College is Opportunity

NASPA Conferences on Student Success in Higher Education

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The views expressed here are my own and do not necessarily reflect those of anyone else in the Federal Reserve System.
College is protective
Graduates have lower unemployment rates

Source: BLS/Haver Analytics. Note: Unemployment rate shown is a 12 month moving average.
And insurance against economic shocks

Changes in unemployment rate during recessions, 1992-2020

Note: Past two recession values are averaged from 2000-2001 recession and Great Recession. Coronavirus shock values are from February to May 2020.
College is an investment
Graduates earn more

Lifetime earnings

Graduates have greater economic mobility

Chances of getting to the top as an adult

Source: PSID and author's calculations. Note: Percent of people who make it to the top quintile of the income distribution.
Degrees earn a competitive return

Rates of return

Source: FRBNY- Abel. Note: The rate of return for a bachelor's degree is defined as the average internal rate of return (the discount rate required to make the net present value equal to 0) in 2012. Stock and bond returns are average annual returns since 1950.
College is our future
Demand for college degrees is rising

Demand for jobs by educational attainment

Source: Georgetown Center on Education and the Workforce
But too many are left behind

Percentage of 25-29 year olds with at least a Bachelor's degree by race/ethnicity in 2015

Source: National Center for Educational Statistics
Closing gaps benefits everyone

Improves potential economic growth

• Employ more of working age population
• Increase the skill level of the workforce

Protects the *American Dream*

• Aspirations need evidence


