

INTELLECTUAL CURRENCY:

REINFORCING WHY HIGHER
EDUCATION MATTERS



Cecilia Elena Rouse
Princeton University

September 2019

NEWS

World • Buisness • Finance • Lifestyle • Travel • Sport • Weather

10.10.2018

Nº 7674177203

Higher Education is headed for a supply and demand crisis

- Washington Post, Jeffrey Selingo

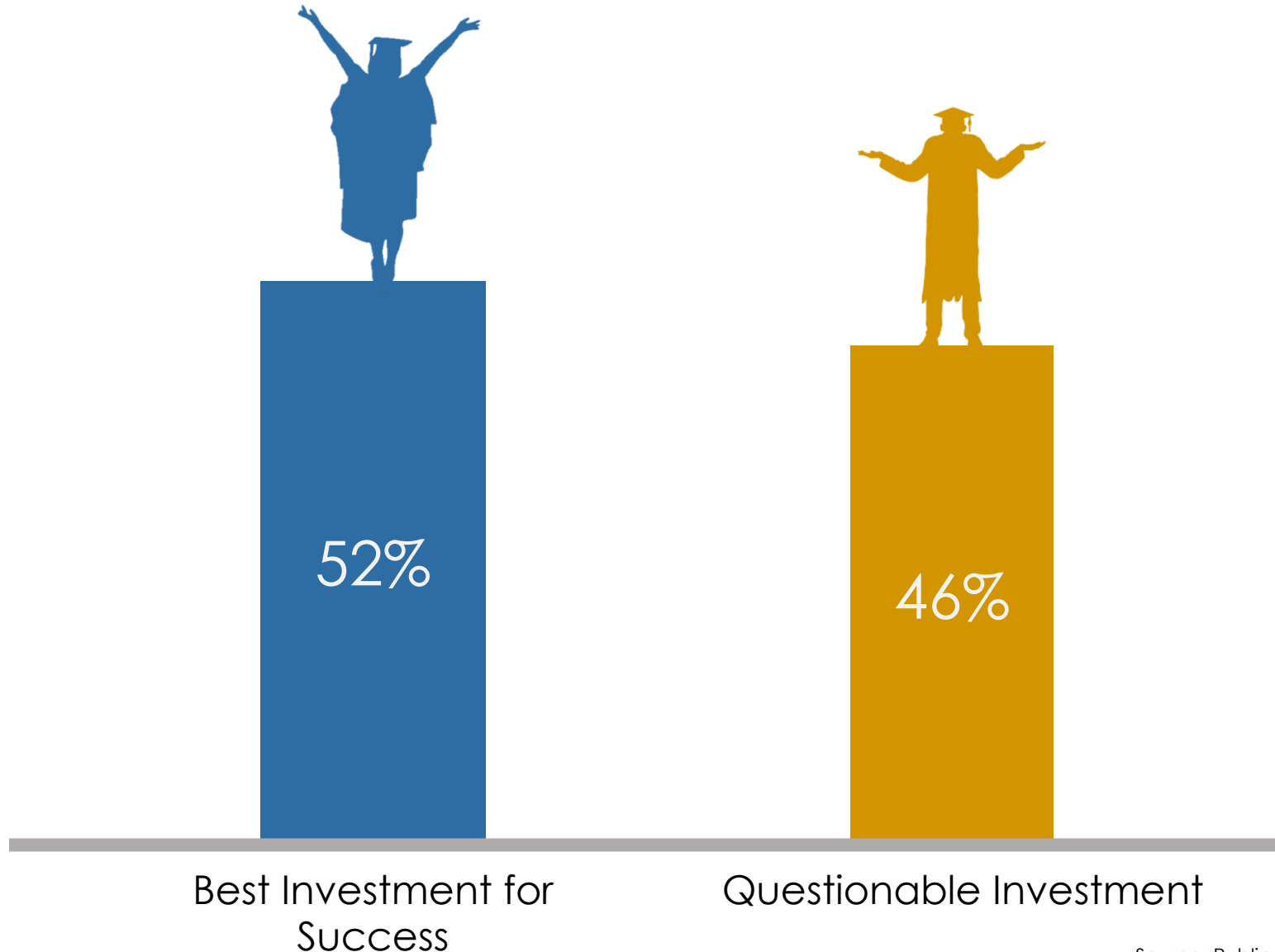
Is College Worth It?

- Forbes, Zack Friedman

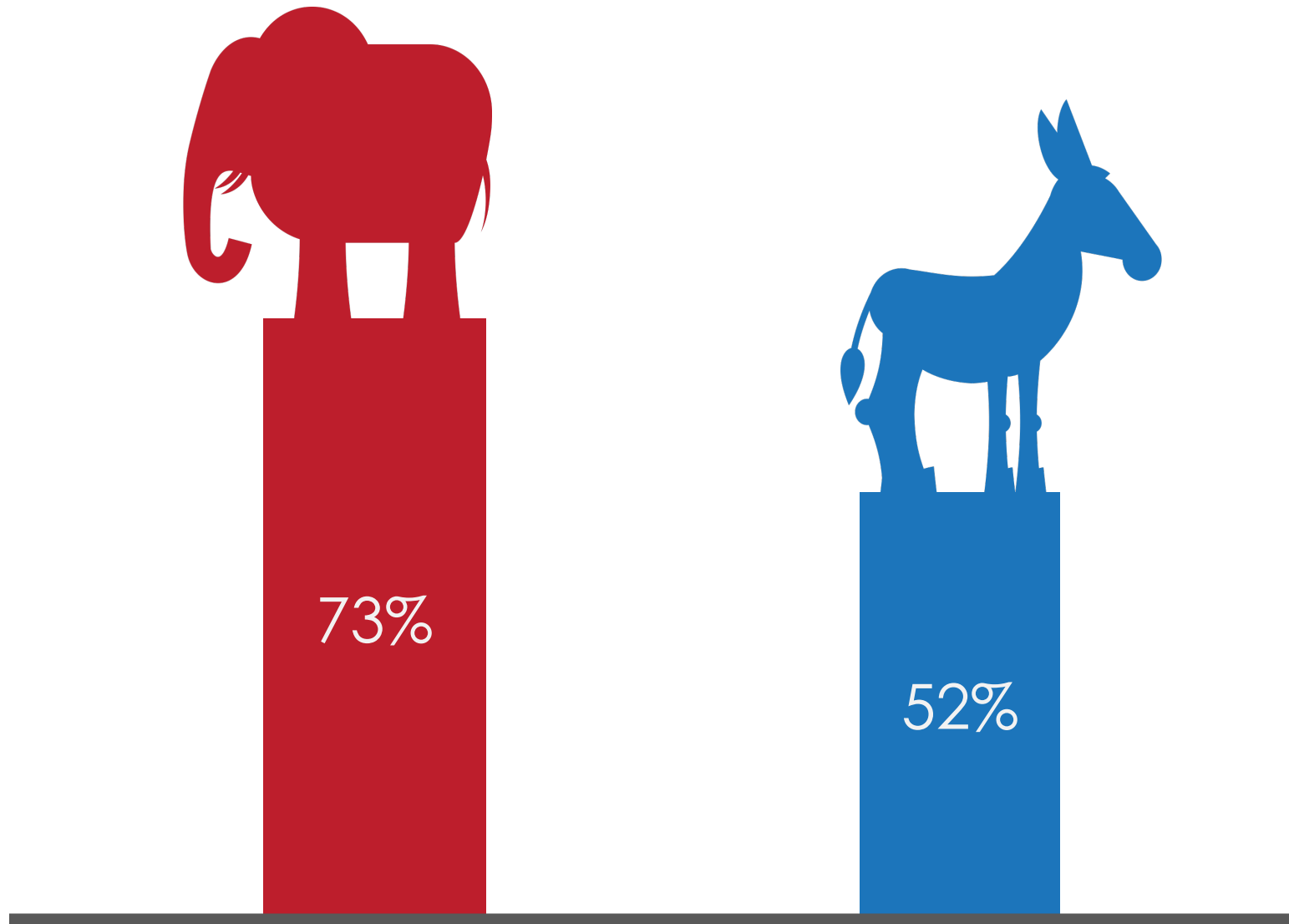
The Higher Education Apocalypse

- U.S. News, Lauren Camera

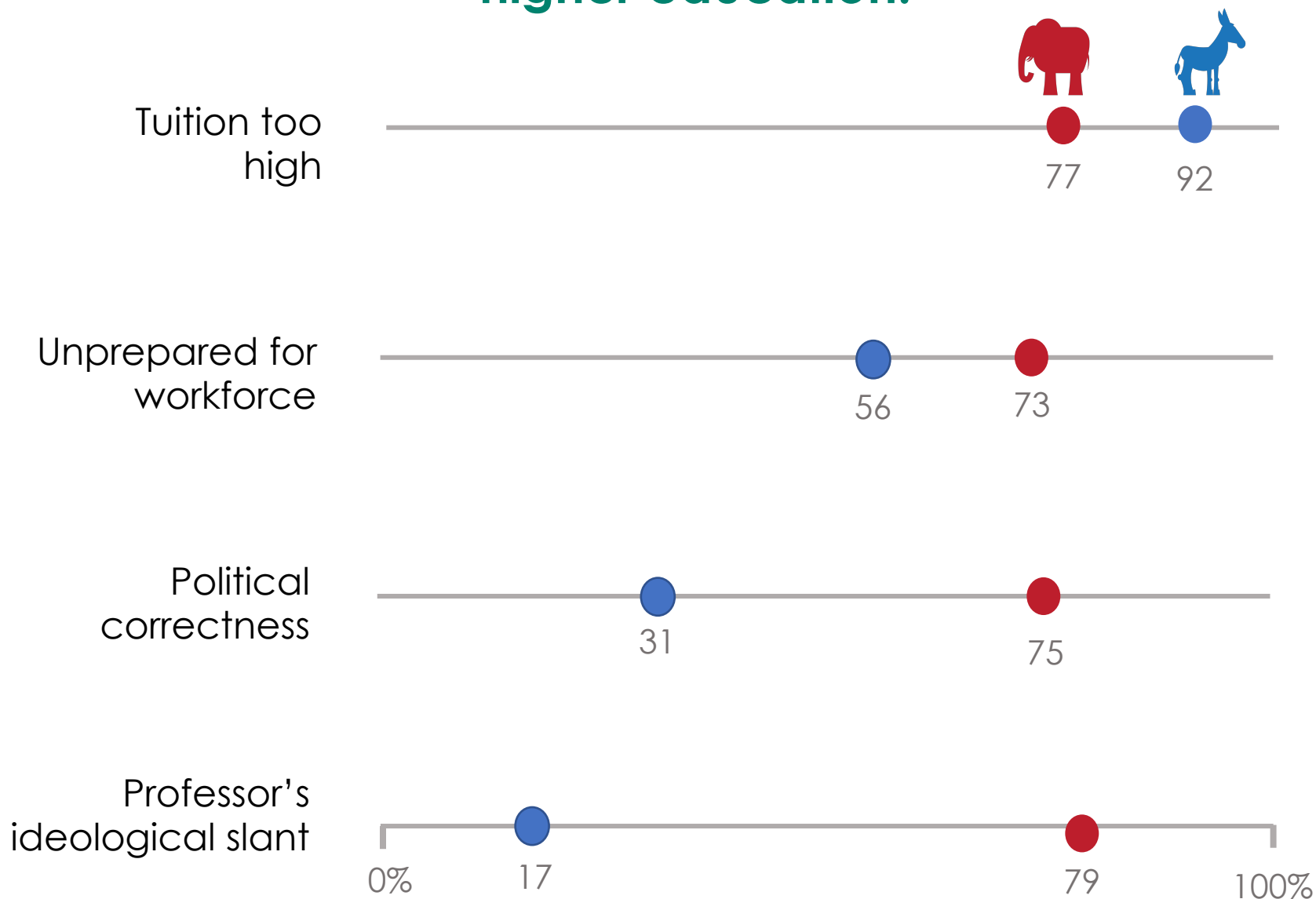
Is College a Good Investment?



Skepticism about higher education is high, with some political differences in who doubts the direction of higher education.



There are several reasons for doubts about the direction of higher education.



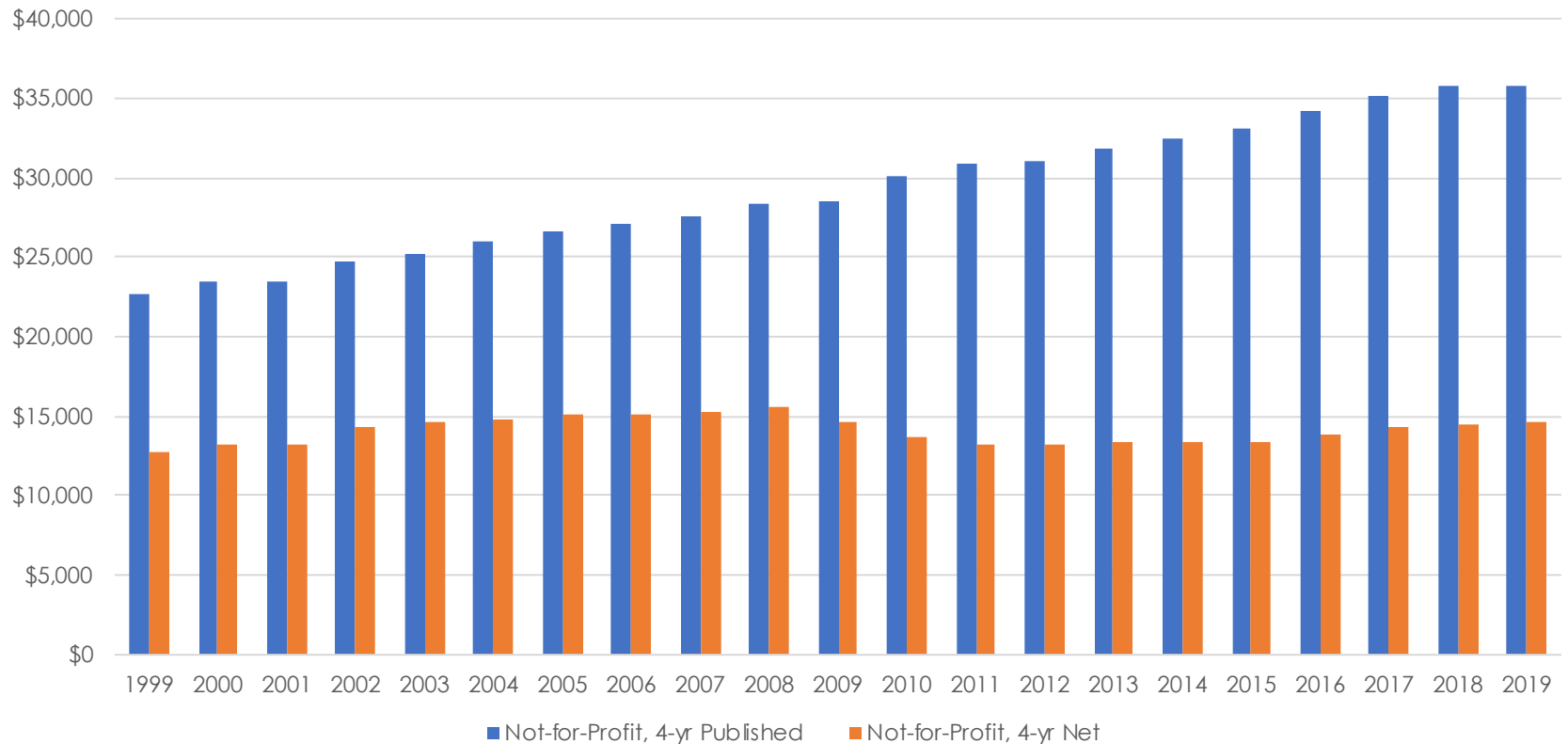
Who's right? The skeptics or us?

Today I will discuss:

- Changes in the cost of attendance, especially from the perspective of a student;
- Changes in student debt and the relationship between completion and repayment;
- The economic benefit of attending college to the individual, including the risk inherent in doing so;
- The economic benefit of post-secondary education for society.

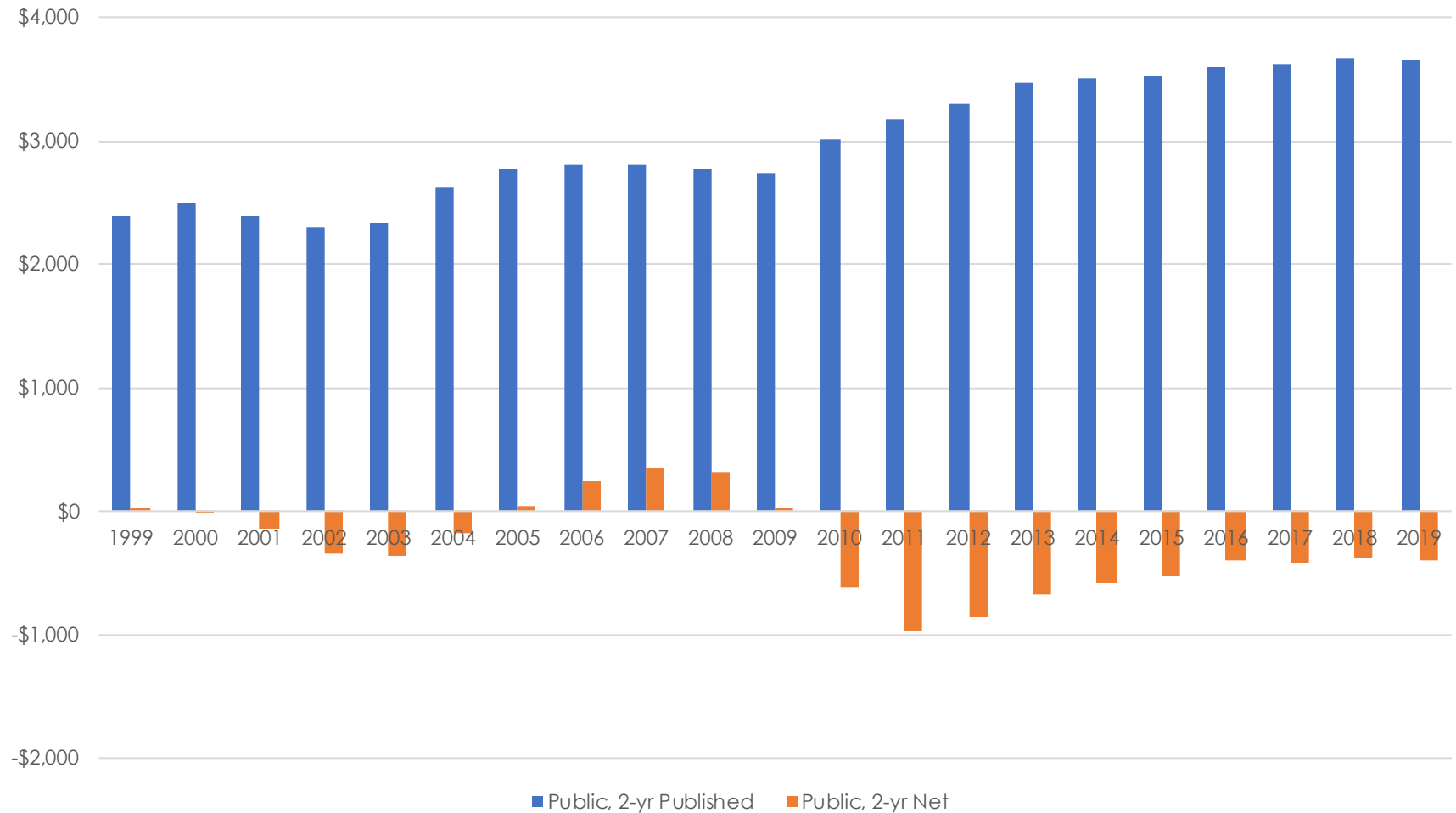
Putting it all together, is it worth it?

Sticker prices are up ... Actual prices much less so



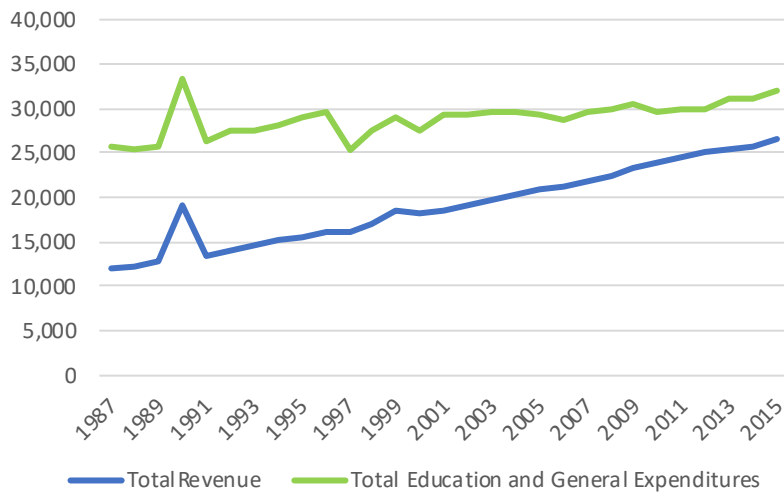
Not-for-Profit 4-year universities

... the difference is even greater at public 2-year institutions

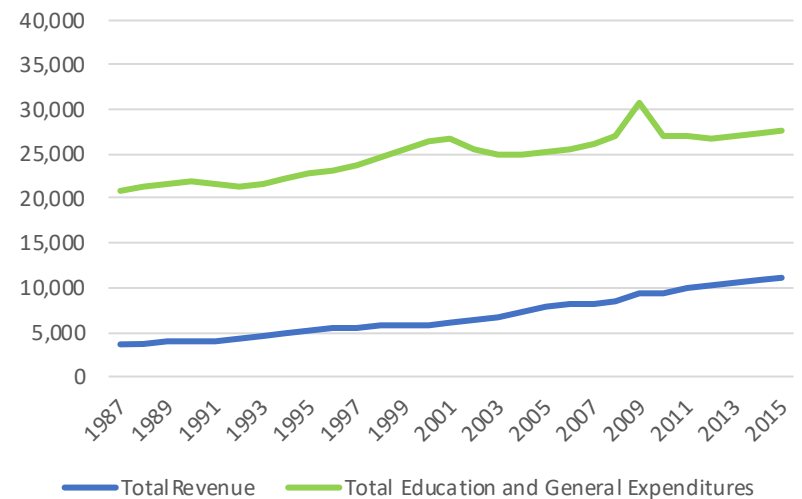


Tuition hikes are not solely driven by increases in administrative costs

Not-For-Profit 4-Year



Public 4-Year

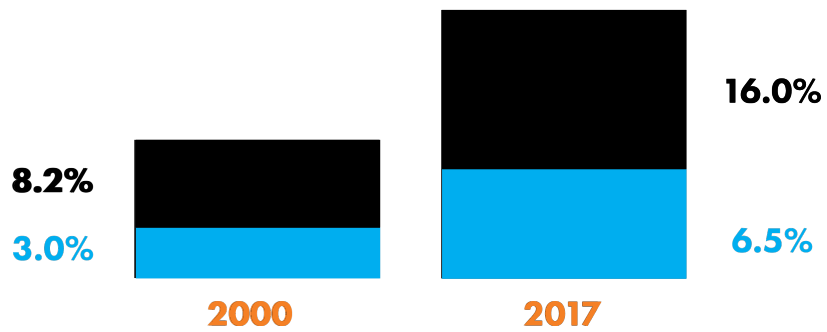


Total Revenue from Tuition and Fees and Expenditures per Student (1987-2015)

**Tuition is a greater share of median family income
compared to nearly 20 years ago.**

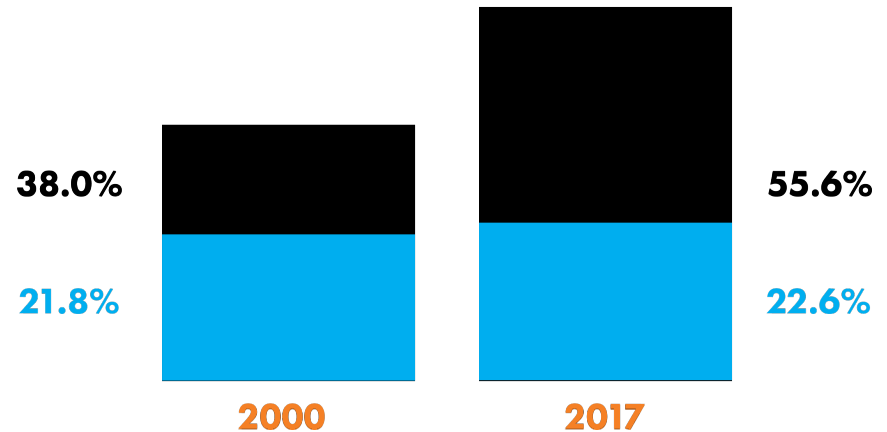
Public 4-Year

PUBLISHED TUITION AND FEES
NET TUITION AND FEES



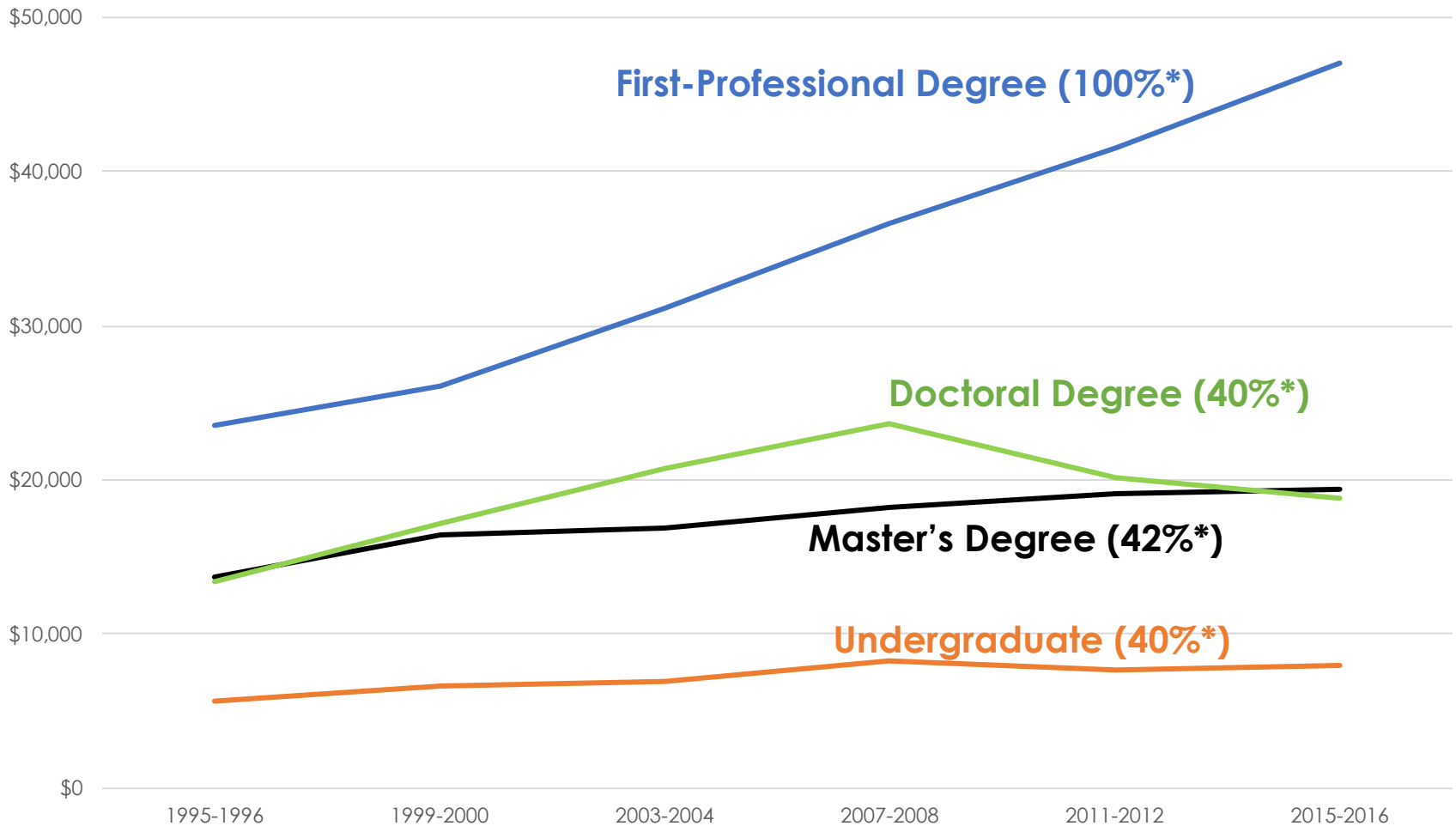
Not-for-Profit 4-Year

PUBLISHED TUITION AND FEES
NET TUITION AND FEES



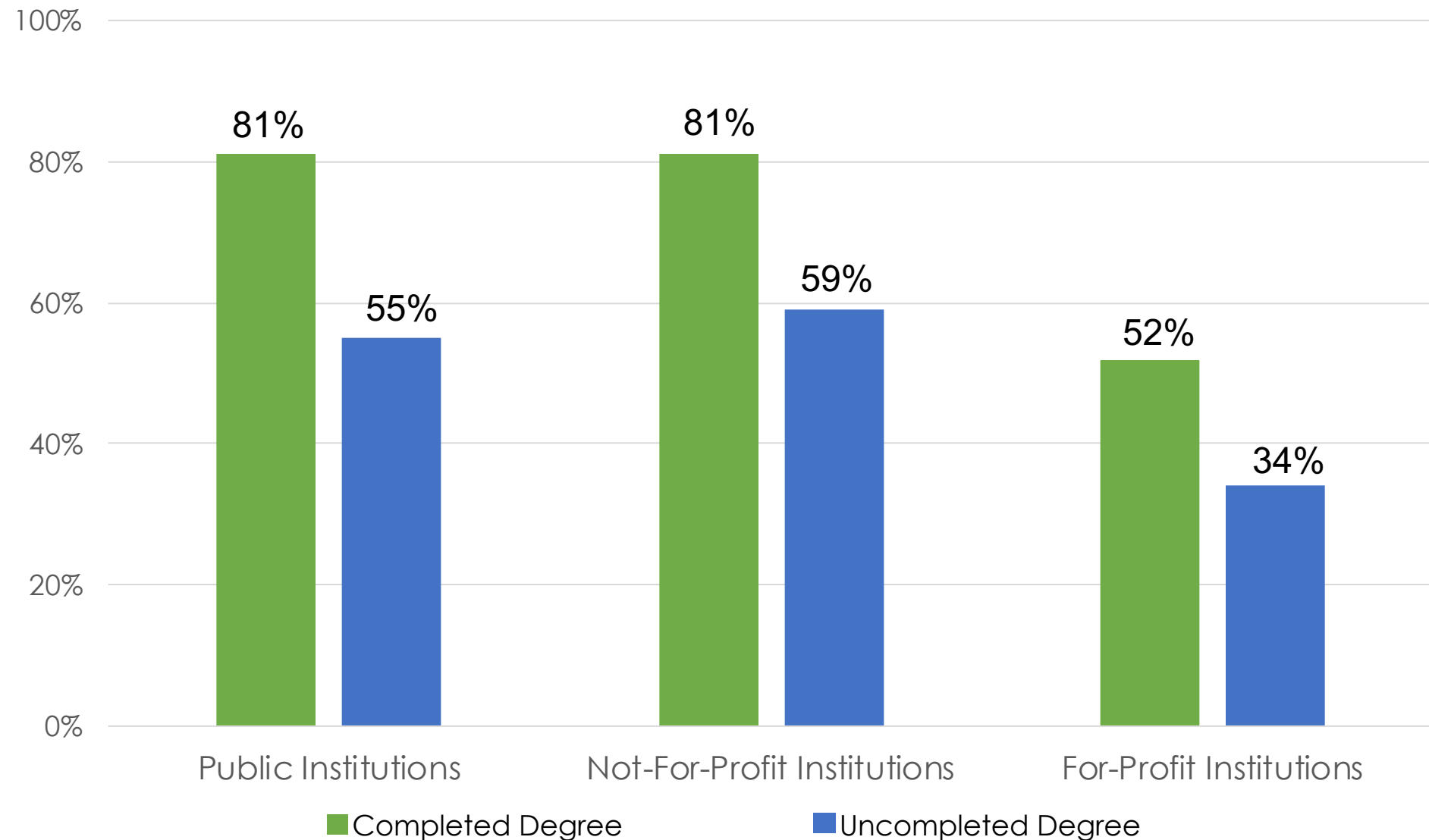
Tuition as a share of median family income

Who is borrowing?

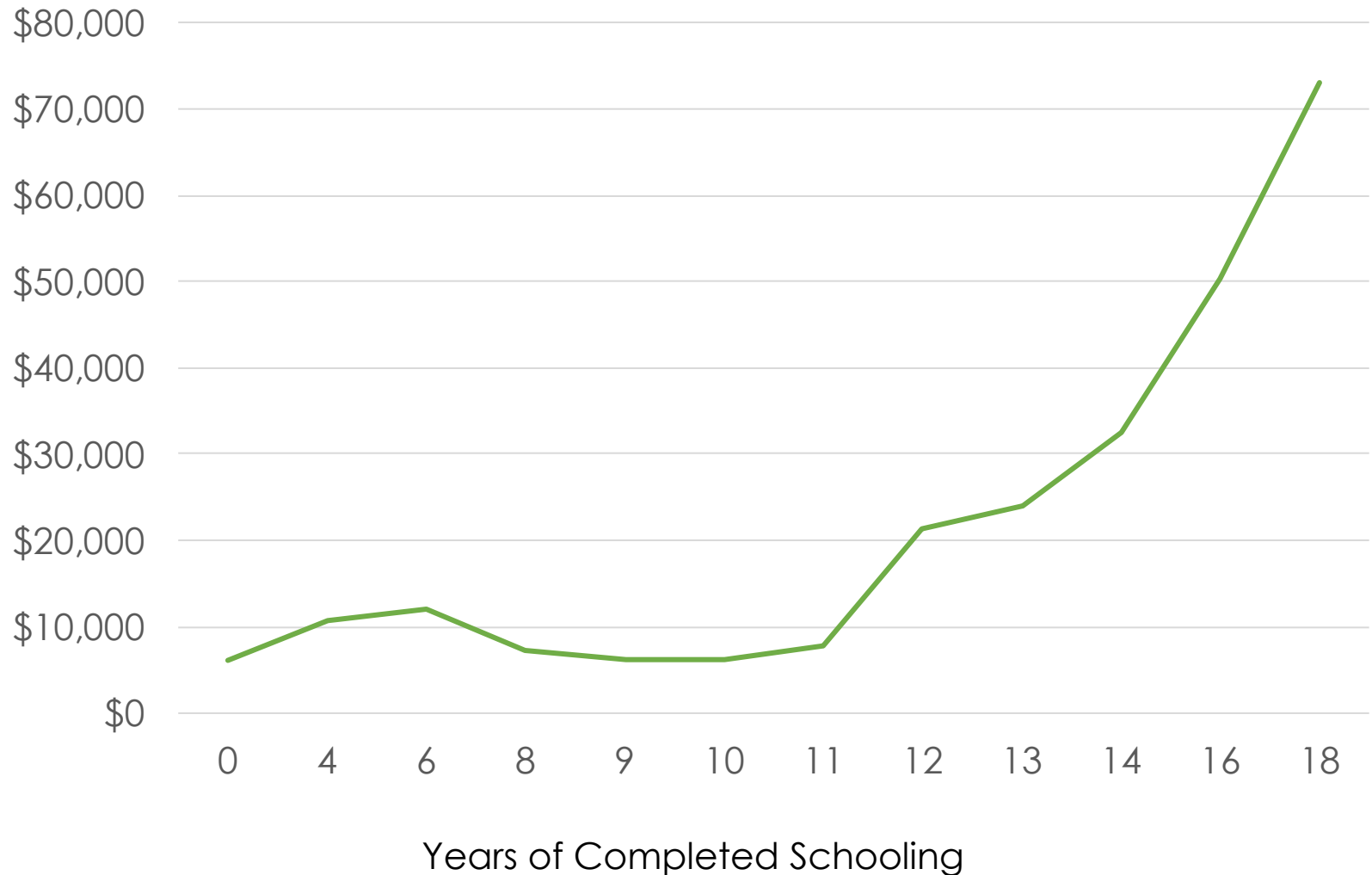


(* Represents percent change between 1996 and 2016)

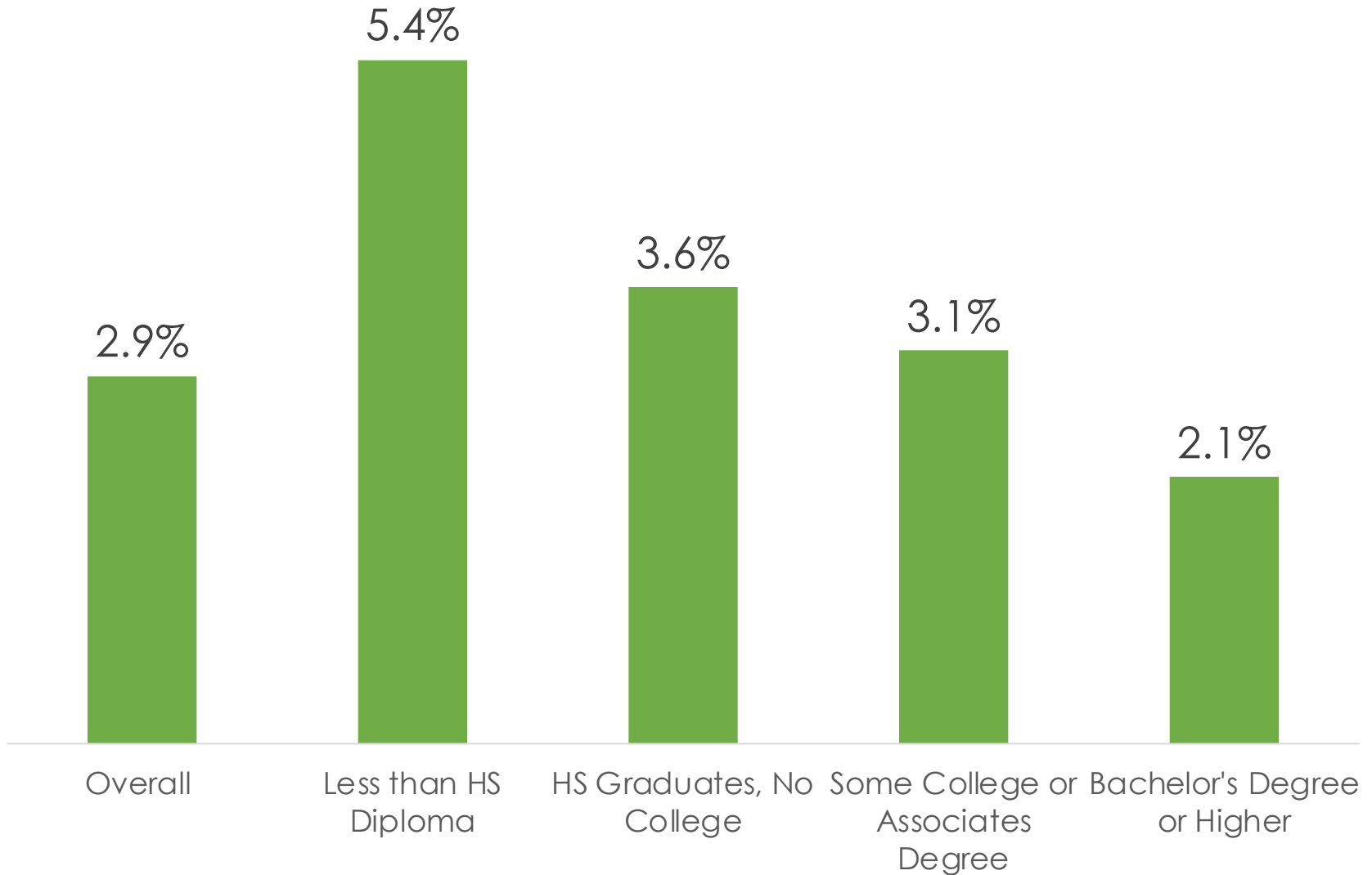
Those who graduate are more likely to begin repayment of loans within 7 years.



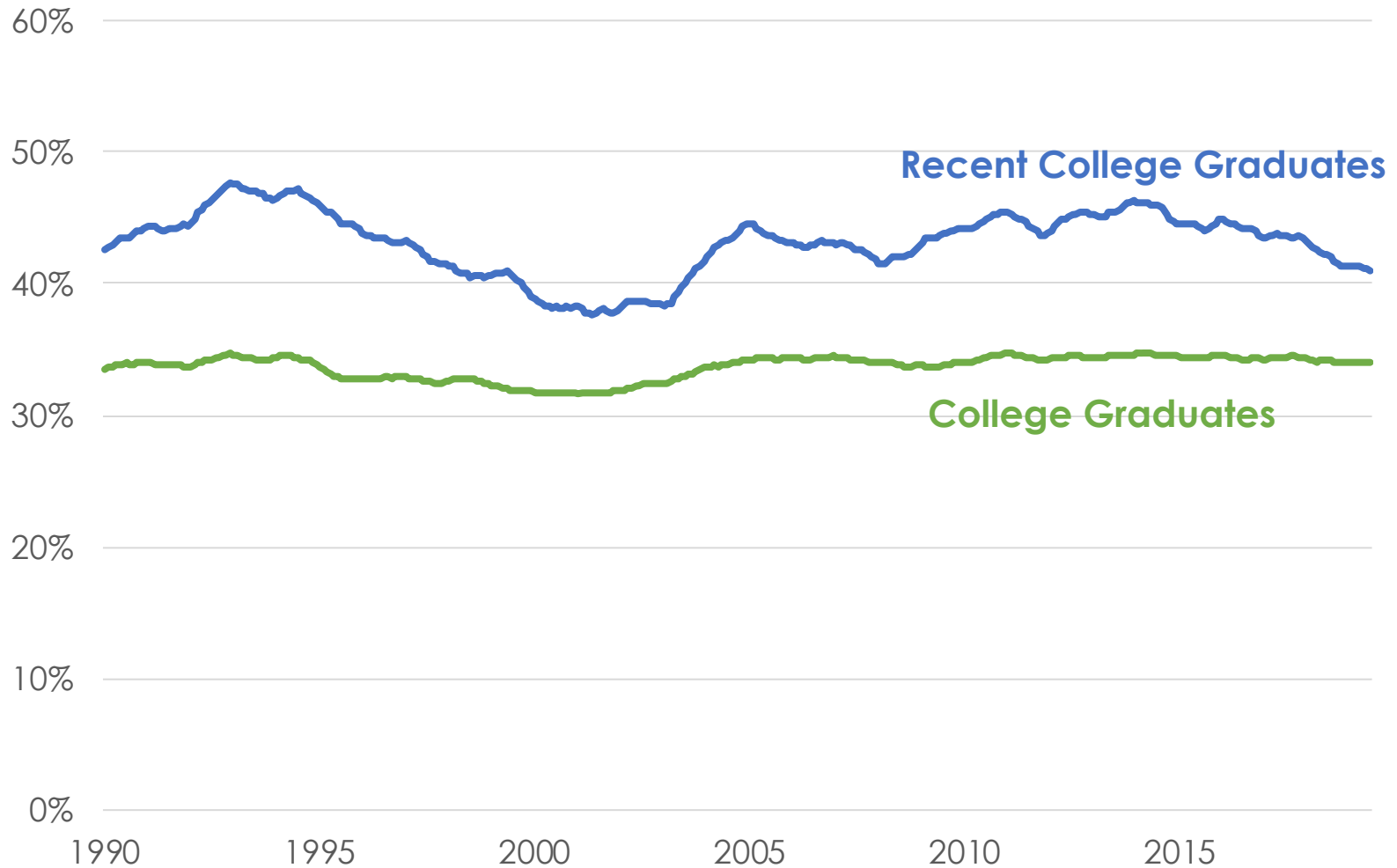
Those with more schooling have greater average yearly earnings...



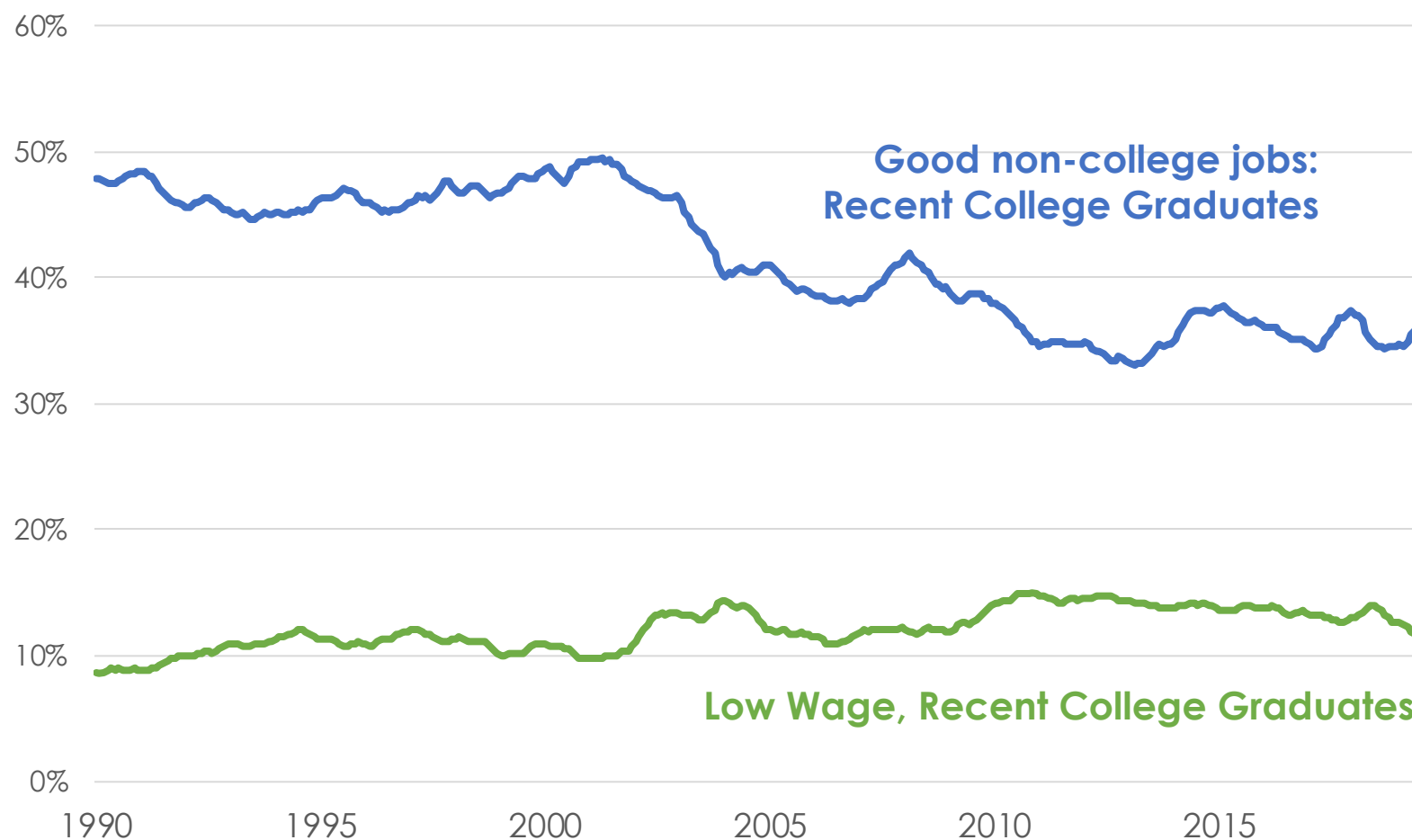
... they are also less likely to be unemployed.



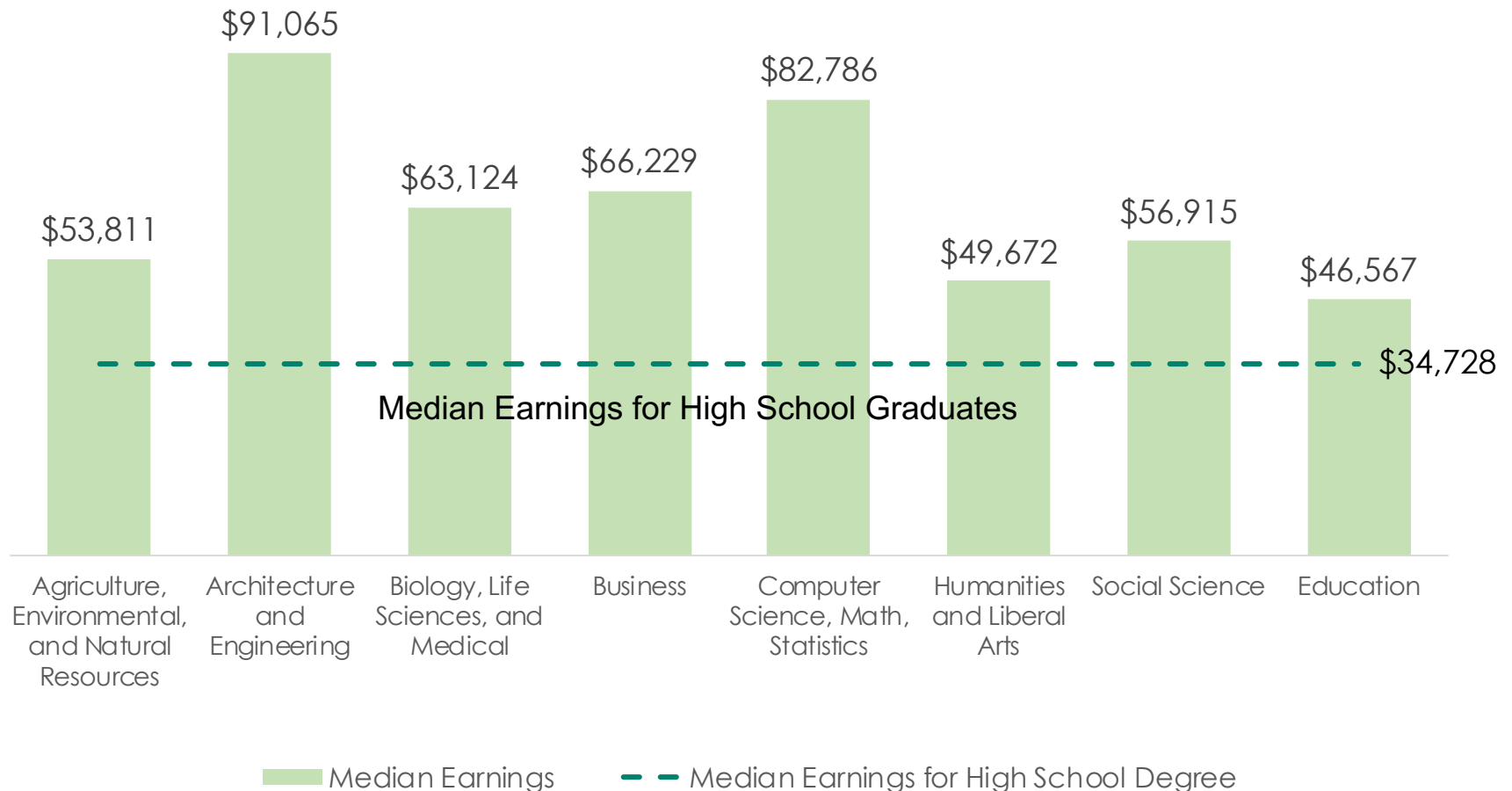
The percentage of college graduates who are “underemployed” has remained roughly constant for nearly 30 years.



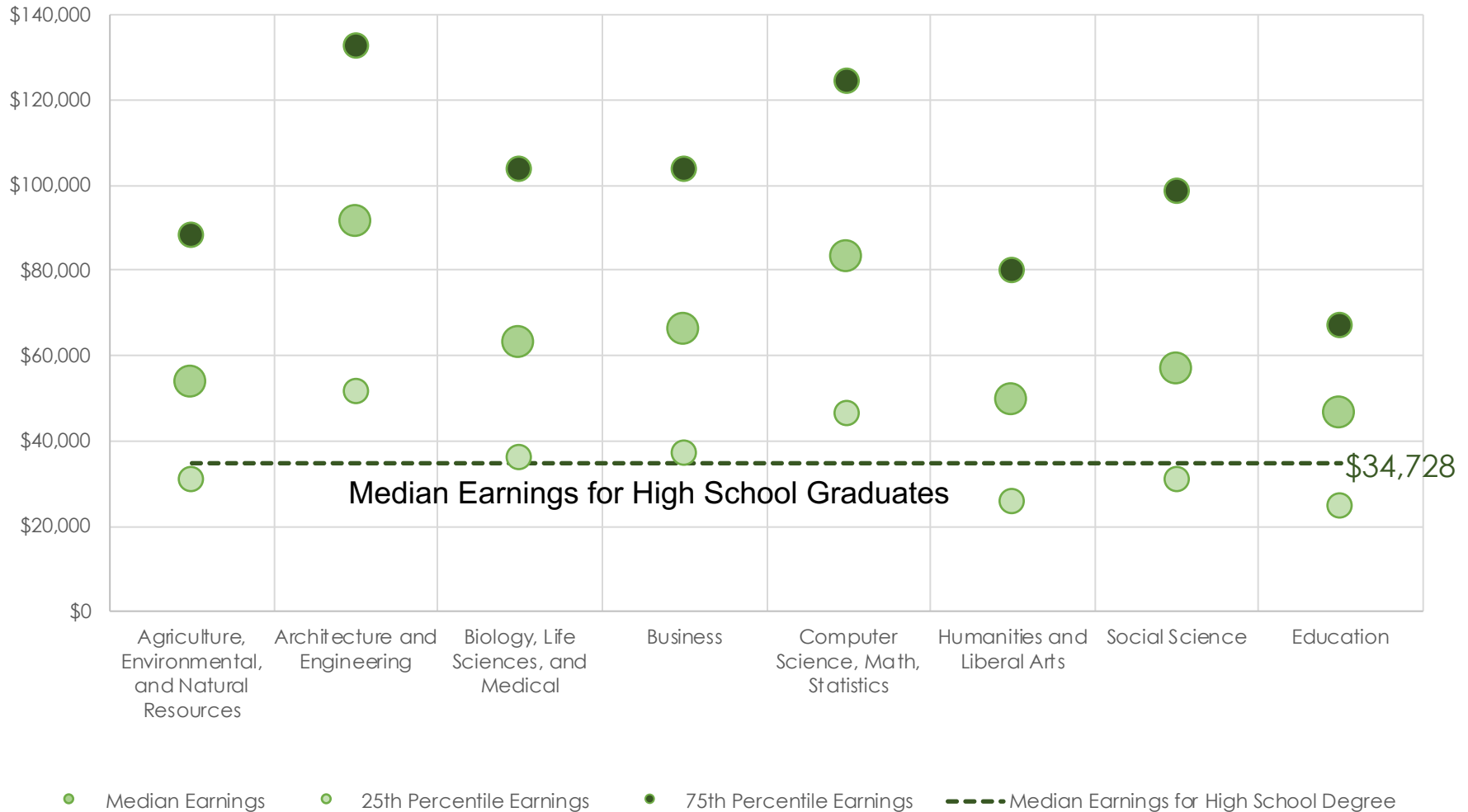
**However, those who are underemployed
are now earning less.**



Median earnings for “all” majors are greater than those of high school graduates.



And, while the future pay associated with some majors is less risky than others, all are a good “bet.”



“The typical college graduate will earn roughly **\$900,000 more** than the typical high school graduate over their working life.”

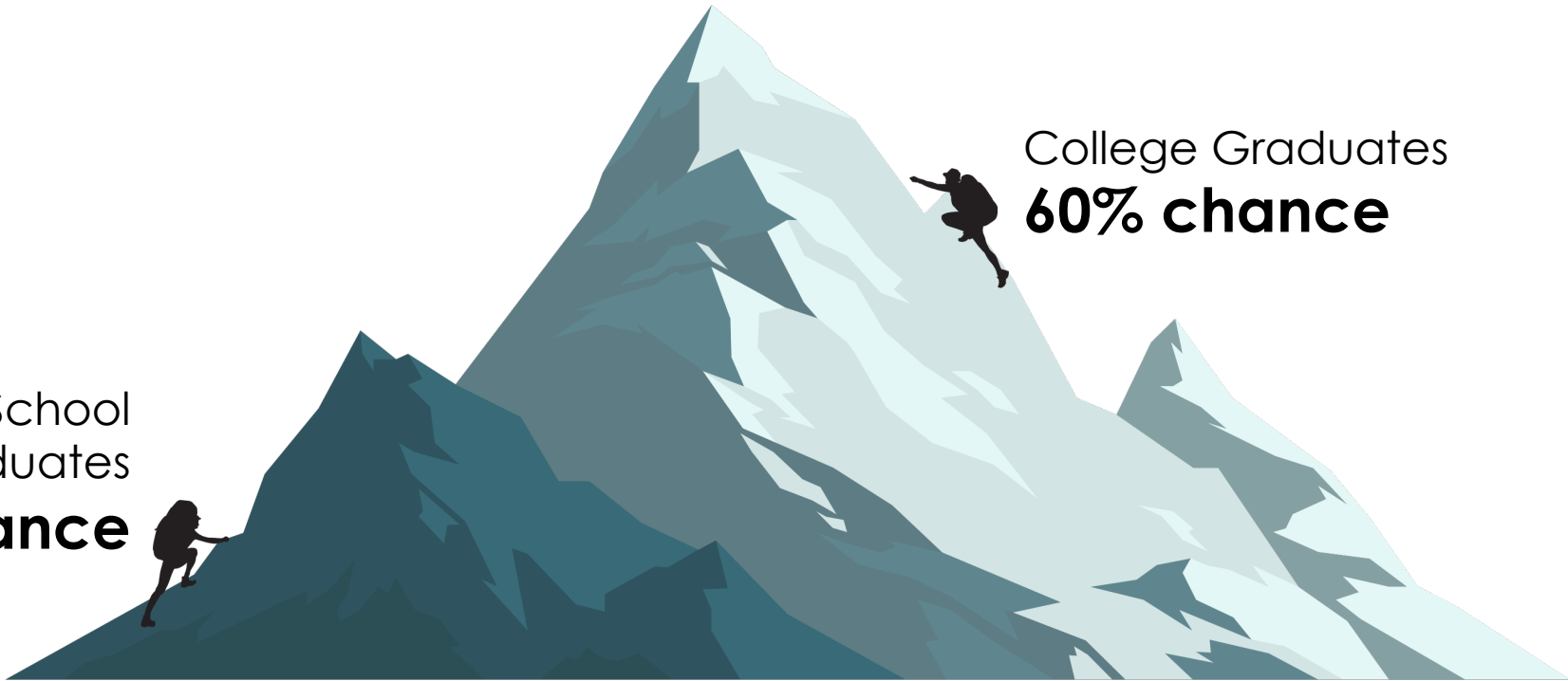


More schooling increases the likelihood of higher lifetime earnings.

\$2 MILLION +

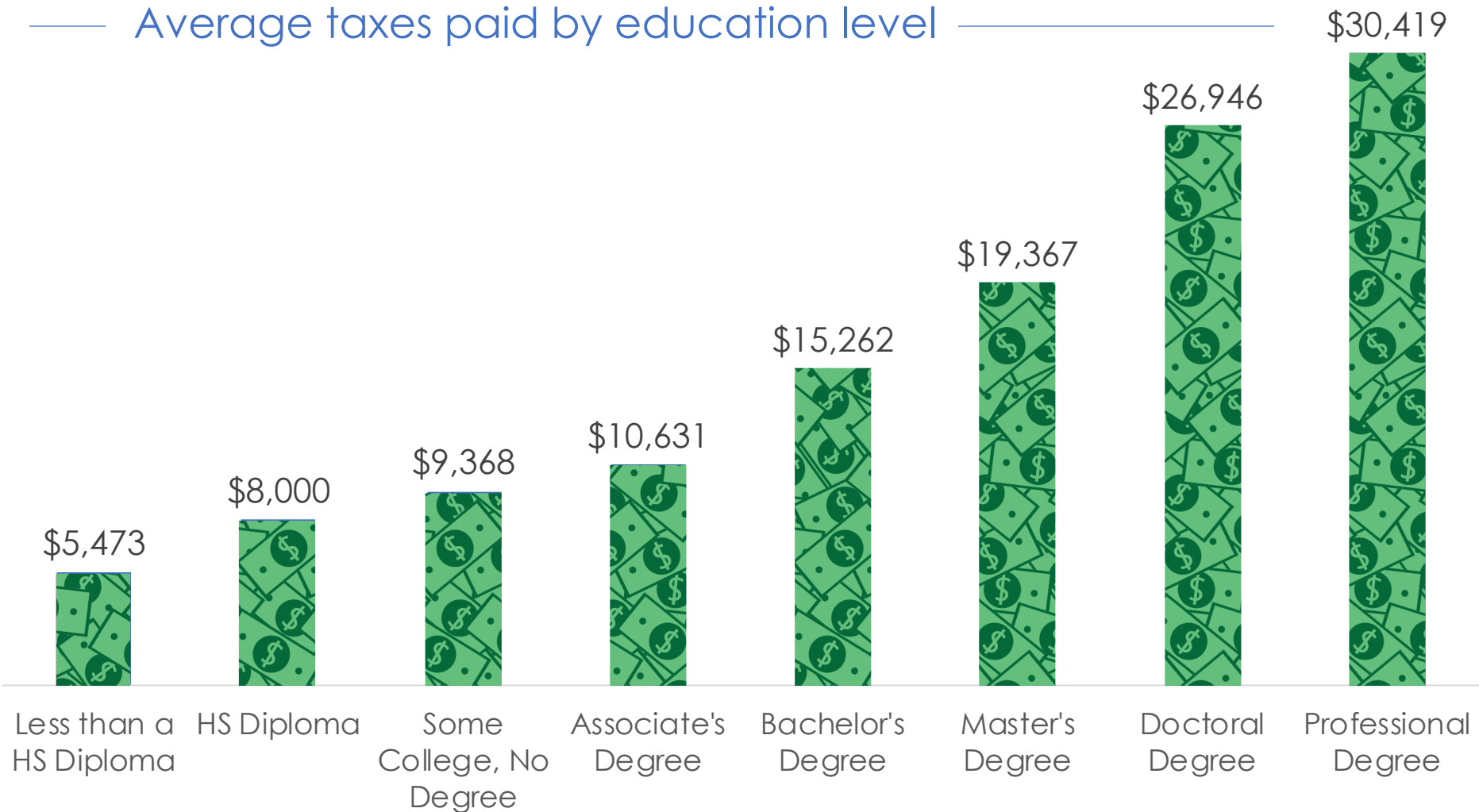
High School
Graduates
7% chance

College Graduates
60% chance



Highly educated workers pay more in taxes.

Average taxes paid by education level



Research done at colleges and universities results in innovations from which we all benefit.

First Internet Communication:

University of California, Los Angeles
to Stanford University



Immunotherapy:

Penn Medicine trained healthy
cells to eradicate cancer cells



Gatorade:

Developed at the University of Florida
in a collaboration between the college
of medicine and the football team.



Ultrasound:

Pioneered at University of Glasgow
allowed internal medical imaging.



Thank you.
