

Tennessee

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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Tennessee

Public Higher Education Affordability Profile

- In order for students to enroll in community colleges in Tennessee, 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 amount as the SREB average.
- On a per-student basis, Tennessee’s need-based state grant program award is less 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 Tennessee is slightly less than the SREB average; average loan aid per-borrower has increased over time.

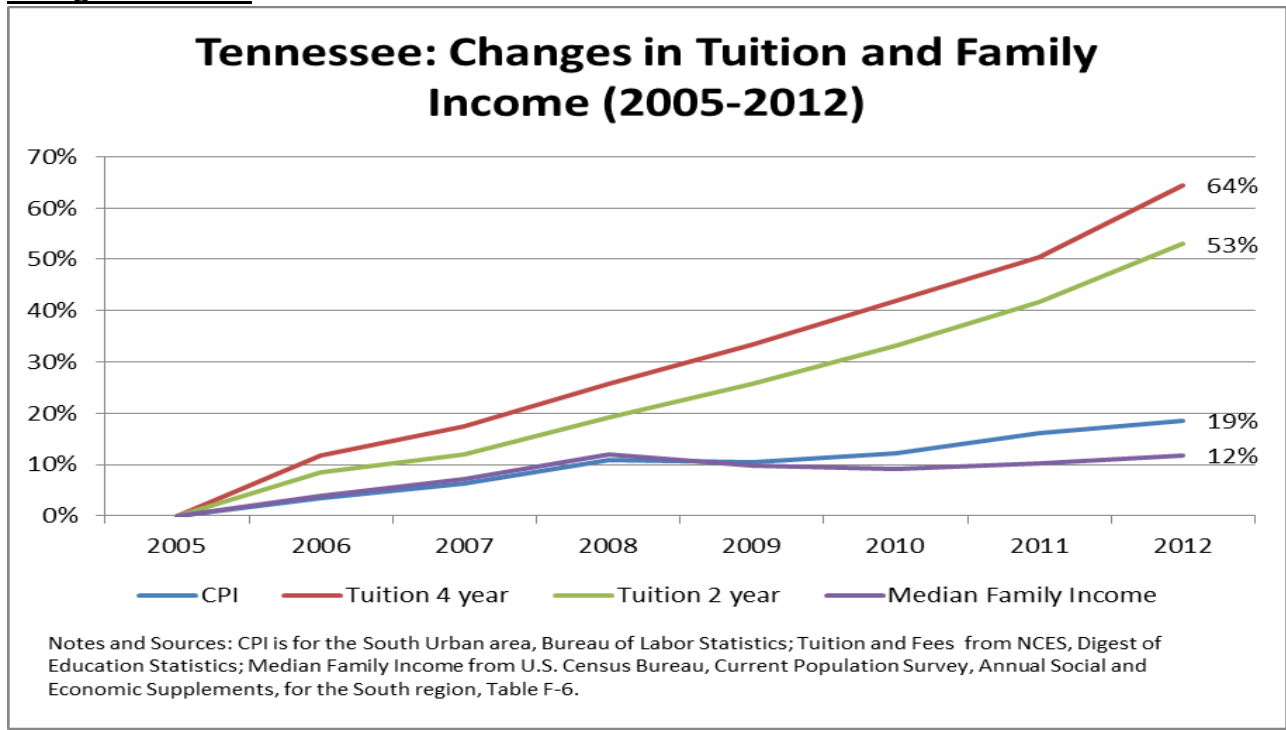
	Tennessee			SREB	U.S. Average
	Pre-Recession	Recession	Post-Recession	Post-Recession	Post-Recession
Family Ability to Pay					
Percent of income needed to pay for college expenses minus financial aid:					
at technical colleges	N/A	N/A	17%	14%	9%
at community colleges	N/A	18%	16%	16%	27%
at public 4-year colleges (category 1)	N/A	18%	25%	27%	41%
at public 4-year colleges (category 2)	N/A	20%	24%	25%	19%
Strategies for Affordability					
State Grant funding					
Need-Based grants per student	\$176	\$154	\$157	\$204	\$276
Grants that have a need and non-need based requirement per student*	\$0	\$4	\$117	\$98	\$142
Non-Need based grants per student	\$2	\$0	\$1,065	\$345	\$145
At lowest-priced colleges, the share of income that the families with the lowest income need to pay for tuition	20%	16%	21%	18%	20%
Reliance on Loans					
Average amount of student loan aid received by full-time, first-time students attending public institutions	\$3,273	\$3,399	\$4,935	\$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	Technical Colleges		Community Colleges	
		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	\$16,880	\$6,792	40%	\$6,118	36%
Income \$30-\$48,000	\$38,819	\$7,150	18%	\$6,773	17%
Income \$48,000-\$75,000	\$60,669	\$9,054	15%	\$8,977	15%
Income \$75,000-\$110,000	\$90,502	\$7,125	8%	\$7,794	9%
Income \$110,000 and Above	\$185,322	\$5,833	3%	\$5,472	3%
	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	\$16,880	\$8,626	51%	\$8,357	50%
Income \$30-\$48,000	\$38,819	\$10,286	26%	\$10,115	26%
Income \$48,000-\$75,000	\$60,669	\$13,522	22%	\$13,602	22%
Income \$75,000-\$110,000	\$90,502	\$13,553	15%	\$14,526	16%
Income \$110,000 and Above	\$185,322	\$14,740	8%	\$14,873	8%

- Low-income families (those with incomes less than \$30,000 per year) would need to pay on average 36 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 Tennessee 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 58 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).
- Sixteen percent of students in Tennessee are enrolled in public four-year category 1 institutions, 38 percent at category 2 four-year institutions, 32 percent are enrolled in the community college sector, and 14 percent are in technical colleges.
- In 2012, 26 percent of children in Tennessee were living in poverty. This is up from 2004 when 20 percent were living in poverty.
- In 2012, state investment in need-based grant aid at public colleges in Tennessee was 12 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

University of Memphis
University of Tennessee, Knoxville

Category 2 Public Four-Year Institutions

Austin Peay State University
East Tennessee State University
Middle Tennessee State University
Tennessee State University
Tennessee Technological University
University of Tennessee at Martin
University of Tennessee at Chattanooga

Community Colleges

Chattanooga State Technical Community College
Cleveland State Community College
Columbia State Community College
Dyersburg State Community College
Jackson State Community College
Motlow State Community College
Nashville State Technical Community College
Northeast State Technical Community College
Pellissippi State Technical Community College
Roane State Community College
Southwest Tennessee Community College
Volunteer State Community College
Walters State Community College

Technical College

Technical Tennessee Technology Center at Athens
Tennessee Technology Center at Chattanooga
Tennessee Technology Center at Covington
Tennessee Technology Center at Crossville
Tennessee Technology Center at Crump
Tennessee Technology Center at Dickson
Tennessee Technology Center at Elizabethton
Tennessee Technology Center at Harriman
Tennessee Technology Center at Hartsville Tennessee Technology Center at Hohenwald
Tennessee Technology Center at Jacksboro
Tennessee Technology Center at Jackson
Tennessee Technology Center at Knoxville
Tennessee Technology Center at Livingston

Tennessee Technology Center at McKenzie
Tennessee Technology Center at McMinnville
Tennessee Technology Center at Memphis
Tennessee Technology Center at Morristown
Tennessee Technology Center at Murfreesboro
Tennessee Technology Center at Nashville
Tennessee Technology Center at Newbern
Tennessee Technology Center at Oneida
Tennessee Technology Center at Paris
Tennessee Technology Center at Pulaski
Tennessee Technology Center at Ripley
Tennessee Technology Center at Shelbyville
Tennessee Technology Center at Whiteville

