

Higher Education and the Regional Economy

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State of the Economy Conference
May 7, 2008

Why Be Interested In Higher Education and the Economy?

- Economic Impact Studies Consistently Show Higher Ed Increases Living Standards.
- The Existence of Higher Ed is a Key “Attractor” for Business.
- Higher Ed in Other Countries is Increasing Global Competition.
- Public Opinion Cites Higher Ed As a Key Path to Success for Individuals.

Higher Education and Individual Success – What Do People Feel?

- According to October 2007 PPIC Survey:
 - 64% of Californians say you must have a college education to succeed (only 50% of people nationally feel that way.)
 - The percentages are much higher for non-whites: e.g. 79% for Latinos vs. 55% for whites
 - 76% of Californians feel that higher ed is very important to California's future.

Source: Public Policy Institute of California, Californians & Higher Education, October 2007.

The International Challenge – Making Sure Our Workforce is Competitive: Evidence from Kathmandu, Nepal



ference

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How Do Colleges and Universities Have An Economic Impact on the Local Region? Lessons from Economic Impact Reports

1. They are big businesses.
2. They increase workforce quality.
3. They pursue research that increases the competitiveness of a region's economy.
4. They provide cultural, social, sporting event opportunities.
5. Students and faculty tend to be active in directed volunteer activities.
6. Campus facilities are often "public".

Academic Higher Education In Contra Costa County

- Institutions with Their Primary Campus in the County
 - Contra Costa Community Colleges
 - Contra Costa College (San Pablo)
 - Diablo Valley College (Pleasant Hill and San Ramon)
 - Los Medanos College (Pittsburg)
 - John F. Kennedy University (Pleasant Hill)
 - Saint Mary's College of California (Moraga)

Academic Higher Education in Contra Costa County

- Institutions with Branch Campuses in the County:
 - California State University – East Bay
 - Chapman University
 - Golden Gate University
 - Heald College
 - University of Phoenix
 - University of San Francisco

Colleges and Universities as Businesses

- Are some of the largest employers in the region and spending has multiplier effects on the local economy.
 - Even a “small” college like Saint Mary’s has almost 1300 employees and a \$100 million budget.
 - CCCCD injects net spending of over \$112 million into the area.
- Demand for the “product” is stable and can be counter-cyclical, thus offsetting the business cycle.
- They are clean/green businesses.
- Employees tend to be well-educated.
- They attract clusters of other service businesses to serve the students and faculty, creating further multiplier effects on the local economy.

Colleges and Universities Positively Impact the Regional Workforce

- **Higher education increases skills and “human capital” = personal success.**
 - CCCCD estimated the investment return to an AA degree was over 20%.
- **Skill-based businesses are attracted to an area with a highly educated workforce.**
- **Government expenditures on crime and social services may be reduced: these are often called “avoided social costs.”**
- **Financial aid supported by budgets and endowments increases educational opportunities for lower income students.**
 - 25% of Saint Mary’s undergraduates are on Pell grants.

Research Increases Competitiveness of the Regional Economy

- UC-Berkeley has over 800 U.S. and foreign patents, and over 200 active licensing agreements for using these patents.
- Both CSU-East Bay and Saint Mary's have Centers focused on the regional economy.
 - Center for the Regional Economy at SMC
 - Human Investment Research and Education (HIRE) Center at CSU-East Bay [Hayward campus]

Colleges and Universities Provide Cultural, Social, Sporting Events

- Events provided to students, faculty and staff are often open to the general public.
- Cultural events attract an educated population to the area.
- Events and programs help introduce youth to higher education.
- Events attract large numbers of visitors to the area.
 - Berkeley estimated that this is around 200,000/year for UCB.
 - Attendees spend on meals, shopping and other area attractions.

Students and Faculty Often are Involved in Community-Based Activities

- Student teachers enrich the local schools.
- At SMC, 40% of students each year are engaged in some form of community service.
- At UC-Berkeley, over 2,000 students participate in Cal Corps Public Service.
- JFKU provides a Community Counseling Center within its Graduate School of Professional Psychology.
- Service-learning is increasingly an integral part of higher education.

Campus Facilities are Open for Public Use

- Campuses often are one of the largest local “parks” in otherwise developed areas.
- Campuses share (often at reduced rates or for free) athletic, cultural and social venues with the community – enabling local communities to redirect funds to other critical needs.
- Campuses, given the size of their facilities, act as emergency sites for communities.

But – Higher Education Can Do More to Foster Economic Vitality:

- More closely interact with employers to insure students are prepared for jobs in the global economy.
- Place energetic students into internships that both support growing business and introduce students to the business environment.
- Address the continuing education needs for adults that need to make career changes.
 - “Life-long jobs” are disappearing.
 - “Retirement” is often temporary.
 - We can’t afford to lose the skills of experienced adults.
- Ask the community what it really needs!
 - Create a true partnership with the regional community.

Identifying What Higher Ed Can Do: the Questions We Are Asking Right Now.

- Who should be served? - who are the “clients” of higher education?
- Are our current definitions and structures of “higher ed” outdated?
- How can we mesh the different cultures and approaches that exist in higher ed and the business community?
- How can we bring the sectors together to work collaboratively for common goals: personal and regional success?

Questions from the Business Perspective: Who Will Be Served?

- When we refer to industry/business/employer needs, who specifically are educators to serve?
 - How wide or narrow is the target?
 - Core industries?
 - Growth sectors?
 - Emerging industries?
 - Small business, medium-sized businesses, large corporations?
 - Government, nonprofits?
- Should we focus exclusively on Contra Costa County?

Questions from the Business Perspective, continued

- What levels and types of education/educators are we to focus on?
 - Higher education – who to include?
 - 4-year and postgraduate?
 - Community Colleges?
 - Where do we “place” post K-12 vocational education?
 - Should we include corporate training and “corporate universities.”

Questions from the Business Perspective, continued

- What are the key pieces of information that we need to obtain or gather from established sources?
 - Skills that are needed now and in the future?
 - Capabilities and competencies needed?
 - Employment needs?
 - Where there are large gaps between jobs projected to be available and persons to fill those jobs over the long-term?

Questions From the Perspective of Higher Education

- What , specifically, are the current programs and locations of higher education (i.e. academic and professional post K-12 education) in the County?
- How can we bridge between the various institutions, creating the necessary scale economies and infrastructure to provide County-wide services?
 - Unlike the business and governmental communities, there currently are no regular meetings of CEOs among the institutions.

Questions From the Perspective Of Higher Education, continued

- Are there ways to work with the accrediting agencies to facilitate cross-institution partnerships and entrepreneurial programs?
 - Higher education is subject to review by accrediting commissions/agencies which apply varying standards and require approval of new programs. This can be time-consuming and may restrict options.
- What are the internal organizational/HR issues involved?
 - For example, some institutions are unionized, some are non-union; some have tenure, some don't.

Questions From the Perspective of Higher Education, continued

- How can we best address cost structure challenges, particularly for institutions that are tuition-driven or rely upon limited government funding?
 - Much of the cost of new programs is “upfront” and fixed. The incremental cost (adding extra students or adding an additional offering of an existing course) is much lower.
 - This is particularly true for web-based instruction.
 - How can we best match needs with existing locations?
 - We have a “legacy” system in locations that may not match industry needs.
- What is the best delivery system for educational services to industry?
 - Web-based
 - Face-to-face
 - Hybrid

How Can We Make A Partnership Initiative Successful?

- How do we set up a structure and process that reflects these principles of collaboration, rather than always thinking competitively?
 - Leaders from education, industry and government alike must have confidence that something meaningful will come from this, and further that we can all work collaboratively rather than competitively.
 - How might we solidify behavioral commitment and engender financial/other support?
- How might we otherwise ensure our success in moving this initiative forward?

We Need Your Help!

- Please fill out the survey form on the tables. Tell us:
 - Should higher education worry about regional success?
 - If yes – where should higher education's focus be:
 - Internships
 - Professional education post-graduate
 - Undergraduate programs with more career-focused curriculum
 - Others? Be creative and don't worry about existing structure and formats of education.

Presenters:

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