TALKING POINTS

July 16 a.m.   The Leaky Educational Pipeline

1. The pipeline leaks at every joint—even the best-performing states do poorly (see slide 1).

2. The point of leverage varies from state to state (see slide 2).
   - In some, the big problem is high school completion.
   - In others, college participation.
   - In still others, college completion.

   Improved performance by race is another critical issue.

3. Overall, the major point of leverage is improved retention and completion of college students (see slide 3).

4. The cost of achieving globally competitive standards is enormous (see slides 4-6).

5. However, by improving college degree completion, this cost can be reduced considerably (see slide 7).
**Student Pipeline, 2004**

![Bar chart showing the student pipeline, 2004](chart1.png)

Source: NCES Common Core Data 2004; Tom Mortenson, *Postsecondary Education Opportunity*; NCES, IPEDS Fall 2004 Retention Rate File and Fall 2003 Enrollments, 2004 Graduation Rates; U.S. Census Bureau, 2005 ACS

**Student Pipeline—Percent Loss at Each Stage of Transition, 2004**

![Bar chart showing percent loss at each stage of transition, 2004](chart2.png)

Source: NCES-IPEDS, Fall Enrollment Survey
How Can the U.S. Reach International Competitiveness?

Current Degree Production Combined with Population Growth and Migration and Improved Performance on the Student Pipeline Measures

- Degrees Produced 2005-25 with Current Rate of Production: 40,605,747
- Additional Degrees from Population Growth: 1,295,167
- Additional Degrees from Net Migration of College-Educated Residents: 7,045,932
- Reaching Best Performance in High School Graduation Rates by 2025: 1,265,118
- Reaching Best Performance in College-Going Rates by 2025: 3,270,900
- Reaching Best Performance in Rates of Degree Production per FTE Student: 7,347,209
- Total Degrees Produced 2005-25 If All of the Above: 60,790,073
- Degrees Needed to Meet Best Performance (55%): 63,127,642

Source: 2005 ACS, PUMS

Reaching Top Performance by 2025 (55%)—United States

- 94,510,473 Number of Individuals to Match Best-Performing Countries (55%)
- 31,382,831 Number of Individuals (Age 25-44) Who Already Have Degrees
- 63,127,642 Additional Degree Production Needed (2005 to 2025)
- 40,605,747 Degrees Produced at Current Annual Rate of Production
- 7,045,932 Additional Residents with College Degrees from Net Migration
- 15,626,080 Additional Degrees Needed
- 781,304 Additional Degrees Needed per Year (Currently Produce 2,135,924 in All Sectors)
- 52.8% Increase in Annual Associate and Bachelor's Degree Production Needed (in Public Sector Only)
Collective Cost to States, Assuming: 
*Tuition Stays the Same*

$31.0$ Billion = Annual Costs of Additional Students at Current $ per Student

$78.2$ Billion = Current State Contribution

$39.7\%$ = Percent Increase in Annual State Support Needed

Average Cost to Students, Assuming: 
*No Additional State Investment*

$2,565 = $ Additional Annual Costs to Students at Public Four-Year Institutions

47.9\% Increase in Tuition and Fees
(Currently $5,355)

$1,824 = $ Additional Annual Costs to Students at Public Two-Year Institutions

108.8\% Increase in Tuition and Fees
(Currently $1,677)
Savings to States if U.S. Reaches Top Performance in Degree Production

Reduced costs to states would be **$37.9 billion** by improving efficiency of degree production to level of top states.

Additional Costs Needed to Meet Benchmark

Current Budget Costs and Degree Production

Cost to State Status Quo: $110.6 billion
Cost to State Best Performance: $72.7 billion

U.S. Average
Top State

Undergraduate Degrees Awarded Per 100 Full-Time Equivalent Students

<table>
<thead>
<tr>
<th></th>
<th>Public Two-Year</th>
<th>Public Four-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Average</td>
<td>11.5</td>
<td>18.9</td>
</tr>
<tr>
<td>Top State</td>
<td>25.2</td>
<td>24.7</td>
</tr>
</tbody>
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Cost to State Status Quo: $78.2 billion
Cost to State Best Performance: $51.4 billion