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# 2016 COLLEGE AFFORDABILITY DIAGNOSIS

## UTAH



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# UTAH

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Utah’s relatively high College Affordability ranking is primarily due to the low cost of four-year colleges and universities in the state. But low levels of need-based financial aid and steady increases in the amount of family income required to pay for college put the future of affordable higher education in the state at risk.

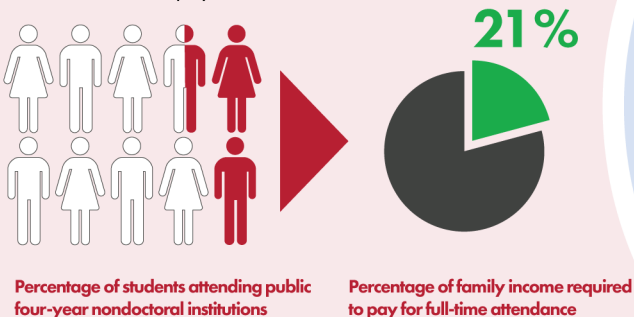
Utah enrolls the majority of its students in four-year colleges and universities. At public four-year nondoctoral colleges, full-time students would need to work 29 hours a week, on average, to cover the annual costs of attending full time. At the state’s public research universities, full-time students would need to work 36 hours a week, on average, to cover costs.

By 2020, 64 percent of jobs in the state will require a postsecondary education credential. Today, far less than half of Utah’s population holds such credentials.

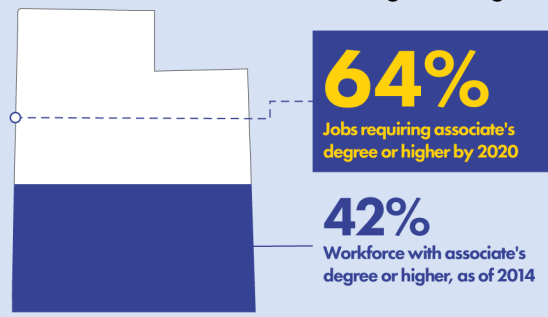
Affordability policies must be part of Utah’s strategy to address the needs of low-income students and close the significant gaps in college attainment by race and ethnicity between White and Hispanic residents, as well as to meet the future workforce needs of the state.

- ▶ Since 2008, families must contribute a greater percentage of income to pay for full-time enrollment at all public colleges and universities in the state except two-year colleges.
- ▶ Utah educates almost half (47 percent) of its students at public four-year nondoctoral colleges and public four-year research universities. On average, students would need to work 29 and 36 hours, respectively, per week to pay for the annual costs of attending those institutions full time.
- ▶ For families earning \$30,000 or less per year, 46 percent of family income would be required to attend the state’s four-year public colleges full time, and 64 percent of family income would be required to attend public four-year research institutions full time.
- ▶ The state contributes very little (\$26 per student) in state need-based financial aid to college students attending public institutions, despite the fact that they enroll 65 percent of all college attendees. The national average is \$474.
- ▶ Forty-six percent of Asians and 45 percent of Whites have an associate’s degree or higher, compared to only 18 percent of Hispanics.
- ▶ About one in seven children lives in poverty in Utah. Since 2005, this number has increased 4 percentage points—from 11 percent to 15 percent.

More Utah students attend **public four-year nondoctoral institutions** than any other kind of institution, with **25 percent enrolled**. Families would spend, on average, **21 percent of annual income** to pay for full-time attendance.



On average, **42 percent** of working-age Utah state residents (age 25-64) have an associate’s degree or higher. By 2020, **64 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> (18 percent of enrollment) **	<b>23</b>	<b>19</b>	<b>38</b>
<b>Public Four-Year Nondoctoral</b> (25 percent of enrollment)	<b>20</b>	<b>21</b>	<b>10</b>
<b>Public Research</b> (22 percent of enrollment)	<b>23</b>	<b>28</b>	<b>21</b>
<b>Private Four-Year Nondoctoral</b> (20 percent of enrollment)	<b>20</b>	<b>33</b>	<b>3</b>
<b>Private Research</b> (14 percent of enrollment)	<b>20</b>	<b>25</b>	<b>4</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

**\$17,613**

Families in Group

**18%**

Income

**\$30,000 —48,000**

Average Income in Group

**\$39,395**

Families in Group

**17%**

Income

**\$48,000—75,000**

Average Income in Group

**\$61,305**

Families in Group

**24%**

Income

**\$75,000—110,000**

Average Income in Group

**\$91,325**

Families in Group

**21%**

Income

**\$110,000 and above**

Average Income in Group

**\$178,384**

Families in Group

**20%**

# 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	7,608	<b>43</b>
\$30,000—48,000	7,808	<b>20</b>
\$48,000—75,000	8,977	<b>15</b>
\$75,000—110,000	9,779	<b>11</b>
\$110,000 and above	13,305	<b>7</b>

Students would have to work 16 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	8,184	<b>46</b>
\$30,000—48,000	8,711	<b>22</b>
\$48,000—75,000	10,444	<b>17</b>
\$75,000—110,000	12,545	<b>14</b>
\$110,000 and above	12,986	<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 four-year nondoctoral institution full time.

## PUBLIC RESEARCH INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	11,289	<b>64</b>
\$30,000—48,000	11,895	<b>30</b>
\$48,000—75,000	13,618	<b>22</b>
\$75,000—110,000	15,073	<b>17</b>
\$110,000 and above	16,094	<b>9</b>

Students would have to work 36 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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**\$91,325**

Families in Group

**21%**

Income

**\$110,000 and above**

Average Income in Group

**\$178,384**

Families in Group

**20%**

# 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	12,669	<b>72</b>
\$30,000–48,000	14,980	<b>38</b>
\$48,000–75,000	16,067	<b>26</b>
\$75,000–110,000	17,588	<b>19</b>
\$110,000 and above	15,306	<b>9</b>

Students would have to work 60 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	9,083	<b>52</b>
\$30,000–48,000	10,391	<b>26</b>
\$48,000–75,000	12,564	<b>20</b>
\$75,000–110,000	15,695	<b>17</b>
\$110,000 and above	16,300	<b>9</b>

Students would have to work 34 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>	31	66	26	474
<b>Other Aid</b>	16	0	27	210

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

	2004	2007	2013	National Average, 2013
<b>Need-Based Aid</b>	16	17	4	644
<b>Other Aid</b>	1	0	29	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 \$2,672 annually.
- ▶ Students who enroll at private research institutions typically borrow \$1,167 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$2,395 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$3,931 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$1,506 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, 64 percent of jobs in Utah will require a postsecondary credential.
- ▶ Utah is 36th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

## Educational Attainment

- ▶ As of 2014, 41 percent of young adults in Utah (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 Utah (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, 42 percent of working age Utah state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 45 percent of Whites have an associate's degree or higher but the other two most populous racial groups (Hispanics and Asians) have attainment of 18 percent and 46 percent respectively.

## Educational Pipeline in Utah

- ▶ In 2020, Utah's public high school graduates are projected to be 13 percent Hispanic and 5 percent Asian.
- ▶ The total number of high school graduates at public institutions in Utah is projected to grow by 8 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Hispanic in Utah is projected to grow by only 1 percent and the percent of graduates that are White is projected to decline by 3 percent while the percent of graduates that are Asian is projected to remain constant over the same time period.
- ▶ While the decline in White graduates is similar to projections for the nation (4 percent decline in White graduates between 2020 and 2028), the small growth in Hispanics in Utah is slightly below national patterns (Hispanics are only projected to increase by 2 percent of national high school graduates by 2028). The flat growth in Asian graduates is slightly below national trends (Asians are projected to increase by 1 percent of national high school graduates by 2028).

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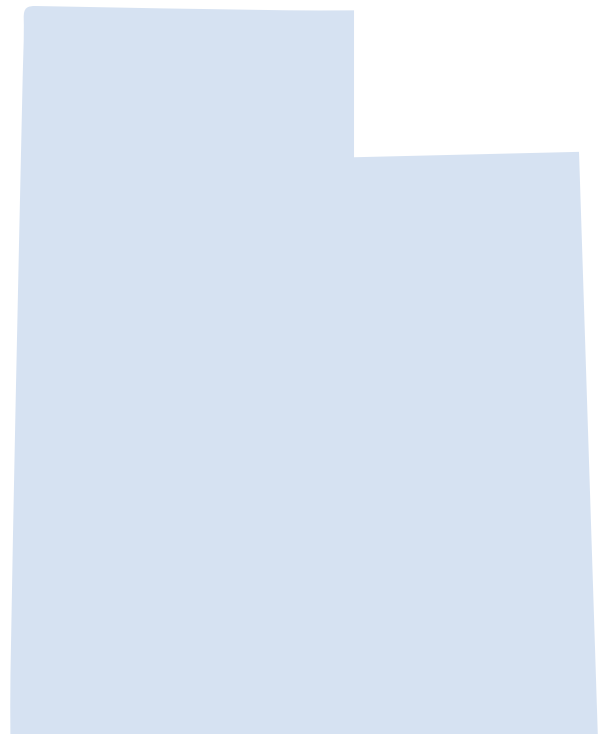


### Children in Poverty

- ▶ The percent of children living in poverty in Utah increased between 2005 and 2013, from 11 percent to 15 percent.
- ▶ In 2013 Utah was ranked 6th 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 Utah, total student share of state and net tuition revenues per full time student was 23 percent in 1989, 26 percent in 2000, and 47 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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