

COST AND AFFORDABILITY

Presented to:
SENATE EDUCATION COMMITTEE



February 17, 2015

Ben Cannon, Executive Director, Higher Education
Coordinating Commission

A STUDENT PERSPECTIVE

2

1. What did I spend?
2. What did I get?
3. How did it pay off?

Cost, Outcome, Earnings

A SIMPLIFIED VIEW

3

	Cost*	Outcome	Earnings	Affordable?
Student 1	high	no degree	low	no
Student 2	high	degree	high	yes
Student 3	low	degree	high	yes
Student 4	low	no degree	low	no

**Cost = Price (tuition) plus living expenses, minus grants and scholarships*

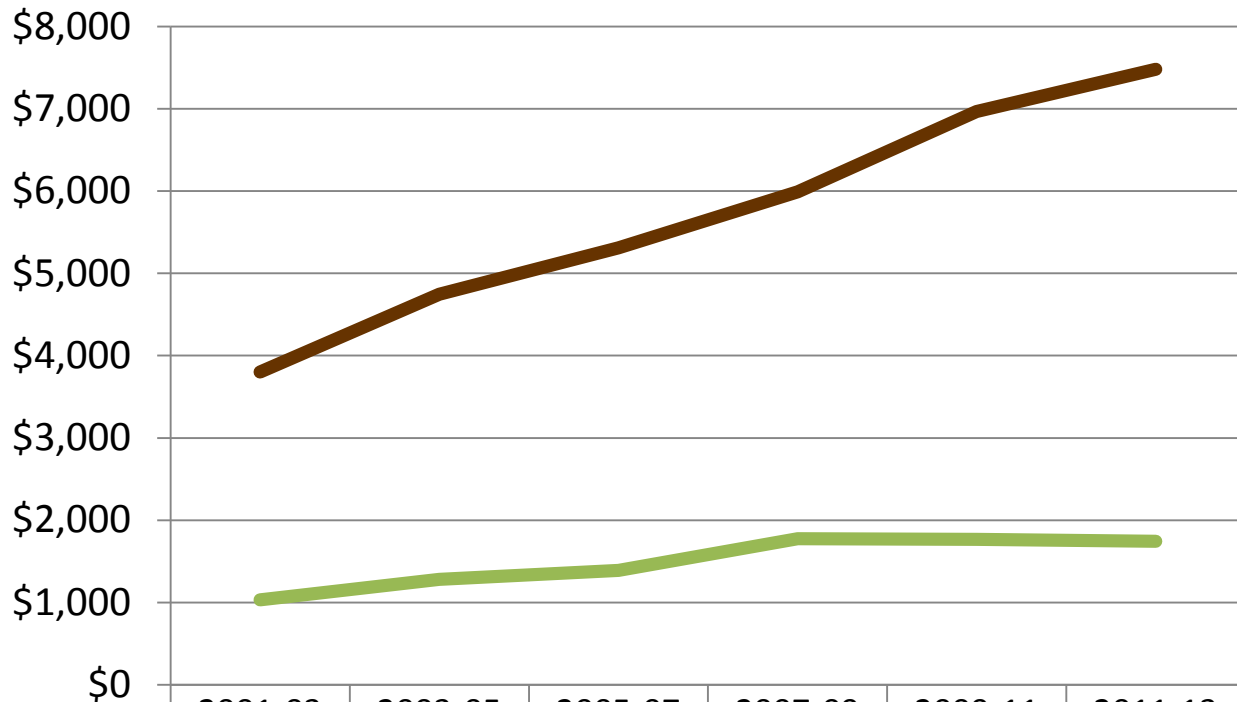
KEY TAKEAWAYS



4

- ✓ Tuition is not the entire story
- ✓ High price does not equal unaffordable
- ✓ Outcomes and earnings matter

COST TRENDS: TUITION AND FEES

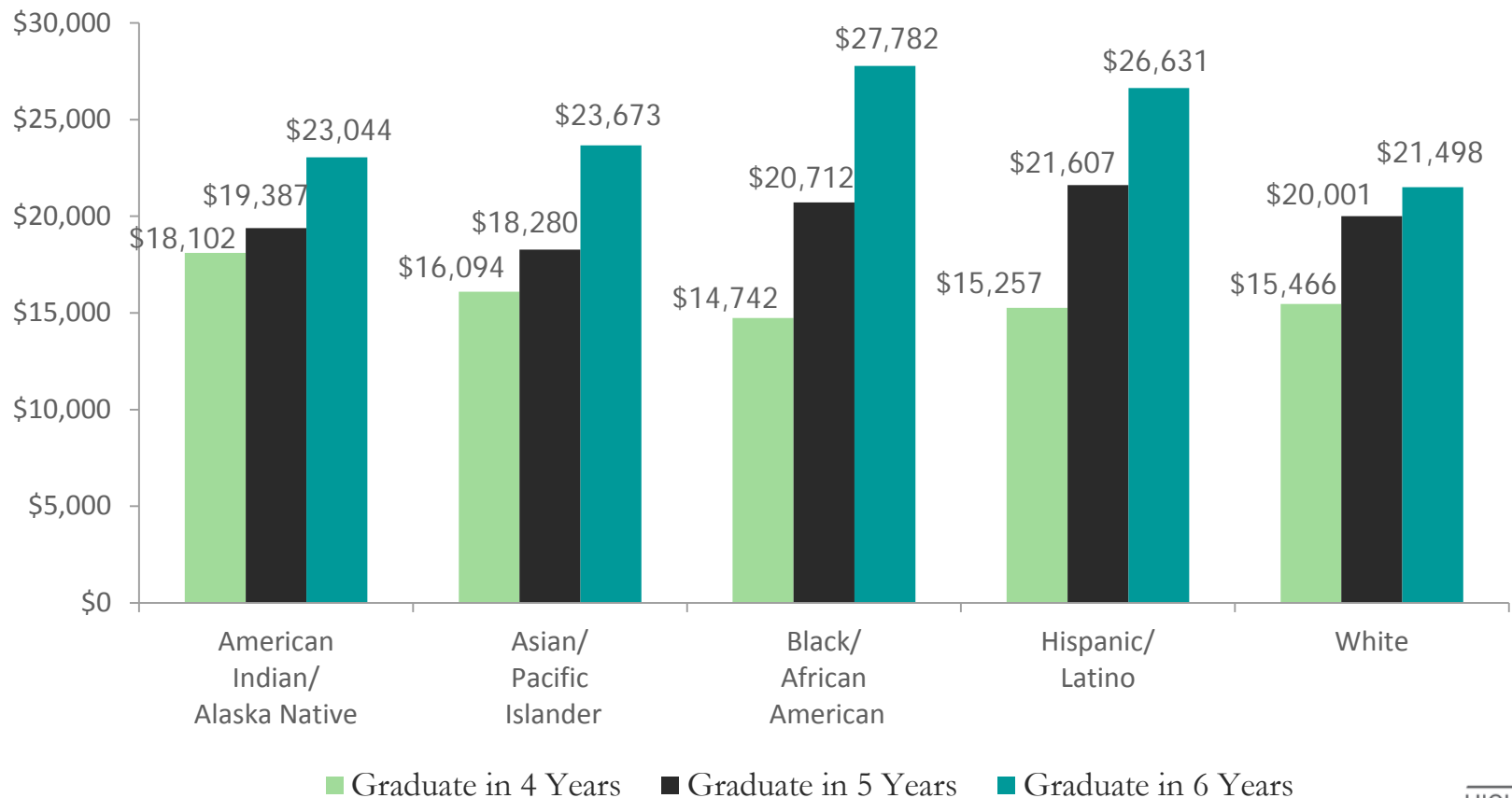
Rising Tuition and Fees; Near-Flat Need-based Aid



	2001-03	2003-05	2005-07	2007-09	2009-11	2011-13
 Avg OUS Tuition & Fees	\$3,802	\$4,747	\$5,309	\$5,991	\$6,967	\$7,481
 Average OOG Disbursed	\$1,033	\$1,283	\$1,390	\$1,774	\$1,767	\$1,743

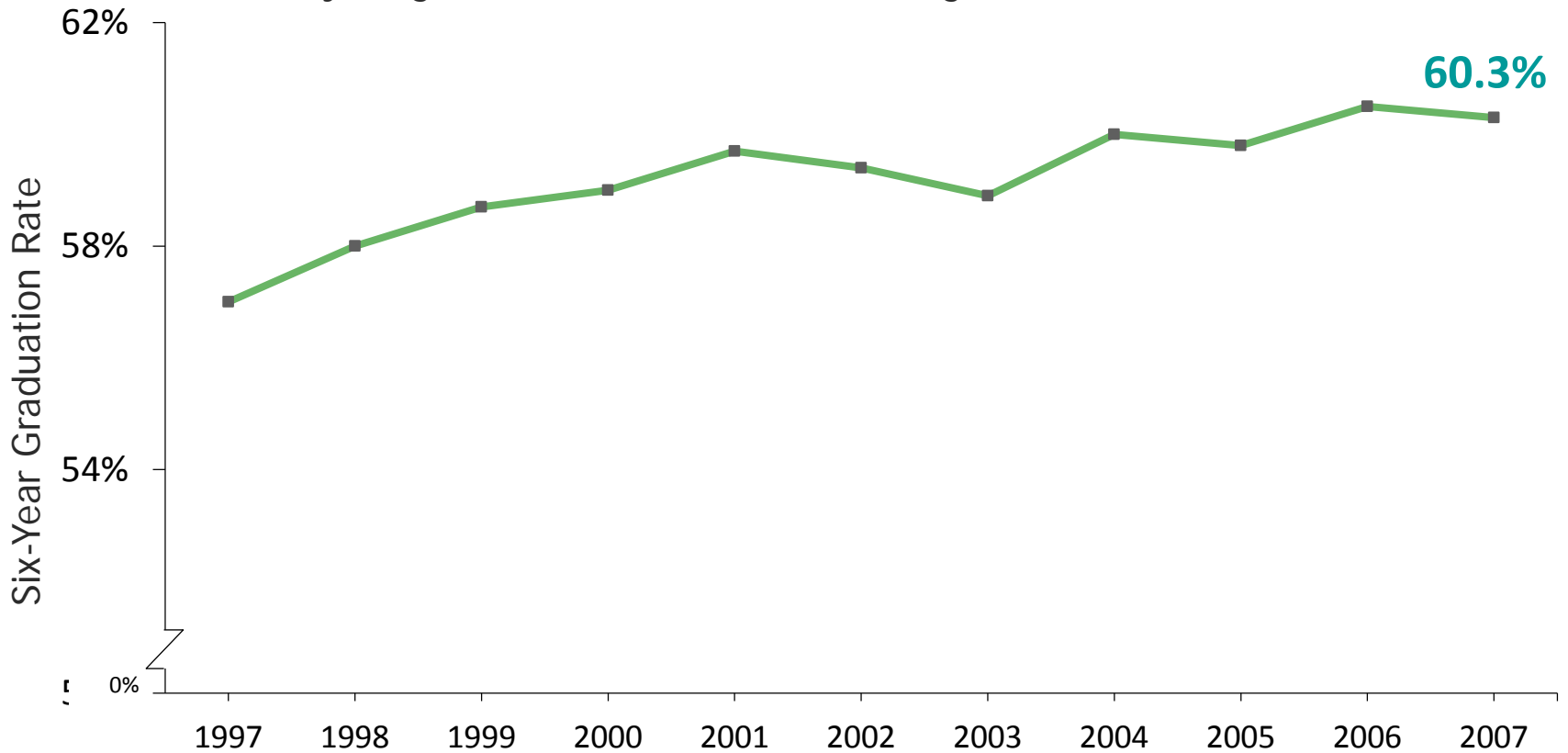
COST TRENDS: DEBT

Debt at Graduation for OUS Students Graduating in 4, 5, and 6 Years by Race/Ethnicity, 2002-03 Cohort



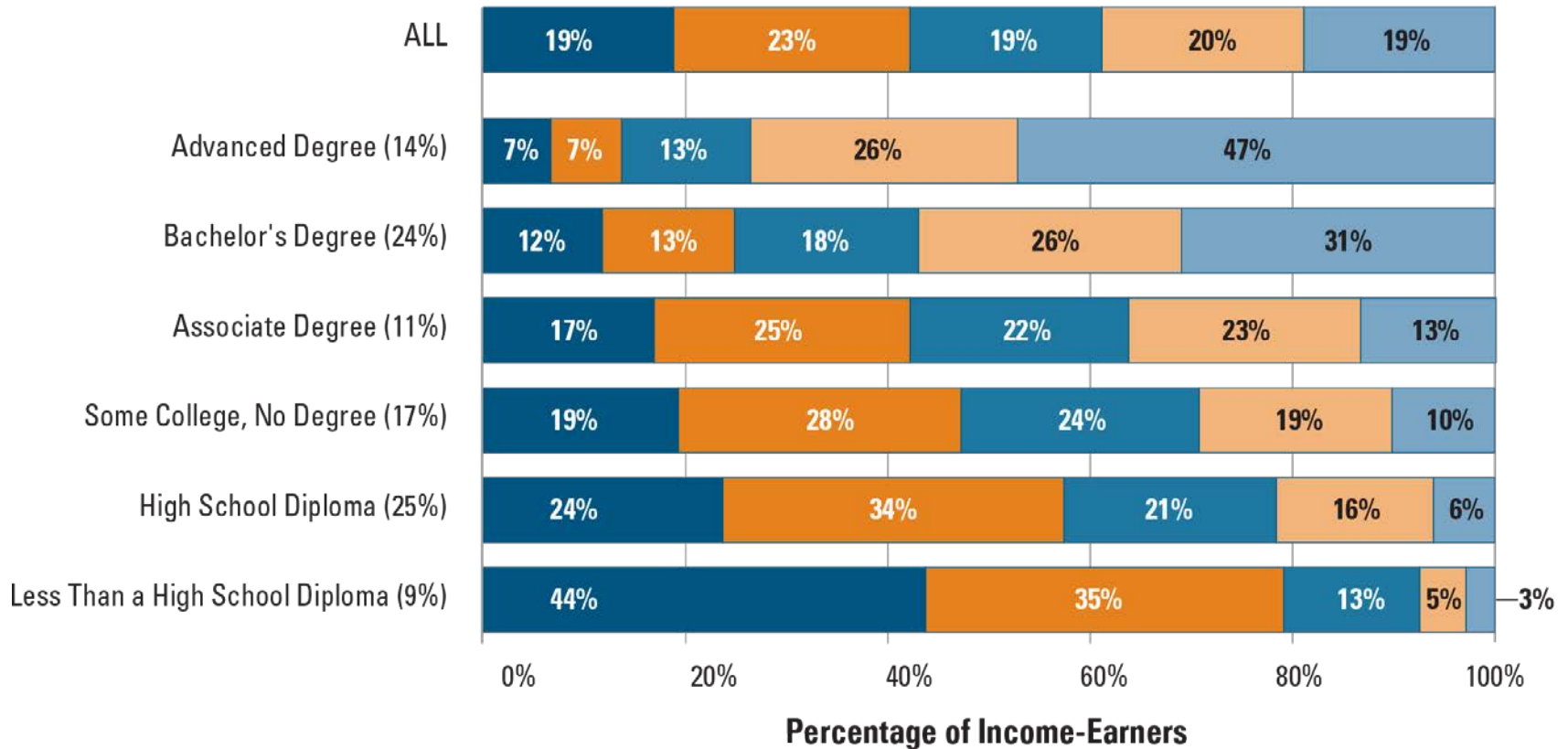
OUTCOME TRENDS: GRADUATION RATES

Six-year graduation rate of OUS entering Freshmen Fall Cohort, 1996-2007



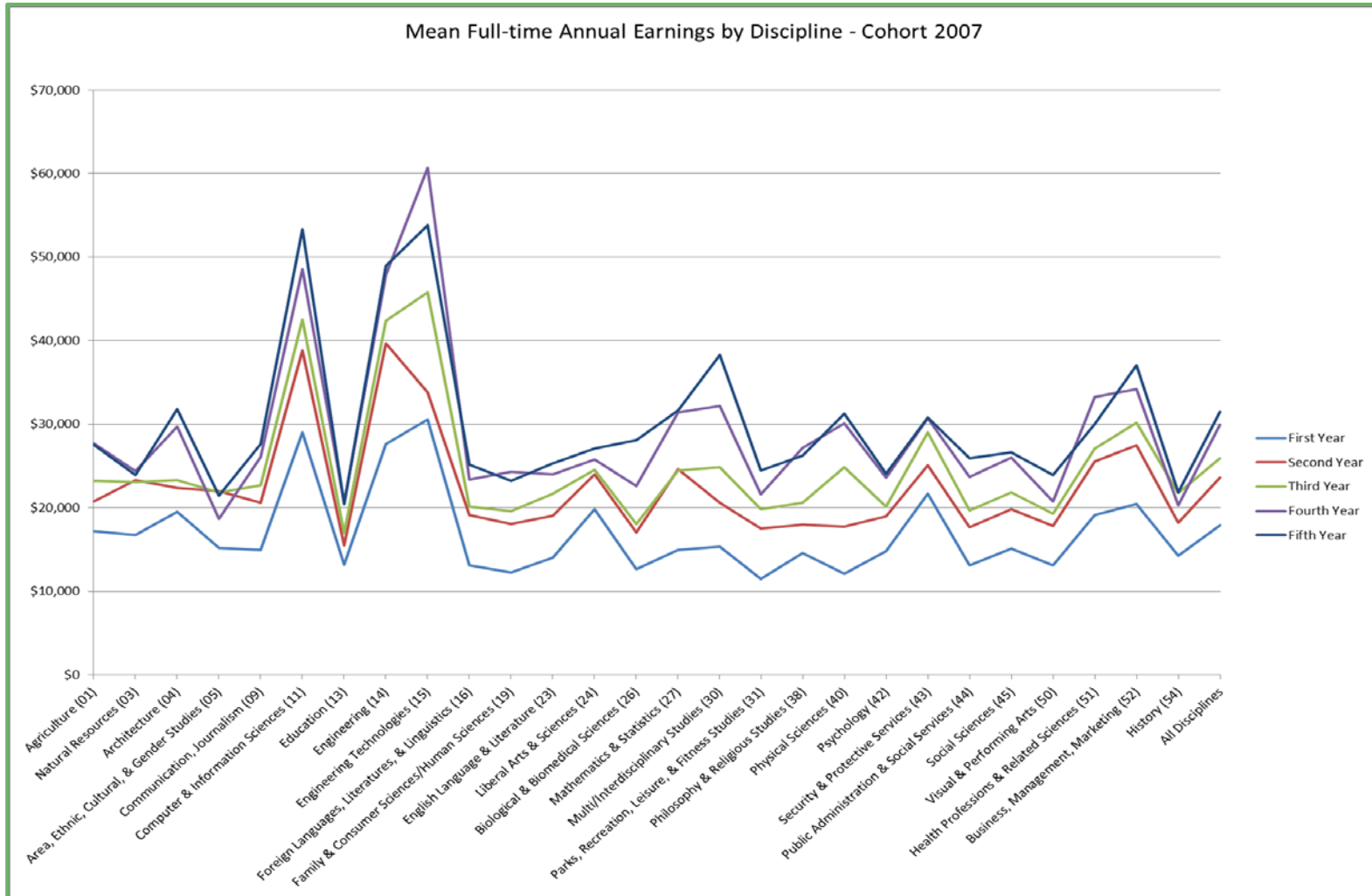
EARNINGS TRENDS: BY DEGREE

■ \$1 to \$17,499
 ■ \$17,500 to \$32,499
 ■ \$32,500 to \$47,499
 ■ \$47,500 to \$72,499
 ■ \$72,500 and over



- Distribution is expressed for all income-earners ages 35-44.
- SOURCES: U.S. Census Bureau, 2012.
- NOTE: Percentages may not sum to 100 because of rounding.

EARNINGS TRENDS: BY MAJOR



KEY TAKEAWAYS

10

Cost \neq Tuition

High cost \neq unaffordable

Thinking beyond tuition:

- ✓ Aid (state and institutional)
- ✓ Completion?
- ✓ Time to completion
- ✓ Type of degree/certificate/major
- ✓ Earnings

UNDERGRADUATE DEBT, 2011-12 GRADUATES

11

	BA (48%)	AA (36%)	Certificate (16%)
No Debt	30%	50%	34%
Less than \$10,000	10%	19%	30%
\$10,000 to \$19,999	13%	14%	25%
\$20,000 to \$29,999	18%	9%	6%
\$30,000 to \$39,999	12%	4%	3%
\$40,000 or more	18%	4%	2%

GRADUATE SCHOOL DEBT, 2011-12 GRADUATES

12

	All Graduate Degrees
No Debt	27%
\$1-\$19,999	12%
\$20,000-\$39,999	14%
\$40,000-\$59,999	12%
\$60,000-\$79,999	11%
\$80,000-\$99,999	8%
\$100,000+	16%