Educationomics

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Two-thirds of all students head to college within a year of graduating from high school, up from 58% a generation ago.

Source: US Dept of Education, NCES
Forces of Disruption

Demographic

Economic

Cultural
Bienvenido al futuro de los Estados Unidos

2010 High School Graduates

- White: 61%
- Hispanic: 15%
- Black: 17%
- Asian: 6%
- American Indian: 1%

2020 High School Graduates

- White: 55%
- Hispanic: 14%
- Black: 23%
- Asian: 7%
- American Indian: 1%

Source: WICHE
Median Income, Families with Children
Aged 6 to 17, 2012

Source: US Census Bureau, CPS, Table FINC-03, 2013
The Illusion of Demand

Percent of New College Students Applying to at least Five Colleges

- 24% in 1990
- 31% in 2000
- 55% in 2013

Source: UCLA, HERI
The Temple of their Familiar

Distance from Home to College
All New Entering Students at Four-Year Colleges, Fall 2013

- **54%** less than 100 miles
- **30%** 100 to 500 miles
- **17%** more than 500 miles

Source: UCLA, HERI
Economic Disruption

Income

Saving
Lagging Family Income

Real median family income, 2012 dollars
Source: US Census Bureau, CPS, 2013
Only 4 in 10 American families indicate that they regularly save.

Source: Federal Reserve Board, Survey of Consumer Finances
Price and Income Squeeze

TOTAL COST OF ATTENDANCE AS A PERCENT OF FAMILY INCOME
BY INCOME QUINTILE, 2002 AND 2012
PRIVATE COLLEGES AND UNIVERSITIES

Sources: US Census Bureau, US Department of Education
Cultural Disruption

Commoditization

Massification

Credentializing
Com•mod•i•ty n.

A good or service whose wide availability typically leads to smaller profit margins and diminishes the importance of factors (such as brand name) other than price.

Source: Merriam-Webster OnLine
Deus ex Machina
Competition, Complement, Substitute?

Udacity

edX

Rosetta Stone

Coursera

MITx

Khan Academy

CACUBO
No Line on the Horizon

- High demand, but more admission volatility
- Heightened price sensitivity
- Continuously changing student profile
- Growing pressure on the traditional business and pedagogical model
- Rising expectations and demand for services, experiences, and accountability
Think different.
Fit and Composition in a New Market
$M_V \geq M_E$
Reconciliation
Integrated Decision-Making
"WE HAVE MET THE ENEMY AND HE IS US."

With Pogo
He is the best who, when making his plans, fears and reflects on everything that can happen to him, but in the moment of action is bold.

Herodotus
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