

THE BIG GOAL:

To increase the proportion of Americans with high-quality degrees and credentials to **60 percent by the year 2025**



Lumina's Strategic Direction

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Lumina's mission and goal

The mission of Lumina Foundation for Education is to expand access and success in education beyond high school, particularly among adults, first-generation college going students, low-income students and students of color. This mission is directed toward a single, overarching **big goal – to increase the percentage of Americans with high-quality degrees and credentials¹ to 60 percent by the year 2025.**

This goal is a national priority because:

- Higher education² is a prerequisite to success in a knowledge-based society and economy.
- The social and economic opportunities facing our country can best be addressed by educating many more people beyond high school. As we attain the goal, we improve the economy, strengthen civic engagement and reduce the costs of crime, poverty and health care and, in short, improve the human condition.
- Higher education attainment rates among adults, first-generation college-going students, low-income students and students of color are significantly lower than those of other students. This gap has endured for decades and is now widening. This attainment gap is alarming given the country's demographic trends.

Three critical outcomes lead to achievement of the big goal

Based on research and experience, Lumina Foundation believes that reaching the Big Goal by 2025 is possible if the nation directs attention to three critical outcomes:

1. Students are prepared academically, financially and socially for success in education beyond high school.
2. Higher education completion rates are improved significantly.
3. Higher education productivity is increased to expand capacity and serve more students.

Measuring progress

Each critical outcome depends on the achievement of at least one intermediate outcome, described in greater detail on the following pages. By 2013, the Foundation expects to demonstrate progress on its intermediate outcomes. This progress will come as a result of successful execution of the Foundation's strategies, planned over a four-year period – from 2009 through 2012. The Foundation will develop metrics for each outcome over the short, intermediate and long terms.

Lumina's role

As the nation's largest private foundation focused exclusively on getting more Americans into and through higher education, Lumina has a unique leadership opportunity—and responsibility—to create a national sense of urgency so as to stimulate action in higher education and public policy to achieve the big goal. Lumina Foundation will be a catalyst in America's pursuit of the goal and the critical outcomes.

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¹ Lumina believes that high-quality postsecondary credentials are an essential element in meeting the educational needs of a knowledge economy. Lumina defines high-quality credentials as degrees and certificates that have well-defined and transparent learning outcomes which provide clear pathways to further education and employment.

² Lumina uses the terms "higher education" and "postsecondary education" interchangeably to refer to any education beyond high school that leads to quality degrees or credentials. The term "college" refers to colleges, universities and other providers of education beyond high school.



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An Audacious Goal, but One That Can and Must Be Attained

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The knowledge economy requires Americans to develop the skills that are demanded in a globally competitive environment. As a result, increasing higher education attainment is critical to the U.S. economy. The implications of this shift toward a more highly skilled workforce cannot be overstated. For generations, the American economy created large numbers of middle class jobs that did not require high levels of skill or knowledge. Because of global competition, these jobs are rapidly disappearing. It is not that low-skill jobs do not exist in the U.S.; it is that the Americans who hold them are not likely to enter or remain in the middle class. They are not likely to have access to quality health care, save for retirement or assure their children access to higher education. In short, completing some form of higher education is now critical for reaching the middle-class.

Lumina's big goal is based on the reality that our country faces social and economic opportunities that can best be addressed by educating many more people beyond high school. As a nation, this means we must continue to focus on approaches that make higher education more accessible and affordable for all. We also must ensure that all students who come to college graduate with meaningful, high-quality degrees and credentials that enable them to contribute to the workforce, improve society and provide for themselves and their families. Current economic conditions have *only* made this priority more clear and more urgent, both for short-term economic recovery and long-term economic success.

The American public has rapidly come to this same conclusion. Americans have always valued higher education and been aware that it delivers significant economic and social benefits. But they never really believed it was a necessity – until now. Fifty-five percent of Americans now believe that obtaining a college degree is the only way to succeed. As recently as 2000, only 30 percent of Americans believed that. Unfortunately, many in the education and policy worlds fail to understand what their constituencies see very clearly. Too often we continue to hear debates about who is or isn't "college material."

Evidence that we can do better comes from the fact that attainment rates are rising in almost every industrialized or post-industrial country in the world, except for the U.S. Today, roughly 39 percent of American adults hold a two- or four-year degree – a rate that has held remarkably steady for four decades. But in several other countries, more than half of young adults are degree holders. Even more disturbing for the U.S. is that attainment rates in these other countries continue to climb while ours remains stagnant.

We do not believe the U.S. needs to increase higher education attainment simply because of our ranking in international comparisons. However, it is vitally important that we be clear about what we know with certainty about higher education attainment. Higher education attainment in the U.S. – **the percent of the American population with a postsecondary credential or degree – has remained flat for 40 years**, in spite of the dramatic economic and social changes during that period. Meantime, higher education attainment in the rest of the world has increased – in some case at dramatic rates. We believe this reflects a fundamental change in the role higher education plays in advanced economies – a change that the U.S. ignores at its peril.

An audacious goal, but one that can and must be attained

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The Impact of Attainment

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There is clear evidence that rising attainment rates in other countries reflect genuine economic demand for a better-educated workforce. In 29 of the 30 member countries of the Organization for Economic Cooperation and Development (OECD), the gap in earnings between people who have completed some form of higher education and those who have not is widening, even though the proportion of college graduates in the workforce is increasing. If the economy were not demanding higher levels of skills and knowledge, this earnings gap would narrow as the supply of graduates increased; it's simple supply and demand. The widening earnings gap is evident in the U.S. as well. Since 1975, average annual earnings of high school dropouts and high school graduates fell in real terms (by 15 percent and 1 percent respectively), while those of college graduates rose by 19 percent. In other words, the economic benefits – both for individuals and the society – of completing higher education are growing.

We don't know precisely what percentage of jobs require higher education today, much less what that percentage will be in the future. Lumina is supporting research that is closing in on an answer, however, and we already know the number is considerably higher than the current supply of college graduates. Preliminary research shows that the rate of higher education attainment that the U.S. must reach is at least 60 percent. In addition to its economic benefits, higher education has proven lasting social impact. By increasing the attainment level to 60 percent, we can expect significant increases in volunteerism, voting, philanthropic giving and education levels for future generations as well as significant reductions in crime rates, poverty and health care costs.

Based on current estimates, to reach the 60 percent level by 2025, the U.S. higher education system must produce 23 million more college graduates than are expected at present rates of production. The actual size of the gap will shift annually, as we make progress and new data become available. Obviously, we can't close this gap overnight. But, for example, if we can start to increase the *rate* of attainment each year and produce 150,000 more graduates *than the year before* – an annual increase of about 5 percent – we will reach the big goal by 2025.

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