

Dublin Economic Workshop

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3 Dimension of Higher Education

- **Cost**
- **Quality**
- **Access**

Cost

- **Expenditure per student**

- Reduced from €11,800 in 2007/08 to €9,500 in 2012/13 and set to reduce to €9,000 in 2015/16¹

- **Capital spend**

- Has also significantly reduced over the last number of years, particularly in the area of research capital: c. €94m in 2008, figure now at c. €20m in 2013²

- **Staffing**

- Reduction of c. 2,200 staff in higher education sector from the introduction of the Employment Control Framework in 2009 up to 2013, c. 12%²

- **Model of management of spend of higher education**

- Institutions operate within the context of institutional autonomy, but...
- ...must abide by standard public sector regulatory requirements for remuneration, pensions, staffing (including early retirement and redundancy) and funding

Quality – via labour market outcomes

- **Employment**

- 2013 (HEA): Level 8 graduates in employment 9 months after graduation: 51% in 2013, up from 45% in 2009. Those in further study: 40% in 2013, down from 44% in 2009. Unemployed: 6% in 2013, down from 7% in 2009.
- Level 9/10 graduates in employment 9 months after graduation : 73% in 2013, up from 63% in 2009³. Those in further study: 11% in 2013, down from 17% in 2009. Unemployed: 11% in 2013, down from 15% in 2009.
- 2011 (CSO): For those 25-64 year olds with third level education, employment rate is 81% and for those with higher secondary education, employment rate is 65%⁴.
- 2013 (Central Bank): “The recent gains in employment have been concentrated almost entirely among those with third level qualifications. Of the 58,000 increase in employment in the year to Q3 2013, 50,000 was accounted for by third level graduates⁵.”

- **Salaries**

- 2012 (CSO): Disposable income⁶ for a third level degree graduate €29,600 compared with €18,000 for a person with higher secondary education only. Decrease in disposable income since 2010 is 3.2% for third level degree graduate, compared with 7.9% for higher secondary.

Quality

- **Unemployment**

- 2011 (CSO): For those 25-64 year olds with third level education unemployment rate is 7%. For those with higher secondary education, unemployment rate is 14%¹⁰.
- 2014 (CSO): Live register numbers down by 1.5% on 2013¹¹, standardised unemployment rate now 11.1%. Unemployment of those at the highest three socio-economic groups has decreased from 53,200 to 48,500.
- 2014 (Morgan McKinley): Number of professional vacancies up 29% in the last year¹² and the number of applicants declining by 23%, indicating a favourable market for job applicants. (Relates more to experienced professionals than recent graduates.)
- All signs point to a recovering jobs market – and especially strong demand for HE skills

Access

- Higher education attainment rate for 30-34 year olds is 51%, among the highest in the EU¹³.
- 52% of 18-20 year olds (69% of all age groups) **participate** in higher education¹⁴, a figure that has increased from c. 44% in 2004 (55%)¹⁵.
- 30% of those from **non-manual** worker backgrounds and 36% from **semi- or unskilled** worker backgrounds participate in higher education¹⁴.
- **Mature** students represent 13% of new entrants¹⁴.

Have we reached an ideal position?

- High Quality
- High Participation
- Low Cost

Future

- **Demographic Explosion (CSO¹⁶): Population 3.6m in 1996, 4.2m in 2006 and 4.6m in 2011 – 27% increase in 15 years**
 - 2014¹⁷: Estimate of over 1 million 0-14 year olds in the population
 - Approx. 70,000 births per year¹⁸
 - 2,000 extra CAO applications 2014 – to continue on this trajectory for 15 years
- **Skills Demands (SOLAS¹⁹):**
 - Assuming economic recovery, significant growth to 2020 in construction; STEM; and legal, business and financial occupations.
 - Strongest employment growth, 160,000 new jobs for those with third level education, compared with under c. 50,000 for those with secondary level education only
- **Competitiveness (EU Commission²⁰):**
 - Ireland's slack ratio (Number of jobseekers divided by the number of employed people at a given level of skills) is around 30% for low education levels but it is only 8% for higher education levels.
- **Funding: uncertain future**

What scope for increased Government spend?

- **Government Debt**
 - EU Fiscal Contract: Government debt to GDP ratio: 60% target – an anchor
 - Ireland's 2013 government debt : GDP 123.7%²¹
- **Little scope for investment, coupled with competing demands**
 - Health, teachers, transport
 - Budget 2015 increased provision for Garda recruitment, housing, and teaching posts
 - Net 1% cut for Higher Education

Predictions

- **Skills Shortages:**
- **International reputation**
 - Fewer international students
 - Fewer international Staff
 - Decline in research funding

Alternative

- **Public – Private Balance**
- **Funding // Loans**
- **New model for higher education management**