Earn Graduation Serve Community
Welcome

Fall Work Conference
East Georgia State College
Tuesday, August 6, 2013, 9am
Bob Boehmer
As we prepare for arrival of our students, I would like to take a step away from syllabi and class lists and discuss our shared vision for the future of the college.
Demographic Shifts: Reshaping US Higher Education

Shaping this vision begins with understanding the changing face of our society. The United States is experiencing dramatic demographic shifts. These shifts demand that higher education respond and prepare the changing citizenry for the new environment.
### Consider this Slice of our Service Area

<table>
<thead>
<tr>
<th>Compare:</th>
<th>US</th>
<th>GA</th>
<th>Emanuel</th>
<th>Bulloch</th>
<th>Richmond</th>
</tr>
</thead>
<tbody>
<tr>
<td>HS Grads</td>
<td>84.6%</td>
<td>83%</td>
<td>73.5%</td>
<td>85.8%</td>
<td>82.3%</td>
</tr>
<tr>
<td>Bachelors</td>
<td>28.2</td>
<td>27.5</td>
<td>10</td>
<td>26.3</td>
<td>19.7</td>
</tr>
<tr>
<td>Degrees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veterans</td>
<td>7.07</td>
<td>7.08</td>
<td>6.37</td>
<td>6.34</td>
<td>10.26</td>
</tr>
<tr>
<td>Below Poverty Line</td>
<td>14.3</td>
<td>16.5</td>
<td>24.5</td>
<td>30.5</td>
<td>23.7</td>
</tr>
</tbody>
</table>
"New 2010 Census analysis shows an unprecedented shift in the nation’s racial makeup in 14 states, one that is reshaping U.S. schools, work places and the electorate. Due to immigration, a combination of more deaths and fewer births among whites and an explosion of minority births, the U.S. is poised to be a majority-minority country sooner than predicted. Senior Fellow William Frey says we’re at the beginning of an inevitable transition that affords us new opportunities. Texas, New Mexico and California are already majority-minority states reflecting a racial shift related to more deaths among whites than births. This natural decrease is happening earlier than expected."

Brookings

Georgia's caucasian toddler population is now 43.1%
"While the income gap between rich and poor has widened astronomically since 1967, the gap between the rich and the middle class has widened the most.

In 1967, those in the lowest percentile of American earners made a median salary of $9,300. By 2010, that was up to $11,900, a 28 percent increase (measured in 2010 dollars).

The richest Americans, those in the 90th percentile, went from making a median of $85,800 in 1967 to $138,900 – a 62 percent increase. Median income households saw real earnings go from $40,800 in 1967 to $49,400, just a 21 percent increase." FacetheFactsUSA.org
US Experiences Sustained Economic Distress

"Meanwhile, a September Census report shows, median household incomes fell by nearly 7 percent from 2001 to 2011. And there are now more Americans living in poverty than at any time since record-keeping began more than half a century ago."
Despite These Challenges College Costs Continue to Rise

"In the past three decades, college costs have risen significantly faster than inflation and are now at roughly 25 percent of the average household's income. " US News & World Report
... and Student Loan Debt Explodes

- "This confluence of trends has led to higher borrowing by students. ... student debt is the only kind of household debt that continued to rise through the Great Recession and is now the second largest balance after mortgage debt. ... student loan debt is fast approaching a trillion dollars, up from less than $400 billion in 2004, and both the number of borrowers and the average balance per borrower have increased by 70 percent between 2004 and 2012 (7 percent per year). ... a record one-in-five households now owe student loan debt.

- That report also found that student loan debt as a share of household income was 24 percent for families in the lowest income quintile. That was at least twice the share of any other quintile. As the report put it, “The relative burden of student loan debt is greatest for households in the bottom fifth of the income spectrum, even though members of such households are less likely than those in other groups to attend college in the first place." *USA Today*
In constant dollars, state and local educational appropriations per full-time student reached their high in 2001, at $8,670. In 2012, those appropriations fell by nearly one third, to just $5,896.

NY Times

"The ‘new normal’ expects students and their families to continue to make increasingly greater financial sacrifices in order to complete a postsecondary education. The ‘new normal’ expects schools and colleges to find ways of increasing productivity and absorb ever-larger budget cuts, while increasing degree production without, we hope, compromising quality.” NY Times
These Demographic Shifts Have Already Brought Dramatic Change to Higher Education

- Increased role of online education and adaptive learning systems
- Increased focus on partnerships with the private sector and other governmental bodies
- Enhanced focus on graduation, retention and career placement
- Increased recruiting targeting minority, military and adult learners
- Increased focus on prior learning assessment, competency testing, and outcomes assessment
- More emphasis on private fundraising
And ... Major USG Shifts in Policy

- Shift to a budget model which rewards retention and graduation rather than enrollment and credit hour production
  - Enrollment growth will continue to be critical because the decrease share of the total cost from state funding makes growth in tuition revenue critical
- Shift to a model which encourages cooperation among USG and technical colleges rather than competition
- Building partnerships with private sector to facilitate growth of online education
- Move away from use of bond debt to build capital assets and towards encouraging private investment in aspects of higher education which are not central to the mission of the institution
- Increasing demands for efficiency in operation of the educational enterprise (such as demands for effective space utilization before new construction)
Some Institutions Will Not Survive the New Normal

“It is absolutely dire. Who it’s dire for, I don’t know, exactly. But there is going to be a contingent of these schools that are going to have a very difficult time surviving,” says Jason Lane, who studies enrollment trends as deputy director for research at the Rockefeller Institute of Government at the State University of New York at Albany. In an analysis of the financial records of 1,700 US colleges and universities, the Boston-based consulting firm Bain & Company estimated that one-third of them were on an unsustainable financial path, with operating costs increasing faster than endowment returns and other revenues could cover them. This is a problem the colleges can no longer solve, as they once did, by simply increasing tuition.” Boston Globe
EGSC Is Uniquely Positioned to Survive and Thrive in This New Normal

- We are affordable
- We are the USG access institution in one of the highest areas of higher education need in the state - Savannah/Macon/Augusta triangle
- We have land giving us the capacity to grow
- We have a long standing relationship with Ga Southern and a new and promising relationship with GRU
- We are focused on teaching and are good at it
- Our community and legislators strongly support us and encourage our growth
But There Are Potential Threats to Our Success

- The culture of the college tends towards resistance to change
- Our current level of state funding per FTE is dramatically lower than the rest of the USG
EGSC’s Future Direction

- Form new partnerships with K-12 educators to increase expectations of college attendance and increase level of preparation for college
- Increased focus on student recruiting including military personnel, adult learners and those with some college but no college degree
- Develop and grow new programs in Augusta
- Increase student housing on the fast track
- Dramatically increase graduation and retention rates through expansion of the ACE and similar programs
- Methodically add services to support the teaching role of faculty such as the addition of advisors and tutors and development of a CTL
- Make service a signature of a EGSC degree
- Successfully complete a 5 year $5million capital campaign
Thank You For Your Leadership, Service and Excellence!

Bob Boehmer
Thanks for your service and leadership and excellence.