

Texas

Affordability Profile

from

Affordability of Public Higher Education in SREB States

prepared by

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INTRODUCTION

At the request of the SREB, the Higher Education Policy Institute has prepared a profile of college affordability for each SREB state as well as a synthesis of relevant trends in the SREB region. This project was designed to “take the temperature” of college affordability in the South in order to provide a policy tool that can assist state policy-makers in assessing the current and prospective dimensions of the affordability issue and the need for state policy initiatives or interventions.

The major finding of this analysis is that the SREB states have lost ground in college affordability. For most students and families in the South, the cost of paying for college has outstripped family income and inflation. Several promising initiatives have been put in place by individual states, but many are not directed at the students and families most adversely affected by declining affordability and none are commensurate with the magnitude of the problem. One consequence is greater reliance on loans to finance college and growing indebtedness of students and graduates.

Whatever its causes, the trend toward reduced college affordability undermines the efforts of SREB states and colleges and universities to address the changing demography of the region and undercuts progress towards educational attainment goals and economic development requirements of the SREB member states. It is mathematically impossible for most SREB states to reach national and international workforce competitiveness without improving college access and attainment rates of low-income groups and of ethnic groups with lagging college participation rates. However, if current trends continue, declining affordability will constrain the college enrollment of these potential students and prevent states from reaching educational levels needed to provide opportunity for individuals and a competitive work force in the knowledge-based global economy.

Patrick M. Callan
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Texas

Public Higher Education Affordability Profile

In order for students to enroll in community colleges in Texas, they, or their families, would need to pay on average 16 percent of their annual income for college expenses, including living expenses, each year after taking into account all forms of grant aid, based on the current college expenses and current levels of aid. This is about the same as the SREB average.

Texas' per-student need-based state grant amount is higher than both the SREB and U.S. averages.

The average amount of student loan aid received by full-time, first-time students in Texas is less than the SREB average but has increased over time.

	Texas			SREB	U.S. Average
	Pre-Recession	Recession	Post-Recession	Post-Recession	Post-Recession
Family Ability to Pay					
Percent of income (average of all income groups) needed to pay for college expenses minus financial aid:					
at community colleges	N/A	12%	16%	16%	27%
at public 4-year colleges (category 1)	N/A	22%	26%	27%	41%
at public 4-year colleges (category 2)	N/A	23%	24%	25%	19%
Strategies for Affordability					
State Grant funding per student					
Need-Based grants per student	\$0	\$191	\$295	\$204	\$276
Grants that have a need and non-need based requirement per student*	\$0	\$237	\$293	\$98	\$142
Non-Need based grants per student	\$0	\$0	\$0	\$345	\$145
At lowest-priced colleges, the share of income that the families with the lowest income need to pay for tuition	11%	10%	13%	18%	20%
Reliance on Loans					
Average amount of student loan aid received by full-time, first-time students attending public institutions	\$2,878	\$3,451	\$4,962	\$5,094	\$5,361
*As defined by NASSGAP, see Technical Guide. Grant requirements in this category vary widely by state -- some have a substantial merit component and others have a modest merit component.					
Note: Pre-Recession year data is from 2003-04; Recession year data is from 2006-07 on all variables except Estimated cost of postsecondary education where data is from 2008-09 (2007 data was unavailable for this variable); Post-Recession year data is from 2011-12. All dollar amounts have been adjusted into Constant 2013 dollars.					
N/A: Data not available.					

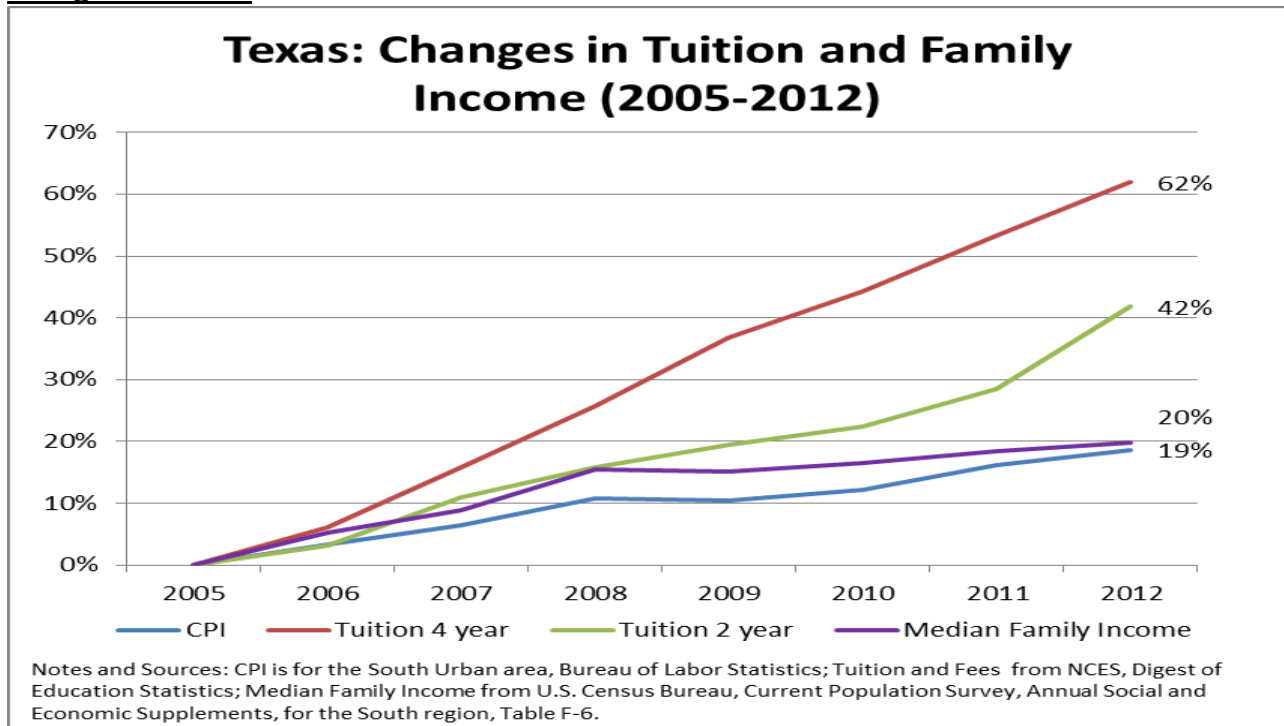
A Closer Look at Family Ability To Pay

Community Colleges			
	Average Income in Group	Net Price	Percent of Income needed to pay net college Price
Income \$0-\$30,000	\$16,929	\$5,626	33%
Income \$30-\$48,000	\$38,647	\$6,394	17%
Income \$48,000-\$75,000	\$60,913	\$8,376	14%
Income \$75,000-\$110,000	\$91,148	\$9,166	10%
Income \$110,000 and Above	\$189,387	\$8,696	5%

		Public Four Year 1		Public Four Year 2	
	Average Income in Group	Net Price	Percent of Income needed to pay net college Price	Net Price	Percent of Income needed to pay net college Price
Income \$0-\$30,000	\$16,929	\$8,606	51%	\$8,720	52%
Income \$30-\$48,000	\$38,647	\$10,245	27%	\$10,011	26%
Income \$48,000-\$75,000	\$60,913	\$14,904	24%	\$13,468	22%
Income \$75,000-\$110,000	\$91,148	\$16,690	18%	\$13,556	15%
Income \$110,000 and Above	\$189,387	\$18,460	10%	\$13,934	7%

- Low-income families (those with incomes less than \$30,000 per-year) would need to pay on average 33 percent of their income to attend community colleges, even after taking into account all types of grant aid.
- Middle-income families (those earning between \$48,000 and \$75,000 per-year) would need to pay on average 14 percent of their income to attend community colleges, even after taking into account all types of grant aid.

Changes in Tuition



Since 2005, tuition at both public four-year and public two-year institutions in Texas has been growing much more rapidly than either inflation or family income.

Other Contextual Information:

- By 2020, the Georgetown Center on Education and the Workforce predicts that 62 percent of jobs in the state will require a postsecondary education or above, higher than the Southern average (59 percent) and just below the U.S. average (65 percent).
- Twelve percent of students in Texas are enrolled in public four-year category 1 institutions, 18 percent at category 2 four-year institutions and 70 percent are enrolled in the community college sector.
- In 2012, 26 percent of children in Texas were living in poverty. This is up slightly from 2004 when 23 percent were living in poverty.
- In 2012, state investment in need-based grant aid at public colleges in Texas was 29 percent as compared to the federal investment (Pell Grants).

Note: Category 1 four-year institutions are those that award at least 30 doctoral degrees in 5 different areas. Category 2 includes all other four-year institutions.

List of Institutions by Type:

Category 1 Public Four-Year Institutions

Texas A&M University
Texas Tech University
University of Houston
University of North Texas
University of Texas at Arlington
University of Texas at Austin
University of Texas at Dallas
Texas Woman's University
University of Texas at El Paso
University of Texas at San Antonio

Category 2 Public Four-Year Institutions

Angelo State University
Lamar University
Midwestern State University
Prairie View A&M University
Sam Houston State University
Stephen F. Austin State University
Sul Ross State University
Sul Ross State University – Rio Grande College
Tarleton State University
Texas A&M International University
Texas A&M University – Commerce
Texas A&M University – Corpus Christi
Texas A&M University – Kingsville
Texas A&M University – Texarkana
Texas A&M University at Galveston
Texas Southern University
Texas State University – San Marcos
University of Houston – Clear Lake
University of Houston – Downtown
University of Houston – Victoria
University of Texas – Pan American
University of Texas at Brownsville
University of Texas at Tyler
University of Texas of the Permian Basin
West Texas A&M University

Two-Year w/ Bachelor's

Brazosport College
Midland College

South Texas College
Community College
Alvin Community College
Amarillo College Southwest
Angelina College
Austin Community College
Blinn College
Brookhaven College (DCCCD)
Cedar Valley College (DCCCD)
Central Texas College
Cisco Junior College
Clarendon College
Coastal Bend College
College of the Mainland
Collegiate Institute for the Deaf (HCCCD)
Collin County Community College District
Del Mar College
Eastfield College (DCCCD)
El Centro College (DCCCD)
El Paso County Community College District
Frank Phillips College
Galveston College
Grayson County College
Hill College
Houston Community College
Howard College (HCCCD)
Kilgore CollegeTX3
Lamar Institute of Technology
Lamar State College – Orange
Lamar State College – Port ArthurTX8
Laredo Community College
Lee College
Lone Star College System District
McLennan Community College
Mountain View College (DCCCD)
TX6
Navarro College
North Central Texas Community College
North Lake College (DCCCD)
Northeast Lakeview College (ACCD)
Northeast Texas Community CollegeTX7
Northwest Vista College (ACCD)
Odessa College
Palo Alto College (ACCD)

Panola College
Paris Junior College
Ranger College
Richland College (DCCCD)
San Antonio College (ACCD)
San Jacinto College
South Plains College
Southwest Texas Junior College
St. Philip's College (ACCD)
Tarrant County College
Temple College
Texarkana College
Texas Southmost College
Texas State Technical College – Harlingen
Texas State Technical College – Marshall
Texas State Technical College – Waco TX4
Texas State Technical College – West Texas
Trinity Valley Community CollegeTX5
Tyler Junior College
Vernon College
Victoria College
Weatherford College
Western Texas College
Wharton County Junior College