

Louisiana

Affordability Profile

from

Affordability of Public Higher Education in SREB States

prepared by

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SREB

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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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Louisiana

Public Higher Education Affordability Profile

In order for students to enroll in community colleges in Louisiana, they, or their families, would need to pay on average 18 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 higher than the SREB average.

On a per-student basis, Louisiana offers less need-based state grant aid than the SREB average but the state does offer a non-need-based state grant program with a per-student award greater than the SREB average.

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

	Louisiana			SREB	U.S. Average
	Pre-Recession	Recession	Post-Recession	Post-Recession	Post-Recession
Family Ability to Pay					
Percent of income needed to pay for college expenses minus financial aid:					
at community colleges	N/A	16%	18%	16%	27%
at public 4-year colleges (category 1)	N/A	14%	17%	27%	41%
at public 4-year colleges (category 2)	N/A	18%	20%	25%	19%
Strategies for Affordability					
State Grant funding					
Need-Based grants per student	\$0	\$0	\$133	\$204	\$276
Grants that have a need and non-need based requirement per student*	\$8	\$9	\$5	\$98	\$142
Non-Need based grants per student	\$697	\$800	\$861	\$345	\$145
At lowest-priced colleges, the share of income that the families with the lowest income need to pay for tuition	11%	10%	15%	18%	20%
Reliance on Loans					
Average amount of student loan aid received by full-time, first-time students attending public institutions	\$3,435	\$3,559	\$4,854	\$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.					

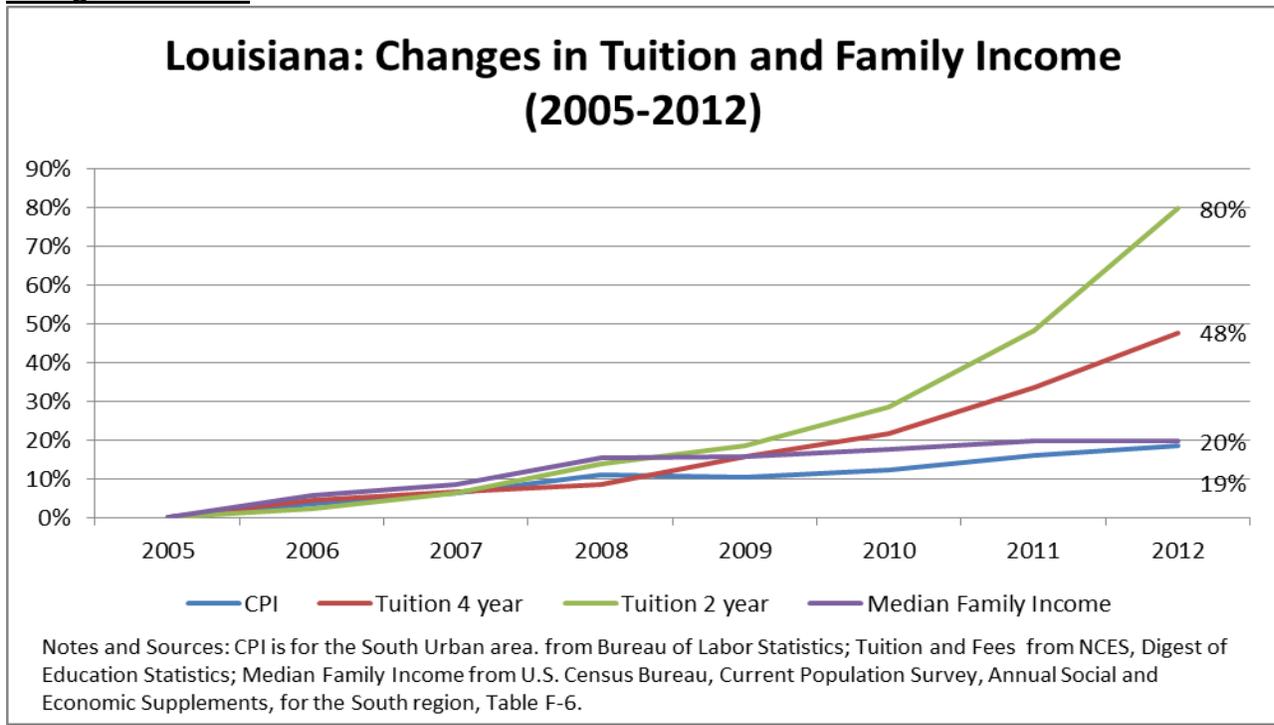
A Closer Look at Family Ability To Pay

	Average Income in Group	Community Colleges	
		Net Price	Percent of Income needed to pay net college Price
Income \$0-\$30,000	\$16,314	\$6,188	38%
Income \$30-\$48,000	\$38,521	\$7,269	19%
Income \$48,000-\$75,000	\$60,869	\$9,116	15%
Income \$75,000-\$110,000	\$90,981	\$10,368	11%
Income \$110,000 and Above	\$180,521	\$8,280	5%

	Average Income in Group	Public Four Year 1		Public Four Year 2	
		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	\$16,314	\$4,619	28%	\$7,108	44%
Income \$30-\$48,000	\$38,521	\$7,160	19%	\$8,202	21%
Income \$48,000-\$75,000	\$60,869	\$10,549	17%	\$10,593	17%
Income \$75,000-\$110,000	\$90,981	\$11,323	12%	\$11,394	13%
Income \$110,000 and Above	\$180,521	\$11,966	7%	\$11,386	6%

- Low-income families (those with incomes less than \$30,000 per-year) would need to pay on average 38 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 15 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 Louisiana 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 56 percent of jobs in the state will require a postsecondary education or above, below the Southern average (59 percent) and also below the U.S. average (65 percent).
- Forty-three percent of students in Louisiana are enrolled in public four-year category 1 institutions, 29 percent at category 2 four-year institutions and 26 percent are enrolled in the community college sector. Two percent of students are enrolled in technical colleges.
- In 2012, 28 percent of children in Louisiana were living in poverty. This is up slightly from 2004 when 27 percent were living in poverty.
- In 2012, state investment in need-based grant aid at public colleges in Louisiana was 7 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

Louisiana State University and A&M College
Louisiana Tech University
University of Louisiana at Lafayette
University of New Orleans

Category 2 Public Four-Year Institutions:

Grambling State University
Louisiana State University at Alexandria
Louisiana State University in Shreveport
McNeese State University
Nicholls State University
Northwestern State University
Southeastern Louisiana University
Southern University and A&M College at Baton Rouge
Southern University at New Orleans
University of Louisiana at Monroe

Community Colleges

Baton Rouge Community College
Bossier Parish Community College
Delgado Community College
Louisiana Delta Community College LA3
Louisiana State University at Eunice
Nunez Community College
River Parishes Community College
South Louisiana Community College
Southern University in Shreveport