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ABSTRACT

As the Minnesota and national economy become more reliant on knowledge than raw materials, the need for educated employees with sophisticated, flexible skills will rise. In the 1980s the second and larger half of the baby boom generation completed college and entered the work force. Despite the rapid increase in the young college-educated population during the 1980s, Minnesota successfully absorbed its young graduates into the workforce. A college degree remains and will continue to be a valuable employment asset in today's labor market. The median income among 25- to 34-year-old college graduates working full time is more than 50 percent greater than the median among high school graduates. In looking to the future, occupations that are projected to grow the fastest both nationally and in Minnesota are those that require the highest levels of education. Demographic trends also influence employment prospects. Between 1990 and 2000, the number of 25-to-34 year old Minnesotans is expected to fall by almost 23 percent limiting the number of new college graduates entering the workforce. Traditional measures of labor market performance all indicate that young college graduates have fared quite well economically and will continue to do so. (JB)

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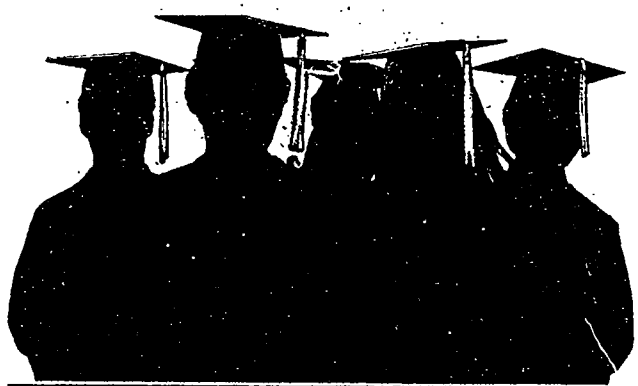


Employment Issues and Trends for Young College Graduates

January 1996

MINNESOTA PRIVATE COLLEGE RESEARCH FOUNDATION

Great Expectations

Employment Issues and Trends for Young College Graduates

For generations of Minnesotans and other Americans, a college education has been considered an entry point to upward mobility and economic security. However, following the recession of the late-1980s and early-1990s, the value of a four-year college degree has come under intense questioning and some derision.

In this report, the Minnesota Private College Research Foundation challenges many of the current myths on which current public sentiment and some public decisions rest. It is intended to refocus our attention on significant changes occurring in our society and economy and better prepare us to make sound investment decisions in the future. The report brings together our collective public interest in a highly educated work force and the personal economic benefits derived from completing a college education.

As we look toward the future, we must address a significant, and potentially paralyzing, hurdle in the current debate about appropriate levels and types of educational investments. While demands for higher economic performance continue to shape and drive labor markets, many question or doubt current levels of educational quality and the need for better-educated workers to meet the challenges of the future. These seemingly contradictory public sentiments make it difficult for government, business, and civic leaders to develop a strategy for investment in human capital which will increase the quality and adaptability of the work force in ways that meet public and individual needs.

As reflected in the report, a four-year college degree has been and will continue to be a sound individual and public investment. The research indicates that demand for individuals with a college degree has remained high, and that four-year college graduates, on average, are more likely to earn and maintain higher salaries throughout their careers than those with less education.

More important for future policy decisions, the occupations that are expected to grow the fastest both nationally and in Minnesota in the years ahead are those that require the highest levels of education. Furthermore, demographic projections indicate that the number of 25-to-34-year-olds in Minnesota will decline by 23 percent between 1990 and 2000, significantly limiting the number of new college graduates entering the work force during the next two decades.

Put simply, for Minnesota and our nation to compete in an increasingly complex and technical world economy — where knowledge, not raw materials, will be our primary economic asset — college graduates with well-developed, flexible skills will be in demand and essential to our state's social and economic future.

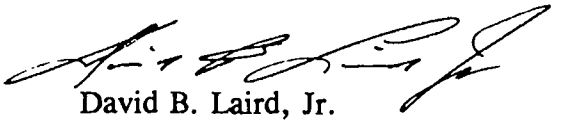
Economists and authors Michael McPherson and Morton Shapiro have written that rapid technological change implies rapid obsolescence of technical knowledge. "What people need to acquire in school," they contend, "is the ability to adapt, to be flexible, and to learn new things — which are, of course, the capacities liberal and general education aim to foster."

Economic opportunities for those who do not choose or are not able to pursue a college education and develop these skills will become increasingly limited in the years ahead. What's more, as our report indicates, those states without an adequate supply of college-educated workers with adaptable skills will find it extremely difficult to compete in the constantly changing global marketplace.

Management expert Peter Drucker recently asserted that education will become the center of a new knowledge society, and schools its key institutions. If his assertions about the rising importance of knowledge are correct, and state and national economic data appear to indicate they are, then we will need to find better means to ensure access to a quality education for all of our citizens. Changing demographics, increasing economic polarization, and the need to better focus our investments in education toward those with the least ability to pay are among the challenges we must address if we are to shape a successful social and economic future.

This report is intended to be a foundation for a discussion about how Minnesota can best prepare for the rigorous competition of the future. Minnesota's private colleges and their leaders look forward to being active participants in the debate. We also look forward to continuing to provide students with a quality education that prepares them for changing careers and their roles as community leaders, just as we have for more than a century.

We invite you to review this research analysis and welcome your questions or comments.



David B. Laird, Jr.
President
Minnesota Private College Research Foundation

Great Expectations

Employment Issues and Trends for Young College Graduates

Executive Summary

The national economic downturn that ended the 1980s and ushered in the 1990s fueled considerable public speculation about the employment value of a college degree. The restructuring of the American economy raised the anxiety of many who, until recently, had experienced mostly income growth and rising employment opportunities. Increasing economic uncertainty often has been interpreted as a sign of the declining value of a college education. However, a review of census and labor market data indicates that employment trends among young college graduates were positive in the 1980s and remain positive today, particularly when compared to the experiences of their counterparts who did not attend college. Moreover, as the state and national economy become more reliant on knowledge than raw materials, the need for educated employees with sophisticated, flexible skills will rise.

The 1980s

The second, and larger, half of the baby boom generation completed college and entered the work force during the 1980s. Baby boomers have completed more education than any generation in history, both nationally and in Minnesota. In 1980, Minnesotans who completed four years of college comprised 16 percent of all 25-to-34-year-olds. By 1990, they made up more than 21 percent. Despite the rapid increase in the young college-educated population during the 1980s, Minnesota successfully absorbed its young graduates into the work force. In 1989, almost three-quarters of all 25-to-34-year-old college graduates were employed full time, compared to just two-thirds 10 years earlier. The increase was largely due to a rise in the number of college-educated women who entered the labor force.

Though the number of young college-educated workers increased significantly during the 1980s, labor market demand for their services remained high. Between 1979 and 1989, the average real income of young college graduates working full time increased by 6 percent among men and by nearly 16 percent among women. By comparison, the average real income among similar-aged Minnesotans who had completed only high school rose by just 2 percent among women and fell by almost 10 percent among men. By 1989, the average income of young high school graduates had fallen to about 73 percent of the average for their college-educated counterparts.

Where we are today

A college degree remains a valuable employment asset in today's labor market. The unemployment rate for 25-to-34-year-olds with only a high school diploma is almost three times higher than the rate for those with a college degree, and college graduates are much more likely to be working full time. College graduates also continue to earn more than those with only a high school degree. The median income among 25-to-34-year-old college graduates working full time is more than 50 percent greater than the median among high school graduates, and 24 percent more than the median for those with two-year degrees.

Census data also indicate that those who have completed more education are more likely to attain and maintain higher incomes. Nationally, persons who have earned a four-year degree might expect lifetime earnings approaching $1.4 million (in 1992 dollars) compared to $800,000 for those who completed only a high school degree, a difference of $600,000. Lifetime earnings estimates for those with four-year degrees exceed earnings estimates for those with two-year degrees by almost $400,000.

The future

Recent economic projections, combined with data on demographic trends, suggest that a college degree will continue to provide an economic advantage well into the future. Occupations that today require the highest levels of education, and are characterized by relatively high earnings, are projected to grow the fastest both nationally and in Minnesota. In Minnesota, the number of professional/technical and managerial jobs will grow by 19 percent between 1993 and 2001, and together will account for 40 percent of the total job growth projected in the state for the eight-year time period. College graduates make up 62 percent of all young Minnesotans working in those occupations.

Future employment prospects also will be shaped by demographic trends. Between 1990 and 2000, the number of 25-to-34-year-old Minnesotans is expected to fall by almost 23 percent. By itself, the demographic decline in the number of young Minnesotans will limit the number of new college graduates entering the work force in the coming decades. In order to experience the same increase in the number of young college-educated workers entering the labor force between 1990 and 2000 that was experienced in the prior decade, the percentage of young Minnesotans who have completed at least a bachelor's degree would have to increase by 50 percent. Halfway through the decade, it does not appear that such a dramatic increase in the number of college graduates will materialize. Instead, the combination of rising demand for more highly educated workers and smaller numbers of young college-educated Minnesotans will likely increase the economic value of a bachelor's degree.

Conclusions

On balance, a college education has been a sound economic investment. Traditional measures of labor market performance — how many people are working, where they are working, and how much they are paid — indicate that young college graduates have fared quite well economically and will likely continue to do so. As a result, we can expect that young people considering college in the future will continue to draw the same conclusion as their predecessors: in an increasingly complex and technical global economy, a college degree is necessary to achieve higher-paying, stable employment opportunities.

As knowledge becomes a more important economic asset than raw materials, policymakers and civic, business, and education leaders must address two equally important questions. First, how can Minnesota best prepare for the job needs of tomorrow rather than today? Next, and equally important, how can Minnesota ensure that quality educational opportunities are available to all citizens so that the economic opportunities of the future are not distributed in ways that reflect the socioeconomic divisions of the present? The responses to these questions will shape the quality of life in Minnesota for decades.

Great Expectations

Employment Issues and Trends for Young College Graduates

Students, families, policymakers and community leaders are increasingly concerned about the value of a college education, especially its employment value. Slowing personal and family income over the last 10 years, coupled with anecdotal horror stories about the employment experiences of college graduates, have led some to question whether a bachelor's degree is worth the investment and others to speculate that Minnesota is producing too many college graduates.

However, a review of data from the 1980 and 1990 Decennial Censuses indicates that labor market trends among young college graduates in Minnesota (those aged 25-to-34) were positive — particularly when compared to their counterparts who had completed only high school — and that they remain positive today. Moreover, as the state and national economies become increasingly reliant on knowledge, rather than raw materials, the need for educated employees with sophisticated, flexible skills will rise.

Popular perceptions

The national economic downturn that ended the 1980s and ushered in the 1990s fueled considerable public speculation about the value of a college degree. The continuing restructuring of the American and global economies has raised the angst of those who, until recently, have experienced mostly income growth and rising employment opportunities. Large-scale layoffs among highly educated white collar workers, as well as personal stories about difficult job searches among recent college graduates, are widely interpreted as signs of uncertainty and declining value of a college education.

While the experiences of individuals vary, if the value of a college education was declining for the general population, at least one of the following conditions must have occurred:

- ❒ College-educated workers should have had no better employment prospects than less educated workers.
- ❒ College-educated workers should have experienced falling wages, either in real dollars or relative to their non-college-educated counterparts.
- ❒ College-educated workers should be losing their advantage of working in better paying occupations.

Fortunately, census and occupational data allow us to compare general employment trends

among young college graduates and non-college graduates. The data allows us to test for the presence of each of the conditions noted above to either validate or allay current public perceptions. The analysis that follows examines employment trends from 1980 to the present and concludes with a brief assessment of the future prospects for young college graduates.

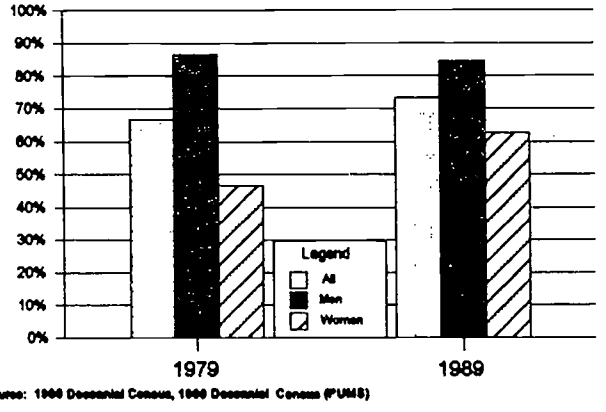
What happened in the 1980s?

The second, and larger, half of the baby boom generation completed college and entered the labor force during the 1980s. Between 1980 and 1990, the number of 25-to-34-year-old Minnesotans increased by 15 percent (almost 103,000). Members of the baby boom generation have completed more education than any generation in history, both nationally and in Minnesota. In 1980, Minnesotans who completed four years of college comprised 16 percent of all 25-to-34-year-olds[1]. By 1990, they made up more than 21 percent. The proportion of young Minnesotans who had at least one year of college rose from 52 percent in 1980 to 62 percent in 1990. Over the same time period, the number of young Minnesotans with only a high school diploma declined by nearly 13 percent.

Despite the rapid increase in the young college-educated population, Minnesota successfully absorbed its young college graduates into the work force during the 1980s. In 1989, almost three-quarters of all 25-to-34-year-old college graduates were employed full time,[2] compared to just two-thirds 10 years earlier.

The rising proportion of young college graduates working full time resulted from a significant increase in the number of college-educated women who entered the labor force during the decade. The proportion of young male college graduates working full time was virtually unchanged during the 1980s (about 85 percent). However, the percentage of young female college graduates working full time increased from less than 50 percent in 1979 to 63 percent a decade later. The number of

Percent of Young College Graduates Working Full-Time, 1979 and 1989



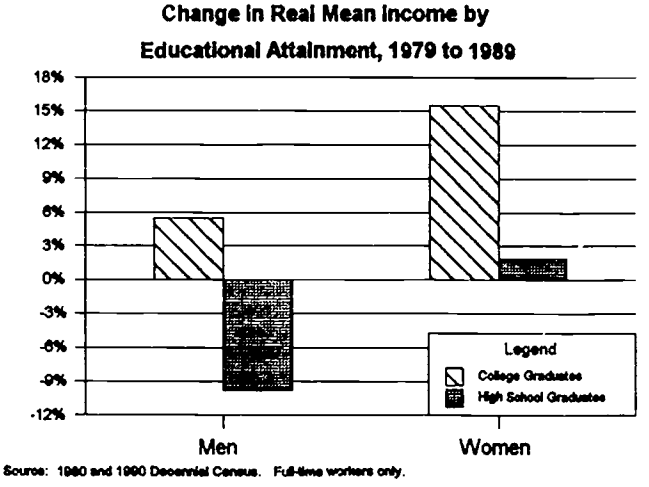
Source: 1980 Decennial Census, 1990 Decennial Census (PUMS)

[1] The Census Bureau changed its method of deriving educational attainment between 1980 and 1990. The change likely resulted in an underestimation of the increase in college graduates. Unfortunately, there are no crosswalks available to make the data from 1980 to 1990 comparable. Unless otherwise noted, this analysis compares those who had completed exactly 16 years of schooling in 1980 to those who had completed a baccalaureate degree in 1990.

[2] "Full time" is defined as those who worked 35 or more hours per week, and 40 or more weeks per year, in both 1979 and 1989, the years for which employment data was collected in the Census.

young women with four years of college increased by 56 percent between 1980 and 1990, and the number working full time more than doubled.

Though the number of young college-educated workers increased significantly during the 1980s, an examination of changes in their average income indicates that labor market demand for their services also remained high. Between 1979 and 1989, the inflation-adjusted average income of young college graduates working full time in Minnesota increased by almost 6 percent among men and by nearly 16 percent among women[3].



Those who completed college fared much better economically in the 1980s than those without a college education. The proportion of high school graduates who were working full time actually increased over the decade, rising from 59 percent to 65 percent. However, average real income among high school graduates who were employed full time was nearly stagnant among young women (rising by just 2 percent) and fell significantly among young men (dropping by nearly 10 percent).

Even though full-time job opportunities for high school graduates increased throughout the decade, the jobs they acquired were increasingly low paid, particularly when compared to their college-educated counterparts. In 1979, the average income of young male high school graduates in Minnesota was 86 percent of the average for young male college graduates. By 1989, average income among young male high school graduates had fallen to 73 percent of the average for their college-educated counterparts. The story was similar among young women. Nationally, the income gap between those who were college educated and those with only a high school diploma widened nearly every year of the decade.

Young college graduates in Minnesota had higher average incomes than their high school educated counterparts in all major occupational categories in 1989, including those sometimes classified by the U.S. Department of Labor as "non-college" jobs (including blue collar occupations, service occupations, sales occupations, and administrative support and clerical occupations). In other words, the occupational skill requirements assigned by the Labor Department may not accurately reflect the actual employer demand for college educated workers. What the data may instead indicate is that college-educated workers are squeezing out their less-educated counterparts from higher paying jobs in "non-college" occupations.

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[3] 1990 constant dollars. Includes all those with income.

A recent analysis of national Census data suggests findings similar to those for Minnesota.[4]

Where are we today?

Comprehensive data on educational attainment, income, and occupation are available only once each decade for the states through the Decennial Census. However, because labor markets and job opportunities are not limited to the state's boundaries, it is appropriate to evaluate the employment status of young college graduates using the most recently available national data.

Employment Rates

Information collected by the Census Bureau in the Current Population Survey — the official national source for employment and income statistics — indicates that employment rates (the percentage of all those in the labor force who were working) are significantly higher among college graduates than for those who have not been to college. In March 1993, 97 percent of all baccalaureate degree holders aged 25-to-34 were employed in the civilian labor force, compared to 91 percent of those with only a high school diploma. The unemployment rate for 25-to-34-year-olds with only a high school diploma was almost three times higher than the rate for those with a college degree. College graduates are also much more likely to be working year-round, full time than those who do not attend college[5]. About 80 percent of all young male college graduates, and 60 percent of all young female college graduates, had year-round, full-time jobs in 1993, compared to only two-thirds of all young male high school graduates, and 47 percent of young female high school graduates.

Income

Consistent with other national data comparing educational attainment and income, male and female college graduates working year-round, full time earn significantly more than their high school-educated counterparts. For young men in 1993, the median income for college graduates employed full time was $35,266, 53 percent more than the median for high school graduates also working full time. Though the median income for working women is considerably lower than the median for men, young female college graduates also earn significantly more than young women with only a high school diploma. The median income

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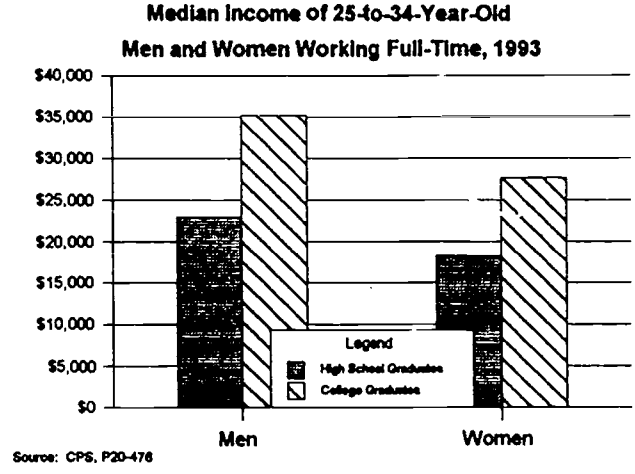
[4] John Tyler, Richard J. Murnane, Frank Levy, "Are Lots of College Graduates Taking High School Jobs? A Reconsideration of the Evidence," Working Paper No. 5127, National Bureau of Economic Research, Cambridge MA, May 1995.

[5] The CPS defines year-round, full-time employment as 35 or more hours per week for 50 or more weeks per year.

for young female college graduates working full time in 1993 was $27,652, compared to $18,259 for those with no education beyond high school (a difference of 51 percent).



Census data consistently indicate that income increases with each successive level of education completed. Young people who have completed a bachelor's degree not only earn more, on average, than high school graduates, but also more than those who have some college education but no degree and those with two-year degrees. In 1993, the median income for young college graduates working full time (excluding those with advanced degrees) was over 30 percent higher than the median for than those with some college but no degree, and about 24 percent greater than the median for those with two-year degrees.

Those who have completed more education are not only more likely to earn more, but also more likely to maintain higher earnings. A recent analysis by the U.S. Bureau of Labor Statistics indicates that the percentage of earners who stay in the bottom 20 percent of all earners decreases with years of schooling completed[6]. On the other hand, the percentage of earners that stay in the top 20 percent increases consistently with educational attainment, indicating that more highly educated workers are more likely to have the skills necessary to reach the highest earnings level and remain there. In 1990, 56 percent of all men with four or more years of college were in the top earning quintile, compared to only 20 percent of those with only a high school degree. One year later, 86 percent of the college graduates remained in the top quintile, compared to just two-thirds of those with only a high school degree. The analysis suggests that higher earnings associated with higher levels of education are more stable than higher earnings achieved by those with less education.

Estimates of earnings over the course of a working career more clearly reveal the size of the income gap between those with and without a college education. Nationally, persons who have earned a baccalaureate degree might expect lifetime earnings approaching $1.4 million

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[6] Maury Gittleman and Mary Joyce, "Earnings mobility in the United States, 1967-91," *Monthly Labor Review*, Bureau of Labor Statistics, U.S. Department of Labor, Washington D.C., September 1995. The analysis used March-to-March matched CPS data for those aged 25-to-59 who had positive wage and salary income in both years.

(in 1992 dollars)[7]. On the other hand, those who have completed only a high school degree may expect career earnings in the range of $800,000, on average, or 42 percent less than the estimated average for those who completed a four-year college degree.

Estimates of Work-life Earnings by Level of Education: U.S. 1992

Education	Work-life Earnings Estimate	Work-life Earnings vs. Bachelor's Degree
Not a high school graduate	$608,810	42.8%
High school graduate	$820,870	57.8%
Some college	$992,890	69.9%
Associate's degree	$1,062,130	74.8%
Bachelor's degree	$1,420,850	100.0%
Master's degree	$1,618,970	113.9%
Doctorate degree	$2,142,440	150.8%

The large differences in lifetime earnings reflect different starting salaries for different levels of education, as well as different earnings paths over the course of the person's working life. Consistent with the conclusions noted earlier, the Census Bureau suggests that differential earnings by level of educational attainment persist throughout the course of a person's life.

Occupations

College graduates of all ages are heavily concentrated in two occupational categories: professional specialty occupations — which include architects, engineers, scientists and teachers, among others — and executive/managerial occupations. In 1993, more than 60 percent of all young college graduates with a bachelor's degree or more were employed in professional specialty or managerial occupations. College graduates comprised almost two-thirds of all employees working in those occupations. Both occupational categories are characterized by above-average median earnings. However, even in jobs characterized as not requiring college-level skills, the income gap between workers with college degrees and those with only high school degrees has widened[8].

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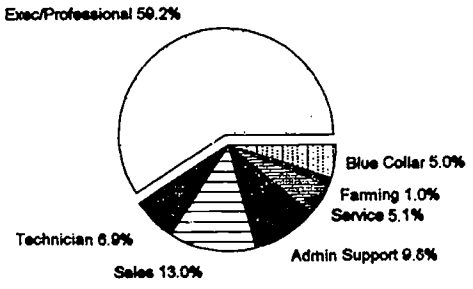
[7] Robert Kominski and Andrea Adams, *Educational Attainment in the United States: March 1993 and 1992*, U.S. Bureau of the Census, Current Population Reports, P20-476, 1994. The Census Bureau's earnings estimates define work-life as the 40-year period between the ages of 25 and 64. The Bureau's projections are based on current labor market and economic conditions.

[8] see Tyler, Murnane, and Levy.

Data on occupational employment by educational attainment for Minnesotans is virtually identical to national data. According to the 1990 Census, more than half of all young Minnesota college graduates work in professional specialty or administrative/managerial occupations. College graduates comprise 62 percent of all young Minnesotans working in those occupations. Similar to findings nationally, managerial and professional specialty occupations in Minnesota are characterized by above-average earnings.

Distribution of Young Minnesota College Graduates by Occupation, 1990



Source: 1990 Decennial Census. Civilian employed, non-institutionalized.

Recent data tracking occupational growth provides positive evidence of employment gains in the higher paying fields dominated by college graduates. Managerial and professional specialty occupations accounted for almost one-third of the total growth in the number of wage and salaried workers nationally between 1983 and 1993[9]. In 1994 alone, more than half of the gain in total employment occurred among managerial and professional specialty workers[10], even though those two occupational categories comprised only about one-quarter of all jobs.

What does the future hold?

Labor markets are dynamic and sometimes volatile. Employment growth is influenced by many factors, including the pace of technological change, global competition, the introduction of new products and processes, and the willingness of consumers to purchase products and services. Individually, employment opportunities are influenced by ability and aspirations, educational attainment, choice of profession, where one chooses to live and, not least of all, good fortune. The combination of these market and personal factors shape the supply of labor (the total number of workers and their characteristics) as well as the demand for it.

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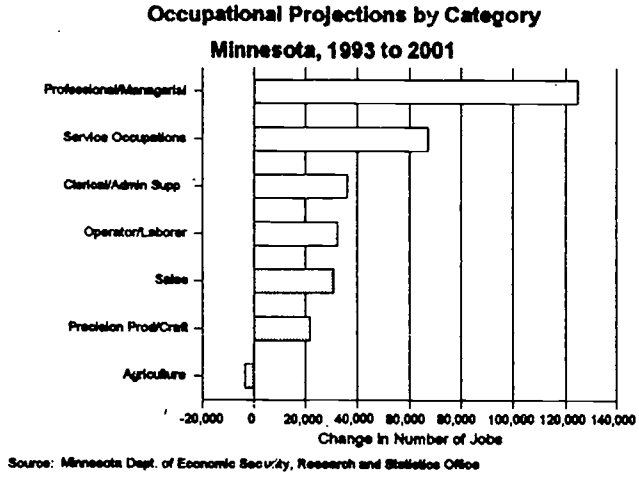
[9] Neal H. Rosenthal, "The nature of occupational employment growth: 1983-93," *Monthly Labor Review*, Bureau of Labor Statistics, U.S. Department of Labor, Washington D.C., June 1995.

[10] Lois M. Plunkert and Howard V. Hughes, "Strong employment gains continue in 1994," *Monthly Labor Review*, Bureau of Labor Statistics, U.S. Department of Labor, Washington D.C., February 1995.

Labor Market Demand

As the nation's economy becomes increasingly global and complex, the demand for those with the highest levels of education will rise. Occupations that today require the highest levels of education, and are characterized by relatively high earnings, are projected to grow the fastest both nationally and in Minnesota. According to projections prepared by the U.S. Department of Labor, employment will rise faster for occupations that require higher levels of education or training than for those requiring less.[11] Employment in professional specialty and executive/managerial occupations is expected to increase by almost one-third between 1992 and 2005. As a result, professional specialty and executive/managerial occupations will rise as a proportion of all occupations from 24 percent in 1992 to 26 percent in 2005.



Employment projections for Minnesota provide a similar outlook. The Minnesota Department of Economic Security recently reported that occupations requiring at least a bachelor's degree are expected to grow the most between 1993 and 2001.[12] The number of professional/technical and managerial jobs will grow by 19 percent, and together they will account for 40 percent of the total job growth projected for the eight-year time period. The Department of Economic Security concluded that, while large numbers of jobs will also be added in occupations not requiring a four-year college degree, most jobs will require at least some level of specialized training.

Demographics

Future employment prospects will be shaped not only by the demand for labor but also by the supply. With the passing of the baby boom generation, Minnesota will not experience the dramatic increases in the number of young workers that characterized the last two decades. The age group immediately following the baby boom generation is significantly smaller in size, and the number of 25-to-34-year-old Minnesotans is expected to fall by

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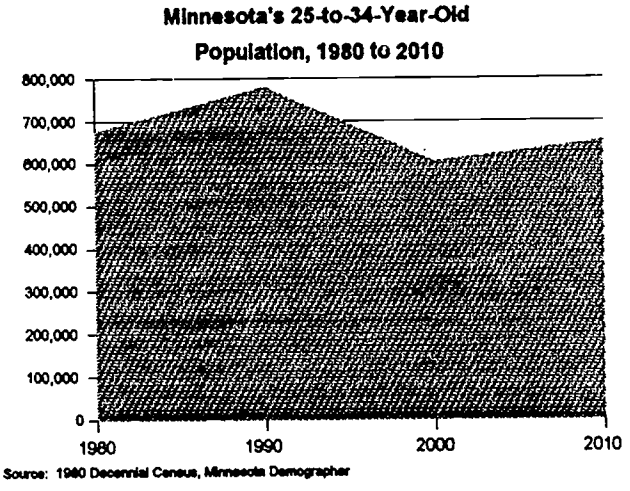
[11] Howard Fullerton, *Occupational Outlook Handbook*, Occupational Profile, Bureau of Labor Statistics, August 1995.

[12] *Minnesota Job Outlook, 1993-2001*, Minnesota Department of Economic Security, Research and Statistics Office, October 1995. Does not include job growth resulting from replacement needs.

almost 23 percent (176,000) between 1990 and 2000[13]. More than half of that reduction will take place between 1995 and 2000. While some of the age group's population loss will be made up between 2000 and 2010 (a reflection of the coming of age of the baby boom "echo"), there still will be nearly 130,000 fewer 25-to-34-year-olds in Minnesota in 2010 than there were in 1990.



By itself, the demographic decline in the number of young Minnesotans will limit the number of new college graduates entering the work force over the next two decades. Between 1980 and 1990, the number of young college graduates increased by 15 percent. In order to experience the same increase between 1990 and 2000, the percentage of all Minnesotans aged 25-to-34 who have completed at least a bachelor's degree would have to increase by 50 percent. Halfway through the decade, such a dramatic increase in the supply of young college graduates has not yet materialized. Instead, the combination of rising demand for more highly educated workers and smaller numbers of young college-educated Minnesotans will likely increase the economic value of a bachelor's degree (all other things remaining the same).

Conclusion

On balance, a college education has proved to be a good economic decision for Minnesotans who have chosen to pursue it. Despite significant increases in the number and overall educational attainment of young Minnesotans over the last 15 years, there does not appear to have been a surplus of college graduates in the state's labor force. Traditional economic measures of labor market performance — how many people are working, where they are working and how much they are paid — indicate that young college graduates fared quite well in the 1980s, especially when compared to their non-college educated counterparts. More recent data projecting occupational growth indicate that young college graduates will likely continue to succeed in state and national labor markets.

While the relative value of a college degree has increased dramatically in the last decade, college is not, and never has been, a guarantee for personal economic success or job satisfaction. None of the data suggest that everyone should go to college nor that all college

[13] Minnesota Planning, *A Changing Population: The Next 30 Years*, St. Paul, August 1993.

experiences are equally marketable or offer the same prospects for success. It is also clear that job placement is not the sole purpose for attending college. Each year, between two-thirds and three-quarters of all freshmen indicate that gaining a general education and appreciation of ideas were important reasons in deciding to go to college.[14] The development of civic, cultural, spiritual, and intellectual values all contribute significantly to personal and community quality of life.

Nonetheless, there is every reason to expect that tomorrow's young people considering college will continue to draw the same conclusion as their predecessors: In an increasingly complex and technical global economy, a college degree is necessary to achieve higher paying, stable employment opportunities.

Postscript

Management expert Peter Drucker recently chronicled the end of the industrial age and the rise of a new, more technically sophisticated age of knowledge[15]. He asserted that education would become the center of a new knowledge society, and schools its key institutions. Educated people will be those who not only have learned how to learn but those who continue to seek additional learning throughout their lifetimes. In the age of knowledge and information, high levels of education will be of central importance. Drucker suggested that knowledge acquired through formal education would increasingly determine access to jobs and social position.

If Drucker's assertions about the rising importance of knowledge are true, and state and national economic data appear to indicate they are, then policymakers and civic, business, and education leaders must address two equally important issues. First, how can Minnesota best prepare for the job needs of tomorrow rather than today? And, next, how can Minnesota ensure that quality educational opportunities are available to all citizens, so that the opportunities of the future are not simply distributed in ways that reflect the socioeconomic divisions of the present? The responses to these questions will shape the quality of life in Minnesota for decades.

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[14] Eric L. Dey, Alexander W. Astin, William S. Korn, *The American Freshman: Twenty-Five Year Trends, 1966-1990*, Higher Education Research Institute, Graduate School of Education, University of California, Los Angeles, September 1991.

[15] Peter Drucker, "The Age of Social Transformation," *The Atlantic Monthly*, November 1994.

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