



EMBARGOED UNTIL 6:30 P.M. (EST)

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## **Commissioner calls for increased return on investment in higher education**

INDIANAPOLIS - Higher Education Commissioner Teresa Lubbers made an urgent appeal to dramatically increase the education level of Hoosiers with specific calls to action for state lawmakers, Indiana colleges and students during the first State of Higher Education Address.

"It is not an overstatement to say that Indiana's future—the kind of state we will be—has more to do with increasing education attainment than anything else," said Lubbers. "The payoff is more opportunities, greater job security and higher earnings for Hoosiers—and a stronger economy, workforce and middle class for our state."

### **Meeting the Big Goal**

Indiana's Big Goal is to increase the number of Hoosiers with higher education to 60 percent of the state's population by 2025. But, Indiana confronts a Big Gap: Only a third of Hoosiers have more than a high school diploma currently while nearly two-thirds of jobs in Indiana this decade will require further education that includes one-year workforce certificates, two-year associate degrees, four-year bachelor's degrees and beyond.

On average, Indiana college graduates will earn an extra \$20,000 per year and more than \$1 million over their careers compared to high school graduates. If Indiana reaches the 60 percent attainment goal, average Hoosier incomes are projected to increase by more than \$1,800 per person and annual state revenue would increase by \$1.5 billion.

### **Improving Indiana's Return on Investment**

Lubbers noted that the Commission's new "Return on Investment" report, released in conjunction with the State of Higher Education address, shows in vivid terms the need for increasing Hoosiers' education attainment. Today only 3 in 10 Hoosier students complete a four-year degree on time and less than 1 in 10 earns a two-year degree on time. Taking an extra year to graduate can cost a Hoosier student \$50,000 or more in extra tuition, lost wages and related expenses, and it significantly decreases the odds that students will graduate at all.

"The question isn't whether more Hoosiers need higher education, but rather how do we produce a greater return on investment for our students and our state," said Lubbers. "Right now we have too few students who graduate and even fewer who graduate on time. We are producing too few degrees, especially in high-demand fields. And, we have too much student debt, especially for those who exit college with debt and no degree."

### **Achieving More: A Call to Action**

Lubbers called for specific actions from the state, Indiana colleges and Hoosier students, including the following:

- **State:** During the upcoming legislative session, the Commission is asking the Indiana General Assembly to: 1) sustain support for a performance-based funding formula that drives dollars to colleges based on key success measures, 2) reverse a downward trend in state support by investing more in higher education, and 3) create new financial aid incentives that reward students for performing academically and graduating on time.
- **Colleges:** The Commission is calling for Indiana colleges to limit any increases in tuition and fees for Hoosier students at or below the rate of inflation and to promote college advising and financial aid policies that encourage students to graduate on time with minimal debt.
- **Students:** The Commission wants all Indiana college students to create an on-time graduation plan, to complete at least 15 credits per semester (30 credits per year) to graduate on time, and (as a general rule) limit the amount they borrow for college to no more than their expected annual starting salary after graduation.

Subtitled, “*How Hoosiers Can Get More for Their Higher Education Dollars,*” the new Return on Investment report is a companion piece to the Commission’s “Reaching Higher, Achieving More” strategic plan. Adopted by the Commission last year, the “Reaching Higher, Achieving More” strategic plan calls for series of reforms in Indiana’s higher system that would promote improved college completion, affordability and academic quality.

In a follow-up “*Return on Investment*” report planned for public release later this year, the Commission will provide more detailed information for each Indiana college campus to further assist Hoosier students and families in making informed decisions and getting the best possible return on their higher education dollars. To read the Commission’s strategic plan or the new Return on Investment report, visit [www.che.in.gov](http://www.che.in.gov).

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## FAST FACTS: Return on Investment

### Challenges:

- Only 3 in 10 Hoosiers complete a bachelor’s degree on time (within four years) and less than 1 in 10 earns an associate degree on time (within two years).
- An additional year of college can cost a Hoosier student nearly \$50,000 in extra tuition, lost wages and related costs.
- On average, Hoosier college graduates borrow more than \$27,000 to finance a four-year degree, and loan default rates have increased by 35 percent over the last three years. Students who finish with debt and no degree are four times more likely to default on their student loans.

### Opportunities:

- On average, Indiana college graduates will earn an extra \$20,000 per year and more than \$1 million over their careers compared to high school graduates.
- Over 10 years, average earnings for Hoosiers with a bachelor’s degree increased by nearly 90 percent while those with an associate degree or certificate increased by more than 40 percent. In contrast, wages for recent high school graduates have fallen by 11 percent.
- If Indiana reaches the 60 percent education attainment goal, average Hoosier incomes are projected to increase by more than \$1,800 per person and annual state revenue would increase by \$1.5 billion. Even in 1 percentage point increase in the number of people with college degrees leads to 2 percent increase in overall economic activity.

Learn more about increasing Indiana’s return on investment in higher education at [www.che.in.gov](http://www.che.in.gov).