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Developing our Human Capital:

Expanding access to higher education is key to economic growth

By Rich Jones

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To compete in an increasingly global, knowledge-based economy, we must raise the overall education of our population. This means broadening access to more students, including those from families that have not traditionally gone to college.

But this challenge comes at a time when Colorado is cutting funding for higher education.

According to a recent study by the Organization for Economic Cooperation and Development, the U.S. ranks seventh among 30 developed countries in the percentage of adults 25-34 with a college degree.

The U.S. rate of 39 percent trails Canada at 53 percent, Japan at 52 percent, Korea at 47 percent, Norway and Sweden at 40 percent and is tied with Belgium at 39 percent. Thirty years ago, we were substantially ahead of other countries on this measure.

While other countries embarked on policies to increase the number of their people with college educations, primarily as a means of competing with us, we stagnated. The percentage of our population 18-21 enrolled in postsecondary education barely changed through the 1990s. During this decade, other countries such as Great Britain, Ireland and France increased college enrollment by 10 to 13 percent.

Historically, we have done a good job of providing college educations to 35 to 40 percent of our students, most of whom are white kids from middle- to high-income families.

But if current trends continue and we do not expand access to higher education to a broader segment of our population, we will fall farther behind our international competitors.

Two major demographic shifts make this task more difficult, yet urgent.

First, as baby boomers retire, we will lose highly trained and experienced workers.

This is already affecting industries as varied as health care, where we do not have enough skilled nurses to train the next generation, and the electric power industry, where not enough power engineers, analysts and linemen are graduating from college to replace those expected to retire.

Second, a large pool of future workers will come from populations that traditionally have not gone to college.

Hispanic students, who represent the fastest growing segment of Colorado's future high school graduates, enroll in college at lower rates than others. In 2004, Hispanics were 16 percent of the state's total graduating class. For Colorado's class of '18, they are projected to be 31 percent of the grads, according to the Western Interstate Commission for Higher Education.



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In 2002, 11 percent of Hispanic adults 18-24 were enrolled in postsecondary education programs, compared to 36 percent of whites and 29 percent of all Coloradans of similar age.

So, young Colorado Hispanics are expected to double in number in the next 13 years, but they currently attend college at one-third the rate of other Colorado students.

This trend has got to be reversed. Colorado needs to make sure more Hispanic high school students have the academic preparation and the financial means to go on to college.

But it will be hard to turn this around if we keep cutting our investment in higher education.

Since 1983, spending in the 50 states for higher education per \$1,000 of state personal income fell an average of 26 percent, dropping from \$9.43 to \$6.86.

The decline in Colorado was more severe, falling 59 percent from \$9.69 to \$3.77. In fiscal year 2005, Colorado ranked 48th in the nation in tax funds per capita devoted to higher education.

Declaring the current problems facing higher education a fiscal crisis, the National Conference of State Legislatures created a blue ribbon commission of state legislators from across the country to find solutions. Commission members cited the importance of expanding access to higher education to their states' economic competitiveness, and discussed strategies to increase state investment in higher education.

Commission members cited the need to not only compete with other states for high quality jobs but with China, India, Ireland and the rest of the world. They see raising the educational attainment level of their citizens as a key factor in becoming more competitive.

Colorado leaders are taking notice as well. The recent launching of Colorado Succeeds, a new statewide initiative to engage the business and educational communities in preparing all Colorado students for postsecondary education, is an example. Its goal is to get more students into and through two-year and four-year college programs. Among the ideas being discussed is to better align the K-12 and higher education systems so more kids graduate from high school and move on to higher education.

Our future economic growth will depend heavily on the quality of our human capital, as measured by the education of our citizens. As Pat Callan, president of the National Center for Public Policy and Higher Education, recently told the NCSL Commission, "We are living in a world that relentlessly punishes the undereducated, be they individuals, states or countries."

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