Can Virginia lead the way in shaping a future of opportunity and prosperity in the knowledge-based global economy?

We believe it can—and must.

Grow By Degrees
A Campaign of the Virginia Business Higher Education Council

www.growbydegrees.org
GROW BY DEGREES

aims to fuel Virginia’s strong recovery and sustained economic growth through high-impact investments and innovations in our public colleges, universities and community colleges.

Our 2020 Vision promises a prosperous, entrepreneurial Virginia that ranks among the top states and countries in educational attainment and personal income. Access to an affordable, high-quality college degree is increasingly a prerequisite for success in the fast-changing, high-tech economy. Virginians who earn college, university or community college degrees enjoy substantially greater opportunities for good jobs, rewarding careers, high incomes, and positive contributions to the community.

Investing in our public colleges, universities and community colleges—especially in high-quality degree and certificate programs that prepare Virginians for high-demand jobs in the emerging economy—will produce enormous economic benefits for the Commonwealth.

The GROW BY DEGREES Coalition includes civic-minded organizations and individuals with a wide variety of perspectives and backgrounds. All share a conviction that Virginians, regardless of income, should have access to the broader economic horizons opened by a college education. All share a belief that only a sustained program of investment and innovation in higher education—embodied in state law and in the business plans of our educational institutions—will make Virginia a national and international leader in attracting new business investment, research grants, and excellent job opportunities in the new economy.
The Critical Issue

Wide Gap Between Expectations and Reality

The critical issue lurking just below the surface in Virginia’s state and legislative elections this year is the wide gap between the education Virginians know they need for success and the educational level most Virginians actually are attaining.

A recent opinion survey by leading Republican and Democratic pollsters showed that more than 75 percent of Virginia voters believe a four-year or community-college degree is essential for success in the new economy. Yet only 35 percent of college-age Virginians currently enroll in college, and only 42 percent of working-age Virginians have college degrees. Our 2020 Vision provides a blueprint for increasing the percentage of Virginians with college degrees to 50 percent by 2020—an achievable goal that will place Virginia on course to be a national and international leader in educational attainment and personal income.

Decade of Disinvestment

Cost-Burden Shift to Students and Parents

Virginians are proud of their higher education system. Many of our colleges and universities consistently rank among the nation’s best. But a dramatic decrease in state funding for public higher education during this decade has charted an entirely new course—toward mediocrity.

Although the state’s general fund budget has grown significantly since 2000, funding for Virginia’s colleges, universities, and community colleges has declined sharply on a per-student basis. In constant dollars, per-student funding for Virginians at our four-year colleges and universities has dropped roughly 40 percent since 2000—from $10,675 to $6,586 (excluding the temporary federal stimulus funding). Our community colleges have incurred an almost 30-percent reduction in constant-dollar, per-student funding—from $4,930 to $3,477—during the same period. Much of this cost has been shifted to tuition-paying students, squeezing low- and middle-income family budgets during tough times, and increasing the student-loan debt burden on young people just as they are entering the competitive world of work.

Breaking the Cycle

Sustaining Support in Good Times and Bad

Virginia must break the familiar boom-bust cycle of higher education funding by which state support for our public colleges, universities and community colleges is cut first and deepest whenever economic challenges appear. This cycle makes it impossible for students and parents to prepare for tuition costs and for higher education institutions to plan and manage resources effectively.

The failure to provide sustained levels of investment in higher education ultimately hurts all citizens, especially taxpayers. In the long run, they foot the bill for shortsighted cutbacks to a higher education enterprise that produces a positive economic return, more tax revenues, and lower social service costs. They suffer, too, as the Commonwealth loses ground on business expansion and high-wage job creation to vigorously competing states and countries.

A Sound Investment

Economic Benefits of Higher Education

GROW BY DEGREES advocates a sustained, long-term program of higher education investment and reform, embodied in state law, to ensure affordable access for Virginia students and to generate strong economic activity and growth revenues for the Commonwealth.

The economic benefits from public higher education have been well-documented across the nation. College graduates on average earn about twice the incomes of persons without college degrees and pay thousands more in federal, state and local taxes. Lower levels of crime, reliance on public assistance, and other social service demands are closely correlated with educational attainment, meaning that college graduates on average require substantially fewer services funded by tax dollars. Colleges and universities are engines of economic growth, creating thousands of well-paying jobs, attracting millions in research grants, contributions and tuition payments from outside the Commonwealth, boosting local and regional economies, and preparing the highly educated and skilled workforce that serves as a magnet for new business investment and job creation.

Later this year, the Virginia Business Higher Education Council (VBHEC) and the Weldon Cooper Center for Public Service at the University of Virginia will report the results of a comprehensive economic impact analysis that assesses the economic benefits of the public higher education system in Virginia and resulting educational attainment and income creation.
The Case for More Degrees...

Nations and states with the highest proportion of their populations holding college degrees are high-wage locations that are globally competitive and entrepreneurial, with high levels of technology and innovation embedded in their workforce, products and services. More Virginians with college degrees means higher incomes for Virginia families, more robust growth for the Virginia economy, and a more productive, responsible, and fulfilled Virginia citizenry.

Where We Stand...

Though college attendance by Virginians has improved over time, Virginia still ranks disappointingly just above the national average. A large number of college-educated workers who currently fill high-wage jobs in Virginia come from other states and countries, contributing to Virginia’s #11 ranking in the percentage of population with an associate degree or higher. While importing talent is a sign of a healthy state, so is preparing young Virginians for the best job opportunities. The respected National Center for Higher Education Management Systems recently projected that, without a sharp increase in the percentage of college-age Virginians receiving degrees, the Commonwealth will fall well behind the best-educated states and countries.
Science and Technology

Targeting the new degrees to high-income, high-demand job sectors

It’s not just a question of how many degrees—the key is the type of degrees. The 70,000 cumulative additional degrees earned in the next decade should be concentrated in high-income, high-demand sectors, such as science, technology, engineering and mathematics (STEM), and in areas that are experiencing shortages of skilled workers, such as healthcare and teaching.

This focus will enable thousands more Virginians each year to gain secure, well-paying employment and launch productive careers in high-impact occupations and professions. It will keep Virginia competitive with states and countries that are making vital investments in human capital so they will become magnets for business investment and job creation in the new economy.

America’s strength has always been its unsurpassed creativity and innovation. That advantage is at risk as other countries outpace us in producing STEM graduates. Virginia can show the nation the way to sustained global leadership in science and technology by making a visionary commitment to higher educational attainment in those crucial disciplines—and keeping that promise.

Cost-Saving Innovation

Creating cost-efficient new ways to access college degrees

Virginia cannot achieve the goal of 70,000 additional degrees by using only traditional methods. We must develop innovative new pathways to degree attainment and more efficient approaches for providing educational opportunities while holding down the cost to tax- and tuition-paying families.

New technologies for distance learning and online study, more early-college opportunities in high schools, and more transfer options through the community college system are just some of the approaches for achieving greater access to a college education in new, cost-efficient ways.

Higher education restructuring legislation enacted in 2005 and other reforms have enhanced transparency, accountability, and cost-efficiency on Virginia’s college campuses. Greater managerial flexibility and relief from unnecessary and costly bureaucratic requirements could reduce costs still further. Most important, Virginia’s leaders need to enact a sustainable, long-term program of higher education investment that will enable our colleges, universities and community colleges to moderate tuition increases, plan strategically, and manage themselves efficiently.
Employable Work Skills

Expanding job-specific training at community colleges

Virginians have great confidence in the community college system, which reaches to every part of the Commonwealth and serves a wide range of students. For many students—young people and adults—community colleges provide the opportunity to gain employable work skills that are required in today's high-tech economy for everything from healthcare and construction to auto repair and manufacturing.

Virginia’s community college system is a uniquely valuable resource that can help many more Virginians gain the education and skills needed to succeed in life. The Commonwealth should expand the system’s capacity and focus on creating more job-skill retraining and industry-specific courses for workers of all ages throughout their lifetimes. Collaborations between job-creating businesses and community colleges produce exceptional value for students, employers, and the Commonwealth, and should be pursued on the broadest possible basis statewide.

Research Partnerships

Increasing public-private collaboration on university-based research

University-based research attracts high-tech business enterprises, leverages federal and private grant dollars, helps recruit and retain top faculty, and creates outstanding educational opportunities for students. Public-private partnerships that facilitate research and development programs often produce other tangible benefits, from creating clusters of industry-specific development to turning new discoveries into commercially viable products and processes.

Studies of Virginia’s leading research universities and others around the country have documented the strong economic return from state investments in research programs. Virginia needs a clear and sustainable policy that provides tangible incentives for increased public-private collaboration on research, especially in areas in which federal and private entities are investing heavily, such as “green” technology, clean alternative energy, and advanced healthcare.
Regional Development

Enhancing economic development and workforce initiatives in each region

Strong and vibrant colleges, universities and community colleges are crucial for every region of Virginia. They improve the quality of life, ensure a skilled workforce, and provide a catalyst for economic development and business investment.

In today’s knowledge-based economy, no regional strategy for economic development and job creation can hope to succeed without an active and ongoing partnership between the region’s higher education institutions, businesses, local governments, and economic development organizations, among others. To realize the distinctive potential of every Virginia region in this dynamic new economy, the Commonwealth must foster greater regional collaboration and public-private partnerships on workforce training, research initiatives, business recruitment efforts, small business development, and community enrichment. No institutions have greater potential impact across all of these aspects than the colleges, universities and community colleges in each region.

Affordable Access

Making college affordable for low- and middle-income students and families

Virginia must make a firm and clear commitment of state support to ensure that a college education is affordable and accessible for all Virginians, including those in low- and middle-income families. Such a commitment will require reversal of the decade-long trend toward dramatically lower per-student funding at the state level.

While Virginians should be pleased that some state colleges and universities regularly receive high national rankings for value, the Commonwealth is in no sense a low-tuition state. To the contrary, tuition and educational fees at Virginia’s public four-year colleges and universities have more than doubled in the last decade, and in 2008-2009 were the 10th highest in the nation. Virginia likewise ranked eleventh in the debt burden borne by graduating students. The average cost for an in-state undergraduate student living on campus in 2008-2009 was equal to 40 percent of Virginians’ per capita disposable income.

These statistics reveal a system under extreme duress, with intolerable consequences for low- and middle-income families that are already hard-pressed by tough economic conditions. While there are numerous potential strategies for making higher education affordable for more Virginians, three proposals are especially worthy of attention:

- Codified Commitment – Enact a new state law expressing the Commonwealth’s clear commitment to enhanced educational attainment and affordable access, providing a long-term investment blueprint, and locking in a reliable funding source or sources.
- Tuition “Rainy Day” Fund – Establish a reserve fund to ameliorate the impact of swings in state revenue collections and protect Virginia families from sudden and steep tuition hikes caused by the familiar boom-bust funding cycle.
- Middle-Class Financial Aid – Increase student financial aid for low-income families and provide expanded eligibility for middle-class families.
About the GROW BY DEGREES Coalition

Our Coalition is comprised of business, community, education, and economic development leaders and organizations from throughout Virginia. Though they reflect a variety of perspectives and backgrounds, Coalition members share a conviction that Virginians, regardless of income, should have access to the broader economic horizons opened by a college education. They also share a belief that only a sustained program of investment and innovation in higher education—embodied in state law and in the business plans of our educational institutions—will make Virginia a national and international leader in attracting new business investment, research grants, and excellent job opportunities in the new economy.

About the Virginia Business Higher Education Council (VBHEC)

VBHEC was founded in 1994 by Virginia business leaders on the principle that the prosperity of Virginia and the well-being of its citizens is fundamentally tied to access to a strong system of public colleges and universities. A nonprofit, nonpartisan partnership between Virginia’s business community and higher education leadership, VBHEC’s mission is to enhance the performance of Virginia’s public colleges, universities and community colleges and their funding by state government so they can produce the greatest possible positive impact on Virginia’s economy. VBHEC is committed to educating the public about higher education’s crucial role in Virginia’s economy, and it strives to secure the support needed for the Commonwealth’s colleges, universities and community colleges to rank among the nation’s best.

JOIN THE COALITION

The GROW BY DEGREES Coalition has been formed to support the Virginia Business Higher Education Council’s efforts to educate Virginia leaders on the important connection between job growth, economic prosperity and increasing the number of Virginians who receive a college degree. The Coalition will include individuals and organizations who support the goals outlined in this publication.

To learn more about us or to join the GROW BY DEGREES Coalition, please visit our website at www.growbydegrees.org.

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