



**Earn**



**Graduation**



**Serve**



**Community**

# Welcome

*Fall Work Conference*

*East Georgia State College*

*Tuesday, August 6, 2013, 9am*

*Bob Boehmer*

# Vision

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

| <b>Compare:</b>    | <b>US</b> | <b>GA</b> | <b>Emanuel</b> | <b>Bulloch</b> | <b>Richmond</b> |
|--------------------|-----------|-----------|----------------|----------------|-----------------|
| HS Grads           | 84.6%     | 83%       | 73.5%          | 85.8%          | 82.3%           |
| Bachelors Degrees  | 28.2      | 27.5      | 10             | 26.3           | 19.7            |
| Veterans           | 7.07      | 7.08      | 6.37           | 6.34           | 10.26           |
| Below Poverty Line | 14.3      | 16.5      | 24.5           | 30.5           | 23.7            |

# US Soon to be Majority Minority

- "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%



States with Majority Minority "Toddler" Populations, 2012  
(percent white for persons under age 5)

| State          | Toddlers: Percent White |
|----------------|-------------------------|
| 1 Hawaii       | 15.2%                   |
| 2 New Mexico   | 24.9%                   |
| 3 California   | 25.1%                   |
| 4 D.C.         | 27.1%                   |
| 5 Texas        | 31.1%                   |
| 6 Nevada       | 36.9%                   |
| 7 Arizona      | 39.1%                   |
| 8 Maryland     | 42.2%                   |
| 9 Florida      | 42.8%                   |
| 10 Georgia     | 43.1%                   |
| 11 New Jersey  | 45.3%                   |
| 12 New York    | 47.1%                   |
| 13 Mississippi | 47.5%                   |
| 14 Delaware    | 49.3%                   |

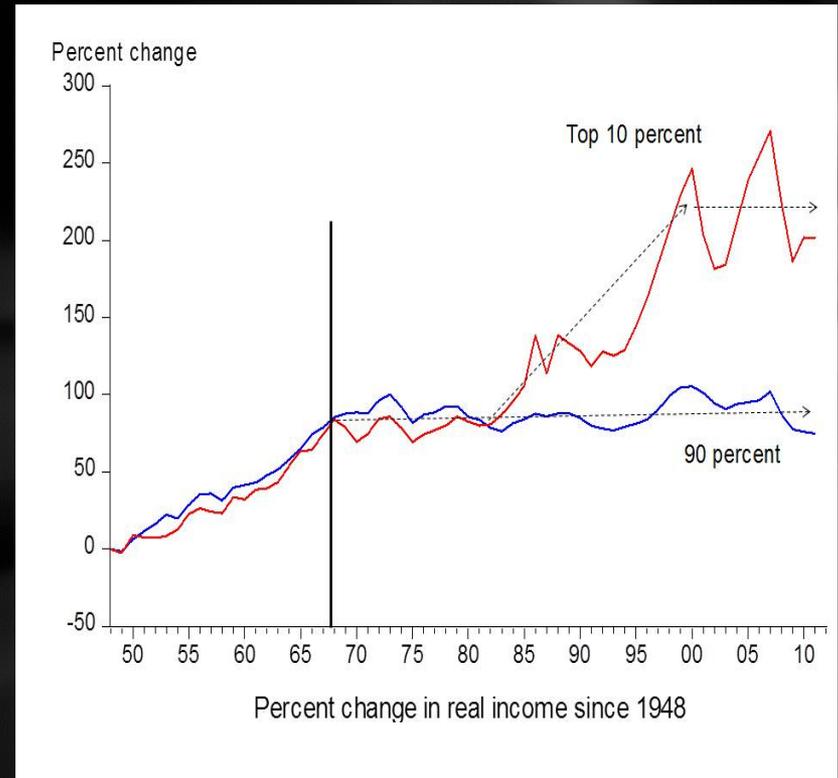
Source: William H Frey, Brookings Institution, analysis of US Census Bureau, Population Estimates, Released June 13, 2013

# Widening Gap Between Rich and Poor

"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*



Forbes

# 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*

## Examine the Scope of Student Loan Borrower Distress

By EQUAL JUSTICE WORKS

December 5, 2012 | [RSS Feed](#) | [Print](#)

It's no secret that many borrowers are struggling to pay off their [student loans](#). In the past, the Student Loan Ranger has discussed [rising default rates](#).



Defaulting on student loans has negative consequences.

The equally-telling deferment, forbearance, and [delinquency rates](#)

also continue to rise, and reporting from the *Chronicle of Higher Education* suggests that even the new and sobering Department of Education [three-year cohort default rates](#) actually under-report the financial distress of borrowers.

## ... While States Fund Lower Share of the Cost

"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

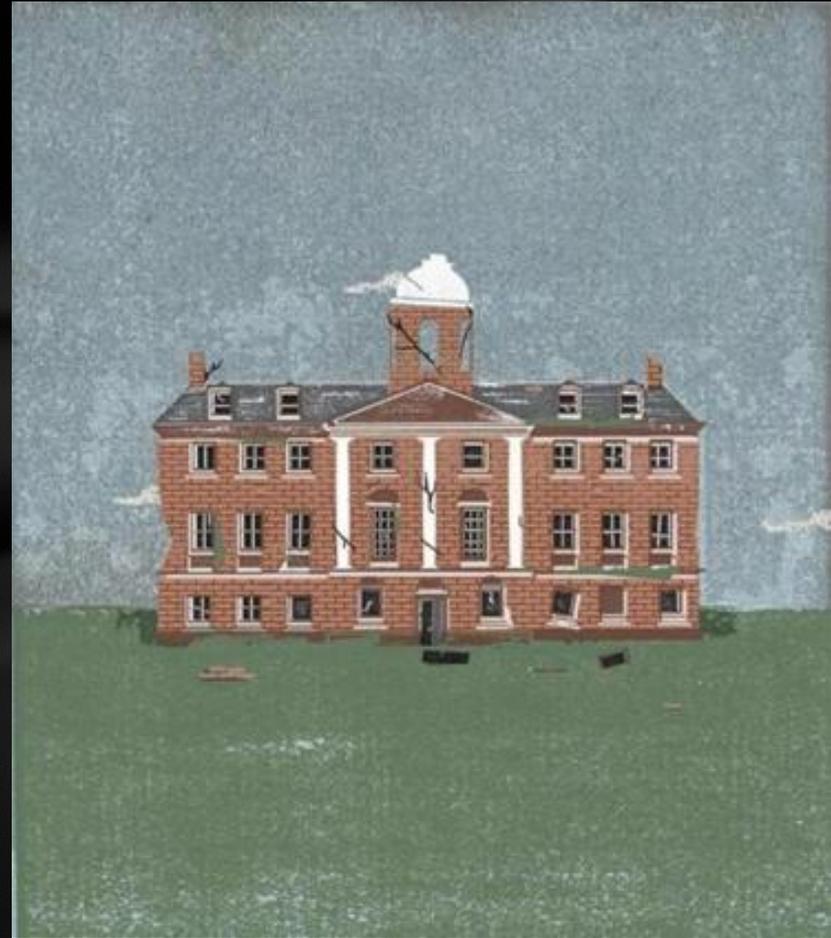
- Increased role of **online education** and **adaptive learning** systems
- Increased **focus on partnerships** with the private sector and other governmental bodies
- Enhanced focus **on graduation, retention and career placement**
- Increased recruiting targeting **minority, military and adult learners**
- 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

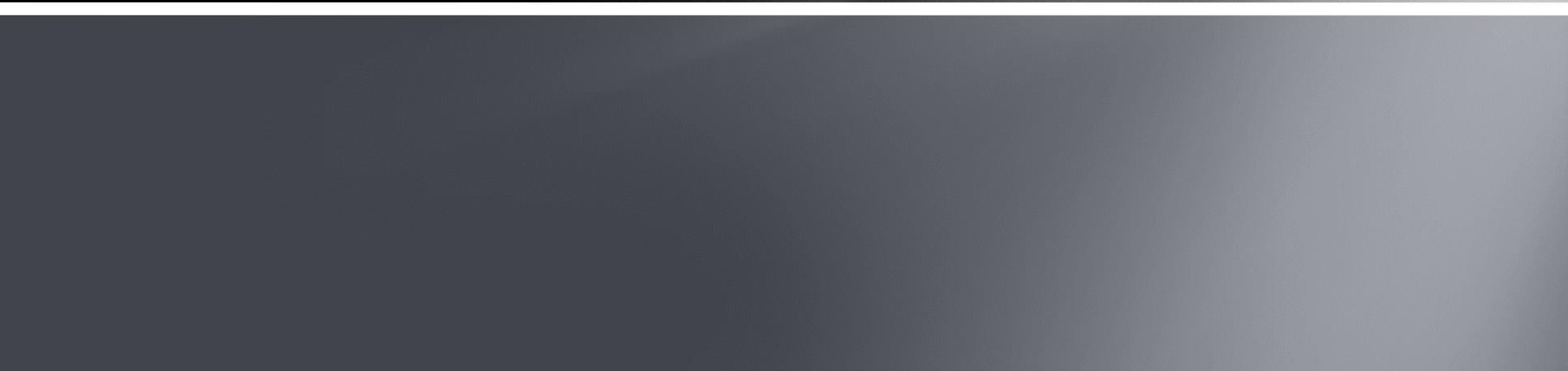
- Form **new partnerships with K-12** educators to increase expectations of college attendance and increase level of preparation for college
- Increased **focus on student recruiting including military personnel, adult learners and those with some college but no college degree**
- Develop and grow **new 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*





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