Board of Regents Retreat
October 3-4, 2013

William E. Kirwan, USM Chancellor
Why Is the College Completion Goal So Important?

• Competitiveness
  – Georgetown University study: 65 percent of jobs in the next decade will require a 2- or 4-year degree
  – Especially true in Maryland given nature of state’s economy:
    ▪ 18,000 cyber security openings in Maryland today

• Social Equity
  – “America – the Land of Opportunity” fast becoming a myth
“The Great Gatsby Curve”
Inequality and Intergenerational Social Immobility
Social Equity / Social Mobility
Largely Driven by Education Level

• Individual with a HS diploma:
  – $1.37 million over a lifetime.

• An Associate’s degree-holder:
  – $1.81 million over a lifetime.

• Someone with a bachelor’s degree:
  – $2.42 million over a lifetime.

• That’s an 76 percent premium between a Bachelor’s degree and a high school diploma.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Select OCED Country</th>
<th>Odds of being a student in higher education if parents have low levels of education</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Iceland</td>
<td>73 Percent</td>
</tr>
<tr>
<td>7</td>
<td>Sweden</td>
<td>52 Percent</td>
</tr>
<tr>
<td>11</td>
<td>Italy</td>
<td>46 Percent</td>
</tr>
<tr>
<td></td>
<td>-- OCED Average</td>
<td>44 Percent</td>
</tr>
<tr>
<td>15</td>
<td>Germany</td>
<td>42 Percent</td>
</tr>
<tr>
<td>21</td>
<td>Hungary</td>
<td>33 Percent</td>
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<td>25</td>
<td>United States</td>
<td>29 Percent</td>
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Lowest Income Students
Limited Access / Limited Completion

• From the Education Trust Study “Priced Out”

• 82 percent of young people from the highest income quartile in America have a bachelor’s degree by age 24

• Only 8 percent of young people from the lowest income quartile in America have a bachelor’s degree by age 24

• If we believe in—and want to continue—“The American Dream”, this ten-fold difference is unacceptable
Low Income & Minority Success Largely Driven by Opportunity

• Sarah Turner (UVA) / Caroline Hoxby (Stanford)
  – High-achieving, low-income students see selective colleges as out-of-reach, both academically and financially
  – Often—thanks to financial aid packages—the reverse is true, students just need to be told they are capable

• Caroline Hoxby (Stanford) Christopher Avery (Harvard)
  – Only 34 percent of high-achieving high school seniors in the bottom fourth of income distribution attended any one of the country’s 238 most selective colleges
  – Among top students in the highest income quartile, that figure was 78 percent.
Closing

• “Education, beyond all other devices of human origin, is the great equalizer of the conditions of men, the balance-wheel of the social machinery.”
  – Horace Mann

• We face a clear challenge and responsibility:
  – Education is the remedy to our Social Equity / Social Mobility challenge
  – Need-Based Financial Aid is a primary remedy for our Higher Education Retention / Completion challenge