

Smart INVESTMENTSSM IN MINNESOTA'S STUDENTS

WHAT WE KNOW ABOUT ISSUES AND POLICY FOR THE TRANSITION TO HIGHER EDUCATION

THE ISSUE

Although Minnesota has high rates of educational attainment, the state needs to do more to increase student access to and success with college or other higher education options, especially for students of color and students from low-income families.

RECOMMENDED ACTIONS FOR MINNESOTA

- **Improve academic preparation** for college through more rigorous coursework at the high school level, matching support services to ensure student success in tough courses, and instituting educational reforms that align curriculum from pre-school on to college.
- **Reduce financial barriers** to college access and success through increased state investments in need-based grants.
- **Increase the knowledge that students and their families have about options and financing for college and other post-secondary opportunities** by addressing Minnesota's shortage of high school counselors, providing better and more complete college-related information to students earlier in the education pipeline, and building on successful models for programs that reach and guide students.

WHY IT MATTERS

- Education has been a key contributor to Minnesota's economic success for decades.¹
- Public sector investments in education and training better the lives of Minnesotans and improve the skills, knowledge and productivity that they bring to their jobs.²
- New jobs increasingly require at least some postsecondary education, and the educational requirements have been rising for all jobs, including those that once required no more than a high school education.³

- Successful completion of higher education has a significant impact on income levels, with average lifetime earnings for individuals with a bachelor's degree, for example, estimated to be 60 percent above the earnings of individuals with only high school diplomas.⁴ Adjusted to reflect current value, the lifetime difference is estimated at \$450,000⁵ to \$280,000.⁶
- Total personal income in Minnesota would increase by about \$4 billion annually if all ethnic and racial groups had the same educational attainment levels and earnings as whites.⁷

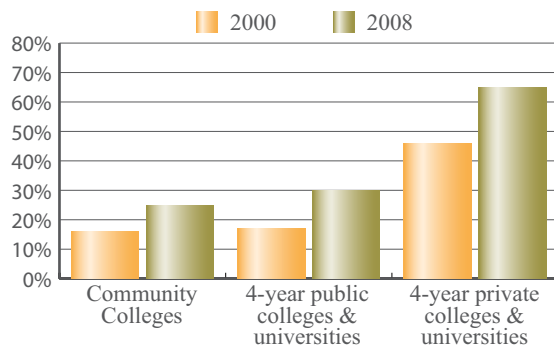
CHALLENGES FOR MINNESOTA

- With Minnesota's demographics shifting, the state must act to retain its high national standing for education attainment – Minnesota recently ranked third among states for the share of 25-34 year-olds with at least a college associate degree (48 percent).⁸
- While above national averages, Minnesota's performance on measures of college enrollment and continued study ranks below that of top performing states and states that excel on rankings for the "new economy."⁹
- For Minnesotans of color ages 18 to 24, the share enrolled in college is 9 percentage points lower than for whites, and the gap for the share graduating from four-year institutions is even larger, at 16 percentage points.¹⁰
- Demographic projections from 2005 to 2015 for Minnesota show an expected decline in white high school graduates (-17 percent) and a rise in graduates who are students of color (+40 percent), so the growth will come from the very groups least likely now to enroll in and complete higher education.¹¹

- Educational attainment lags behind in many rural Minnesota counties, especially Pine, Kanabec and Mille Lacs.¹²
- Prices for public and private colleges in Minnesota substantially exceed the national averages.¹³ Comparing 2008 to 2000 across all income groups, the average percentage of annual family income needed to pay for a year of college after financial aid has risen in Minnesota from 16 to 25 percent at community colleges, 17 to 30 percent at four-year public institutions, and from 46 to 65 percent at private four-year institutions.¹⁴

COLLEGE AFFORDABILITY HAS DECLINED IN MINNESOTA

The average percentage of annual family income needed to pay for a year of college after financial aid



National Center for Public Policy and Higher Education

- The shortage of school counselors who offer college information and guidance to high school students is striking in Minnesota, where the ratio of students to counselors is the third worst in the nation.¹⁵

SMART APPROACHES

For its initiative on *Smart InvestmentsSM in Minnesota's Students*, Growth & Justice assembled a stellar steering committee of experts and practitioners to review research on cost-effective approaches and programs to improve education. Smart investments address real disparities and actual student needs. The steering committee called for a significant increase in public-sector investment and private-sector engagement in the following smart approaches for the transition from high school to college.

- **Increased need-based financial aid** to make higher education affordable for students with limited means.
- **Education offerings and support services that prepare high school students for college** and programs that allow them to earn college credits while in high school, through rigorous courses like the Advanced Placement Program, dual enrollment initiatives like Early College High Schools that blend high school and post-secondary study, and Minnesota's Post-Secondary Enrollment Options program that allows high school students to take classes at public community colleges and universities.

- **An improvement in the ratio of high school counselors to students** from its level near 800 to 1 to a level of 500 to 1 or better, given the role of counselors in providing information to students about college and other post-secondary options and in offering guidance on the academic requirements needed for higher education.
- **Counseling and academic preparation for college readiness** similar to what's offered through the Twin Cities-based Admission Possible program, with a focus on promising, low-income students with academic potential.

SMART INVESTMENTSSM IN MINNESOTA'S STUDENTS

The Growth & Justice proposal for *Smart InvestmentsSM in Minnesota's Students*, available [here](#), highlights research-based, cost-effective policies, strategies and programs for improving education from the early childhood years through to post-secondary study, with the aim, by 2020, of increasing by 50 percent the share of Minnesota students who successfully complete post-secondary education.

Growth & Justice identified five key education stages across three critical developmental phases – Ready to Launch, Ready for Higher Learning, and Ready for Life. This issue brief focuses on the stage for the transition to higher education, but unless Minnesota pays careful attention to and invests in the entire continuum, we cannot reach our goal. For issue briefs on other key *Smart Investment* stages for Minnesota students, click [here](#).

A growing body of economic research suggests that the right investments in education can strengthen economic growth, raise the earnings power of more families and lower public costs. Educational research and economic analysis indicate that an added investment of \$1 billion a year in human capital by Minnesota would more than pay for itself.

ENDNOTES

- 1 Tom Stinson and Tom Gillaspay, "Minnesota's Economics & Demographics: Looking To 2030 & Beyond," presentation slides, July 2008, p. 2.
- 2 Matt Kane, *Smart Economic Development for Minnesota: Getting It Right in Tough Times and Beyond*, Growth & Justice, March 2009, p. 2. (Available [here](#).)
- 3 Laura W. Perna, "Improving the Transition from High School to College in Minnesota: Recommendations Based on a Review of Effective Programs," Growth & Justice, abridged, November 2007, p. 3. (Available [here](#).)
- 4 Sandy Baum and Jennifer Ma, *Education Pays: The Benefits of Higher Education for Individuals and Society*, The College Board, 2007, p. 10. (Available [here](#).)
- 5 Baum and Ma, p. 10.
- 6 Mary Pilon, "What's a Degree Really Worth," *Wall Street Journal*, posted online February 2, 2010, and citing research from Mark Schneider of the American Institutes of Research.
- 7 The National Center for Public Policy and Higher Education, *Measuring Up: The State Report Card on Education (Minnesota)*, 2008, p. 10. (Available [here](#).)
- 8 Minnesota Office of Higher Education, *Minnesota Measures: 2009 Report on Higher Education Performance*, 2009, p. 25. (Available [here](#).)
- 9 Perna, abridged, p. 6.
- 10 The National Center for Public Policy and Higher Education, pp. 6 and 9.
- 11 Projections from the Minnesota Office of Higher Education, "Minnesota High School Graduates Will Peak in 2009," *Insight*, April 2006. (Available [here](#).) Calculations by Growth & Justice.
- 12 Perna, abridged, p. 7.
- 13 Laura W. Perna, "Improving the Transition from High School to College in Minnesota: Recommendations Based on a Review of Effective Programs," Growth & Justice, unabridged, November 2007, p. 39.
- 14 The National Center for Public Policy and Higher Education, p. 7.
- 15 Perna, abridged, p. 19.