The Economics of Higher Education

A Case Study: The University of Michigan

Goal: To “educate” the Economics Dinner Group about the serious decline in state support of UM and to enlist their help in both strengthening our public support and protecting our constitutional autonomy.

The Shifting Resource Base (JJD) 10 minutes
Storm Clouds on the Horizon
Erosion in State Support
Pressures on Tuition (MET, Governor, public)
Assaults on Institutional Autonomy
Impact of Federal Deficit
What does it take to run a great university?
Comparisons with peer institutions
Present UM Resource Portfolio
Projections for the 1990s
State Support
Federal Support
Tuition and Fees
Private Support and Endowment
Auxiliary Activities

Financial Management of the University (FWW) 10 minutes
Increasing costs of education
Why are costs increasing?
What do we project for the 1990s?
What are we doing to control costs?
What are we doing to wisely manage our resources?

Possible New Models for the 1990s (GRW) 10 minutes
Changing the corporate culture
Task Force Report
Strategic Quality Management
Public/Private Strategies
Unbundling Prices and Programs

Concluding Remarks (JJD): 2-3 minutes
Key Question:
1. What will (should) the UM be in the 21st Century? Public? Private?
2. If you believe it should be public, what can a group like this to to help us restore adequate state support?
3. If you believe it should be private, what can a group like this to to help us protect our autonomy--our capacity to attract the necessary private support?