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2016 COLLEGE AFFORDABILITY DIAGNOSIS

HAWAII



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HAWAII

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Hawaii has the most affordable public two-year institutions in the nation. At these institutions, which enroll 45 percent of the state’s undergraduates, full-time students would be able to cover their costs by working 20 hours a week, on average.

Hawaii’s public research university enrolls more than a quarter of the state’s students, and is also more affordable than its national counterparts. Students would have to work 33 hours a week, on average, to pay for annual costs of attending this institution full time.

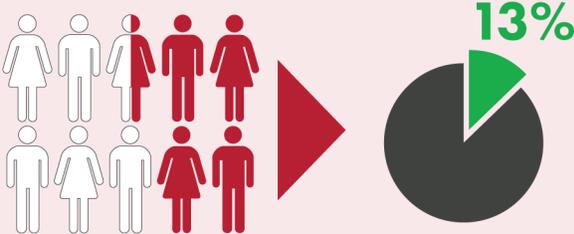
Despite Hawaii’s overall high affordability ranking, attending college is a big expense for families earning less than \$30,000 annually. Low-income families would need to spend nearly a quarter of family income to pay for attending a two-year public institution full time, and 45 percent of their income to pay for attending the public research institution full time. Hawaii’s financial aid policies do little to alleviate costs for these families. The state provides minimal need-based aid to students attending public institutions.

Hawaii’s increasingly knowledge-based economy will require 70 percent of its workforce to have some postsecondary education.

Hawaii’s current postsecondary attainment rates fall far short of these needs. In order for Hawaii to address attainment gaps and workforce needs, the state must consider a comprehensive strategy in which college affordability is a central policy.

- ▶ The percent of family income that would be required to attend all types of institutions in Hawaii, except its private four-year nondoctoral institutions, has increased since 2008.
- ▶ Hawaii only provides \$7 per student in need-based financial aid to students who attend public institutions, compared to the national average of \$474.
- ▶ By 2020, 70 percent of jobs in Hawaii will require a postsecondary credential. As of 2014, 41 percent of young adults (ages 25–34) and 45 percent of working-age adults (35–64) had an associate’s degree or higher.

More Hawaii students attend **public two-year institutions** than any other kind of institution, with **45 percent enrolled**. Families would spend, on average, **13 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, **44 percent** of working-age Hawaii 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**.



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 (45 percent of enrollment)**	8.8	13	1
Public Four-Year Nondoctoral (10 percent of enrollment)	16	21	7
Public Research (26 percent of enrollment)	21	23	5
Private Four-Year Nondoctoral (19 percent of enrollment)	39	38	8
Private Research (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.

STATE INCOME PROFILE

Income

\$0—30,000

Average Income in Group

\$16,678

Families in Group

15%

Income

\$30,000 —48,000

Average Income in Group

\$39,425

Families in Group

13%

Income

\$48,000—75,000

Average Income in Group

\$61,657

Families in Group

21%

Income

\$75,000—110,000

Average Income in Group

\$92,036

Families in Group

21%

Income

\$110,000 and above

Average Income in Group

\$177,652

Families in Group

29%

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	4,281	26
\$30,000—48,000	5,248	13
\$48,000—75,000	7,069	11
\$75,000—110,000	9,155	10
\$110,000 and above	9,152	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	7,436	45
\$30,000—48,000	8,363	21
\$48,000—75,000	9,958	16
\$75,000—110,000	12,451	14
\$110,000 and above	13,879	8

Students would have to work 26 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	7,506	45
\$30,000—48,000	9,879	25
\$48,000—75,000	12,553	20
\$75,000—110,000	14,793	16
\$110,000 and above	17,416	10

Students would have to work 33 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.

PERCENT OF FAMILY INCOME needed to attend full time:

PRIVATE FOUR-YEAR NONDOCTORAL INSTITUTION

Income
\$0—30,000
Average Income in Group
\$16,678
Families in Group
15%

Income
\$30,000 —48,000
Average Income in Group
\$39,425
Families in Group
13%

Income
\$48,000—75,000
Average Income in Group
\$61,657
Families in Group
21%

Income
\$75,000—110,000
Average Income in Group
\$92,036
Families in Group
21%

Income
\$110,000 and above
Average Income in Group
\$177,652
Families in Group
29%

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	14,899	89
\$30,000—48,000	15,680	40
\$48,000—75,000	18,403	30
\$75,000—110,000	19,578	21
\$110,000 and above	20,010	11

Students would have to work 46 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
Need-Based Aid	10	11	7	474
Other Aid	0	0	81	210

TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PRIVATE INSTITUTIONS

	2004	2007	2013	National Average, 2013
Need-Based Aid	6	7	0	644
Other Aid	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 \$2,842 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$3,558 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$3,616 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$1,251 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 Hawaii will require a postsecondary credential.
- ▶ Hawaii is 14th 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 Hawaii (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 45 percent of working age adults in Hawaii (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 44 percent of working age Hawaii state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 54 percent of Whites have an associate's degree or higher but the other two most populous racial groups (Asian and Native American) have attainment of 44 percent and 32 percent respectively.

Educational Pipeline in Hawaii

- ▶ In 2020, Hawaii's public high school graduates are projected to be 79 percent Asian and 1 percent Native American.
- ▶ The total number of high school graduates at public institutions in Hawaii are projected to grow by 7 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Asian is projected to decline by 10 percent and the number of Native American graduates is projected to remain constant. White high school graduates are projected to grow by 8 percent over the same time period.
- ▶ The increase in White graduates is in the opposite direction as the national trend (4 percent decline in White graduates between 2020 and 2028). The decline in Asians is also contrary to national patterns (nationally Asian graduates are projected to increase by 1 percent). The flat growth in Native American graduates mirrors national projections (nationally, Native American graduates are projected to remain constant between 2020 and 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 Hawaii increased between 2005 and 2013, from 13 percent to 15 percent.
- ▶ In 2013 Hawaii was ranked 9th 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 Hawaii, total student share of state and net tuition revenues per full time student was 9 percent in 1989, 19 percent in 2000, and 34 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

- ▶ 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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