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INSTITUTE *for* RESEARCH *on* HIGHER EDUCATION



VANDERBILT
PEABODY COLLEGE



HIGHER EDUCATION
POLICY INSTITUTE

2016 COLLEGE AFFORDABILITY DIAGNOSIS

GEORGIA



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GEORGIA

COLLEGE
AFFORDABILITY
RANKING

35

The large portion of families living in poverty in Georgia, combined with a complete absence of state need-based financial aid, help to explain Georgia's below-average performance on the College Affordability rankings.

Most undergraduates in the state enroll in public four-year nondoctoral institutions and technical colleges, both of which are costly for the state's neediest students. For families earning \$30,000 or less per year, costs of attending full time would eat up 67 percent of their annual income at public four-year nondoctoral institutions, and 27 percent of their income at one of the state's technical institutions.

Georgia's public two-year colleges are among the most affordable in the nation. However, these institutions enroll only 14 percent of all undergraduates.

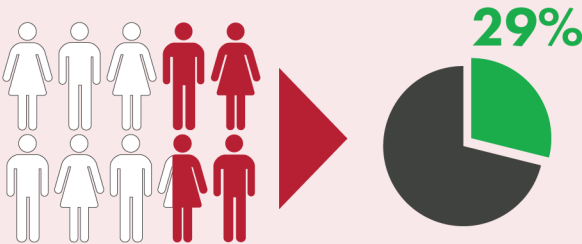
By 2020, 65 percent of jobs in Georgia will require a postsecondary credential. As of 2014, however, only 38 percent of working age Georgia state residents (25-64) have an associate's degree or higher, and educational attainment varies by race/ethnicity.

Georgia must address college affordability for those who could use the most assistance if it is

to address persistent levels of poverty, increase overall levels of educational attainment, and close economically damaging gaps between Whites, Blacks, and Hispanics.

- ▶ College affordability has declined at all types of higher education institutions, except for Georgia technical institutions, since 2008.
- ▶ Georgia makes no investment in need-based financial aid for low-income students while investing more than five times the national average in financial aid awarded based on criteria other than financial need.
- ▶ Slightly more than one quarter of Georgia families earn \$30,000 or less per year.
- ▶ Students would have to work, on average, 35 hours per week to cover the cost of enrolling full time in public four-year nondoctoral institutions or public research institutions.
- ▶ Forty-three percent of Whites have an associate's degree or higher while only 31 percent of Blacks and 18 percent of Hispanics have earned these credentials.
- ▶ One quarter of children live in poverty.

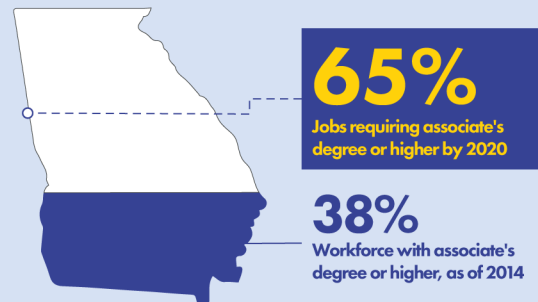
More Georgia students attend **public four-year nondoctoral institutions** than any other kind of institution, with **37 percent enrolled**. Families would spend, on average, **29 percent of annual income** to pay for full-time attendance.



Percentage of students attending public four-year nondoctoral institutions

Percentage of family income required to pay for full-time attendance

On average, **38 percent** of working-age Georgia state residents (age 25-64) have an associate's degree or higher. By 2020, **65 percent of jobs will require an associate's degree or higher**.



WHAT PERCENT OF FAMILY INCOME would be needed to attend college full time?

	Percent of Income 2008	Percent of Income 2013	Ranking*
Public Two-Year (14 percent of enrollment) **	14	15	4
Public Four-Year Nondoctoral (37 percent of enrollment)	24	29	31
Public Research (16 percent of enrollment)	21	28	18
Private Four-Year Nondoctoral (10 percent of enrollment)	49	55	43
Private Research (3 percent of enrollment)	45	53	17
Technical Colleges (21 percent of enrollment)	15	13	

* This measure ranked states 1-50. The lower the ranking on this measure, the better a state performed on overall college affordability.

** Enrollment may not add up to 100% due to rounding.

NOTE: The "net price" reported in the following tables for each sector of higher education includes tuition, mandatory fees, room/board and books *minus* all financial aid (federal, state and institutional).

For information on how these measures were calculated or which institutions were included, please see the technical report, available at www2.gse.upenn.edu/irhe/affordability-diagnosis.

STATE INCOME PROFILE

Income

\$0—30,000

Average Income in Group

\$16,633

Families in Group

26%

Income

\$30,000 —48,000

Average Income in Group

\$39,000

Families in Group

17%

Income

\$48,000—75,000

Average Income in Group

\$60,945

Families in Group

21%

Income

\$75,000—110,000

Average Income in Group

\$91,233

Families in Group

17%

Income

\$110,000 and above

Average Income in Group

\$188,450

Families in Group

19%

PERCENT OF FAMILY INCOME needed to attend full time:

PUBLIC TWO-YEAR INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	4,861	29
\$30,000—48,000	5,554	14
\$48,000—75,000	7,550	12
\$75,000—110,000	9,245	10
\$110,000 and above	10,043	5

Students would have to work 18 hours a week, on average, at federal minimum wage to pay for college expenses to attend a public two-year institution full time.

PUBLIC FOUR-YEAR NONDOCTORAL INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	11,098	67
\$30,000—48,000	11,931	31
\$48,000—75,000	14,365	24
\$75,000—110,000	15,903	17
\$110,000 and above	16,140	9

Students would have to work 35 hours a week, on average, at federal minimum wage to pay for college expenses to attend a public four-year nondoctoral institution full time.

PUBLIC RESEARCH INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	9,840	59
\$30,000—48,000	11,542	30
\$48,000—75,000	14,092	23
\$75,000—110,000	15,918	17
\$110,000 and above	16,471	9

Students would have to work 35 hours a week, on average, at federal minimum wage to pay for college expenses to attend a public research institution full time.

Source: Income data: U.S. Census Bureau; Net price data: U.S. Department of Education.

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PERCENT OF FAMILY INCOME needed to attend full time:

STATE INCOME PROFILE

Income
\$0—30,000
Average Income in Group
\$16,633
Families in Group
26%

Income
\$30,000 —48,000
Average Income in Group
\$39,000
Families in Group
17%

Income
\$48,000—75,000
Average Income in Group
\$60,945
Families in Group
21%

Income
\$75,000—110,000
Average Income in Group
\$91,233
Families in Group
17%

Income
\$110,000 and above
Average Income in Group
\$188,450
Families in Group
19%

PRIVATE FOUR-YEAR NONDOCTORAL INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	22,122	133
\$30,000—48,000	22,975	59
\$48,000—75,000	25,203	41
\$75,000—110,000	26,590	29
\$110,000 and above	27,535	15

Students would have to work 54 hours a week, on average, at federal minimum wage to pay for college expenses to attend a private four-year nondoctoral institution full time.

PRIVATE RESEARCH INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	22,122	133
\$30,000—48,000	22,975	59
\$48,000—75,000	25,203	41
\$75,000—110,000	26,590	29
\$110,000 and above	27,535	15

Students would have to work 79 hours a week, on average, at federal minimum wage to pay for college expenses to attend a private research institution full time.

TECHNICAL COLLEGE

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	4,463	27
\$30,000—48,000	5,170	13
\$48,000—75,000	7,043	12
\$75,000—110,000	8,749	10
\$110,000 and above	9,801	5

Source: Income data: U.S. Census Bureau; Net price data: U.S. Department of Education.

For information on how these measures were calculated or which institutions were included, please see the technical report, available at www2.gse.upenn.edu/irhe/affordability-diagnosis.

WHAT INVESTMENT DOES THE STATE MAKE to financial aid programs to make college more affordable?

TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PUBLIC TWO- AND FOUR-YEAR INSTITUTIONS

	2004	2007	2013	National Average, 2013
Need-Based Aid	4	0	0	474
Other Aid	1390	1468	1528	210

TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PRIVATE INSTITUTIONS

	2004	2007	2013	National Average, 2013
Need-Based Aid	8	0	0	644
Other Aid	1398	845	1226	221

Data Source: National Association of State Student Grant and Aid Programs and the U.S. Department of Education.

HOW MUCH IS ANNUAL UNDERGRADUATE BORROWING for students who earn and do not earn degrees?

- ▶ Students who enroll in public research institutions typically borrow \$3,595 annually.
- ▶ Students who enroll at private research institutions typically borrow \$3,416 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$4,397 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$4,932 annually.
- ▶ Students who enroll at technical colleges typically borrow \$1,381 annually.
- ▶ Students who enroll at public two-year institutions borrow \$2,329 annually.

Data Source: U.S. Department of Education.

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WHAT CONSIDERATIONS SHOULD STATES take into account in establishing policies on college affordability?

Workforce Needs

- ▶ By 2020, 65 percent of jobs in Georgia will require a postsecondary credential.
- ▶ Georgia is 30th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

Educational Attainment

- ▶ As of 2014, 37 percent of young adults in Georgia (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 38 percent of working age adults in Georgia (ages 35-64) had an associate's degree or higher, compared to 40 percent nationally.

Educational Attainment by Race/Ethnicity

- ▶ As of 2014, on average 38 percent of working age Georgia state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 43 percent of Whites have an associate's degree or higher but the other three most populous racial groups (Blacks, Hispanics and Asians) have attainment of 31 percent, 18 percent and 61 percent respectively.

Educational Pipeline in Georgia

- ▶ In 2020, Georgia's public high school graduates are projected to be 35 percent Black, 12 percent Hispanic, and 6 percent Asian.
- ▶ The total number of high school graduates at public institutions in Georgia are projected to decline by 1 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Black will grow by 2 percent, the number of Hispanic graduates will grow by 3 percent and the number of Asian graduates in Georgia will grow by 2 percent. White high school graduates are projected to decline by 6 percent over the same time period.
- ▶ While the decline in White graduates is similar but more pronounced than projections for the nation (4 percent decline in White graduates between 2020 and 2028), the growth in Black graduates in Georgia is slightly above national patterns (Black graduates are projected to increase 1 percent nationally). The growth in Hispanic and Asian graduates in Georgia is similar to national patterns (Hispanics are projected to increase by 2 percent and Asians are projected to increase by 1 percent nationally between 2020 and 2028)

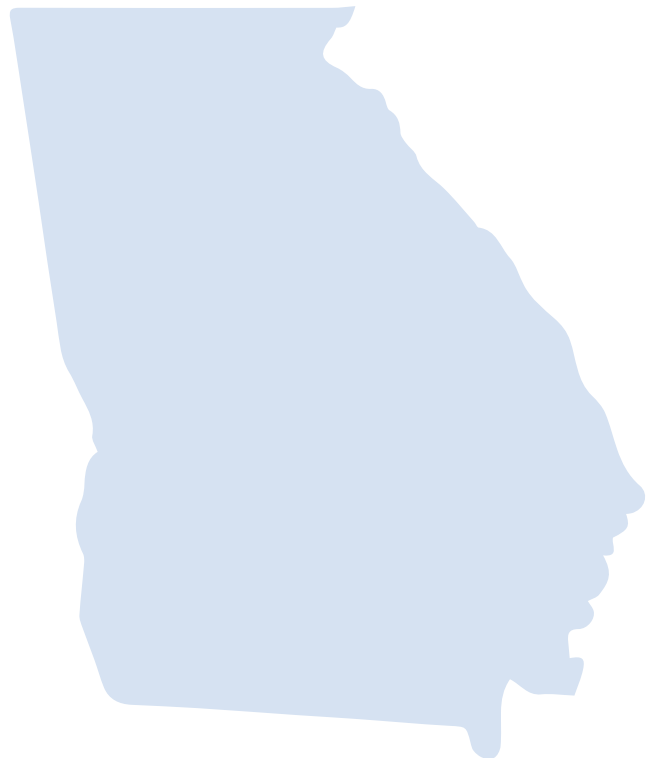
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Children in Poverty

- ▶ The percent of children living in poverty in Georgia increased between 2005 and 2013, from 20 percent to 25 percent.
- ▶ In 2013 Georgia was ranked 36th in terms of percent of children living in poverty. Rank order is from lowest to highest percentages of poverty.

Student Share of Total State and Tuition Revenues for Public Higher Education

- ▶ In Georgia, total student share of state and net tuition revenues per full time student was 22 percent in 1989, 16 percent in 2000, and 38 percent in 2014, adjusted for inflation. This pattern shows that net tuition revenues were decreasing as a share of higher education funding from 1989 to 2000 but after the 2007-08 recession net tuition revenues increased rapidly.



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POLICY QUESTIONS FOR STATE LEADERS

- ▶ In what types of higher education institutions (sectors) has the state lost ground in college affordability?
- ▶ What are the economic circumstances of families in the state (by income quintiles, by different regions of the state, etc.)? What are the implications for college affordability?
- ▶ What is the projected demand for an educated workforce in the state? How far is your state from addressing this demand? To what extent is college affordability one of the barriers in educating more state residents?
- ▶ What are the gaps in college attainment between Whites and minority groups in your state? How can state policies on college affordability help to narrow these gaps?
- ▶ How is tuition policy related, if at all, to the income of the students and families that the state must educate?
- ▶ If tuition policy is delegated to public institutions, how does the state provide oversight to ensure that tuition and other educational costs are affordable for students and families?
- ▶ In what ways can state policies related to tuition be more tightly coupled with state policies on institutional appropriations and financial aid to address college affordability?
- ▶ To what extent do tuition policies encourage access to higher education and completion of certificates and degrees? How do financial aid policies address the needs of both young and working-age students?
- ▶ In what ways has the state provided incentives for institutions to improve efficiency and productivity in order to reduce the overall costs to students?
- ▶ Research shows that students who work more than 20 hours a week are less likely to make progress toward or complete their certificate or degree programs. How is the state alleviating the need for students to work more than 20 hours a week so that they can focus more on earning their certificates and degrees?
- ▶ How much are students borrowing relative to the percent of family income needed to pay for postsecondary education?
- ▶ Are all state policies that influence college affordability inadvertently stratifying higher education by income or race?

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