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# 2016 COLLEGE AFFORDABILITY DIAGNOSIS

## NEW HAMPSHIRE



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# NEW HAMPSHIRE

COLLEGE  
AFFORDABILITY  
RANKING

50

New Hampshire is the least affordable state for students pursuing higher education. It offers no need-based financial aid, and yet nearly 40 percent of students enroll in expensive private four-year nondoctoral institutions. Without policy changes, New Hampshire's workforce will not be able to meet the economy's needs by the end of the decade.

For students to be able to attend a private four-year nondoctoral institution full time, they would be required to work, on average, 66 hours a week. Families would be required to pay 64 percent of their income for the cost of full-time attendance at these colleges and universities, a 16 percent increase between 2008 and 2013.

New Hampshire's public research institutions are costly as well. To attend full time a student would have to work, on average, 58 hours a week.

The situation is not expected to improve in coming decades without significant policy changes. Between 2020 and 2028, the total number of high school graduates at public institutions is projected to drop by 12 percent, making it more difficult for New Hampshire to meet the demands for an educated workforce.

- ▶ The state contributes no financial aid to college students attending either public or private institutions. Nationally, states invest an average of \$474 per students at public institutions and \$644 per students at private institutions.
- ▶ In New Hampshire, 39 percent of students attend private four-year nondoctoral colleges. For New Hampshire families earning \$30,000 or less, 159 percent of family income would be required to attend these institutions full time.
- ▶ The state's public two-year colleges, which account for 19 percent of enrollment, require on average 37 percent of family income to attend full time.
- ▶ By 2020, 68 percent of jobs in New Hampshire will require a postsecondary credential. As of 2014, 47 percent of adults (age 25–64) have an associate's degree or higher.
- ▶ Between 2020 and 2028, the total number of high school graduates at public institutions is projected to decline by 12 percent.

More New Hampshire students attend **private four-year nondoctoral institutions** than any other kind of institution, with **39 percent enrolled**. Families would spend, on average, **64 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, **47 percent** of working-age New Hampshire state residents (age 25-64) have an associate's degree or higher. By 2020, **68 percent of jobs will require an associate's degree or higher**.



68%

Jobs requiring associate's degree or higher by 2020

47%

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<br>Income 2008 | Percent of<br>Income 2013 | Ranking*  |
|--|---------------------------|---------------------------|-----------|
| <b>Public Two-Year</b><br>(19 percent of enrollment) **            | <b>43</b>                 | <b>37</b>                 | <b>49</b> |
| <b>Public Four-Year Nondoctoral</b><br>(17 percent of enrollment)  | <b>30</b>                 | <b>37</b>                 | <b>48</b> |
| <b>Public Research</b><br>(19 percent of enrollment)               | <b>32</b>                 | <b>42</b>                 | <b>49</b> |
| <b>Private Four-Year Nondoctoral</b><br>(39 percent of enrollment) | <b>48</b>                 | <b>64</b>                 | <b>49</b> |
| <b>Private Research</b><br>(6 percent of enrollment)               | <b>17</b>                 | <b>24</b>                 | <b>3</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

**\$18,840**

Families in Group

**14%**

Income

**\$30,000 —48,000**

Average Income in Group

**\$39,468**

Families in Group

**14%**

Income

**\$48,000—75,000**

Average Income in Group

**\$61,484**

Families in Group

**21%**

Income

**\$75,000—110,000**

Average Income in Group

**\$91,337**

Families in Group

**22%**

Income

**\$110,000 and above**

Average Income in Group

**\$183,723**

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          | 14,672    | <b>78</b>                           |
| \$30,000—48,000     | 18,625    | <b>47</b>                           |
| \$48,000—75,000     | 18,519    | <b>30</b>                           |
| \$75,000—110,000    | 18,707    | <b>20</b>                           |
| \$110,000 and above | 18,750    | <b>10</b>                           |

Students would have to work 48 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          | 14,399    | <b>76</b>                           |
| \$30,000—48,000     | 15,888    | <b>40</b>                           |
| \$48,000—75,000     | 18,597    | <b>30</b>                           |
| \$75,000—110,000    | 21,856    | <b>24</b>                           |
| \$110,000 and above | 23,437    | <b>13</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          | 15,985    | <b>85</b>                           |
| \$30,000—48,000     | 17,873    | <b>45</b>                           |
| \$48,000—75,000     | 21,516    | <b>35</b>                           |
| \$75,000—110,000    | 25,663    | <b>28</b>                           |
| \$110,000 and above | 29,008    | <b>16</b>                           |

Students would have to work 58 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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## STATE INCOME PROFILE

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Average Income in Group

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**\$91,337**

Families in Group

**22%**

Income

**\$110,000 and above**

Average Income in Group

**\$183,723**

Families in Group

**29%**

# 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          | 29,971    | <b>159</b>                          |
| \$30,000–48,000     | 28,021    | <b>71</b>                           |
| \$48,000–75,000     | 27,142    | <b>44</b>                           |
| \$75,000–110,000    | 26,408    | <b>29</b>                           |
| \$110,000 and above | 28,978    | <b>16</b>                           |

Students would have to work 66 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          | 7,529     | <b>40</b>                           |
| \$30,000–48,000     | 6,881     | <b>17</b>                           |
| \$48,000–75,000     | 12,576    | <b>20</b>                           |
| \$75,000–110,000    | 19,568    | <b>21</b>                           |
| \$110,000 and above | 42,042    | <b>23</b>                           |

Students would have to work 47 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> | 70   | 65   | 0    | 474                    |
| <b>Other Aid</b>      | 0    | 6    | 0    | 210                    |

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

|                       | 2004 | 2007 | 2013 | National Average, 2013 |
|-----------------------|------|------|------|------------------------|
| <b>Need-Based Aid</b> | 36   | 45   | 0    | 644                    |
| <b>Other Aid</b>      | 0    | 5    | 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 \$4,288 annually.
- ▶ Students who enroll at private research institutions typically borrow \$1,378 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$4,981 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$5,316 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$5,134 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](http://www2.gse.upenn.edu/irhe/affordability-diagnosis).

# WHAT CONSIDERATIONS SHOULD STATES take into account in establishing policies on college affordability?

## Workforce Needs

- ▶ By 2020, 68 percent of jobs in New Hampshire will require a postsecondary credential.
- ▶ New Hampshire is 21st 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 New Hampshire (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 47 percent of working age adults in New Hampshire (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 47 percent of working age New Hampshire state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 47 percent of Whites have an associate's degree or higher but the other two most populous racial groups (Hispanics and Asians) have attainment of 31 percent and 65 percent respectively.

## Educational Pipeline in New Hampshire

- ▶ In 2020, New Hampshire's public high school graduates are projected to be 3 percent Hispanic and 4 percent Asian.
- ▶ The total number of high school graduates at public institutions in New Hampshire is projected to decline by 12 percent between 2020 and 2028.
- ▶ The percent of graduates that are Hispanic in New Hampshire is projected to increase by 1 percent and the percent of graduates that are White is projected to decline by 2 percent while the percent of graduates that are Asian is projected to grow by 2 percent 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 growth in Hispanic graduates in New Hampshire is below national patterns (Hispanics are projected to increase by 2 percent of national high school graduates by 2028) and the growth in Asians is above national patterns (Asians are projected to increase by 1 percent by 2028).

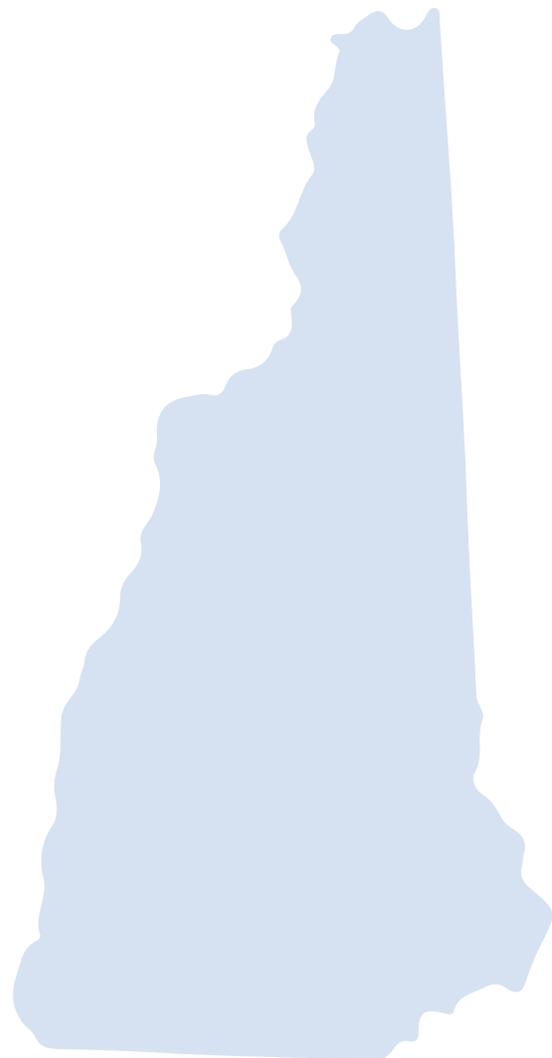
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### Children in Poverty

- ▶ The percent of children living in poverty in New Hampshire increased between 2005 and 2013, from 9 percent to 11 percent.
- ▶ In 2013 New Hampshire was ranked 1st 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 New Hampshire, total student share of state and net tuition revenues per full time student was 55 percent in 1989, 65 percent in 2000, and 81 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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