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POLICY INSTITUTE

2016 COLLEGE AFFORDABILITY DIAGNOSIS

ILLINOIS



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ILLINOIS

COLLEGE
AFFORDABILITY
RANKING

23

The lack of affordable higher education in Illinois will make it difficult for the state to meet significant demands for an educated workforce in the face of shrinking high school enrollments and substantial gaps in college attainment by race and ethnicity. And although Illinois provides more need-based financial aid than the national average, that amount has declined since 2007, which is certainly a factor in the diminished affordability of all public college and universities.

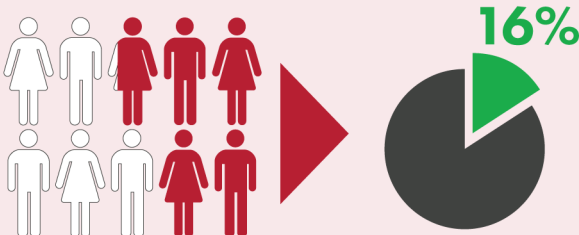
The state's public two-year colleges, which enroll 48 percent of all Illinois undergraduates, rank 12th in the nation in affordability. But the financial burden of even community college is significant for families making \$30,000 or less per year, who would have to pay a third of their income, on average, to cover the costs of enrolling in these institutions full time. Community college students would have to work approximately 20 hours per week to pay the annual costs of full-time attendance.

That estimated weekly workload would more than double for full-time students enrolled in the state's public four-year colleges and universities, which would eat up from two thirds to three quarters of the annual income, on average, of Illinois families earning \$30,000 or less.

The state's declining affordability is playing out against a backdrop of significant college attainment gaps between White and minority students, and forecasts for high percentages of Black and Hispanic high school graduates. At the same time, Illinois is projected to have a high number of jobs that will require a postsecondary education credential.

- ▶ All public colleges and universities in Illinois have declined in affordability since 2008.
- ▶ Students would have to work more than 40 hours a week to cover the cost of attending a public four-year nondoctoral or public research university full time.
- ▶ Illinois provides more need-based financial aid than the national average for students to attend public and private institutions of higher education, although these dollars per student have declined since 2007.
- ▶ College attainment gaps are substantial in Illinois. Forty-nine percent of White working-age adults have earned an associate's degree or higher compared to 19 percent of Hispanics and 30 percent of Blacks.

More Illinois students attend **public two-year institutions** than any other kind of institution, with **48 percent enrolled**. Families would spend, on average, **16 percent of annual income** to pay for full-time attendance.



Percentage of students attending public two-year institutions

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

On average, **43 percent** of working-age Illinois state residents (age 25-64) have an associate's degree or higher. By 2020, **70 percent of jobs will require an associate's degree or higher.**



70%

Jobs requiring associate's degree or higher by 2020

43%

Workforce with associate's degree or higher, as of 2014

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 (48 percent of enrollment)**	13	16	12
Public Four-Year Nondoctoral (9 percent of enrollment)	32	35	45
Public Research (18 percent of enrollment)	27	33	35
Private Four-Year Nondoctoral (17 percent of enrollment)	43	45	26
Private Research (8 percent of enrollment)	53	49	14

* 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

\$16,962

Families in Group

20%

Income

\$30,000 —48,000

Average Income in Group

\$39,177

Families in Group

15%

Income

\$48,000—75,000

Average Income in Group

\$61,322

Families in Group

21%

Income

\$75,000—110,000

Average Income in Group

\$91,569

Families in Group

19%

Income

\$110,000 and above

Average Income in Group

\$194,606

Families in Group

25%

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	5,580	33
\$30,000—48,000	6,308	16
\$48,000—75,000	8,515	14
\$75,000—110,000	10,114	11
\$110,000 and above	10,336	5

Students would have to work 20 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	13,040	77
\$30,000—48,000	14,104	36
\$48,000—75,000	17,612	29
\$75,000—110,000	20,600	22
\$110,000 and above	20,393	10

Students would have to work 42 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	10,813	64
\$30,000—48,000	13,074	33
\$48,000—75,000	17,936	29
\$75,000—110,000	23,359	26
\$110,000 and above	25,032	13

Students would have to work 48 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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**STATE
INCOME
PROFILE**

Income
\$0—30,000
Average Income in Group
\$16,962
Families in Group
20%

Income
\$30,000 —48,000
Average Income in Group
\$39,177
Families in Group
15%

Income
\$48,000—75,000
Average Income in Group
\$61,322
Families in Group
21%

Income
\$75,000—110,000
Average Income in Group
\$91,569
Families in Group
19%

Income
\$110,000 and above
Average Income in Group
\$194,606
Families in Group
25%

**PERCENT OF FAMILY INCOME
needed to attend full time:**

PRIVATE FOUR-YEAR NONDOCTORAL INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	17,616	104
\$30,000—48,000	18,328	47
\$48,000—75,000	20,320	33
\$75,000—110,000	23,368	26
\$110,000 and above	26,492	14

Students would have to work 53 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	18,606	110
\$30,000—48,000	19,134	49
\$48,000—75,000	21,924	36
\$75,000—110,000	28,184	31
\$110,000 and above	36,206	19

Students would have to work 58 hours a week, on average, at federal minimum wage to pay for college expenses to attend a private research institution full time.

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

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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	460	607	533	474
Other Aid	72	63	2	210

TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PRIVATE INSTITUTIONS

	2004	2007	2013	National Average, 2013
Need-Based Aid	1390	1449	1255	644
Other Aid	16	2	4	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 \$3,725 annually.
- ▶ Students who enroll at private research institutions typically borrow \$3,556 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$5,230 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$5,288 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$826 annually.

Data Source: 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 CONSIDERATIONS SHOULD STATES take into account in establishing policies on college affordability?

Workforce Needs

- ▶ By 2020, 70 percent of jobs in Illinois will require a postsecondary credential.
- ▶ Illinois is 10th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

Educational Attainment

- ▶ As of 2014, 47 percent of young adults in Illinois (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 42 percent of working age adults in Illinois (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 43 percent of working age Illinois state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 49 percent of Whites have an associate's degree or higher but the other three most populous racial groups (Hispanics, Blacks and Asians) have attainment of 19 percent, 30 percent and 72 percent respectively.

Educational Pipeline in Illinois

- ▶ In 2020, Illinois's public high school graduates are projected to be 21 percent Hispanic, 14 percent Black, and 6 percent Asian.
- ▶ The total number of high school graduates at public institutions in Illinois are projected to decline by 9 percent between 2020 and 2028.
- ▶ The percent of graduates that are Hispanic is projected to decline by 2 percent, Black graduates will decline by 1 percent and Asian graduates are projected to increase by 1 percent in Illinois. White high school graduates are projected to decline by 3 percent over the same time period.
- ▶ While the decline in White graduates is similar to the nation (4 percent decline in White graduates between 2020 and 2028), the decline in both Hispanic and Black graduates in Illinois is in an opposite direction as the national patterns (Hispanics and Blacks are projected to increase by 2 and 1 percent respectively between 2020 and 2028). The increase in Asian graduates in Illinois mirrors the national trends (Asian graduates are projected to increase by 1 percent by 2028).

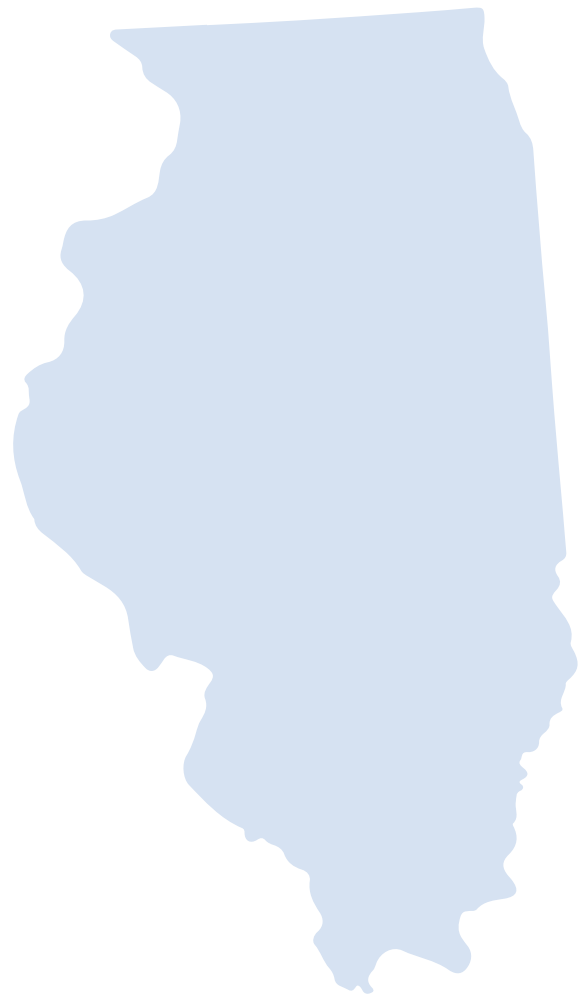
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Children in Poverty

- ▶ The percent of children living in poverty in Illinois increased between 2005 and 2013, from 16 percent to 20 percent.
- ▶ In 2013 Illinois was ranked 23rd 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 Illinois, total student share of state and net tuition revenues per full time student was 22 percent in 1989, 20 percent in 2000, and 36 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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