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PEABODY COLLEGE



HIGHER EDUCATION
POLICY INSTITUTE

2016 COLLEGE AFFORDABILITY DIAGNOSIS

SOUTH CAROLINA



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SOUTH CAROLINA

**COLLEGE
AFFORDABILITY
RANKING**

44

Two South Carolinas emerge from the state's college affordability data: a relatively affordable one for well off families and an extremely costly one for the state's poorest.

Families earning \$30,000 or less per year would need to spend 87 percent of their income to send their children to one of the state's public four-year research universities full time. Expenses at community colleges—the most affordable postsecondary option in the state—would eat up 41 percent of those same families' paychecks for full-time enrollment.

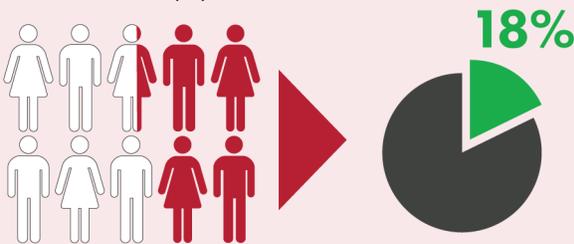
The financial sting is much less pronounced for South Carolina families earning more than \$110,000 per year. They would need to contribute just 6 percent of their income to pay for their children to attend community college full time, and 11 percent of their income to cover the full-time costs of attending one of the state's public four-year research universities.

Full-time students paying their own way would have to work more than 40 hours a week, on average, to cover their costs at the state's public research universities, and 23 hours a week, on average, at the state's public two-year institutions.

Contributing to the stark divide in South Carolina's college affordability are high levels of poverty and low levels of per-student, need-based financial aid for public institutions.

- ▶ Compared to 2008, all institutions require a higher level of family income to attend college full time.
- ▶ For the 28 percent of families in the state who earn \$30,000 or less per year, 41 percent of family income would be required to attend the state's public two-year colleges full time and 87 percent of family income would be required to attend the state's public research institutions full time.
- ▶ The state contributes little (\$146 per student) in need-based financial aid to students attending public institutions, which account for 85 percent of total enrollment. The national average is \$474.
- ▶ Higher educational attainment by race and ethnicity varies considerably. On average, 42 percent of Whites have an associate's degree or higher, compared to only 24 percent of Blacks and 20 percent of Hispanics.
- ▶ In South Carolina, 26 percent of children live in poverty.

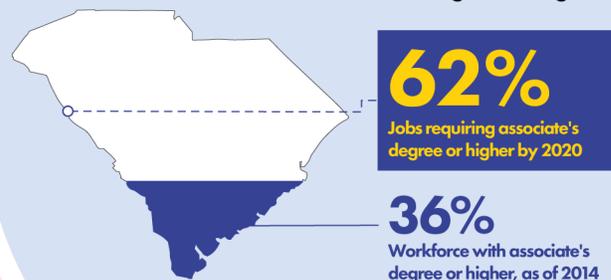
More South Carolina students attend **public two-year institutions** than any other kind of institution, with **44 percent enrolled**. Families would spend, on average, **18 percent of annual income** to pay for full-time attendance.



Percentage of students attending public two-year institutions

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

On average, **36 percent** of working-age South Carolina state residents (age 25-64) have an associate's degree or higher. By 2020, **62 percent of jobs will require an associate's degree or higher**.



62%

Jobs requiring associate's degree or higher by 2020

36%

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 (44 percent of enrollment) **	17	18	26
Public Four-Year Nondoctoral (20 percent of enrollment)	28	33	43
Public Research (21 percent of enrollment)	33	37	46
Private Four-Year Nondoctoral (14 percent of enrollment)	39	43	22
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
\$16,927
Families in Group
28%

Income
\$30,000 —48,000
Average Income in Group
\$39,022
Families in Group
18%

Income
\$48,000—75,000
Average Income in Group
\$60,786
Families in Group
22%

Income
\$75,000—110,000
Average Income in Group
\$90,998
Families in Group
17%

Income
\$110,000 and above
Average Income in Group
\$177,704
Families in Group
15%

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	6,874	41
\$30,000—48,000	6,817	17
\$48,000—75,000	8,356	14
\$75,000—110,000	9,970	11
\$110,000 and above	10,649	6

Students would have to work 23 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	12,412	73
\$30,000—48,000	13,657	35
\$48,000—75,000	16,429	27
\$75,000—110,000	17,873	20
\$110,000 and above	18,992	11

Students would have to work 41 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	14,675	87
\$30,000—48,000	14,148	36
\$48,000—75,000	17,802	29
\$75,000—110,000	19,549	21
\$110,000 and above	20,305	11

Students would have to work 48 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
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PROFILE**

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\$110,000 and above
Average Income in Group
\$177,704
Families in Group
15%

**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	17,345	102
\$30,000–48,000	17,601	45
\$48,000–75,000	18,677	31
\$75,000–110,000	20,632	23
\$110,000 and above	22,710	13

Students would have to work 48 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	95	141	146	474
Other Aid	1190	1421	1537	210

TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PRIVATE INSTITUTIONS

	2004	2007	2013	National Average, 2013
Need-Based Aid	91	0	0	644
Other Aid	1796	1804	2647	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 \$3,461 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$4,428 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$5,489 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$3,029 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, 62 percent of jobs in South Carolina will require a postsecondary credential.
- ▶ South Carolina is 46th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

Educational Attainment

- ▶ As of 2014, 37 percent of young adults in South Carolina (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 37 percent of working age adults in South Carolina (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, 36 percent of working age South Carolina state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 42 percent of Whites have an associate's degree or higher but the other two most populous racial groups (Blacks and Hispanics) have attainment of only 24 percent and 20 percent respectively.

Educational Pipeline in South Carolina

- ▶ In 2020, South Carolina's public high school graduates are projected to be 31 percent Black and 7 percent Hispanic.
- ▶ The total number of high school graduates at public institutions in South Carolina is projected to grow by only 5 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Black in South Carolina 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 Hispanic is projected to grow by 3 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 Hispanics in South Carolina is slightly above national patterns (Hispanics are only projected to increase by 2 percent of national high school graduates by 2028). The flat growth in Black graduates is slightly below national patterns (Blacks are projected to increase by 1 percent of national high school graduates by 2028).

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 South Carolina increased between 2005 and 2013, from 23 percent to 26 percent.
- ▶ In 2013 South Carolina was ranked 39th 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 South Carolina, total student share of state and net tuition revenues per full time student was 29 percent in 1989, 36 percent in 2000, and 67 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

- ▶ 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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