

Background for Public Hearings

September 28, 2004

John Austin, Cherry Commission Policy Director

John Burkhardt, Senior Policy Advisor
U-M Center for the Study of Higher and Post-Secondary Education (CSHPE) &
Research Fellows

Dr. James Jacobs, Senior Policy Advisor
Center for Community College Research (CCR1), Columbia University
Vice-President, Macomb Community College

The Cherry Commission's Challenge

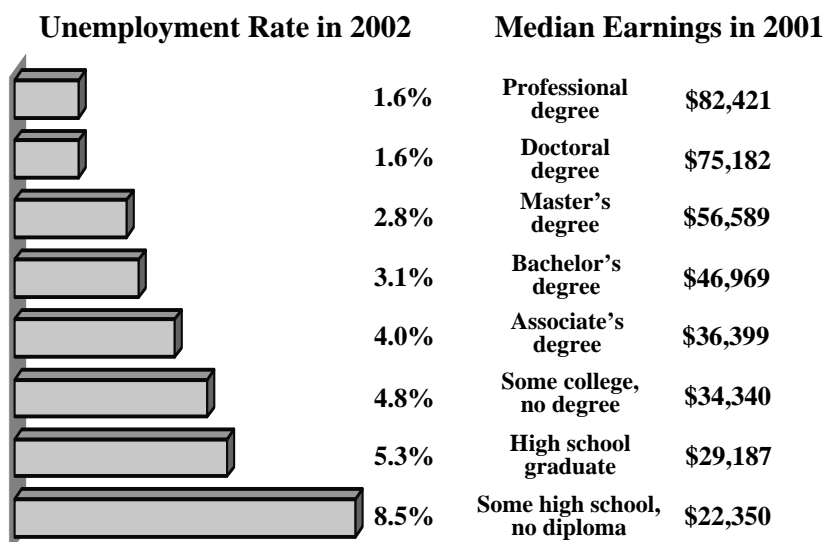
- Michigan's economic future depends on enhanced levels of education
- New knowledge and innovation are the key to a growing standard of living
- Michigan must educate its young people and citizens to highest level in the world
 - Keep them here
 - Attract the top talent in the world to Michigan

The Case for College: Postsecondary Education for All

■ Economic payoffs from higher education:

- Better educated people/families do better
- Create jobs
- Make Michigan competitive
- One point increase in percentage of people college educated increases economic growth over ten years by one-half point

Earnings of College Graduates



Source: U.S. Dept. of Labor

The Case for College: Postsecondary Education for All

In Michigan we know this story all too well:

- “Brawn work” is being replaced by “brain work”
- States with high levels of educated citizenry and high levels of knowledge workers have high levels of income and income growth
- Michigan is one of 16 states with lower than average income growth over the past 30 years
- A one point increase in percentage of college educated adults lifts recipients’ wages 1.5% and all others’ wages by 1.1%

The Case for College: Postsecondary Education for All

- Michigan has a long history of providing basic, public education for all citizens
- That basic education now needs to include postsecondary degrees and credentials that ensure success in today’s economy

Michigan's Current Position

- 22 percent of Michigan adults have attained bachelor's or advanced degrees
- 4 percent below the national average
- 10 percent below the states that are leading the nation
- Ranking Michigan 34th nationally

Michigan's Current Position

- Relative to other states, Michigan's population is aging
- Slowly growing labor force
- Current significant "brain drain" of young college graduates ages 25–34

The Commission's Charge

- Deal with these challenges
- Get more Michigan young people “to and through college”
- Assist more adults in the labor market to move up to improve their skills and complete better degrees and credentials

Commission Organization

Four work groups to develop recommendations—with your input—in key areas for improvement:

- Preparation: Increasing the solid preparation for higher education, life, and work
- Participation: Increasing participation in higher education opportunities
- Completion: Ensuring completion of degrees and credentials of value
- Economic Benefits: Maximizing the benefits higher education brings to Michigan's economy

Commission Work to Date

- Analysis of Michigan's unique assets and its particular challenges in reaching the goals identified by the governor and lieutenant governor
- Examining the power and applicability of key strategies being pursued here and around the country
- Beginning to identify areas of potential focus for recommendations

Preparation: Michigan's Challenge

- Only 73 percent of Michigan ninth graders graduate from high school four years later
- Only 32 percent of Michigan high school students graduate with college-ready transcripts
 - Below the national average of 36 percent
 - Behind lead states (49 percent)
 - Only 15 percent of our Hispanic youth and 18 percent of our African American youth are college ready

Preparation: Michigan's Challenge

- One in three entering college freshmen take at least one remedial course, and in urban community colleges three in every four students do so

Participation: Michigan's Challenge

- In Michigan, citizens are participating in college at significantly lower rates than in other states
- Michigan has a participation gap in the number of students aged 18–24 and students aged 25 and older compared to benchmark states

Postsecondary Participation in Michigan

- Education Commission of the States estimated Michigan must enroll 222,000 more postsecondary students by 2015 to match the higher education participation rates of benchmark states
- Only 42 percent of high school freshmen in Michigan enroll in college four years later
- 9.7 percent of adults aged 18–64 are enrolled in college, putting Michigan just above the national average, but below vanguard states

Completion: Michigan's Challenge

- Half of the students who enter a Michigan college will not complete a college degree
- Completion rates range from a high of 84 percent to a low of 27 percent

Completion: Michigan's Challenge

- Only 49 percent of first-year community college students return the second year in Michigan—below national median of 52 percent, and behind lead states with rates above 60 percent
- Average completion of community college after three years is 16 percent, 10 percent below the national average—putting Michigan 33rd in the country

Completion: Michigan's Challenge

- Disparities in completion are evident, based on race and income
 - More than 37 percent of Hispanics and 26 percent of African Americans over the age of 25 have less than a high school diploma, compared to 14 percent of the white population
 - Completion rates for minorities at Michigan higher education institutions are as much as 20 percent lower than for whites

Economic Benefits: Michigan's Challenge

- Higher education is the “jet fuel” of our economy
- Better educated people (as well as higher education institutions) provide direct and indirect benefits to the state's economy:
 - producing graduates in key sectors and disciplines that fuel economic growth
 - creating new technologies and research, incubating new ideas and industries
 - fostering dynamic communities with rich creative and cultural aspects that are magnets for knowledge workers from around the globe

Economic Benefits: Michigan's Challenge

- Michigan ranked in the first quartile nationally for awarding advanced degrees in science and engineering
- But Michigan lags behind Massachusetts and other states in the share of the state workforce with science and engineering degrees
- Michigan is a producer of some of the best talent in the science and engineering fields but does not keep that talent here or attract others

Economic Benefits: Michigan's Challenge

- Of Michigan residents between the ages of 22 and 29 with a college degree or higher, 43.5 percent leave the state
- Michigan also ranks 45th nationally in terms of attracting graduates from other states into the state

Economic Benefits: Michigan's Challenge

- We've got the brains and are doing the research:
 - Michigan is a national leader in R&D expenditures (4th in nation)
 - Percent of science and engineering degrees granted (7th)
 - Patents issued (9th)
- We don't commercialize and start new businesses.
Michigan lags in:
 - Fast-growing companies (32nd) and IPOs (34th)
 - Venture capital invested (35th)
 - Business incubators (38th)

Meeting the Challenges

- Looking for your input on key issues/ideas for improving the education levels of all Michigan citizens
- Recommendations for the most powerful levers to enhance participation, success, and economic payoffs from our higher education system