**Testimony to the New Jersey Senate Committee on Higher Education**

September 24, 2012

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Thank you for the opportunity to address this committee. There have been numerous studies that have quantified the rate of return on public investment in higher education. Conservative estimates start at 10% above inflation and go on to 12% and even 38% (for NJ) in one study. The economic benefits accrue primarily due to the significantly higher lifetime earnings of those with college degrees. For example, US estimated average lifetime earnings are:

High school graduate: $1.8 million

Associate’s degree: $ 2.3 million

Bachelor’s degree: $3.4 million

Master’s degree: $3.8 million

Professional degree: $4.7 million

Ph.D. degree: $4.0 millon

In addition to all forms of taxes paid by those with higher earnings, each degree holder also requires lower spending on all forms of federal and state social and welfare programs. The resulting returns are therefore significant.

For New Jersey, the primary areas where higher education investments will pay rich dividends are:

* Higher education capacity: Tens of thousands of NJ high school graduates leave to attend college in another state and many do not return to the NJ workforce
* Research infrastructure: Funding for research starts a virtuous cycle by attracting the best students and private investment. For example, New York state’s investment in a nanotech hub around Albany
* Teaching excellence: Investing in colleges that develop a strong faculty dedicated to teaching excellence will also attract students with a strong academic profile and facilitate effective career preparation by blending classroom learning with experiential approaches that ensure graduates are ready to join the workforce thereby building a valuable pipeline of human capital to the private sector
* Holistic approach: Integrating the above elements can create win-win scenarios for public higher education and the private sector. For example, University of Connecticut in Stamford.

In summary, the economic imperative for investment in public higher education is self evident and is supported by many studies. The benefits for the State and the NJ workforce are numerous and sustained. In moving forward with these discussions and developing policies and funding priorities, the faculty and staff of the NJ State Colleges are a valuable resource and we welcome the opportunity to offer our collective experience and insights so that together we can make sound investment decisions for NJ public higher education, which in turn will pay rich dividends in the near term and in the long run.

Thank you.