

Greetings from IUPUI

August 2009

A few weeks ago, a group of us met to explore the concept of the "**Talent Dividend**," which quantifies the economic value of increasing a city's population of college-educated citizens. The meeting was part of a 30-city Talent Dividend tour, organized by **CEOs for Cities** and sponsored by the **Lumina Foundation for Education**.

The Talent Dividend reflects the fact that **per capita income and college attainment rates are positively correlated**. Using 2006 data, CEOs for Cities calculated that each percentage point improvement in aggregate adult four-year college attainment is associated with a \$763 increase in annual per capita income.

Increasing educational attainment, measured by raising the four-year college attainment rate by **just one percentage point** in each of the 51 largest metropolitan areas (from 29.4 percent to 30.4 percent), would be associated with an increase in per capita income of **\$124 billion per year for the nation**.

Brian Payne, President of the Central Indiana Community Foundation, **David Dressler**, Executive Director of the University of Indianapolis Center of Excellence in Leadership of Learning, and I led the Indianapolis discussion.

Our **purpose was to create partnerships among community leaders to improve educational attainment in central Indiana**. We hoped the group would adopt the one percentage point increase, the Talent Dividend, as a short-term goal, while continuing to work long term on getting more people through college.

Our hope was realized, and we vowed that Indy would be the first city in the nation to achieve the Talent Dividend!

Indeed, the **stars are aligned** to help us make it happen.

President **Barack Obama** announced at a **Joint Session of Congress** on February 24 that he wants to restore the United States' leadership role by having the highest proportion of college graduates in the world by the year 2020.

Jamie Merisotis, President of the **Lumina Foundation for Education**, told the audience at the Closing Plenary Luncheon of the American Council on Education's Annual Meeting, in Washington, D.C., on February 10 that Lumina has a goal of increasing the percentage of Americans with high-quality degrees and credentials from 39 percent to 60 percent by the year 2025.

The **Indiana Commission for Higher Education** in "Reaching Higher: Strategic Initiatives for Higher Education in Indiana" declared "Indiana will produce the equivalent of 10,000 additional Hoosier bachelor's degrees per year through 2025."

We have the political and civil will, as well as a broad commitment, to enhancing educational attainment in our city, state, and nation.

However, we have much work to do. Indiana ranks near the bottom of states in the number of college graduates age 25 and older. **If we are to succeed in reaping the Talent Dividend, we must graduate, recruit, and retain educated talent across the life span of our population.**

As we are successful, the dividends will pile up. **Talent begets talent.** Research shows that 25-34 year olds move to places they want to live and then look for work. We are in a battle for talent—and a key element of getting talent is having talent. Talented people like to be around talented people!

There is also a **conspicuous gap** in Indiana's otherwise strong **life sciences** industry. Nationally, **firms focused on research and development** employ **37 percent** of the life science workforce. **In Indiana, it is only 7 percent.** That tells us **we need better STEM education**—science, technology, engineering, math — and we need more college-educated people in general to fill the R&D gap in Indiana.

Yes, the **stars are aligned**, and **we have the blueprint** if we focus on the Talent Dividend concept. We hope you'll join the effort.

Charles R. Bantz
Chancellor

P.S. For more information on the Talent Dividend concept, see http://www.ceosforcities.org/pubs_projects/entry/2104. Watch a short video on the Indianapolis meeting here: <http://www.ceosforcities.org/talentdividendtour/>.

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