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# 2016 COLLEGE AFFORDABILITY DIAGNOSIS

## NEVADA



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# NEVADA

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Nevada’s strong overall ranking on college affordability stems from an above-average investment in need-based state aid and the fact that over half of the state’s undergraduates attend public two-year colleges.

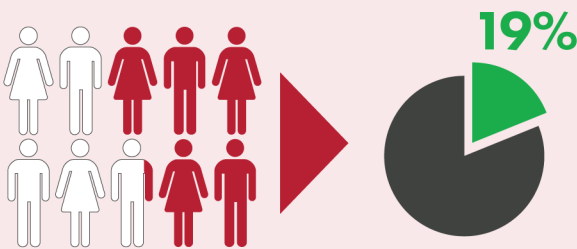
On average, 19 percent of family income would be required to cover the costs of attending public two-year colleges full time. Students attending these schools would be required to work, on average, 27 hours a week to pay these costs.

Forty-four percent of Nevada’s undergraduates attend one of the state’s two public research institutions. On average, 28 percent of family income would be required to cover the costs of attending these institutions full time. Students would have to work 37 hours a week, on average, to pay the expenses of attending these institutions full time.

Nevada’s workforce needs are changing, and the number of families living in poverty is on the rise. Within the next four years, 62 percent of jobs will require postsecondary credentials. And yet in 2014, only 31 percent of adults had an associate’s degree or higher.

- ▶ In Nevada, nearly a quarter of the state’s families (23 percent) earn \$30,000 or less a year. Since 2005, the number of children living in poverty increased from 15 percent to 22 percent.
- ▶ Low-income families would need to spend 62 percent of their income, on average, to attend the state’s public research institutions full time. In contrast, families earning \$110,000 or more per year would have to contribute an average of 9 percent.
- ▶ The state contributes \$562 in need-based aid per student at public institutions, which account for almost all of total enrollment. The national average is \$474.
- ▶ Between 2020 and 2028, the number of high school graduates is projected to increase by 7 percent.
- ▶ Educational attainment varies by race/ethnicity: 37 percent of Whites have an associate’s degree or higher. Hispanics are at 14 percent, Blacks at 24 percent, and Asians at 42 percent.

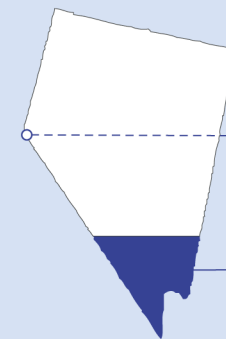
More Nevada students attend **public two-year institutions** than any other kind of institution, with **52 percent enrolled**. Families would spend, on average, **19 percent of annual income** to pay for full-time attendance.



Percentage of students attending public two-year institutions

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

On average, **31 percent** of working-age Nevada state residents (age 25-64) have an associate’s degree or higher. By 2020, **62 percent of jobs will require an associate’s degree or higher**.



**62%**

Jobs requiring associate’s degree or higher by 2020

**31%**

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*
<b>Public Two-Year</b> (52 percent of enrollment) **	17	19	35
<b>Public Four-Year Nondoctoral</b> (4 percent of enrollment)	20	30	32
<b>Public Research</b> (44 percent of enrollment)	21	28	20
<b>Private Four-Year Nondoctoral</b> (1 percent of enrollment)	51	52	40
<b>Private Research</b> (NA percent of enrollment)	NA	NA	NA

\* 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](http://www2.gse.upenn.edu/irhe/affordability-diagnosis).

## STATE INCOME PROFILE

Income  
**\$0—30,000**  
Average Income in Group  
**\$17,511**  
Families in Group  
**23%**

Income  
**\$30,000 —48,000**  
Average Income in Group  
**\$39,213**  
Families in Group  
**19%**

Income  
**\$48,000—75,000**  
Average Income in Group  
**\$60,634**  
Families in Group  
**23%**

Income  
**\$75,000—110,000**  
Average Income in Group  
**\$90,928**  
Families in Group  
**17%**

Income  
**\$110,000 and above**  
Average Income in Group  
**\$181,230**  
Families in Group  
**18%**

# 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	6,747	<b>39</b>
\$30,000—48,000	7,191	<b>18</b>
\$48,000—75,000	9,740	<b>16</b>
\$75,000—110,000	11,926	<b>13</b>
\$110,000 and above	12,130	<b>7</b>

Students would have to work 27 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	11,425	<b>65</b>
\$30,000—48,000	12,087	<b>31</b>
\$48,000—75,000	15,222	<b>25</b>
\$75,000—110,000	16,287	<b>18</b>
\$110,000 and above	17,080	<b>9</b>

Students would have to work 38 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	10,785	<b>62</b>
\$30,000—48,000	11,544	<b>29</b>
\$48,000—75,000	13,813	<b>23</b>
\$75,000—110,000	16,570	<b>18</b>
\$110,000 and above	16,887	<b>9</b>

Students would have to work 37 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

**\$17,511**

Families in Group

**23%**

Income

**\$30,000 –48,000**

Average Income in Group

**\$39,213**

Families in Group

**19%**

Income

**\$48,000–75,000**

Average Income in Group

**\$60,634**

Families in Group

**23%**

Income

**\$75,000–110,000**

Average Income in Group

**\$90,928**

Families in Group

**17%**

Income

**\$110,000 and above**

Average Income in Group

**\$181,230**

Families in Group

**18%**

# 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	21,207	<b>121</b>
\$30,000–48,000	21,533	<b>55</b>
\$48,000–75,000	21,597	<b>36</b>
\$75,000–110,000	27,753	<b>31</b>
\$110,000 and above	32,045	<b>18</b>

Students would have to work 66 hours a week, on average, at federal minimum wage to pay for college expenses to attend a private four-year nondoctoral 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
<b>Need-Based Aid</b>	127	240	562	474
<b>Other Aid</b>	457	390	357	210

### TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PRIVATE INSTITUTIONS

	2004	2007	2013	National Average, 2013
<b>Need-Based Aid</b>	0	0	0	644
<b>Other Aid</b>	0	0	0	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 \$3,507 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$4,310 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$5,088 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$1,674 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, 62 percent of jobs in Nevada will require a postsecondary credential.
- ▶ Nevada is 44th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

## Educational Attainment

- ▶ As of 2014, 30 percent of young adults in Nevada (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 31 percent of working age adults in Nevada (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 31 percent of working age Nevada state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 37 percent of Whites have an associate's degree or higher but the other two most populous racial groups (Hispanics and then Blacks and Asians with about equal share) have attainment of 14 percent, 24 percent and 42 percent respectively.

## Educational Pipeline in Nevada

- ▶ In 2020, Nevada's public high school graduates are projected to be 35 percent Hispanic, 8 percent Black, and 12 percent Asian.
- ▶ The total number of high school graduates at public institutions in Nevada is projected to grow by only 7 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Hispanic in Nevada is projected to grow by 2 percent and the percent of graduates that are White is projected to decline by 2 percent while the percent of graduates that are Black is projected to grow by 4 percent over the same time period. The percent of graduates that are Asian is projected to increase by 4 percent between 2020 and 2028.
- ▶ While the decline in White graduates is similar but less pronounced than projections for the nation (4 percent decline in White graduates between 2020 and 2028) the growth in Hispanics in Nevada is the same as national patterns (Hispanics are also projected to increase by 2 percent of national high school graduates by 2028). The growth in Black graduates in Nevada is above national trends (Blacks are projected to increase by 1 percent of national high school graduates by 2028). The increase in Asian graduates is slightly above national trends (Asians are projected to increase by 1 percent nationally by 2028).

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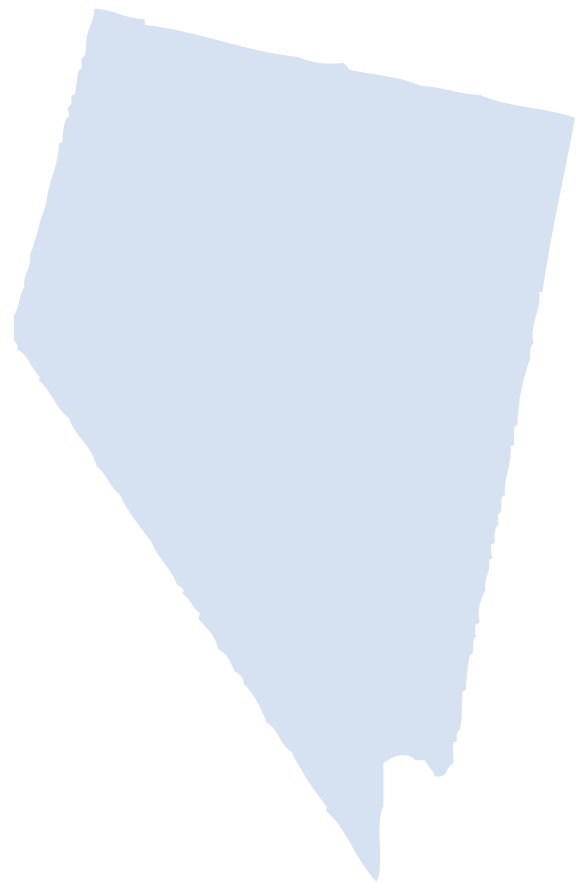


### Children in Poverty

- ▶ The percent of children living in poverty in Nevada increased between 2005 and 2013, from 15 percent to 22 percent.
- ▶ In 2013 Nevada was ranked 26th 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 Nevada, total student share of state and net tuition revenues per full time student was 21 percent in 1989, 23 percent in 2000, and 36 percent in 2014, adjusted for inflation. This pattern shows that net tuition revenues were increasing as a share of higher education funding from 1989 to 2000 but after the 2007-08 recession net tuition revenues increased even more rapidly.



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# POLICY QUESTIONS FOR STATE LEADERS

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- ▶ 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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