



Easy Come, EZ-GO

A Federal Role in Removing Jurisdictional Impediments to College Education

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Introduction and summary

Our nation needs more college graduates to remain competitive in a knowledge-driven global economy. Only 38 percent of the U.S. working-age population—those individuals between the ages of 25 and 64—held a two- or four-year postsecondary education degree in 2008, the last year for which complete data are available, with little evidence the situation improved during the Great Recession.¹ This level of educational attainment is inadequate to meet labor market demands. A recent report from the Georgetown University Center on Education and the Workforce forecasts that in the coming decade, 63 percent of all jobs will require at least some postsecondary education.²

Absent significant changes in educational attainment, notes the report, the U.S. labor market will face a shortage of adequately educated workers, a condition that will slow economic development and severely limit productivity gains.³ With demand for postsecondary skills on course to outpace the supply of college graduates, federal and state policymakers, national education leaders, and prominent foundations are challenging America's higher education institutions to significantly increase the number of individuals graduating from college. In short, the United States has a college-degree attainment problem—a condition that threatens the nation's future economic and civic vitality.

Responding to our college-degree attainment challenge

Responding to the link between postsecondary education and economic productivity, government policymakers and private-sector and nonprofit groups are implementing a number of initiatives aimed at increasing educational attainment among the American public. By and large, these actions have taken place at the state level, which at first glance makes sense.

From a financial and policymaking perspective, historical precedent suggests state-based policy is central to addressing the challenge of increasing the number of Americans with a postsecondary degree because states provide the overwhelming majority of funding to postsecondary institutions. As such, delineating state-based

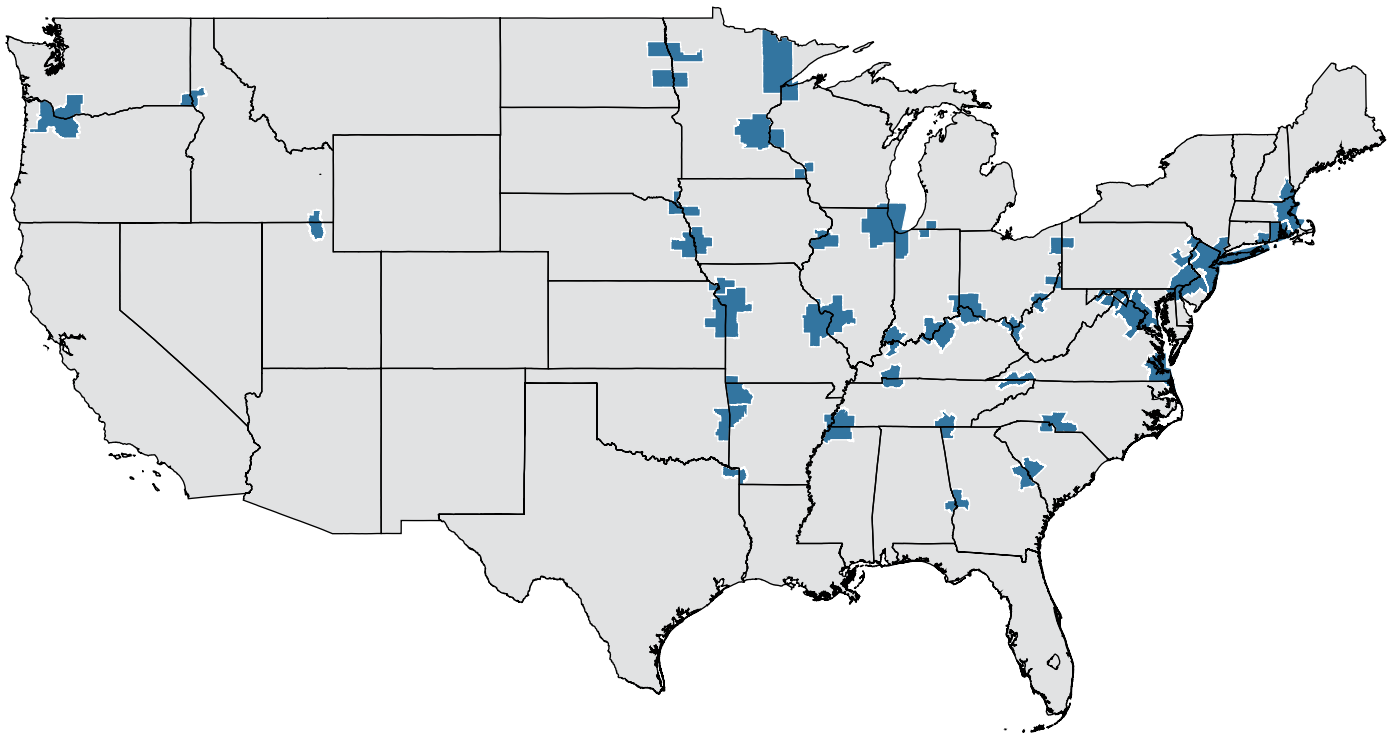
educational needs and cataloging state policy innovations have appropriately drawn the lion's share of public attention and foundation funding.

Although laudable, state-based strategies for reaching required college-degree attainment goals run the risk of overlooking the critical role metropolitan centers must play in reaching these targets. Moreover, given the jurisdictional nature of postsecondary policy, states are ill-equipped to effectively manage an important subset of metropolitan America—metro regions that cross state boundaries.

The challenge of multistate metropolitan spaces

The reliance on a state-based framing of national educational attainment goals is less than ideal for multistate metropolitan regions, defined as metro regions that include counties from at least two states. There are 44 multistate metropolitan areas, critical population and economic centers scattered across the U.S. geographic landscape (see Figure 1, which maps these multistate metro regions).

FIGURE 1
Forty-four metropolitan regions that cross state boundaries



Source: U.S. Census Bureau.

These multistate metro areas accounted for 29 percent of national gross domestic product in 2008 and 67.5 million people live in these areas, making them vital engines of economic development for the nation.⁴ Increasing college-degree attainment to the desired 60 percent level in multistate metro areas will require more than 11.3 million additional degrees.⁵

Multistate metropolitan spaces are fluid, with permeable (nonpolitical) boundaries between cities, counties, and states. Integrated transportation networks move residents among and between commercial and cultural activities, as people shop, attend sporting events, and seek services in varying parts of their region. Fifty-eight percent of all metropolitan workers commute to a job within the metro region but in a different city or town from where they live.⁶ Residents consume metrowide media in the form of newspapers and television stations, fly in and out of regional airports, and share natural resources—air, water, parks—for economic and recreational activities. All told, metropolitan regions are integrated areas where residents move about freely, creating integrated economic and social communities.⁷

Yet in these vibrant multistate regions, students face complex postsecondary education markets due to the state-based nature of postsecondary governance arrangements—college markets that in many cases are unaligned with regional economies, educational need, and residential patterns.

Three policy domains exemplify the challenge of state-centered management of public postsecondary education for students residing in multistate metropolitan areas:

State-based financial aid — To spur economic and civic development, state-based financial programs incentivize in-state college attendance, but the lack of portability of these aid programs restricts student mobility in multistate metro areas.

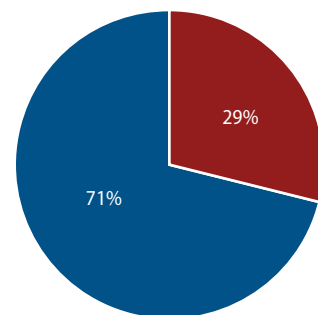
Resident-based tuition policy — Residency-based tuition provides a strong fiscal incentive for students to remain in state for postsecondary education, while higher nonresident tuition effectively erects a financial barrier that dissuades out-of-state enrollments.⁸ In multistate metropolitan regions, where the proximity of a postsecondary institution often does not conform to state lines, students may find the cost of attendance a strong disincentive to pursuit of a postsecondary degree.

Credit transfer — More than one out of two college students transfer to another school at least once during their academic careers.⁹ Often this mobility involves a loss of some academic credit due to institutional and state policies that make it difficult for students to transfer credits.¹⁰ The challenge of designing effective transfer

FIGURE 2
Multistate metro share of total U.S. gross domestic product

44 multistate metropolitan areas, 2008

■ 44 largest multistate metros share of total U.S. GDP



and articulation agreements is well known, especially as it pertains to an intrastate environment.¹¹ College transfers across state lines add to the complexity of the process, as students must navigate two discrete postsecondary systems and meet differing academic requirements.

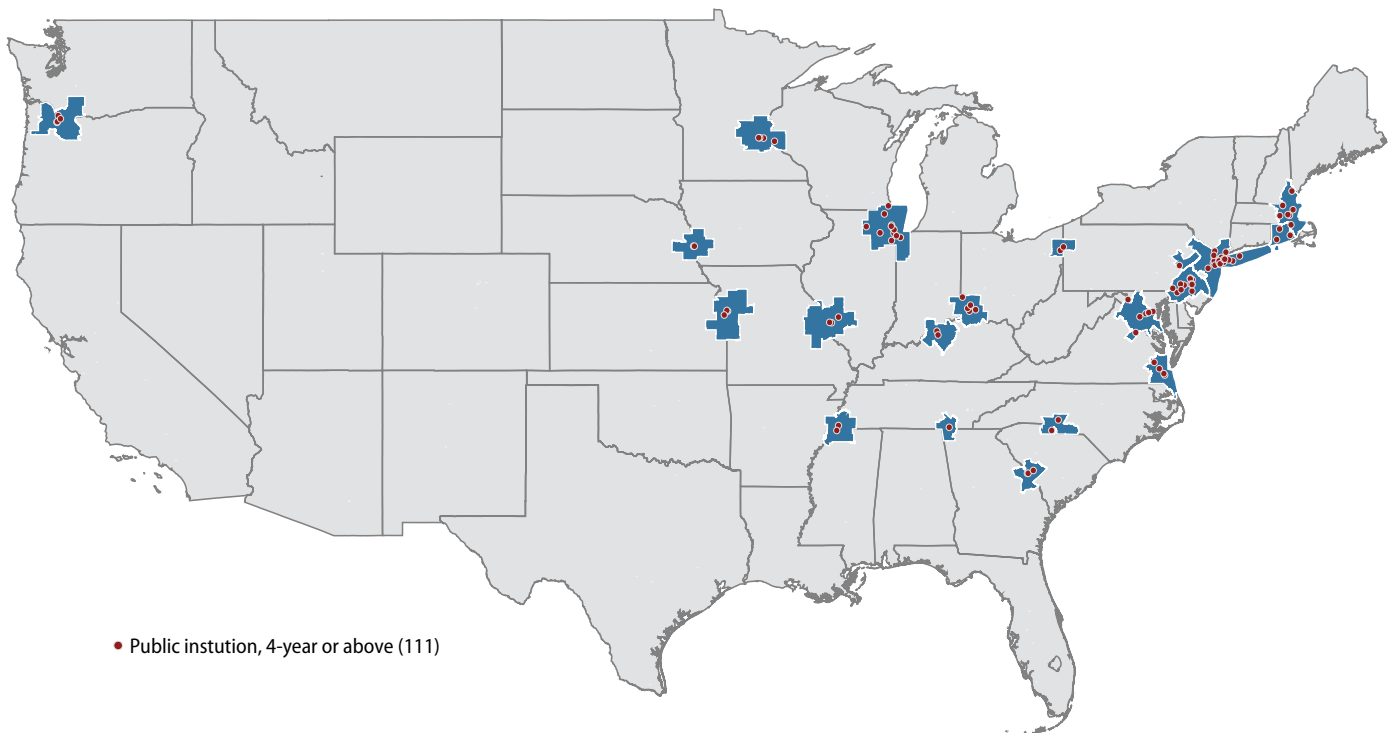
The nature of postsecondary governance and policymaking at the state level is such that a student's place of residence largely shapes their options for affordable, public postsecondary education.

Identifying metropolitan areas of interest

Large multistate metropolitan regions

To identify where these barriers may be most pronounced, in terms of both the number of students potentially affected and demonstrated gaps in educational

FIGURE 3
Public four-year institutions in the 20 largest metropolitan regions that cross state boundaries



Source: U.S. Census Bureau and IPEDS Institutional Characteristics Survey Academic Year 2008–09.

attainment, our analysis in this paper focuses on the 20 largest metropolitan areas that cross state boundaries.

Figure 3 maps the 20 largest metropolitan regions of the nation (along with the public four-year institutions that reside within these metropolitan areas) that incorporate counties from two or more states. Notably, the multistate regions capture portions of states from all four higher education compacts, including seven Atlantic states, and several Western, Midwestern, and Southern states.

The 20 metro areas situated across state borders represent significant population centers and economic hubs of the nation. One out of five Americans live in these multistate metropolitan regions. Approximately one-quarter of all residents within these 20 cross-border metropolitan regions are under the age of 18, representing a substantial population of residents who will require postsecondary education in the future (see Table 1).

Moreover, in 2008 these areas contributed more than a quarter (27.5 percent) of U.S. gross domestic product—the total amount of goods and services produced in our economy—an amount greater than the combined economic output of 33 states (see Table 2).

In the metropolitan spaces highlighted in our analysis, educational opportunities are restricted by state borders. These restrictions are rational from the vantage

TABLE 1
Large interstate metropolitan statistical areas aggregates for educational and demographic data

Total population	66,227,000
Population 18 years old or younger	16,267,000
Population 18-24 years old	6,172,000
Population 25+ years old	43,788,000
Population 25+ with a high school diploma	13,551,000
Population 25+ with some college	8,403,000
Population 25+ with Associates degree	3,219,000
Population 25+ with Bachelor's degree	9,289,000
Population 25+ with a graduate degree	5,939,000
College eligible and college degree holder population	40,401,000
White college eligible and college degree holder population	28,057,000
Black college eligible and college degree holder population	5,420,000
Latino college eligible and college degree holder population	2,928,000
Other college eligible and college degree holder population	3,995,000
Population 25+ college degree holder	18,446,000
White population 25+ college degree holder	13,650,000
Black population 25+ college degree holder	1,801,000
Latino population 25+ college degree holder	931,000
Other population 25+ college degree holder	2,065,000
College eligible population	21,955,000
White college eligible population	14,408,000
Black college eligible population	3,619,000
Latino college eligible population	1,997,000
Other college eligible population	1,931,000
Overall gap	6,003,000
White gap	3,519,000
Black gap	1,451,000
Latino gap	826,000
Other gap	561,000
Attainment gap as a percent of population 25+ college eligible population	27%
White attainment gap as a percent of population 25+ college eligible population	24%
Black attainment gap as a percent of population 25+ college eligible population	40%
Latino attainment gap as a percent of population 25+ college eligible population	41%
Other attainment gap as a percent of population 25+ college eligible population	29%

point of state policymakers (who manage postsecondary education with provincial interests in mind) but are often unaligned with regional economic and social needs. To address this condition, the federal government has a role to play in coordinating a more regionally based approach to managing public postsecondary education in multistate metropolitan areas.

TABLE 2
Metropolitan muscle

The gross metropolitan product of the 20 largest multistate metropolitan economies in 2008 exceeded the combined output of 33 states

Total gross metropolitan product 20 largest multistate metros (\$3.96 trillion)	Total gross state product 33 selected states (\$3.92 trillion)	
Allentown (PA-NJ)	Alabama	Montana
Augusta (GA-SC)	Alaska	Nebraska
Boston (MA-NH)	Arizona	Nevada
Charlotte (NC-SC)	Arkansas	New Hampshire
Chattanooga (TN-GA)	Colorado	New Mexico
Chicago (IL-IN-WI)	Connecticut	North Dakota
Cincinnati (OH-KY-IN)	Delaware	Oklahoma
Kansas City (MO-KS)	Hawaii	Oregon
Louisville (KY-IN)	Idaho	Rhode Island
Memphis (TN-MS-AR)	Indiana	South Carolina
Minneapolis/St. Paul (MN-WI)	Iowa	South Dakota
New York City (NJ-NY-PA)	Kansas	Utah
Omaha (NE-IA)	Kentucky	Vermont
Philadelphia (PA-NJ-DE-MD)	Louisiana	West Virginia
Portland (OR-WA)	Maine	Wisconsin
Providence (RI-MA)	Mississippi	Wyoming
St. Louis (MO-IL)	Missouri	
Virginia Beach (VC-NC)		
Washington, DC (DC-VA-MD)		
Youngstown (OH-PA)		

Source: Bureau of Economic Analysis, U.S. Department of Commerce, 2008.

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