



South Carolina 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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South Carolina

Public Higher Education Affordability Profile

In order for students to enroll in community colleges in South Carolina, 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 equal to the SREB average.

On a per-student basis, South Carolina's need-based state grant program provides less financial 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 and U.S. averages.

The average amount of student loan aid received by full-time, first-time students in South Carolina is much higher than the SREB average and has increased rapidly over time.

	South Carolina			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	15%	16%	16%	27%
at public 4-year colleges (category 1)	N/A	33%	27%	27%	41%
at public 4-year colleges (category 2)	N/A	29%	32%	25%	19%
Strategies for Affordability					
State Grant funding					
Need-Based grants per student	\$107	\$150	\$113	\$204	\$276
Grants that have a need and non-need based requirement per student*	\$0	\$0	\$0	\$98	\$142
Non-Need based grants per student	\$877	\$894	\$1,066	\$345	\$145
At lowest-priced colleges, the share of income that the families with the lowest income need to pay for tuition	26%	21%	26%	18%	20%
Reliance on Loans					
Average amount of student loan aid received by full-time, first-time students attending public institutions	\$3,644	\$3,827	\$5,788	\$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.					

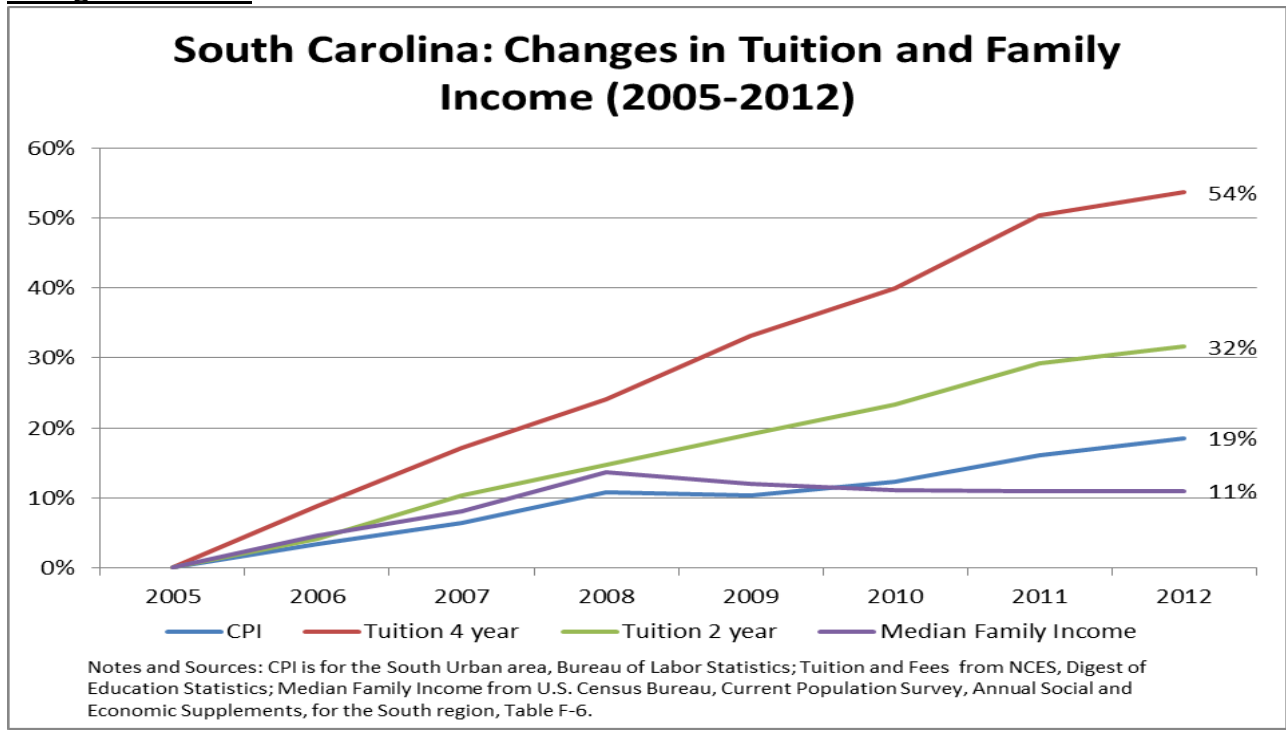
A Closer Look at Family Ability To Pay

	Average Income in Group	Community Colleges	
		Net Price	Percent of Income needed to pay net college Price
Income \$0-\$30,000	\$16,594	\$6,448	39%
Income \$30-\$48,000	\$38,700	\$6,662	17%
Income \$48,000-\$75,000	\$60,665	\$8,135	13%
Income \$75,000-\$110,000	\$90,677	\$7,989	9%
Income \$110,000 and Above	\$176,790	\$7,345	4%

	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	\$16,594	\$8,701	52%	\$11,804	71%
Income \$30-\$48,000	\$38,700	\$11,943	31%	\$13,368	35%
Income \$48,000-\$75,000	\$60,665	\$14,272	24%	\$16,163	27%
Income \$75,000-\$110,000	\$90,677	\$17,346	19%	\$15,920	18%
Income \$110,000 and Above	\$176,790	\$16,212	9%	\$15,925	9%

- Low-income families (those with incomes less than \$30,000 per-year) would need to pay on average 39 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 13 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 South Carolina 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 very similar to the U.S. average (65 percent).
- Twenty-four percent of students in South Carolina are enrolled in public four-year category 1 institutions, 27 percent at category 2 four-year institutions and 49 percent are enrolled in the community college sector.
- In 2012, 27 percent of children in South Carolina were living in poverty. This is up significantly from 2004 when 19 percent were living in poverty.
- In 2012, state investment in need-based grant aid at public colleges in South Carolina was 5 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

Clemson University
University of South Carolina–Columbia

Category 2 Public Four-Year Institutions

Coastal Carolina University
College of Charleston
Frances Marion University
Lander University
South Carolina State University
The Citadel, the Military College of South Carolina
University of South Carolina-Aiken
University of South Carolina-Beaufort
University of South Carolina-Upstate
Winthrop University

Community Colleges

Central Carolina Technical College
Denmark Technical College
Florence-Darlington Technical College
Greenville Technical College
Horry-Georgetown Technical College
Midlands Technical College
Northeastern Technical College
Orangeburg-Calhoun Technical College
Piedmont Technical College
Spartanburg Community College
Technical College of the Low Country
Tri-County Technical College
Trident Technical College
Aiken Technical College
University of South Carolina–Lancaster
University of South Carolina–Salkehatchie
University of South Carolina–Sumter
University of South Carolina–Union
Williamsburg Technical College
York Technical College