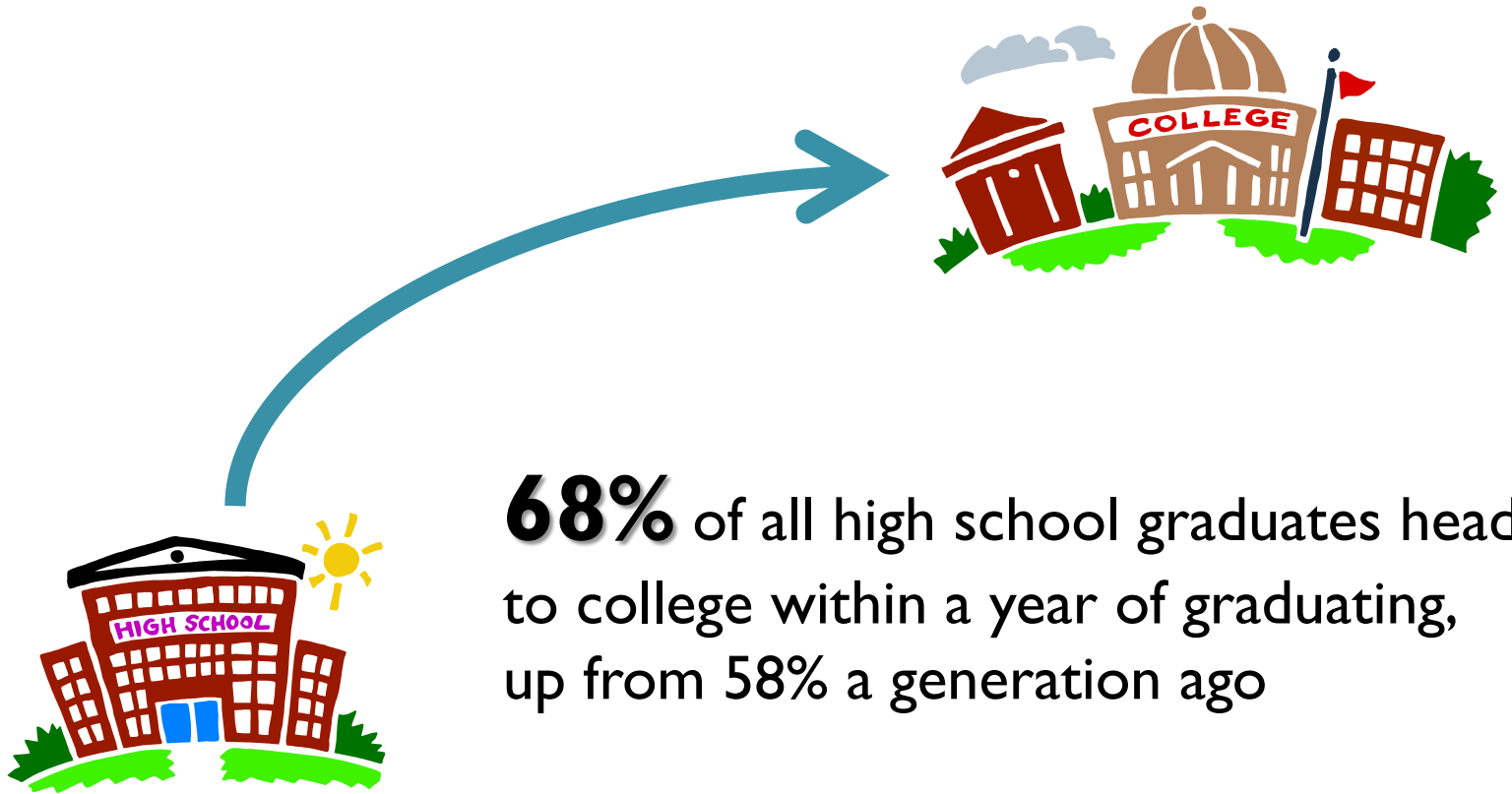




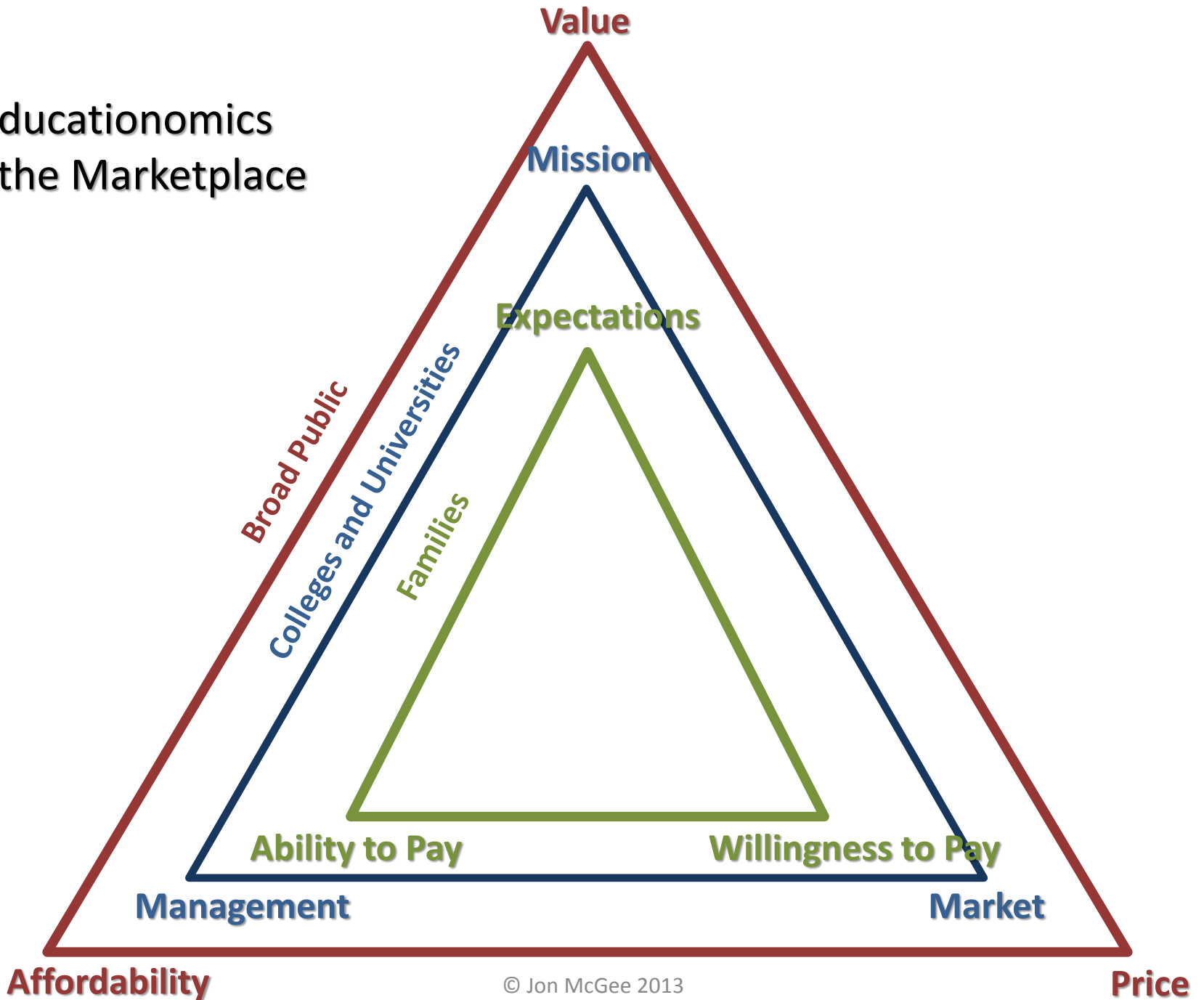
# **Educationomics**

Jon McGee  
College of Saint Benedict/Saint John's University  
2013

# Boom



# Educationomics in the Marketplace



# Forces of Disruption

Demographic  
Disruption

Economic  
Disruption

Cultural  
Disruption

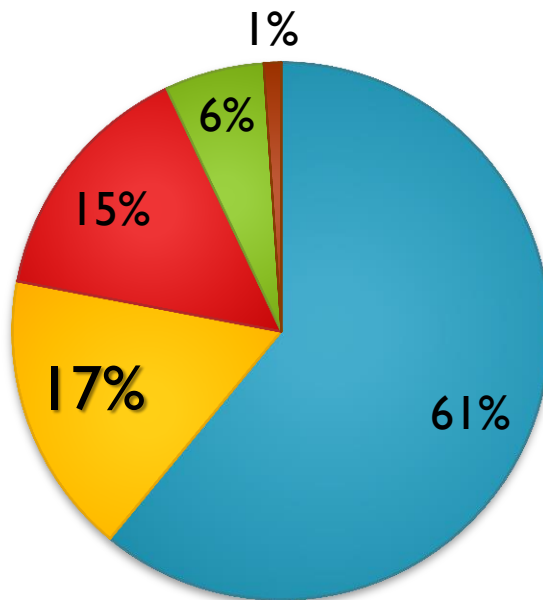
# Demographic Disruption

Composition

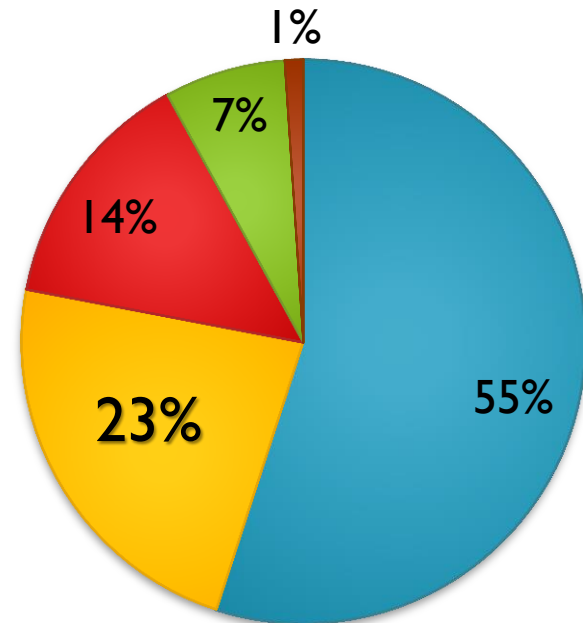
Competition

# Bienvenido al futuro de los Estados Unidos

**2010 High School Graduates**



**2020 High School Graduates**

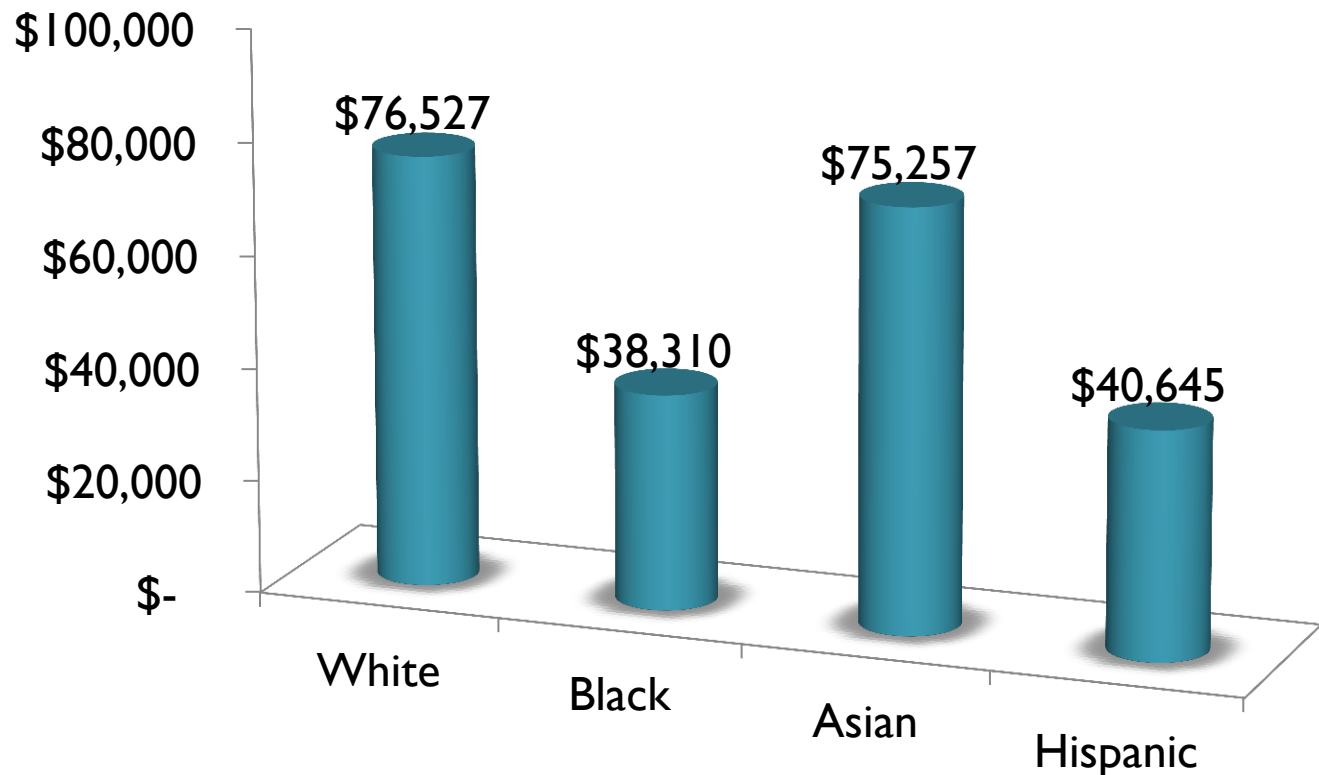


- White
- Hispanic
- Black
- Asian
- American Indian

Source: WICHE

# Economics of Demography

**Median Income, Families with Children  
Aged 6 to 17, 2011**

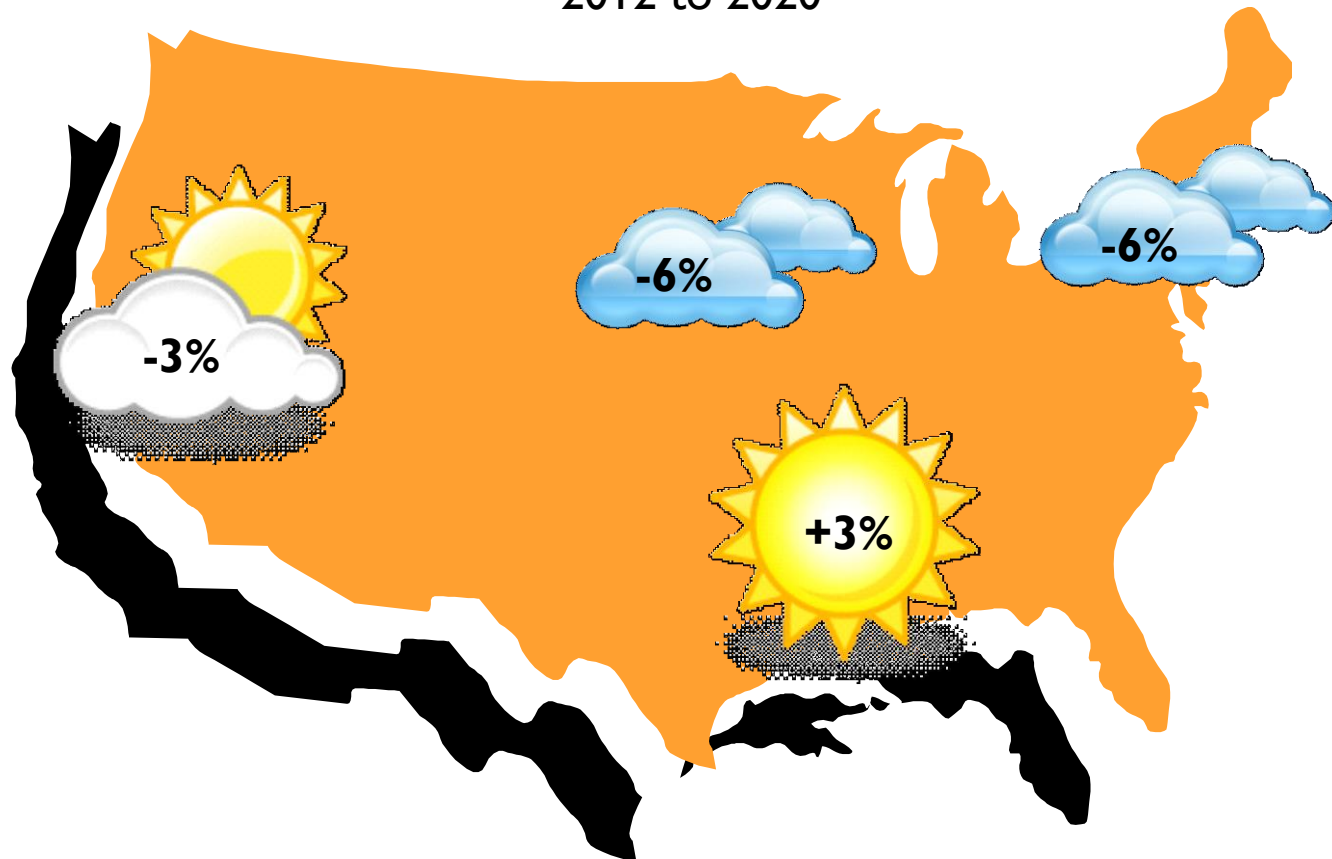


Source: US Census Bureau, CPS, Table  
FINC-03, 2012

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# Demographic Forecast

Projected Change in High School Graduates  
2012 to 2020



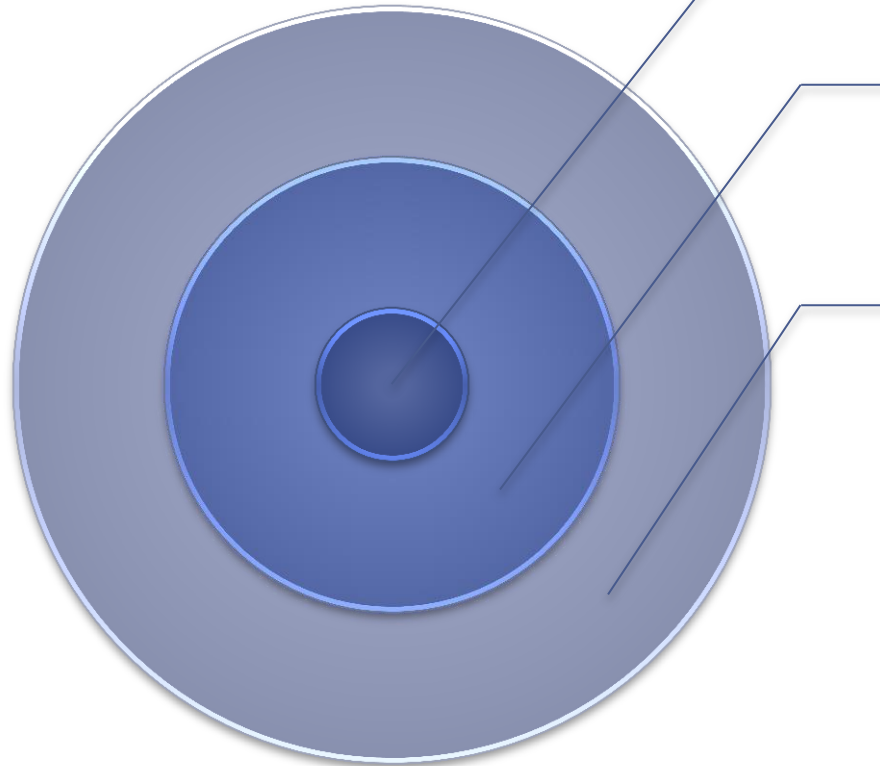
Source: WICHE

© Jon McGee 2013



# The Temple of their Familiar

Distance from Home to College  
All New Entering Students at Four-Year  
Colleges, Fall 2012



**54%** less  
than 100  
miles

**32%** 100  
to 500 miles

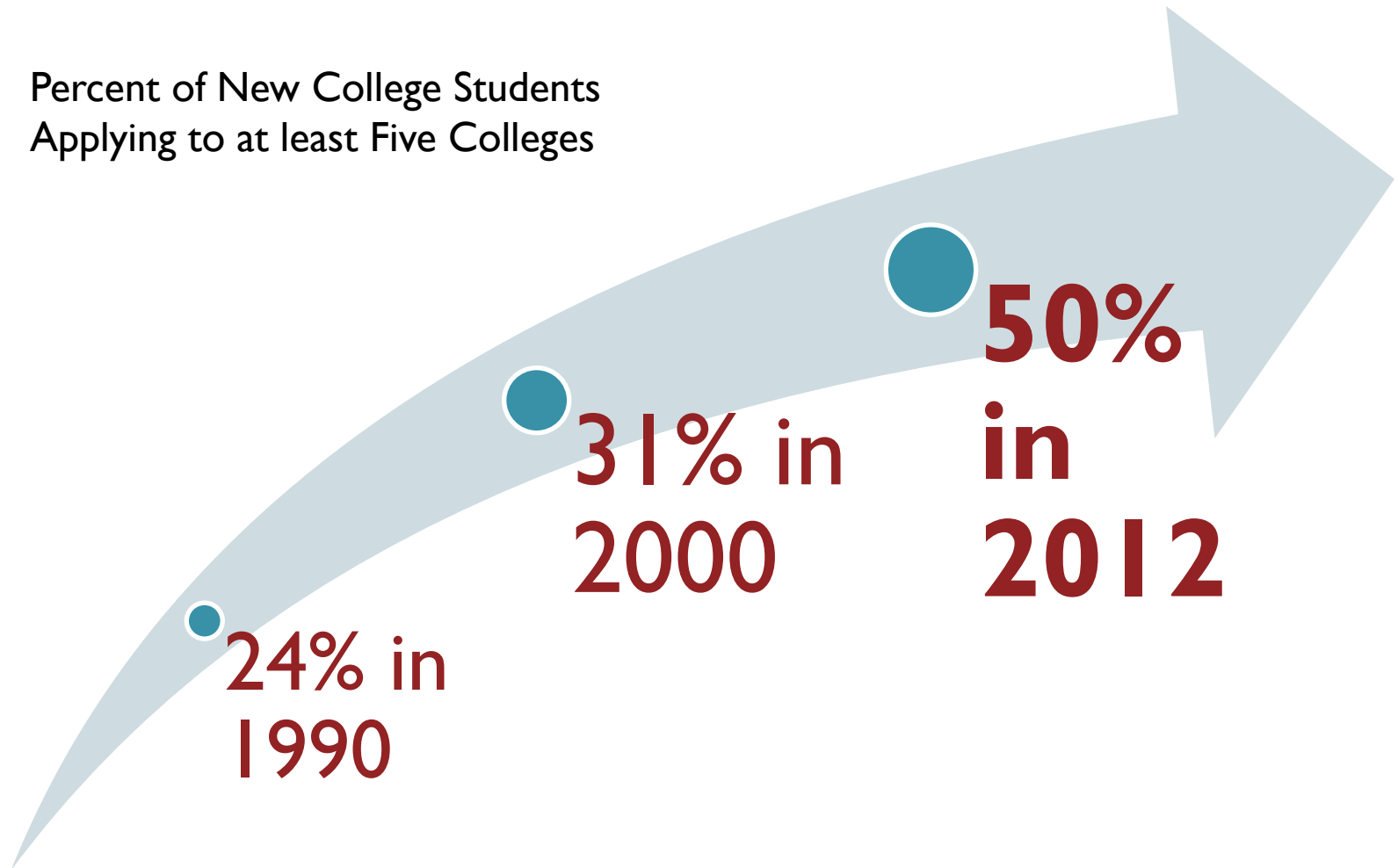
**14%** more  
than 500  
miles

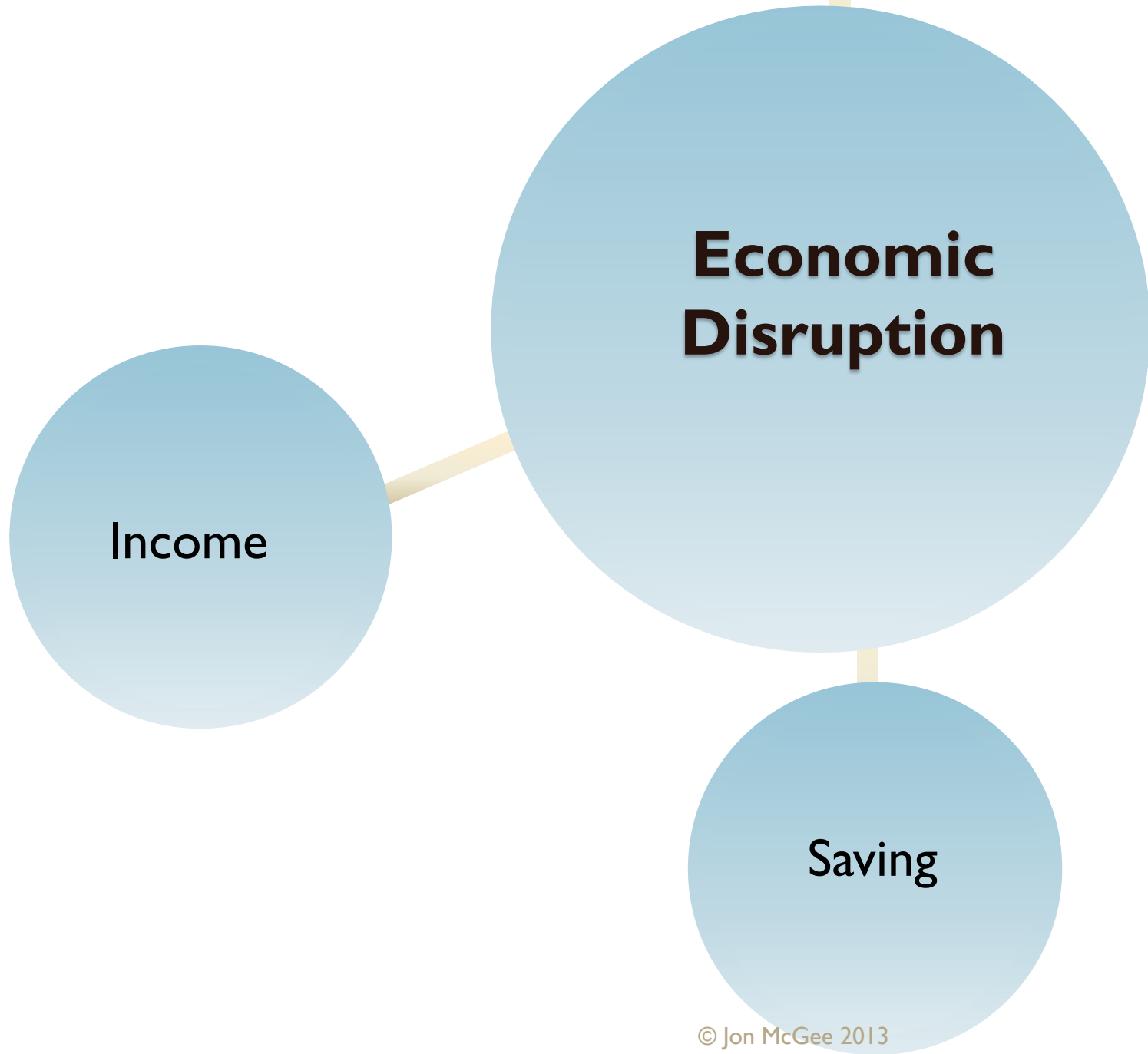
Source: UCLA, HERI

© Jon McGee 2013

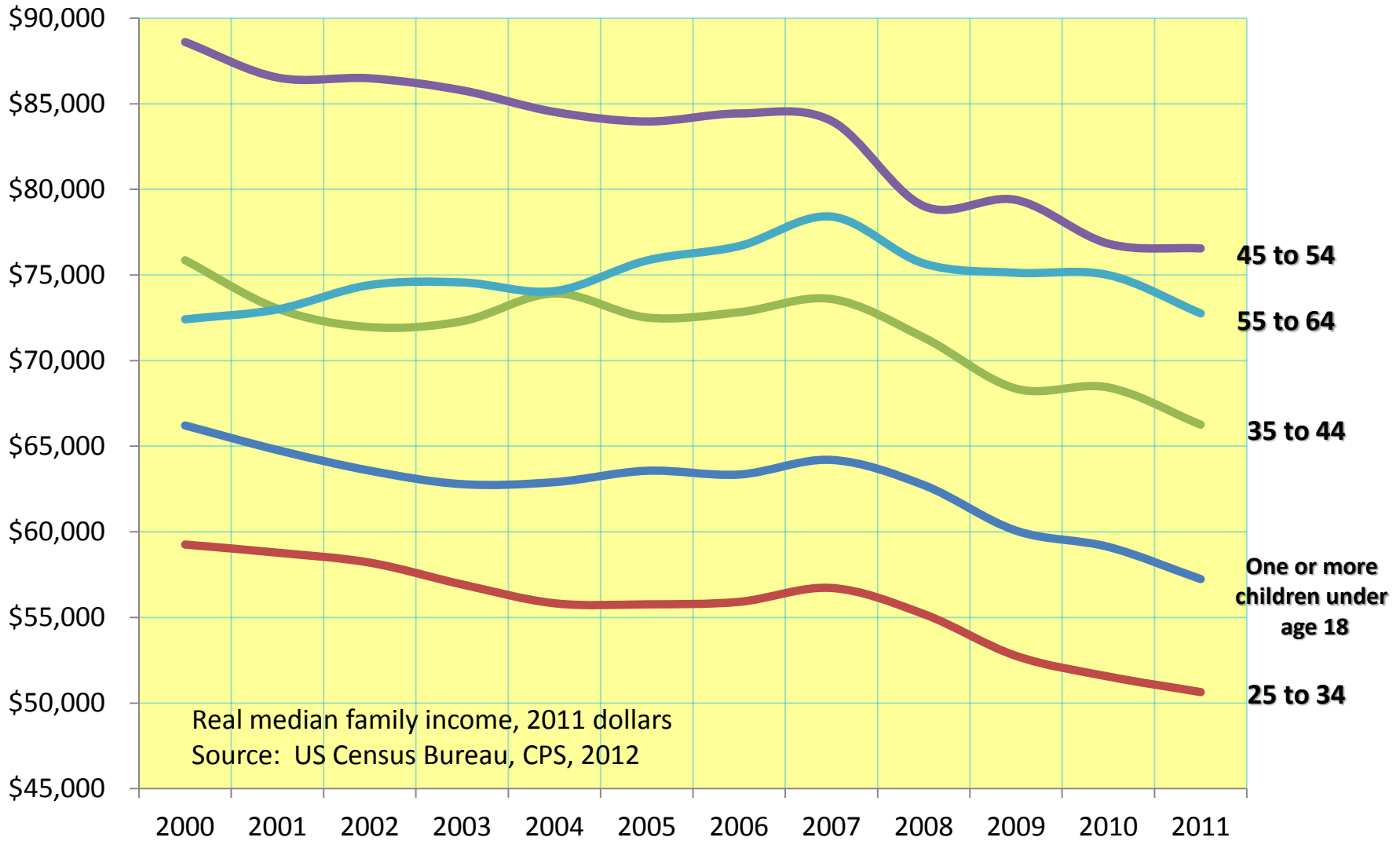
# The Illusion of Demand

Percent of New College Students  
Applying to at least Five Colleges



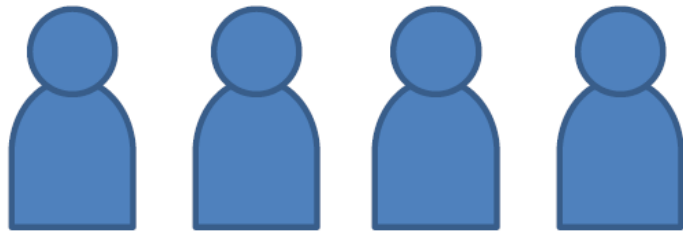


# Family Income – not better

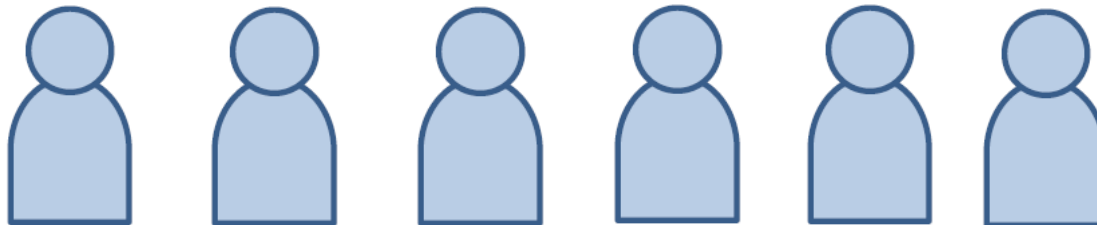


Real median family income, 2011 dollars  
Source: US Census Bureau, CPS, 2012

# Family Saving Practice



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

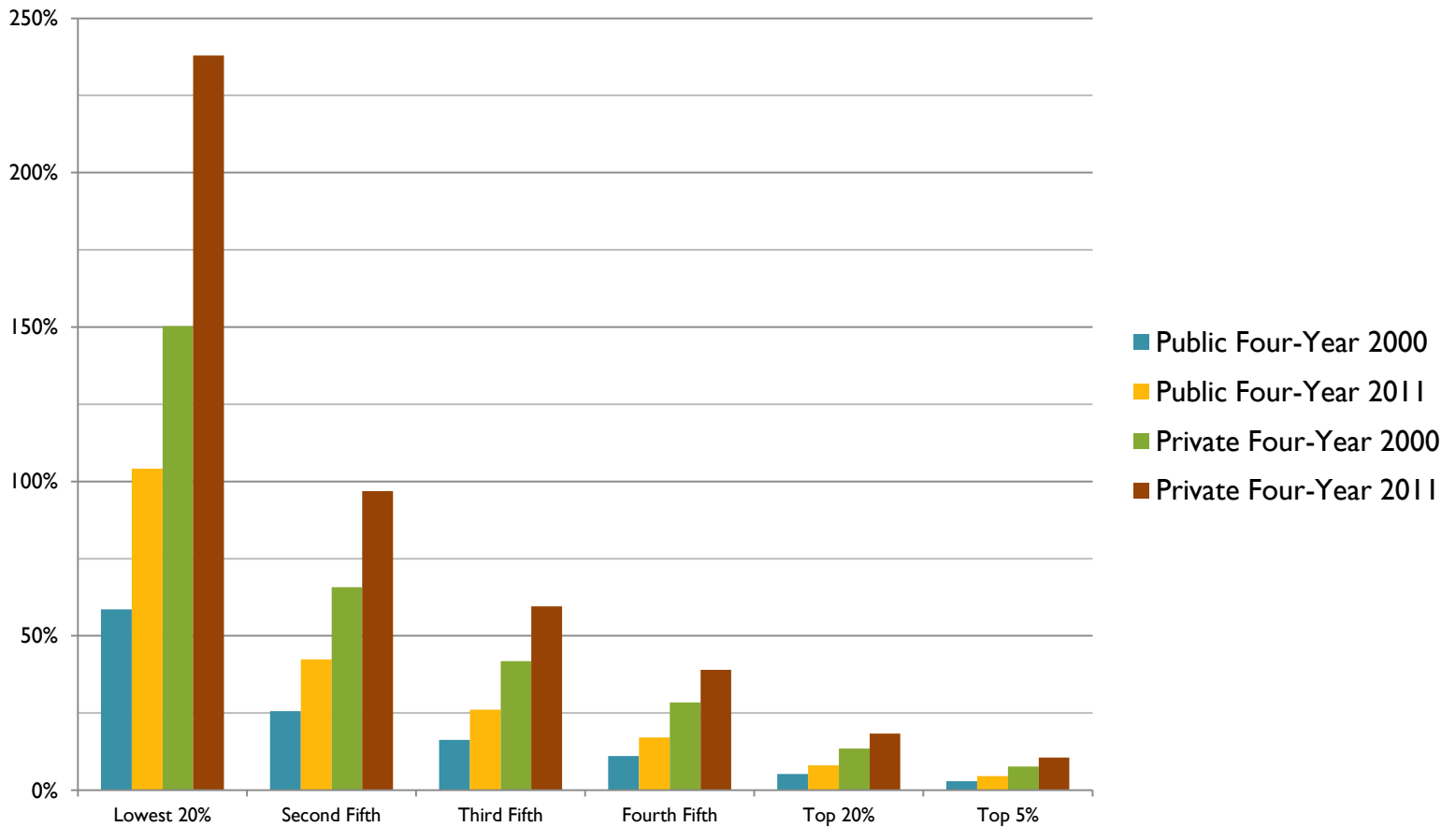


Source: Federal Reserve Board, *Survey of Consumer Finances*

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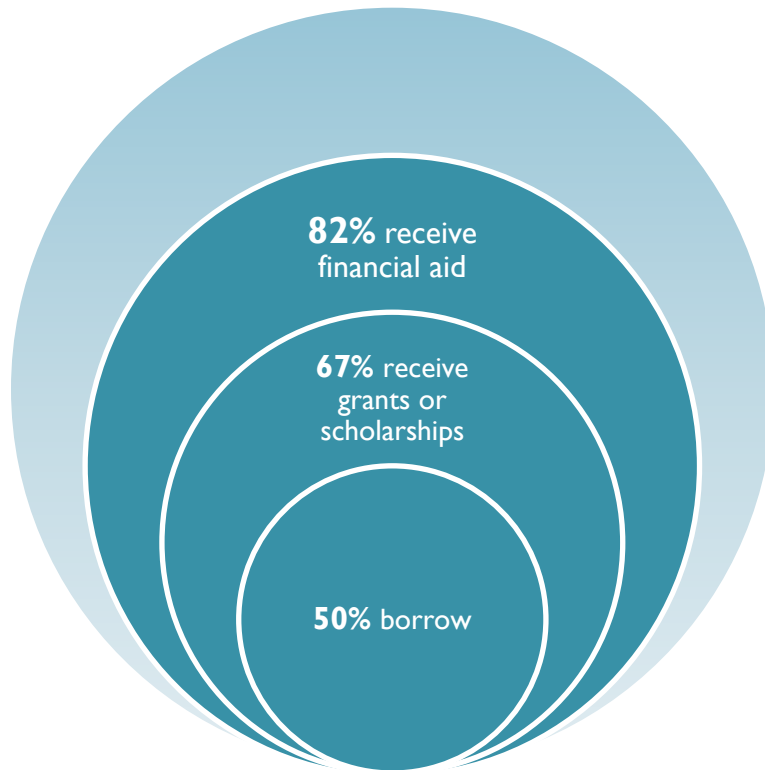
# Price Squeeze

Total Cost of Attendance as a Percent of Family Income  
by Income Quintile, 2000 and 2011

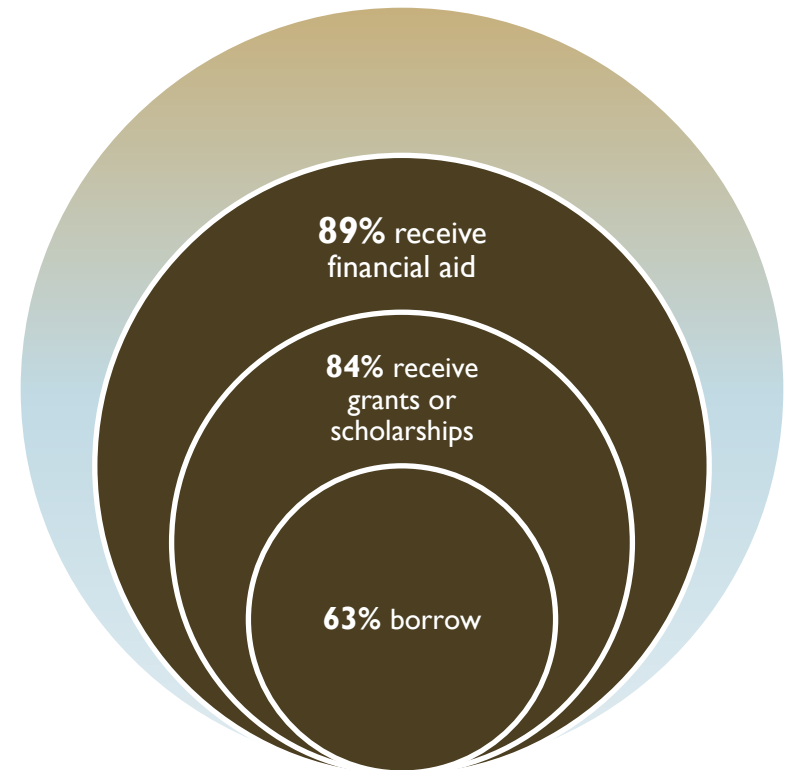


# Financial Aid Culture

Public Four-Year Colleges  
2009-10



Private Four-Year Colleges  
2009-10



# **Cultural Disruption**

Commoditization

Massification

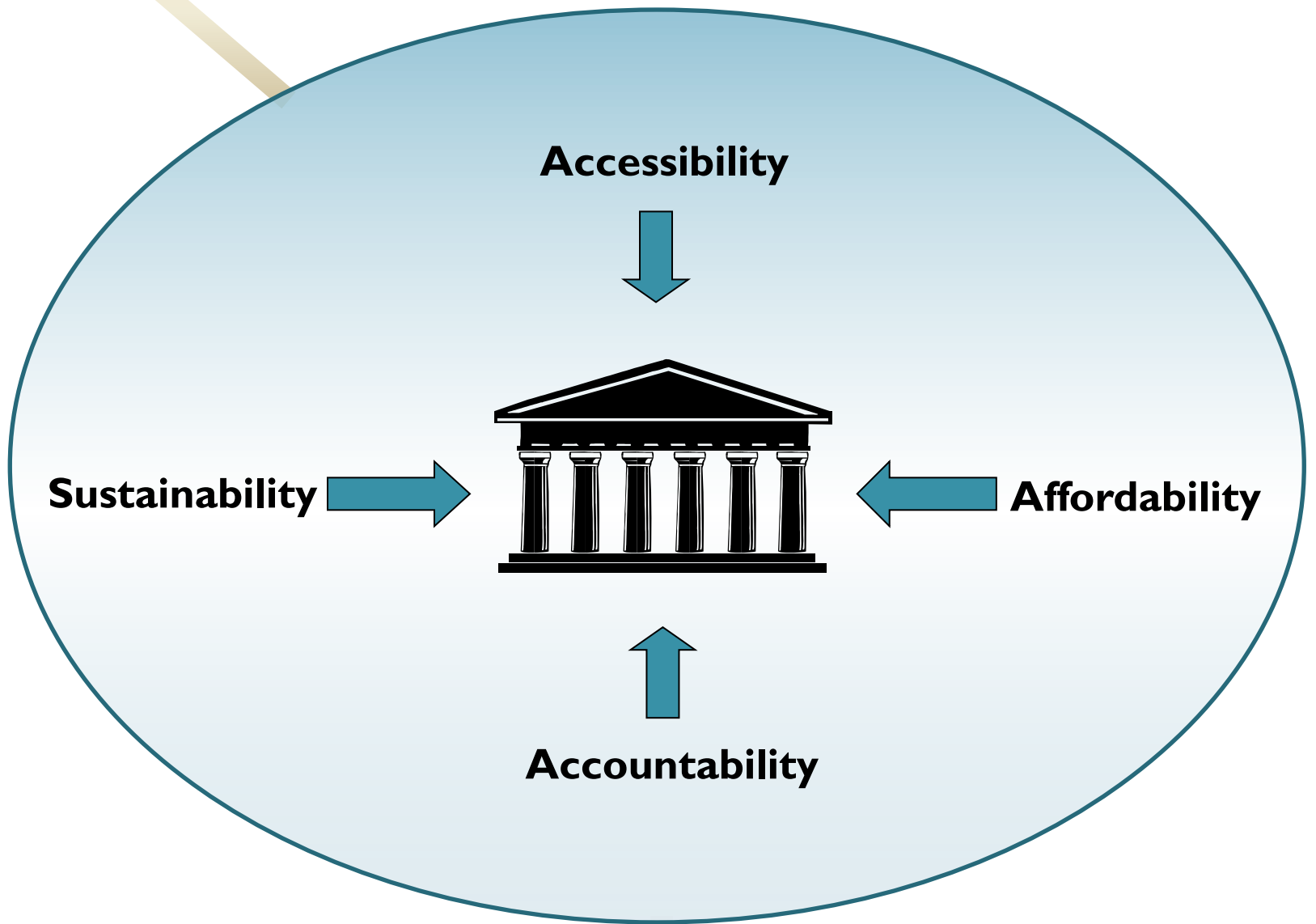
Regulation



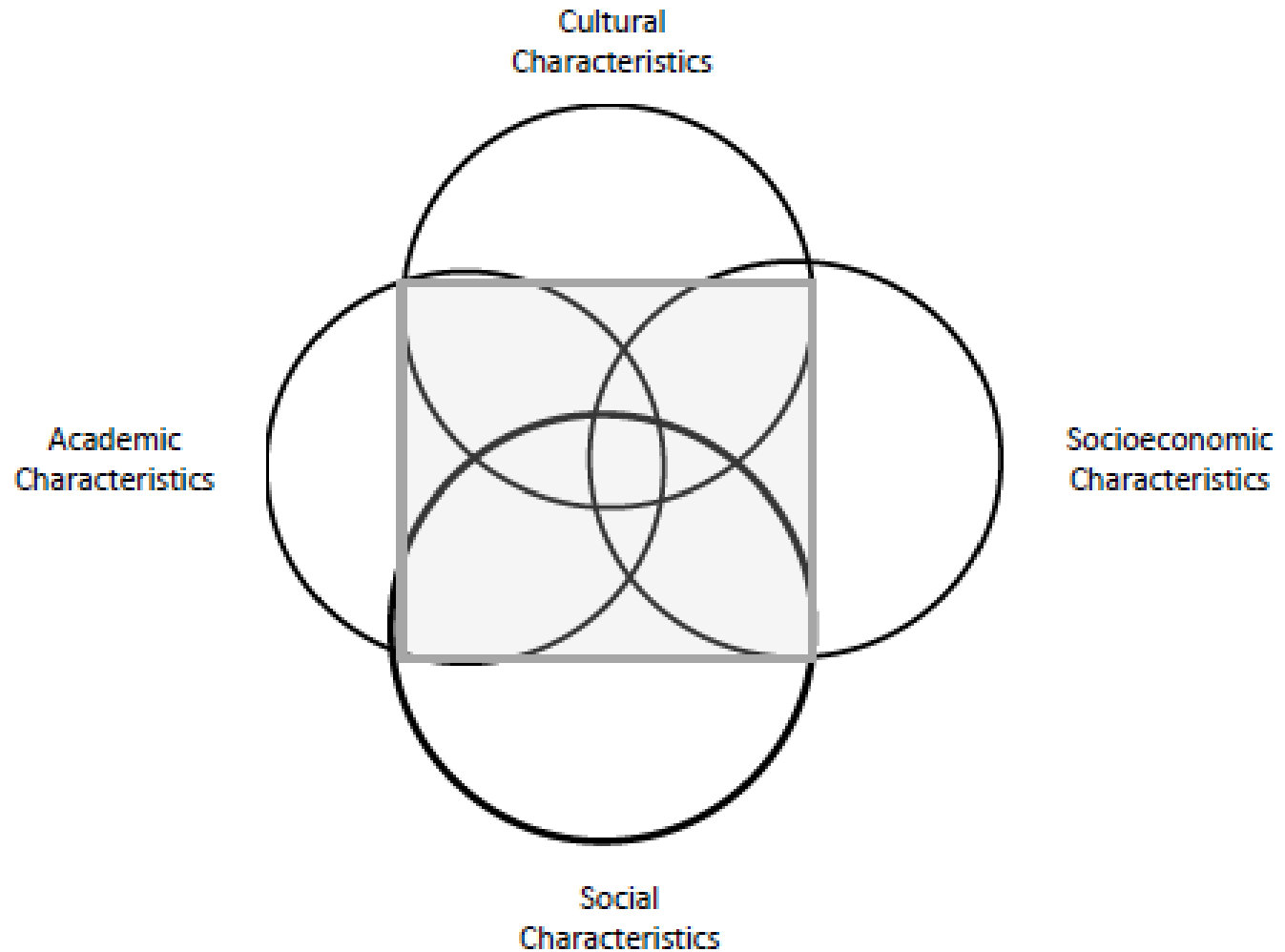


*Com•mod•i•ty n.*

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.



# Fit and Composition in a New Market



# Educationonomics!

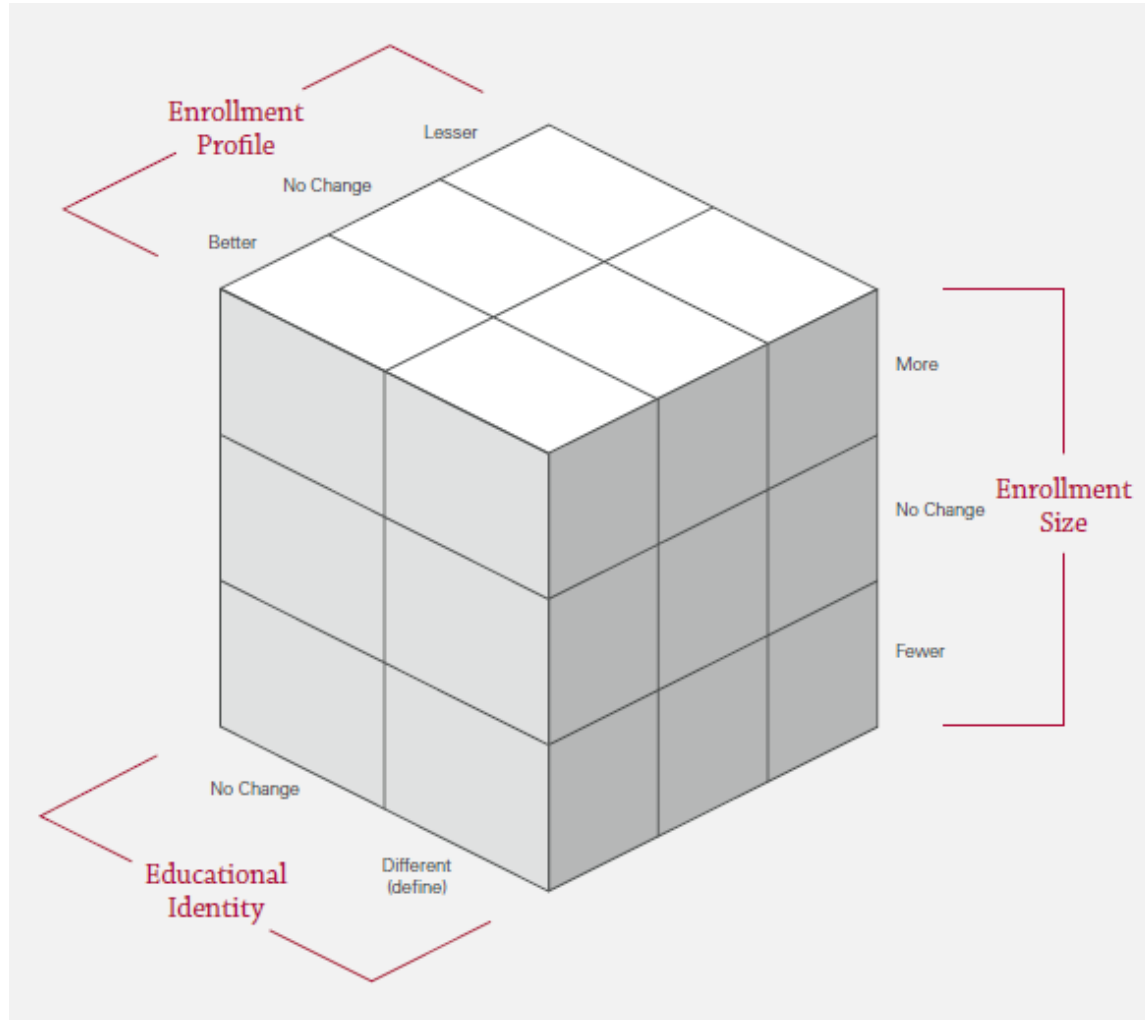
Know Thyself

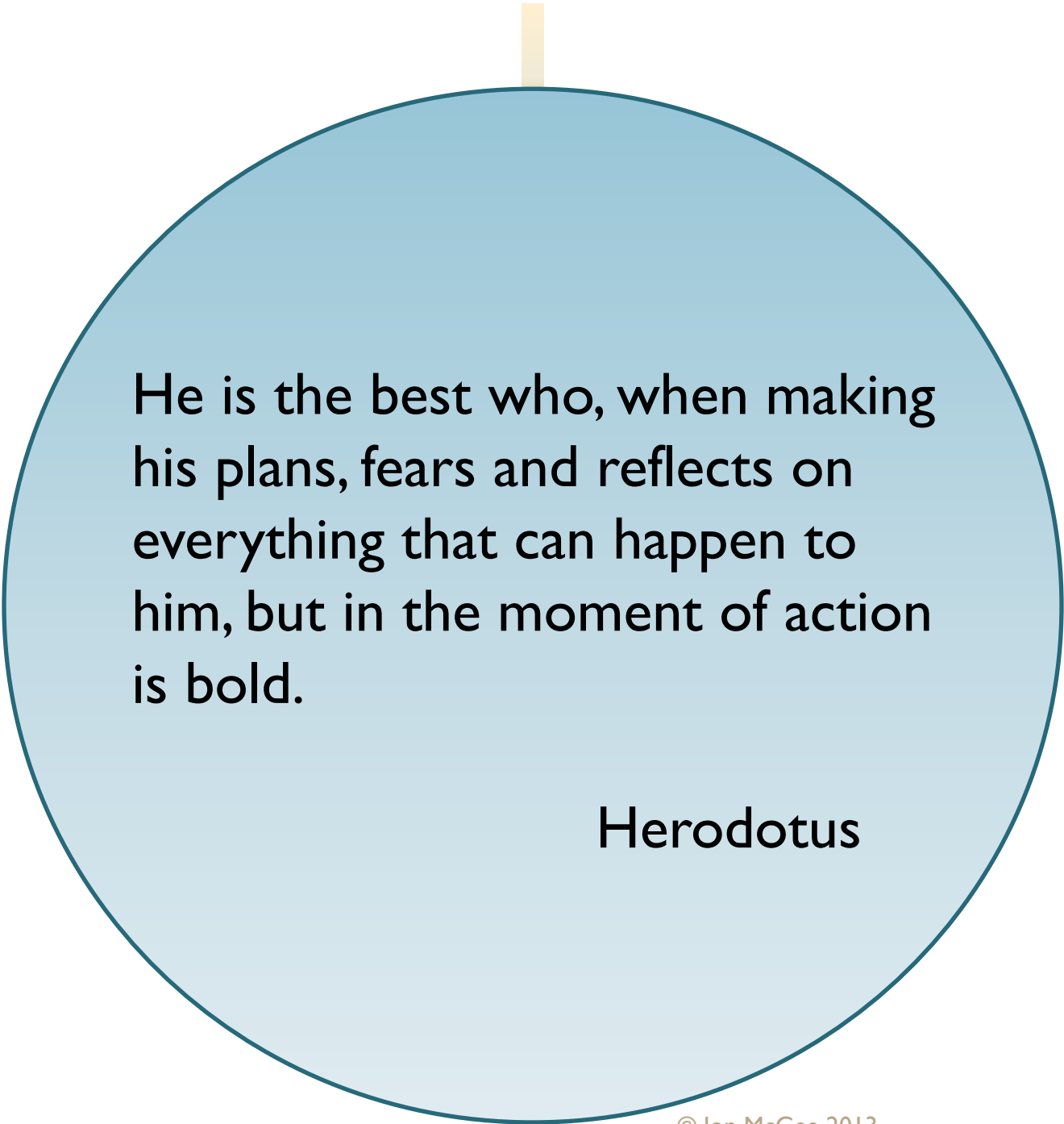
Value is King

Seed the Future

Fiscal Reconciliation

# Decision Cube





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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**320.363.5287**