

Overview of U.S. Higher Education

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Overview

- Context of U.S. Higher Education
- Public Policy Challenges
- Representing Colleges and Universities



Context

- Big, complex enterprise
- Federal government provides a lot of money
- No Ministry of Education
- Tuition does not pay for everything
- Economic turmoil

Big, Complex Enterprise

	1993	2006
Number of Schools	3,632	4,301

Source: Department of Education, IPEDS

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Big, Complex Enterprise

	1993	2006
Number of Schools	3,632	4,301
Enrollment	14,305,000	17,658,858

Source: Department of Education, IPEDS

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Big, Complex Enterprise

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Degrees Awarded	2,167,000	3,469,942

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Degrees Awarded	2,167,000	3,469,942
Number of Faculty	915,400	1,290,426
Number of Staff (incl. faculty)	1,687,300	3,379,087

Source: Department of Education, IPEDS

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Big, Complex Enterprise

	Public	Private
Two-year		
Four-year		
University		

Source: Department of Education, IPEDS

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Big, Complex Enterprise

	Public	Private
	<u>Community Colleges</u>	
Two-year	1,040 Institutions (36%) 6,419,352 Students (38%)	
Four-year		
University		

Source: Department of Education, IPEDS

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Big, Complex Enterprise

	Public	Private
	<u>Community Colleges</u>	<u>Junior Colleges</u>
Two-year	1,040 Institutions (36%) 6,419,352 Students (38%)	200 Institutions (7%) 48,331 Students (1%)
Four-year		
University		

Source: Department of Education, IPEDS

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	<u>State Colleges</u>	
Four-year	403 Institutions (14%) 2,948,549 Students (18%)	
University		

Source: Department of Education, IPEDS

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	<u>State Colleges</u>	<u>Liberal Arts Colleges</u>
Four-year	403 Institutions (14%) 2,948,549 Students (18%)	967 Institutions (33%) 2,319,020 Students (14%)
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	<u>Research Universities</u>	
University	165 Institutions (6%) 3,702,648 Students (22%)	

Source: Department of Education, IPEDS

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	<u>Research Universities</u>	<u>Research Universities</u>
University	165 Institutions (6%) 3,702,648 Students (22%)	112 Institutions (4%) 1,308,196 Students (8%)

Source: Department of Education, IPEDS

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**Federal Government provides a lot
of money to Higher Education
and it is growing.**



Federal Support for Colleges and Universities

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Student Aid	\$27 billion	\$86 billion



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Tax Support	< \$1 billion	\$15 billion



No Ministry of Education



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Students pay tuition (which can be considerable) but tuition does not cover the total cost of providing the education.



Most consumer purchases:

Cost + Profit = Price you pay



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Higher Education:

Cost – Subsidy = Price



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Major Issues in Higher Education

- Economic turmoil
- Price of college
- Low-income student participation



Economic turmoil is "a perfect storm" for colleges and universities

- All resources are affected –
 - › State support down
 - › Endowments decline
 - › Giving and charitable contributions drop
 - › Value of family assets to pay for college shrinks

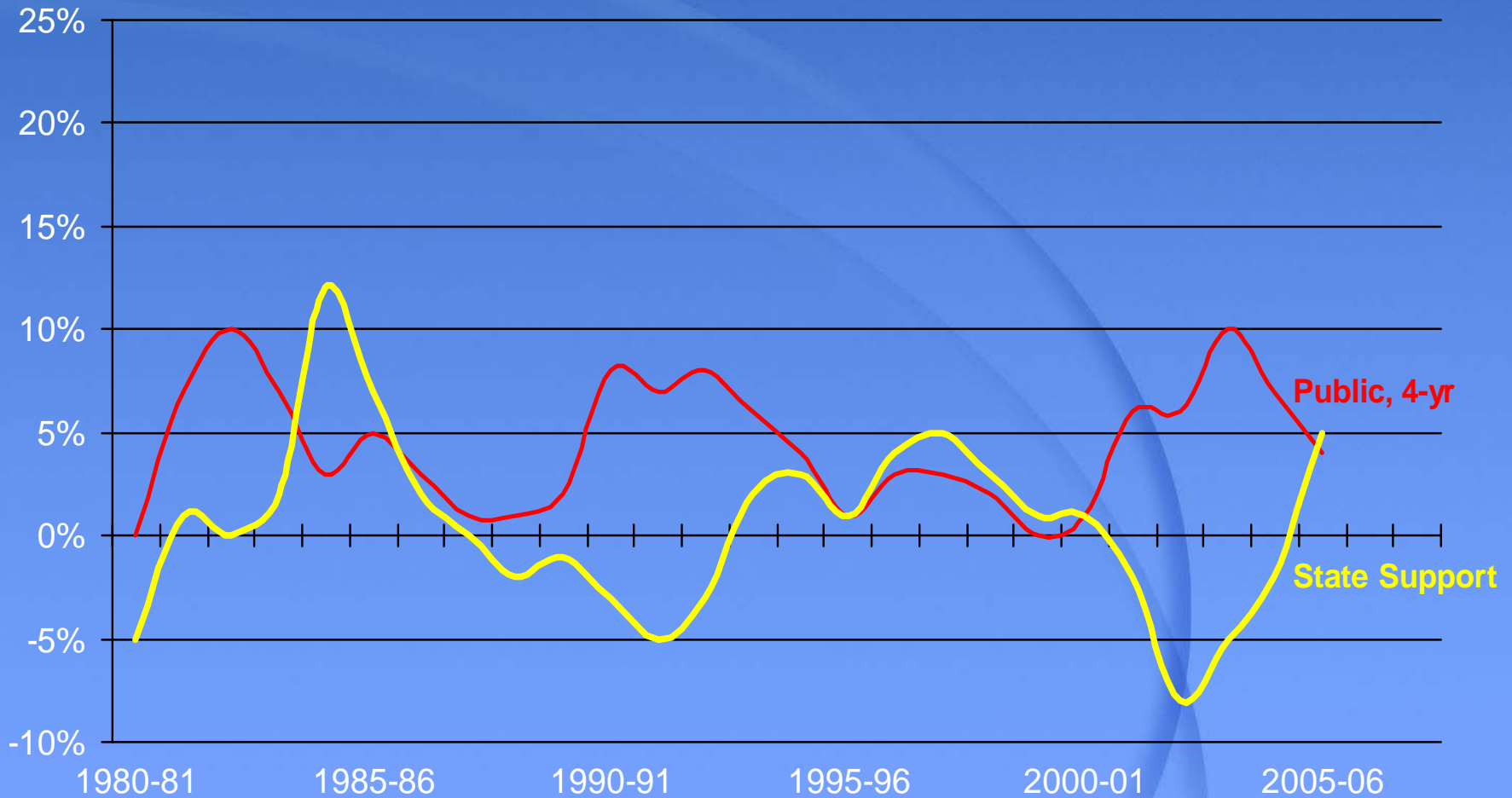
Other pressures magnify impact of resource reductions

- Demand for higher education going up
 - › More people want to enroll
 - › Job re-training and skill development

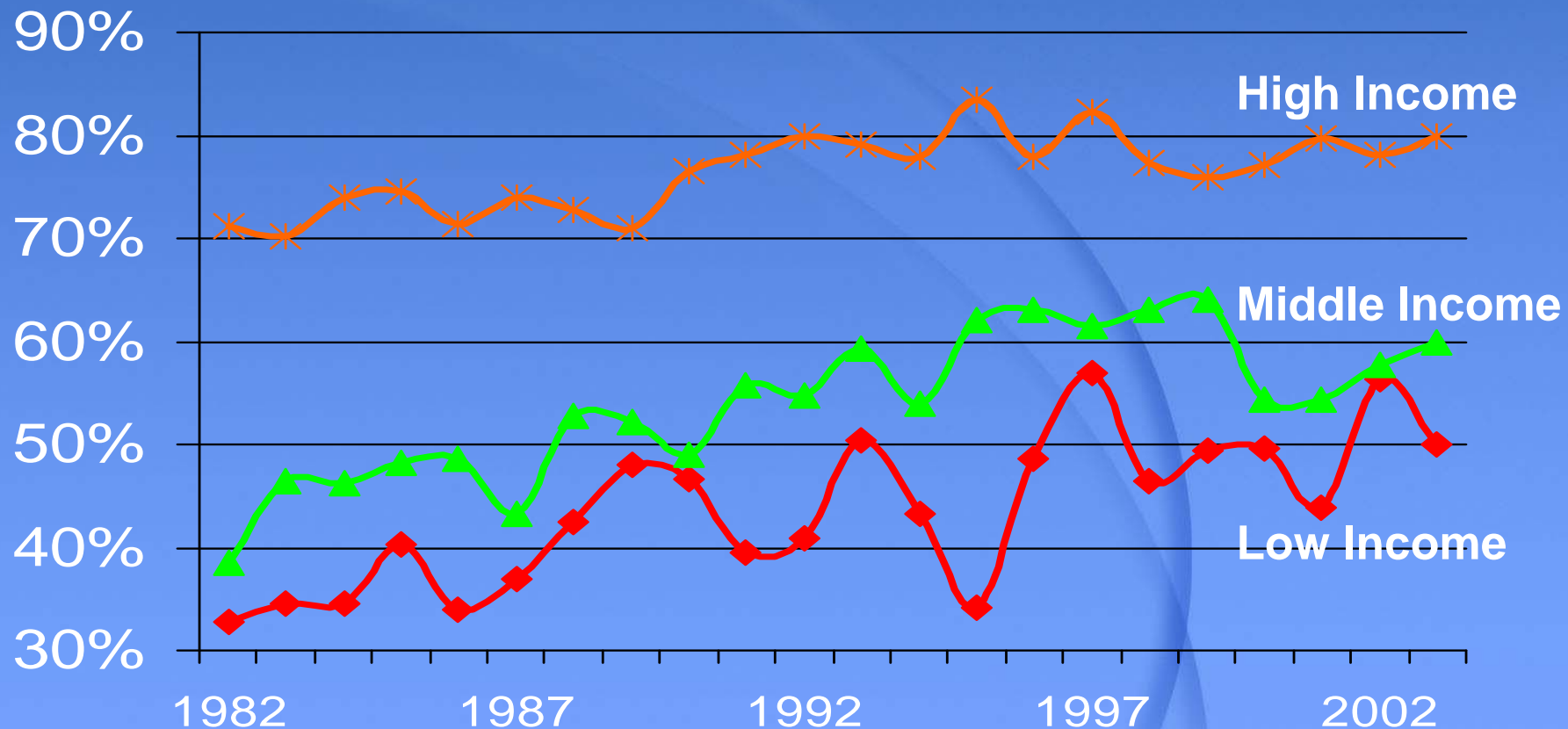
Schools are taking actions to cut expenditures and raise revenue

- Salary freezes
- Hiring limitations
- Construction deferred
- Tuition increases, especially at public colleges

Price of College



College Enrollment Rates by Family Income



Why don't low-income students enroll?

- Money
- Preparation
- Information



Economic Stimulus Package Coming

- Will it include higher education?
- Arguments in favor
 - › Enrollments going up
 - › Keeps people out of job market
 - › Investments in human capital pay big dividends

Stimulus Options

- More money for students and families
 - › Pell Grants
 - › New Tax Credit
- Increase loan limits
- Infrastructure investments on campuses
- Research investments

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- Represents college and university presidents
- Roughly 2,000 institutions with about 80 percent of students enrolled



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ACE Areas of Focus

- Programmatic Activities
 - › Access, Success, Equity, and Diversity
 - › Institutional Effectiveness
 - › Lifelong Learning
 - › International Education
- Government Relations and Public Affairs

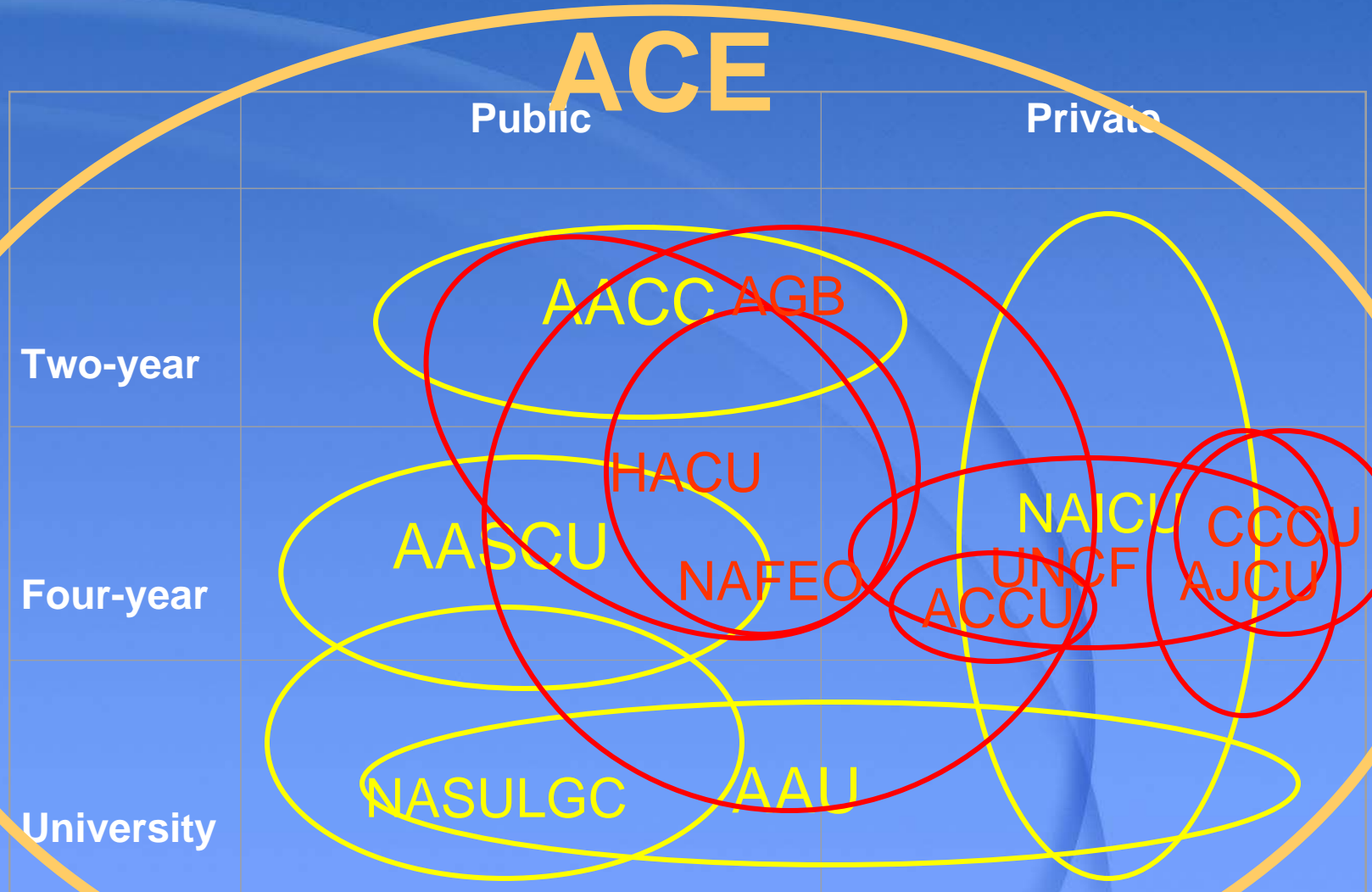


ACE Representation

- ACE role is to coordinate and lead
- Not everyone wants to be coordinated or led



Presidential Associations



ACE Representation

- We do not play by modern political rules
- What we do have:
 - › National interest
 - › Key constituents in local areas
 - › Often a unified voice



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