Revenue Generation Through Graduate Program Growth

Stony Brook University

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Context

- Public Research University
- PhD emphasis with little tradition of stand-alone master's degrees
- Budgetary crisis
- Master's enrollment growth seen as potential source of revenue
- Master's growth incentivized through tuition sharing plan (Fall 2008)

Academic Leadership Changes

- Transparency of budget information at all levels
- Institutional priority is revenue generation: Budget Officer and Provost develop tuition revenue sharing policy
- Institutional resources directed at all academic levels (vertical) and cross-administrative departments (horizontally) to accomplish the goal

Why Increase Master's Programs?

- 75% of graduate enrollment nationwide, 90% of degrees awarded
  - Degrees awarded have increased 43% in the last decade
- Entry level degree for professional practice in some fields
- Lower unemployment rate
- Higher annual income
- Increasingly helpful for entry into PhD

CGS Master's Fact Sheets

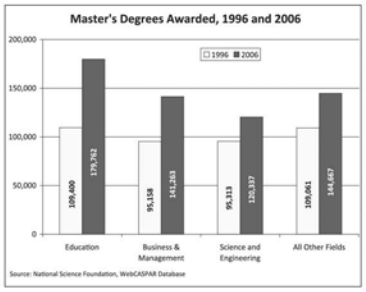
Council of Graduate Schools

Why Should I Get A Master's Degree?

Master's education is the fastest growing and largest segment of the graduate education enterprise in the United States, representing 75% of graduate students enrolled and 90% of graduate degrees awarded. A major reason for this expansion is the development of new models to professionalize master's education — a shift toward programs that prepare graduates for professional careers in business, government, and non-profit settings. Professional master's degree programs combine advanced discipline-specific course work with workplace skills such as communications, critical thinking, time management, and analytical ability that are highly valued by employers in business, government, and non-profit organizations. All these skills are highly transferable as job changes and career moves occur. Additionally, master's education has grown dramatically because practice-oriented or applied master's programs are now the accepted entry-level degree for professional practice in some fields, such as business (i.e. the MBA) and public health (i.e. the MPH).

The number of master's degrees awarded in the United States has increased by 43% over the past decade, from about 409,000 in 1996 to over 586,000 in 2006. Growth has been fastest in education fields (up 64%, see chart) and slowest in science and engineering fields (up 26%).[1]

Master's degrees are key for future employment and career advancement. The number of occupations that typically require a master's degree will increase by nearly 20% between 2006 and 2016, nearly twice the rate of growth expected for all occupations, according to the Bureau of Labor Statistics. Furthermore, of the 30 occupations projected to grow at the fastest rates between 2006 and 2016, five generally require a master's degree.[2]



A MASTER'S DEGREE WILL HELP YOU TO:

- Advance in your career
- Become credentialed
- Earn a higher salary
- Hone your professional skills
- Develop new competencies
- Change careers
- Enter a doctoral program
- Think independently and learn actively

A master's degree also increases the likelihood of current employment, according to the Bureau of Labor Statistics. In 2007, among individuals 25 years of age and older, the unemployment rate for those with a master's degree as their highest degree was just 1.8%, compared with 2.2% for those with only a bachelor's degree, and 4.4% for high school graduates.[3]

The potential income gain from achieving master's degrees is substantial. Data from the U.S. Census Bureau show that over their working lifetimes, those whose highest degree is a master's can expect to earn an average of $2.5 million, while those with only a bachelor's degrees can expect to earn $2.1 million (see chart on reverse page).[4] In 2007, the median annual earnings of master's recipients was more than $10,000 higher than the median for those with only a bachelor's ($60,320 compared to $49,710).[5]

Beyond higher personal income and professional advancement opportunities, master's degrees play a key role in producing educated citizens who contribute to the public good at the national, state, and local levels. Those with a master's degree contribute to society in many ways, including:[6]

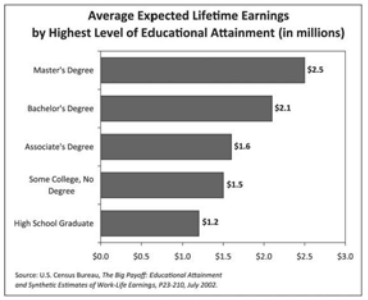
- *Improved health and quality of life.*
  More than nine out of ten of the U.S. population over 25 with at least a master's degree say their health is good, very good, or excellent, compared to only about two out of every three of those without a high school diploma.

- *Higher participation in civic activities.*
  In 2006, nearly seven in ten U.S. citizens with at least a master's degree voted, compared to six in ten with a bachelor's degree and only four out of ten high school graduates.

- *Better educated children.*
  The children of parents who have at least a master's degree are better prepared for school, are more involved in all types of extracurricular activities than other children, and are better informed about world or national events.

- *Providing leadership in education, non-profit, and government sectors.*
  Many master's degree holders go on to teach in elementary and secondary schools or become leaders in non-governmental and governmental organizations. As the demands for increased services in the education and not-for-profit sectors continue to grow, more highly skilled individuals in these areas will be needed to improve the lives of all our citizens.

In the world that looms before us, increasingly, a bachelor's degree is no longer sufficient for future success. Individuals who earn a master's degree will gain an edge in this increasingly competitive global marketplace, earn more money over the course of their careers, and play a substantial leadership role in the evolving knowledge economy of the 21st century. The benefits of master's education have never been clearer than they are today. It works as a catalyst for those individuals who have initiative, drive, and talent to become successful, and plays an important role in our nation's ability to flourish.



References

1. National Science Foundation, WebCASPAR Database, retrieved August 2008.
2. Bureau of Labor Statistics, Occupational Projections and Training Data, Table III-1: Occupational employment and job openings data, 2006–16, and worker characteristics, 2006.
3. Bureau of Labor Statistics (unpublished tabulations), Table 10. Employment status of the civilian noninstitutional population by educational attainment, age, sex, race, and Hispanic or Latino and Non-Hispanic ethnicity, Annual Average 2007.
4. U.S. Census Bureau, The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings, P23-210, July 2002. Available online at http://www.census.gov/prod/2002pubs/p23-210.pdf.
5. Bureau of Labor Statistics (unpublished tabulations), Table 17. Usual weekly earnings of employed full-time wage and salary workers by educational attainment, age, sex, race, and Hispanic or Latino ethnicity and Non-Hispanic ethnicity, Annual Average 2007.
6. Council of Graduate Schools, *Graduate Education and the Public Good*, 2008.

Additional Sources of Information

- Commission on Professionals in Science and Technology, http://www.sciencemasters.org.
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- "The Declining Value of Your College Degree," *The Wall Street Journal* online, http://online.wsj.com/public/article_print/SB121623686919059307.html.
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- "A Higher Degree the Key to Higher Pay?" http://www.salary.com/learning/layouthtmls/leal_display_nocat_Ser285_Par409.html.
- Labor Force Statistics from the Current Population Survey, http://data.bls.gov/cgi-bin/surveymost?le.

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Campus Concerns

- Potential for proliferation of weak programs
- Worry about adverse impact on PhD programs
- Suspicion about administrative motives (including the specific tuition sharing plan)
- Skepticism about value added for students
- Perception that program growth or creation is difficult and time consuming

Responses

- Faculty Senate committee to review initiative
- Meetings with each program individually
  - Collaboration across Provost, Grad School, Colleges, Senate, and Programs
  - Provide relevant data
  - Build understanding of effective approaches
- Report activity and progress to University Senate

Ground Rules

- Must not negatively impact PhD or undergraduate programs
- Must be fully fundable via revenue sharing
- Programs make their own choices within the rules/practices

Approaches

- Expand enrollment in existing master's programs
- Begin enrollment in "fail-out" master's programs
- Revive dormant master's programs
- Propose new concentrations in existing master's programs
- Propose new master's programs
- Increase combined degree programs

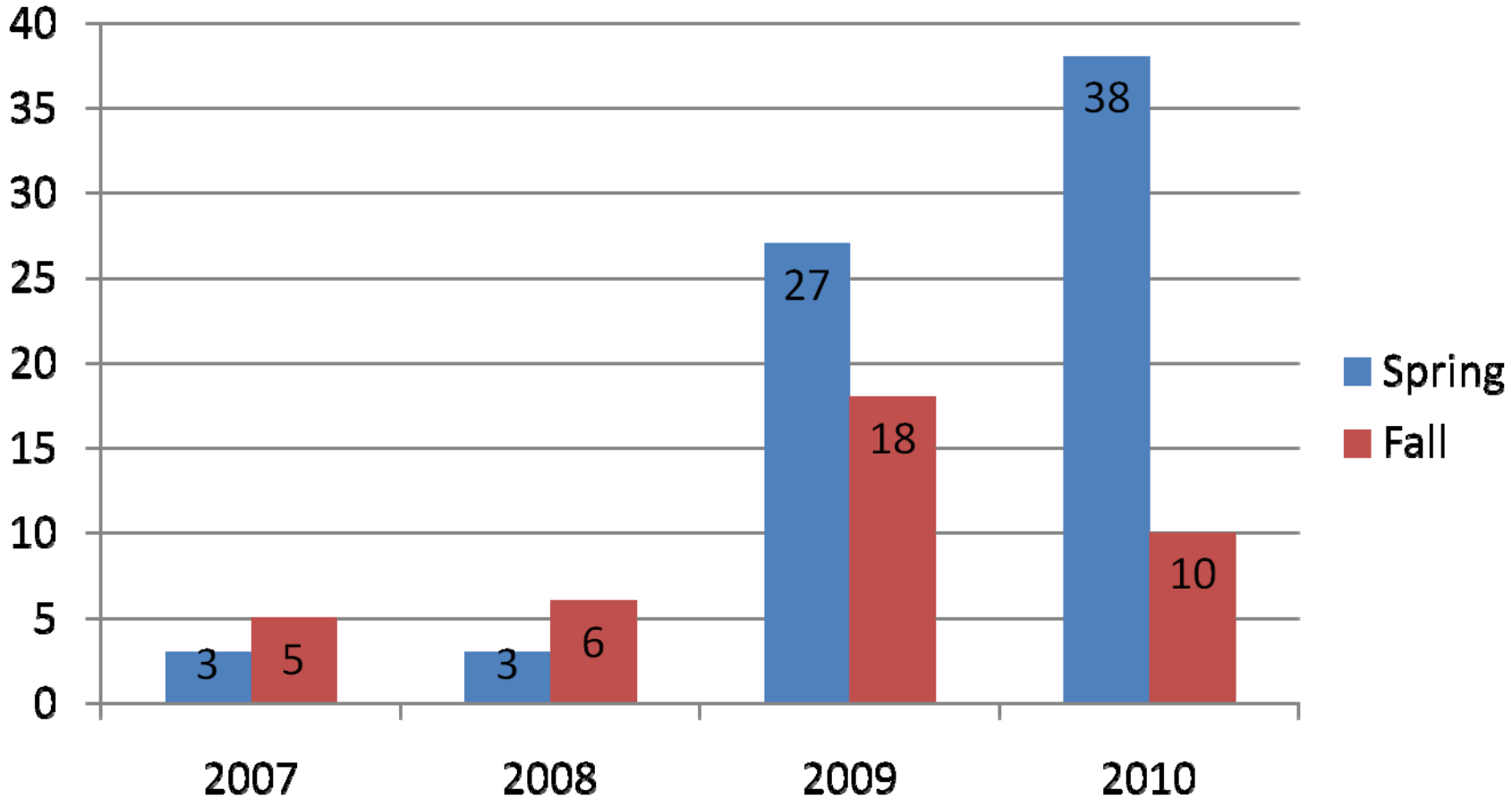
Simplify Curricular Process

- Proposal primer
- Word Templates
- Weekly Clinics
- Streamline campus approval process
- Correct misperceptions about proposal process

New Graduate Proposals

- Step 1: Consult with:
  - Graduate School on general procedures and advice
  - College Dean's Office for academic and resource support questions
  - Provost's Office for financial and resource questions
- Step 2: Letter of Intent (LoI)
  - Prepare LoI following 2005 SUNY Guidelines (use template)
  - Campus Review of Letter of Intent
  - SUNY Review of Letter of Intent
- Step 3: Program Proposal
  - Prepare Proposal following 2005 SUNY Guidelines
  - Campus Review of Proposal
  - External Review of Proposal (site visit)
  - SUNY Review of Proposal
- Step 4: State Education Department Registration of New Degree Program

New Graduate Program Proposals



Tuition Sharing Policy

- Effective 2009/10, increases in tuition revenue over the 2008/09 baseline will be shared
    - 30% Administrative and academic support
    - 70% Academic Area
        - 55% departments, 7.5% Provost, 7.5% Dean
- Master's Programs
- Self-paying PhD's

Distribution Model

- Increase in tuition over 2008/09 baseline returned to the department in the semester it is earned
- Revenue follows the program "plan"
  - Non-matric revenue is distributed by course
- Snapshot data used

Tuition Table by AAFTE

% In state/Out of state

Number of FT students	100/0	90/10	80/20	70/30	60/40	50/50	40/60	30/70	20/80	10/90	0/100
3	25,110	26,574	28,038	**29,502**	30,966	32,430	33,894	35,358	36,822	38,286	39,750
	13,811	14,616	15,421	**16,226**	17,031	17,837	18,642	19,447	20,252	21,057	21,863
6	50,220	53,148	56,076	**59,004**	61,932	64,860	67,788	70,716	73,644	76,572	79,500
	27,621	29,231	30,842	**32,452**	34,063	35,673	37,283	38,894	40,504	42,115	43,725
9	75,330	79,722	84,114	**88,506**	92,898	97,290	101,682	106,074	110,466	114,858	119,250
	41,432	43,847	46,263	**48,678**	51,094	53,510	55,925	58,341	60,756	63,172	65,588
12	**100,440**	**106,296**	**112,152**	**118,008**	123,864	129,720	135,576	141,432	147,288	153,144	159,000
	55,242	58,463	61,684	**64,904**	68,125	71,346	74,567	77,788	81,008	84,229	87,450
14	**117,180**	**124,012**	**130,844**	**137,676**	144,508	151,340	158,172	165,004	171,836	178,668	185,500
	64,449	**68,207**	**71,964**	**75,722**	79,479	83,237	86,995	90,752	94,510	98,267	102,025
15	125,550	132,870	140,190	147,510	154,830	162,150	169,470	176,790	184,110	191,430	198,750
	69,053	73,079	77,105	81,131	85,157	89,183	93,209	97,235	101,261	105,287	109,313
18	150,660	159,444	168,228	177,012	185,796	194,580	203,364	212,148	220,932	229,716	238,500
	82,863	87,694	92,525	97,357	102,188	107,019	111,850	116,681	121,513	126,344	131,175
21	175,770	186,018	196,266	206,514	216,762	227,010	237,258	247,506	257,754	268,002	278,250
	96,674	102,310	107,946	113,583	119,219	124,856	130,492	136,128	141,765	147,401	153,038
24	200,880	212,592	224,304	236,016	247,728	259,440	271,152	282,864	294,576	306,288	318,000
	110,484	116,926	123,367	129,809	136,250	142,692	149,134	155,575	162,017	168,458	174,900
27	225,990	239,166	252,342	265,518	278,694	291,870	305,046	318,222	331,398	344,574	357,750
	124,295	131,541	138,788	146,035	153,282	160,529	167,775	175,022	182,269	189,516	196,763
50	418,500	442,900	467,300	491,700	516,100	540,500	564,900	589,300	613,700	638,100	662,500
	230,175	243,595	257,015	270,435	283,855	297,275	310,695	324,115	337,535	350,955	364,375
100	837,000	885,800	934,600	983,400	1,032,200	1,081,000	1,129,800	1,178,600	1,227,400	1,276,200	1,325,000
	460,350	487,190	514,030	540,870	567,710	594,550	621,390	648,230	675,070	701,910	728,750
135	1,129,950	1,195,830	1,261,710	1,327,590	1,393,470	1,459,350	1,525,230	1,591,110	1,656,990	1,722,870	1,788,750
	621,473	657,707	693,941	730,175	766,409	802,643	838,877	875,111	911,345	947,579	983,813
150	1,255,500	1,328,700	1,401,900	1,475,100	1,548,300	1,621,500	1,694,700	1,767,900	1,841,100	1,914,300	1,987,500
	690,525	730,785	771,045	811,305	851,565	891,825	932,085	972,345	1,012,605	1,052,865	1,093,125

Total tuition revenue

Departmental tuition revenue (55%)

Tuition Table by AAFTE

% In state/Out of state

Number of FT students

	100/0	90/10	80/20	70/30
3	25,110	26,574	28,038	**29,502**
	13,811	14,616	15,421	**16,226**
6	50,220	53,148	56,076	**59,004**
	27,621	29,231	30,842	**32,452**
9	75,330	79,722	84,114	**88,506**
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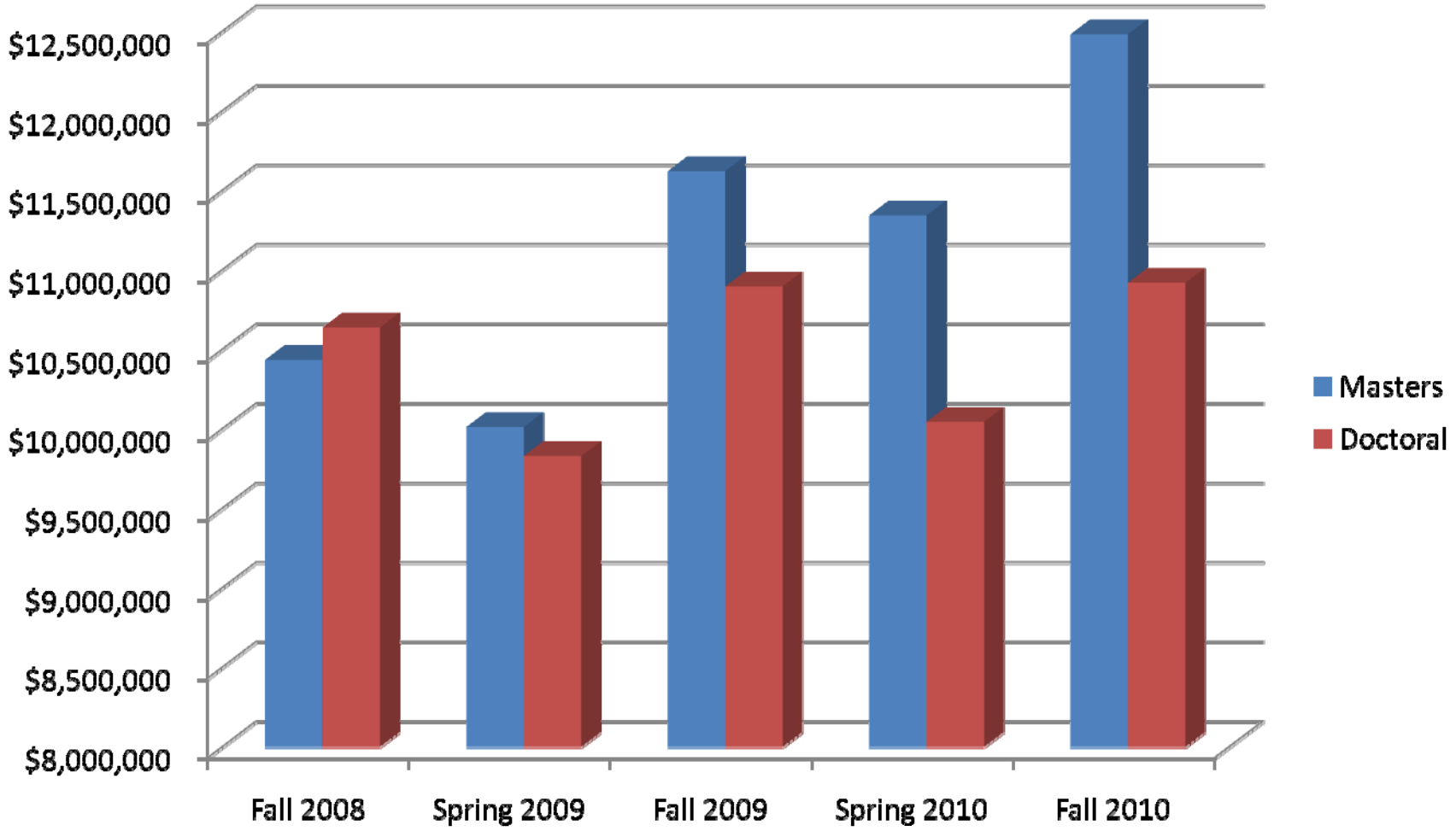
	55,242	58,463	61,684	**64,904**
14	**117,180**	**124,012**	**130,844**	**137,676**
	64,449	**68,207**	**71,964**	**75,722**

Total tuition revenue

Departmental tuition revenue (55%)

Total Graduate Tuition



Tuition Sharing Results 2009/10

- 12.3% or ~$2.5M increase in masters' tuition over 2008/09
- 70% or ~$1.7M returned to academic area
- 30% or ~$760K returned to central in support of Facilities, President's Office
- Only increases in tuition allocated
  - Negative changes absorbed by Provost, Deans shares of tuition revenue

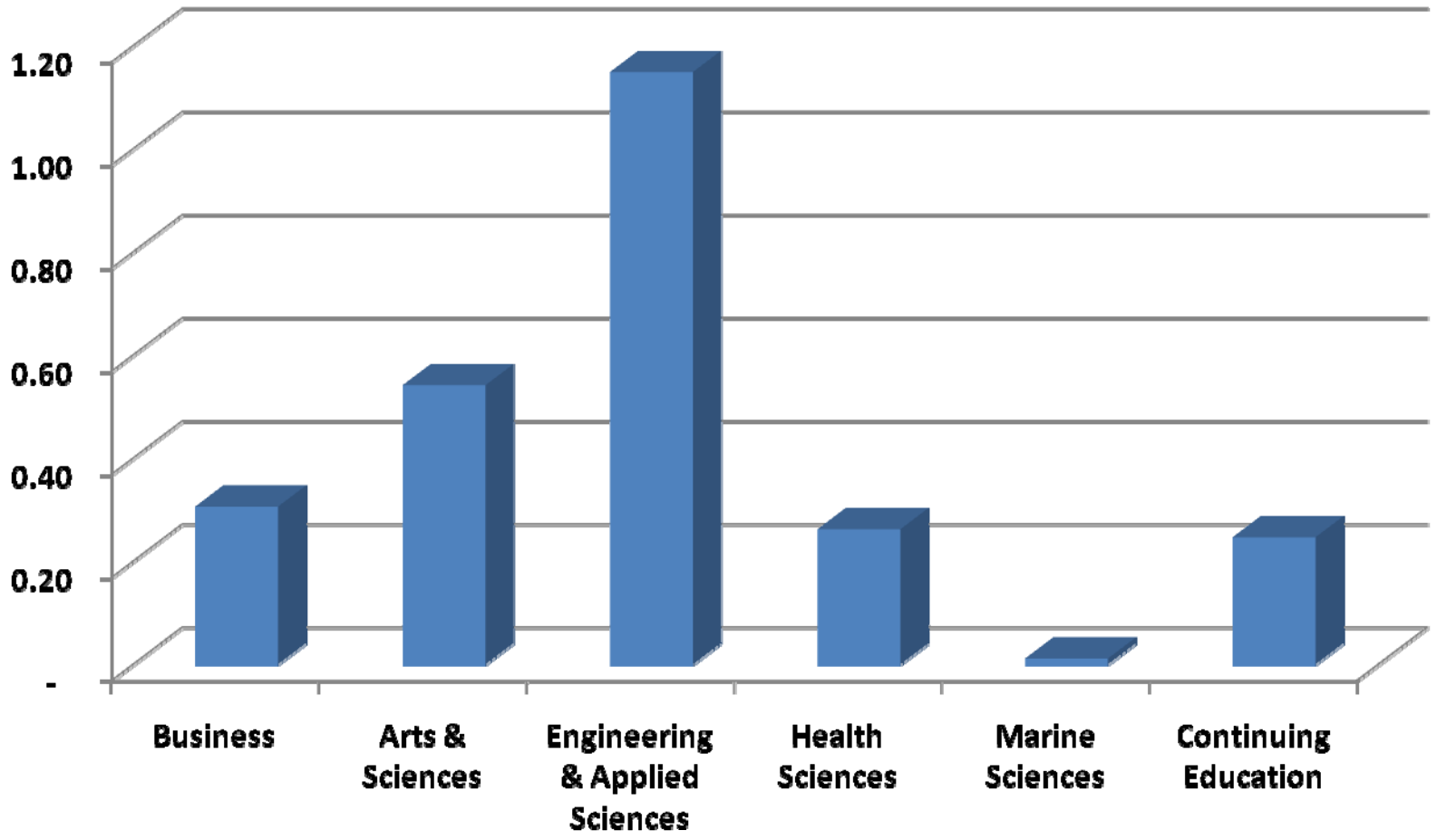
CT3

Slide 18

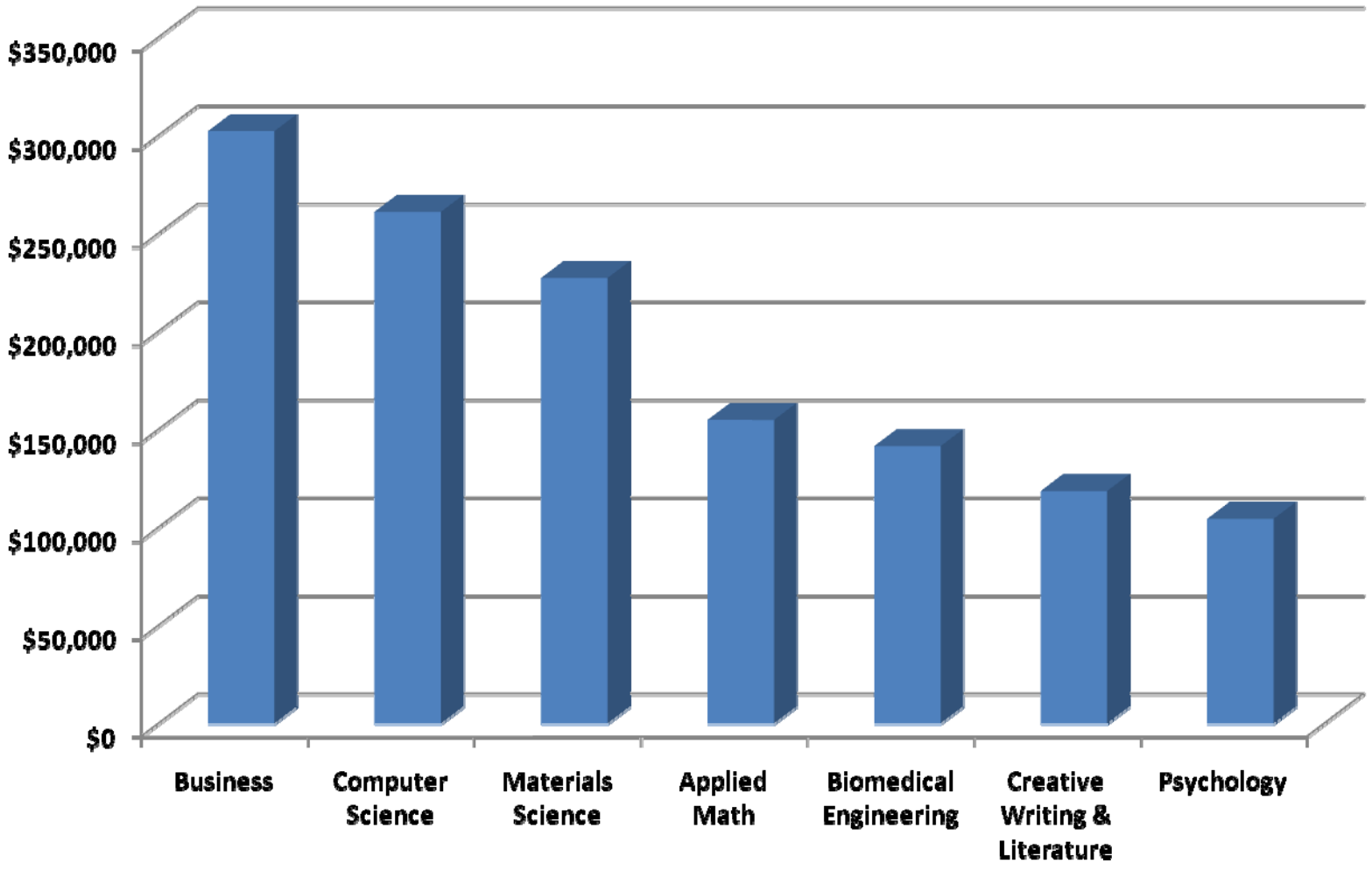
CT3 Might need emphasis

Charles Taber, 11/30/2010

Tuition Increase by College ($M)



Biggest Departmental Increases



Projected Tuition Sharing 2010/11

- 1.8M additional increase in masters' tuition over 2009/10
- 70% or ~$1.2M returned to academic area
- 30% or ~$532K returned to central in support of Facilities, President's Office

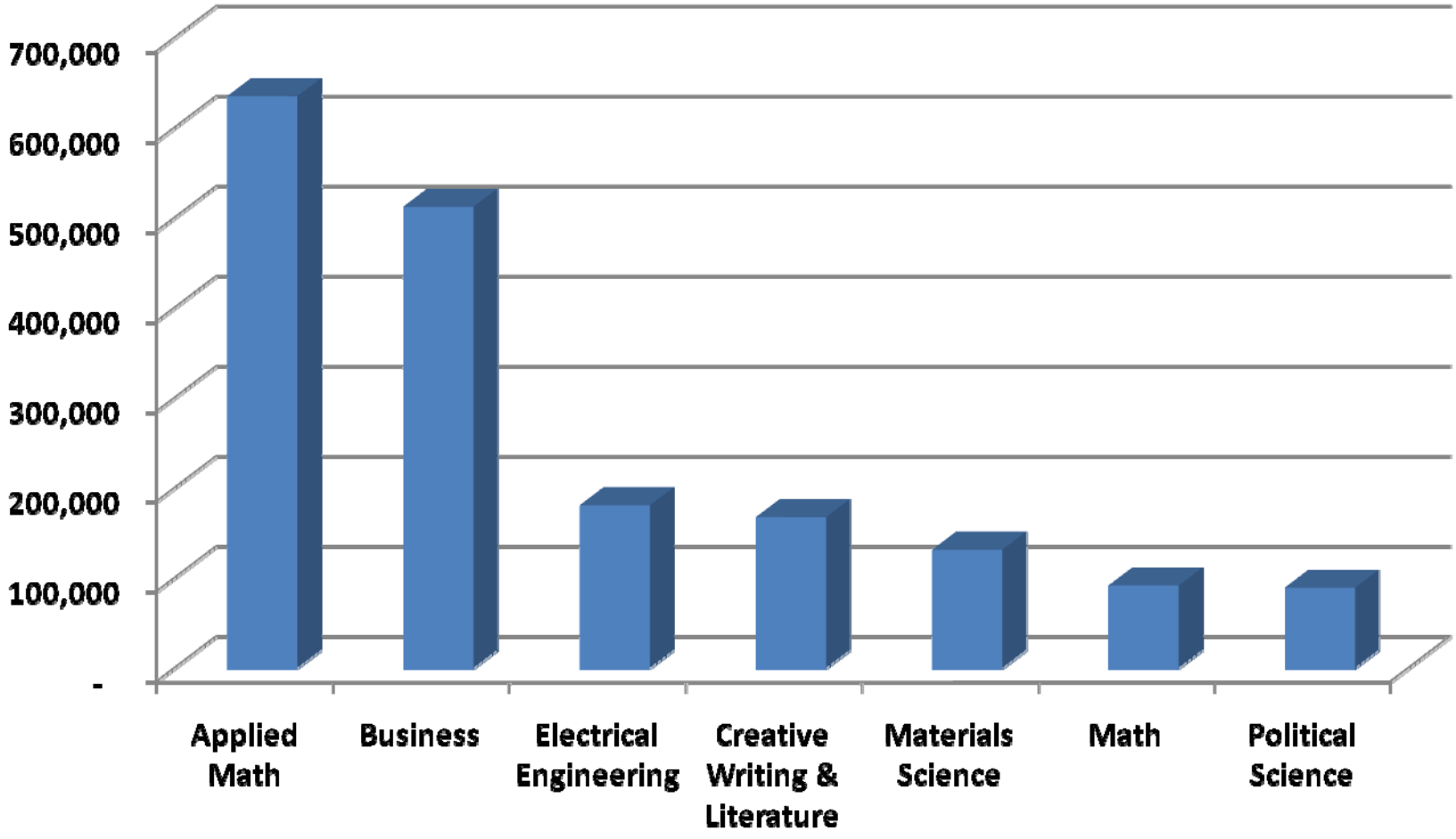
CT6

Slide 21

CT6 Might need emphasis

Charles Taber, 11/30/2010

2010-11 Projected Biggest Departmental Increases



College of Arts and Sciences response to Revenue Sharing Incentive Program

- Call for ideas how to increase enrollment in master programs sent to all 26 CAS Departments/Programs

- Provide specific examples for
  - Expanding existing programs
  - Evolving existing programs in new directions
  - Establishing new programs

- Compile 25 ideas form 23 Departments into a joint CAS response to initiative

Expanding Existing MA/MS Programs

- Utilize dormant MA/MS degree associated with any Ph.D. program
  - Example Chemistry stand alone MS program (36 credits over 1.5 years). Initially 4 students, then 8 per year. Recent course additions to graduate curriculum well suited to handle increased enrollment. No additional costs to Department.
  - Similar approaches in Economics, Comparative Literature, ….

Evolve Existing MA/MS Programs

- Combine existing degree programs
  - MA and BA degrees to 5 year programs,

  Psychology converted existing MA to 5 year BA/MA. Expect 15-20 students to enroll each year. Only minor costs to department, which will be covered by revenue.

  - MA/MS and MBA to dual degree programs,

    Art combines MA in Art History with MBA in Criticism at the College of Business (69 credit program, 21 in Arts). Initial enrollment 8 students growing to 15.

- Add new tracks to existing programs
  - Hispanic adds a linguistics track to their MA program

Establish New Programs

- Typically in areas without Ph.D. programs
  - Asian American Studies, area currently only with undergraduate program.
  - Interdisciplinary degrees, e.g. MA in Earth and Space Science which Geosciences, Astronomy and Atmospheric Science
- Use certificate programs to jump start MA programs
  - Africana Studies, understaffed to offer approved MA but can offer certificate program
  - Women and Gender Studies, certificate program used as seed for new MA program

Issues with Implementation of Ideas

- General concerns
  - Skepticism about intentions of administration
  - complexity of curricular development and approval process
- Academic concerns
  - Level of masters students compared to PhD students
  - Level of UG students not ready for masters
- Specific concerns with revenue sharing
  - Responsibility for revenue generation
  - Baseline methodology
  - Teaching students enrolled in out of department programs

Response to General Concerns

Skepticism, complexity of approval process

- Joint meetings of individual Departments with Provost office, Graduate School, College (CAS)
  - Clarify revenue sharing policy
  - Provide guidance on approval process
  - Identify opportunities tailored to specific department
  - Follow up with departments
- Weekly offered “Curricular clinic”
- Expedited approval process at all levels College - Graduate School - Provost

Response to Academic Concerns

Level of masters students compared to PhD or UG students

- Top students recruited from own undergraduate program at par or better than PhD students in many disciplines
- MA/MS students help to sustain minimum class enrollments in small Ph.D. programs (<5 students per year)
- Co-scheduling advance UG with MA level graduate classes can accommodate small masters enrollments (and help programs with small BA programs)
- Significant enough enrollment will support funding for separate masters classes (~15 students support faculty hire)

Response to Specific Issues

Responsibility for revenue and baseline methodology

- Baseline needs to as fair as possible since departments are responsible for revenue generation
  - Review five-year history of program enrollments by semester
  - Adjust baselines where unusual circumstance made 2008/09 artificially high
- Flourishing masters programs at disadvantage
  - Many at capacity, pool of qualified applicants exhausted, limits in course sizes → missed opportunity

- Open issue with baseline methodology: What to do if interest in degree program dwindles and enrollments decline?

Response to Specific Issues

out of department students

- Revenue sharing for interdisciplinary programs
  - Identify courses taken by masters students in programs outside of a department
  - Make data available to all involved departments and encourage cooperation
  - Broker agreements to split revenue between departments or to support specific courses in other departments

What are the key factors to increase revenue?

- Incentives – what is the “right” % distribution?
  - 70% Academic area, 30% administration
  - Department 55%
- Departmental meetings with reps from provost, dean, grad school
- Streamline curricular process
- Access to course level data
- University governance buy-in
- Weekly Curriculum “clinic” to revise/create masters proposals
- Revenue allocation in semester earned

Next Steps

- Standardize process
- Decentralize data access
- Marketing initiative funded through Provost tuition return
- Leverage model and newly forged relationships to expand to other revenue generating initiatives

Conclusions/Recommendations

- Incentives matter, but so do organizational practices and other institutional policies
- Teamwork earns dividends
- How to maintain/increase the growth
- What are the limits?