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VANDERBILT
PEABODY COLLEGE



HIGHER EDUCATION
POLICY INSTITUTE

2016 COLLEGE AFFORDABILITY DIAGNOSIS

OREGON



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OREGON

COLLEGE
AFFORDABILITY
RANKING

38

All of the options available to an Oregon undergraduate—community college, public and private research university, and four-year nondoctoral college—are among the least affordable in the country. To worsen matters, the state offers less per-student need-based financial than the national average.

Oregon enrolls about one third of its students in state public research universities—which would require, on average, 34 percent of family income to pay for the costs of attending these institutions full time. To meet those costs, full-time students would have to work an average of 44 hours a week.

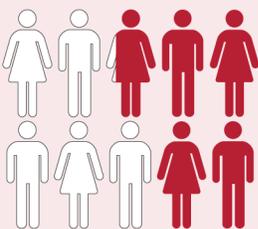
There is a significant racial and ethnic disparity in degree attainment. Fifty-six percent of Asians and 43 percent of Whites have at least an associate’s degree, compared to only 18 percent of Hispanics. This is a troubling trend in a state where Hispanic high school graduate population is expected to grow by 5 percent between 2020 and 2028.

- ▶ Almost a quarter of Oregon families earn \$30,000 or less per year.
- ▶ For Oregon families earning \$30,000 or less per year, 74 percent of family income would be

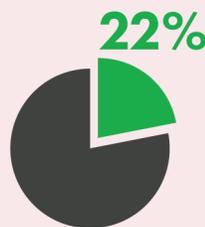
required to attend the state’s public research institutions full time. From 2008 to 2013, the average family income required to pay for the annual costs of attending these institutions rose from 26 percent to 34 percent.

- ▶ For Oregon families earning \$30,000 or less per year, nearly half (47 percent) of family income would be required to attend the state’s public two-year colleges full time, which enroll 48 percent of all students in the state.
- ▶ Oregon contributes \$326 in per-student need-based financial aid for students attending public institutions. Nationwide, the average state contribution is \$474.
- ▶ By 2020, 70 percent of jobs in the state will require a postsecondary credential. As of 2014, only 40 percent of young adults (age 25–34) and 41 percent of working-age adults (age 35–64) had an associate’s degree or higher.
- ▶ Educational attainment by race varies considerably. On average, 43 percent of Whites have an associate’s degree or higher, compared to only 18 percent of Hispanics and 56 percent of Asians.
- ▶ In Oregon, 22 percent of children live in poverty.

More Oregon students attend **public two-year institutions** than any other kind of institution, with **48 percent enrolled**. Families would spend, on average, **22 percent of annual income** to pay for full-time attendance.

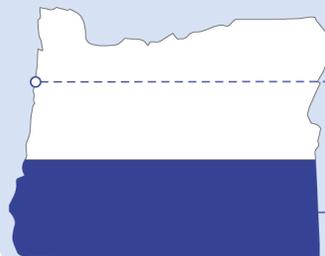


Percentage of students attending public two-year institutions



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

On average, **40 percent** of working-age Oregon 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**.



70%

Jobs requiring associate's degree or higher by 2020

40%

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*
Public Two-Year (48 percent of enrollment)**	17	22	42
Public Four-Year Nondoctoral (9 percent of enrollment)	29	32	41
Public Research (32 percent of enrollment)	26	34	39
Private Four-Year Nondoctoral (11 percent of enrollment)	45	51	39
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

\$17,443

Families in Group

23%

Income

\$30,000 —48,000

Average Income in Group

\$39,085

Families in Group

17%

Income

\$48,000—75,000

Average Income in Group

\$61,233

Families in Group

23%

Income

\$75,000—110,000

Average Income in Group

\$91,027

Families in Group

19%

Income

\$110,000 and above

Average Income in Group

\$183,888

Families in Group

18%

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	8,161	47
\$30,000—48,000	8,911	23
\$48,000—75,000	10,695	17
\$75,000—110,000	12,408	14
\$110,000 and above	12,749	7

Students would have to work 26 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	12,399	71
\$30,000—48,000	13,323	34
\$48,000—75,000	15,724	26
\$75,000—110,000	19,000	21
\$110,000 and above	19,392	11

Students would have to work 42 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	12,875	74
\$30,000—48,000	13,619	35
\$48,000—75,000	15,915	26
\$75,000—110,000	19,879	22
\$110,000 and above	20,998	11

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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STATE INCOME PROFILE

Income

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Average Income in Group

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\$110,000 and above

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Families in Group

18%

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	19,980	115
\$30,000–48,000	21,312	55
\$48,000–75,000	24,025	39
\$75,000–110,000	28,376	31
\$110,000 and above	32,659	18

Students would have to work 64 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	164	238	326	474
Other Aid	0	0	3	210

TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PRIVATE INSTITUTIONS

	2004	2007	2013	National Average, 2013
Need-Based Aid	158	242	189	644
Other Aid	0	2	4	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 \$4,089 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$5,831 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$5,038 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$3,591 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, 70 percent of jobs in Oregon will require a postsecondary credential.
- ▶ Oregon is 9th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

Educational Attainment

- ▶ As of 2014, 40 percent of young adults in Oregon (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 Oregon (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, 40 percent of working age Oregon state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 43 percent of Whites have an associate's degree or higher but the other two most populous racial groups (Hispanics and Asians) have attainment of 18 percent and 56 percent respectively.

Educational Pipeline in Oregon

- ▶ In 2020, Oregon's public high school graduates are projected to be 28 percent Hispanic and 5 percent Asian.
- ▶ The total number of high school graduates at public institutions in Oregon is projected to grow by only 1 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Hispanic in Oregon is projected to grow by 5 percent and the percent of graduates that are White is projected to decline by 7 percent while the percent of graduates that are Asian is projected to grow by 1 percent over the same time period.
- ▶ While the decline in White graduates is similar but more pronounced than projections for the nation (4 percent decline in White graduates between 2020 and 2028), the growth in Hispanics in Oregon is above national patterns (Hispanics are only projected to increase by 2 percent of national high school graduates by 2028) and the growth in Asians is similar to national patterns (Asians are projected to increase by 1 percent of national high school graduates).

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 Oregon increased between 2005 and 2013, from 18 percent to 22 percent.
- ▶ In 2013 Oregon was ranked 28 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 Oregon, total student share of state and net tuition revenues per full time student was 26 percent in 1989, 41 percent in 2000, and 61 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.



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.

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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