

The Future of Higher Education in the United States

Number of Colleges and Universities

Public 4-year institutions	634
Private 4-year institutions	1,546
Public 2-year institutions	1,086
Private 2-year institutions	118
For-profit institutions	852
Total	4,236

Types of Colleges and Universities

Major research universities	94
Other doctoral universities	184
Regional universities	695
Baccalaureate colleges	730
Community colleges	1,086
Other (religious, specialized, etc.)	1,446

Enrollments

Total enrollments (2003)	17.3 million
Percentage of population with some college	53.9%
Percentage of population with BA/BS degree	26.6%

Finances

State support (20%)	\$67 billion
Federal support (25%)	
Student financial aid	\$60 billion
Research grants	\$21 billion
Private support (tuition, gifts) (55%)	\$180 billion
Total support	\$330 billion (2.6% GDP)

Role of Government

Federal Government

No ministry, no national systems, no controls...no policy
 \$60 billion/y of financial aid to students
 \$21 billion/y of research grants to individual faculty
 NOTE: The federal government provides grants to people
 (students, faculty, patients), NOT to universities

State Government

\$60 billion/y to support operation of public universities
 Great diversity in state governance, from rigidly controlled systems
 (New York, Ohio) to strategic master plans (California)
 to anarchy (Michigan)

Other Characteristics

- The great diversity among institutions and missions.
- The balance among funding sources (private vs. public, state vs. federal).
- The influence of market forces (for students, faculty, resources, reputation).
- Its global character (attracting students and faculty from around the world)
- The absence of a centralized system that leads to highly decentralized, market-sensitive, and agile institutions, students, and faculty.
- Supportive policies (academic freedom, institutional autonomy, tax and research policies).
- The research partnership between universities, the federal government, and industry.

Quality

In its September 10, 2005 issue, *The Economist* summarized the status of higher education in America as follows:

“There is no shortage of things to marvel at in America’s higher-education system, from its robustness in the face of external shocks to its overall excellence. However what particularly stands out is the system’s flexibility and its sheer diversity...It is all too easy to mock American academia. But it is easy to lose sight of the real story: that America has the best system of higher education in the world!”

Today’s Challenges and Opportunities

- The essential role of higher education in contributing to economic prosperity, public health, social well-being, and national security.
- The responsibility of America’s colleges and universities to provide broad access to high quality, affordable higher education.
- The ability of the nation’s universities to provide the world-class research and innovation, outstanding scientists, engineers, and other knowledge professionals, and the world-class research and learning infrastructure necessary for the nation to sustain its leadership in a global, knowledge-driven economy.
- The capacity of higher education to adapt to changes driven by forces such as the emerging knowledge economy, globalization, rapidly evolving technologies, an increasingly diverse population, and an evolving marketplace characterized by new needs (e.g., lifelong learning), new providers (e.g., for-profit, cyber universities), and new paradigms (e.g., distance learning, open educational resources).
- An enhanced public understanding of the growing importance and changing character of higher education in America.

Tomorrow’s Challenge

We have entered an era in which educated people, the knowledge they produce, and the innovation and entrepreneurial skills they possess have become the keys to economic prosperity, public health, social well-being, and national security.

Moreover education has also become a key determinant of one’s personal standard of living and quality of life.

In the global, knowledge economy, it has become the responsibility of societies to provide all of their citizens with the educational and training opportunities they need, throughout their lives, whenever, wherever, and however they need it, at high quality and at affordable prices.