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**HIGHER EDUCATION**  
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# 2016 COLLEGE AFFORDABILITY DIAGNOSIS

## PENNSYLVANIA



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# PENNSYLVANIA

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Pennsylvania provides financially needy students with a comparatively large amount of financial aid, but those efforts are outpaced by tuition increases across the state.

All public sectors of higher education in Pennsylvania rank in the bottom half of the state affordability rankings, but the state's public research universities are the most unaffordable in the nation. Nearly one third of all Pennsylvania students attend private nondoctoral institutions, with most other students enrolling in the state's public community colleges and nondoctoral institutions.

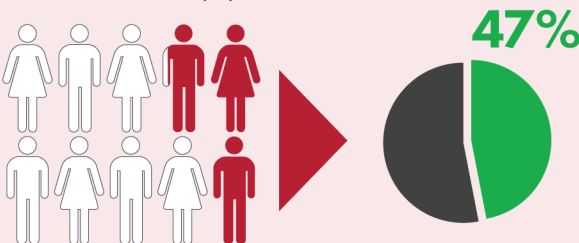
In order to pay for college, students in all types of institutions in Pennsylvania would have to work between 29 and 67 hours per week, on average, to be able to attend college full time.

By 2020, 63 percent of all Pennsylvania jobs will require some postsecondary education. Far more high school students and adults will have to earn an associate's degree or above in order for the state to successfully address workforce needs and be competitive in the information economy. Additionally, the stark gaps in the college attainment—those with an associate's

degree or higher—between White and Black residents must be closed for Pennsylvania to be competitive.

- ▶ All sectors of higher education are less affordable than they were in 2007.
- ▶ Financial aid to students enrolled in public and private higher education has declined since 2007 but is well above the national average. Still, Pennsylvania public institutions are among the least affordable nationwide.
- ▶ Large gaps exist between White and Black Pennsylvanians in terms of those who have earned an associate's degree or above (43 percent vs. 26 percent).
- ▶ Nearly 20 percent of Pennsylvania children live in poverty, an increase of 2 percent since 2005.

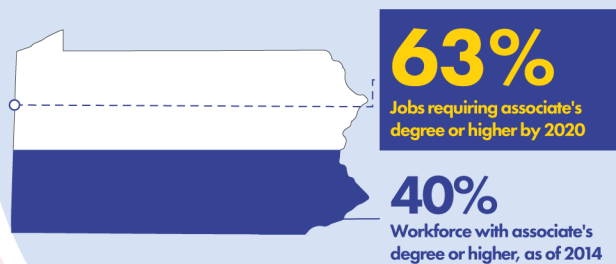
More Pennsylvania students attend **private four-year nondoctoral institutions** than any other kind of institution, with **29 percent enrolled**. Families would spend, on average, **47 percent of annual income** to pay for full-time attendance.



Percentage of students attending private four-year nondoctoral institutions

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

On average, **40 percent** of working-age Pennsylvania state residents (age 25-64) have an associate's degree or higher. By 2020, **63 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*
<b>Public Two-Year</b> (23 percent of enrollment) **	<b>18</b>	<b>19</b>	<b>36</b>
<b>Public Four-Year Nondoctoral</b> (22 percent of enrollment)	<b>29</b>	<b>37</b>	<b>47</b>
<b>Public Research</b> (17 percent of enrollment)	<b>36</b>	<b>47</b>	<b>50</b>
<b>Private Four-Year Nondoctoral</b> (29 percent of enrollment)	<b>43</b>	<b>47</b>	<b>30</b>
<b>Private Research</b> (8 percent of enrollment)	<b>50</b>	<b>51</b>	<b>16</b>

\* 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  
**\$17,534**  
Families in Group  
**20%**

Income  
**\$30,000 —48,000**  
Average Income in Group  
**\$39,103**  
Families in Group  
**16%**

Income  
**\$48,000—75,000**  
Average Income in Group  
**\$61,049**  
Families in Group  
**22%**

Income  
**\$75,000—110,000**  
Average Income in Group  
**\$91,214**  
Families in Group  
**19%**

Income  
**\$110,000 and above**  
Average Income in Group  
**\$187,400**  
Families in Group  
**22%**

# 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	6,727	<b>38</b>
\$30,000—48,000	7,624	<b>19</b>
\$48,000—75,000	10,066	<b>16</b>
\$75,000—110,000	11,938	<b>13</b>
\$110,000 and above	12,243	<b>7</b>

Students would have to work 29 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	13,967	<b>80</b>
\$30,000—48,000	15,069	<b>39</b>
\$48,000—75,000	18,329	<b>30</b>
\$75,000—110,000	21,429	<b>23</b>
\$110,000 and above	22,155	<b>12</b>

Students would have to work 46 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	18,441	<b>105</b>
\$30,000—48,000	19,293	<b>49</b>
\$48,000—75,000	22,971	<b>38</b>
\$75,000—110,000	26,383	<b>29</b>
\$110,000 and above	28,240	<b>15</b>

Students would have to work 59 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:**

**PRIVATE FOUR-YEAR NONDOCTORAL INSTITUTION**

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	18,639	<b>106</b>
\$30,000—48,000	19,438	<b>50</b>
\$48,000—75,000	21,673	<b>36</b>
\$75,000—110,000	25,990	<b>28</b>
\$110,000 and above	30,991	<b>17</b>

Students would have to work 58 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	19,187	<b>109</b>
\$30,000—48,000	20,195	<b>52</b>
\$48,000—75,000	24,204	<b>40</b>
\$75,000—110,000	29,507	<b>32</b>
\$110,000 and above	38,625	<b>21</b>

Students would have to work 67 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
<b>Need-Based Aid</b>	587	747	713	474
<b>Other Aid</b>	0	0	0	210

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

	2004	2007	2013	National Average, 2013
<b>Need-Based Aid</b>	946	1048	970	644
<b>Other Aid</b>	0	0	21	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 \$4,052 annually.
- ▶ Students who enroll at private research institutions typically borrow \$3,145 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$5,106 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$4,800 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$2,763 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, 63 percent of jobs in Pennsylvania will require a postsecondary credential.
- ▶ Pennsylvania is 39th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

## Educational Attainment

- ▶ As of 2014, 46 percent of young adults in Pennsylvania (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 39 percent of working age adults in Pennsylvania (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, 40 percent of working age Pennsylvania 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 26 percent, 20 percent and 61 percent respectively.

## Educational Pipeline in Pennsylvania

- ▶ In 2020, Pennsylvania's public high school graduates are projected to be 12 percent Black, 8 percent Hispanic, and 5 percent Asian.
- ▶ The total number of high school graduates at public institutions in Pennsylvania are projected to grow by only 1 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Black in Pennsylvania is projected to remain constant and the percent of graduates that are White is projected to decline by 7 percent while the percent of graduates that are Hispanic is projected to grow by 4 percent over the same time period. The projected number of Asian graduates will increase by 1 percent between 2020 and 2028.
- ▶ 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 Hispanics in Pennsylvania is above national patterns (Hispanics are only projected to increase by 2 percent of national high school graduates by 2028). The flat growth in Black graduates is slightly below national trends (Blacks are projected to increase by 1 percent by 2028) while the growth in Asian graduates mirrors national trends (nationally, Asian graduates are projected to increase by 1 percent).

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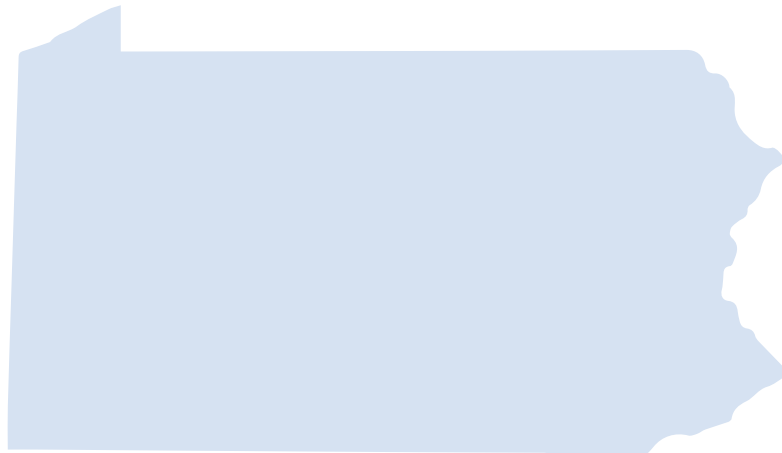


### **Children in Poverty**

- ▶ The percent of children living in poverty in Pennsylvania increased between 2005 and 2013, from 17 percent to 19 percent.
- ▶ In 2013 Pennsylvania was ranked 20th 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 Pennsylvania, total student share of state and net tuition revenues per full time student was 41 percent in 1989, 48 percent in 2000, and 72 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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