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# 2016 COLLEGE AFFORDABILITY DIAGNOSIS

## NORTH DAKOTA



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# NORTH DAKOTA

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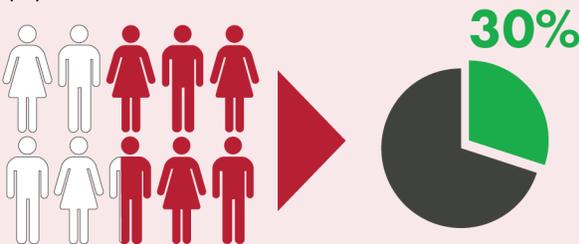
North Dakota can thank its relatively inexpensive community colleges for its high ranking. But the public research institutions, which educate nearly six in 10 college students, will still strain a family budget. With high school graduates projected to increase 20 percent between 2020 and 2028, North Dakota will have to start planning for an influx of students who need a degree to compete in the job market.

A student attending a public research university would have to work, on average, 39 hours a week to pay for full-time attendance. For families earning \$30,000 or less, college expenses would represent 64 percent of their annual income.

North Dakota has work to do to meet future demand for an educated workforce. By 2020, 72 percent of jobs in North Dakota will require a postsecondary credential. As of 2014, only 49 percent of young adults (age 25–34) and 44 percent of working-age adults (age 35–64) had an associate’s degree or higher.

- ▶ The state’s public research institutions, which account for over half of total enrollment, require a larger percent of family income to attend full time today than they did in 2008.
- ▶ For families earning \$30,000 or less per year, 64 percent of family income would be required to attend the state’s public research institutions full time. For families earning \$110,000 or more per year, only 9 percent of family income would be required to attend these institutions full time.
- ▶ The state contributes \$267 per student in state need-based financial aid to college students attending public institutions—which account for 90 percent of total enrollment. The national average is \$474.
- ▶ In 2020, North Dakota’s public high school graduate population is projected to be 7 percent Native American, 5 percent Black, and 3 percent Hispanic. However, higher educational attainment by race and ethnicity varies considerably. As of 2014, 47 percent of Whites had an associate’s degree or higher, compared to only 29 of Native Americans, 32 percent of Hispanics, and 23 percent of Blacks.

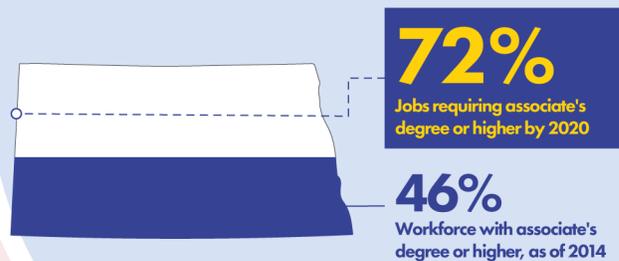
More North Dakota students attend **public research institutions** than any other kind of institution, with **57 percent enrolled**. Families would spend, on average, **30 percent of annual income** to pay for full-time attendance.



Percentage of students attending public research institutions

Percentage of family income required to pay for full-time attendance

On average, **46 percent** of working-age North Dakota state residents (age 25-64) have an associate's degree or higher. By 2020, **72 percent of jobs will require an associate's degree or higher**.



72%

Jobs requiring associate's degree or higher by 2020

46%

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*
<b>Public Two-Year</b> (19 percent of enrollment) **	<b>20</b>	<b>18</b>	<b>25</b>
<b>Public Four-Year Nondoctoral</b> (14 percent of enrollment)	<b>21</b>	<b>21</b>	<b>9</b>
<b>Public Research</b> (57 percent of enrollment)	<b>27</b>	<b>30</b>	<b>26</b>
<b>Private Four-Year Nondoctoral</b> (10 percent of enrollment)	<b>26</b>	<b>27</b>	<b>2</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  
**\$18,226**  
Families in Group  
**17%**

Income  
**\$30,000 —48,000**  
Average Income in Group  
**\$39,569**  
Families in Group  
**15%**

Income  
**\$48,000—75,000**  
Average Income in Group  
**\$61,278**  
Families in Group  
**22%**

Income  
**\$75,000—110,000**  
Average Income in Group  
**\$91,430**  
Families in Group  
**22%**

Income  
**\$110,000 and above**  
Average Income in Group  
**\$185,792**  
Families in Group  
**24%**

# 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	6,687	<b>37</b>
\$30,000—48,000	6,918	<b>17</b>
\$48,000—75,000	9,648	<b>16</b>
\$75,000—110,000	11,268	<b>12</b>
\$110,000 and above	11,985	<b>6</b>

Students would have to work 22 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	8,267	<b>45</b>
\$30,000—48,000	8,553	<b>22</b>
\$48,000—75,000	10,683	<b>17</b>
\$75,000—110,000	12,962	<b>14</b>
\$110,000 and above	12,750	<b>7</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 four-year nondoctoral institution full time.

## PUBLIC RESEARCH INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0—30,000	11,746	<b>64</b>
\$30,000—48,000	12,085	<b>31</b>
\$48,000—75,000	15,066	<b>25</b>
\$75,000—110,000	17,048	<b>19</b>
\$110,000 and above	17,629	<b>9</b>

Students would have to work 39 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

Income

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**\$48,000–75,000**

Average Income in Group

**\$61,278**

Families in Group

**22%**

Income

**\$75,000–110,000**

Average Income in Group

**\$91,430**

Families in Group

**22%**

Income

**\$110,000 and above**

Average Income in Group

**\$185,792**

Families in Group

**24%**

# 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	10,503	<b>58</b>
\$30,000–48,000	10,969	<b>28</b>
\$48,000–75,000	12,622	<b>21</b>
\$75,000–110,000	17,113	<b>19</b>
\$110,000 and above	16,720	<b>9</b>

Students would have to work 30 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>	32	49	267	474
<b>Other Aid</b>	11	11	140	210

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

	2004	2007	2013	National Average, 2013
<b>Need-Based Aid</b>	59	66	266	644
<b>Other Aid</b>	5	0	132	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 \$3,736 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$3,327 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$3,633 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$2,647 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, 72 percent of jobs in North Dakota will require a postsecondary credential.
- ▶ North Dakota is 5th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

## Educational Attainment

- ▶ As of 2014, 49 percent of young adults in North Dakota (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 North Dakota (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 North Dakota 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 most populous racial groups (Native Americans and then Blacks and Hispanics with about equal share) have attainment of 29 percent, 23 percent and 32 percent respectively.

## Educational Pipeline in North Dakota

- ▶ In 2020, North Dakota's public high school graduates are projected to be 7 percent Native American, 5 percent Black, and 3 percent Hispanic.
- ▶ The total number of high school graduates at public institutions in North Dakota are projected to grow by 20 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Native American in North Dakota is projected to remain constant and the percent of graduates that are White is projected to decline by 4 percent while the percent of graduates that are Black is projected to grow by 4 percent over the same time period. The percent of graduates that are Hispanic is projected to grow by 2 percent.
- ▶ 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 Blacks in North Dakota is above national patterns (Blacks are only projected to increase by 1 percent of national high school graduates by 2028) and the growth in Hispanics is similar to national patterns (Hispanics are projected to increase by 2 percent of national high school graduates by 2028). The flat growth in Native American graduates is also similar to national patterns (Native Americans are projected to remain constant between 2020 and 2028).

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## Children in Poverty

- ▶ The percent of children living in poverty in North Dakota stayed constant between 2005 and 2013 at 14 percent.
- ▶ In 2013 North Dakota was ranked 5th 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 North Dakota, total student share of state and net tuition revenues per full time student was 34 percent in 1989, 33 percent in 2000, and 46 percent in 2014, adjusted for inflation. This pattern shows that net tuition revenues were decreasing as a share of higher education funding from 1989 to 2000 but after the 2007-08 recession net tuition revenues increased 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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