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PEABODY COLLEGE



**HIGHER EDUCATION**  
POLICY INSTITUTE

# 2016 COLLEGE AFFORDABILITY DIAGNOSIS

## MAINE



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# MAINE

COLLEGE  
AFFORDABILITY  
RANKING

42

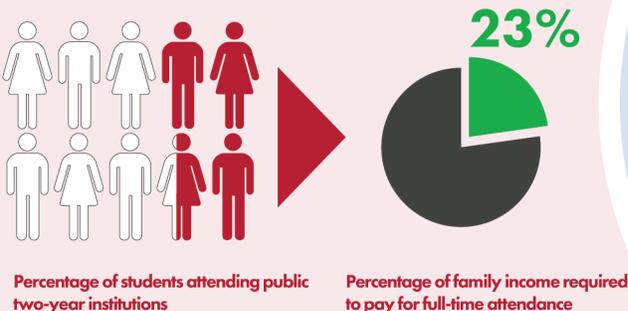
More than a third of Maine’s undergraduates attend the state’s community colleges, which are among the most expensive in the nation. At the same time the state has lost ground on the affordability of its other public colleges and universities. On top of this, Maine provides no need-based student aid.

Students attending Maine’s community colleges would have to work, on average, 29 hours per week to cover the costs of attending full time. Families earning less than \$30,000 annually, who make up nearly a quarter of the population, would need to spend over 45 percent of their family income to cover these costs. For middle-class families, who also make up nearly a quarter of the population, these costs would eat up 20 percent of their annual income.

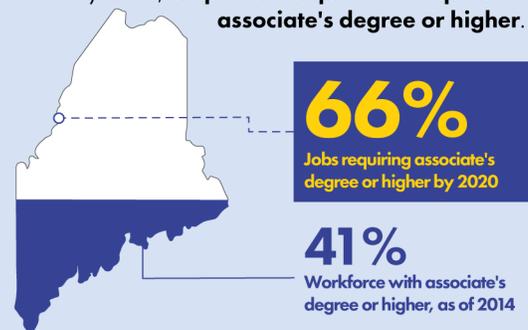
- ▶ The percent of family income needed to pay for educational expenses has increased since 2008 at all types of institutions in Maine.
- ▶ Maine provides \$249 in need-based financial aid to students attending public institutions, compared to the national average of \$474.

- ▶ Twenty-seven percent of undergrads attend private four-year nondoctoral institutions. Students would have to work, on average, 56 hours a week to cover the cost of full time attendance.
- ▶ Students enrolled in Maine’s community colleges typically borrow \$4,320 annually.
- ▶ The total number of high school graduates in Maine is projected to decline 5 percent between 2020 and 2028. This presents a problem considering that 66 percent of jobs in Maine will require some postsecondary education by 2020.

More Maine students attend **public two-year institutions** than any other kind of institution, with **36 percent enrolled**. Families would spend, on average, **23 percent of annual income** to pay for full-time attendance.



On average, **41 percent** of working-age Maine state residents (age 25-64) have an associate's degree or higher. By 2020, **66 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> (36 percent of enrollment)**	<b>20</b>	<b>23</b>	<b>46</b>
<b>Public Four-Year Nondoctoral</b> (21 percent of enrollment)	<b>31</b>	<b>32</b>	<b>44</b>
<b>Public Research</b> (16 percent of enrollment)	<b>29</b>	<b>34</b>	<b>38</b>
<b>Private Four-Year Nondoctoral</b> (27 percent of enrollment)	<b>37</b>	<b>38</b>	<b>9</b>
<b>Private Research</b> (NA percent of enrollment)	<b>NA</b>	<b>NA</b>	<b>NA</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

**\$18,216**

Families in Group

**22%**

Income

**\$30,000 —48,000**

Average Income in Group

**\$38,815**

Families in Group

**18%**

Income

**\$48,000—75,000**

Average Income in Group

**\$60,947**

Families in Group

**24%**

Income

**\$75,000—110,000**

Average Income in Group

**\$90,245**

Families in Group

**19%**

Income

**\$110,000 and above**

Average Income in Group

**\$174,380**

Families in Group

**17%**

# 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	8,432	<b>46</b>
\$30,000—48,000	10,313	<b>27</b>
\$48,000—75,000	12,216	<b>20</b>
\$75,000—110,000	13,724	<b>15</b>
\$110,000 and above	13,922	<b>8</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	12,872	<b>71</b>
\$30,000—48,000	14,225	<b>37</b>
\$48,000—75,000	16,936	<b>28</b>
\$75,000—110,000	18,685	<b>21</b>
\$110,000 and above	19,502	<b>11</b>

Students would have to work 40 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	13,150	<b>72</b>
\$30,000—48,000	13,858	<b>36</b>
\$48,000—75,000	16,553	<b>27</b>
\$75,000—110,000	19,105	<b>21</b>
\$110,000 and above	20,344	<b>12</b>

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.

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Families in Group

**19%**

Income

**\$110,000 and above**

Average Income in Group

**\$174,380**

Families in Group

**17%**

# 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	13,795	<b>76</b>
\$30,000–48,000	15,953	<b>41</b>
\$48,000–75,000	18,178	<b>30</b>
\$75,000–110,000	24,438	<b>27</b>
\$110,000 and above	32,304	<b>19</b>

Students would have to work 56 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>	252	0	249	474
<b>Other Aid</b>	3	0	0	210

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

	2004	2007	2013	National Average, 2013
<b>Need-Based Aid</b>	182	0	0	644
<b>Other Aid</b>	8	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 \$4,870 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$5,110 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$3,552 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$4,320 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, 66 percent of jobs in Maine will require a postsecondary credential.
- ▶ Maine is 27th 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 Maine (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 Maine (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 41 percent of working age Maine state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 41 percent of Whites have an associate's degree or higher but the other most populous racial group (Blacks) have attainment of only 27 percent.

## Educational Pipeline in Maine

- ▶ In 2020, Maine's public high school graduates are projected to be 3 percent Black.
- ▶ The total number of high school graduates at public institutions in Maine are projected to decline by 5 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Black in Maine is projected to increase by 9 percent and the percent of graduates that are White is projected to decline by 4 percent.
- ▶ While the decline in White graduates is similar to the projections for the nation (4 percent decline in White graduates between 2020 and 2028), the growth in Blacks in Maine is well above national patterns (Blacks are only projected to increase by 1 percent of national high school graduates by 2028).

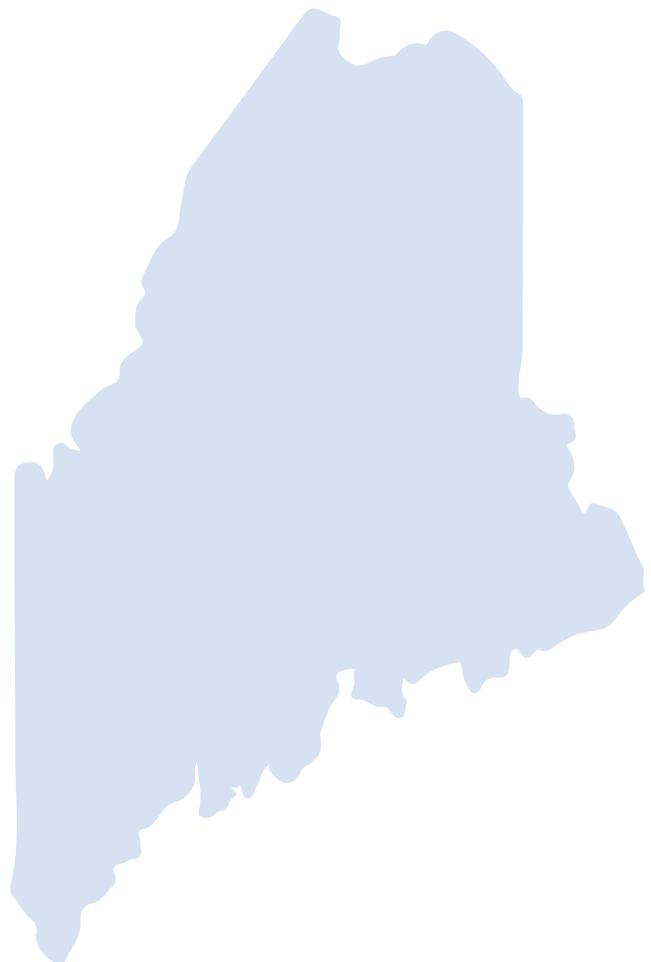
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### **Children in Poverty**

- ▶ The percent of children living in poverty in Maine increased between 2005 and 2013, from 18 percent to 19 percent.
- ▶ In 2013 Maine was ranked 18th 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 Maine, total student share of state and net tuition revenues per full time student was 22 percent in 1989, 37 percent in 2000, and 57 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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