



NEWS RELEASE

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Number of U.S. Students Earning College Degrees Is Not Keeping Pace with Top Global Competitors

Nation Must Expand Access to Higher Education, Control Costs, and Improve Quality to Eliminate the “Degree Gap”

BOSTON—March 7, 2007— The United States is producing far too few college graduates to remain competitive with other developed nations in the growing global economy, according to a new report prepared for *Making Opportunity Affordable*, a major national initiative on college quality, cost and access.

The report, *Hitting Home: Quality, Cost, and Access Challenges Confronting Higher Education Today*, says that this "degree gap"—the difference between expected U.S. degree production and degree production needed to compete with best-performing nations—will reach nearly 16 million degrees by 2025.

That gap, the report says, threatens the nation’s ability to maintain its economic competitiveness, build a labor force ready to take on high-skill jobs, and close racial and ethnic disparities in earnings and academic success. And the nation confronts this gap at a time when the high-skill jobs that require advanced learning will make up almost half of all job growth in the United States.

To close the degree gap, the report estimates that the nation’s colleges and universities will need to increase the number of people earning college degrees each year by more than 37 percent, or by 781,000 degrees on top of projected degree production, between now and 2025, according to data prepared for *Making Opportunity Affordable* by the National Center for Higher Education Management Systems.

Many of these degrees will have to be earned by minority, adult, and low-income students who traditionally have not fared well in degree attainment. In fact, the report suggests that about 10.6 million more minorities must earn college degrees by 2025 for the gap to close.

“Time and again in U.S. history, the expansion of the higher education system has been the foundation of our nation’s economic growth and enhanced quality of life,” said Martha Lamkin, president and CEO of Lumina Foundation for Education which supports *Making Opportunity Affordable*. “We are again faced with a great challenge. We must make an energetic commitment to create opportunity, nurture talent and maximize the gain from every dollar spent in higher education.”

“We must expand opportunity to produce the talent the nation needs, and we must do so at a cost taxpayers and students can afford,” said Travis Reindl, author of the report and program director for Jobs for the Future, the Boston-based nonprofit organization that is managing *Making Opportunities Affordable*. “But this will require fundamental changes in a higher education system where reputation too often trumps results.”

Higher Education’s “Productivity Problem”

The report documents increasing cost and price challenges in higher education, as well as troubling trends related to its quality. Rapidly rising institutional spending to provide students an education and skyrocketing prices paid by students and families for that education are being met with declining skill levels among college graduates.

Increases in the resources spent by colleges to provide an education to students have outpaced rises in consumer prices and health care costs. The initiative is investigating the patterns of spending in higher education and is gathering evidence to suggest that cost increases are not inevitable. The report suggests that institutions can control costs and maintain access and quality by better targeting resources to programs that promote student access and success.

Rising costs are fueling dramatic increases in the price of college. When adjusted for inflation, tuition and fees have risen 24 percent at four-year public campuses, 17 percent at public two-year institutions, and 11 percent at four-year private campuses over the past five years. Increasingly, lower- and middle-class families are having a harder time paying for college and large percentages of graduates face heavy debt.

At the same time, the public is getting less in return: the quality of higher education in the United States is eroding. For example, a recent federal study showed that the literacy skills of adults with college degrees dropped significantly between 1992 and 2003. In addition, a 2005 study by the American Institutes for Research revealed that more than 75 percent of students at two-year colleges and more than 50 percent at four-year colleges do not score at the proficient level in mathematical literacy.

To address this productivity problem—spending more on higher education and getting less—the report calls on states and institutions to set goals for access, quality, and cost. Strategies include instituting new ways of measuring progress, improving transitions from high school to college, redirecting resources toward more effective and cost-effective programs, using technology and redesigning courses to improve student results while reducing cost, and accelerating student progress toward completing a degree.

To address the productivity problem and close the degree gap, *Making Opportunity Affordable* will provide research, tools, and support to help states and institutions transform how they deliver postsecondary education so they can serve more students without reducing quality.

Hitting Home: Quality, Cost, and Access Challenges Confronting Higher Education Today, is available online at www.makingopportunityaffordable.org.

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Jobs for the Future (JFF) believes that all young people should have a quality high school and postsecondary education, and that all adults should have the skills needed to hold jobs that pay enough to support a family. As a nonprofit research, consulting, and advocacy organization, JFF works to strengthen our society by creating educational and economic opportunity for those who need it most. JFF serves as the managing partner of the Making Opportunity Affordable initiative.

Lumina Foundation for Education, an Indianapolis-based, private, independent foundation, strives to help people achieve their potential by expanding access and success in education beyond high school. Through grants for research, innovation, communication, and evaluation, as well as policy education and leadership development, Lumina Foundation addresses issues that affect access and educational attainment among all students, particularly underserved student groups, including adult learners. The Foundation bases its mission on the belief that postsecondary education remains one of the most beneficial investments that individuals can make in themselves and that society can make in its people.