

SREB

Affordability Is Essential for Student Access and Completion

**SREB Annual Meeting and Legislative
Work Conference | Little Rock, Arkansas**

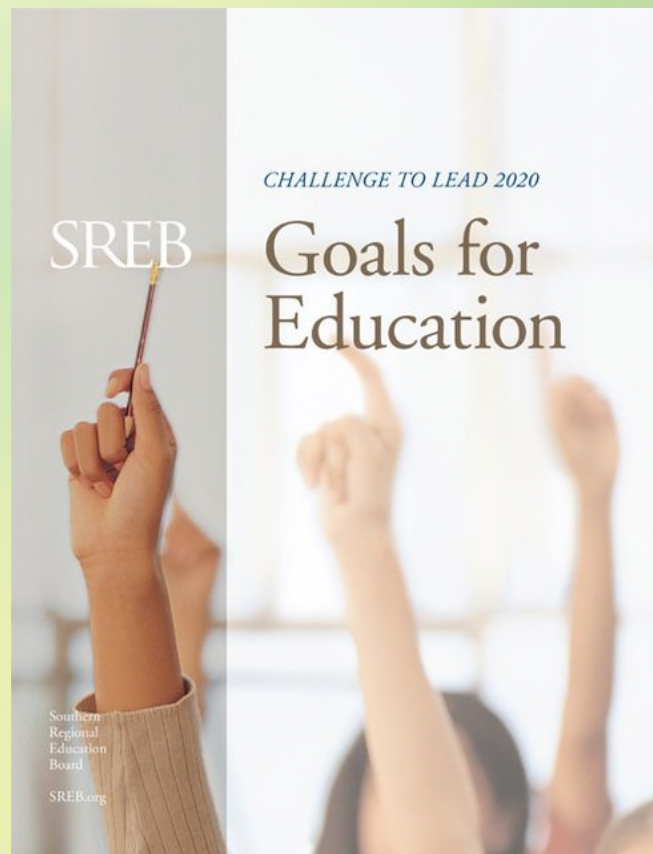
Cheryl Blanco

Vice President, Postsecondary Education

June 27, 2016

Challenge Goal for Postsecondary Education

Sixty percent of working-age adults will have a postsecondary credential: an associate's or bachelor's degree, or a career certificate.



Many state policies impact college affordability

- Readiness for college-level work
- Accelerated Options (Early College, dual enrollment, AP)
- Time and credits to degree
- Statewide guaranteed transfer
- Affordable baccalaureate degrees
- Pathways from certificates to degrees
- Prior learning credit and competency-based learning
- Program credit hour caps

Foremost among state policies

- Tuition
- Appropriations
- Financial Aid

Resources

- Commission report: *Shared Responsibility for College Affordability*
- Individual state affordability profiles
- Regional affordability profile
- Policy audit
- *College Affordability: Promising State Policies and Practices*

SREB Fact Book information

- Tuition and fees
- Family income needed to pay for tuition and fees
- Pell Grants
- Federal campus-based financial aid
- Federal student loan programs
- State scholarships, grants, and other financial aid funds
- Debt

College affordability is a regional concern

- For working-age adults with a credential of value, many Southern states are below the national average.
- 43% in the region vs. 45% in the U.S.

By 2020, 65% of U.S. jobs and 62% of jobs in the SREB region will require postsecondary education

| | 2020 Percent of jobs needing higher ed credential | | 2020 Percent of jobs needing higher ed credential |
|-----------|--|----------------|--|
| Alabama | 62% | Mississippi | 51% |
| Arkansas | 59% | North Carolina | 67% |
| Delaware | 63% | Oklahoma | 64% |
| Florida | 65% | South Carolina | 62% |
| Georgia | 65% | Tennessee | 58% |
| Kentucky | 62% | Texas | 62% |
| Louisiana | 56% | Virginia | 67% |
| Maryland | 69% | West Virginia | 55% |

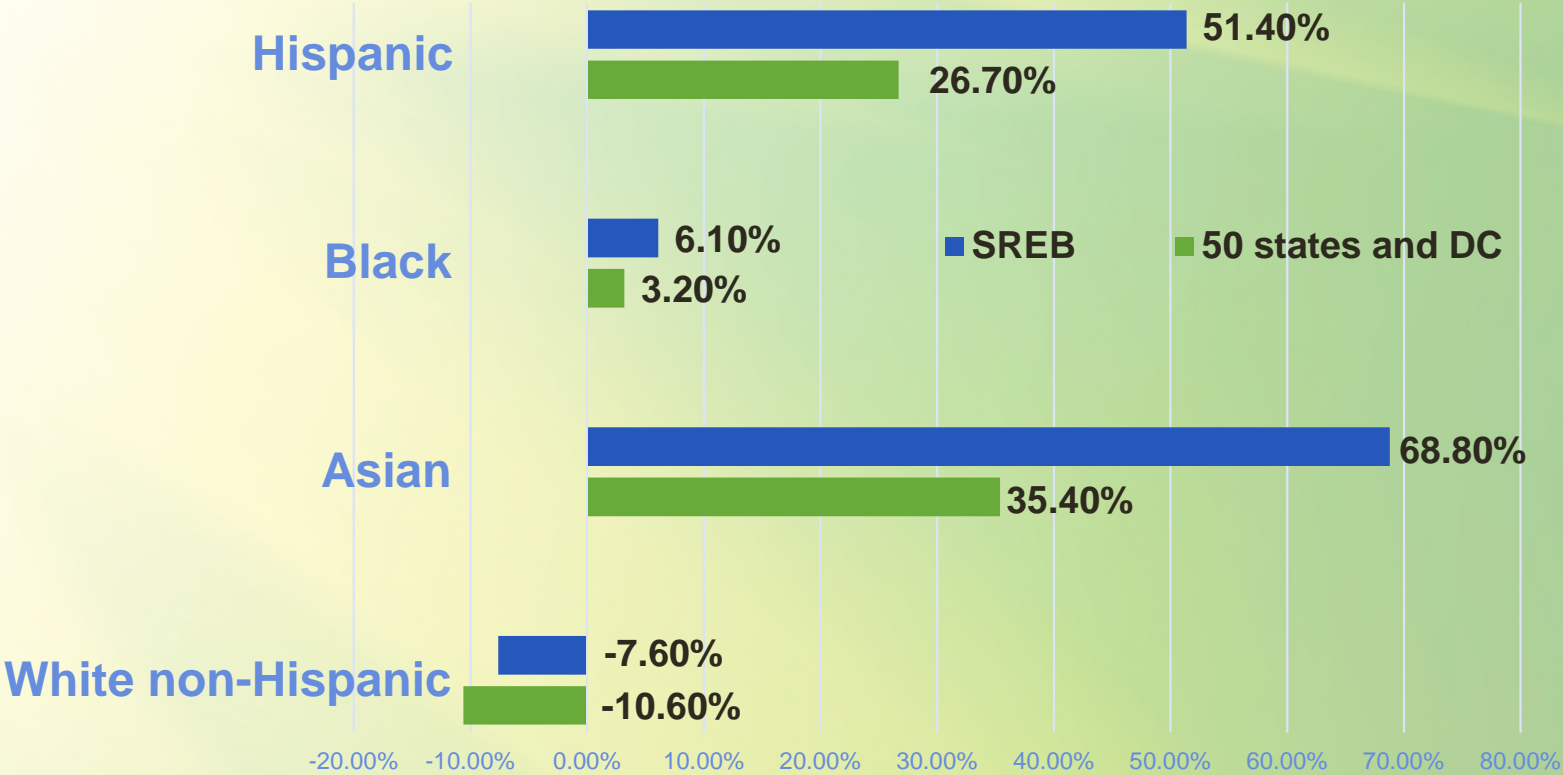
Source: Georgetown Center for the Workforce, *A Decade Behind: Breaking Out of the Low-Skill Trap in the Southern Economy*, 2012.

Making college more affordable will help close the gap

| | 2014 Educational Attainment Level | 2020 Percent of jobs needing higher ed credential | | 2014 Educational Attainment Level | 2020 Percent of jobs needing higher ed credential |
|-----------|-----------------------------------|---|----------------|-----------------------------------|---|
| Alabama | 37% | 62% | Mississippi | 36% | 51% |
| Arkansas | 39% | 59% | North Carolina | 45% | 67% |
| Delaware | 44% | 63% | Oklahoma | 40% | 64% |
| Florida | 46% | 65% | South Carolina | 41% | 62% |
| Georgia | 46% | 65% | Tennessee | 39% | 58% |
| Kentucky | 43% | 62% | Texas | 41% | 62% |
| Louisiana | 45% | 56% | Virginia | 51% | 67% |
| Maryland | 50% | 69% | West Virginia | 33% | 55% |

Source: Georgetown Center for the Workforce, *A Decade Behind: Breaking Out of the Low-Skill Trap in the Southern Economy* and Lumina Foundation, *A Stronger Nation*.

Percent change in 12th grade enrollment (2014-2027)



Source: Western Interstate Commission for Higher Education, *Knocking at the College Door*.

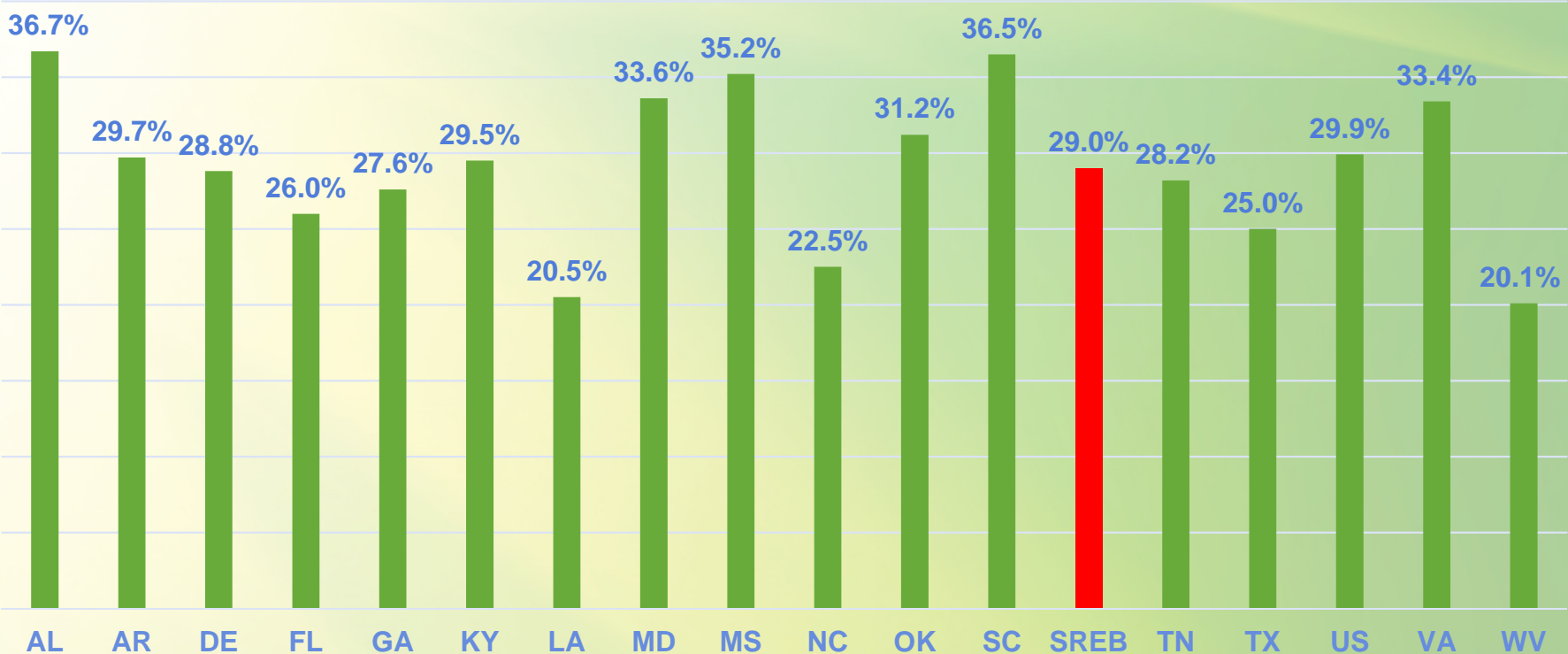
Appropriations and Tuition

- State appropriations dropped from \$7,555 per-student in the late 1980s to \$6,267 per-student in 2014 (in constant dollars).
- At the same time, net tuition per-student increased from \$2,532 to \$5,119.
- College enrollment grew during this time period, with a slight decline since 2012.

Source: SHEEO 2014 State Higher Education Finance Report; SREB calculations by author.

Students at four-year research institutions would pay, on average, 29% of their income for educational expenses after considering federal, state and institutional financial aid.

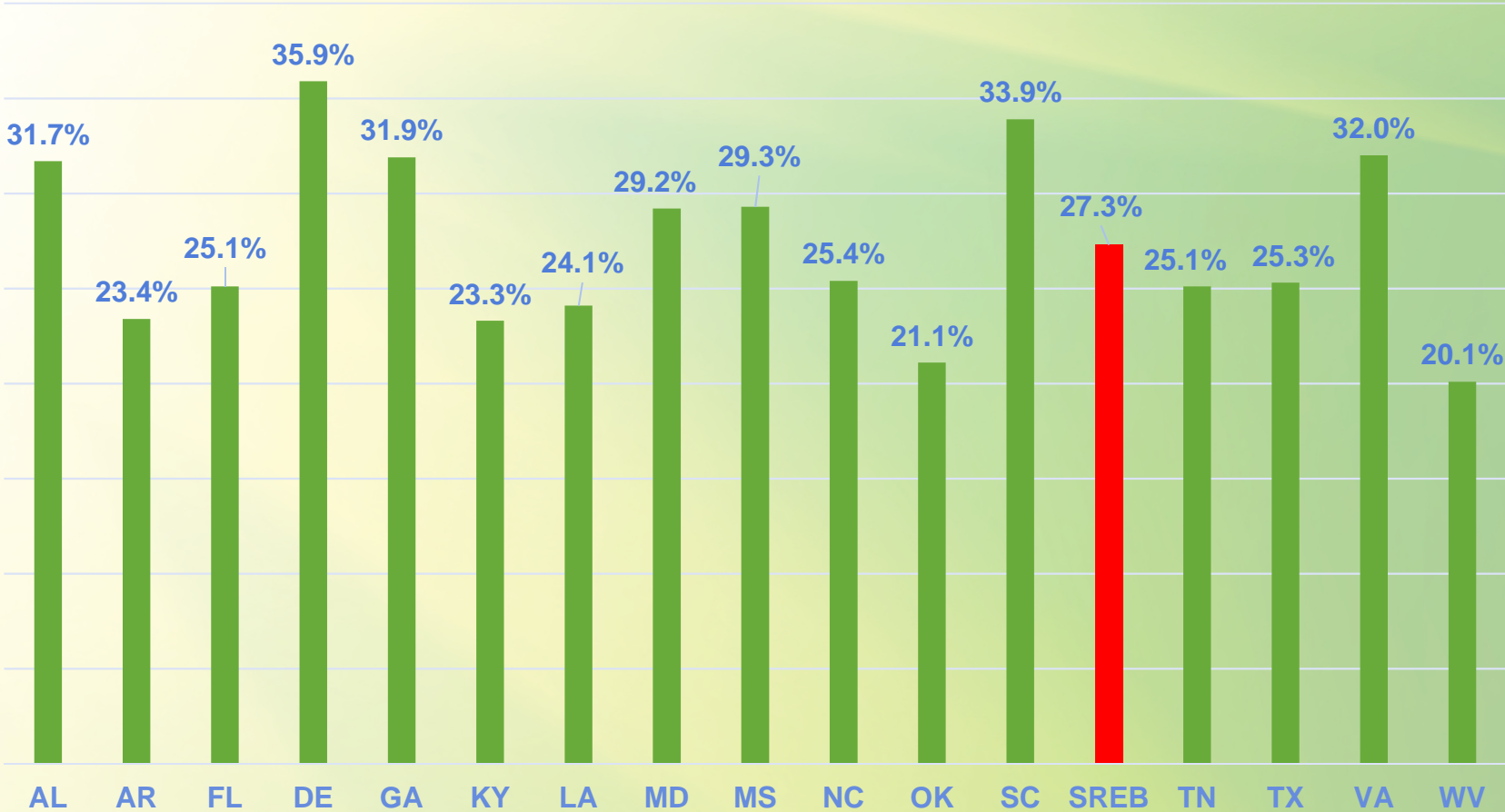
Net Price as a Percent of Income



Source: IPEDS Student Financial Aid Survey, Income from American Community Survey.

At regional institutions, students would pay, on average, 27% of their income after financial aid.

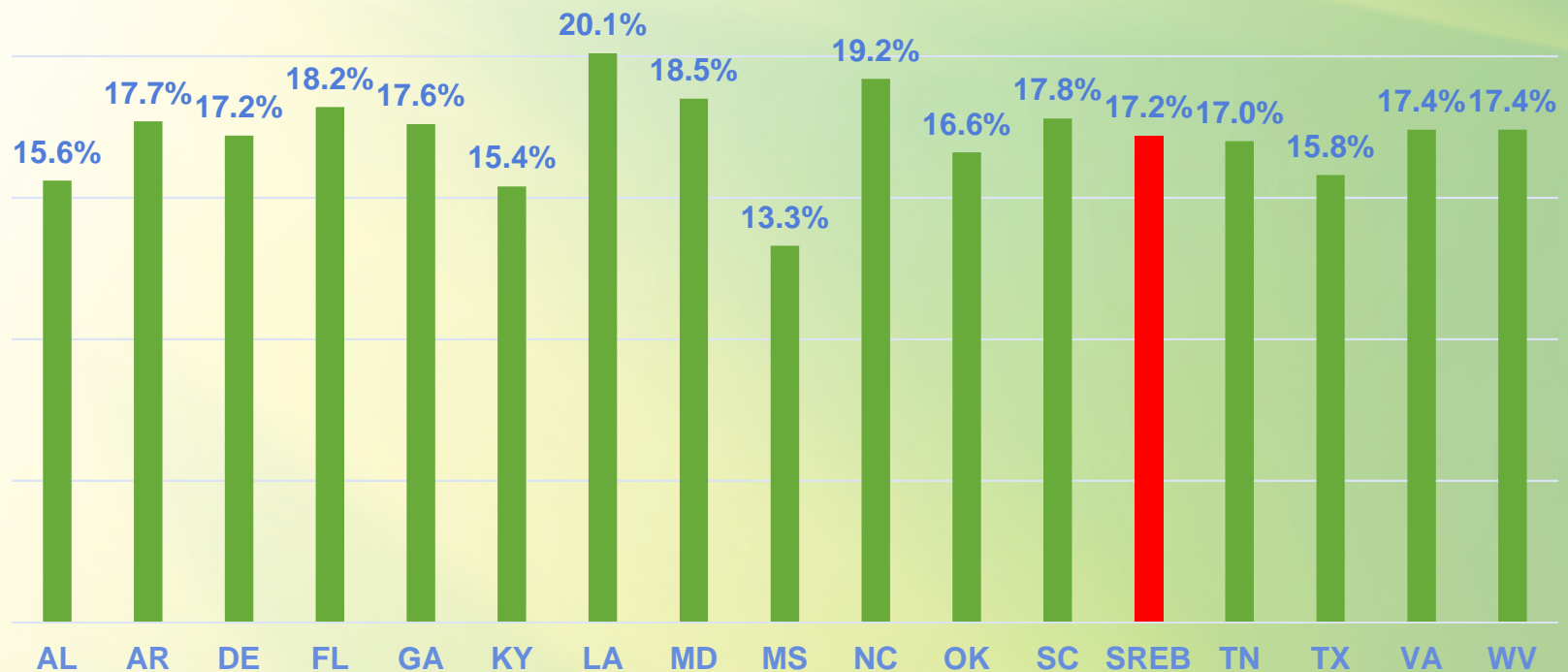
Net Price as a Percent of Income



Source: IPEDS Student Financial Aid Survey, Income from American Community Survey.

Students at two-year colleges would pay, on average, 17% of their income after financial aid.

Net Price as a Percent of Income



Source: IPEDS Student Financial Aid Survey, Income from American Community Survey.

State financial aid grants

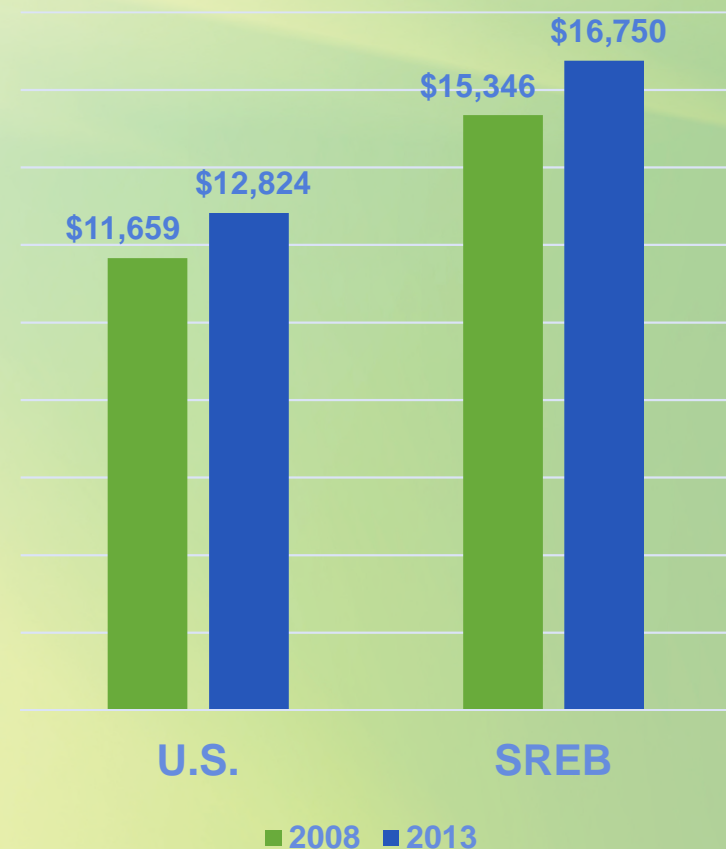
- State spending per student is higher in SREB states than the national average, but most of this aid is awarded on a basis other than need.
- Louisiana and Tennessee each spend about \$1,300 per student on all types of state financial aid.
- Among SREB states, North Carolina and Texas spend the most on need-based financial aid per student.

Source: National Association of State Student Grant and Aid Programs, 2015.

Student borrowing

- Graduates from public four-year and two-year institutions in SREB states typically borrow \$16,750, compared to the national average of \$15,346.
- The amount borrowed by students at public institutions in SREB states increased by 31% between 2008 and 2013.

Typical debt per undergraduate:
SREB states and U.S., 2008 and 2013



Source: College Scorecard Dataset, Median Debt Per Graduate.

The SREB logo is displayed in white serif font on a dark blue background. The background of the entire slide features a light green to yellow gradient with a vertical blue bar on the left and a pattern of overlapping, semi-transparent arrows in various colors (blue, green, purple, pink, yellow) pointing upwards and to the right.

Shared Responsibility for College Affordability

Southern
Regional
Education
Board

SREB.org

June 2016

The Report of the SREB Affordability Commission

SREB

How is your state making college more affordable?

Krissy DeAlejandro, Executive Director,
tnAchieves, Tennessee

Erik Fresen, State Representative, Florida

Glen D. Johnson, Chancellor, Oklahoma
State Regents for Higher Education,
Oklahoma

Adrienne Jones, State Delegate, Maryland

Jennifer L. McClellan, State Delegate,
Virginia

Mike Wilson, State Senator, Kentucky

College Affordability Policy Audit

- Context – accountability
- Policy Coherence
- Tuition Policy
- Shared Responsibility
- Financial Aid
- Institutional Responsibility
- Investments in Innovation
- Student Debt
- Financial Aid Implementation