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## **MARK BENNETT: Hoosiers with more education weathered recession better**

TERRE HAUTE — Trouble tends to grab humans' attention.

We might ignore the value of a storm cellar, until a tornado devastates our neighborhood.

The Great Recession exposed a bunch of harsh realities, and produced lots of “teachable moments.” Anyone with an ounce of wisdom will think twice before spending themselves into debt, or presuming their livelihood is “recession-proof” or investing in too-good-to-be-true deals.

As the recession recedes, one large piece of its debris has become plainly visible in Indiana.

An education can be a liferaft, or more, when economic storms hit.

In 2008, the recession's first full year, Indiana's poverty rate rose 30 percent from the previous year, according to a report issued last week by the Indiana Institute for Working Families. Earning a substantial paycheck wasn't terribly common for Hoosiers before the downturn fully hit. Between 2007 and 2008, Indiana was one of only five states to experience a decrease in real median household incomes, according to U.S. Census American Community Survey statistics.

And, the less education a Hoosier had attained, the harder the recession hit.

“During the recession, workers that have higher levels of education have fared better,” Sarah Downing, a Rockville native and now a research and policy analyst for the Indiana Institute for Working Families, said by telephone from Indianapolis.

A whopping 22.5 percent of Hoosier workers lacking a high school diploma were unemployed, according to the institute's report “The Status of Indiana's Working Families, 2009.” The jobless rate for high school graduates was 13.4 percent, 8.5 percent for Indiana residents with at least some college experience, and 1.8 percent for those holding a college bachelor's degree.

Their earning power followed similar lines. The median hourly wage for Hoosiers with a bachelor's degree was \$23.10. That was \$8.66 more than people with some college training, and \$9.47 an hour more than high school grads.

Indiana continues to have a higher percentage of its workers employed in factories than any other state. Still, manufacturing suffered during the recession. Approximately 40,000 such jobs

disappeared last year, an Indianapolis Star report said. The traditional Hoosier economy is shifting. “Indiana was once a place where you could graduate from high school, get a factory job the next week, work for 30 years, and then retire with good benefits,” Downing said.

Not any more.

The recession put a spotlight on the state’s evolving job market, and the need for a more highly educated work force.

So, what should we learn from this rough, teachable moment in time?

Indiana must find a way to help more Hoosiers graduate from two-year and four-year colleges. That task grew taller after Gov. Mitch Daniels ordered \$150 million in cuts to public colleges and universities, forcing the schools to implement drastic reductions. That’s the Catch-22 — the state must trim expenses to balance its budget, but higher education needs to expand for Indiana to prosper in the future.

The state needs an additional 10,000 baccalaureate degrees and 50 percent more associate degrees bestowed to Hoosiers each year through 2015 for Indiana to compete in the global economy, according to an estimate by the Indiana Commission for Higher Education. By 2020, 60 percent of American jobs will require a college education, says Complete College America, a Washington-based nonprofit organization founded last year by former Indiana Higher Ed commissioner Stan Jones.

Currently, 22.3 percent of Hoosier adults (ages 25 and older) hold at least a bachelor’s degree. Another 7.3 percent hold an associate’s degree.

But the state is improving. From 1992 to 2007, the number of Indiana high-schoolers who later attended college doubled, largely because of the expansion of Ivy Tech Community College, Jones said. The implementation of a performance formula for state funding, based on graduation rates by the colleges, has shifted the emphasis from increasing enrollments to increasing completion, he added.

“I think Indiana is ahead of the curve,” Jones said by phone from D.C.

The problem isn’t as simple as making sure 19- and 20-year-olds — still single and living exclusively on parental support or a college loan — show up for classes in the fall of their sophomore years. Colleges must shift their cultures to accommodate new realities, Jones said. Most colleges were designed for full-time students from strong high school backgrounds, and who live on campus. “And that’s not characteristic of most students these days,” he said.

Today, 70 percent of college students work, the CCA statistics show. Many are supporting a spouse and children. Many attend part-time. Many commute from home to classes daily. Many are the first in their family to attend college.

For example, more than half of the students at St. Mary-of-the-Woods College are first-

generation collegians, said Dottie King, vice president for academic affairs at The Woods. Among students who enrolled in the all-female school in 2003, 60 percent earned their degrees by 2009, King noted.

“We do a really good job with the average population,” she said.

At Indiana’s public colleges, the graduation rates in the 2002-2008 span ranged from Indiana University at 73 percent, to Purdue at 72, Ball State, 60, Indiana State, 44, Southern Indiana, 37, and IUPUI at 33.

Of course, when considering ways to boost college graduation rates, the 800-pound gorilla in the room is the skyrocketing cost of university tuition. The perpetually rising prices have some people questioning whether a college education’s value is still worth the expense and the debt that comes with most degrees. Jones thinks it is.

“In this particular economy, that’s a tough question to answer,” he said. “But if you believe that it’s going to get better — and I do — then people with this knowledge from a college education will be better off. So, if you take a longer view, it pays dividends.”

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