What’s the economic value of higher education?

http://wisconsintechnologycouncil.com/publications/higher-education-report/

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President, University of Wisconsin System

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President, Wisconsin Technology Council
GUIDING PRINCIPLES

• Recognize fundamental differences between the UW’s doctoral-granting campuses and the system’s four-year institutions.

• Recognize the critical importance of talent development and attraction for the future of all sectors in Wisconsin’s economy.

• Attract and retain the best faculty and researchers at all of our institutions.

• Keep our universities affordable and accessible for all residents who want to get a college education in Wisconsin.

• Improve the transfer of knowledge and ideas into a prosperous Wisconsin economy.

• Be aware of the competitive world around us.
MAJOR RECOMMENDATIONS

1. Policymakers should compare peers to peers
2. Speed time to graduation
3. Monitor how tenure may continue to evolve
4. Support collaborative university-business interactions
5. Investigate “Mission Investing”
6. OCR-type ‘portals’ on each four-year campus
7. Appoint a blue-ribbon commission for deeper dive
## Expenditures per Degree Granted

### 2012-13*

<table>
<thead>
<tr>
<th>STATE</th>
<th>NUMBER OF PUBLIC FOUR-YEAR INSTITUTIONS</th>
<th>NUMBER OF DEGREES GRANTED</th>
<th>AVERAGE EXPENDITURE PER DEGREE*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>12</td>
<td>49,926</td>
<td>$89,660</td>
</tr>
<tr>
<td>Iowa</td>
<td>3</td>
<td>16,221</td>
<td>86,117</td>
</tr>
<tr>
<td>Michigan</td>
<td>12</td>
<td>60,463</td>
<td>80,799</td>
</tr>
<tr>
<td>Indiana</td>
<td>11</td>
<td>40,828</td>
<td>80,107</td>
</tr>
<tr>
<td>Minnesota</td>
<td>11</td>
<td>28,752</td>
<td>78,613</td>
</tr>
<tr>
<td>Ohio</td>
<td>12</td>
<td>58,711</td>
<td>76,279</td>
</tr>
<tr>
<td><strong>U.S. Total</strong></td>
<td><strong>481</strong></td>
<td><strong>1,460,532</strong></td>
<td><strong>75,111</strong></td>
</tr>
<tr>
<td>Wisconsin</td>
<td>13</td>
<td>34,604</td>
<td>65,785</td>
</tr>
</tbody>
</table>

*Includes instructional, academic support, student services, and institutional support expenditures. Institutions where associate’s degrees were more than 10% of all degrees granted were excluded.

Data source: Integrated Postsecondary Education Data System, National Center for Education Statistics, U.S. Department of Education.
Average Resident Undergraduate Tuition and Fees at Public Four-Year Institutions in Selected States

2014-15

Pennsylvania: $13,246
New Jersey: $13,002
Illinois: $12,770
Michigan: $11,909
Minnesota: $10,527
Ohio: $10,100
Indiana: $9,023
Wisconsin: $8,781
Maryland: $8,724
Iowa: $7,857
Nebraska: $7,404

U.S. Average (Weighted) $9,139
Source: The College Board; Legislative Fiscal Bureau
<table>
<thead>
<tr>
<th>STATE</th>
<th>RESIDENT UNDERGRADUATE TUITION AND FEES ($)</th>
<th>MEDIAN HOUSEHOLD INCOME ($)</th>
<th>TUITION AND FEES AS % OF MEDIAN HOUSEHOLD INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan</td>
<td>11,600</td>
<td>48,801</td>
<td>23.8</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>12,802</td>
<td>53,952</td>
<td>23.7</td>
</tr>
<tr>
<td>Illinois</td>
<td>12,580</td>
<td>57,196</td>
<td>22.0</td>
</tr>
<tr>
<td>Ohio</td>
<td>9,942</td>
<td>46,398</td>
<td>21.4</td>
</tr>
<tr>
<td>New Jersey</td>
<td>12,723</td>
<td>61,782</td>
<td>20.6</td>
</tr>
<tr>
<td>Indiana</td>
<td>8,926</td>
<td>50,553</td>
<td>17.7</td>
</tr>
<tr>
<td>Minnesota</td>
<td>10,464</td>
<td>60,907</td>
<td>17.2</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>8,741</td>
<td>55,258</td>
<td>15.8</td>
</tr>
<tr>
<td>Iowa</td>
<td>7,837</td>
<td>54,855</td>
<td>14.3</td>
</tr>
<tr>
<td>Nebraska</td>
<td>7,315</td>
<td>53,774</td>
<td>13.6</td>
</tr>
<tr>
<td>Maryland</td>
<td>8,480</td>
<td>65,262</td>
<td>13.0</td>
</tr>
<tr>
<td><strong>U.S. Average</strong></td>
<td><strong>$8,598</strong></td>
<td><strong>$51,939</strong></td>
<td><strong>16.6%</strong></td>
</tr>
</tbody>
</table>

Source: The College Board and the U.S. Census Bureau.
4th in research expenditures

$2.17B  Johns Hopkins University
$1.38B  U. Michigan-Ann Arbor
$1.19B  U. Washington-Seattle
$1.12B  UW-Madison
$1.08B  UC-San Diego

Source: 2014 figures/National Science Foundation and Northstar Economics
This map shows the geographic distribution of vendor and sub-award spending by nine members of the Committee on Institutional Cooperation, which works predominantly with Big Ten Conference universities, including the UW-Madison. “One of the things that makes Wisconsin attractive to researchers elsewhere is its infrastructure of research-oriented firms in the private sector,” said Jason Owen-Smith, executive director of the Institute for Research on Innovation & Science at the University of Michigan.
More than 311 UW-related startup companies

- Support nearly 25,000 jobs
- Generate $113.6 million in tax revenue
- Contribute $2.3 billion to the state economy

Entities affiliated with the UW-Madison:

- Support more than 9,988 additional jobs
- Generate nearly $46 million in additional tax revenue
- Contribute an additional $918 million to the Wisconsin economy

Source: Northstar Economics
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