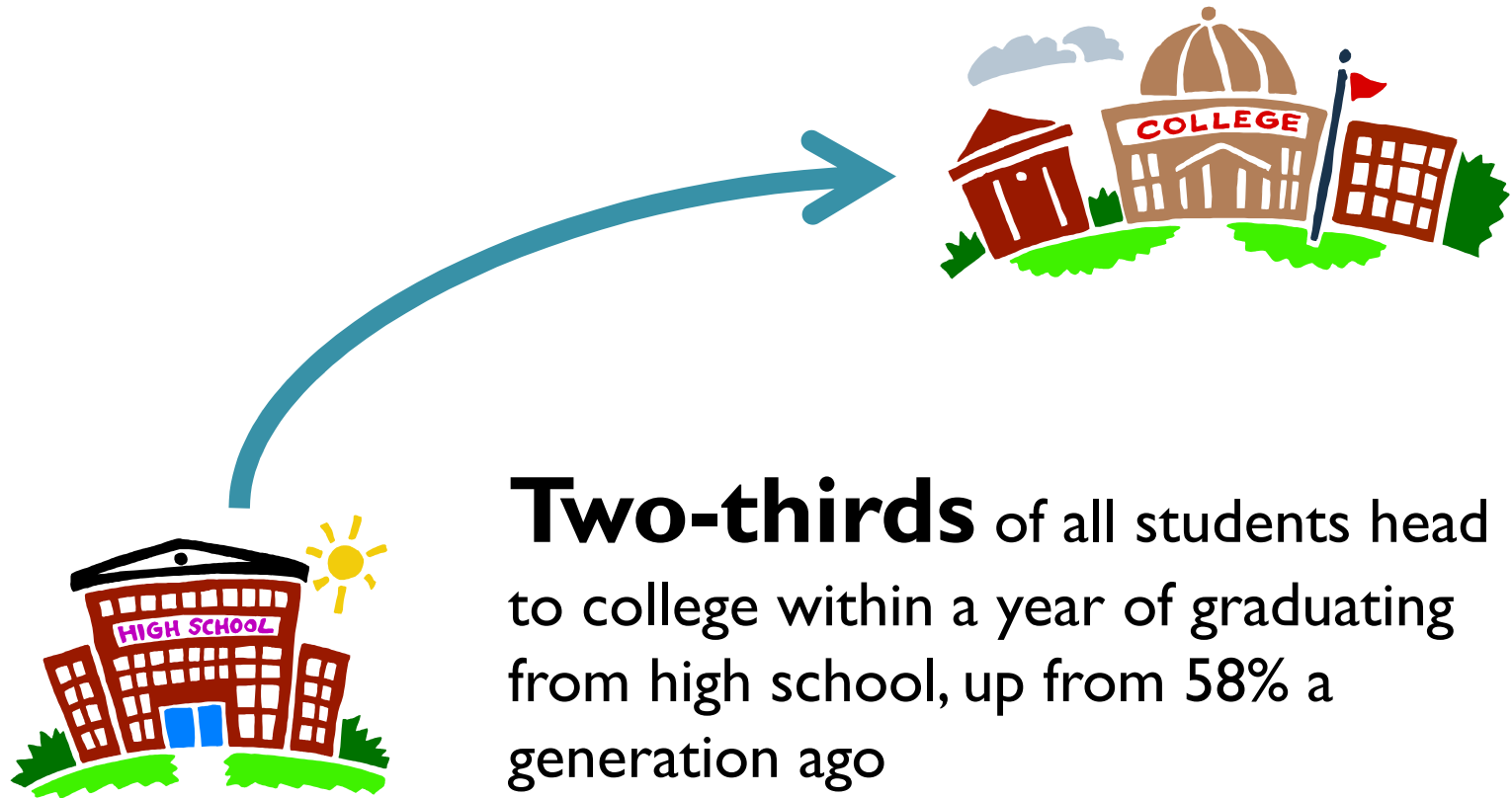




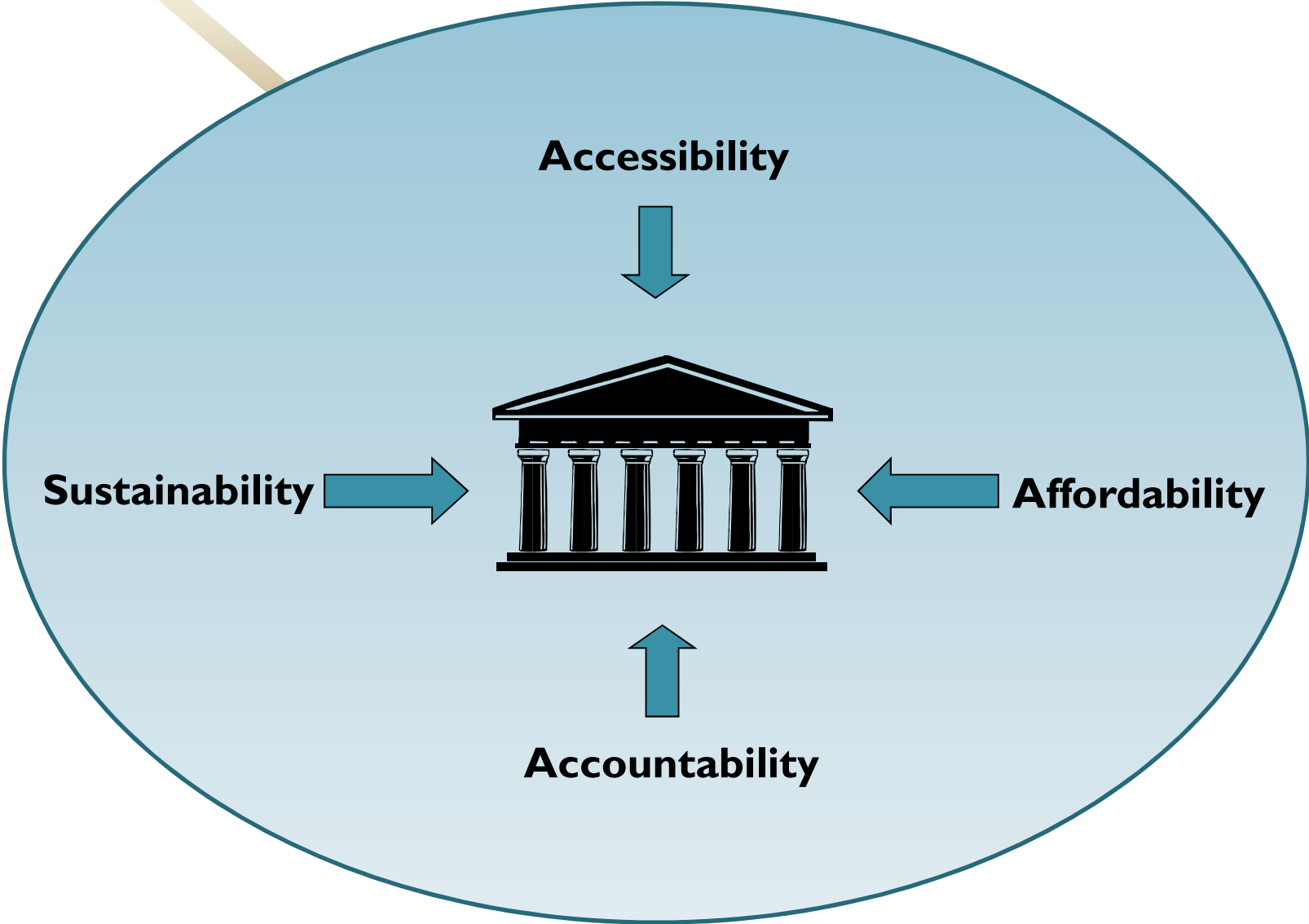
Educationomics

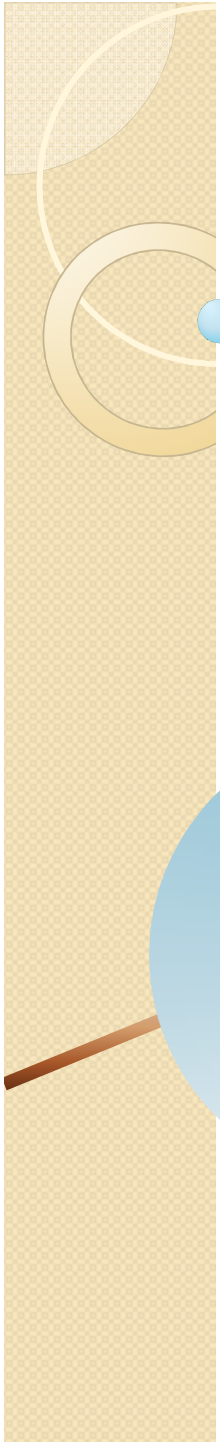
Jon McGee
College of Saint Benedict/Saint John's University
Templeton Laird
2014

Boom



Two-thirds of all students head to college within a year of graduating from high school, up from 58% a generation ago



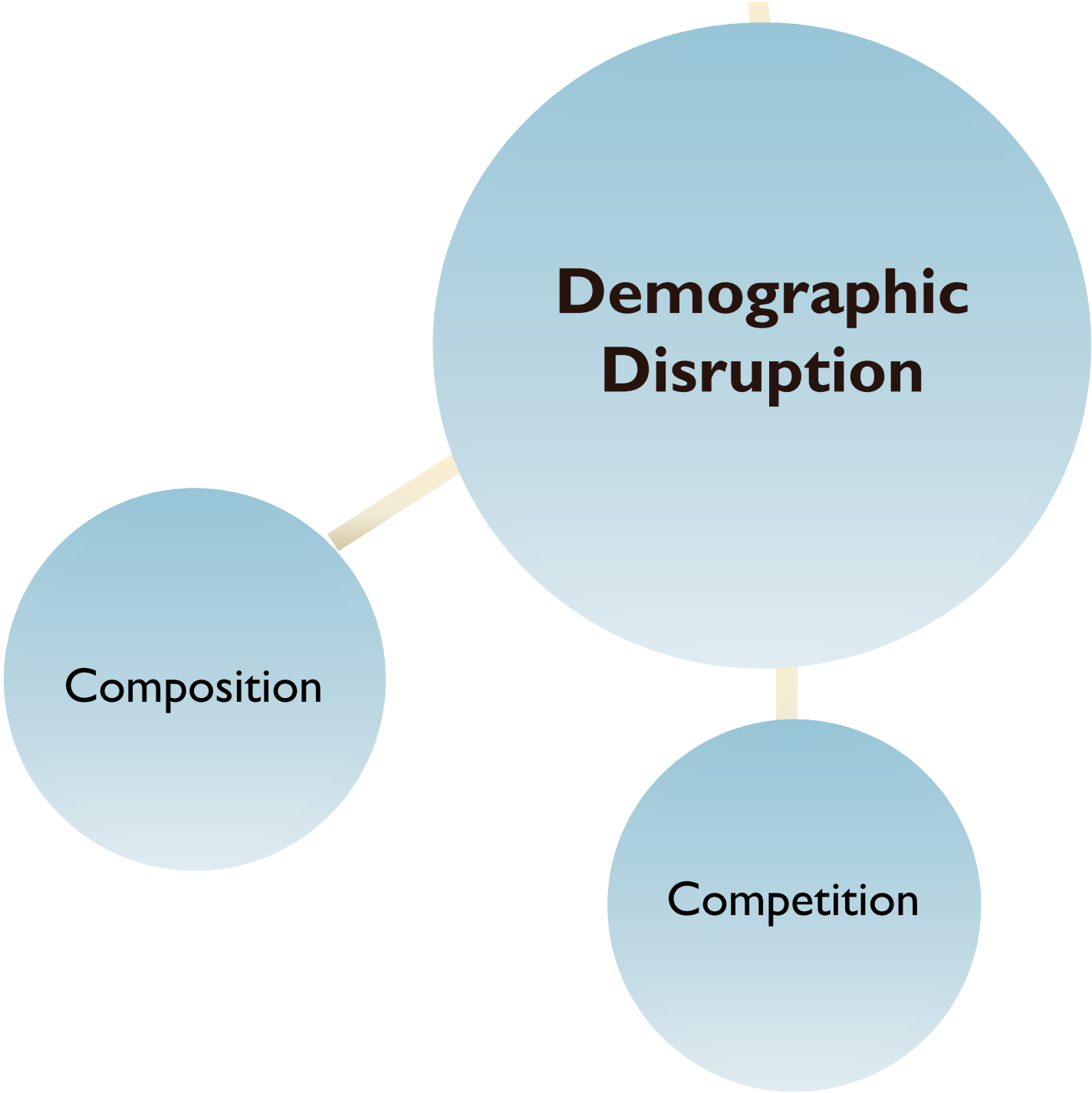
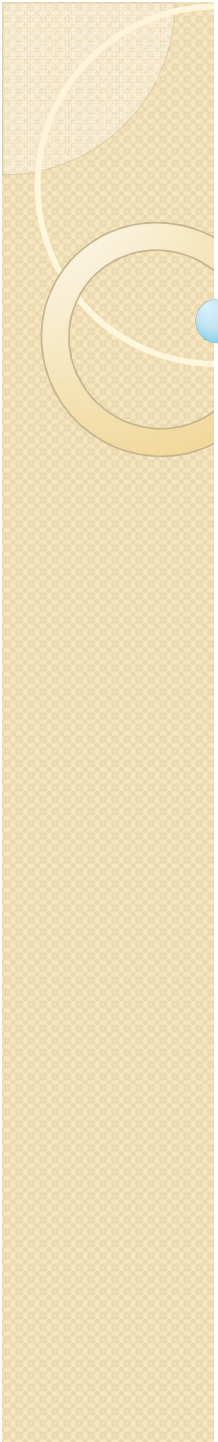


Forces of Disruption

Demographic

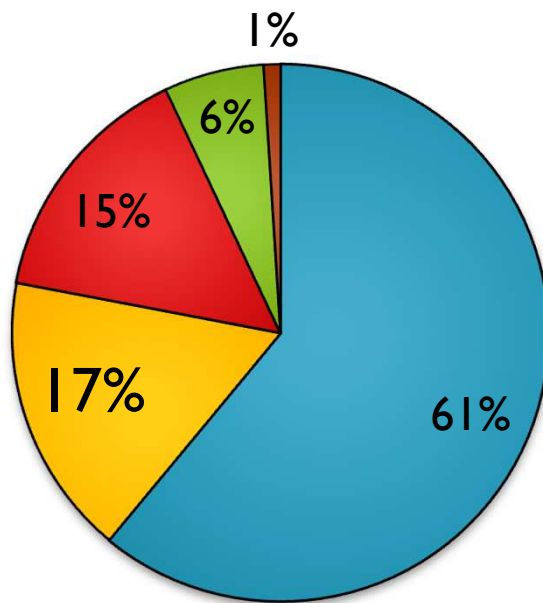
Economic

Cultural

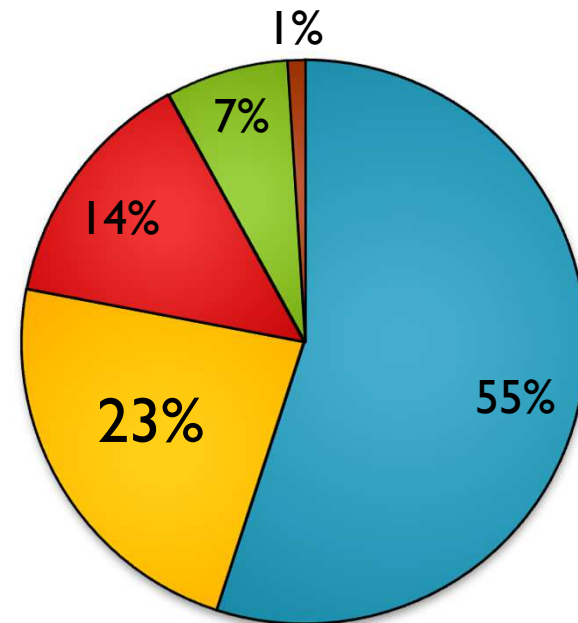


Bienvenido al futuro de los Estados Unidos

2010 High School Graduates



2020 High School Graduates

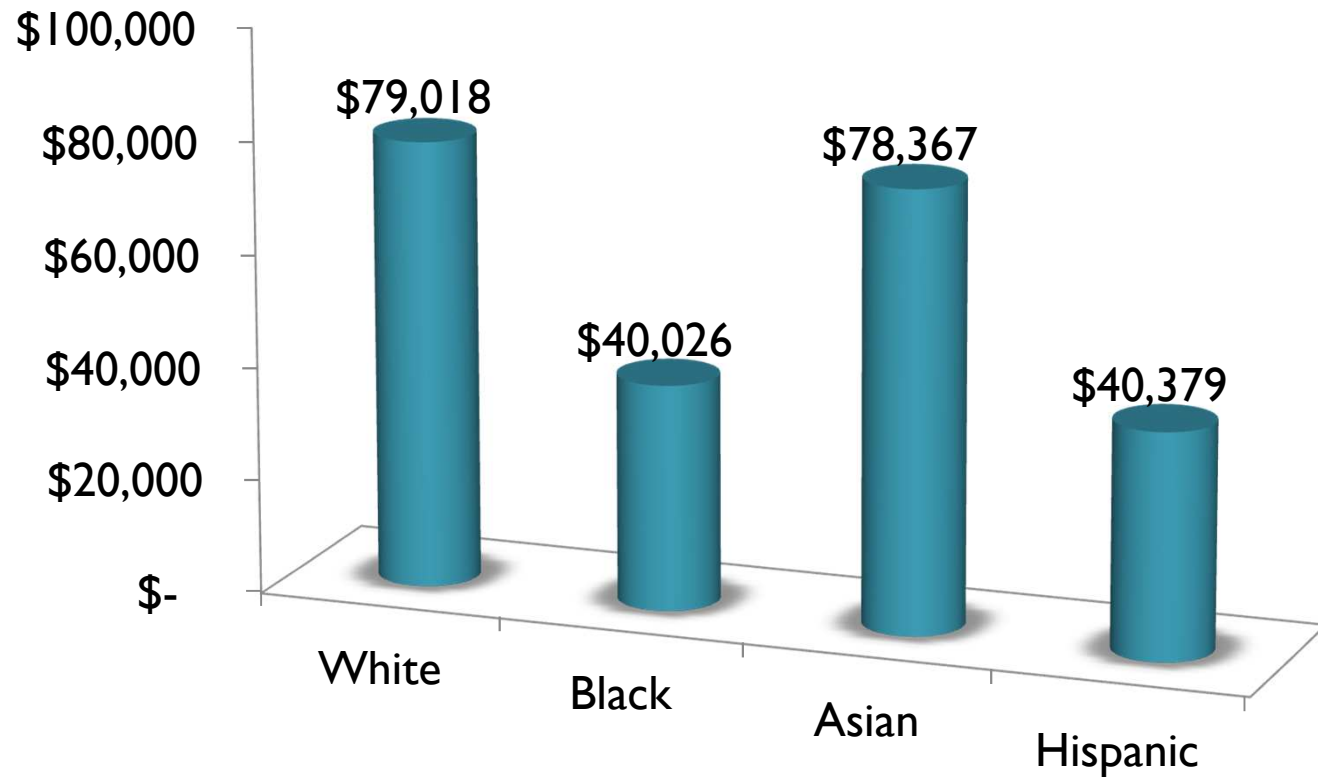


- White
- Hispanic
- Black
- Asian
- American Indian

Source: WICHE

Economics of Demography

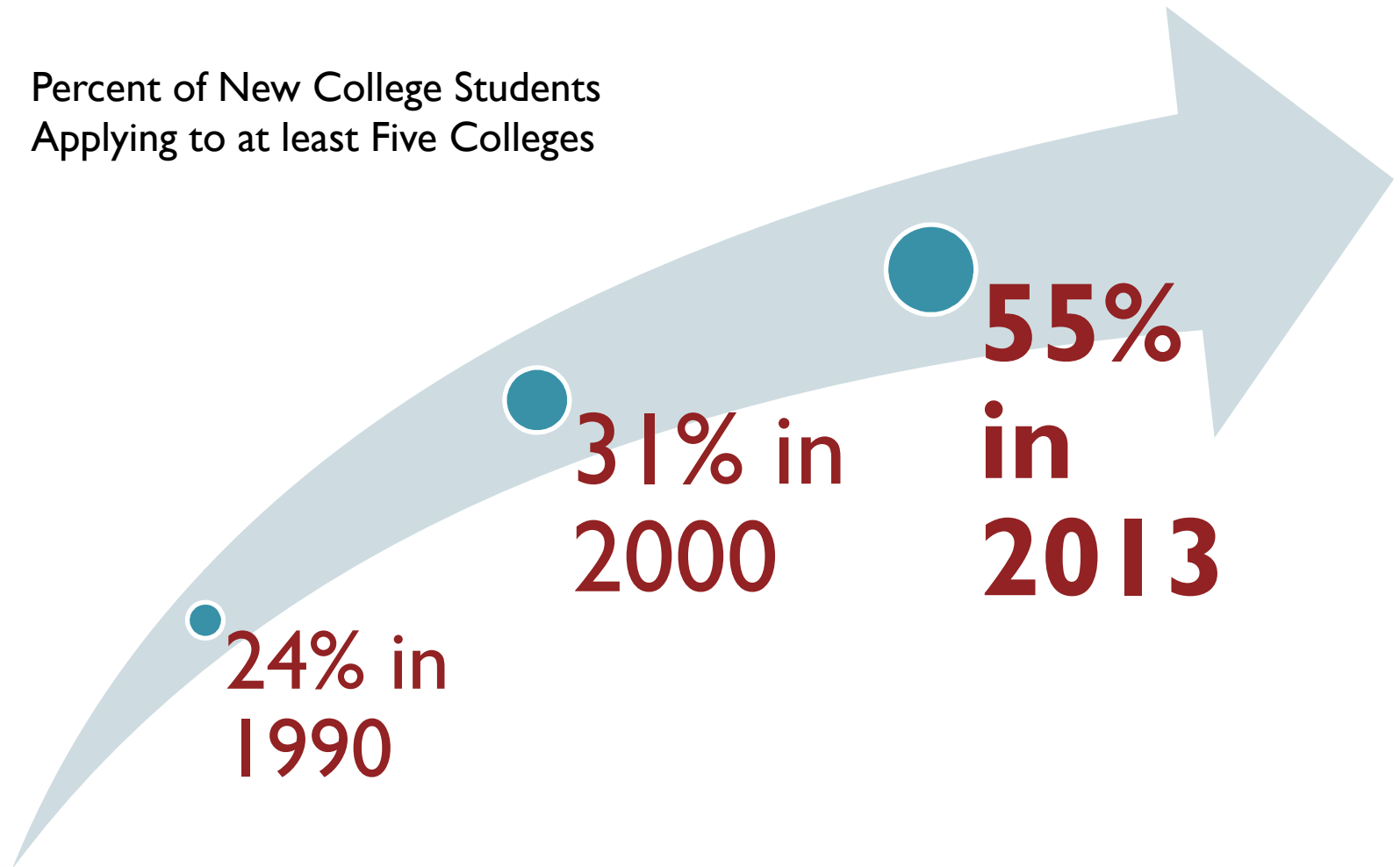
**Median Income, Families with Children
Aged 6 to 17, 2012**



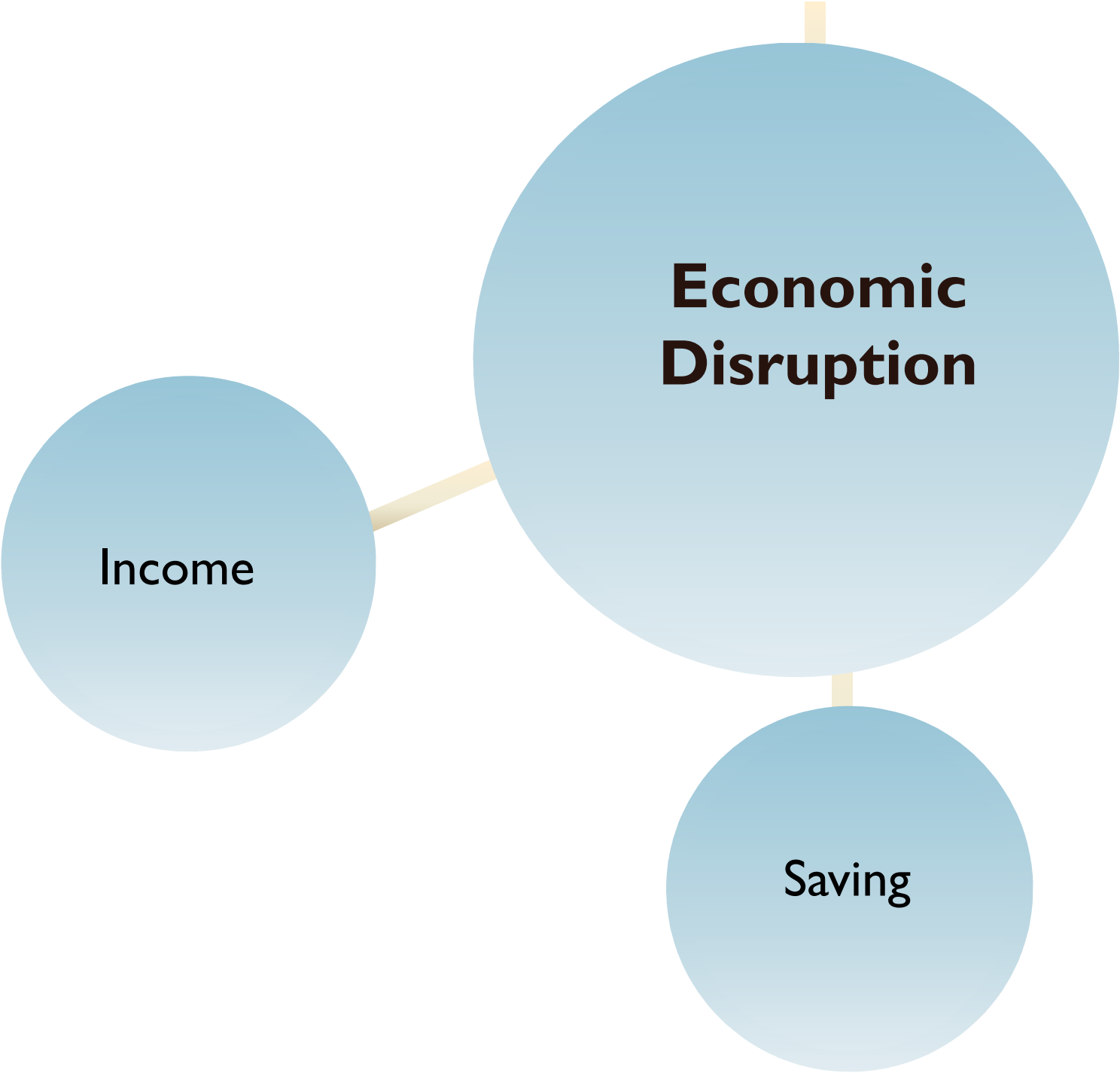
Source: US Census Bureau, CPS, Table
FINC-03, 2013

The Illusion of Demand

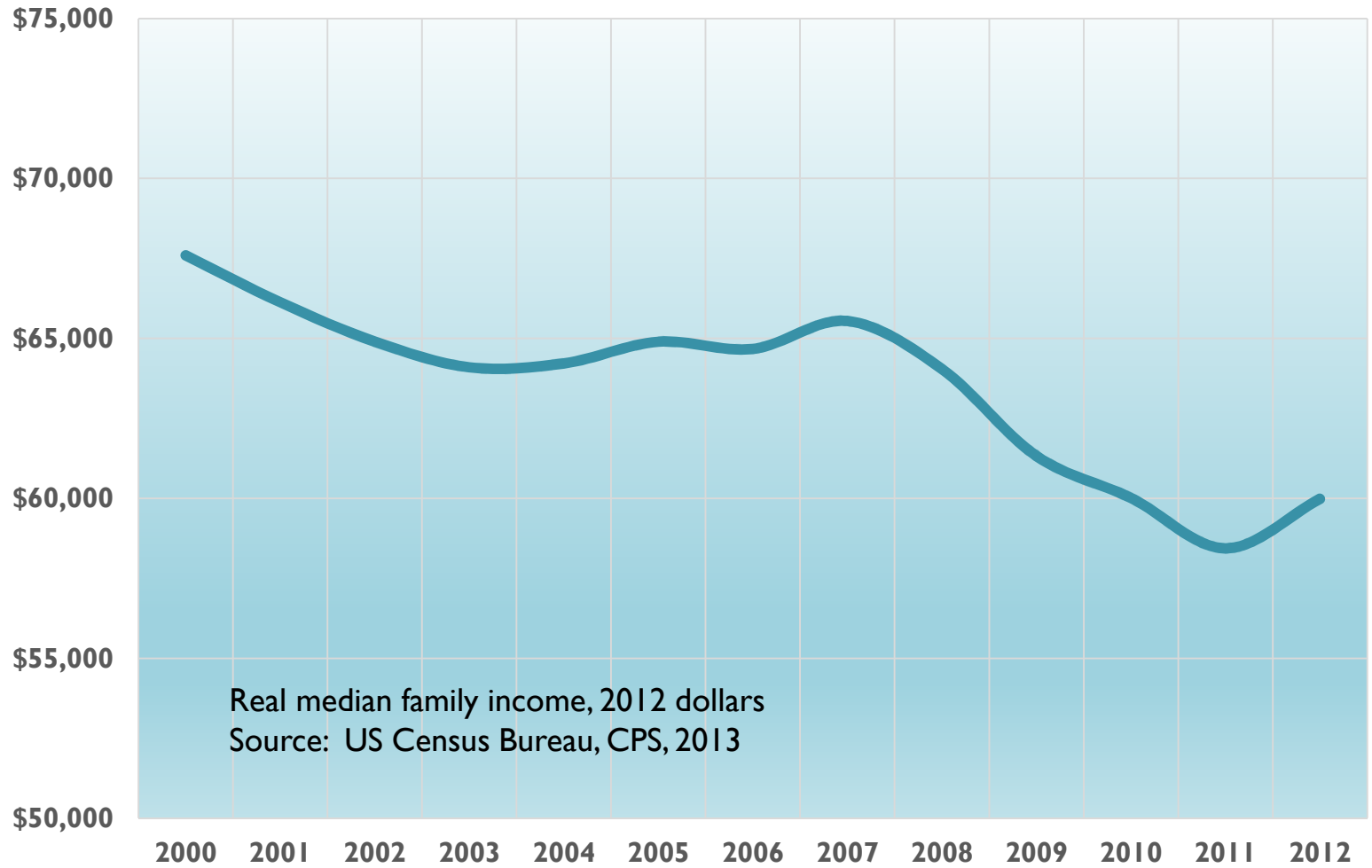
Percent of New College Students
Applying to at least Five Colleges



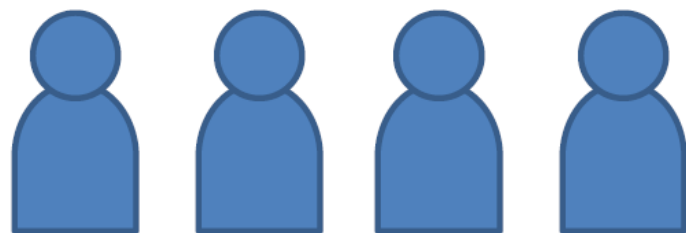
Source: UCLA, HERI



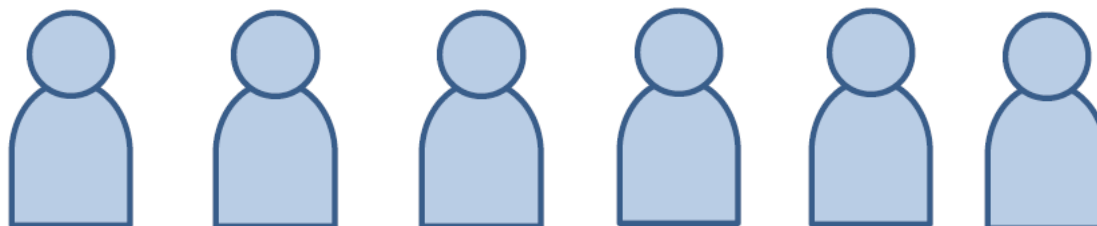
Lagging Family Income



Family Saving Practice



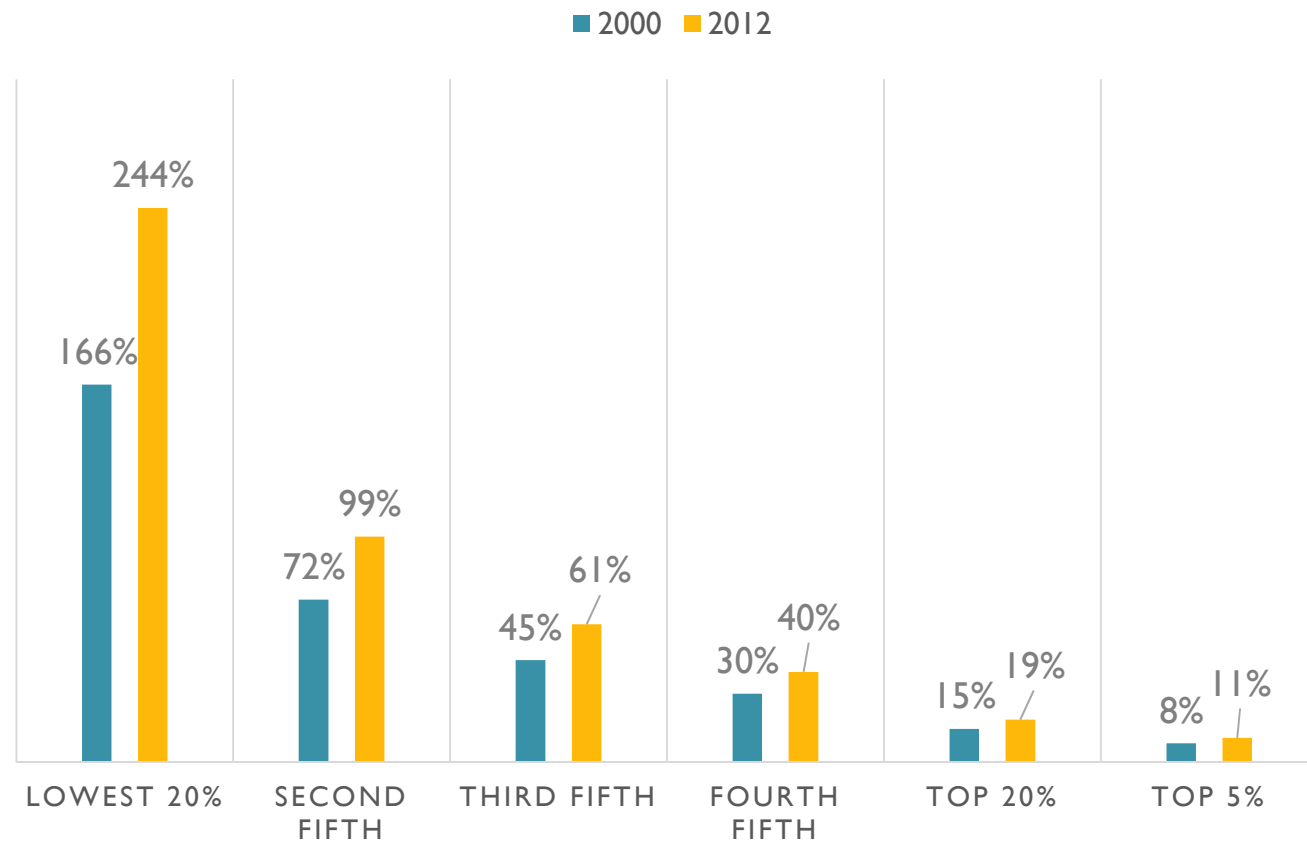
Only **4 in 10** American families indicate that they regularly save



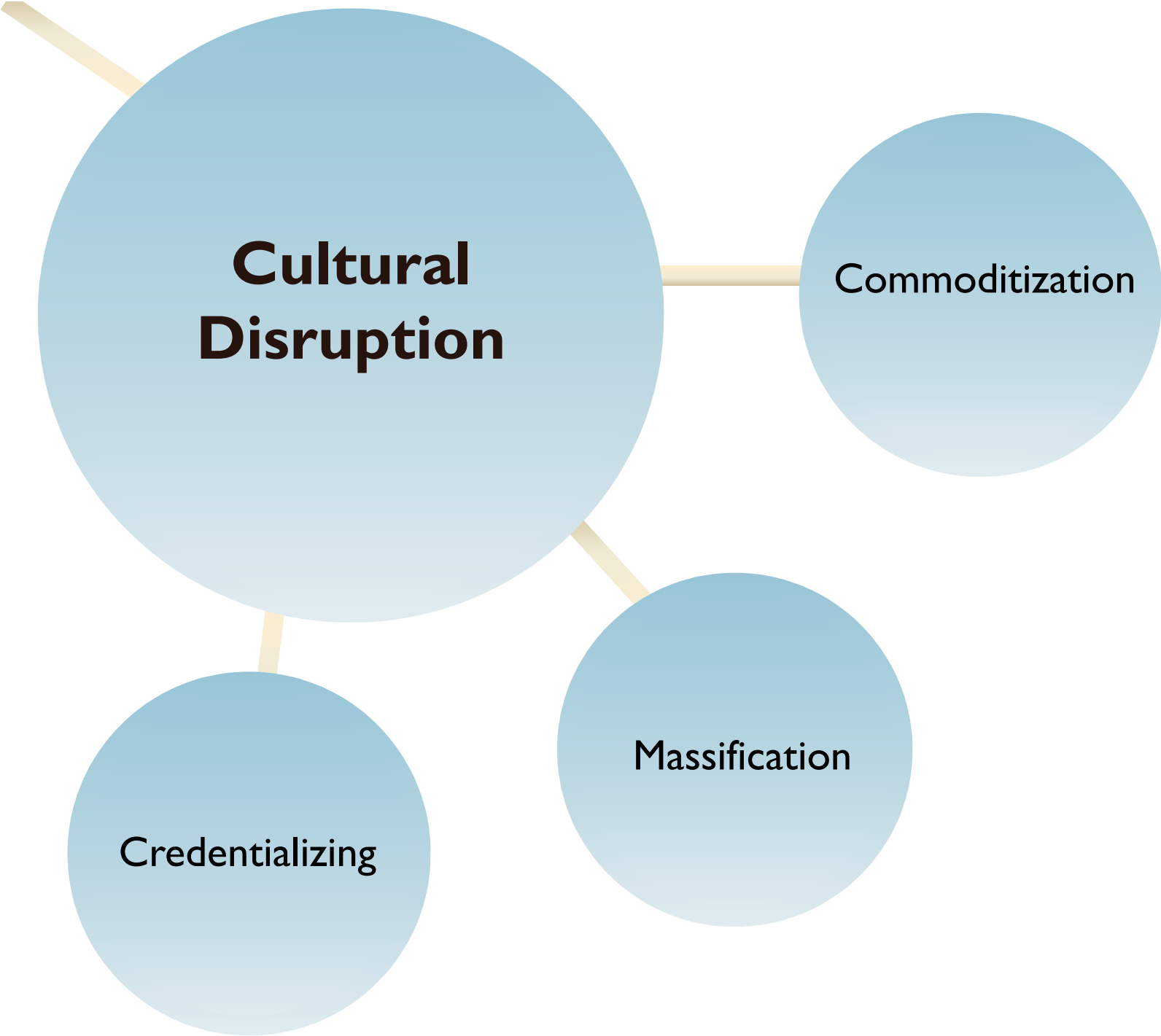
Source: Federal Reserve Board, *Survey of Consumer Finances*

Price and Income Squeeze

TOTAL COST OF ATTENDANCE AS A PERCENT OF FAMILY INCOME
BY INCOME QUINTILE, 2002 AND 2012
PRIVATE COLLEGES AND UNIVERSITIES



Sources: US Census Bureau, US Department of Education





Com•mod•i•ty n.

A good or service whose wide availability typically leads to smaller profit margins and diminishes the importance of factors (such as brand name) other than price.

Source: Merriam-Webster OnLine

Deus ex Machina



Competition, Complement, Substitute?

Udacity



coursera





No Line on the Horizon

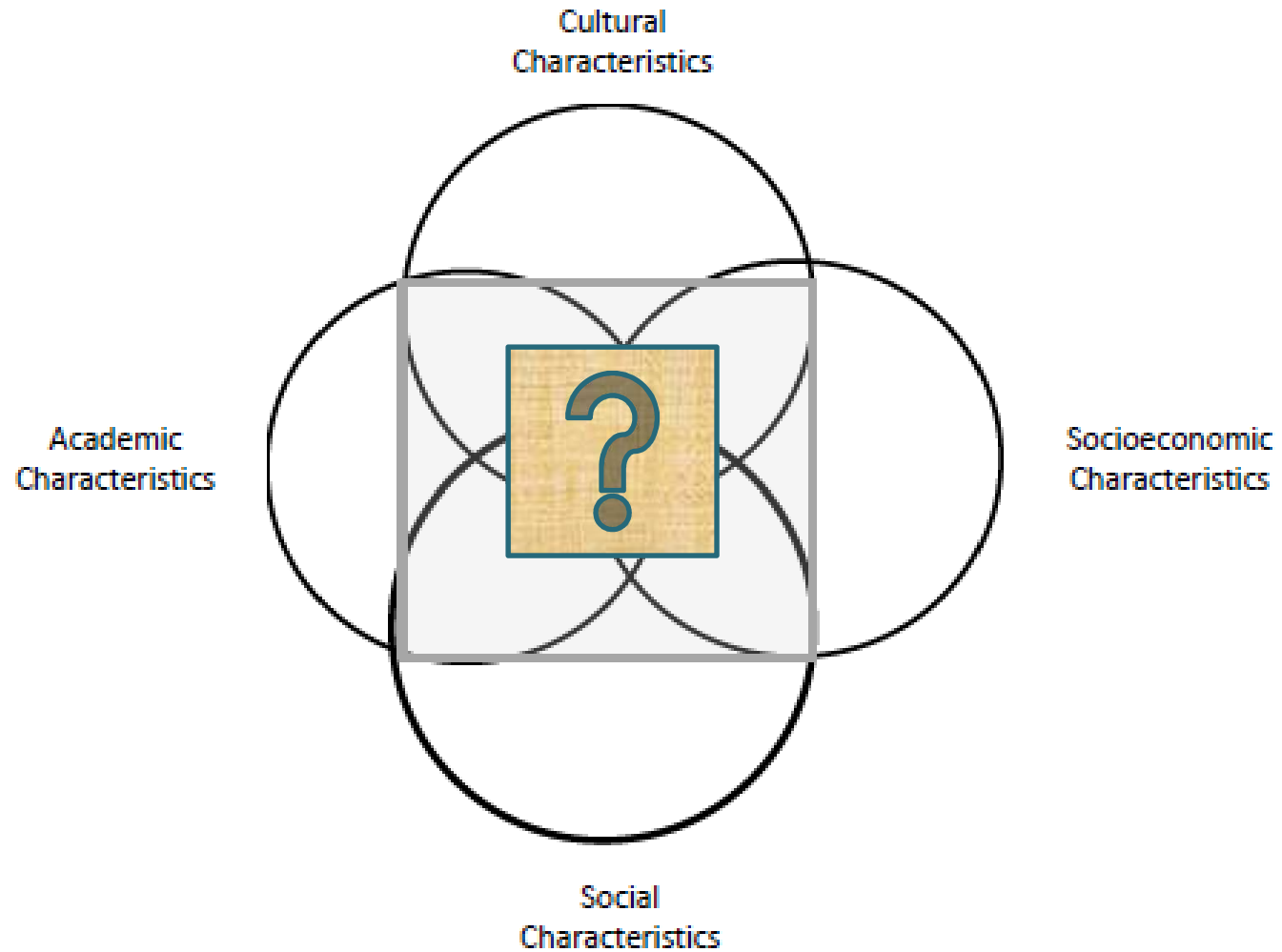
- High demand, but more admission volatility
 - Heightened price sensitivity
 - Continuously changing student profile
- Growing pressure on the traditional business and pedagogical model
 - Rising expectations and demand for services, experiences, and accountability



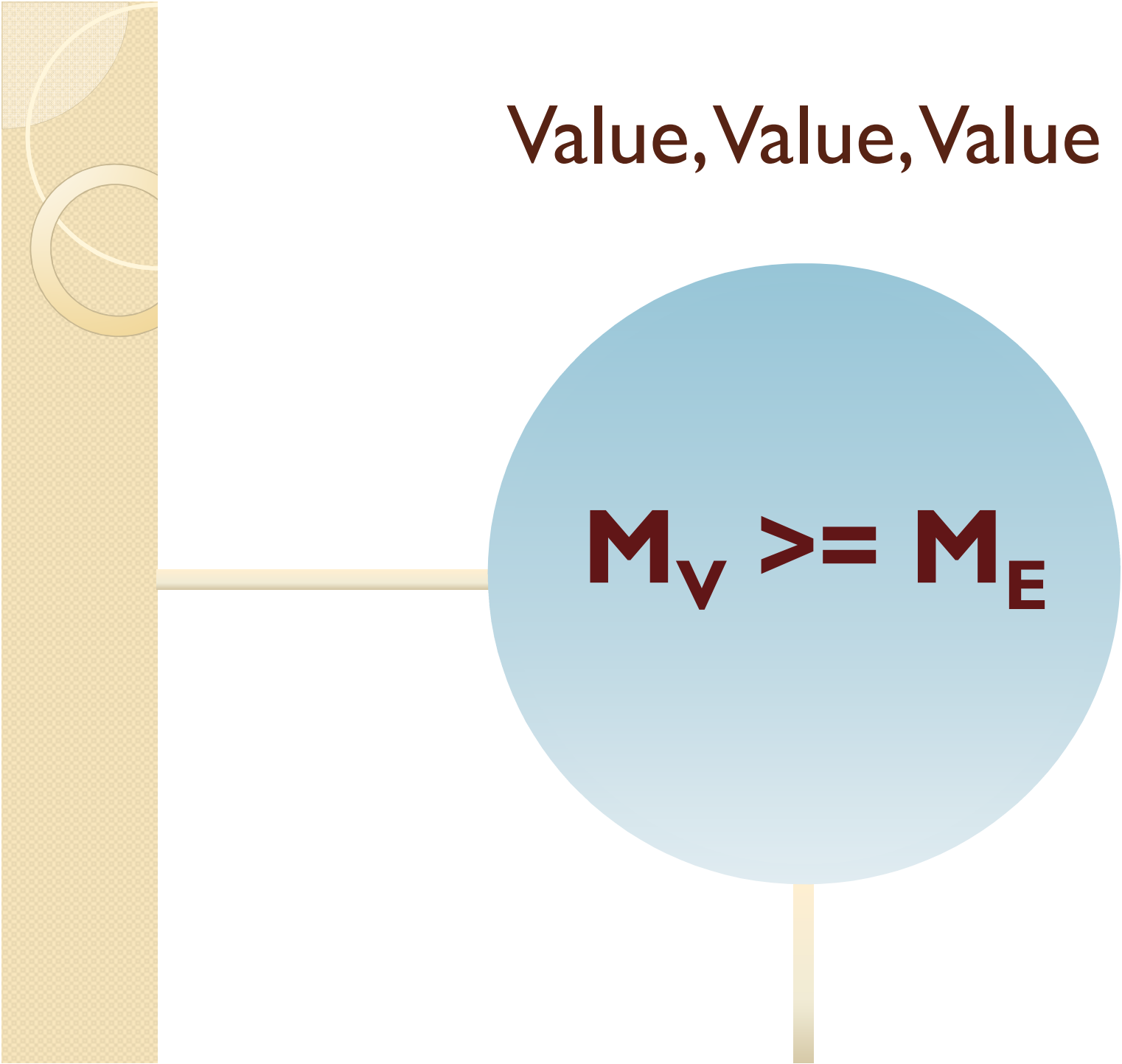
Think different.

Copyright Apple

Fit and Composition in a New Market



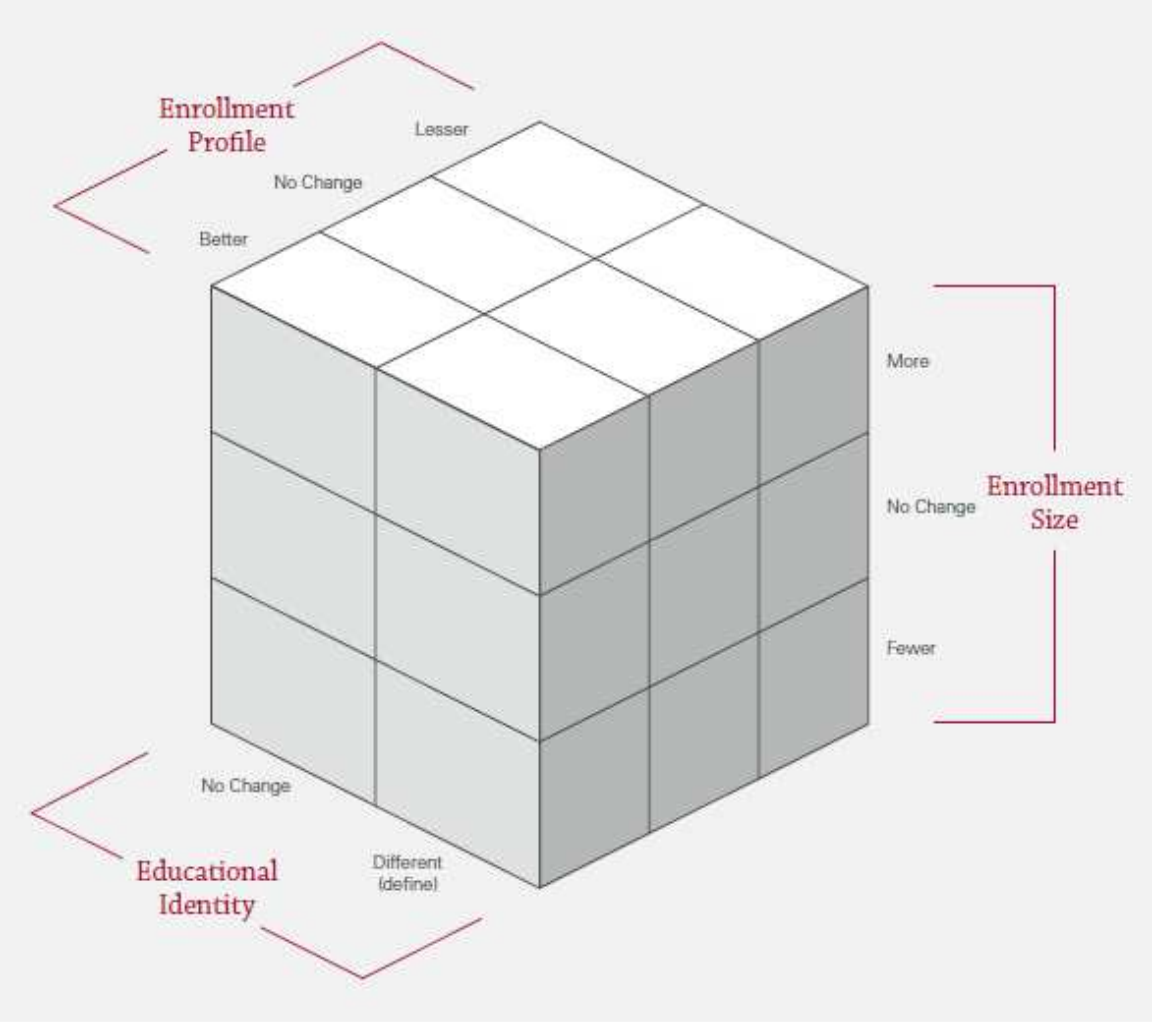
Value, Value, Value


$$M_V \geq M_E$$

Reconciliation



Integrated Decision-Making





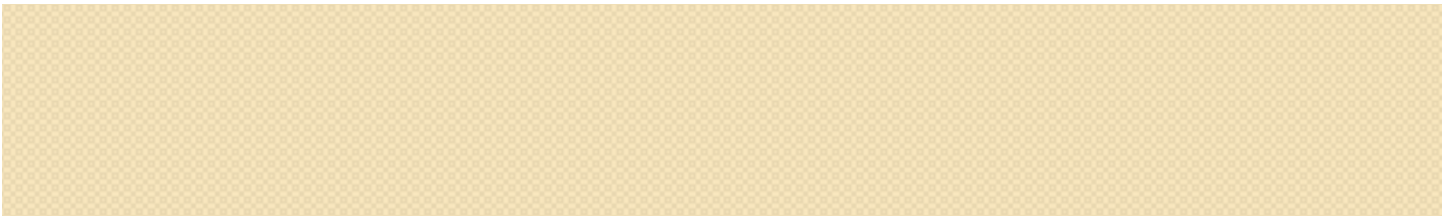
Educationonomics!

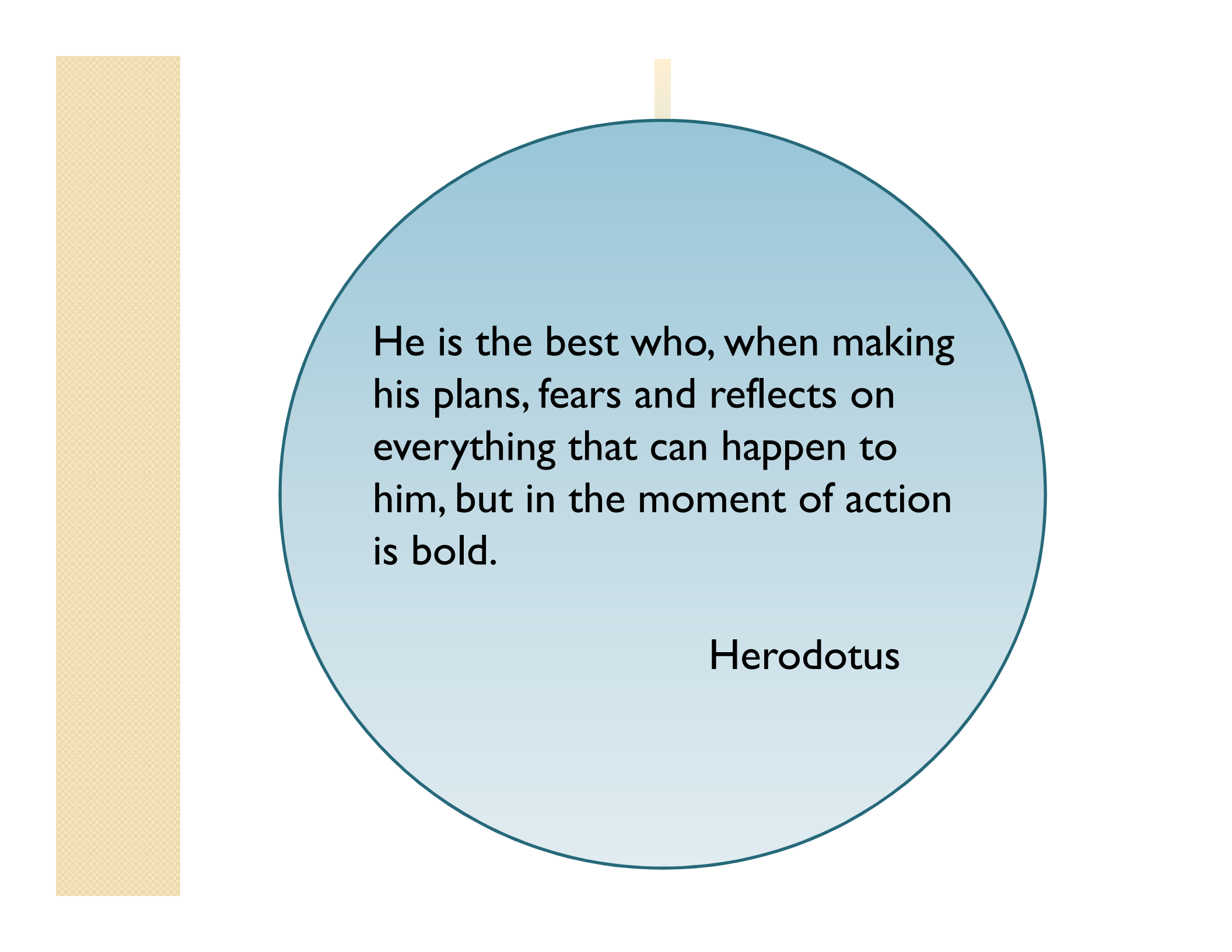
Know Thyself

Demonstrated Value is King

Seed the Future

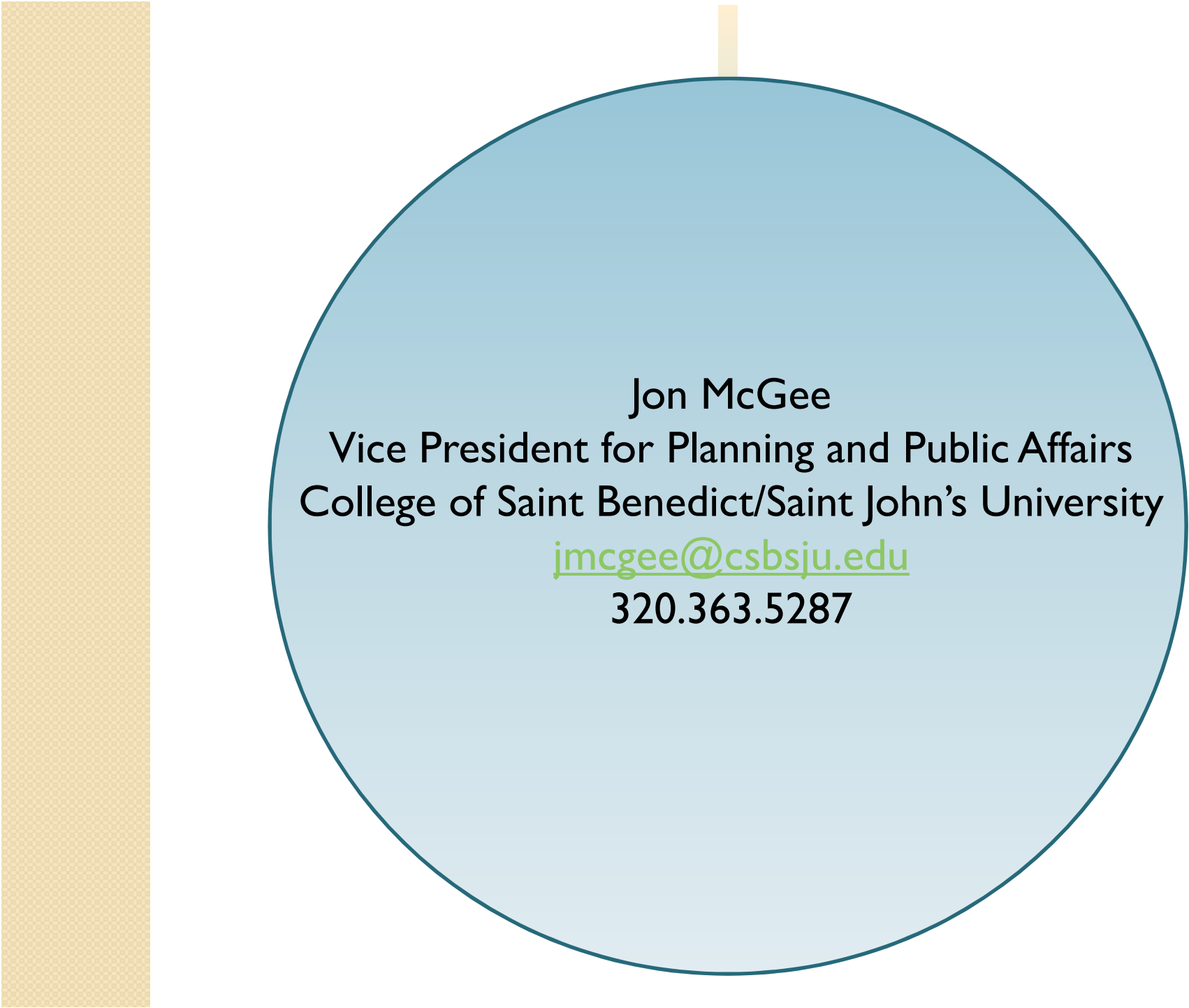
Fiscal Reconciliation





He is the best who, when making his plans, fears and reflects on everything that can happen to him, but in the moment of action is bold.

Herodotus



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College of Saint Benedict/Saint John's University

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