

A Closer Look at Tuition at UC

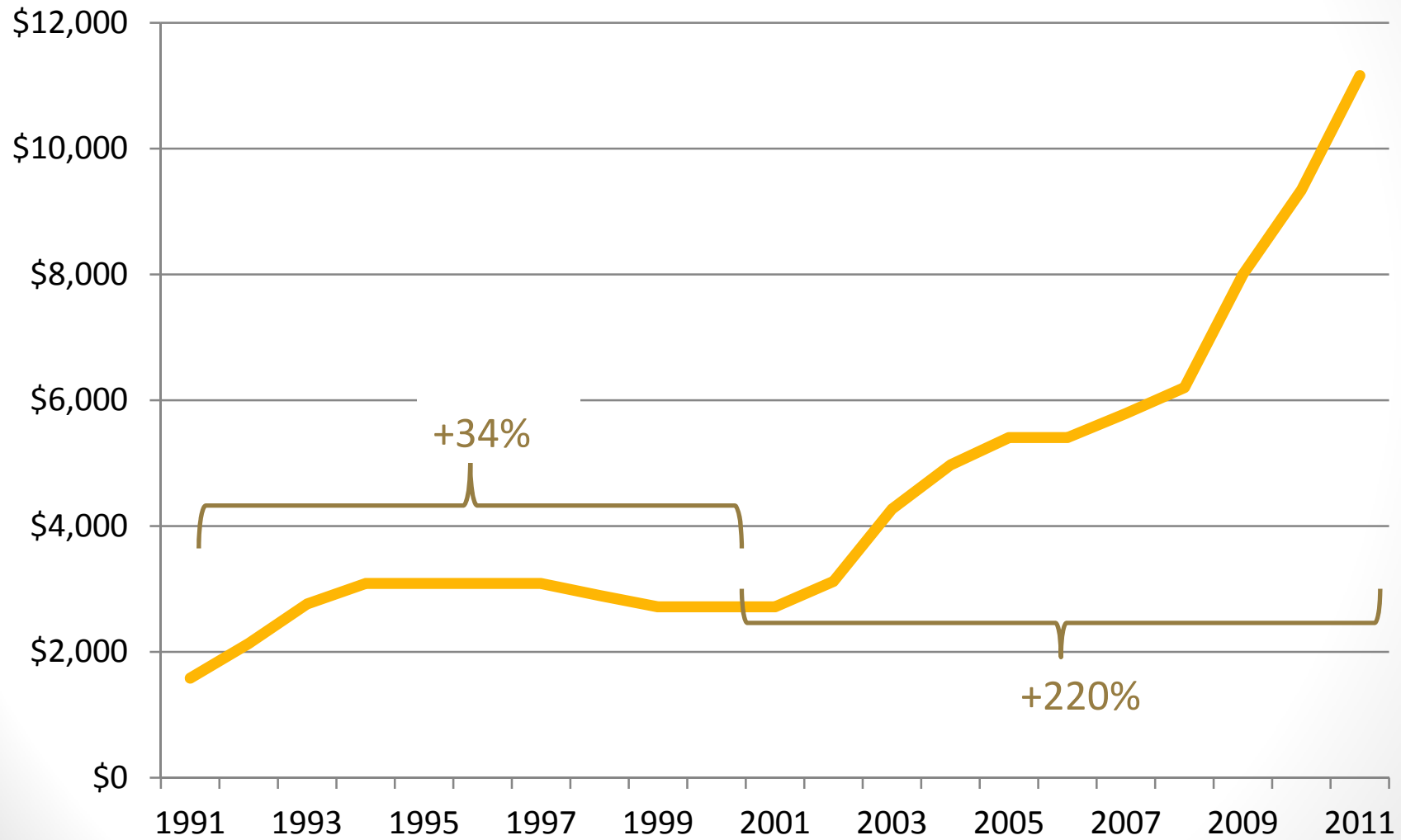
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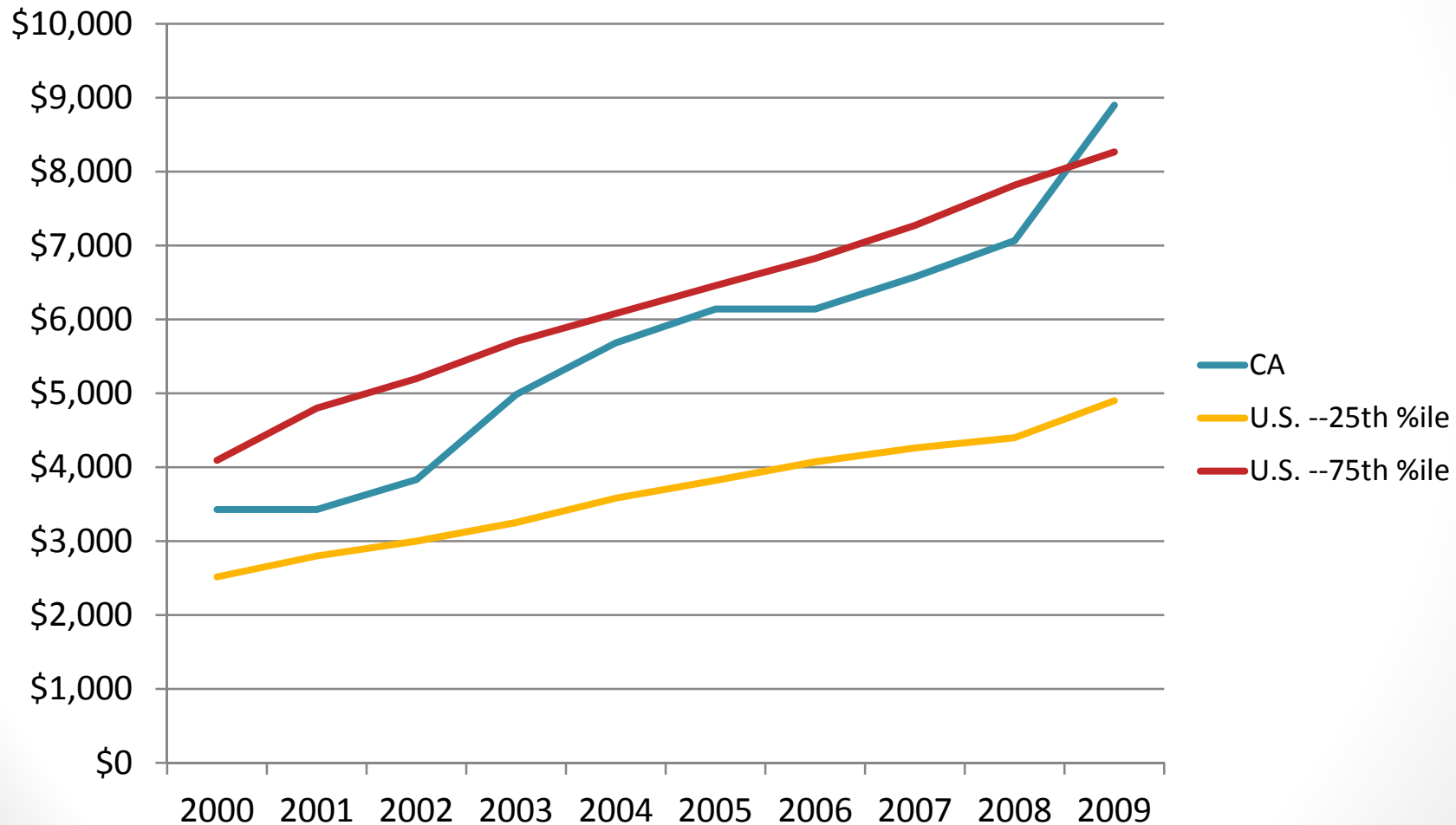
Goals

- Describe tuition increases
- Place UC in national perspective
- Why college remains a worthwhile investment for individuals and society

The Rise in UC Tuition

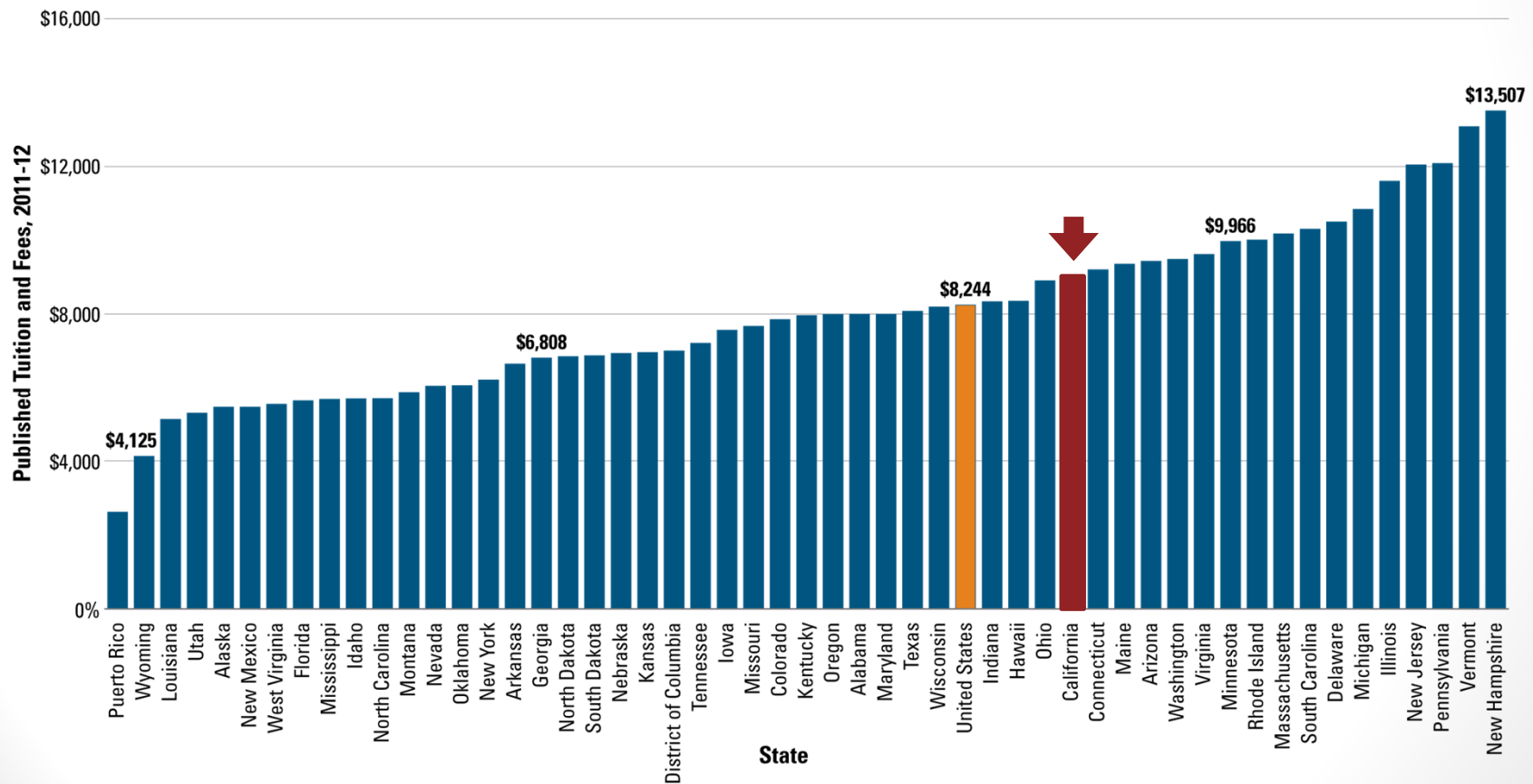


How does CA compare in tuition and fees to the rest of the nation?



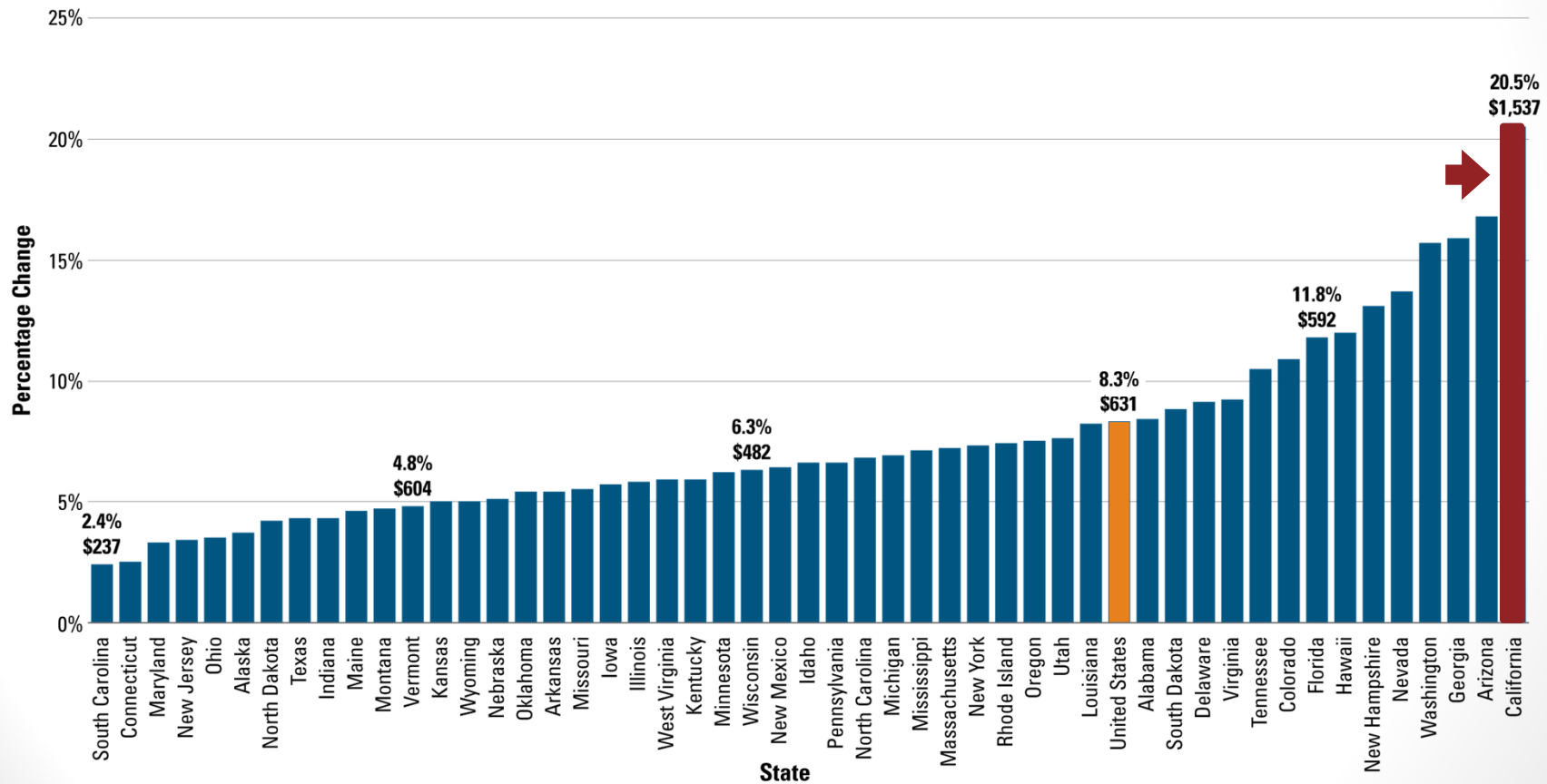
SOURCE: : U.S. Department of Education, National Center for Education Statistics, 2000-01 through 2009-10 Integrated Postsecondary Education Data System (IPEDS),

Average Public Four-Year In-State Published Tuition and Fees by State, 2011-12



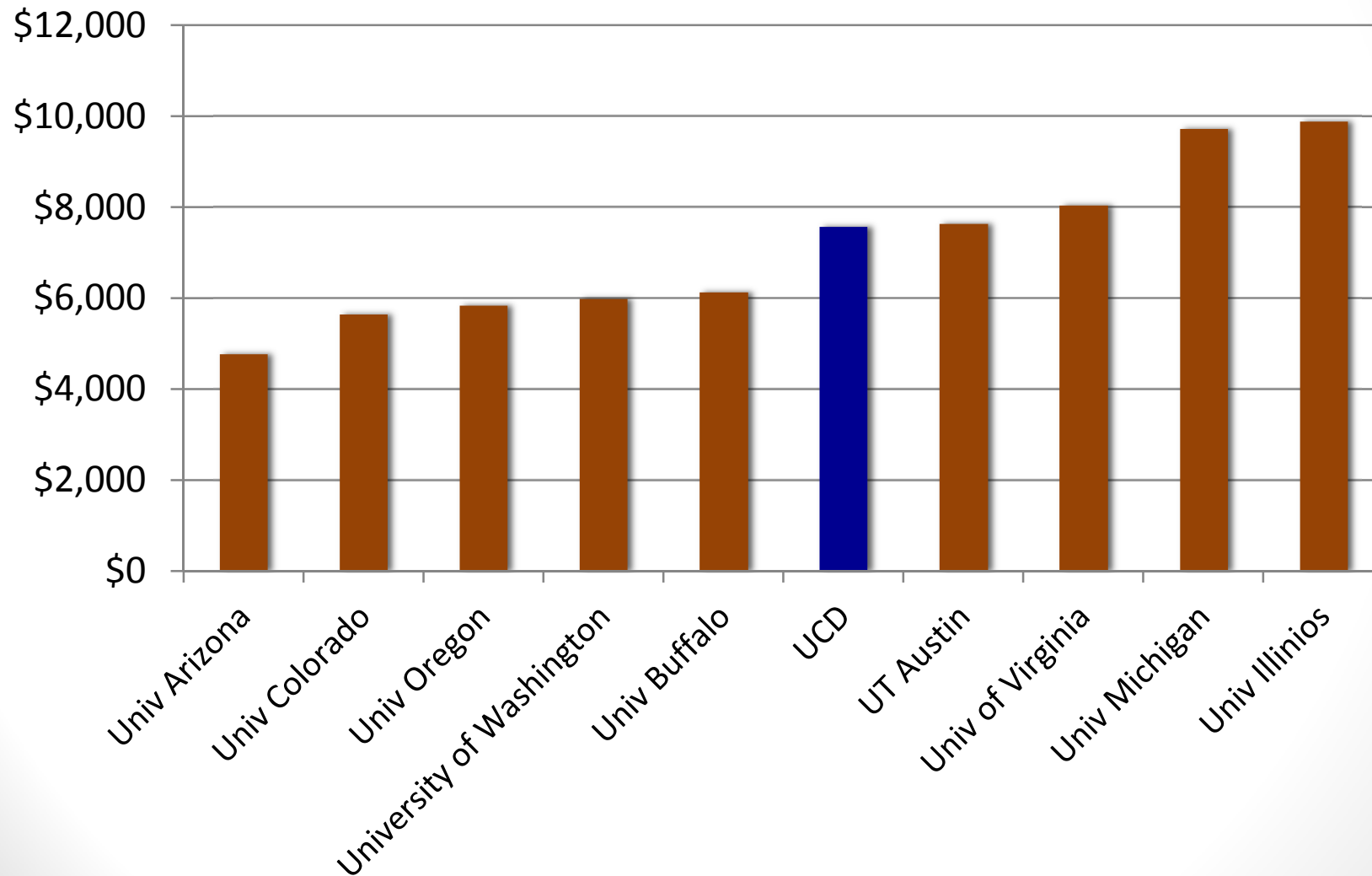
SOURCE: The College Board, *Trends in College Pricing 2011*.

Percentage Change in Public Four-Year In-State Tuition and Fees by State, 2011-12

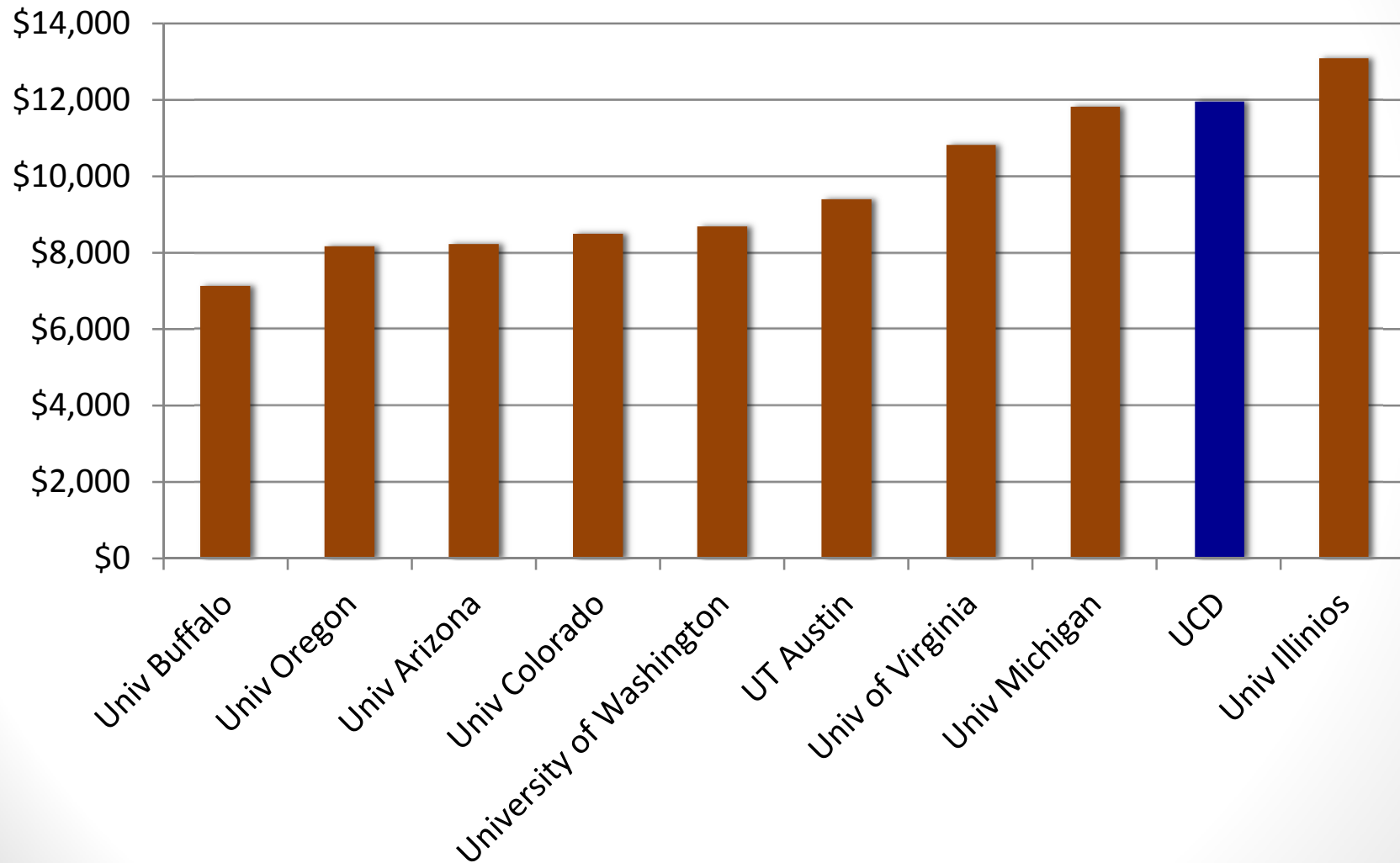


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Comparing UC tuition to other top public institutions (2006-2007)



Comparing UC tuition to other top public institutions (2010-2011)

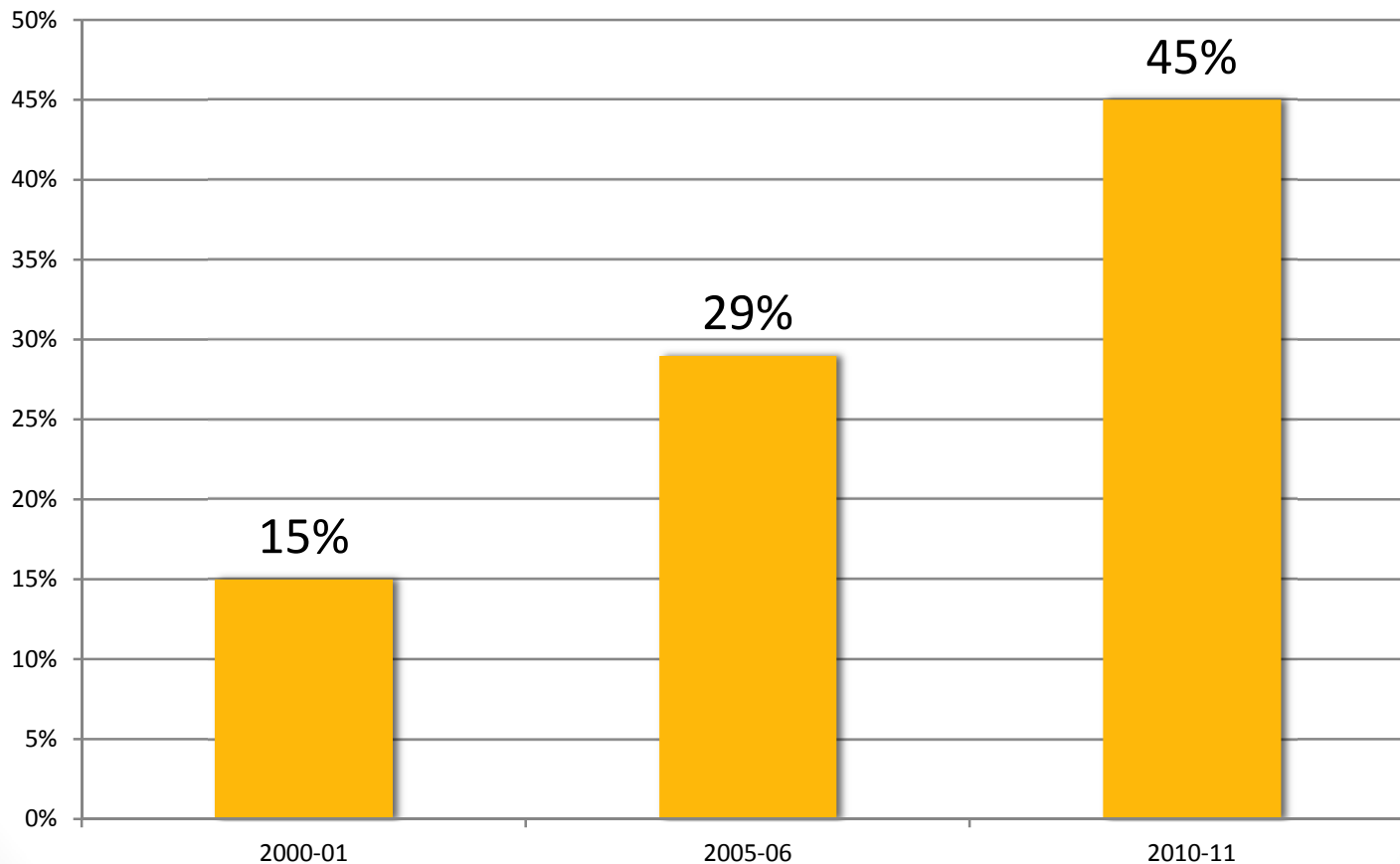


California's Higher Education Budget

- The Bad News—
 - steady declines in state funding from General Fund reductions
- The Good News—
 - higher education has largely been spared relative to every other public sector
 - some recovery from programmatic funding
 - protection of access for low-income students
- But, most recovery is coming from increasing tuition

Students are now paying a higher share of the cost of their education

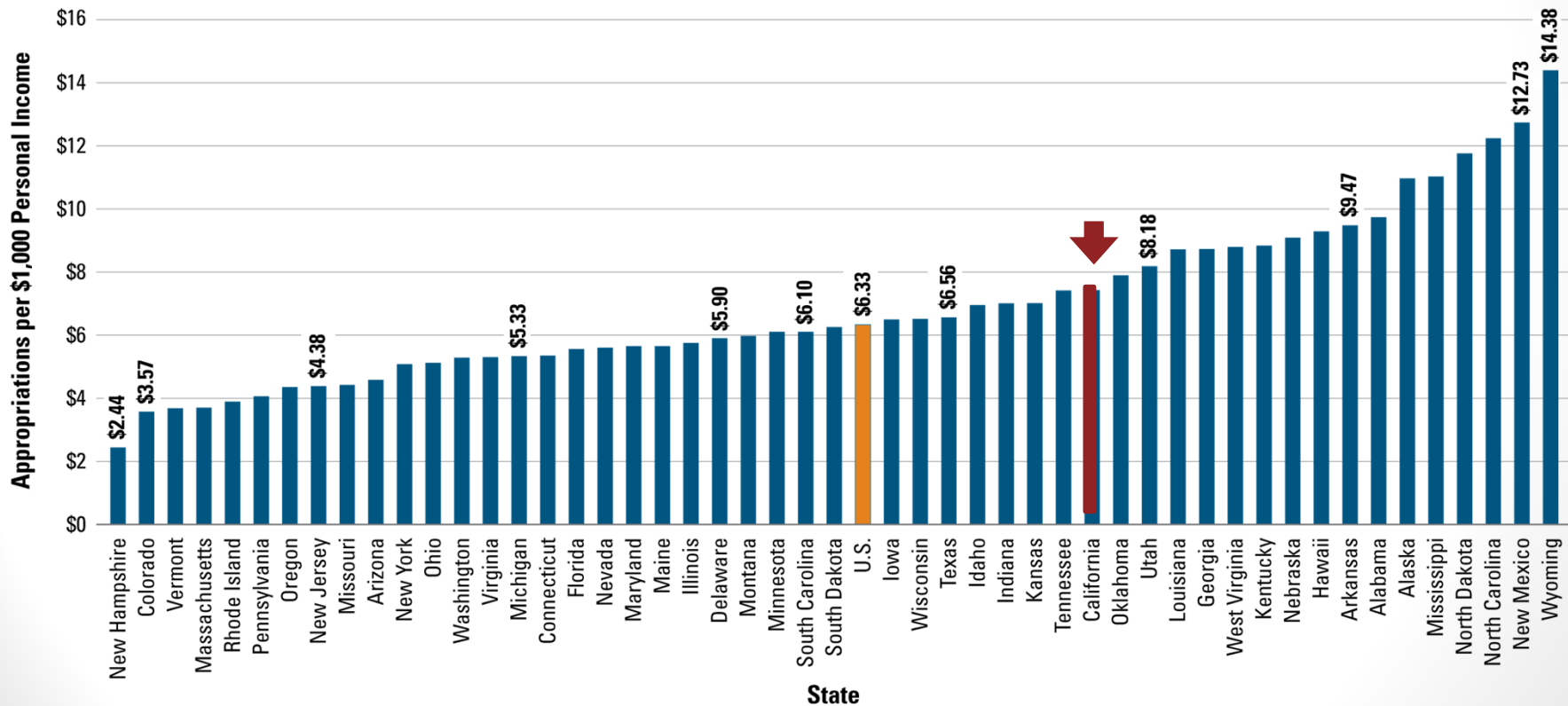
Students are paying a higher share of costs



SOURCE: California Legislative Analyst Office,

http://www.lao.ca.gov/analysis/2011/highered/hed_budget_in_context_011911.aspx#zxee_link_5_1295463086

State Appropriations for Higher Education per \$1,000 in Personal Income by State, 2010-11 (Including Federal Stimulus Funds)



SOURCE: The College Board, *Trends in College Pricing 2011*.

Who Determines Tuition Levels?

- UC Board of Regents have statutory authority to set fee levels
- However, the Regents do so in response to changes to the annual state budget
- Legislature assumes fee revenue when making higher education appropriations

UC Quality

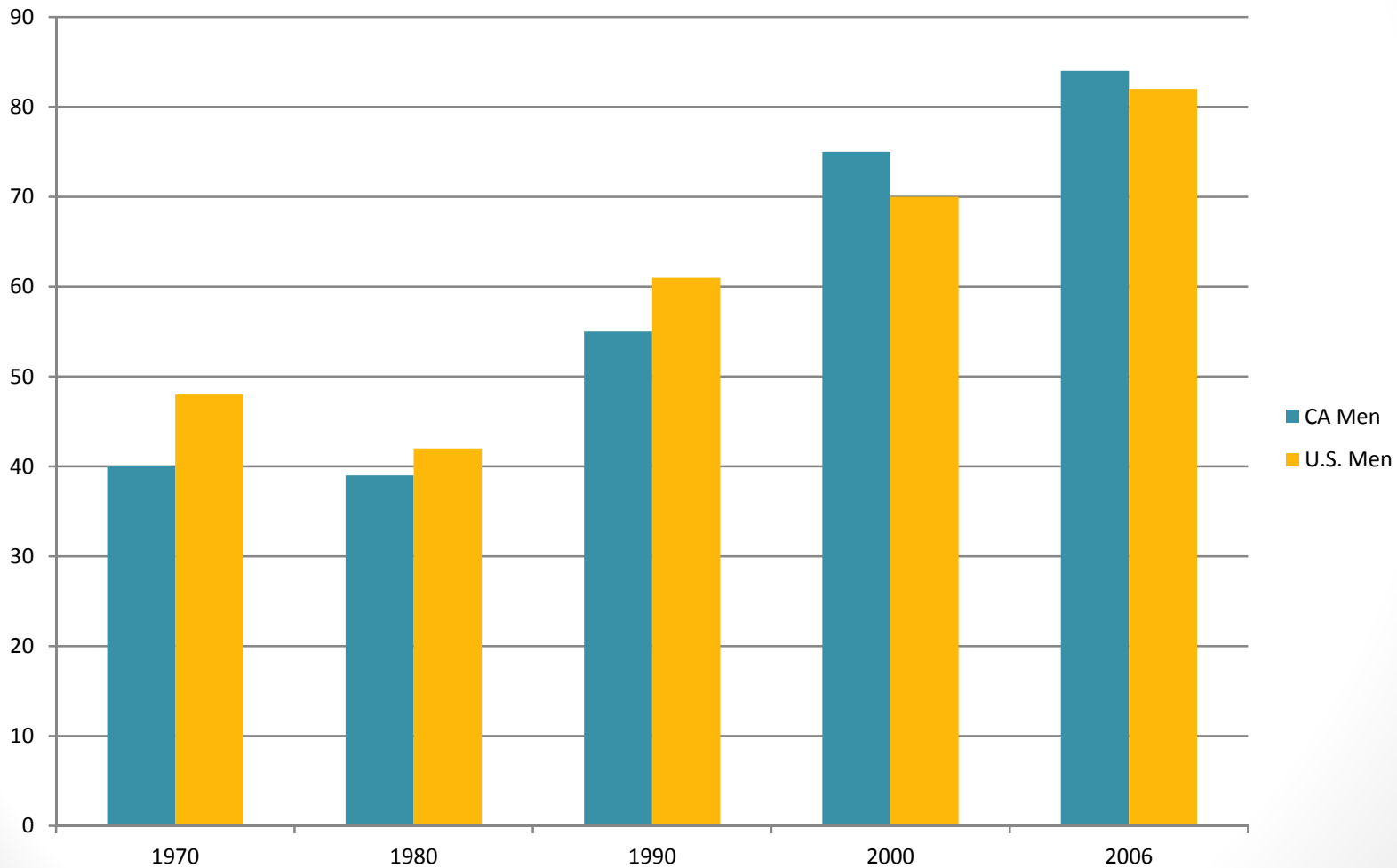
- 6 UC campuses in top 20 U.S. public universities

Davis

- 8th in contributions to society for U.S. universities (*Washington Monthly* 2007)
- 10th in research funding among U.S. public universities (*NSF* 2006-2007)
- 9th among public universities nationwide (*U.S. News & World Report* 2011)
- 3rd for UC campuses and 34th for national universities in "best education" as rated by high-school counselors (*U.S. News & World Report* 2009)
- 14th of 50 top U.S. universities evaluated in best return on tuition investment (*Smart Money* 2009)
- Top 5 in the nation on Faculty Scholarly Productivity Index 2007 (*Chronicle of Higher Ed*)
- 42nd among the top 4000 universities in the world (Webometrics)

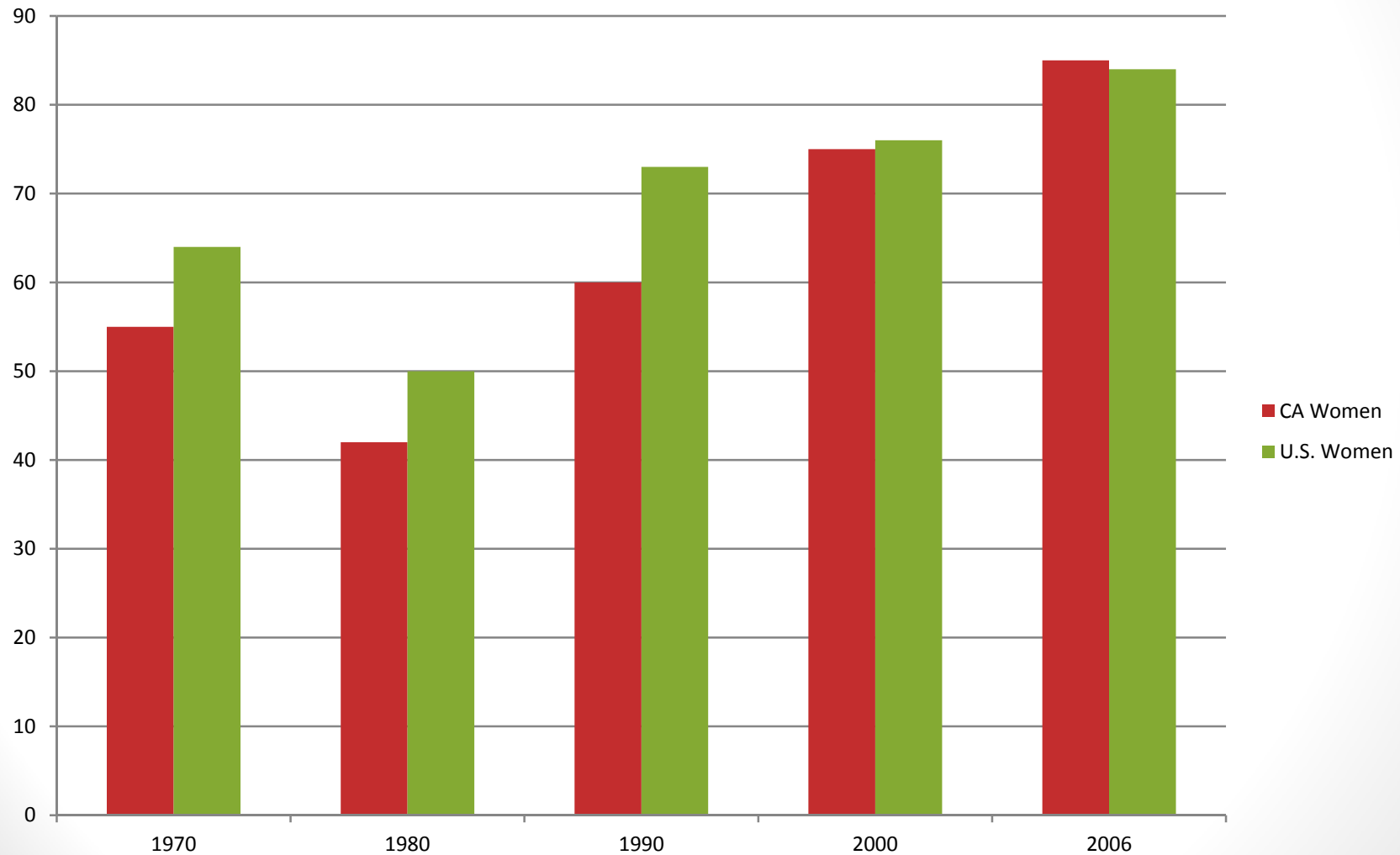
Source: <http://facts.ucdavis.edu/numbers.lasso>

Is it still worth it? Wage gap between college and high school graduates (%)



SOURCE: The College Board-Education Pays, and Public Policy Institute of California

Is it still worth it? Wage gap between college and high school graduates (%)

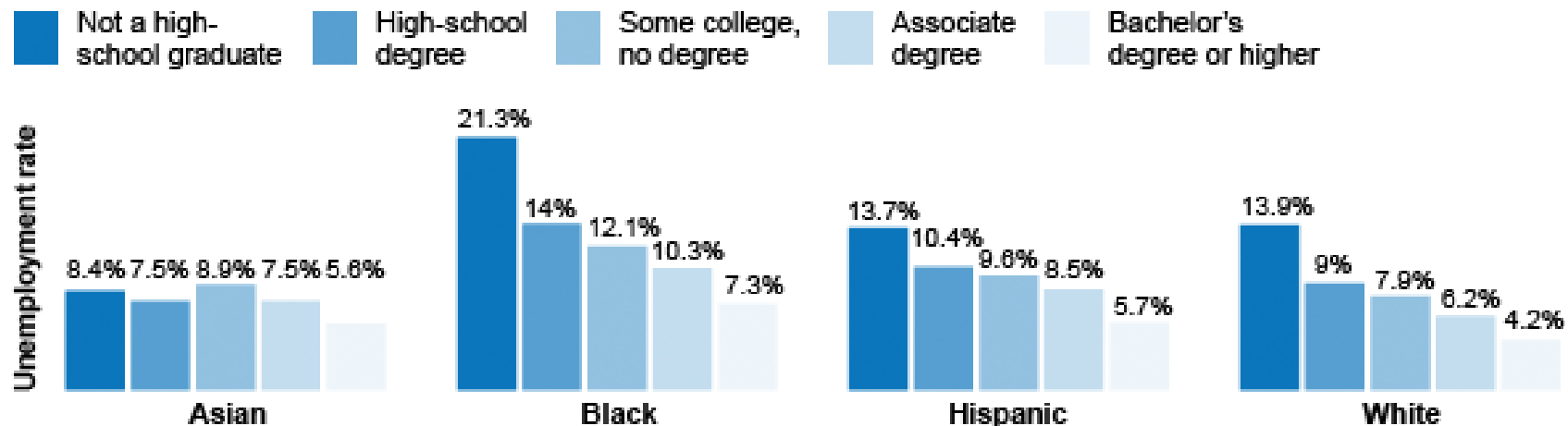


SOURCE: The College Board-Education Pays, and Public Policy Institute of California

Education Pays

Unemployment Rates by Education Level and Race, 2009

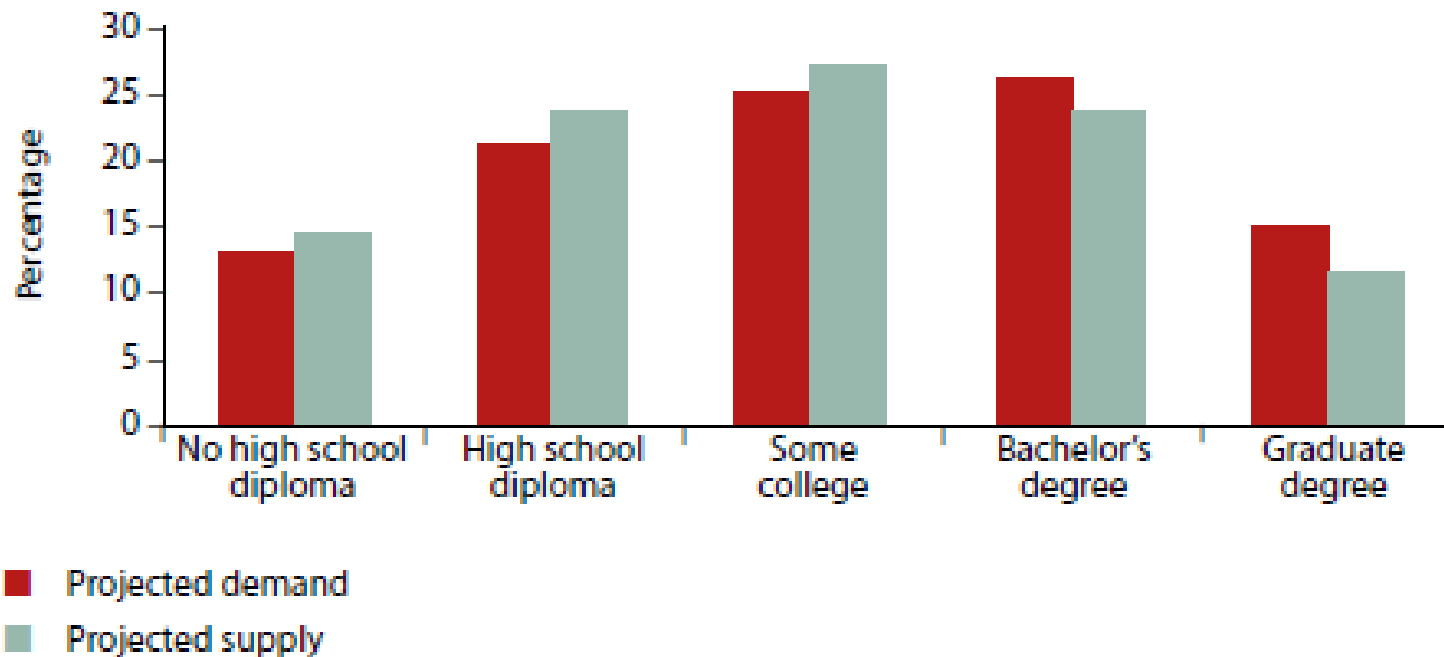
Among Hispanic, black, and white adults, the unemployment rate decreases significantly as the education level increases; the effect is less pronounced among Asian adults.



Source: College Board's "Education Pays 2010"

Investing in Human Capital

CALIFORNIA WILL NOT HAVE ENOUGH
HIGHLY EDUCATED WORKERS BY 2025



SOURCE: Public Policy Institute of California, 2009.

Payoff to College Attainment

College attainment is associated with:

- Income
- Employment
- Health Behaviors
- Intergenerational mobility
- Civic Activities (voting, volunteering)

Why has inequality increased?

- Increasing demand for skilled labor (technical change)
 - No corresponding increase in supply
- Globalization/trade
- Institutions: decline of unions, erosion of minimum wage
- Economists argue over which explanation matters most, and in what periods, **but all play some role**

See:

http://www.slate.com/articles/news_and_politics/the_great_divergence/features/2010/the_united_states_of_inequality/introducing_the_great_divergence.html

Why hasn't supply of college graduates increased given increased payoff?

- College enrollments continue to rise
- BUT:
 - Diminished resources per student (outside private & most selective publics)
 - Increased work hours while enrolled
 - Rising college costs relative to family income
 - Time to degree
 - Outside of UC
 - Lack of academic preparation
 - Lack of degree completion