

Expanding Access to the Baccalaureate Degree in Wisconsin

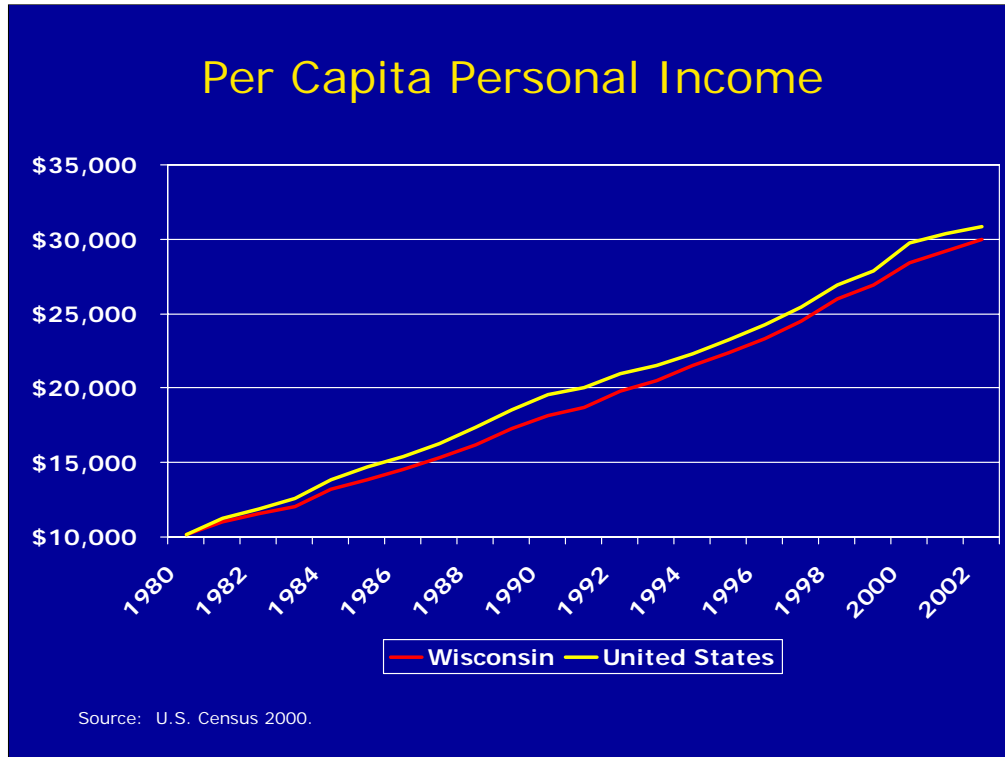
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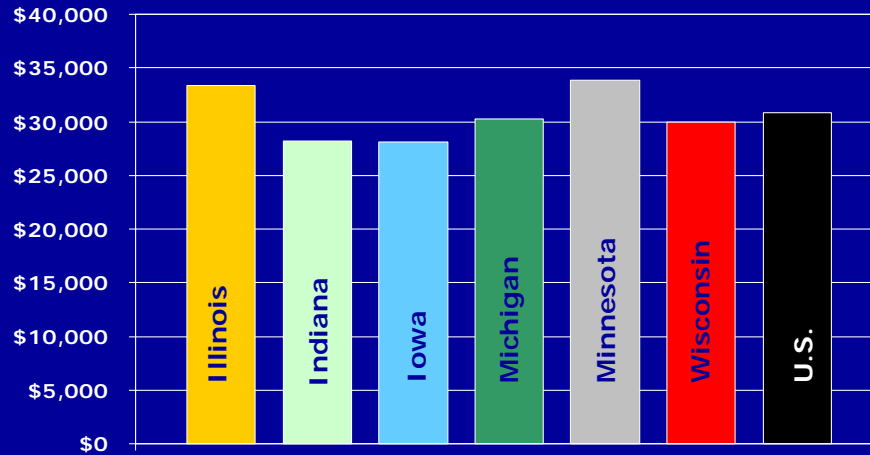
The Goal of this presentation is to provide context for the committee's subsequent discussions about expanding access to the baccalaureate degree in Wisconsin.



The motivation for your deliberations lies in several perceived problems. Most obvious of these:

- Lagging per capita income.
- Related concerns about affordability of higher education and the opportunity for non-traditional age students, students of color and low/moderate income students to successfully achieve a bachelor's degree.
- Wisconsin per capita income continues to lag the nation as a whole.
 - WI per capita income was at the national average in 1980, but has fallen steadily since then.
 - Household income and family income in WI have remained above the national average because of the high labor force participation rate in WI.

Per Capita Personal Income, 2002

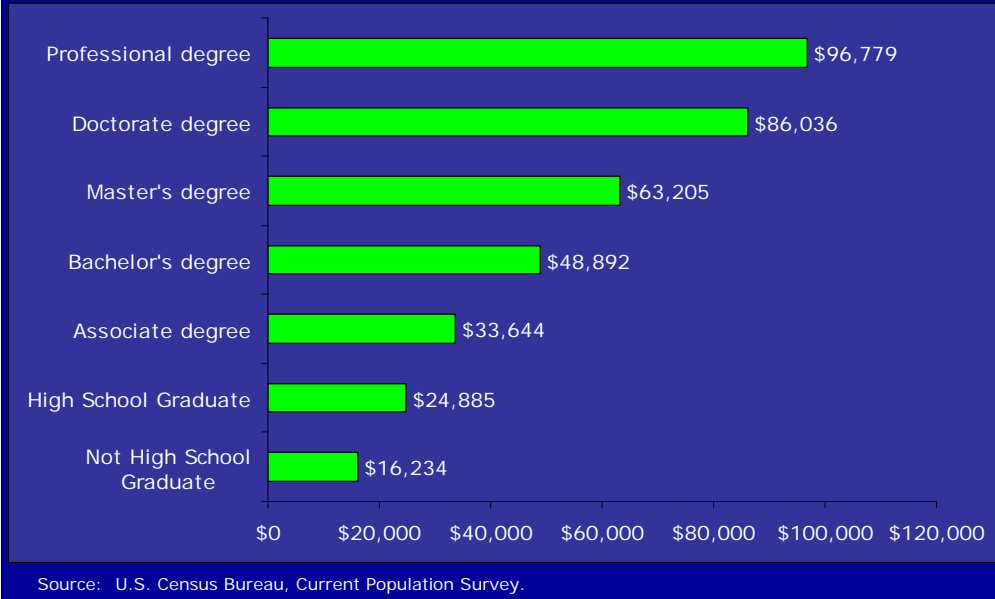


Source: U.S. Department of Commerce, Bureau of Economic Analysis

Within the region, Wisconsin lags behind Illinois, Minnesota and Michigan in per capita income.

- In 2002, per capita income in WI was approximately \$3,000 below MN and \$2,500 below IL.
- If per capita income were as high as MN, total income in WI would be \$15 billion higher, resulting in an increase of almost \$1 billion in income tax revenues alone.

Income by Educational Attainment for People 18 Years Old and Over, 2001 (National)

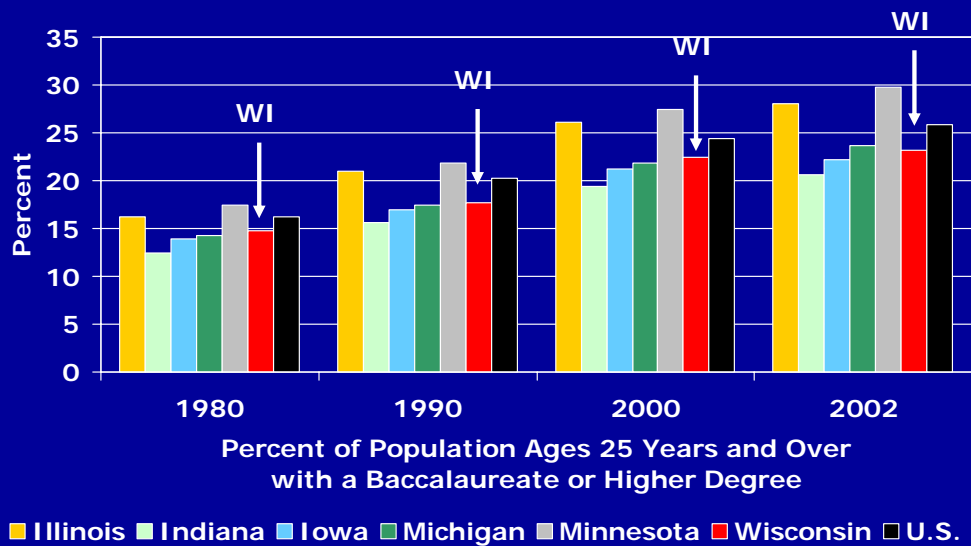


Income is strongly correlated with educational attainment.

Simply put, increasing the per capita income in Wisconsin is tied to increasing the educational attainment of the workforce

- Educational attainment is an indicator of skill development (human capital formation) in the workforce.
- Earnings are strongly correlated to educational attainment, both at the individual level and at the state level.
- Exceptions
 - Gifted individuals (e.g., Gates; Edison)
 - Individuals who forego earnings for other ways of gaining satisfaction (e.g., the starving artist)

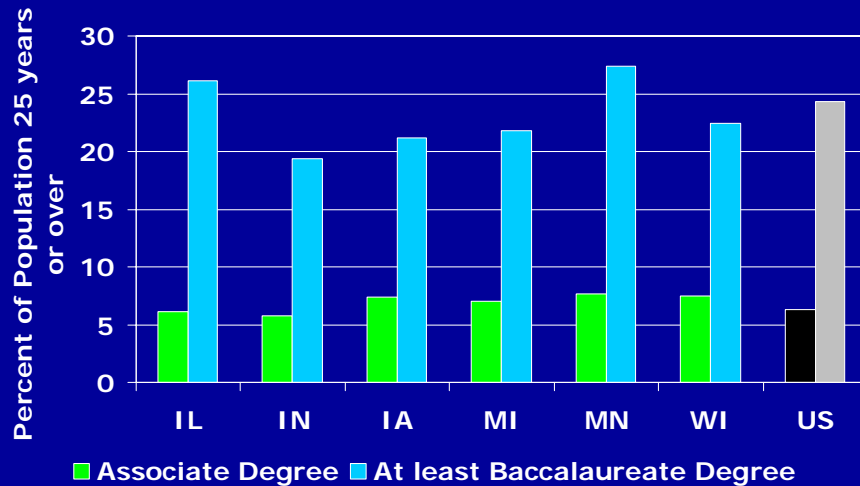
Growth in Educational Attainment in Wisconsin and the Region



Source: U.S. Census Bureau.

- Many of you have seen these data before, as David J. Ward has been talking about them for several years.
- The proportion of the population with a bachelor's degree, nationally and in the region, has increased steadily since 1980.
- The proportion of bachelor's degree holders in Wisconsin has lagged behind Minnesota and Illinois and is below the national average.

Educational Attainment of Population 25 Years or Over 2000



Source: US Census Bureau, Special Tabulation, SF3, Educational Attainment by Geographic Location.

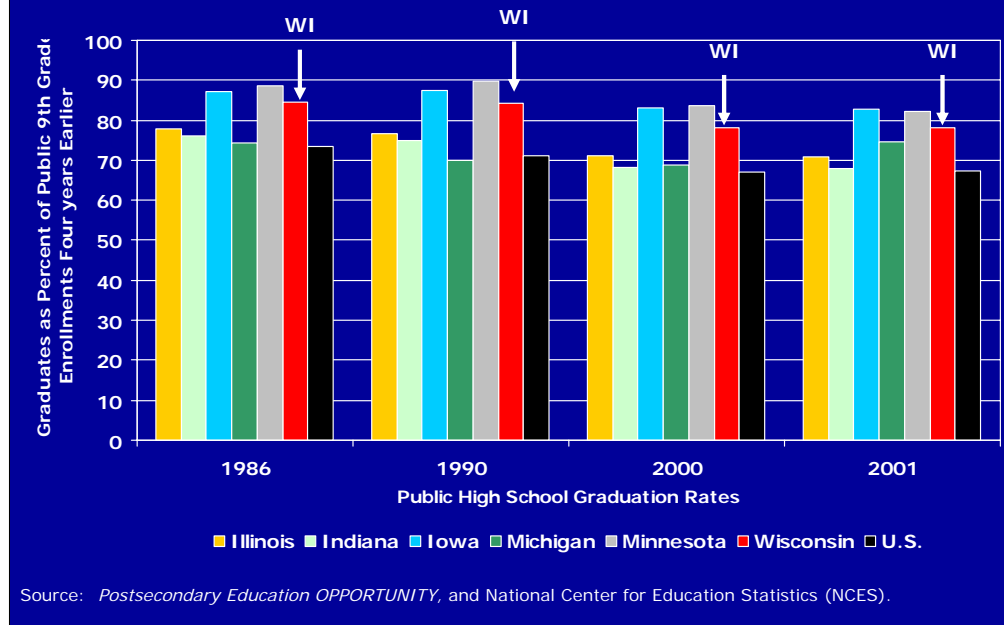
While Wisconsin lags the nation and some states in the region in the proportion of the population, 25 years or over, with a bachelor's degree or higher, it ranks second in the region, and ninth nationally, in the proportion of the population with an associate's degree.

States Rely on Different Strategies or Policy Levers to Create their Supply of Workers with Bachelor's Degrees

- Encourage high school completion.
- Encourage participation and success in all forms of higher education:
 - Foster retention of high school graduates;
 - Provide financial aid to encourage access and persistence;
 - Provide access to four-year public and/or private institutions;
 - Provide access to two-year institutions with strong transfer component to four-year institutions;
 - Attract high school completers from out-of-state to attend two- and four-years institutions;
- Retain four-year college graduates from in-state institutions.
- Attract four-year college graduates from out-of-state institutions.

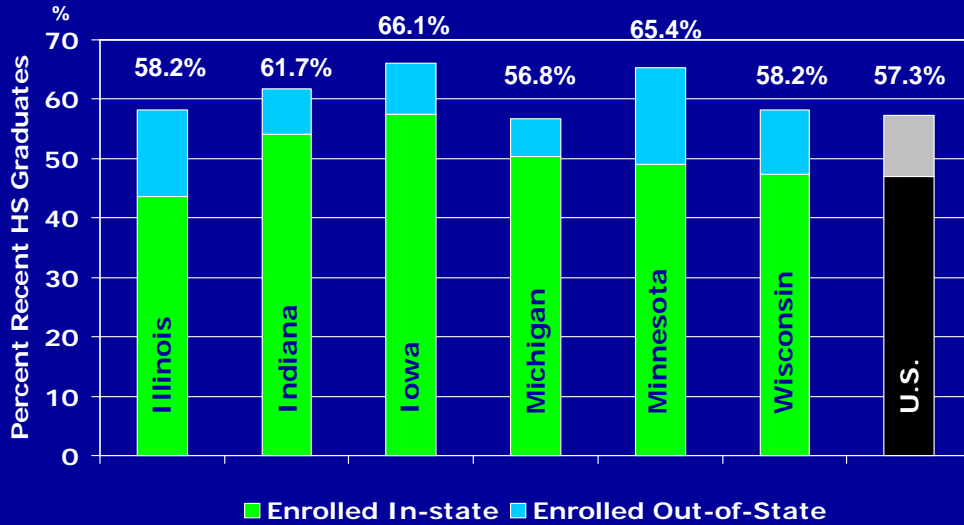
Numerous policy levers mean that increasing the proportion of Wisconsin residents with a bachelor's degree or higher, and reaping the benefits both to the State and its citizens, is a complex matter and cannot be achieved by any single policy or action – there is no “silver bullet.”

High School Graduation Rates in Wisconsin and the Region



- All states in the region have high school graduation rates that exceed the national average.
- High school graduation rates above the national average provide an opportunity in the sense that it provides a large base, relative to the population, who are potentially eligible to earn a bachelor's degree.
- High school graduation rates above the national average also provide a challenge in the sense that it creates high demand for higher education, which must be met.

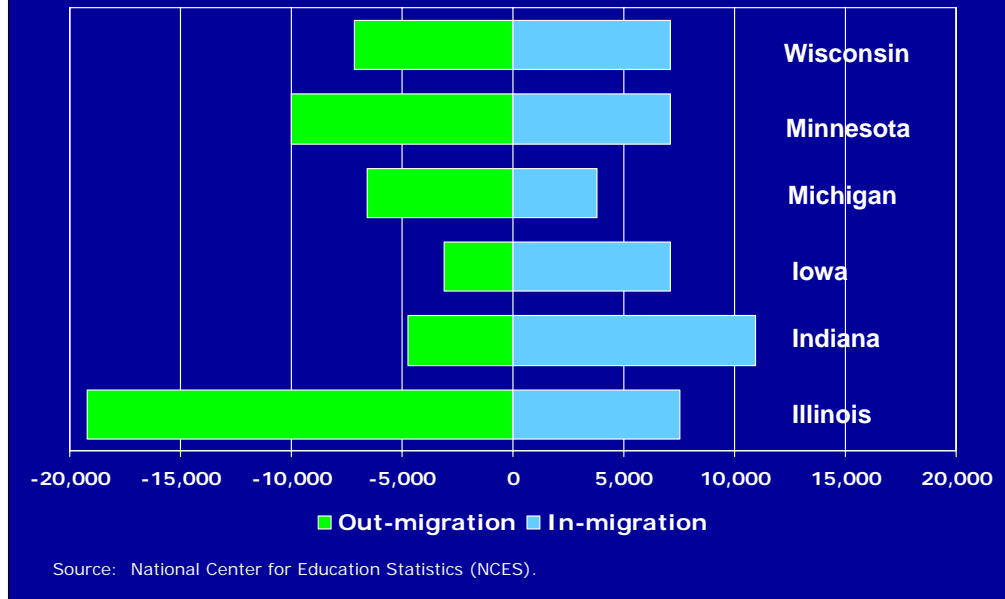
College Participation Rates of Immediate New Freshmen, Fall 2002 Wisconsin and the Region



Source: National Center for Education Statistics (NCES).

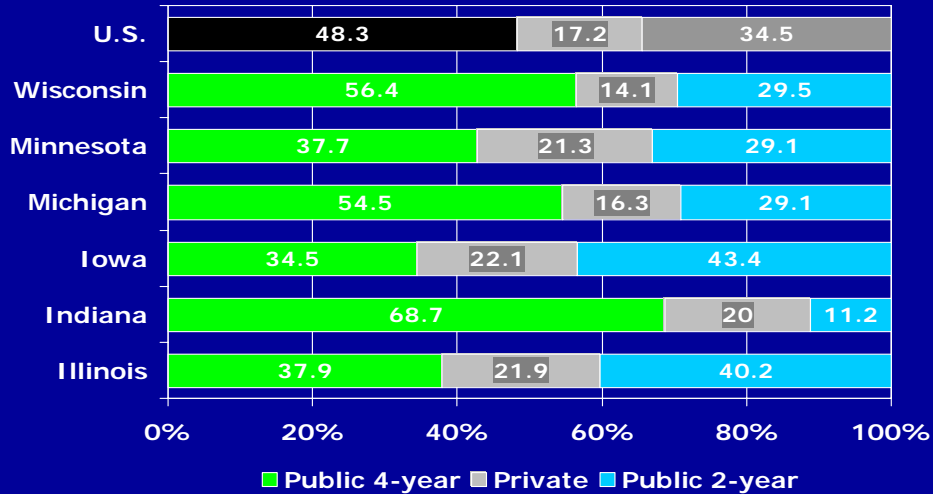
- States in the region differ significantly in the percentage and location of recent high school graduates who enroll in higher education.
- Wisconsin and other states in the region lag behind Iowa and Minnesota in overall college participation rates, i.e., the proportion of high school graduates who enroll in higher education immediately after high school graduation.

Migration of New Freshmen, Fall 2002 Wisconsin and the Region



- Wisconsin gains about the same number of recent high school graduates enrolling as new freshmen as it loses.
- This is not true of any other state in the region.
- While in and out-migration of new freshmen tend to balance each other in Wisconsin, the net flow of new freshmen in Illinois, Minnesota, and Michigan leads to an overall loss.
- Comparatively fewer new freshmen leave Indiana or Iowa.

Immediate New Freshmen Enrolled in Their Home State, Fall 2002



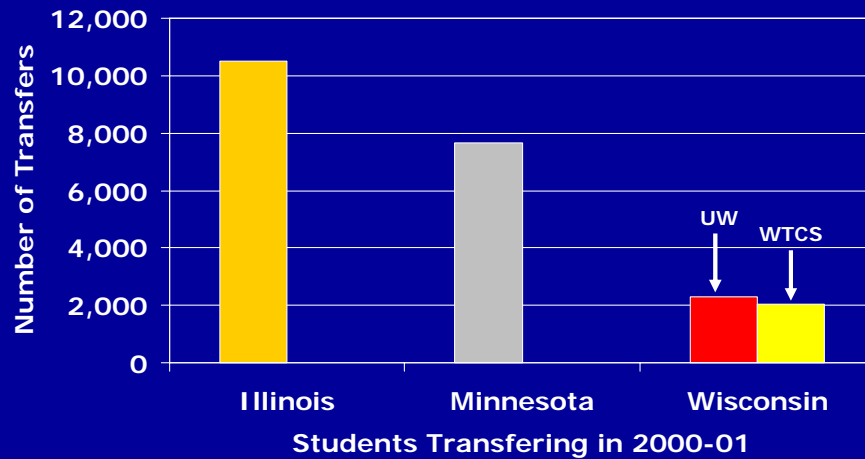
UW Colleges and WTCS are included under Public 2-years, for comparability with other states.

Source: National Center for Education Statistics.

States in the region also differ in their reliance on different segments of higher education to serve students immediately after high school graduation.

- Wisconsin relies more heavily on its public 4-year institutions than any other state in the region, except Indiana.
- Wisconsin relies least heavily on its private 4-year institutions.
- Except for Indiana, Wisconsin enrolls the smallest proportion of new freshmen in its public 2-year institutions.
- Iowa and Minnesota, along with Illinois, have lower participation rates in the public 4-year sector.
- Iowa achieves its high overall participation rate by relying on the public 2-year sector.
- Minnesota and Illinois rely on a combination of the public 2-year sector and out-of-state enrollment to offset lower participation in the public 4-year sector.

Number of Students Transferring from Two-year Colleges to Four-year Colleges and Universities

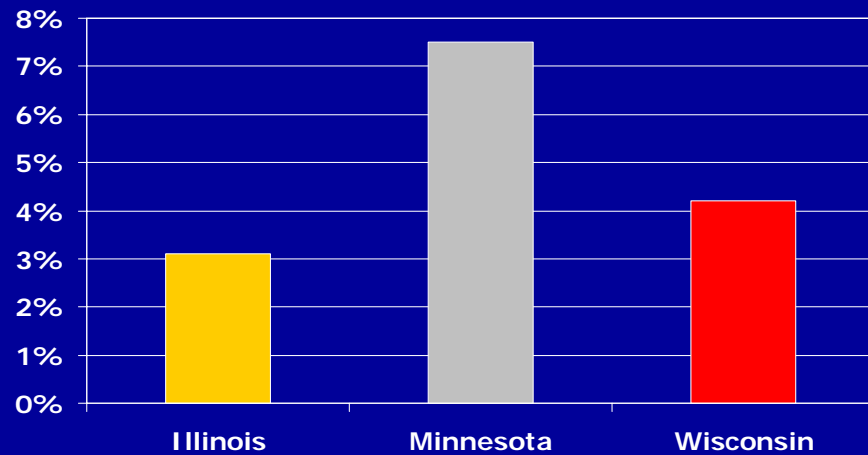


Source: As reported by State higher education authorities.

Data on transfers between the public 2-year sector and the public 4-year sector in the region could only be obtained for Illinois, Minnesota and Wisconsin.

In Illinois and Minnesota, there are more transfers between the 2-year and 4-year sectors than in Wisconsin.

Percent of Students Transferring from Two-year Colleges to Four-year Colleges and Universities

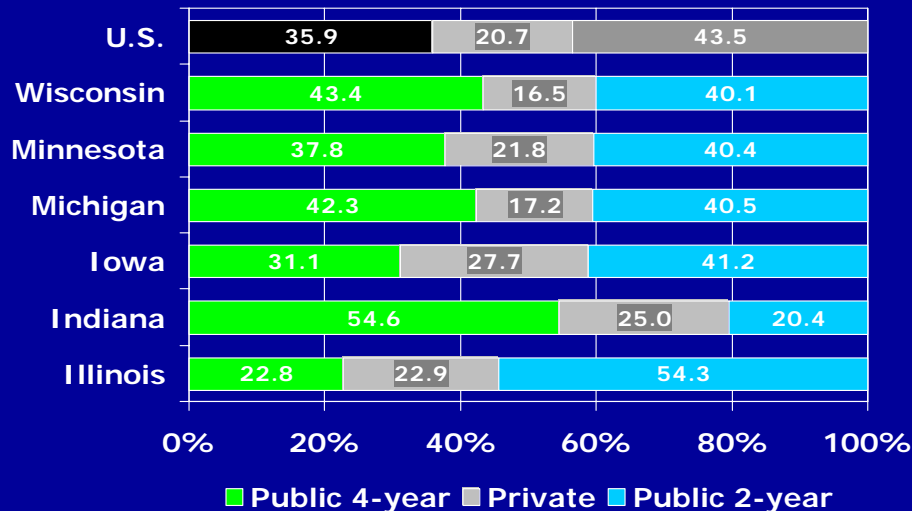


Source: State higher education authorities and National Center for Education Statistics (NCES).

When adjusted for the size of the 2-year sectors, the picture changes somewhat. Because of the large 2-year sector enrollment in Illinois, the size adjusted transfer rate in Illinois lags behind Minnesota and Wisconsin.

However, after adjusting for the size of the sectors, the transfer rate in Minnesota exceeds the combined transfer rate for the UW and WTCS.

Distribution of Undergraduate Enrollment Fall 2002, Wisconsin and the Region



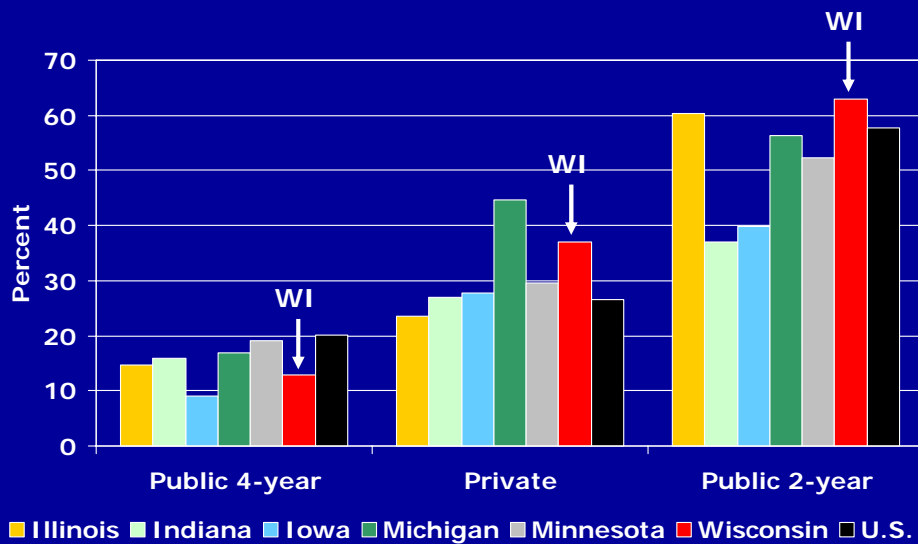
UW Colleges and WTCS are included under Public 2-years, for comparability with other states.

Source: National Center for Education Statistics.

Picture changes when we look at all undergraduates.

- In 1986 (not shown in slide), Wisconsin, like Minnesota and Indiana, had the majority of its in-state enrollments in the public 4-year sector. In contrast to the other states, Wisconsin had the smallest percentage of their students enrolled in private institutions.
- By 2002, the balance had shifted in Wisconsin and Minnesota, so that the public 4-year sector no longer had the majority of enrollments.
- In Wisconsin, this was due to growth of the public 2-year sector, accompanied by relative stability in the public 4-year sector.
- In Minnesota, this was the result of a doubling of enrollment in the public 2-year sector and a decline in public 4-year enrollments.
- Indiana and Iowa also doubled enrollments in their public 2-year sectors between 1986 and 2002. At the same time, Indiana also increased its public 4-year sector by almost 60%.

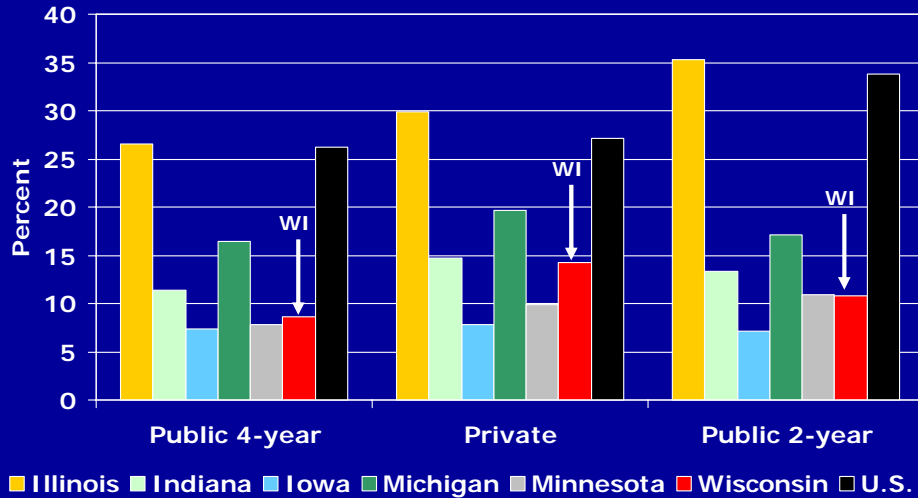
Non-traditional Undergraduates as a Percent of Total Undergraduates



Source: National Center for Education Statistics.

Non-traditional undergraduates – those 25 and over, are much more likely to enroll in public 2-year or private 4-year institutions, regardless of their state of residence.

Students of Color as a Percent of Total Undergraduates



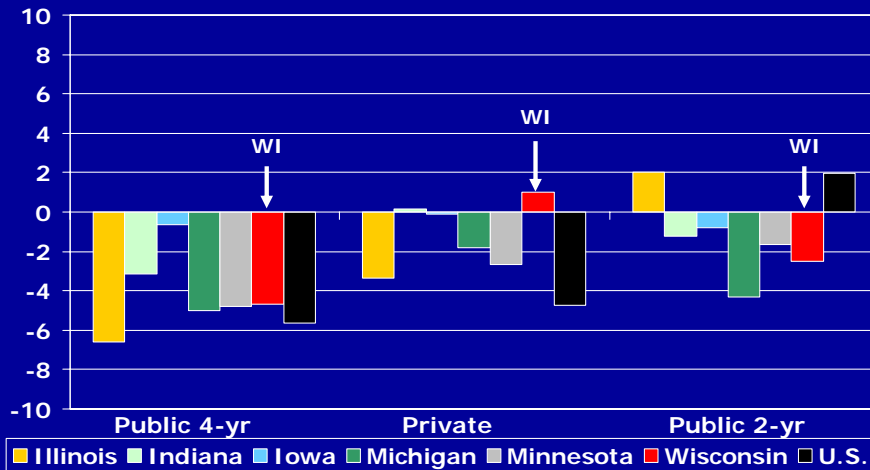
Source: National Center for Education Statistics (NCES).

On a national level, students of color have higher participation rates in the 2- year sector than they do in the private 4-year sector and have higher service rates in the private 4-year sector than in the public 4-year sector.

In the region, this pattern holds only in Illinois and Minnesota, as in the other four states, the private 4-year sector serves a slightly higher proportion of students of color.

Across all sectors, unadjusted for differences in population, all states in the region, except Illinois, under-serve students of color.

Enrollment Gap: Difference Between Proportion of People of Color in the Population and Those Enrolled in Higher Education

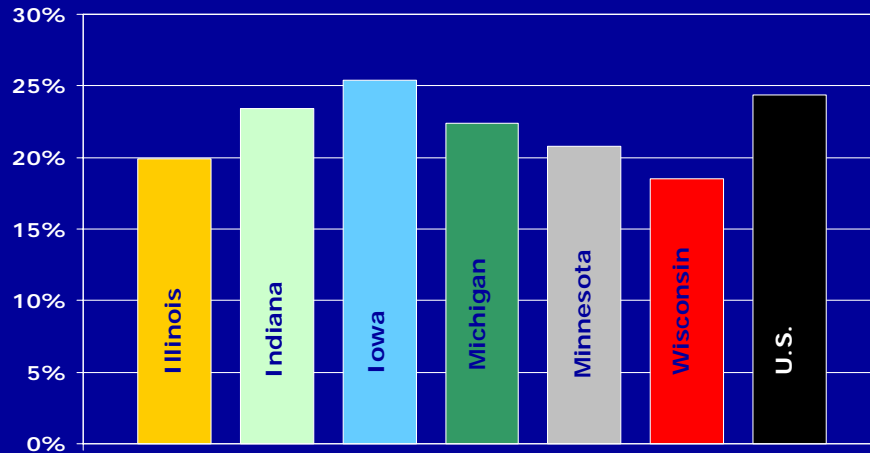


Source: National Center for Education Statistics (NCES) and U.S. Census Bureau.

One way of comparing the participation of students of color to the population of the state is to compute an enrollment gap – the difference between the participation rate and the proportion in the population. A negative number indicates that relative to the population proportion, students of color are being under-served.

Nationally, students of color are being underserved in the 4-year sectors and are being slightly over-served in the public 2-year sector. In the region, with the exception of Illinois, the gap for SOC is smaller than the national average, though with the exception of Indiana and Iowa in the private 4-year sector, SOC are under-served by the 4-year institutions. In the 2-year sector only Illinois does not show a negative gap.

Pell Grant Share of Undergraduate Enrollment in All Institutions by State, 2000-01

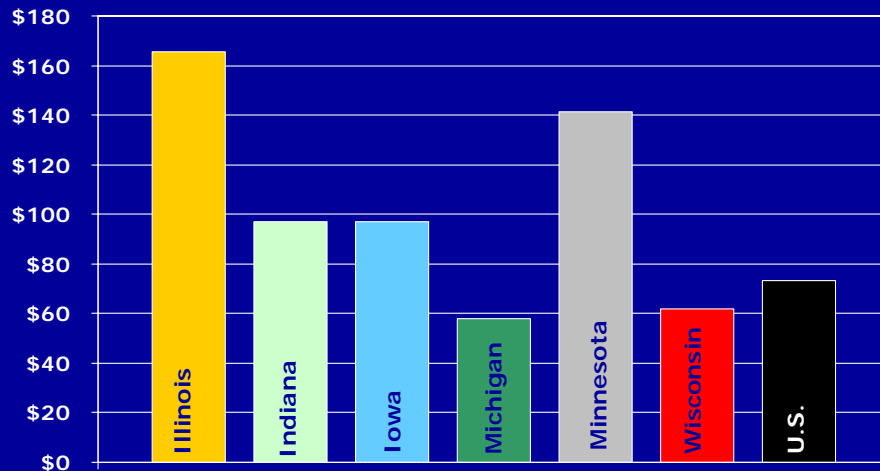


Source: *Postsecondary Education OPPORTUNITY*, Number 138.

The proportion of students receiving Pell grants is a generally used measure of participation of students from low-income families.

Wisconsin ranks substantially below the national average in the proportion of undergraduates, across all sectors, receiving Pell grants. This is an indicator that suggests that the State is under-serving low income students.

Total* Undergraduate State Need-based Grants (million \$) Adjusted for Wisconsin 18 to 24 Population, 2001-02

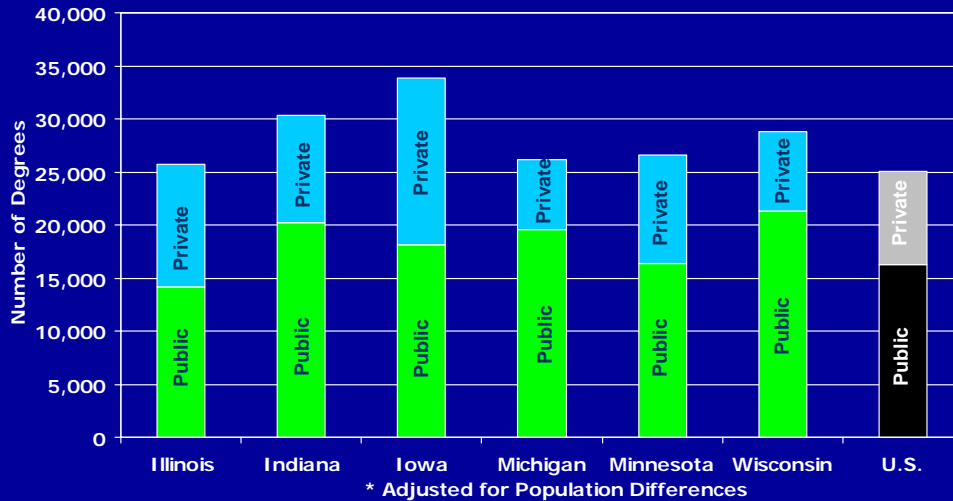


*Includes both general and categorical programs.
Grant dollars are adjusted for population to assist comparability among states. Values for each state are multiplied by the ratio of the population ages 18 to 24 in Wisconsin relative to the population ages 18 to 24 in that state.
Source: National Association of State Student Grant and Aid Programs (NASSGAP).

Providing need-based financial aid is one way in which states have attempted to encourage the participation in higher education for students from low-income families.

On a population adjusted basis, Wisconsin is below the national average in the amount of need-based grant aid that it provides to students. In the region, Wisconsin exceeds only Michigan and trails Illinois and Minnesota by a significant margin.

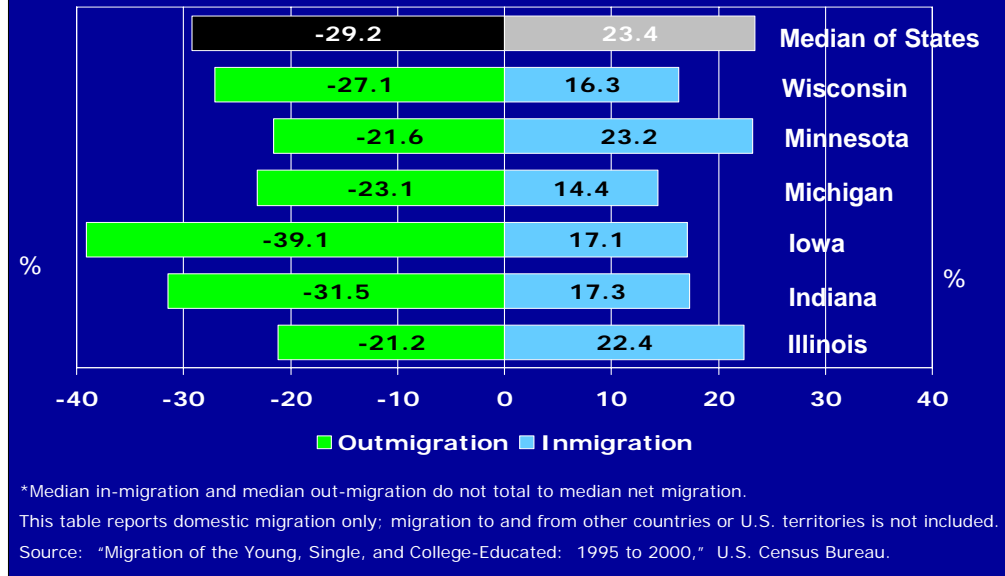
Baccalaureate Degrees Awarded* 2001-02 Wisconsin and the Region



Source: National Center for Education Statistics (NCES).

- In 1986 (not shown in slide), Wisconsin ranked first in the region in baccalaureate degrees awarded by public universities and second, behind Iowa, in total degrees. Note that the overall rank is, in part, a reflection of the relatively small private sector; Wisconsin, on a population adjusted basis, trails all states in the region except for Michigan.
- In 2001, Wisconsin continued to lead the region in bachelor's degrees awarded in the public sector, but fell to third, behind Iowa, which had substantial growth in degrees produced by the private sector, and Indiana, which also had a large increase in the private sector accompanied by a smaller, but significant, growth in degrees produced by the public sector.

Percentage of Young Single College-Educated Individuals Entering and Leaving, 1995-2005



The proportion of the population in a state with a bachelor's degree or higher is not just a result of degrees produced. In-migration and out-migration of college educated people also have an impact.

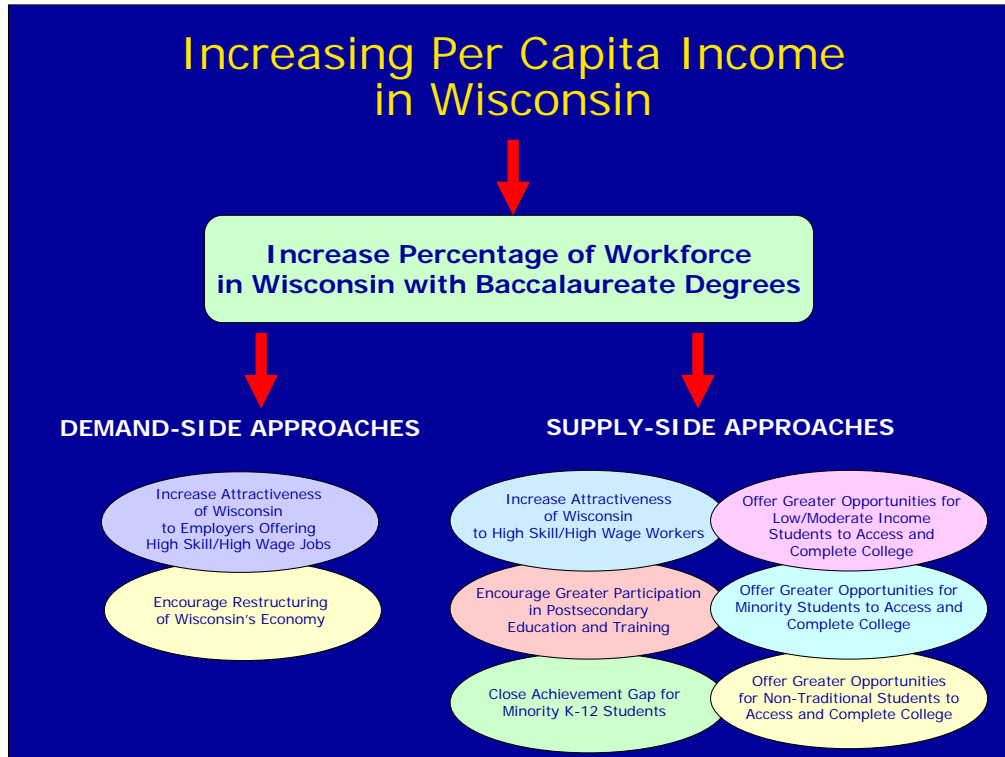
- Wisconsin loses a greater proportion of young, single, and college-educated individuals than it attracts.
- Illinois and Minnesota are the only states in the region that have a positive net in-migration of Young Single College Educated (YSCEs), which means that more of these individuals moved into Illinois and Minnesota than moved out.
- Wisconsin's net migration of YSCEs falls below all but Indiana and Iowa.
- While Wisconsin loses somewhat more YSCEs than Illinois, Minnesota and Michigan, Wisconsin still ranks in the top half of all states in retaining its graduates.
- Where Wisconsin lags, is in attracting YSCEs, falling behind all other states in the region, except Michigan, and ranking in the lowest quartile of states nationally.
- Our ability to increase the attractiveness of Wisconsin as a destination for YSCEs would/could substantially reverse the "brain drain" and help increase the proportion of the Wisconsin population with a bachelor's degree.

Summary

- Per Capita Income in Wisconsin is below the national average.
- The proportion of the adult population with a bachelor's degree or higher also lags behind the nation.
- Wisconsin provides high levels of access to the baccalaureate for traditional age students.
- Wisconsin has not done as well in serving minority, low/moderate income, or non-traditional age students.
- There are multiple ways to improve the progression of students from entry to the baccalaureate.
- Increasing degree production and state economic development go hand-in-hand.

State Score Card

	IL	IN	IA	MI	MN	WI
Income per Capita	++	--	--		++	-
Bachelor's or higher	++	-	-	-	++	-
Associate Degrees		-	+	+	++	++
Bachelor's Degrees Awarded		++	++			+
Degrees Awarded Public	-	++	+	++		++
Degrees Awarded Private	++	+	++	--	+	-
High School Graduation Rate	+	+	++	++	++	++
Immediate New Freshmen Total		+	++		++	
Immediate NF In-State	-	++	++	+	+	
Immediate NF Out-of-State	++	--	-	--	++	
Non-Trad Public 4-yr	-	-	--	-	-	--
Non-Trad Private	-			++	+	++
Non-Trad Public 2-yr	+	--	--	-	-	+
Students of Color Public 4-yr	--	-		--	--	--
Students of Color Private	-	+	-	-	-	++
Students of Color Public 2-yr	+	-	-	--	-	-
Low Income Participation	--		+	-	-	--
Out-Migration of YSCEs	++	-		++	++	+
In-Migration of YSCEs		--	--	--		--



This presentation began with a brief discussion of the need to increase per capita income in Wisconsin and the relationship between income and educational attainment.

The goal of creating a highly skilled and highly paid workforce has emerged repeatedly as a bipartisan theme in the various economic summits and it provides a rationale for the committee to focus on increasing the proportion of the State's workforce with a baccalaureate degree.

The educational attainment of the State's labor force reflects a balance between the supply of highly educated workers and the demand for the skills of these workers.

There are various strategies that can be employed to accomplish the goal of increasing the educational attainment of the workforce.

This committee has more direct control over supply side approaches, particularly those listed in the right most column.

Access to a Baccalaureate Degree

Access Means:

- All Wisconsin residents have the opportunity to attend a college/university and complete a bachelor's degree.
- This opportunity is available to all populations of residents, regardless of age, race/ethnicity, income, or locale.