The State of Higher Education
1. Undergraduate Student Success

2. Diversity and Inclusivity

3. Research and Scholarship

4. Graduate Education

5. Community Engagement
The Value Question

Source: "Is College a Lousy Investment," Newsweek, September 2012; EAB interviews and analysis.
## The Other Side of the Story
Popular Accounts Based on Lack of Understanding

<table>
<thead>
<tr>
<th>Public Perception</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition prices are skyrocketing</td>
<td>Median list price is $11,000, net price significantly lower at publics and actually declining at privates</td>
</tr>
<tr>
<td>Students are crippled by debt</td>
<td>Majority of new graduates owe less than $20,000</td>
</tr>
<tr>
<td>Rising tuition is driving up student debt</td>
<td>Falling family income, lack of savings and non-tuition costs fuelling debt growth</td>
</tr>
<tr>
<td>Rising tuition reduces access for low-income students</td>
<td>Access has never been higher and net tuition for low-income students is low, lost wages are biggest barrier</td>
</tr>
<tr>
<td>College degree is losing value</td>
<td>College premium has never been higher</td>
</tr>
<tr>
<td>Universities are losing students to low-cost providers</td>
<td>Community colleges and for-profits are losing enrollment, “disruptive” innovators focus more on non-consumers</td>
</tr>
</tbody>
</table>
Don’t Believe the Hype

The Press Overstates the Student Debt Crisis

Distribution of Student Debt, Actual vs. Anecdotal Reporting

<table>
<thead>
<tr>
<th>Loan Amount (K)</th>
<th>Percent of Borrowers</th>
<th>Actual Average $</th>
<th>News Story Average $</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1-10</td>
<td>10%</td>
<td>$29,400</td>
<td>$85,400</td>
</tr>
<tr>
<td>$10-20</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20-30</td>
<td>30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$30-40</td>
<td>40%</td>
<td></td>
<td></td>
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<tr>
<td>$40-50</td>
<td>50%</td>
<td></td>
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</tr>
<tr>
<td>$50-60</td>
<td>60%</td>
<td></td>
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<tr>
<td>$60-70</td>
<td>70%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$70-80</td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$80-90</td>
<td>90%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$90-100</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$100</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Shifting Aid from Recruitment to Retention

Leveraging Aid for Academic Engagement

Financial Aid Office

**Financial**
- Packaging
- Counseling
- Emergency funds

**Academics**
- Incent positive academic behavior
- Supplement state merit aid programs

**Engagement**
- Incent part-time campus work
- Show institutional commitment

5-6%
Point increase in fall-spring retention for Pell students from academic behavior incentive

11%
Point increase in 2nd-yr retention from campus work program

Source: EAB interviews and analysis.
## A Focus on ROI

Are Graduates Getting Their Money’s Worth?

### 2014 PayScale

**COLLEGE ROI REPORT**

**CurrentlyViewing:** Full List

How do you measure the value of a college education? PayScale has the salary data to rank hundreds of U.S. colleges and universities based on total cost and alumni earnings. Find the best returns on investment by school type, location, major and more.

### Best Schools

<table>
<thead>
<tr>
<th>Rank</th>
<th>School Name</th>
<th>2013 Cost</th>
<th>20 Year Net ROI</th>
<th>Annual ROI</th>
<th>Grad Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Harvey Mudd College</td>
<td>$229,500</td>
<td>$980,900</td>
<td>8.8%</td>
<td>88%</td>
</tr>
<tr>
<td>2</td>
<td>California Institute of Technology (Caltech)</td>
<td>$220,400</td>
<td>$837,600</td>
<td>8.3%</td>
<td>92%</td>
</tr>
<tr>
<td>3</td>
<td>Massachusetts Institute of Technology (MIT)</td>
<td>$223,400</td>
<td>$831,100</td>
<td>8.2%</td>
<td>93%</td>
</tr>
<tr>
<td>4</td>
<td>Stanford University</td>
<td>$236,300</td>
<td>$789,500</td>
<td>7.8%</td>
<td>95%</td>
</tr>
<tr>
<td>5</td>
<td>Colorado School of Mines (In-State)</td>
<td>$114,200</td>
<td>$783,400</td>
<td>11.0%</td>
<td>67%</td>
</tr>
</tbody>
</table>
Experiences Make the Difference

What Drives Workplace Engagement, Well-Being, and Collegiate Attachment?

2014 Study of College Graduates

- At least one professor made individual excited about learning
- Believing professors cared about student as a person
- Project took semester or more to complete
- Internship or job that allowed to apply what learned in classroom
- Mentor encouraged to pursue hopes and dreams
- Extremely active in extracurricular activities

• More likely to be engaged at work (2x)
• More likely to be emotionally attached to alma mater (4x)

- 400+ courses redesigned for active learning
- Goal of 50% living on campus; classes, faculty, and advisor offices in residence halls

Source: “Great Jobs, Great Lives: The 2014 Gallup-Purdue Index Report,” Lumina, Gallup, and Purdue University, 2014; EAB interviews and analysis.

Mitch Daniels, President, Purdue University

• Vocal that higher ed critics (cost, value) are correct
• Vows Purdue will be different
Beyond the Lecture

Can Experiential Learning Answer Value Concerns?

Beyond the Lecture

The Future of Higher Education

“Our reading [of the Lumina/Gallup data] is that employers are still looking for those characteristics that have long been central to a liberal-arts education: skills of communication and critical thinking, innovation and collaboration, integrity and responsibility…”

Marvin Krislov and Steven S. Volk
College Is Still for Creating Citizens
The Chronicle of Higher Education

The Preparedness Gap

35% Of surveyed business leaders give the recent graduates they hired a “C” or lower for preparation

80% Of surveyed business leaders say soft skills are the most important in an employee

62% Of business decision makers agree that a degree is a sign of preparedness to enter the workforce

Slow National Progress on Student Success

Despite Investments, Key Success Indicators Still Lag

5-Year Graduation Rates

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduation Rate</td>
<td>52.5%</td>
<td>52.6%</td>
</tr>
</tbody>
</table>

Investments in Student Success

- Early alert systems
- Attendance tracking
- Financial aid labs
- Emergency fund awards
- Student success centers
- And many more faculty- and staff-driven efforts

Solving One Problem, Creating Another
Gains in First Year Retention, But Upper Division Attrition Increasing

Attrition Across the Student Lifecycle

Public University Graduating Classes, 2000 to 2010

Year 1: 29.0%
Year 2: 29.1%
Year 3: 3.0%
Year 4: 1.5%
Year 5: 26.0%
Year 6: 30.6%
Total: 26.0%

Twenty-One State Flagship Universities

Year 1: 8%
Year 2: 6%
Year 3: 3%
Year 4: 2%
Year 5: 2%
Year 6: 1%
Total: 14%

Three-fifths of attrition occurring after first year

Source: EAB Student Success Collaborative analysis.
Most Students Leave in Good Standing

Academic Risk Eclipsed by Financial, Social, and Mental Health Challenges

Academic Standing and Timing of Attrition of Non-Transfers

- 48% Left Early in Good Standing
- 33% Left Late in Good Standing
- 5% Left Early in Poor Standing
- 14% Left Late in Poor Standing


1) Analysis excludes students who transfer.
A Student Saved Is a Dollar Earned

Improved Retention the Greatest Revenue Opportunity for Most Universities

Projected Revenue Gains Due to Improved Retention

Public Doctoral University, Enrollment 15,000

- **$1.9 M** in 2015
- **$5.0 M** in 2016
- **$8.2 M** in 2017
- **$8.9 M** in 2018
- **$9.0 M** in 2019

87 additional graduates in 2019 as result of retention improvement

**Model Inputs**

- Total Enrollment: 15,005
- Net Rev Per Student: $18,760 (net tuition and fees plus state appropriations)

Revenue gains compound over time as incrementally retained students continue through the system

**Assumed Retention Improvement**

- 0-29 credits: 2% total over 3 years
- 30-59 credits: 2% total over 3 years
- 60-89 credits: 0% total over 3 years
- 90-119 credits: 0% total over 3 years
- 120+ credits: 0% total over 3 years

Source: EAB Student Success Collaborative.
ROAD MAP

1. Undergraduate Student Success
2. Diversity and Inclusivity
3. Research and Scholarship
4. Graduate Education
5. Community Engagement
The End of the Enrollment Boom

Demographic Pressures Vary By Region

Annual Growth Rate of High School Graduates

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest</td>
<td>0.8%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Southwest</td>
<td>1.2%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Midwest</td>
<td>1.2%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Northeast</td>
<td>1.9%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>South</td>
<td>2.3%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Shifting Student Mix
Demographics Will Require Greater Investment in Student Success

Projected Net Growth in High School Graduates by Race, 2011-12 to 2021-22

Distinct Challenges Facing Hispanic Students Remain, Despite Recent Gains

Concentration of Growth in Low-Income Segment

An Opportunity and a Challenge to Improve Access

Lower Income Families Grew At Faster Pace than Middle & Higher Income Families

Percent Growth, 2000-2013

2012 College-Going Rates By Income:

51% Low
65% Middle
81% High

"Student Affluence Test"

-262 pts

difference in average SAT 1600 score between students from lowest and highest income families, 2014

International Students

Doctoral Share Declines as More Students Pay for Bachelor’s and ESL

>90% of Net Growth in Int’l Enrollments Due to China

*International Undergraduate Enrollment by Nationality, 2005-2011*

Growth Driven by Fee-Paying Undergraduates

*Increase in International Enrollment and Growth Rate by Level, 2006-2011*

Source: National Center for Education Statistics, IPEDS Data Center; Institute of International Education, Open Doors 2012; Education Advisory Board interviews and analysis.
Room for Growth

Significant Variation in International Enrollment in Every Carnegie Class

Percentage of Program Completions by International Students, Distribution by Sector, 2011

1) Figures exclude three special focus institutions that primarily enroll international students: Lincoln University (CA), University of the West, and Maharishi University of Management.

Source: National Center for Education Statistics, IPEDS Data Center; Education Advisory Board interviews and analysis.
Faculty Still Majority White Male
Slow Progress Especially at Highest Ranks

Full-time Faculty in Degree-Granting Postsecondary Institutions (2013)

<table>
<thead>
<tr>
<th>% of U.S. Workforce</th>
<th>Female</th>
<th>Black</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of U.S. Workforce</td>
<td>47%</td>
<td>12%</td>
<td>5%</td>
</tr>
<tr>
<td>Full Professors</td>
<td>30.7%</td>
<td>3.7%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Associate Professors</td>
<td>43.6%</td>
<td>5.7%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Assistant Professors</td>
<td>50.4%</td>
<td>6.3%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Instructors</td>
<td>56.8%</td>
<td>7.5%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Source: IPEDS, U.S. Department of Labor
1. Undergraduate Student Success
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The Federal Growth Engine Stalls

University Science & Engineering R&D Funding By Source, 1990-2012

Billions of Constant FY2014 Dollars


Federal

Universities

Other, State & Local, Industry

Source: AAAS
Addressing Grand Challenges
Science Funding Increasingly Focused on Solving Social and Technical Issues

Grand Challenges Can:
- Help create the industries and jobs of the future
- Expand the frontiers of human knowledge about ourselves and the world around us
- Help tackle important problems related to energy, health, education, the environment, national security, and global development
- Serve as a “North Star” for collaboration between the public and private sectors
The Benefits of Research and Scholarship

Why Pursue Scholarly Excellence

**Improving the world**
- Solve global challenges
- Collaborate on a global scale
- Send and receive students and faculty from around the world

**Improving the region**
- Develop the workforce
- Partner with companies
- Provide cultural experiences

**Improving the institution**
- Attract the best faculty
- Attract the best students
- Attract philanthropic support

**Improving students**
- Learn from the world’s experts
- Participate in research
1. Undergraduate Student Success

2. Diversity and Inclusivity

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The Value of Graduate Education

Supporting Teaching, Research, and Service

**Research**
- Support faculty research
- Attract/ retain top faculty
- Build national research workforce

**Teaching**
- Teach/ assist with courses
- Supervise laboratories
- Mentor undergraduates

**Service**
- Support outreach activities
- Transfer research into companies
- Perform clinical activities
Challenges Facing Graduate Education

Pressure on Cost and Outcomes

Rising Costs

- Tight Federal Funding
- State Funding Focused on Undergraduates
- Competing on Support Packages

Poor Outcomes

- Completion Still Problematic
- Employment Prospects Worsening
- Endless Apprenticeships
- Lack of Career Preparation and Advising

Source: EAB interviews and analysis.
Raising the Stakes
The Increasing Costs of a Competitive PhD Student Package

Guaranteed Multi-Year Funding
- Emory (2008)
- U Chicago (2008)
- Northwestern (2008)
- Brown (2006)
- Syracuse
- Wash U
- Yale

Enhanced Stipend Levels
- Brandeis (2009)
- U Chicago (2008)
- Emory (2003)
- Brown (2001)

Guaranteed Summer Support
- Columbia
- Northwestern
- Brown
- Yale

Subsidized Health Benefits
- Northwestern (2008)
- Case Western (2006)
- Emory (2003)
- Brown
- Wash U
**Quality over Quantity**

Trends Point Toward Targeted Investments in High-Quality Programs

- **Size and Breadth of Programs**
- **Outcomes and Alignment with Mission**

**Targeted Investments in Programs with Strong Outcomes and Alignment with Mission**

Source: EAB interviews and analysis.
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Answering the Value Question

Universities and the Public Good

Impact of Community Engagement

- Addressing Global Challenges in Local Context
- Community-Based Research
- Arts and Cultural Events
- Civic Participation
- Social Entrepreneurship
- Partnership Building
- Health and Wellness

Global

Regional

Local

Individual

Knowledge Transfer
Economic Development
Workforce Development
Service Learning
Experiential Learning
Skills Development
Lifelong Learning
Leadership Development

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