



Graduate School of Education
PennGSE

INSTITUTE *for* RESEARCH *on* HIGHER EDUCATION



VANDERBILT
PEABODY COLLEGE



HIGHER EDUCATION
POLICY INSTITUTE

2016 COLLEGE AFFORDABILITY DIAGNOSIS

WISCONSIN



Suggested Citation:

Institute for Research on Higher Education. (2016). *College Affordability Diagnosis: Wisconsin*. Philadelphia, PA: Institute for Research on Higher Education, Graduate School of Education, University of Pennsylvania. <http://www2.gse.upenn.edu/irhe/affordability-diagnosis>

Image by [twenty20.com/@michellehaha](https://www.twenty20.com/@michellehaha)

WISCONSIN

COLLEGE
AFFORDABILITY
RANKING

27

Wisconsin's mediocre college affordability ranking reflects the large percentage of family income required by low-income students to attend public institutions in the state.

Families earning \$30,000 or less per year would have to spend 45 percent of their income to cover the cost of attending one of the state's public two-year colleges full time. Those same families would have to pay 49 percent of their annual income to attend one of Wisconsin's public four-year nondoctoral universities full time. Together, these institutions account for 65 percent of the enrollment in higher education in the state.

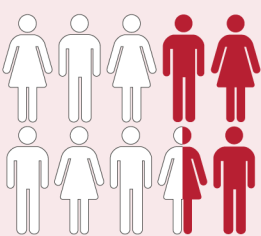
Wisconsin is not likely to meet workforce needs by 2020 without policies to improve college affordability. By 2020, 62 percent of jobs in Wisconsin will require a postsecondary credential. As of 2014, only 45 percent of young adults (age 25–34) had an associate's degree or higher, and only 41 percent of working-age adults (age 35–64) had an associate's degree or higher.

- ▶ Since 2008, the percent of family income required to attend college full-time in Wisconsin has increased at all types of institutions.
- ▶ Wisconsin students would need to work at least 28 hours a week, on average, to cover the annual costs

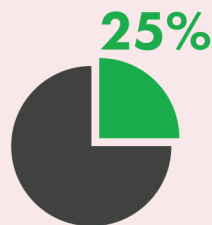
of attending a two-year public college full time.

- ▶ Wisconsin students would need to work at least 34 hours a week, on average, to cover the annual costs of attending a public four-year nondoctoral institution full time.
- ▶ Wisconsin students would need to work at least 44 hours, on average, a week to cover the annual costs of attending a public four-year research institution full time.
- ▶ Wisconsin contributes \$446 per student in need-based financial aid for attending a public institution, which is slightly lower than the national average of \$474.
- ▶ Educational attainment by race and ethnicity varies considerably in Wisconsin. For example, 44 percent of Whites have an associate's degree or higher, compared with 23 percent of Blacks and 19 percent of Hispanics.
- ▶ Since 2005, the percent of children living in poverty has increased by 4 percentage points—from 14 percent to 18 percent.

More Wisconsin students attend **public four-year nondoctoral institutions** than any other kind of institution, with **35 percent enrolled**. Families would spend, on average, **25 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, **42 percent** of working-age Wisconsin 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

42%

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 (30 percent of enrollment) **	18	21	41
Public Four-Year Nondoctoral (35 percent of enrollment)	21	25	20
Public Research (19 percent of enrollment)	24	30	29
Private Four-Year Nondoctoral (13 percent of enrollment)	39	42	17
Private Research (3 percent of enrollment)	40	55	21

* 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
\$17,736
Families in Group
19%

Income
\$30,000 —48,000
Average Income in Group
\$39,262
Families in Group
17%

Income
\$48,000—75,000
Average Income in Group
\$61,568
Families in Group
24%

Income
\$75,000—110,000
Average Income in Group
\$91,274
Families in Group
21%

Income
\$110,000 and above
Average Income in Group
\$178,895
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	7,933	45
\$30,000—48,000	8,778	22
\$48,000—75,000	11,376	18
\$75,000—110,000	13,150	14
\$110,000 and above	13,350	7

Students would have to work 28 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	8,685	49
\$30,000—48,000	10,078	26
\$48,000—75,000	13,764	22
\$75,000—110,000	16,217	18
\$110,000 and above	16,505	9

Students would have to work 34 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	10,439	59
\$30,000—48,000	12,029	31
\$48,000—75,000	17,080	28
\$75,000—110,000	20,762	23
\$110,000 and above	21,807	12

Students would have to work 44 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.

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

\$17,736

Families in Group

19%

Income

\$30,000 –48,000

Average Income in Group

\$39,262

Families in Group

17%

Income

\$48,000–75,000

Average Income in Group

\$61,568

Families in Group

24%

Income

\$75,000–110,000

Average Income in Group

\$91,274

Families in Group

21%

Income

\$110,000 and above

Average Income in Group

\$178,895

Families in Group

19%

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	16,523	93
\$30,000–48,000	17,322	44
\$48,000–75,000	19,320	31
\$75,000–110,000	22,408	25
\$110,000 and above	26,261	15

Students would have to work 51 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	21,337	120
\$30,000–48,000	21,927	56
\$48,000–75,000	26,807	44
\$75,000–110,000	31,027	34
\$110,000 and above	35,572	20

Students would have to work 73 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.

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	252	343	446	474
Other Aid	14	14	12	210

TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PRIVATE INSTITUTIONS

	2004	2007	2013	National Average, 2013
Need-Based Aid	589	593	710	644
Other Aid	13	13	13	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 \$3,618 annually.
- ▶ Students who enroll at private research institutions typically borrow \$3,634 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$4,282 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$5,718 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$3,117 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, 62 percent of jobs in Wisconsin will require a postsecondary credential.
- ▶ Wisconsin is 43rd in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

Educational Attainment

- ▶ As of 2014, 45 percent of young adults in Wisconsin (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 41 percent of working age adults in Wisconsin (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 Wisconsin state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 44 percent of Whites have an associate's degree or higher but the other two most populous racial groups (Blacks and Hispanics) have attainment of only 23 percent and 19 percent respectively.

Educational Pipeline in Wisconsin

- ▶ In 2020, Wisconsin's public high school graduates are projected to be 7 percent Black and 9 percent Hispanic.
- ▶ The total number of high school graduates at public institutions in Wisconsin is projected to remain constant between 2020 and 2028.
- ▶ The percent of graduates that are Black in Wisconsin is projected to increase by 1 percent and the percent of graduates that are White is projected to decline by 4 percent and the percent of graduates that are Hispanic is projected to grow by 2 percent over the same time period.
- ▶ The decline in White graduates is similar to projections for the nation (4 percent decline in White graduates between 2020 and 2028). Similarly, the growth in Black graduates and the growth in Hispanic graduates in Wisconsin mirrors national patterns (Blacks are projected to increase by 1 percent and Hispanics are projected to increase by 2 percent of national high school graduates by 2028).

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.



Children in Poverty

- ▶ The percent of children living in poverty in Wisconsin increased between 2005 and 2013, from 14 percent to 18 percent.
- ▶ In 2013 Wisconsin was ranked 16th 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 Wisconsin, total student share of state and net tuition revenues per full time student was 31 percent in 1989, 31 percent in 2000, and 48 percent in 2014, adjusted for inflation. This pattern shows that net tuition revenues were staying constant as a share of higher education funding from 1989 to 2000 but after the 2007-08 recession net tuition revenues increased rapidly.

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.

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?

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.

