Connecting Higher Education with the Future of Iowa
WHY HIGHER EDUCATION IS SO IMPORTANT
Relationship Between Educational Attainment, Personal Income, and Economic Strength

State New Economy Index (2002)
- Top Tier
- Middle Tier
- Low Tier

Percent of Adults Age 25-64 with a Bachelor’s Degree or Higher
Educational Attainment and Income

Correlation = 0.64

Source: U.S. Census Bureau, Decennial Census’ and American Community Survey
Educational Attainment and Income

Source: U.S. Census Bureau, Decennial Census' and American Community Survey

Correlation = 0.76
Educational Attainment and Income

Correlation = 0.80

Source: U.S. Census Bureau, Decennial Census’ and American Community Survey
Educational Attainment and Income

Source: U.S. Census Bureau, Decennial Census’ and American Community Survey

Correlation = 0.83
Increasing Levels of Education Attainment Lead to Improved Societal Outcomes

• Increased levels of workforce participation
• Decreased rates of incarceration
• Improved health outcomes
• Reduced participation in Medicaid and other social service programs
• Greater participation in artistic, cultural, and civic pursuits
• Higher levels of volunteerism and social engagement
EDUCATION
AN IOWA SUCCESS STORY
Of 100 9th Graders, How Many... 

- Graduate from High School: 91.3%
- Directly Enter College: 69.7%
- Enroll in Second Year: 57.3%
- Graduate Within 150% of Program Time: 42.0%
- Are Age 25-44 with a Bachelor's Degree: 42.3%

Best Performing State: United States

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
College-Going Rates—First-Time Freshmen Directly Out of High School as a Percent of Recent High School Graduates, 2004

Source: Tom Mortenson, Postsecondary Opportunity (2004 data update 02-06-07)
Iowa Net Migration of First-time College Students by Sector (Fall 2006)

- Private non-profit, 4-year: 2520
- Public, 4-year: 1818
- Private for-profit, 4-year: 3225
- Public, 2-year: 1005
- Private non-profit, 2-year: -61
- Private for-profit, 2-year: -106
- Public, less-than 2-year: -1
- Private non-profit, less-than 2-year: -2
- Private for-profit, less-than 2-year: -48
- All Sectors: 8350

Source: NCHEMS NCES IPEDS Enrollment Survey, Part C, Fall 2006
College Participation Rates by State for Students from Low-Income Families, 2006

Source: Postsecondary Education Opportunity #188, February 2008
Associate Degrees Awarded per 100 High School Graduates Three Years Earlier, 2004

Source: NCES-IPEDS Completions Survey, WICHE
Bachelor’s Degrees Awarded per 100 High School Graduates
Six Years Earlier, 2004

Source: NCES-IPEDS Completions Survey, WICHE
Educational Attainment of Population Age 25-64, 2006

Source: U.S. Census Bureau, 2006 ACS Public Use Microdata Samples (PUMS)
Percent of Adults with an Associate Degree or Higher by Age Group - Iowa, U.S. & Leading OECD Countries

Source: OECD, Education at a Glance 2008
Educational Attainment in Iowa (%)

Current, in 2025 with Current Degree Production, and Best-Performing Countries in 2025

- Current % of Adults Age 25-64 with College Degrees, 2005: 37.4%
- Projected % in 2025 with Current Annual Degree Production: 66.6%
- Projected % in 2025 with Current Annual Degree Production and Net Migration: 59.4%
- % Needed to Reach Best-Performing Countries by 2025: 55.0%
THE CHALLENGES FACING IOWA
1. Sustaining a Highly Skilled Workforce
Population Projections—Percent Change, 2000-25

Source: U.S. Census Bureau
Iowa Population Projections, Ages 25-64, 2000-2030

Internet Release Date: April 21, 2005

1,458,465
1,526,875
1,573,414
1,559,233
1,511,679
1,442,734
1,381,819

191,595 =(-12.2%)
Percent of Civilian Population Age 25-64 Participating in the Workforce, 2005

Source: U.S. Bureau of Labor Statistics
Percent of Residents Age 25-64 with an Associate Degree Born In-State, 2005

Source: 2005 ACS
Percent of Residents Age 25-64 with a Bachelor’s Degree or Higher Born In-State, 2005

Source: 2005 ACS
2. Expanding and Diversifying the Economy
Median Earnings of Population Age 25-64 by Level of Education, 2005

Source: U.S. Census Bureau, ACS
Percentage of Full-Time Employees with Earnings in the U.S. Quartiles (2006)

Percent in high quartile minus percent in low quartile

Source: 2006 American Community Survey (Public Use Microdata Samples)
Percent of Total Gross State Product by Industry and Comparison to U.S.

Source: Bureau of Labor Statistics
Percent Change in Gross State Product, 1997-2007

Source: Bureau of Economic Analysis, U.S. Department of Commerce
Gross Domestic Product – Percent Change
1997-2007

Source: Bureau of Economic Analysis, U.S. Department of Commerce
## Development Report Card for the States, 2006 - Iowa

### Iowa Strengths (Top 10 Rankings)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Air Pollution</td>
</tr>
<tr>
<td>2</td>
<td>Income Distribution</td>
</tr>
<tr>
<td>4</td>
<td>Involuntary Part-Time Employment</td>
</tr>
<tr>
<td>5</td>
<td>High School Completion</td>
</tr>
<tr>
<td>5</td>
<td>Affordable Urban Housing</td>
</tr>
<tr>
<td>5</td>
<td>Business Closings</td>
</tr>
<tr>
<td>6</td>
<td>Rate of Recycled Waste</td>
</tr>
<tr>
<td>8</td>
<td>Voting Rate</td>
</tr>
<tr>
<td>9</td>
<td>Employer-Provided Health Insurance</td>
</tr>
<tr>
<td>9</td>
<td>Income Distribution Change</td>
</tr>
<tr>
<td>9</td>
<td>Working Poor</td>
</tr>
<tr>
<td>10</td>
<td>Royalties &amp; Licenses</td>
</tr>
<tr>
<td>10</td>
<td>Academic R&amp;D</td>
</tr>
</tbody>
</table>

### Iowa Weaknesses (Bottom 10 Rankings)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>41</td>
<td>SBIC Financing</td>
</tr>
<tr>
<td>43</td>
<td>Change in Unemployment Rate</td>
</tr>
<tr>
<td>43</td>
<td>Change in Uninsured Low-income Children</td>
</tr>
<tr>
<td>44</td>
<td>Manufacturing Investment</td>
</tr>
<tr>
<td>45</td>
<td>Change in Poverty Rate</td>
</tr>
<tr>
<td>45</td>
<td>Venture Capital Investments</td>
</tr>
<tr>
<td>47</td>
<td>SBIR Grants</td>
</tr>
<tr>
<td>48</td>
<td>Change in Homeownership Rate</td>
</tr>
<tr>
<td>49</td>
<td>Employment Growth: Long Term</td>
</tr>
<tr>
<td>50</td>
<td>New Companies</td>
</tr>
</tbody>
</table>

### Overall Performance

- **Employment**: D (A: A, C: C)
- **Earnings & Job Quality**: A (A: A, C: C)
- **Equity**: A (A: A, C: A)
- **Quality of Life**: A (A: A, C: A)
- **Resource Efficiency**: A (A: A, C: A)

### Business Vitality

- **Competitiveness/Existing Businesses**: C (F)
- **Entrepreneurial Energy**: F

### Development Capacity

- **Human Resources**: C (F)
- **Financial Resources**: F (D)
- **Infrastructure Resources**: D (A)
- **Amenity Resources & Natural Capital**: A (C)
- **Innovation Assets**: C (A)

**Source:** 2006 Development Report Card for the States, CFED
Employment in High-Technology Establishments as Share of Total Employment by State, 2004

3. Reducing the Education Attainment Gap
Projected Change in Iowa Population by Age & Race/Ethnicity, 2005-25 (in Thousands)

- 0-17: 5,119
- 18-24: 5,216
- 25-44: 2,873
- 45-64: 3,696
- 65 and Older: 8,012

Source: U.S. Census Bureau
Difference in High School Attainment Between Whites and Minorities,* 2006

* Minorities include African-American, Hispanic, and Native American

Source: U.S. Census Bureau, 2006 ACS PUMS
Difference in College Attainment Between Whites and Minorities, * 2006

* Minorities include African-American, Hispanic, and Native American

Source: U.S. Census Bureau, 2006 ACS (PUMS)
Percent Educational Attainment of Population Age 25-64
By Race/Ethnicity - Iowa, 2005

Source: U.S. Census Bureau, 2005 ACS PUMS
Percentage of Iowans with at Least an Associates Degree, by Race/Ethnicity, 2006

Source: U.S. Census Bureau, 2006 American Community Survey (ACS) Public Use Microdata Sample (PUMS) File.
4. Keeping Higher Education Affordable in Difficult Economic Times
State Tax Capacity & Effort
Iowa Indexed to U.S. Average

Source: State Higher Education Executive Officers (SHEEO)
Projected State and Local Budget Surplus (Gap) as a Percent of Revenues, 2013

Source: NCHEMS; Don Boyd (Rockefeller Institute of Government), 2005
Total Public Higher Education Revenue per FTE
Indexed to US Average

Source: SHEEO SHEF State Higher Education Finance FY 2007

Net Tuition Revenue per FTE and State-Funded Tuition Aid per FTE, FY2007 (Public Institutions only)

Source: SHEEO SHEF State Higher Education Finance FY 2007
Percentage of Income Needed to Pay for College at Public Two- & Four-Year Institutions, 2000-2008

Share of Income that the Poorest Families Need to Pay for Tuition at the Lowest Priced Colleges