Economics, Higher Education, and California

Continuing California’s Growth by Wise Investments
Topics

- The special economic status of California
- How did higher education contribute to that status?
- How did the independents contribute to California’s status?
Do Gidda and Crowbar work in Sacramento?
At its’ height about $1.8 trillion—that puts us at 7th to 10th GDP among all the nations of the world

But in terms of R&D spending we are #1 among states

We are remarkably diverse—added more immigrants in the 80s and 90s than all of Europe

We’re in the middle of a reverse dust bowl—275,000 Californians have moved back to the Plains States
DISTINCTIONS

- Worst Credit Rating
- 4th highest unemployment
- 3rd highest budget deficit
- 2nd highest foreclosure rate
- Highest Sales and Income Tax Rates
- Governor's Approval 31%
- Legislature Approval 11%
A picture of our state

- We transformed from an economy of agriculture & defense to
  - 1) Agriculture
  - 2) Biotech
  - 3) Computers
  - 4) Entertainment
  - 5) Trade & Finance
  - 6) Manufacturing
The gap came from declining revenues (recession caused) and growing expenses.
This one has doubled in the last five years

This one has stayed the same for eight years

$9,708

Cal Grants

$59,300

San Quentin Grants
Higher education in California
The Master plan legacy

Are we stuck in a great plan of the 1960s?

- Five years ago—we had the highest ranked public research university in the world & largest public teaching university & largest community college system

- But our performance was mediocre—graduation rates in the public sector were horrid (5 year rate for Latinos at CSU = 17%)

- The public sector is under severe stress
Indicators of Stress

- Impacted programs on most campuses
- Projected reductions in numbers of frosh admits at UC and CSU
- Substantial budget reductions for both systems
- Absurd budget decisions in both sectors—bad press
Projecting forward

- PPIC projects we will be one million graduates short in the next decade (we may not be able to import as we have in the past)
- State budgets will be constrained for the next several years
- Yet both sectors are making odd investments in new expensive programs (EdD, Irvine Law)
The independent Contribution

Both sides of the coin....
The positives

- The independent sector may be the only game in town.
- Our record on graduation rates, enrollment of first generation students and continuing networks is strong—and will look better as the publics face decline.
- Fees in the public sector will continue to rise more quickly than the CPI.
The negatives

- Assumptions about future growth in any governmental support are problematic.

- Sticker shock—pricing is an increasingly large problem—we cannot continue to use this pricing model.

- First generation students do not know independents.
An important initiative

California Private Loan Marketplace
Powered by Overture Technologies

TAKE CONTROL OF YOUR STUDENT LOAN

KNOW.
Know your options and follow smart borrowing practices as you select a private student loan to help pay for your education.

COMPARE.
Compare detailed terms of multiple loan products with just one credit check to find one that matches your needs.

DECIDE.
Decide on the loan terms that are right for you. Submit your information and connect securely to the lender of your choice.

GET STARTED
Click here to login

GET HELP IN THE LEARNING CENTER
You should always maximize the use of grants, scholarships, work-study and federal loans before considering a private loan. Be sure to visit the California Private Loan Marketplace Financial Aid Learning Center for information and guidance to help you understand the financial aid process and how to follow smart borrowing practices.

Visit the Learning Center
Conclusions

- It is critical for us to continue to work together on common goals; The Association’s Motto—“Independence Creates the Vision—Cooperation Steers the Course”

- An independent institution that finds its niche and serves a need, will survive and prosper