

# ***The Economic Value of Liberal Education***

**Prepared for the Presidents' Trust**

by

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Revised, 2013 edition

# ***The World is Demanding More***

There is a demand for greater **numbers** of college-educated workers.

There is a demand for **engaged and informed citizens**, who are knowledgeable about themselves and the world.

There is also a demand that those educated workers and citizens have higher levels of **learning and knowledge, and some new and different skills and abilities.**

# ***Why Is There a Need for Higher Levels of Learning?***

- In a globalized knowledge economy, the capacity to drive innovation is the key strategic economic advantage
- Rapid scientific and technological innovations are changing the workplace and demanding more of all employees
- Global interdependence and complex cross-cultural interactions increasingly define modern society and the workplace and call for new levels of knowledge and capability

# ***Employers Continue to Raise the Bar and Hire for Innovation***

- 95% of employers “put a priority on hiring people with the **intellectual and interpersonal skills** that will help them contribute to **innovation in the workplace**”
- 93% of employers say that they are asking employees to “**take on more responsibilities** and to **use a broader set of skills** than in the past”
- 95% of employers say that “**a candidate’s demonstrated capacity** to think critically, communicate clearly, and solve complex problems **is more important than** their **undergraduate major**”
- 91% of employers say that “the **challenges their employees face are more complex** than they were in the past.”

# ***US Economy Defined by Greater Workplace Challenges and Dynamism***

- Every year, more than 1/3 of the entire US labor force changes jobs.
- Today's Students May Have Between 10-14 Jobs by the Time They Are 38.
- 50% of Workers Have Been With Their Company Less Than 5 Years.
- Every year, more than 30 million Americans are working in jobs that did not exist in the previous quarter.

# ***Key Capabilities Open the Door for Career Success and Earnings***

“Irrespective of college major or institutional selectivity, what matters to career success is students’ development of a **broad set of cross-cutting capacities...**”

*Anthony Carnevale, Georgetown University  
Center on Education and the Workforce*

# ***What Employers Say***

*“My company lives and dies on our ability to innovate and to create the new products and processes that give us an edge in this very competitive global economy. ESCO needs people who have both a command of certain specific skills and robust problem-solving and communication skills.”*

*Steven Pratt, CEO, ESCO Corp. and  
Chair of the Oregon Business Council*

# ***What Employers Say***

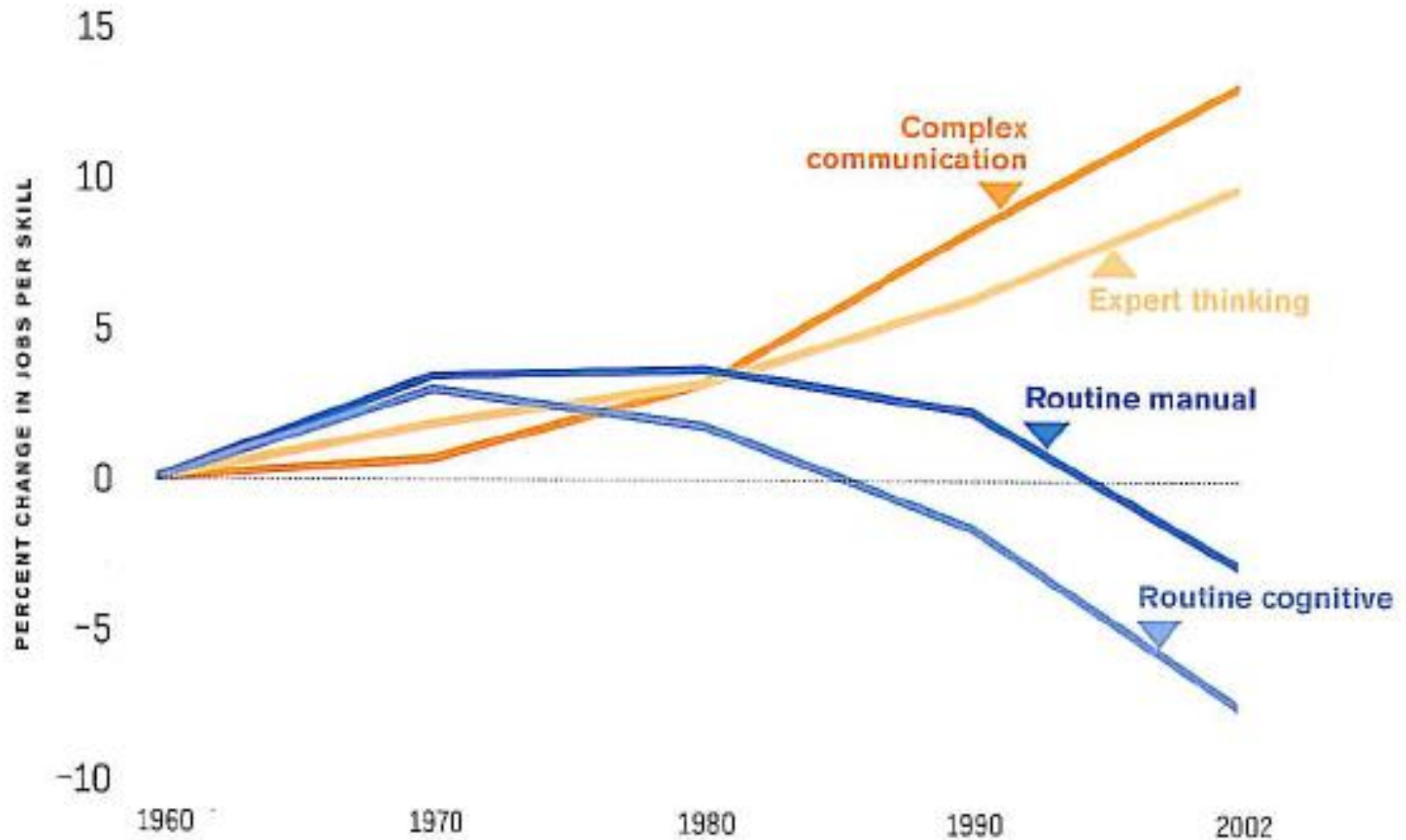
*“If the American economy is to recover from the Great Recession—and I believe that it can—it will be because of a ready supply of workers with the critical thinking, creative problem solving, technological, and communication skills needed to fuel productivity and growth.”*

*Norm Augustine, former Chairman  
and CEO, Lockheed Martin*



## The Growing Demand for Higher Order Skills

Source: Council on Competitiveness, *Competitiveness Index*

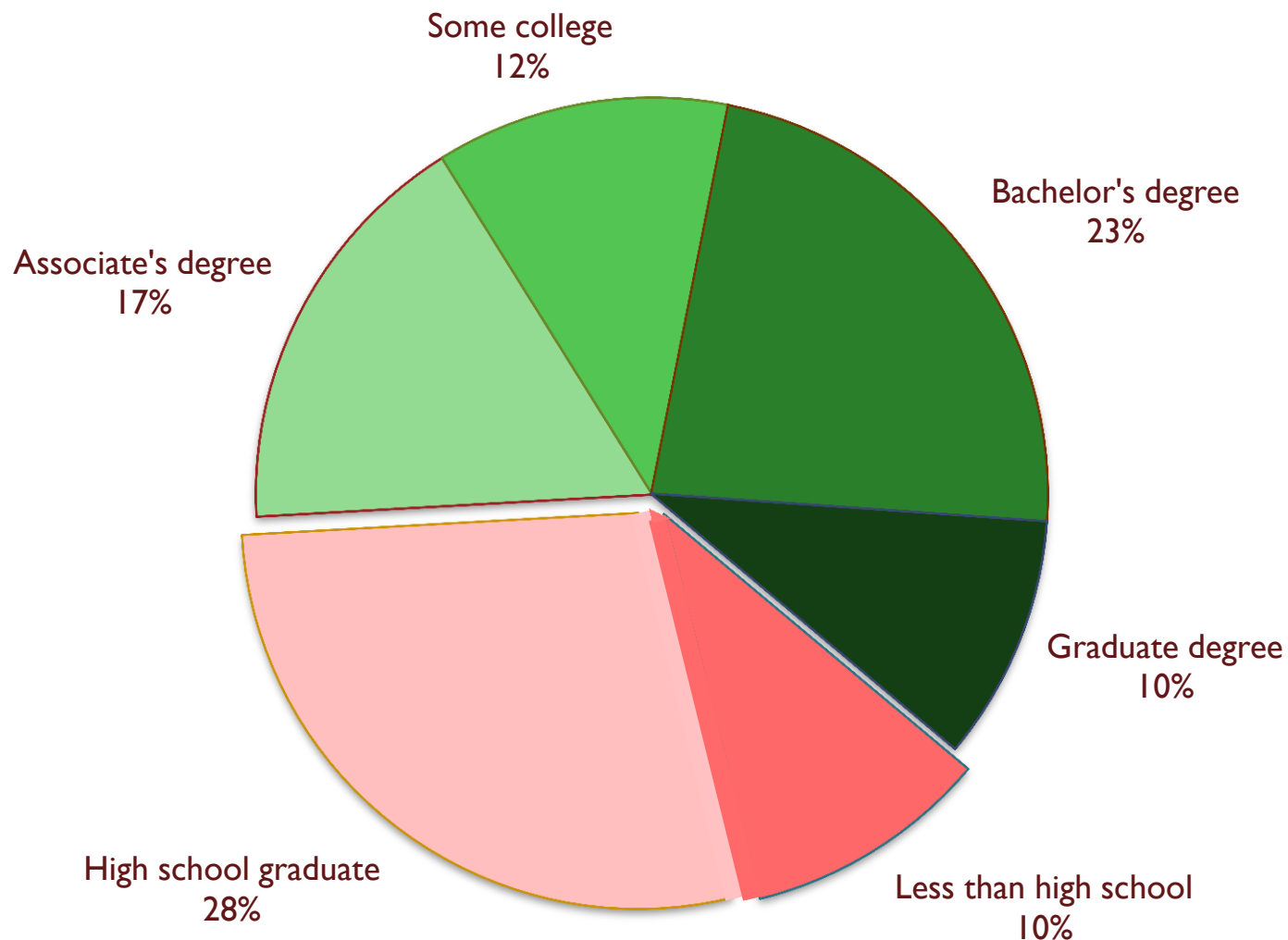


# ***More College-Educated and Liberally Educated Workers are Needed but Supply is Not Keeping up with Demand***

- Economists predict that by 2018, America will be 3 million college-educated workers short to meet demand, but college graduation rates are flat.
- By 2018, 22 million new and replacement jobs will require some college.
- By 2018, 63 percent of all jobs will require at least some postsecondary education.
- US high school graduation rates have not improved in 40 years

Sources: Georgetown University Center on Education and the Workforce; AAC&U, *College Learning for the New Global Century* (2007); Lumina Foundation for Education

# ***Education Requirements for Jobs, 2018***

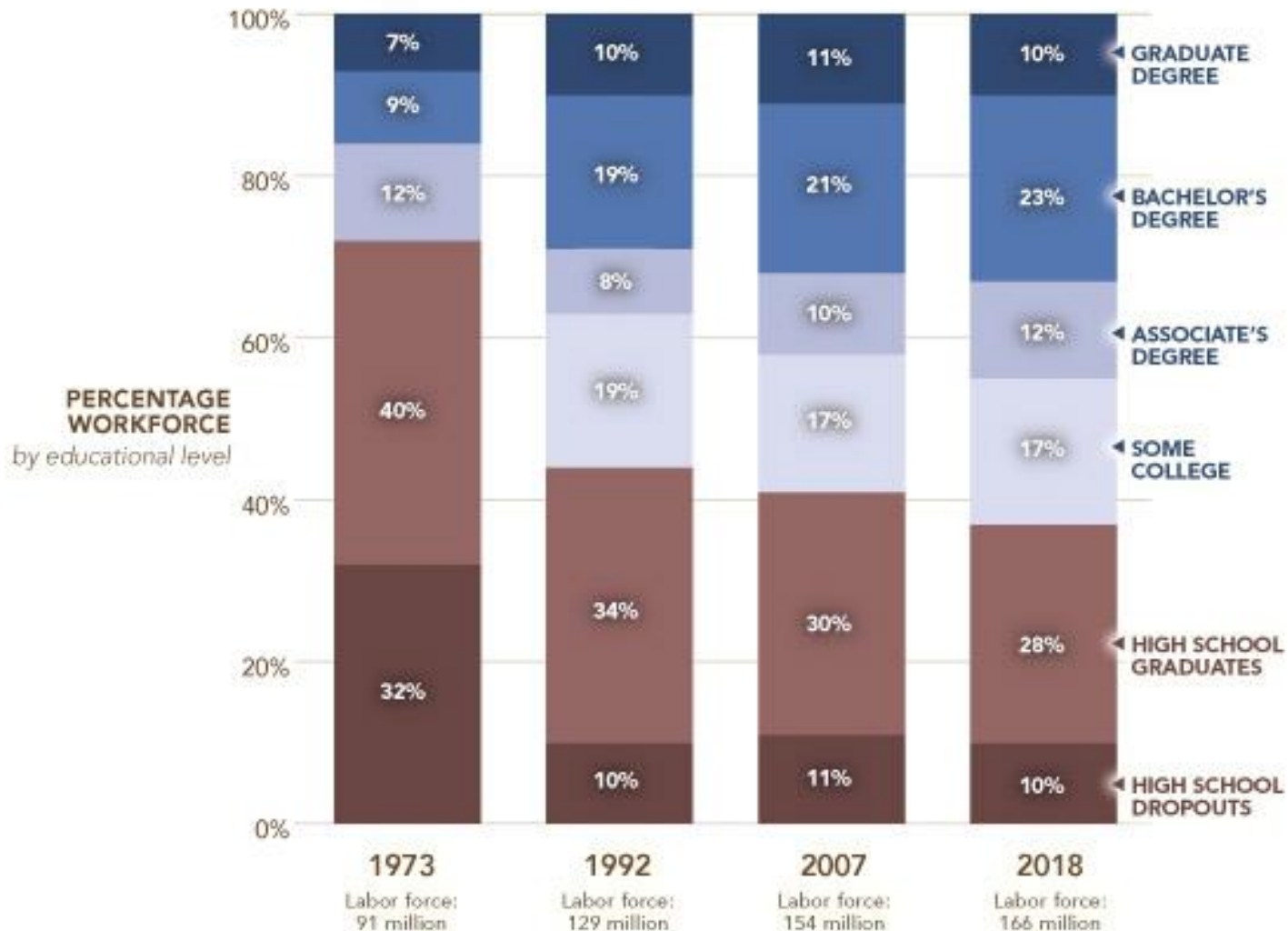


*Taken, with permission, from "Meeting President Obama's 2020 College Completion Goal," a presentation given by Under Secretary Martha Kanter on July 21, 2011*

Georgetown University, Center on Education and the Workforce, 2010 p. 14  
<http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/FullReport.pdf>

# *Increasing Demand for Educated Workforce*

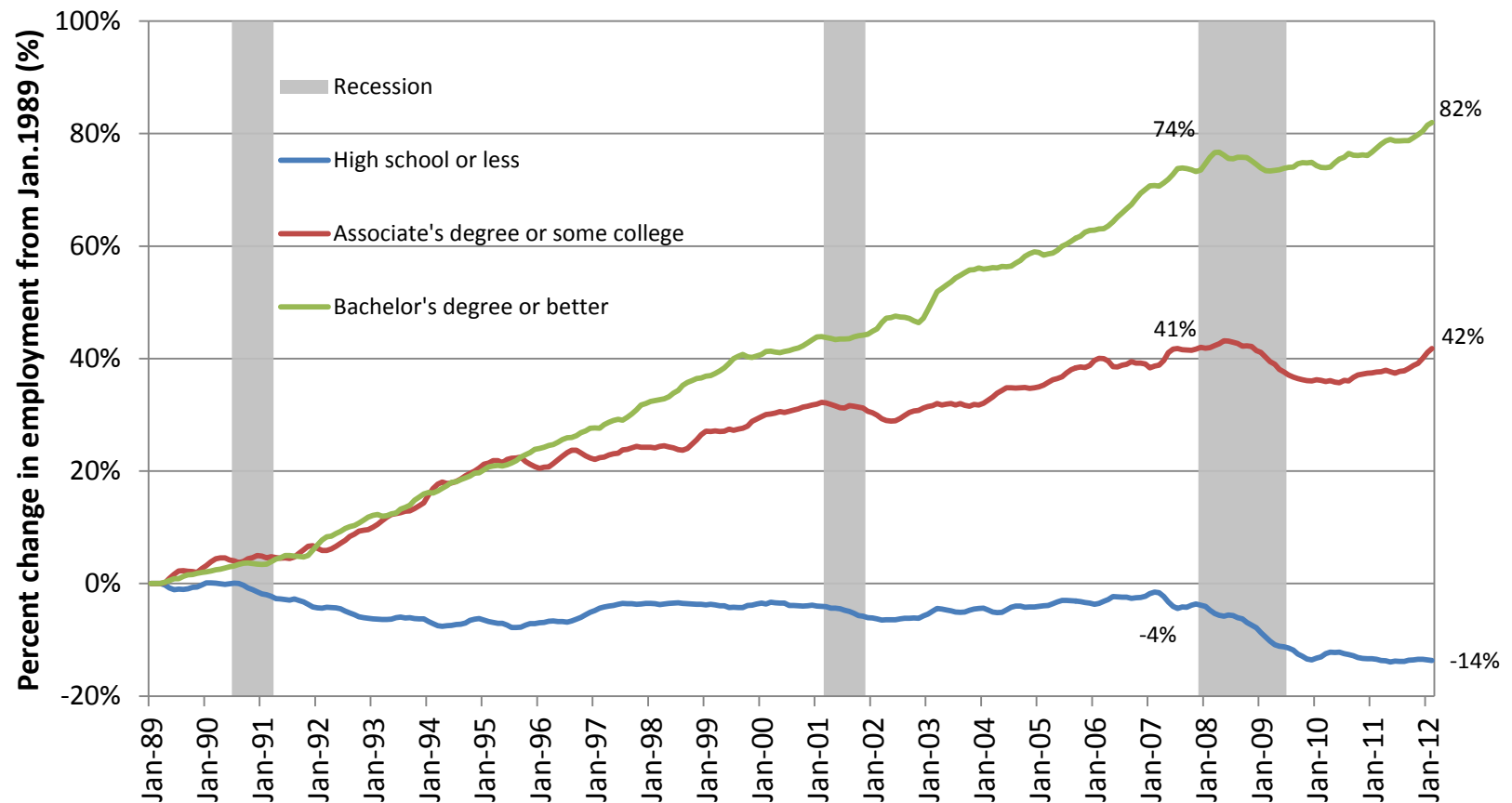
BY 2018, 30 MILLION NEW AND REPLACEMENT JOBS WILL REQUIRE SOME COLLEGE OR ABOVE



Note: Brown indicates jobs requiring high school or less and Blue indicates jobs requiring some college or more.

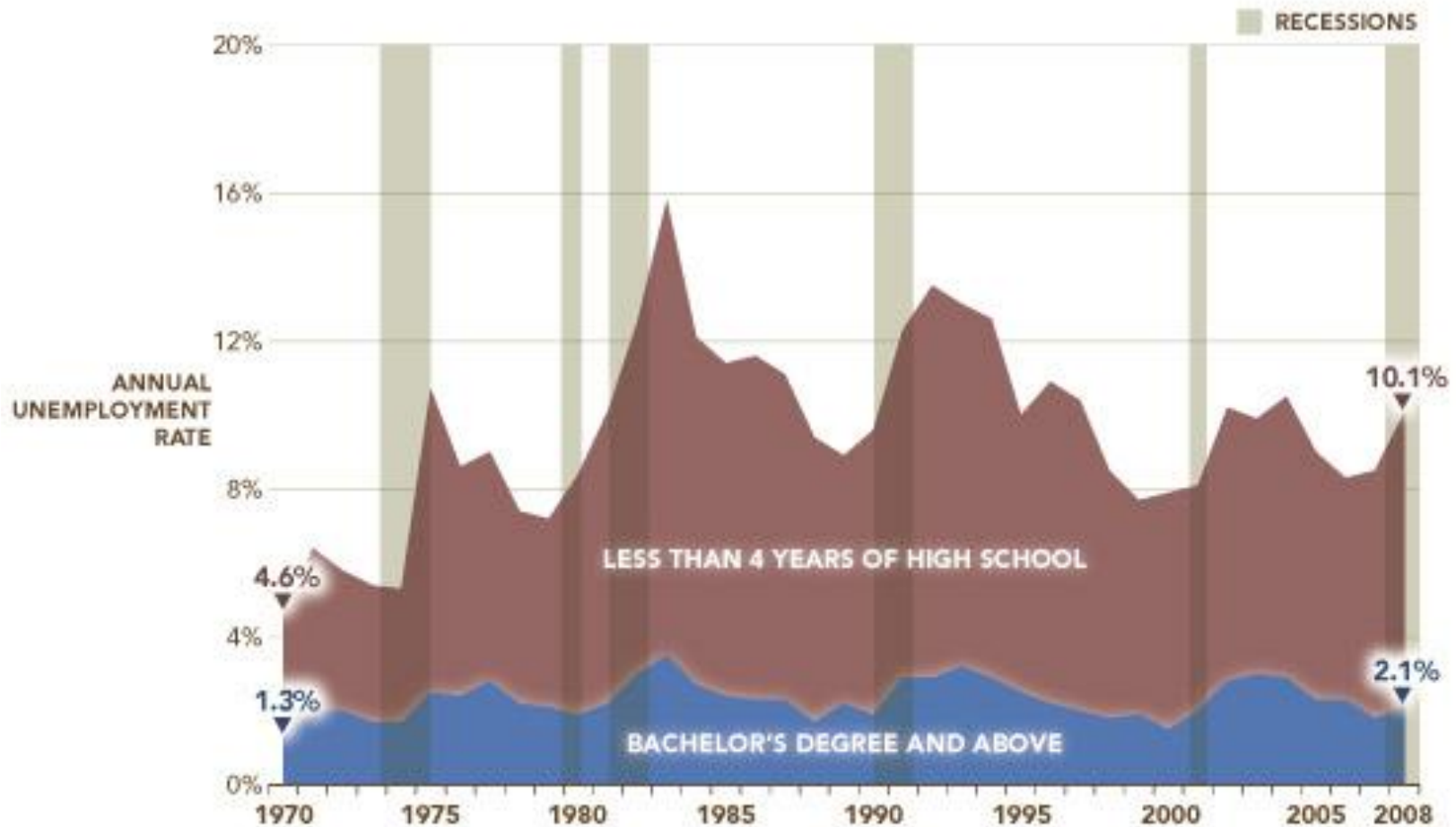
Source: Georgetown University Center on Education and the Workforce

# *Employment Growth for 1989-2012 Dominated by Jobs Requiring College*



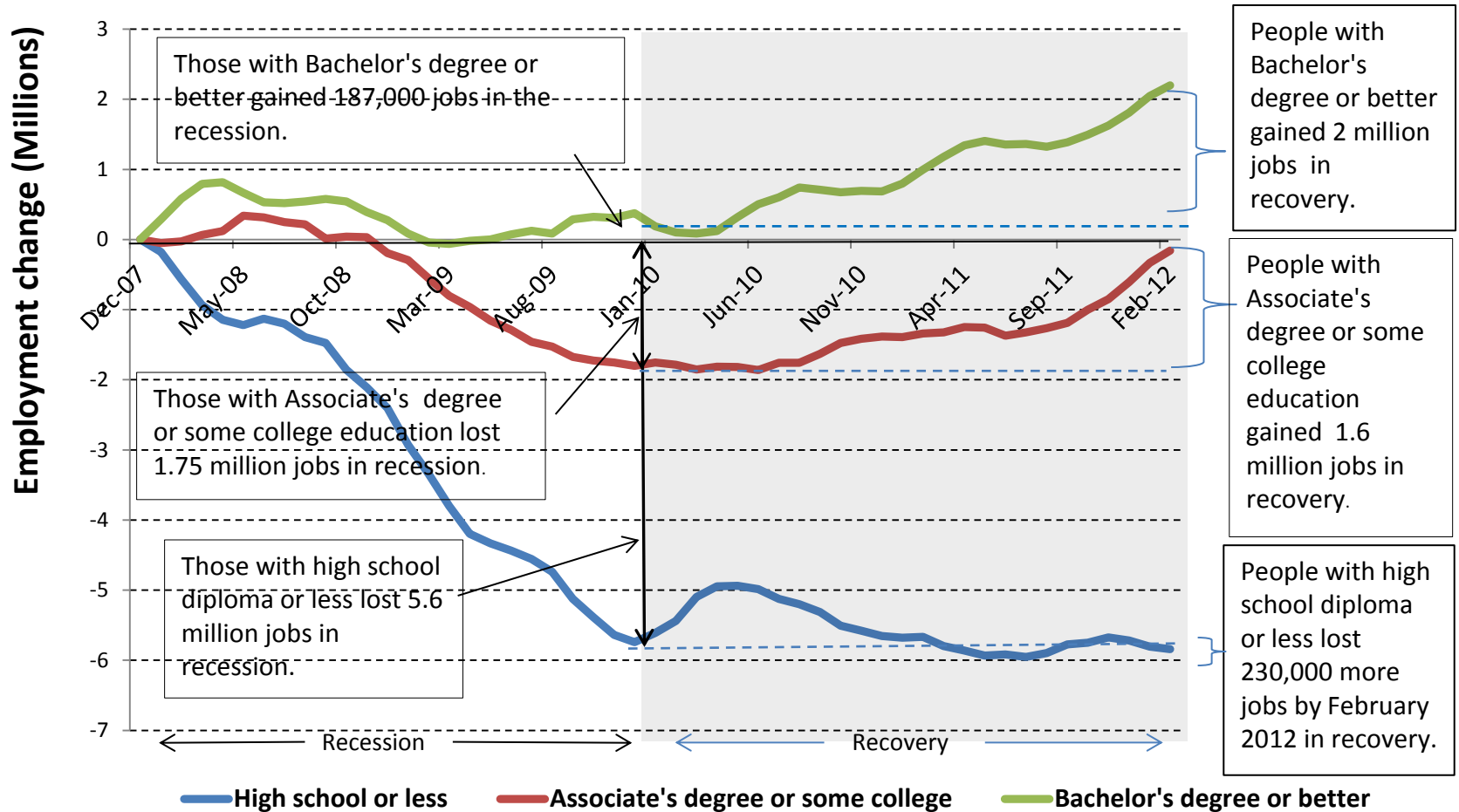
Source: Carnevale, Anthony, Tamara Jayasundera, Ban Cheah (August 2012) "The College Advantage", Figure 5 (pg.10). Authors' estimate of the Current Population Survey data (1989-2012). Employment includes all workers aged 18 and older.

# *Education Provides an Umbrella: High School Dropouts Bear the Brunt of Unemployment*



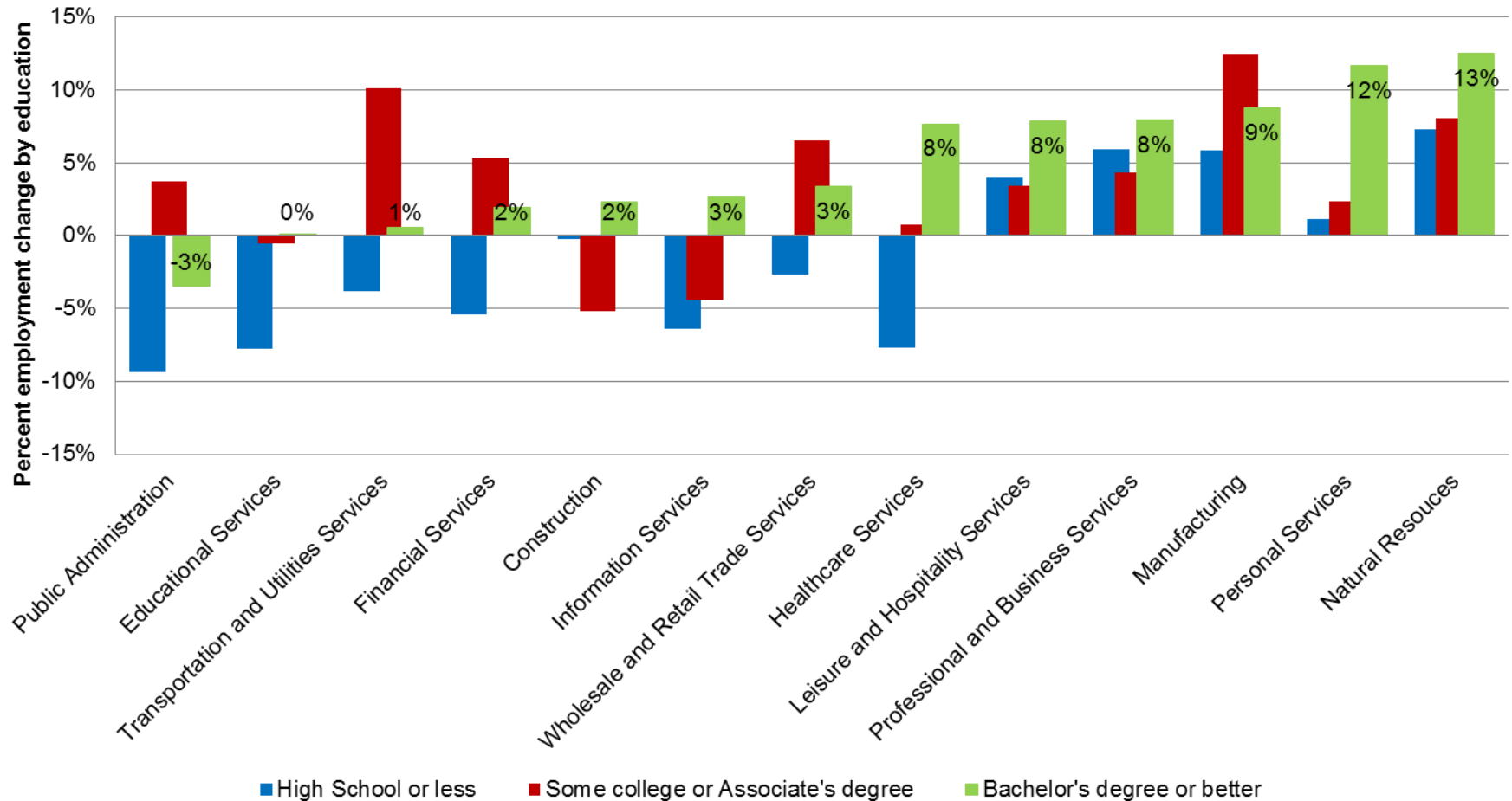
Source: Georgetown University Center on Education and the Workforce

# The Great Recession: Job Gains in Recovery Dominated by Those Requiring College



Source: Carnevale, Anthony, Tamara Jayasundera, Ban Cheah (August 2012) "The College Advantage", Figure 1 (pg.5). Authors' estimate of the Current Population Survey data (2007-2012). Employment includes all workers aged 18 and older.

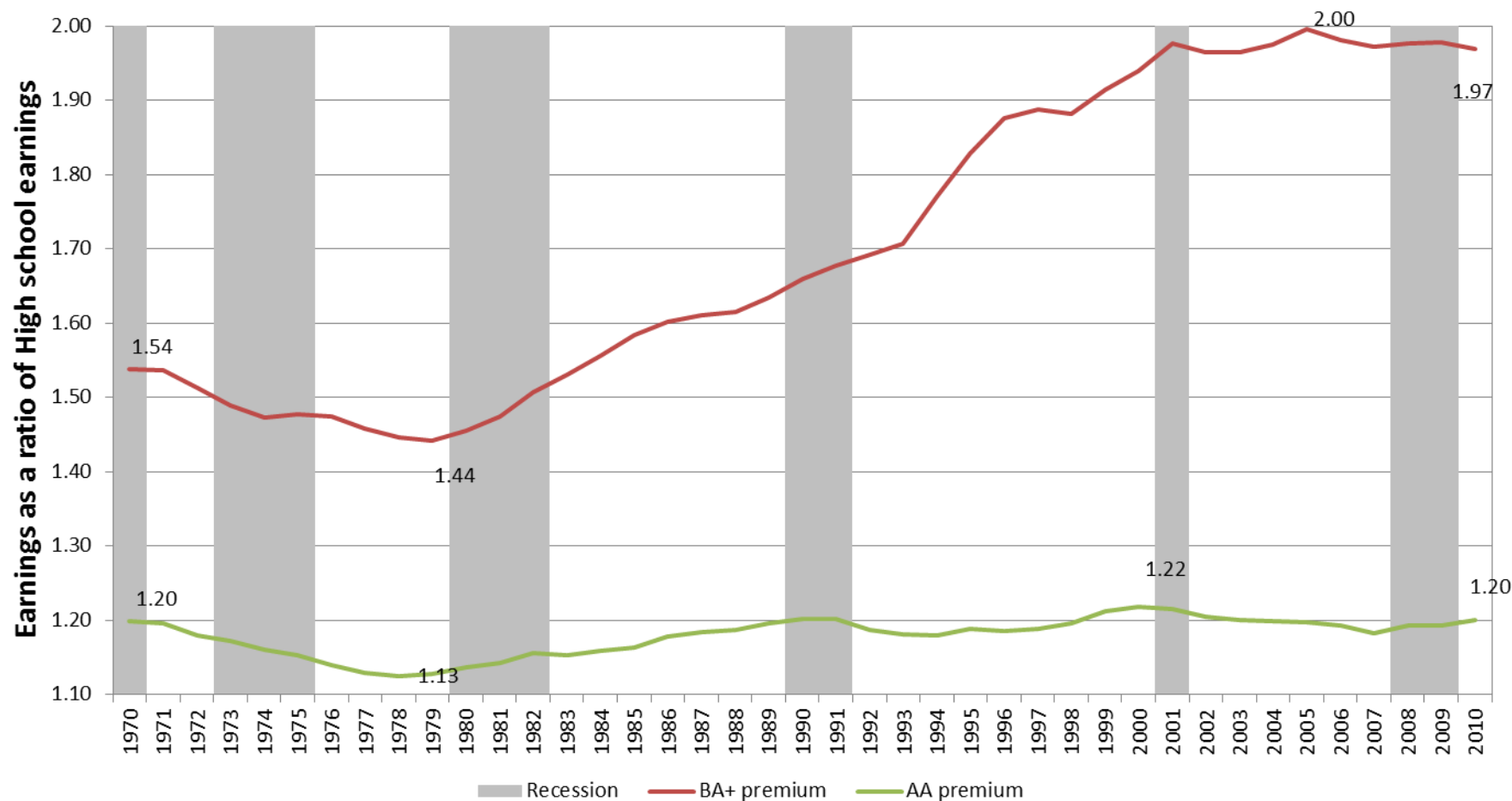
# ***Rising Demand for College-Level Skills: Across Industries, Requests for College- Level Skills Increases from 2010 to 2012***



Source: Carnevale, Anthony, Tamara Jayasundera, Ban Cheah (August 2012) "The College Advantage", Figure 11 (pg.19). Authors' estimate of the Current Population Survey data (2007-2012). Employment includes all workers aged 18 and older.

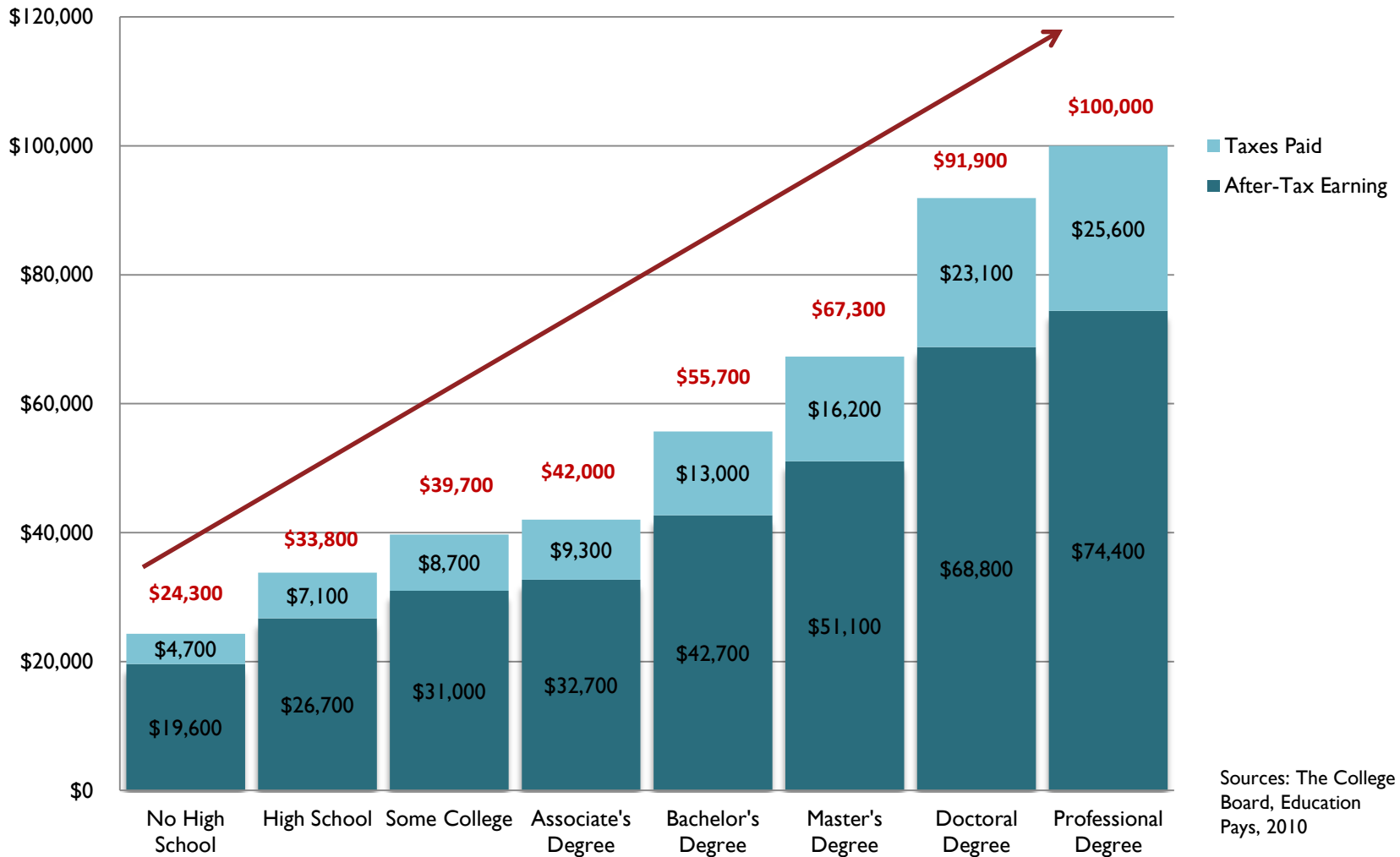


# *The Wage Premium for College Persists*



Source: Carnevale, Anthony, Tamara Jayasundera, Ban Cheah (August 2012) "The College Advantage", Figure 7 (pg.12).  
Authors' estimate of the Current Population Survey data (1970-2010). Employment includes all workers aged 18 and older.

# Earnings & Tax Payments by Educational Attainment



*Taken, with permission, from "Meeting President Obama's 2020 College Completion Goal," a presentation given by Under Secretary Martha Kanter on July 21, 2011*

***In a Knowledge Economy,  
Liberal Education Has  
Become the Key to American  
Capability and Student  
Success***



# Liberal Education & America's Promise



EXCELLENCE FOR EVERYONE AS A NATION GOES TO COLLEGE

**“A COLLABORATION BETWEEN EDUCATORS AND  
EMPLOYERS”**



# ***Narrow Learning is Not Enough!***

## ***The LEAP Essential Learning Outcomes***

- ***Knowledge of Human Cultures and the Physical and Natural World***

**Focused** on engagement with big questions, enduring and contemporary

- ***Intellectual and Practical Skills***

**Practiced** extensively across the curriculum, in the context of progressively more challenging problems, projects, and standards for performance

- ***Personal and Social Responsibility***

**Anchored** through active involvement with diverse communities and real-world challenges

- ***Integrative and Applied Learning***

**Demonstrated** through the application of knowledge, skills, and responsibilities to new settings and complex problems



***Employers Strongly Endorse the LEAP  
“Essential Learning Outcomes” –  
And They Urge New Effort to Help All  
Students Achieve Them***



# ***National Surveys of Employers on College Learning and Graduates' Work Readiness***

AAC&U commissioned Hart Research Associates (in 2006, 2007, and in late 2009) to interview employers (C-level suite executives and, in 2009 additional human resource professionals) whose companies report that hiring relatively large numbers of college graduates

Findings are summarized in the following reports:

***How Should Colleges Prepare Students to Succeed in Today's Global Economy?***  
(AAC&U, 2007)

***How Should Colleges Assess and Improve Student Learning? Employers' Views on  
the Accountability Challenge*** (AAC&U, 2008)

***Raising the Bar: Employers' Views on College Learning in the Wake of the Economic  
Downturn*** (AAC&U, 2010)

***It Takes More Than a Major: Employer Priorities for College Learning and Student  
Success*** (AAC&U, 2013)

See: [www.aacu.org/leap/public\\_opinion\\_research](http://www.aacu.org/leap/public_opinion_research)



# ***Balance of Broad Knowledge and Specific Skills Preferred***

Which is more important for recent college graduates who want to pursue advancement and long-term career success at your company?

**Having both field-specific knowledge and skills AND a broad range of skills and knowledge**



**Having a range of skills and knowledge that apply to a range of fields or positions**



**Having knowledge and skills that apply to a specific field or position**

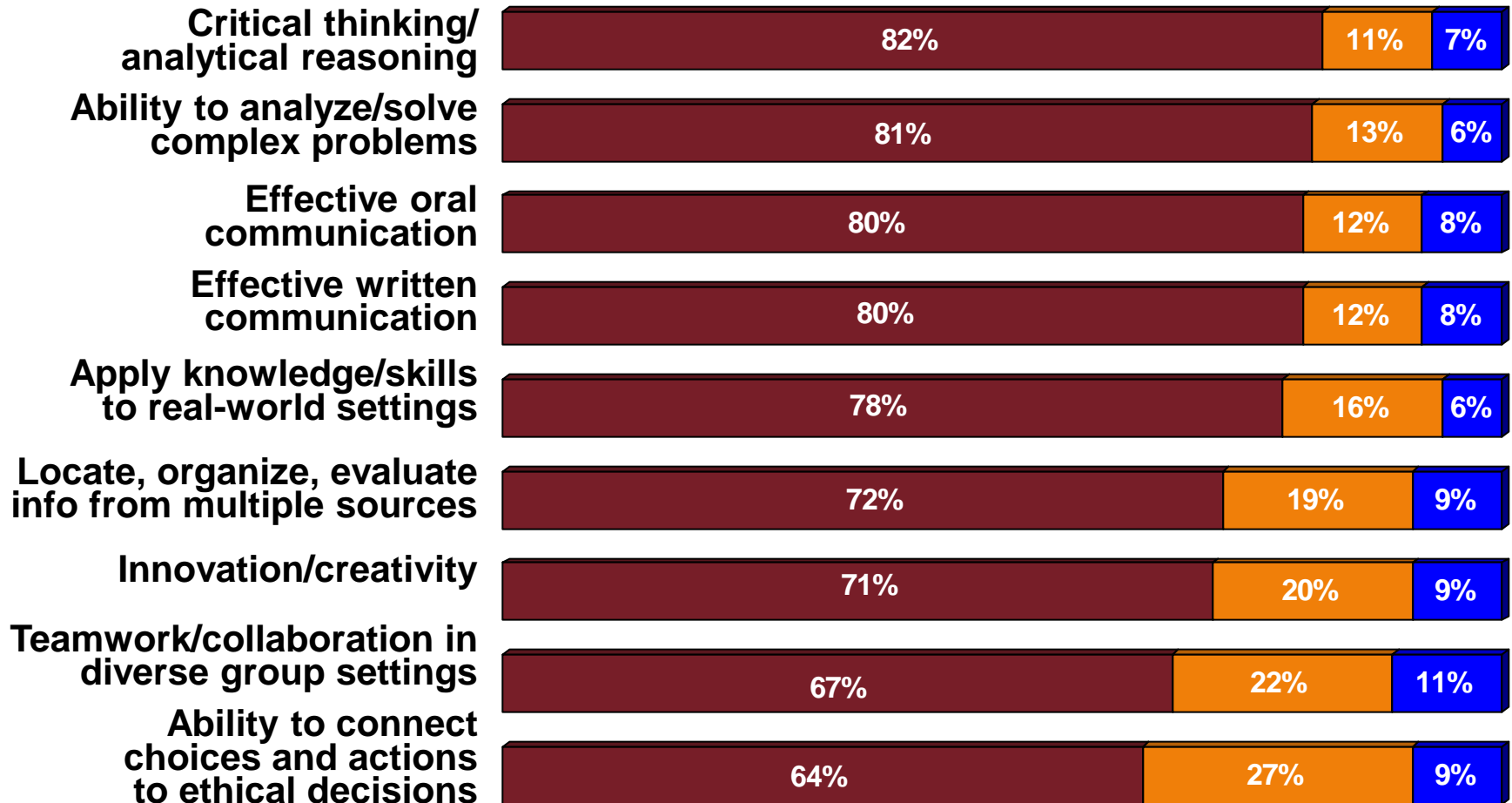


*"It Takes More Than a Major: Employer Priorities for College Learning and Student Success" (Hart Research Associates, 2013)*



# ***Employers Want “More Emphasis” on Key Learning Outcomes***

■ Put more emphasis than colleges have in the past   ■ The same emphasis   ■ Less emphasis

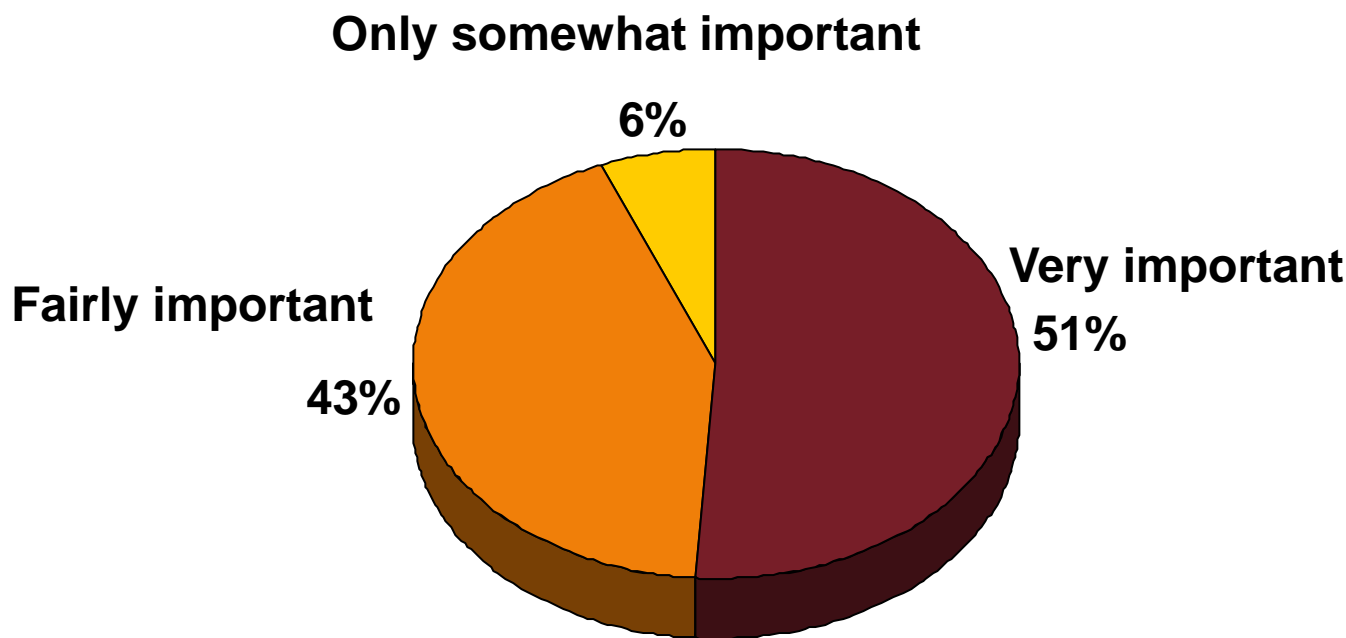


“It Takes More Than a Major: Employer Priorities for College Learning and Student Success” (Hart Research Associates, 2013)

# *How important is it for colleges and universities to provide the type of education described below?*

This particular approach to a four-year college education provides both **broad knowledge** in a variety of areas of study and more in-depth knowledge in a specific major or field of interest. It also helps students develop a **sense of social responsibility**, as well as **intellectual and practical skills** that span all areas of study, such as **communication, analytical, and problem-solving skills**, and a demonstrated ability to **apply knowledge and skills in real-world settings**.

# ***How important is it for colleges and universities to provide this type of education (see previous slide)?***

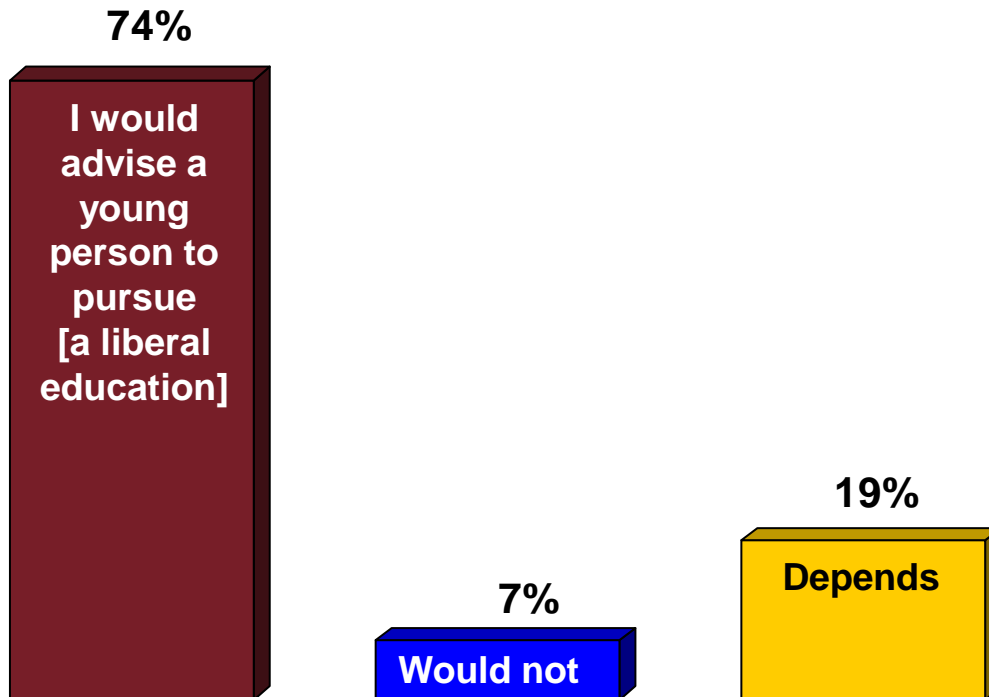


Source: *How Should Colleges Prepare Students to Succeed in Today's Global Economy?* (AAC&U, 2007)



# ***Three in four would recommend the concept of a liberal education to their own child or a young person they know***

***If you were advising your child or a young person you know about the type of college education they should seek to achieve in order to achieve professional and career success in today's global economy, would you recommend they pursue an education like the one described below?***



"This approach to a college education provides both broad knowledge in a variety of areas of study and knowledge in a specific major or field of interest. It also helps students develop a sense of social responsibility, as well as intellectual and practical skills that span all areas of study, such as communication, analytical, and problem-solving skills, and a demonstrated ability to apply knowledge and skills in real-world settings."

# ***Employers value cross-cutting skills and qualities when hiring***

■ Very important that our employees have this quality/skill    ■ Fairly important

**Ethical judgment and integrity**



**Comfortable working with colleagues, customers, and/or clients from diverse cultural backgrounds**



**Demonstrated capacity for professional development and continued new learning**



**Interest in giving back to the communities in which our company is located or those that it serves**



**Knowledge of global cultures, histories, values, religions, and social systems**



# ***Employers believe a variety of emerging educational practices have the potential to help graduates succeed***

■ Will help a lot to prepare college students for success after graduation    ■ Will help a fair amount

**Expecting students to develop the skills to research questions in their field and develop evidence-based analyses**



**Students complete significant project before graduation, demonstrating knowledge in major & analytical, problem-solving, communication skills**



**Students complete internship or community-based field project to connect classroom learning with real-world experiences**



**Expecting students to develop the skills to conduct research collaboratively with their peers**



**Students acquire hands-on experience with the methods of science to understand how scientific knowledge is developed**



**Expecting students to work through ethical issues and debates to form their own judgments about the issues at stake**



**“More big-picture thinking in the professions and more real-world application in the liberal arts and sciences.”**

Stephen H. Weiss (1935-2008)  
Former Managing Director,  
Neuberger Berman LLC

# Higher Level Liberal Education Skills and Abilities = Higher Wages

Data from Georgetown University  
Center for Education and the Workforce



*Center on Education and the Workforce*



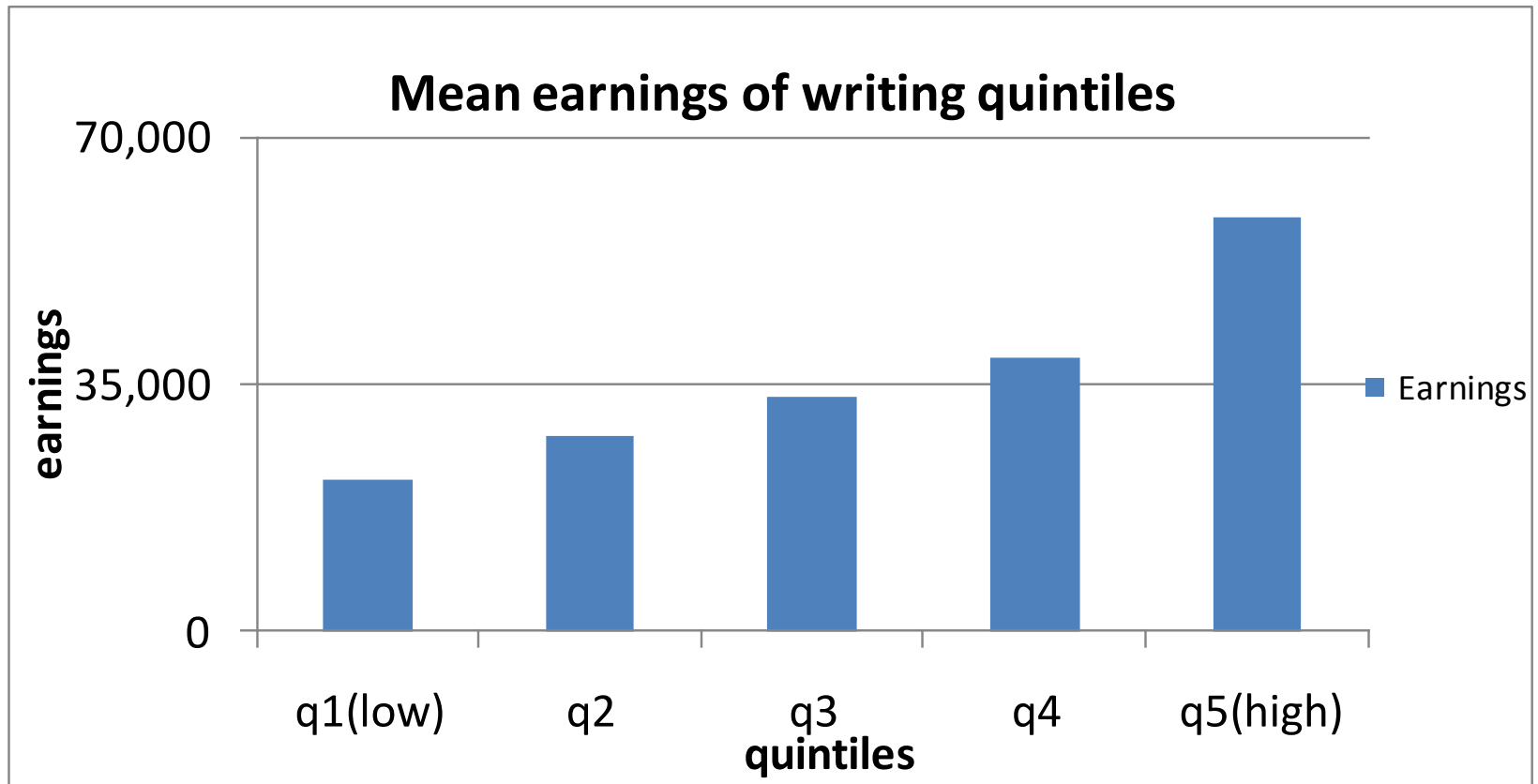
# ***The Salary Premium for Liberal Education Outcomes***

From a federal database analyzing qualifications for 1,100 different jobs, there is consistent evidence that the highest salaries apply to positions that call for intensive use of liberal education capabilities, including (random order):

- Writing
- Inductive and Deductive Reasoning
- Judgment and Decision Making
- Problem Solving
- Social/Interpersonal Skills
- Mathematics
- Originality

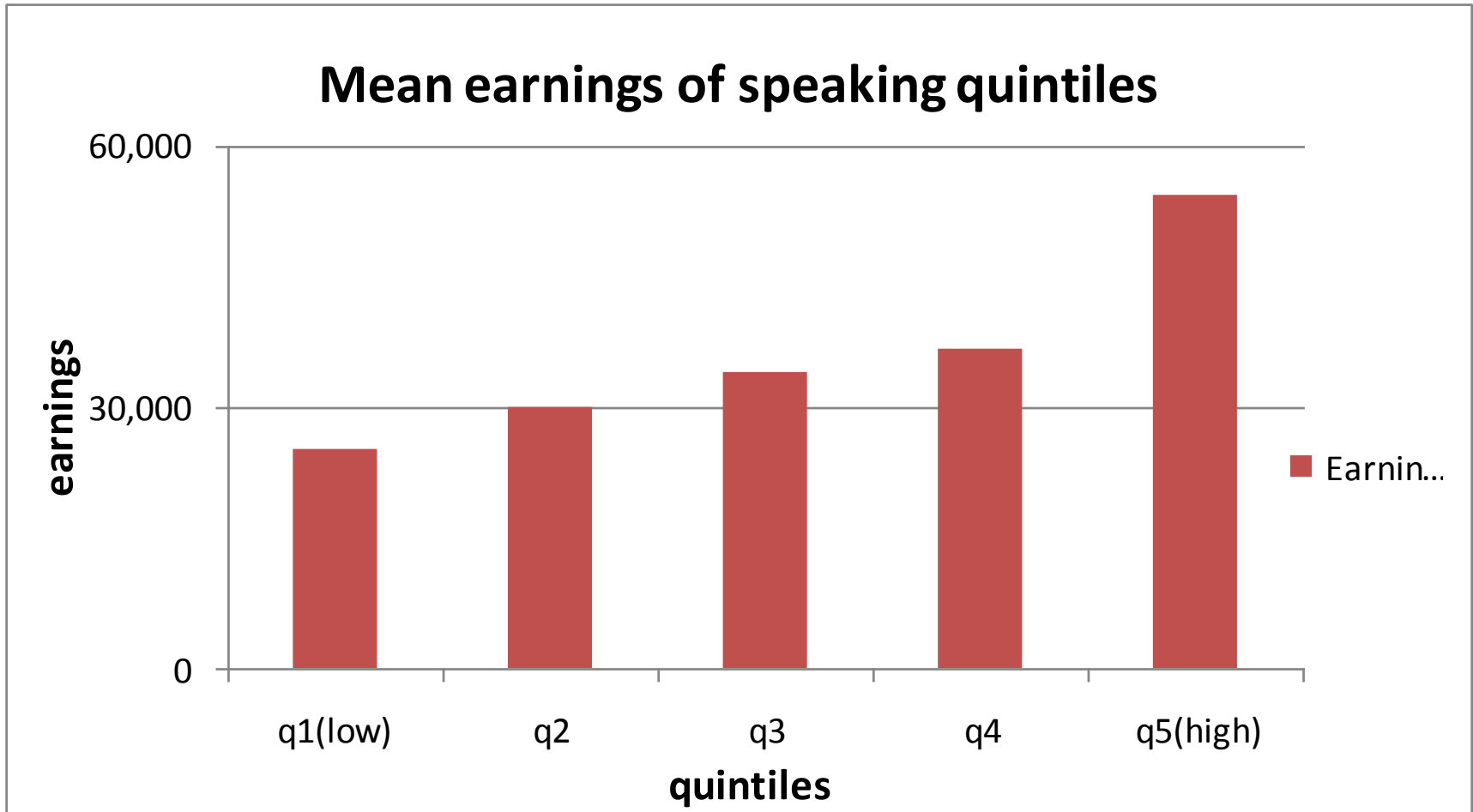
Source: Georgetown University Center on Education and the Workforce

# ***Mean Earnings of Jobs that Emphasize Writing***



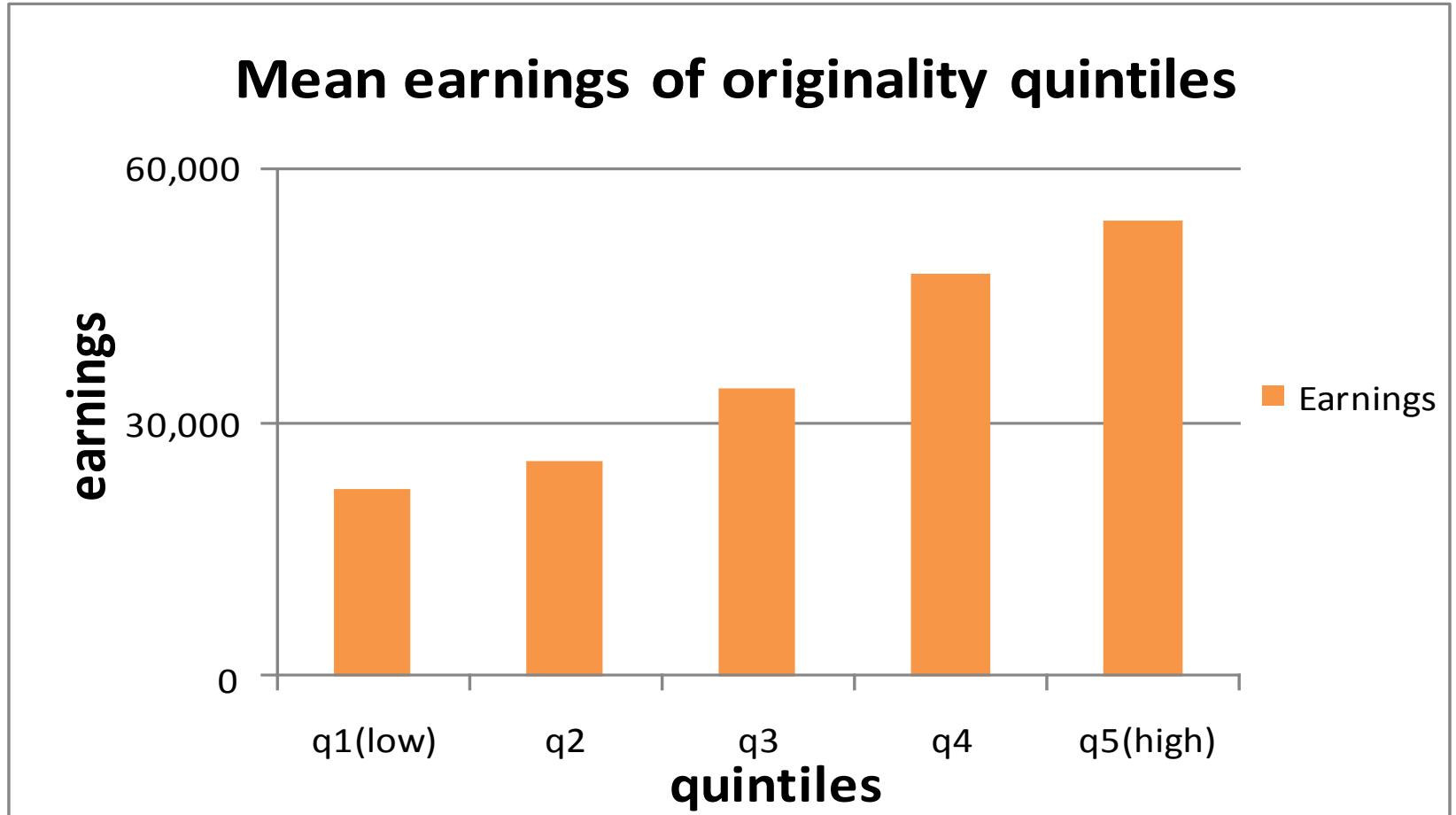
Source: Georgetown University Center for Education and the Workforce

# ***Mean Earnings of Jobs that Emphasize Speaking***



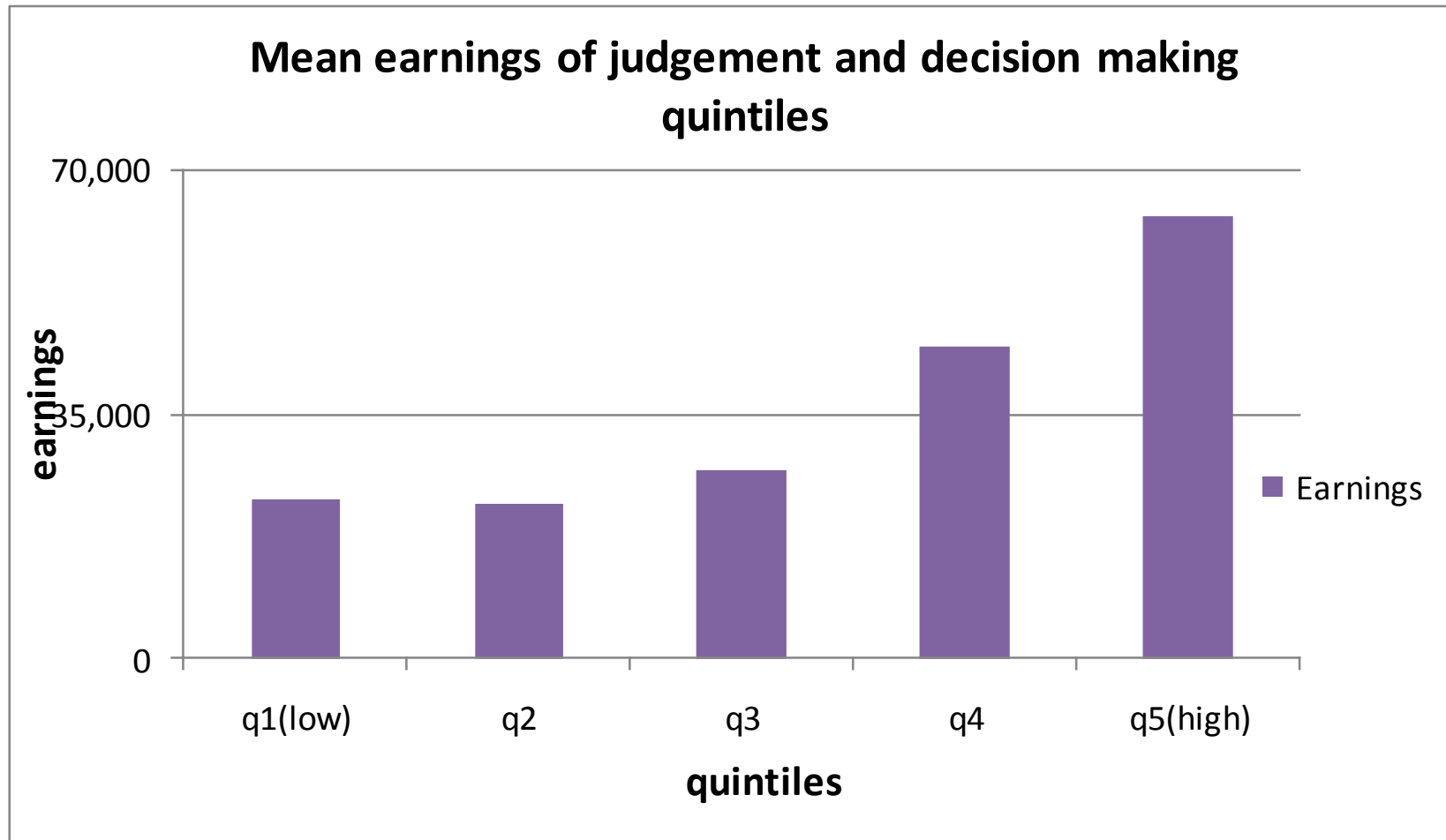
Source: Georgetown University Center for Education and the Workforce

# ***Mean Earnings of Jobs that Emphasize Originality***



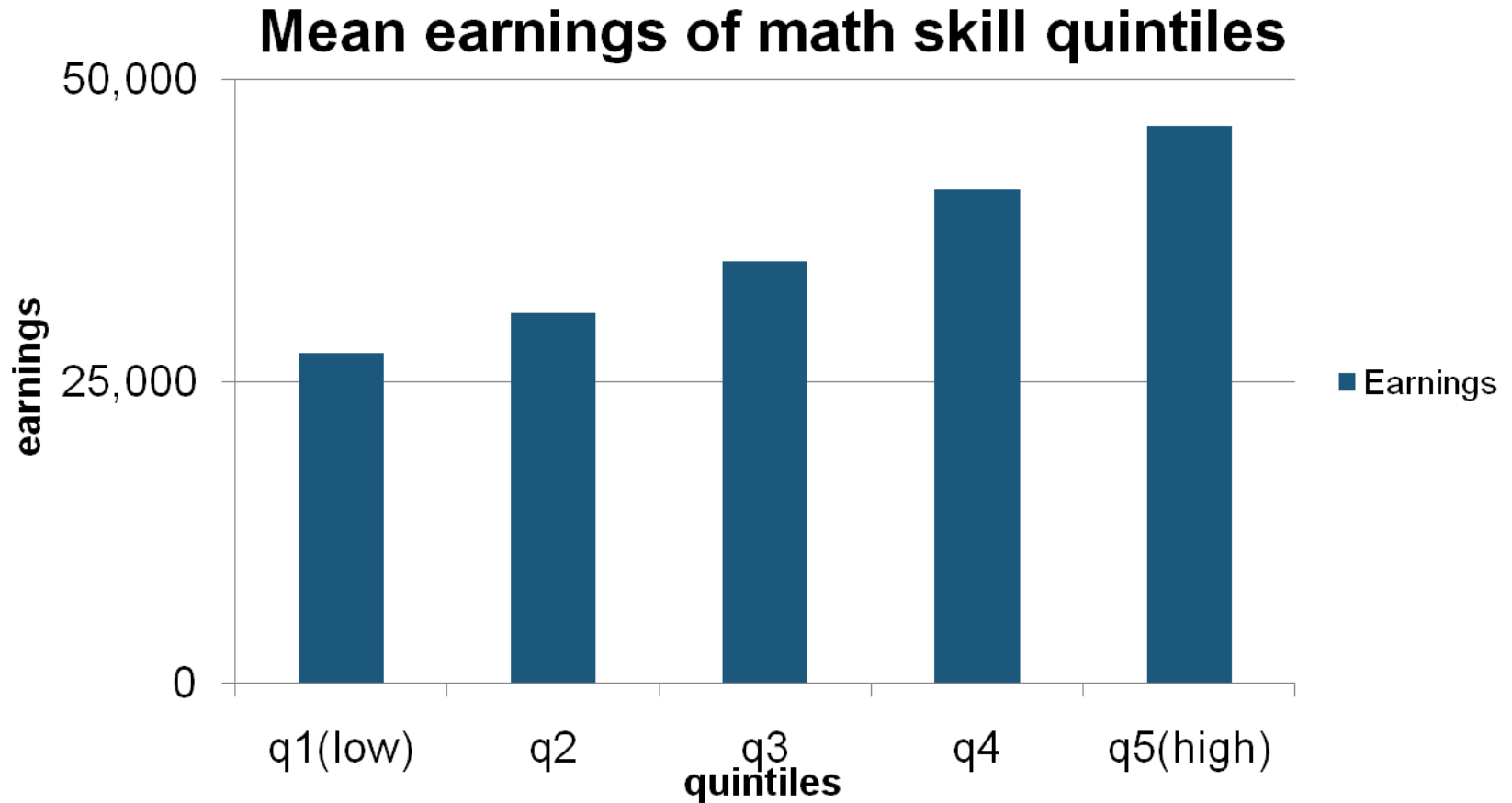
Source: Georgetown University Center for Education and the Workforce

# ***Mean Earnings of Jobs that Emphasize Judgment & Decision Making***



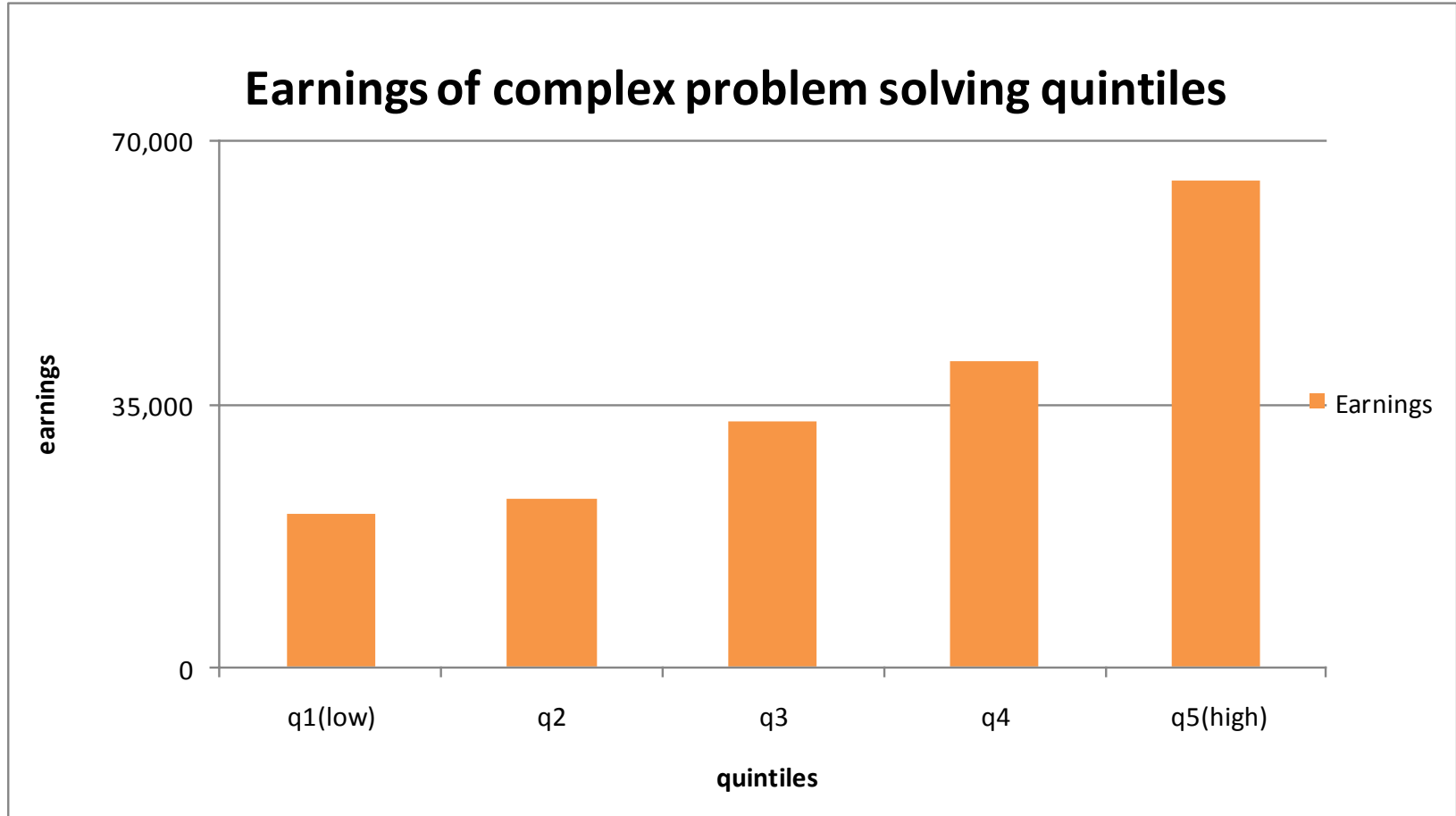
Source: Georgetown University Center for Education and the Workforce

# ***Mean Earnings of Jobs that Emphasize Math***



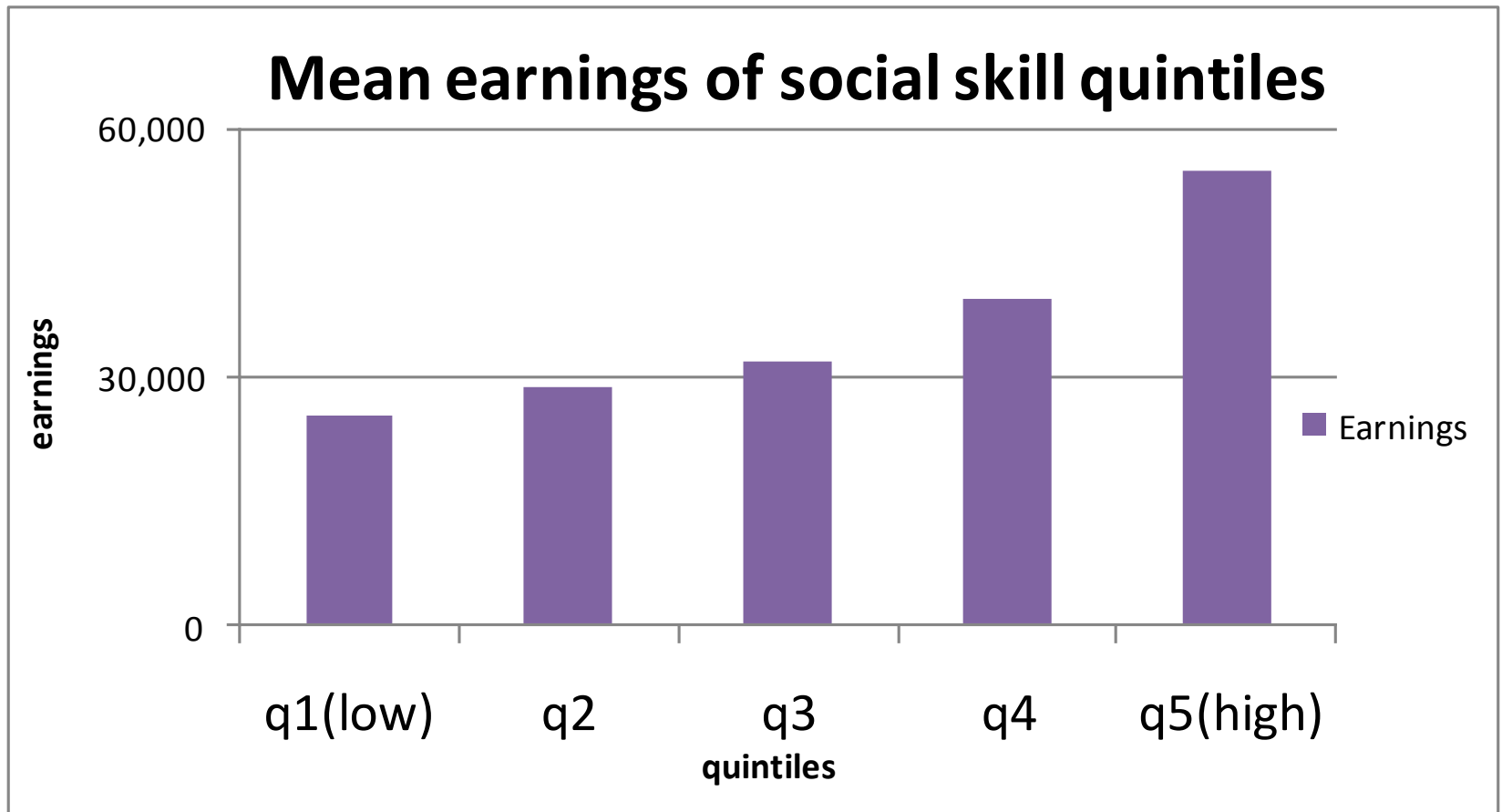
Source: Georgetown University Center for Education and the Workforce

# ***Mean Earnings of Jobs that Emphasize Problem Solving***



Source: Georgetown University Center for Education and the Workforce

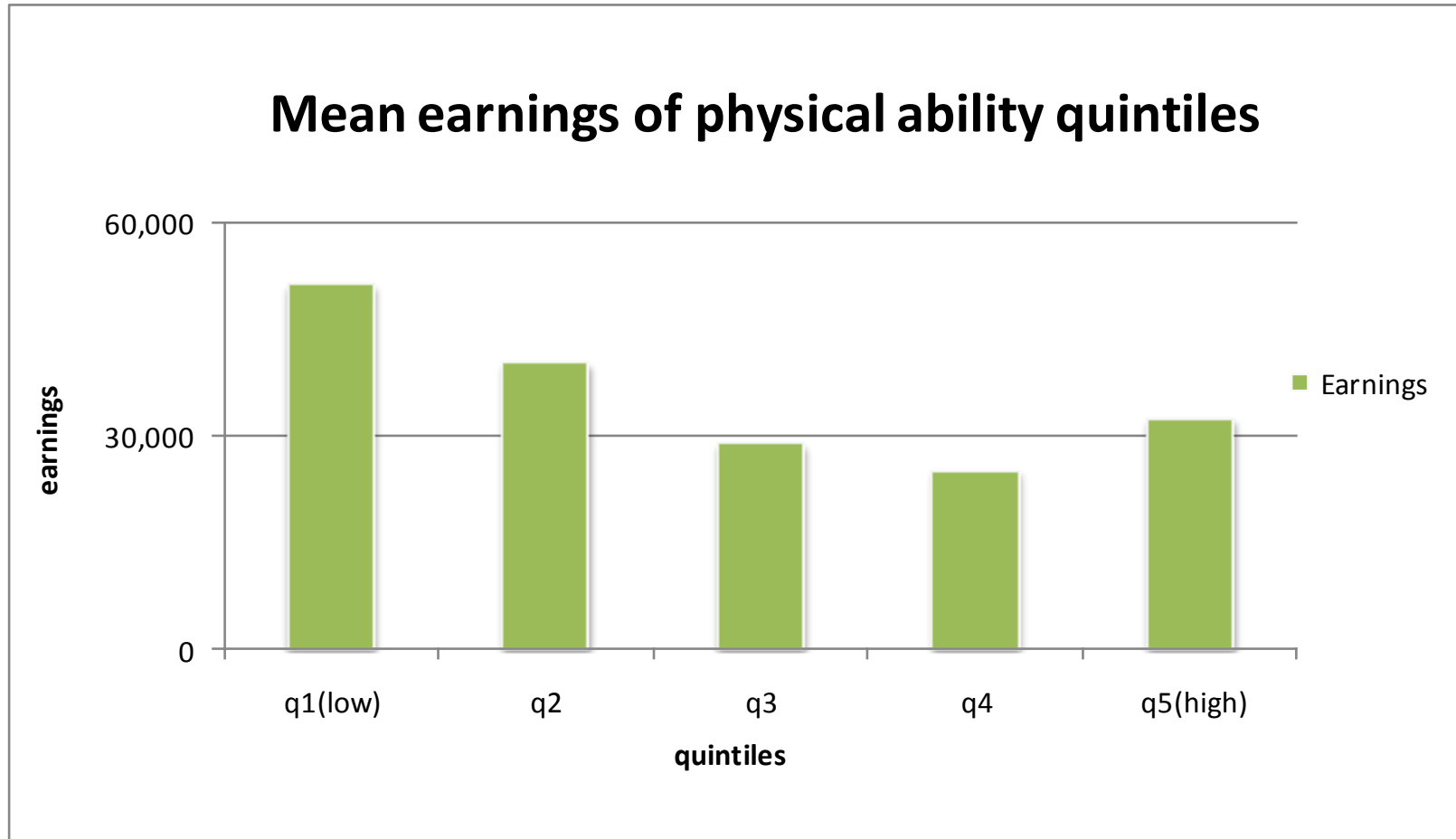
# ***Mean Earnings of Jobs that Emphasize Social Skills***



Source: Georgetown University Center for Education and the Workforce



# ***Mean Earnings of Jobs that Emphasize Physical Ability***



Source: Georgetown University Center for Education and the Workforce

# ***Liberal Education and Career Success***

Students should make sure their college education will help them develop these capabilities because the marketplace rewards graduates with the highest levels of achievement in these key learning outcomes.

Moreover, students who lack the hallmarks of a liberal education will not gain access to career paths that require and further develop these high level capabilities.

Source: Georgetown University Center on Education and the Workforce

# ***Markers of Liberal Education AND American Capability***

Evidence that Students Can Apply  
Liberal Learning Outcomes to  
Complex, Unscripted Problems—  
and Real-World Settings



# ***Priorities for Our Shared Future***

- Higher achievement standards in k-12 education—college prep curriculum as default
- Increased access to higher education through greater awareness, preparation, financial aid, social and academic support
- Increased persistence and graduation rates in higher education
- Intentionality and focus on quality and the LEAP essential learning outcomes in higher education and policy initiatives
- Tracking of results—not just graduation rates, but actual achievement of key learning outcomes

“In an economy fueled by innovation, the capabilities developed through a liberal education have become America’s most valuable economic asset.”

*College Learning for the New Global Century  
(AAC&U, 2007)*



For full *LEAP Report* and the surveys on employers and recent graduates:

[www.aacu.org/leap](http://www.aacu.org/leap)

For information from Georgetown University on Education and the Economy:

[www.cew.georgetown.edu](http://www.cew.georgetown.edu)



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of American  
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