requiring degree: **30,290**.

Source: [Michigan Bureau of Labor Market Information and Strategic Initiatives](#)



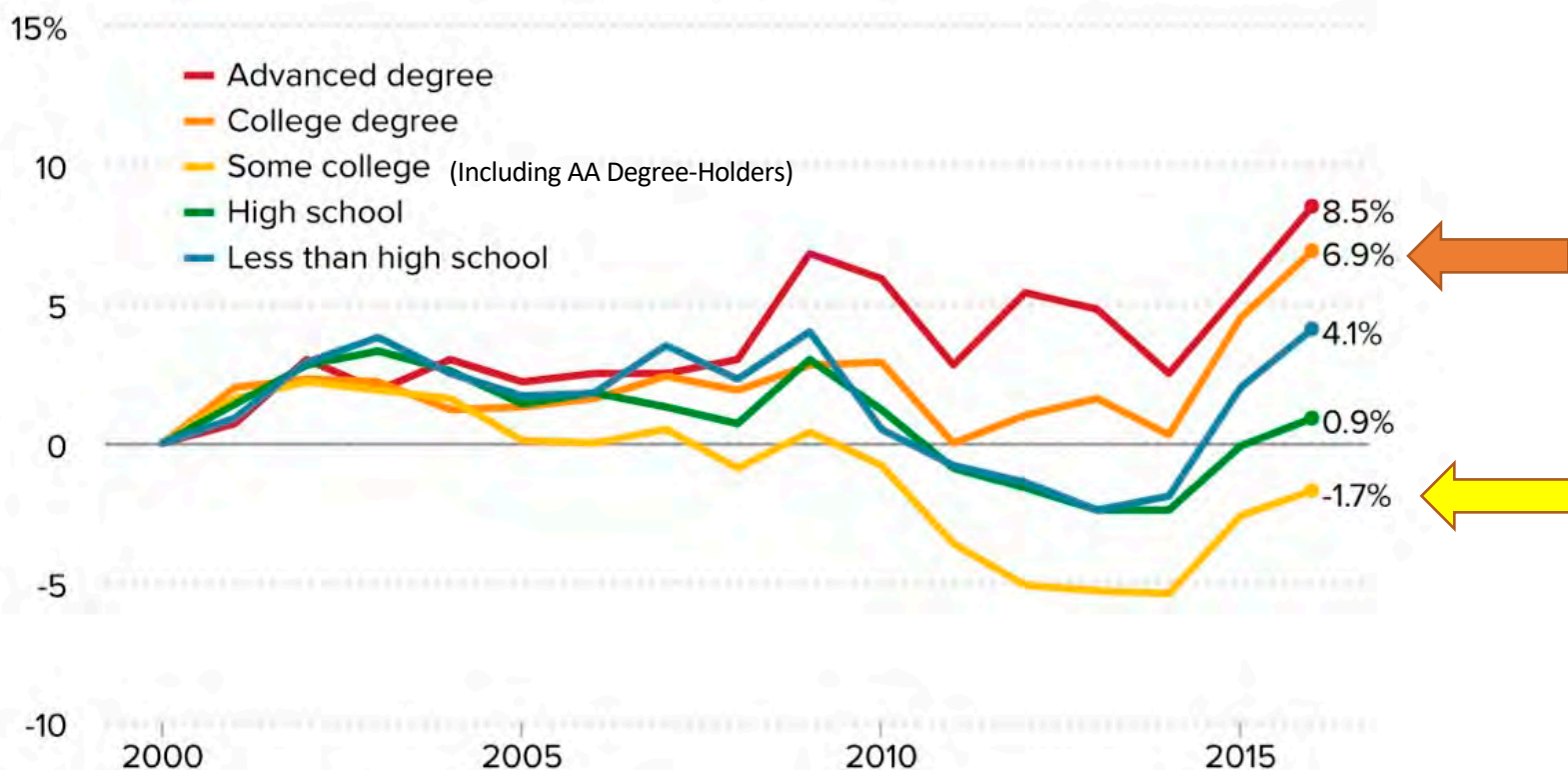
# Michigan needs 175,000 new university grads – and 126,000 new certificate/associate grads



# **Return on Public Investment in a College- Educated Workforce**

# The Four-Year Degree Wage Premium Continues to Grow

Cumulative percent change in real average hourly wages, by education, 2000–2016

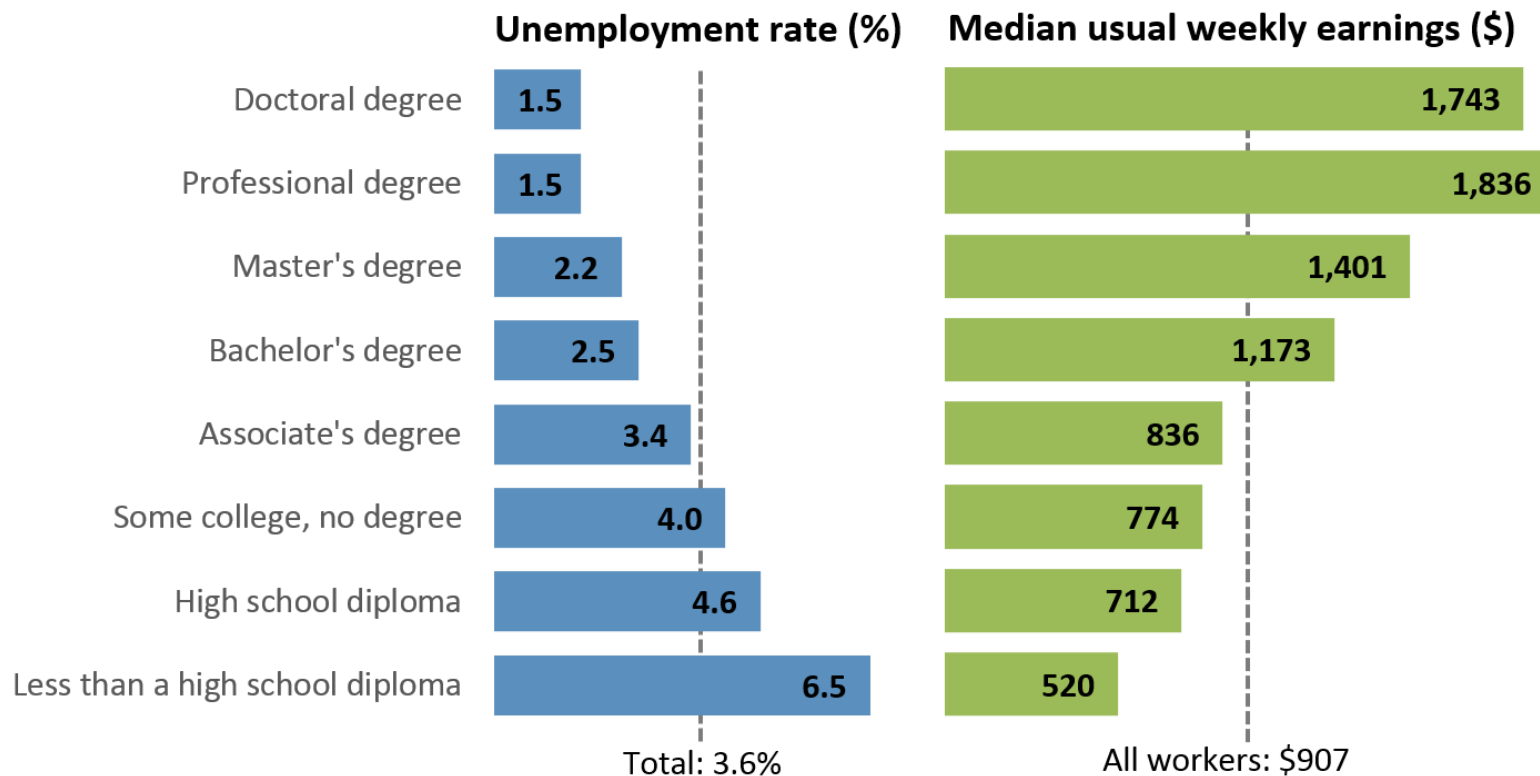


**Note:** Sample based on all workers age 18–64.

Data: EPI Current Population Survey / Analysis: Michigan Future, Inc.

# College grads earn **more**, have greater job **security**

## Unemployment rates and earnings by educational attainment, 2017

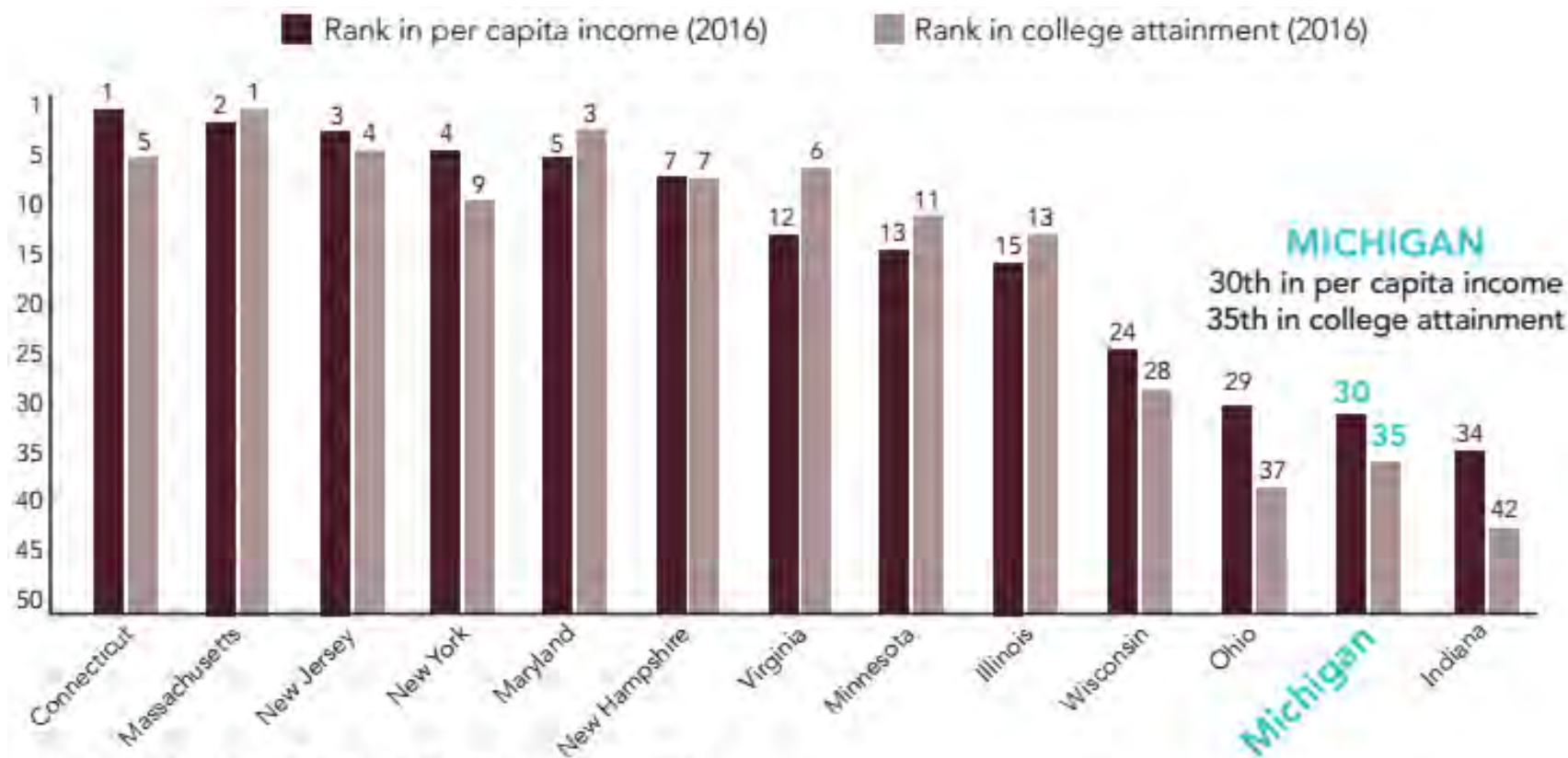


Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.



# The Same Holds True for States Collectively: The Most Prosperous States have the most College Graduates



Income: 2016 data U.S. Bureau of Economic Analysis (BEA)  
Education Attainment: 2016 data ACS 5-year average

# A More Accurate Portrait of the Value of College Attainment



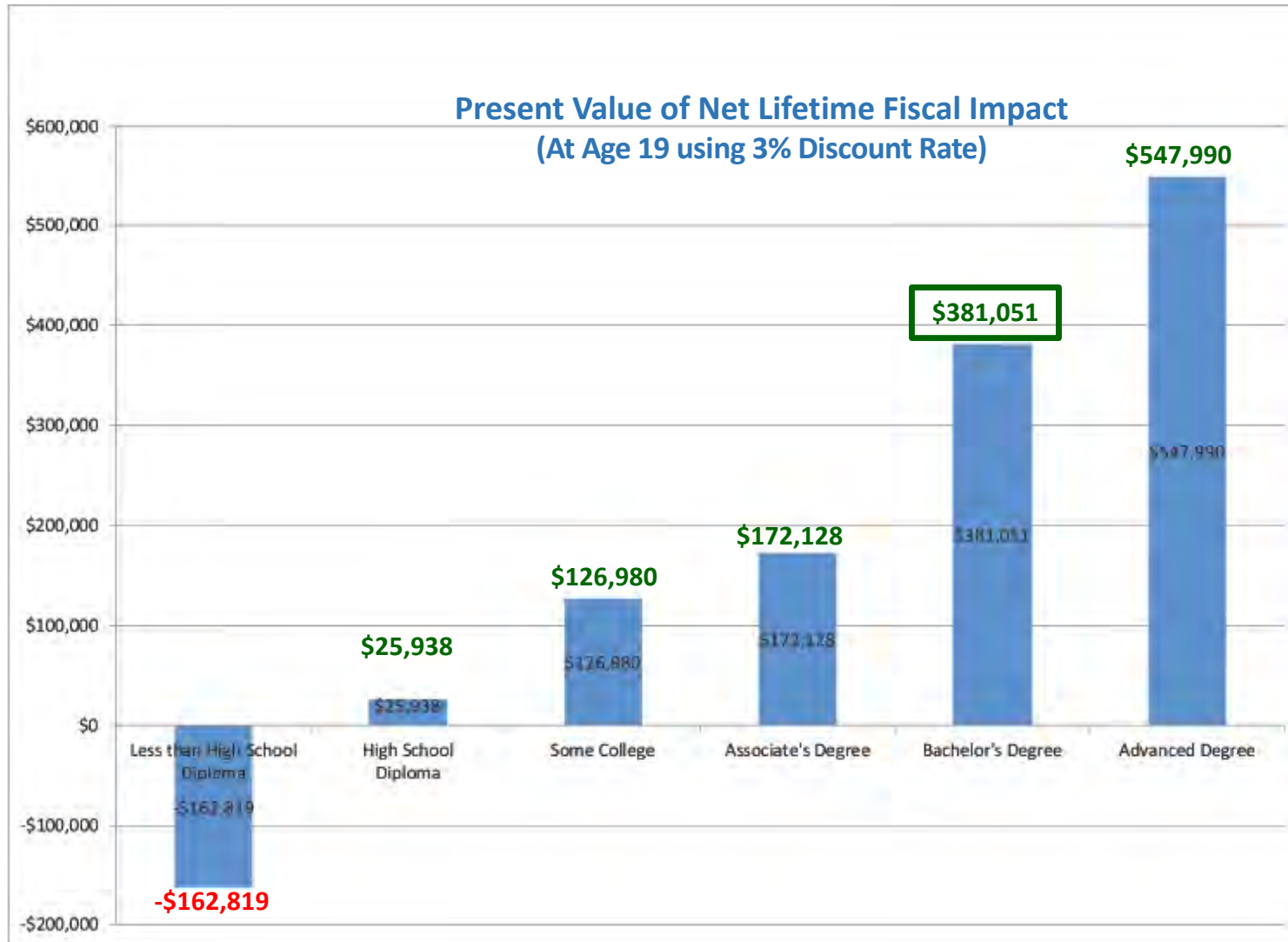
*When it comes to college attainment, increased earnings and job security are just the tip of the iceberg!*

## Factoring In:

- **Lifetime Taxes Paid**
  - Federal, social security, state, property, sales
- **Public Assistance**
  - Medicaid, food stamps, school lunches, cash assistance, energy assistance, housing subsidies
- **Social Insurance**
  - Unemployment insurance, supplemental security, disability, workers' compensation

# Net Lifetime Fiscal Impact of College Attainment

Lifetime Taxes Paid, minus Public Assistance and Social Insurance



College Degree vs. High School Diploma:

**\$355,113** more in net lifetime fiscal impact

Source:  
*The Tip of the Iceberg, Change*, the Magazine of Higher Learning  
May/June 2017

**In Sum: Increased college attainment generates greater tax revenues and reduces the need for government spending on public assistance and social insurance.**

# **Trends in Higher Education State Funding**

# Higher Education: The only area of state disinvestment during the past decade

STATE SPENDING FROM STATE RESOURCES APPROPRIATIONS TOTAL COMPARED IN SELECTED BUDGET AREAS (millions of dollars)				
Budget Area	FY 2008-09 Year-to-Date Appropriations	FY 2018-19 Initial Appropriations	Dollar Difference	Percent Change
Health and Human Services	\$5,445.1	\$6,958.9	\$1,513.8	27.8%
Corrections	1,832.5	2,002.8	170.3	9.3%
K-12 School Aid	11,097.8	13,040.7	1,942.9	17.5%
Community Colleges	299.4	408.2	108.9	36.4%
Higher Education	1,576.2	1,546.2	(30.0)	(1.9%)
Revenue Sharing-Constitutional	649.1	835.3	186.2	28.7%
Revenue Sharing-Statutory	391.0	479.1	88.1	22.5%
All Other Programs	5,018.8	7,786.9	2,768.1	55.2%
<b>Total State Spending</b>	<b>\$26,309.9</b>	<b>\$33,058.2</b>	<b>\$6,748.3</b>	<b>25.6%</b>
<b>Addendum:</b>				
Medicaid Caseload	1,708,157	2,490,000	781,843	45.8%
Prison Population	48,010	38,815	(9,195)	(19.2%)
K-12 Pupil Count	1,619,744	1,480,000	(139,744)	(8.6%)
University Students	257,148	259,711	2,563	1.0%
Community College Students	157,225	124,868	(32,357)	(20.6%)
Michigan Personal Income (millions)	\$339,681.2	\$487,577.0	\$147,895.8	43.5%
Detroit Consumer Price Index	202.8	235.4	32.6	16.1%

# State Investment in Higher Education

## --*The Longer View*--

- Michigan's rank in per capita state fiscal support for higher ed  
2001: 20<sup>th</sup> Today: 43<sup>rd</sup>
- One-half the national average in per-capita support
- State appropriations since 2011: \$165 million *reduction*  
(inflation-adjusted)

### State University Operating Support (inflation-adjusted)

2002

\$2.3 Billion

\$9,511 per full-time student

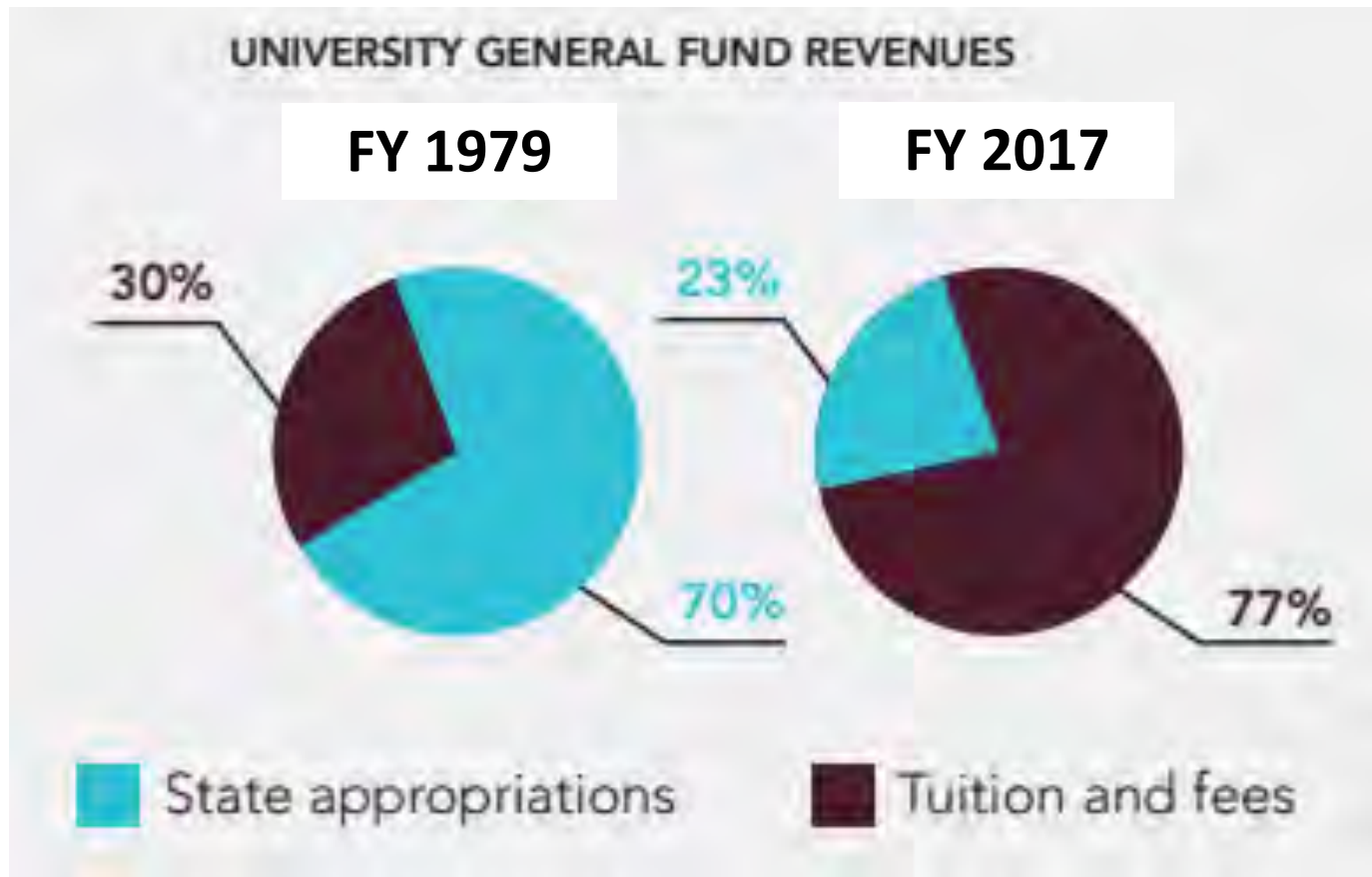
2018

\$1.4 Billion

\$5,546 per full-time student

....a **42%** decrease in state funding per-student

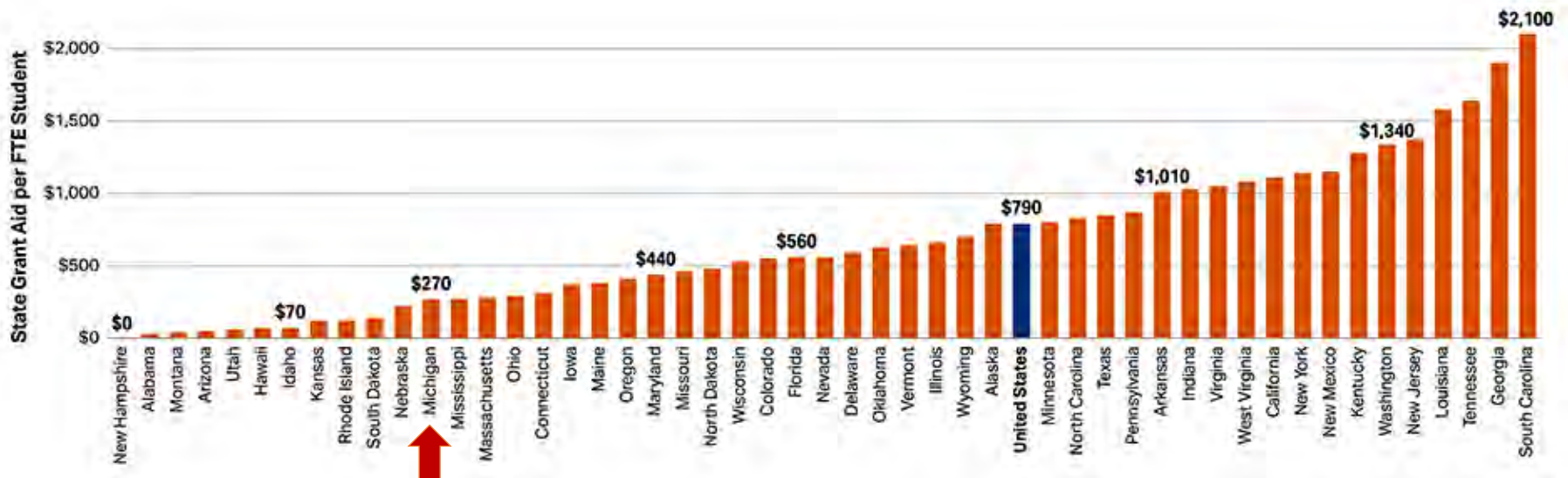
# The State-to-Student Cost Shift in Paying for a Michigan Public University Education



# State Financial Aid

- MI: Ranks 38<sup>th</sup> in state financial aid per student, \$266
  - 9<sup>th</sup> among 12 Midwestern states
- 2002: \$262 million state investment; today 63% less

## State Grant Aid per Undergraduate Student by State, 2015-16





# Michigan's Demographic Challenges

# Michigan: A Graying State

- MI: The #3 state – in forecasted decline in high school graduates
- Need to boost college enrollment among traditionally underrepresented groups
  - Low-income, first generation, minorities
- Need to close achievement gaps

## The Michigan Forecast:

By 2031, 15,833 fewer high school graduates annually compared to today

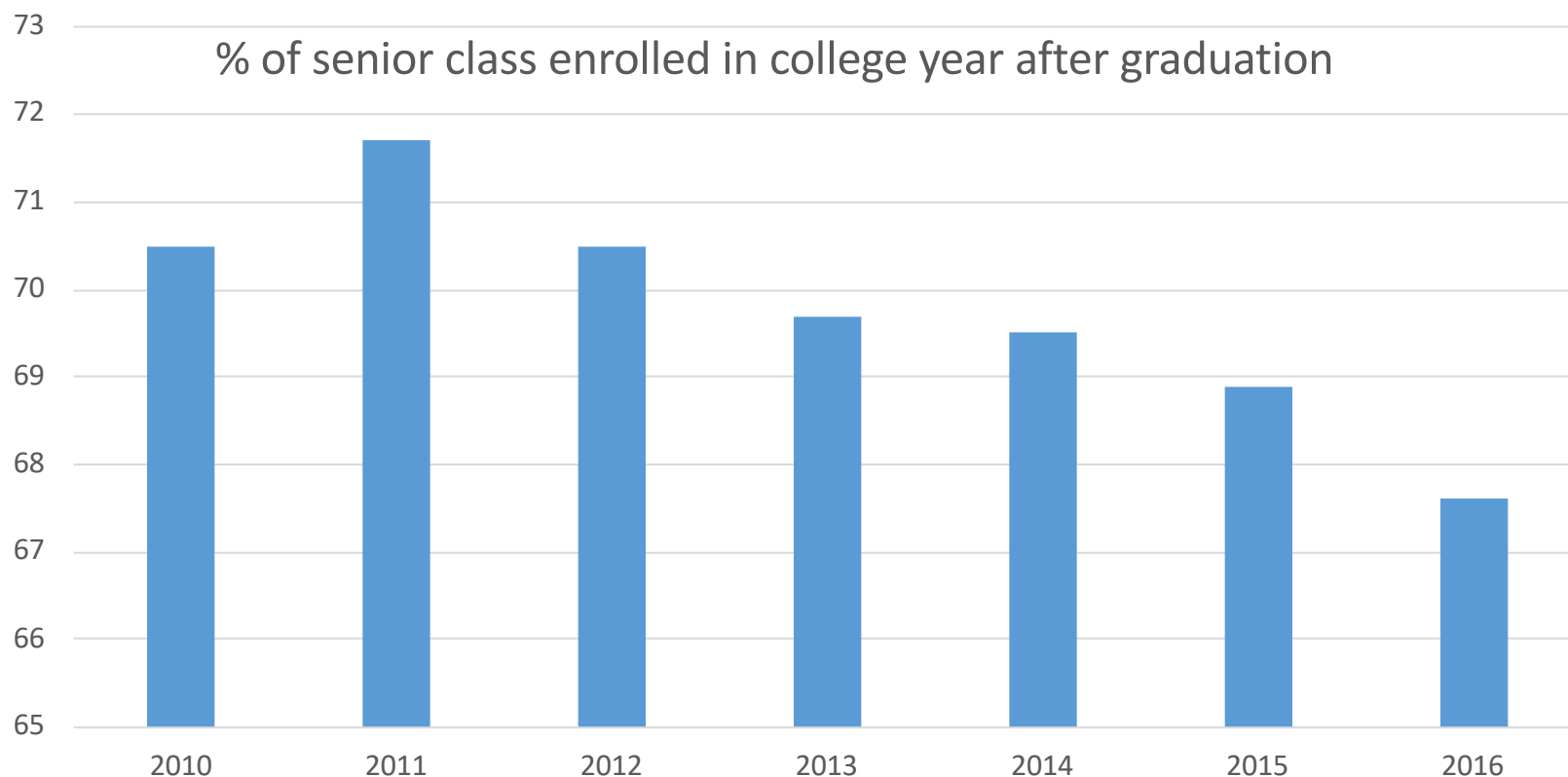
2032: gradual turnaround begins

Source: Western Interstate Commission for Higher Education

<https://knocking.wiche.edu/state-profiles/>



# Lower college going rates



Source: Michigan Center for Educational Performance and Information



# **Confronting the Challenges**



**Actions being taken by  
Michigan's Public Universities**

# **Meeting the Challenges: Boosting Student Success**

- **Marketing to increase college participation**
- **Increasing student retention, degree completion**
- **Increasing affordability for low-income students**
  - **Institutional financial aid**  
**2002: \$322 million    Today: \$926 million**
- **Reaching out to working adults, non-degree completers**
- **Recruiting out-of-state, international students**

**The Goal: Increase educational attainment of Michigan's population – despite stark demographic challenges**

# Meeting the Challenges: Efficiencies and Innovation

- **Creating new, market-responsive programs; eliminating under-enrolled programs**
- **Implementing operating efficiencies, cost-savings**
- **Partnering with all stakeholders, especially community colleges. In 2017-2018:**
  - **764 articulation/transfer agreements in place**
  - **9,720 students enrolled in 4-year programs on community college campuses**
  - **2,523 bachelors degrees conferred**
  - **New Michigan Transfer Network website and statewide transfer pathways coming**

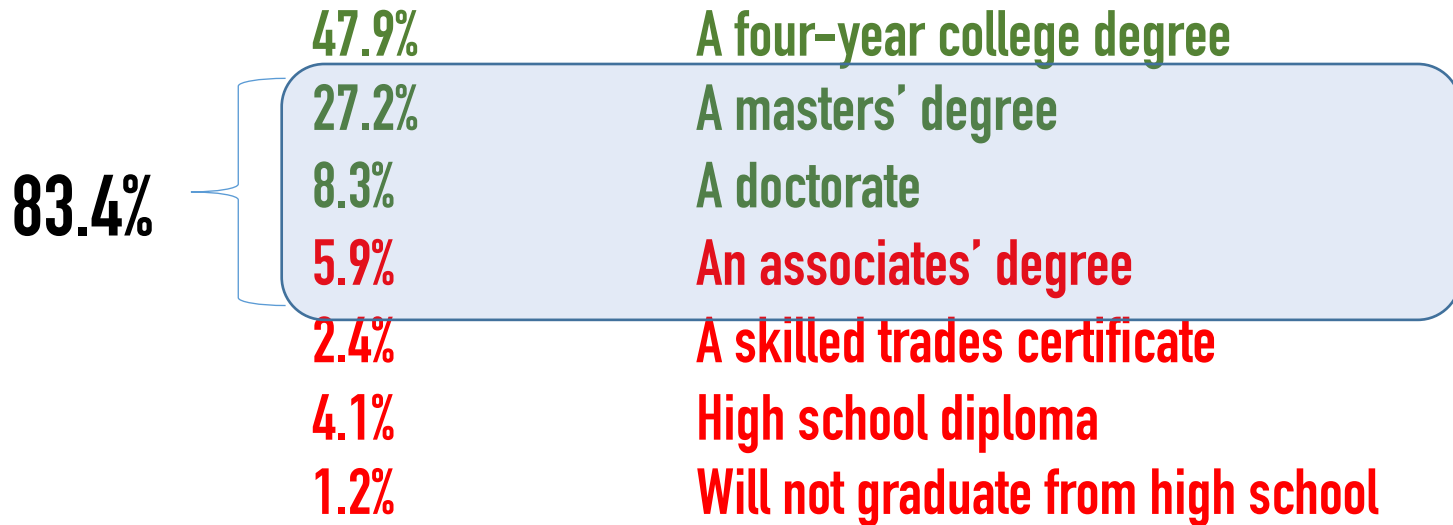


# **Statewide Enrollment Marketing Campaign**

# Poll Results Overview

## How Parents View Higher Education

*When it comes to your oldest child, what is the highest level of education do you think they will achieve?*





# Poll Results Overview

*All respondents: What do you think is the biggest barrier to someone getting a college degree?*

- **70.0%: Cost**
- **5.5%: Future debts/loans**

A DEGREE  
CAN MAKE THE →  
DIFFERENCE  
BETWEEN GETTING BY  
AND GOING BEYOND.



An initiative of the Michigan Association of State Universities

Your child can go to a Michigan public university and make a better life.

Scholarships and financial aid cut the full price at Michigan's public universities by an average of 40%. Learn more at [GetMIDegree.org](http://GetMIDegree.org).

Central Michigan University • Eastern Michigan University • Ferris State University • Grand Valley State University • Lake Superior State University  
Michigan State University • Michigan Technological University • Northern Michigan University • Oakland University • Saginaw Valley State University  
University of Michigan • University of Michigan - Dearborn • University of Michigan - Flint • Wayne State University • Western Michigan University

## *Make the Difference*

**Aspirational, not financial driven**

**Points out potential of savings  
(40% avg. cost discount)**

**Drive to web site**

**[GetMiDegree.org](http://GetMiDegree.org)**

- **More info on college going**
- **Admission/Application pages**
- **FAFSA (access to scholarships/financial aid)**



# **MASU Marketing Campaign**

## **Analytics: 9/10-2018 – 1/31/2018**

- **Digital Impressions: 26,208,979**
- **Radio & Cable Impressions: 3,360,000**
- **Video Completions: 2,219,191**
- **Website Views: 116,391**

**GetMIDegree.org**



# **Moving Forward: A State—Higher Education Partnership**

**New Administration.  
New Legislators.  
*New Opportunities!***



**Goal: Enhance understanding of vital importance  
of higher education to state prosperity  
- And the role state investment plays in college  
affordability and boosting educational attainment**

**More State Investment = Greater College Affordability**

***It's a matter of economic, civic and social prosperity for Michigan***

# State University Priorities

## Legislative Priorities—Increased State Support

### 1) Institutional operating dollars

- Monitor status of School Aid Fund support for higher education

### 2) State financial aid

### 3) Sustained capital outlay investments

The result?

Increased *college affordability*,  
*academic quality*, and *student success*!



# State University Priorities

- **Proposal: Major state reinvestment in the *Michigan Competitive Scholarship***
  - Available to *all* students
  - New eligibility criteria to increase eligibility—while maintaining accountability
  - \$50M annually for 8 years – MI top 10 state





# Michigan's Future is in College

