Michigan’s public universities
Moving Michigan into the knowledge economy

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2015
THE ECONOMIC FOOTPRINT OF MICHIGAN’S PUBLIC UNIVERSITIES

MICHIGAN’S PUBLIC UNIVERSITIES:
Supported
$24 billion in spending in the state in 2012

Enroll over
300,000 students

The 6th highest enrollment total of any state

Providing Michigan
121,000 jobs earning more than
$12.2 billion

1.3 MILLION ALUMNI RESIDE IN MICHIGAN AND EARNED
$47 BILLION IN SALARIES AND WAGES IN 2012

REPRESENTING 62% OF THE POPULATION WITH 4-YEAR DEGREES IN MICHIGAN

Students are coming from

Every county in Michigan

Almost 160 countries worldwide

Every state in the U.S.

Top 5 Countries (not including U.S.): CHINA, INDIA, SAUDI ARABIA, SOUTH KOREA, CANADA

Top 5 States (not including Michigan): ILLINOIS, OHIO, CALIFORNIA, NEW YORK, NEW JERSEY

Great Results
Enrollment up 5% Undergraduate degree completion up 13%

Compiled Staff

Payroll Spending
$7.0 DIRECT
$3.0 INDIRECT

Non-Payroll Spending
$3.1 DIRECT
$3.5 INDIRECT

Student Spending
$4.3 DIRECT
$3.1 INDIRECT

Direct
70,720 jobs earning $7.0 billion

Indirect
51,029 jobs earning $5.2 billion

Compares with 150,000 jobs in automobile manufacturing in Michigan

Brought to you by Presidents Council State Universities of Michigan
## College grads = Prosperity

<table>
<thead>
<tr>
<th>State (rank by income, 1-10)</th>
<th>College Attainment rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>4</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>1</td>
</tr>
<tr>
<td>New Jersey</td>
<td>5</td>
</tr>
<tr>
<td>New York</td>
<td>8</td>
</tr>
<tr>
<td>Maryland</td>
<td>3</td>
</tr>
<tr>
<td>North Dakota</td>
<td>27*</td>
</tr>
<tr>
<td>Wyoming</td>
<td>40*</td>
</tr>
<tr>
<td>Virginia</td>
<td>6</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>9</td>
</tr>
<tr>
<td>Alaska</td>
<td>24*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State (rank by income, 41-50)</th>
<th>College Attainment rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arizona</td>
<td>29</td>
</tr>
<tr>
<td>Alabama</td>
<td>44</td>
</tr>
<tr>
<td>New Mexico</td>
<td>32</td>
</tr>
<tr>
<td>Kentucky</td>
<td>47</td>
</tr>
<tr>
<td>Arkansas</td>
<td>49</td>
</tr>
<tr>
<td>Utah</td>
<td>19</td>
</tr>
<tr>
<td>West Virginia</td>
<td>50</td>
</tr>
<tr>
<td>South Carolina</td>
<td>37</td>
</tr>
<tr>
<td>Idaho</td>
<td>39</td>
</tr>
<tr>
<td>Mississippi</td>
<td>48</td>
</tr>
</tbody>
</table>

* = States with major oil/gas reserves
In the 20th century, the most valuable assets to job creators were financial and material capital.

In a changing global economy, that is no longer the case. Today, talent has surpassed other resources as the driver of economic growth.

Governor Rick Snyder
Special Message on Talent
December 1, 2011

• Michigan ranks 35\textsuperscript{th} in per capita income
• Michigan ranks 36\textsuperscript{th} in college attainment
When today’s young adults are compared with previous generations, the disparity in economic outcomes between college graduates and those with a high school diploma or less formal schooling has never been greater in the modern era.

Source: Pew Research
College is more important now than ever

Median annual earnings among full-time workers ages 25 to 32, in 2012 dollars


PEW RESEARCH CENTER
Unemployment rate among 25-32 year olds

- Bachelors degree or more: 3.8
- Two-year degree/some college: 8.1
- High School Graduate: 12.1

Source: Pew Research
College more important now than ever

Poverty rate among 25-32 year olds

- Bachelors degree or more: 5.8%
- Two-year degree/some college: 14.7%
- High School Graduate: 21.8%

Source: Pew Research
Grads say college is worth it

Considering what you and your family paid for college, has it paid off?

<table>
<thead>
<tr>
<th>Generation</th>
<th>Has Paid Off</th>
<th>Will Pay Off</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>62%</td>
<td>26%</td>
<td>88%</td>
</tr>
<tr>
<td>GenXers</td>
<td>84%</td>
<td>6%</td>
<td>90%</td>
</tr>
<tr>
<td>Boomers</td>
<td>89%</td>
<td>3%</td>
<td>91%</td>
</tr>
<tr>
<td>All</td>
<td>83%</td>
<td>8%</td>
<td>91%</td>
</tr>
</tbody>
</table>
College grads more satisfied with career

Percent of employed adults ages 25 to 32 with each level of education saying...

<table>
<thead>
<tr>
<th>Educational Level</th>
<th>Career/Career-Track Job (%)</th>
<th>Enough Education and Training (%)</th>
<th>Very Satisfied (%)</th>
<th>Very Useful (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor's Degree or More</td>
<td>86%</td>
<td>63</td>
<td>53</td>
<td>46</td>
</tr>
<tr>
<td>Two-Year Degree/Some College</td>
<td>73</td>
<td>55</td>
<td>36</td>
<td>43</td>
</tr>
<tr>
<td>High School Grad or Less</td>
<td>57</td>
<td>41</td>
<td>37</td>
<td>31</td>
</tr>
</tbody>
</table>

Source: Pew Research Center survey, Oct. 7-27, 2013, N=2,002

Pew Research Center
Your major matters...

Percent of majors in each area who say their current job is ... related to their major in college or graduate school

<table>
<thead>
<tr>
<th>Major</th>
<th>Not at all</th>
<th>Not Very Close</th>
<th>Somewhat Close</th>
<th>Very Close</th>
</tr>
</thead>
<tbody>
<tr>
<td>Science/Engineering</td>
<td>15</td>
<td>6</td>
<td>18</td>
<td>60%</td>
</tr>
<tr>
<td>Business</td>
<td>12</td>
<td>15</td>
<td>29</td>
<td>43%</td>
</tr>
<tr>
<td>Social Science/Liberal Arts/Education</td>
<td>28</td>
<td>12</td>
<td>17</td>
<td>43%</td>
</tr>
</tbody>
</table>

Source: Pew Research Center survey, Oct. 7-27, 2013, N=2,002

PEW RESEARCH CENTER
State support and tuition linked
INVESTING IN HIGHER EDUCATION
Good for parents and students, smart for Michigan

The cost of providing a college degree hasn’t changed much in the last decade.*

But the state’s support for college students has dropped dramatically.

COLLEGE IS VITAL TO MICHIGAN
ECONOMY AFFECTS ALL FAMILIES AGES 25+ BY EDUCATIONAL STATUS

*(FY 2017-18 report. Michigan League for Public Policy)

Presidents Council
State Universities of Michigan
pcsum.org
State higher education support in billions

A much appreciated sign of support!
• Today we are 40th in per capita support for higher education
  – Michigan: $168
  – National avg: $242
  – No. 10: Alabama: $298

• We are 39th in support per $1,000 personal income
  – Michigan: $4.30
  – National avg: $5.45
  – No. 10: Arkansas: $8.01
- Total enrollment has increased by almost 7% since 2001
- Undergraduate enrollment has increased by almost 10% since 2001

Source: IPEDS, Michigan’s Public Universities
Analysis: Anderson Economic Group, LLC
• Completions have increased by almost 13% since 2003
• Largest growth was in bachelor degrees, which grew by more than 16%
• 82% of current students are from Michigan
• Students come from every county in Michigan, every state in the U.S., and almost 160 countries worldwide

Source: Michigan's Public Universities
Analysis: Anderson Economic Group, LLC
Data: ESRI, Inc.; Michigan’s Public Universities
Largest two fields of study are humanities and business, management, and law

Source: IPEDS
Analysis: Anderson Economic Group, LLC
Alumni – Total Earnings in Michigan

- Of the 2.1 million alumni of Michigan’s public universities, nearly 1.3 million live in Michigan. That’s 18% of the Michigan population over the age of 22, and 61% of the population with a bachelor’s degree or higher.

- Collectively, we estimate alumni earnings to be almost $47 billion annually in Michigan.
COST CONTROL MEASURES AT MICHIGAN’S PUBLIC UNIVERSITIES

Total Claimed Savings 2008 - 2012

- $45,000,000 Medical PLAN SAVINGS
- $3,500,000 RESTRUCTURING PLAN SAVINGS
- $3,600,000 MEDICAL BENEFITS
- $4,500,000 FREEZE OR DECREASING SALARY INCREASES
- $11,200,000 TEMPORARY Furloughs
- $14,400,000 OVERALL STAFF
- $540,000 RESTRUCTURING DEPARTMENTAL WORKS
- $3,600,000 DELAYING FILLING POSITIONS
- $43,726,574 SAVINGS INしまう
- $5,566,000 FACILITIES MAINTENANCE
- $826,000 TECHNOLOGY
- $2,000,000 OPERATIONAL SERVICES
- $100,000 RESTRUCTURING DEPARTMENTAL WORKS
- $9,339,390 REWOOD FUNDING AGREEMENTS
- $3,889,632 FUNDING AGREEMENTS
- $72,205,118 OTHER RESTRUCTURING REACTIONS

TOTAL SAVINGS $223,992,714
Our universities have been cutting costs and closing programs where demand is not high

- Disciplined approach to financial management with emphasis on multi-year budget planning.
- Reducing operational costs through deliberate, thoughtful and steady efforts over time.
- Continual reallocation of resources toward highest priorities.
- Keeping education affordable by investing in student financial aid.
- Collaborating together on shared services for cost containment.
Collaborating for Efficiency and Quality

• Michigan Universities Self-Insurance Corporation
• Michigan Universities Coalition on Health
• Merit Network, Inc.
• Midwestern Higher Education Compact
• Michigan Delivering Extended Agreements Locally
Collaborating for Efficiency and Quality

- Academic Program Review
- Michigan Initiative for Innovation and Entrepreneurship
- Consortium of Michigan Veteran Educators
- Higher Education Recruitment Consortium
- Michigan Transfer Network
- P-20 Student Longitudinal Data Systems
- Michigan Career & College Readiness
- Michigan College Access Network
- Japan Center for Michigan Universities
- Detroit Compact and Wade McCree Scholarships
- Art in the House
- Undergraduate Distinguished Professor of the Year
- Promoting The Publics
Community-University Partnerships: Focus on Talent & Economic Development

- CMU Research Corporation
- EMU Center for Entrepreneurship & Ann Arbor SPARK
- FSU Talent 2025
- GVSU: Michigan Alternative & Renewable Energy Center and Talent 2025
- LSSU Product Development Center & Sault Ste. Marie Advanced Resources & Technology, Inc.
- MTU Office of Innovation & Industry Engagement
- MI Small Business Technology Centers—EMU, GVSU, WMU
- MSU LEAP, Inc. and Center for Community & Economic Development
- OU Incubator & Automation Alley
- SVSU Center for Business & Economic Development and The Stevens Center for Family Business
- UofM—Ann Arbor Business Engagement Center & Ann Arbor SPARK
- UofM-Flint Innovation Incubator (IN)
- WSU TechTown
- WMU Southwest MI Innovation Center & Battle Creek Unlimited & Talent 2025

There are many other Community-University Partnerships – visit www.pcsum.org/MichigansFuture
Inside/Outside Message

Inside Lansing

- Target key legislators
- Funding goals:
  - Top Ten over long term based on metrics
  - 3% + $100M for FY14
- Tweak metrics
- Include Community Colleges
- Bookend with early childhood

Outside Lansing

- Invest in people – not prisons
- Paid advertising
- Target districts
- Increased engagement from BLM members and University Presidents
Next Steps

- Polling and message testing
- Survey employers about talent needs
- Legislator meetings
- Enlist community colleges

- Billboards
- Personal engagement
- Unity
- Economic impact study
Michigan’s public universities

Moving Michigan into the knowledge economy