Diversity as a Strategic Advantage

Marta Tienda
Princeton University
Preview

• Population as strategic resource
• Diversity: Opportunity and Risk for the Nation
• Demographic Dividend
  – Korean Miracle:
  – United States: Lessons from Past
• The stakes
  – Future workforce
  – Aging white majority
  – Global competition
• Implication for higher education
Engines of Diversification

Immigration but mostly fertility...the driver of school-age population
Total U.S. Births and Net Immigration by Decade: 1960-2000 & Projections to 2030

<table>
<thead>
<tr>
<th>Period</th>
<th>Births (Millions)</th>
<th>Immigration (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960-70</td>
<td>39</td>
<td>3.9</td>
</tr>
<tr>
<td>1970-80</td>
<td>33.5</td>
<td>7.7</td>
</tr>
<tr>
<td>1980-90</td>
<td>37.6</td>
<td>10.9</td>
</tr>
<tr>
<td>1990-2000</td>
<td>39.8</td>
<td>16</td>
</tr>
<tr>
<td>2000-10</td>
<td>41.1</td>
<td>15.9</td>
</tr>
<tr>
<td>2010-20</td>
<td>44.7</td>
<td>15.2</td>
</tr>
<tr>
<td>2020-30</td>
<td>47.5</td>
<td>16.8</td>
</tr>
</tbody>
</table>

US Total Fertility Rate, 1911 – 2011: Cyclical Response; Secular decline

Below Replacement

Great Depression

1970s Energy Crisis

Great Recession

PRB 2012 Fact Sheet
Minority Women Kept US Fertility above Replacement …

Number of Children per Woman

<table>
<thead>
<tr>
<th>Group</th>
<th>1990</th>
<th>2000</th>
<th>2010*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latina</td>
<td>3.0</td>
<td>2.7</td>
<td>2.4</td>
</tr>
<tr>
<td>Black, Non-Hispanic</td>
<td>2.5</td>
<td>2.2</td>
<td>2.0</td>
</tr>
<tr>
<td>White, Non-Hispanic</td>
<td>1.9</td>
<td>1.9</td>
<td>1.8</td>
</tr>
<tr>
<td>Asian/Pacific Islander</td>
<td>2.0</td>
<td>1.9</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Below Replacement

PRB 2012 Fact Sheet

Source: U.S. Bureau of the Census and Overview of Race and Hispanic origin 2000 and 2010 Census Briefs
Not in recorded history has there been a nation so demographically complex. So it falls to us, the American citizens of the 21st century, to fashion from this diversity, history’s first world nation.

K. Prewitt, 2001, 4
A Nation at Risk

1. US competitors gaining ground
2. College attainment rates stagnating
3. Fast growing minority groups falling behind...
4. Rising Inequality stymies growth
1. Population Ages 25-34 with a Bachelor's Degree or Higher, 2010 (percentages)

1: Year of reference: 2002
(Percentages)

<table>
<thead>
<tr>
<th>Age cohort</th>
<th>1980</th>
<th>1990</th>
<th>2000</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-34 yrs.</td>
<td>23.3</td>
<td>22.8</td>
<td>27.6</td>
<td>31.2</td>
</tr>
<tr>
<td>55-64 yrs.</td>
<td>11.6</td>
<td>16.8</td>
<td>22.5</td>
<td>28.4</td>
</tr>
</tbody>
</table>


3. BA Attainment Rates for 25-34 Year Olds, 1980-2011

**Good News:** upward trend

**Bad News:** larger gaps
4. Rising Inequality & Shrinking Middle-Class
(Share of Households with Annual Incomes 50% of Median)

Has tolerance for inequality risen?

Source: Krueger, Jan 2012, Rise and Consequence of Inequality, CEA Calculations for CPS, www.inequality.com
CONGRESS!
We have a Problem!

Solution: Leverage diversity to harness demographic dividend
Demographic Dividend

The economic boost that may result from a decline in a country's fertility and subsequent change in population age structure..

NOT Automatic!
Requires education investments in oversized youth cohorts before population ages
The Korean Miracle Revealed

Huge Demographic Dividend
Education-Age Pyramid for South Korea, 2010

Hugh higher education investments = productive labor force

Source: http://witt.null2.net/shiny/wittgensteincentredataportfolioweb/
Familiar U.S. Road: Baby Boom + Education Investments

• GI Bill: Undergrad enrollment doubled between 1950 and 1961
• Federal consolidation of R&D
  – Response to Sputnick (1957)
  – Creation of NSF
  – Competition from Asia in 1980s
• “Massification” of higher education
  (expansion of 2- and 4-yr. institutions)
Diversity Dividend or Bust?

Troubled Waters
Worrisome development
Three Compelling Reasons to Leverage Diversity via Higher Education

1. Future Skilled labor needs
2. Competition from demographic billionaire
3. US Population aging
1. Today’s Youth are Tomorrow’s Workers

Urgent to capitalize on diversity before dividend window closes
Projected Change in Working-Age Populations (Ages 15-64)

Investment in higher educational imperative to compete globally

Source: http://window.state.tx.us/specialrpt/workforce/
2. Our Future Competitors

*India and China on the Rise...*
3. Population Aging

Today, minority youth are coming of age in an aging white society.
U.S. Age Structure: 1960-2010
(percentages)

Source: Age and Sex Composition: 2010, US Census Bureau, May 2011, C2010BR-03
Diversity and the Future of the Nation

Higher education must lead the way
From Many Strands, a Stronger Nation
“...[O]ur nation’s public institutions should be pursuing the larger national project of integration, a project that is at the core of twenty-first-century America’s understanding of itself as democratically legitimate.”

Grutter v. Bollinger, 2003  (emphasis mine)
Thank You

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