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# 2016 COLLEGE AFFORDABILITY DIAGNOSIS

## NEW YORK



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# NEW YORK

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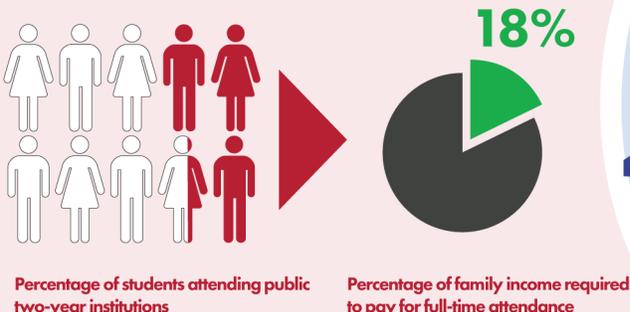
New York spends more than double the national average on per-student need-based financial aid for students attending public institutions, and almost as much for those attending private schools. But that aid doesn't come close to covering the cost of attending the state's relatively high-cost two-year public colleges and four-year private nondoctoral institutions, the two sectors with the highest percentage of enrollment in higher education.

Students attending two-year public colleges full time would have to work, on average, 27 hours a week to cover their costs. Students at private four-year nondoctoral institutions, meanwhile, would have to work 49 hours a week to pay for full-time attendance. That translates to almost half an average family's annual income. For families earning less than \$30,000, the cost would exceed the average annual income.

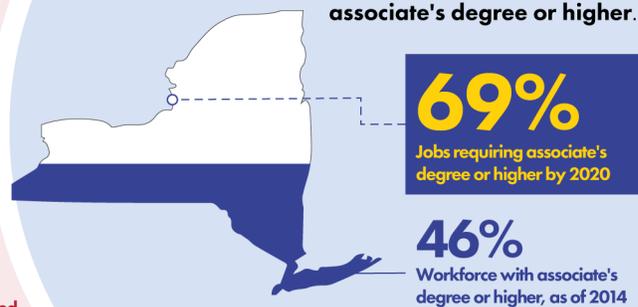
Race, ethnicity, and class are among the many complex factors in who has access to a degree, and better job prospects. On average, 54 percent of Whites and 55 percent of Asians have an associate's degree or higher, compared with only 25 percent of Hispanics and 33 percent of Blacks. New York is also one of the most economically stratified states in the country, with extreme wealth and poverty.

- ▶ New York invests \$1,024 per student in need-based financial aid to attend the state's private institutions, compared with the national average of \$644. The state invests \$1,091 per student in need-based financial aid to attend the state's public institutions compared to the national average of \$474 per student.
- ▶ Twenty-two percent of families earn \$30,000 or less a year. At the other end of the spectrum, 27 percent of families earn \$110,000 or more a year.
- ▶ For families earning \$30,000 or less per year, 33 percent of family income would be required to attend the state's public two-year colleges full time. For families earning \$110,000 or more per year, 6 percent of family income would be required to attend these institutions full time.
- ▶ For families earning \$30,000 or less per year, 107 percent of family income would be required to attend the state's private four-year nondoctoral institutions full time. For families earning \$110,000 or more per year, only 15 percent of family income would be required to attend these institutions full time.

More New York students attend **public two-year institutions** than any other kind of institution, with **34 percent enrolled**. Families would spend, on average, **18 percent of annual income** to pay for full-time attendance.



On average, **46 percent** of working-age New York state residents (age 25-64) have an associate's degree or higher. By 2020, **69 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> (34 percent of enrollment) **	17	18	29
<b>Public Four-Year Nondoctoral</b> (22 percent of enrollment)	19	22	11
<b>Public Research</b> (7 percent of enrollment)	24	31	30
<b>Private Four-Year Nondoctoral</b> (24 percent of enrollment)	42	47	31
<b>Private Research</b> (13 percent of enrollment)	47	56	22

\* 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

**\$16,664**

Families in Group

**22%**

Income

**\$30,000 —48,000**

Average Income in Group

**\$39,053**

Families in Group

**14%**

Income

**\$48,000—75,000**

Average Income in Group

**\$61,204**

Families in Group

**19%**

Income

**\$75,000—110,000**

Average Income in Group

**\$91,824**

Families in Group

**18%**

Income

**\$110,000 and above**

Average Income in Group

**\$209,044**

Families in Group

**27%**

# 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	5,569	<b>33</b>
\$30,000—48,000	7,235	<b>19</b>
\$48,000—75,000	10,643	<b>17</b>
\$75,000—110,000	12,522	<b>14</b>
\$110,000 and above	13,015	<b>6</b>

Students would have to work 27 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	6,632	<b>40</b>
\$30,000—48,000	9,037	<b>23</b>
\$48,000—75,000	13,433	<b>22</b>
\$75,000—110,000	16,256	<b>18</b>
\$110,000 and above	16,802	<b>8</b>

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	9,998	<b>60</b>
\$30,000—48,000	12,549	<b>32</b>
\$48,000—75,000	17,673	<b>29</b>
\$75,000—110,000	20,204	<b>22</b>
\$110,000 and above	20,944	<b>10</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.

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).

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Income

**\$110,000 and above**

Average Income in Group

**\$209,044**

Families in Group

**27%**

# 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	17,759	<b>107</b>
\$30,000–48,000	19,496	<b>50</b>
\$48,000–75,000	22,950	<b>37</b>
\$75,000–110,000	25,760	<b>28</b>
\$110,000 and above	30,368	<b>15</b>

Students would have to work 49 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	20,767	<b>125</b>
\$30,000–48,000	21,710	<b>56</b>
\$48,000–75,000	26,895	<b>44</b>
\$75,000–110,000	31,768	<b>35</b>
\$110,000 and above	41,009	<b>20</b>

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.

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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>	977	921	1091	474
<b>Other Aid</b>	21	19	29	210

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

	2004	2007	2013	National Average, 2013
<b>Need-Based Aid</b>	1418	1252	1024	644
<b>Other Aid</b>	36	35	46	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 \$3,279 annually.
- ▶ Students who enroll at private research institutions typically borrow \$3,396 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$2,494 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$3,996 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$1,600 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, 69 percent of jobs in New York will require a postsecondary credential.
- ▶ New York is 17th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

## Educational Attainment

- ▶ As of 2014, 52 percent of young adults in New York (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 44 percent of working age adults in New York (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 46 percent of working age New York 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 three most populous racial groups (Hispanics, Blacks and Asians) have attainment of 25 percent, 33 percent and 55 percent respectively.

## Educational Pipeline in New York

- ▶ In 2020, New York's public high school graduates are projected to be 18 percent Hispanic, 14 percent Black, and 11 percent Asian.
- ▶ The total number of high school graduates at public institutions in New York is projected to decline by 2 percent between 2020 and 2028.
- ▶ The percent of graduates that are Hispanic in New York is projected to remain constant and the percent of graduates that are White is projected to decline by 3 percent while the percent of graduates that are Black is projected to decline by 2 percent over the same time period. The projected number of Asian graduates will increase by 1 percent between 2020 and 2028.
- ▶ While the decline in White graduates is similar to projections for the nation (4 percent decline in White graduates between 2020 and 2028), the decline in Black graduates in New York is in the opposite direction of national patterns (Blacks are projected to increase by 1 percent of national high school graduates by 2028). The flat growth in Hispanic graduates is below national patterns (Hispanics are projected to increase by 2 percent between 2020 and 2028) while the growth in Asian graduates mirrors national trends (nationally, Asian graduates are projected to increase by 1 percent).

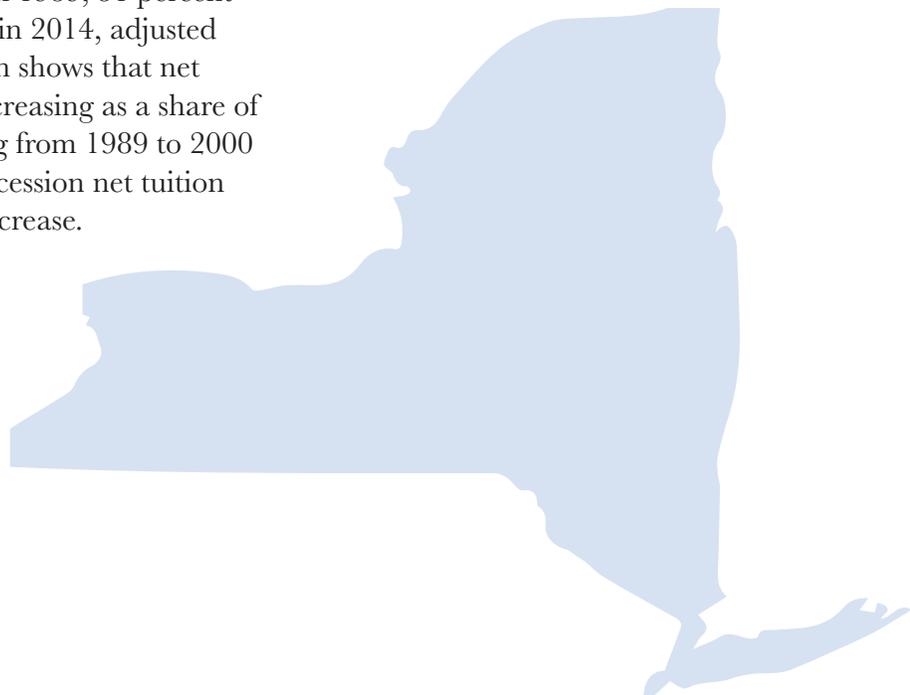
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### Children in Poverty

- ▶ The percent of children living in poverty in New York increased between 2005 and 2013, from 19 percent to 22 percent.
- ▶ In 2013 New York was ranked 27th 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 York, total student share of state and net tuition revenues per full time student was 17 percent in 1989, 31 percent in 2000, and 36 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 and after the 2007-08 recession net tuition revenues continued to increase.



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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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