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HIGHER EDUCATION
POLICY INSTITUTE

2016 COLLEGE AFFORDABILITY DIAGNOSIS

WASHINGTON



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WASHINGTON

COLLEGE
AFFORDABILITY
RANKING

12

Eighty-eight percent of undergraduates in Washington enroll in public colleges and universities. The state provides more than double the national average in need-based financial aid for students in these institutions. And yet attaining a degree in the Evergreen State still strains many families' budget.

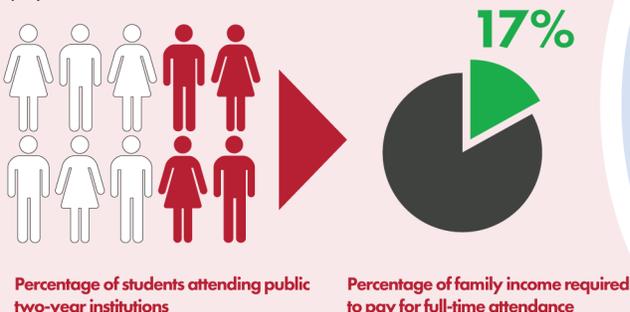
A quarter of Washington's students enroll in relatively low-cost public four-year nondoctoral institutions. But students would still need to work, on average, 30 hours a week to cover the costs of attending these schools full time.

Washington needs to continue striving to make college affordable. Currently, 44 percent of the working-age population (ages 25-64) has at least an associate's degree. As the state's economy changes, an estimated 70 percent will need a postsecondary credential by 2020.

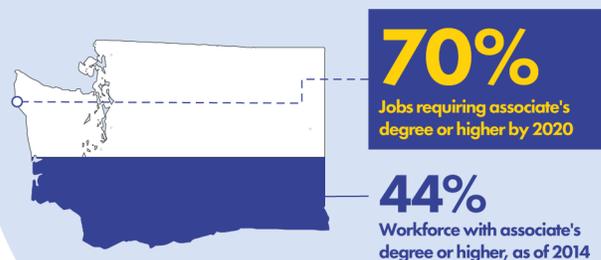
The state will also face increased demand for postsecondary education, as the number of high school students is projected to increase 10 percent between 2020 and 2028.

- ▶ Since 2008, the percent of family income that would be required to attend public institutions full time has remained relatively flat.
- ▶ In Washington, 18 percent of families earn \$30,000 a year or less, compared with 26 percent of families who earn \$110,000 or more a year.
- ▶ For families earning \$30,000 or less per year, 34 percent of family income would be required to attend the state's two-year public colleges full time. For families earning \$110,000 or more per year, only 7 percent of family income would be required to attend these colleges full time.
- ▶ The state contributes \$1,133 in need-based aid per student at public institutions—which account for 88 percent of total enrollment. The national average is \$474.
- ▶ Educational attainment by race and ethnicity varies considerably. As of 2014, 47 percent of Whites had an associate's degree or higher, compared to 21 of Hispanics, 57 percent of Asians, and 31 percent of Blacks.
- ▶ In Washington, 18 percent of children live in poverty.

More Washington students attend **public two-year institutions** than any other kind of institution, with **40 percent enrolled**. Families would spend, on average, **17 percent of annual income** to pay for full-time attendance.



On average, **44 percent** of working-age Washington 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**.



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 (40 percent of enrollment) **	18	17	21
Public Four-Year Nondoctoral (26 percent of enrollment)	22	23	12
Public Research (22 percent of enrollment)	28	27	15
Private Four-Year Nondoctoral (13 percent of enrollment)	44	54	41
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

\$17,048

Families in Group

18%

Income

\$30,000 —48,000

Average Income in Group

\$39,232

Families in Group

15%

Income

\$48,000—75,000

Average Income in Group

\$61,220

Families in Group

22%

Income

\$75,000—110,000

Average Income in Group

\$91,542

Families in Group

20%

Income

\$110,000 and above

Average Income in Group

\$185,162

Families in Group

26%

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	5,710	33
\$30,000—48,000	6,964	18
\$48,000—75,000	9,430	15
\$75,000—110,000	12,221	13
\$110,000 and above	12,664	7

Students would have to work 24 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	7,231	42
\$30,000—48,000	8,675	22
\$48,000—75,000	12,192	20
\$75,000—110,000	18,095	20
\$110,000 and above	19,576	11

Students would have to work 30 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	8,424	49
\$30,000—48,000	9,432	24
\$48,000—75,000	13,030	21
\$75,000—110,000	22,184	24
\$110,000 and above	25,235	14

Students would have to work 42 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

\$0–30,000

Average Income in Group

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Families in Group

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20%

Income

\$110,000 and above

Average Income in Group

\$185,162

Families in Group

26%

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	20,711	121
\$30,000–48,000	21,968	56
\$48,000–75,000	25,554	42
\$75,000–110,000	29,609	32
\$110,000 and above	32,348	17

Students would have to work 63 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	463	646	1133	474
Other Aid	80	72	106	210

TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PRIVATE INSTITUTIONS

	2004	2007	2013	National Average, 2013
Need-Based Aid	510	774	1022	644
Other Aid	99	65	94	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 \$2,702 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$2,638 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$4,615 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$1,164 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 Washington will require a postsecondary credential.
- ▶ Washington is 11th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

Educational Attainment

- ▶ As of 2014, 43 percent of young adults in Washington (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 45 percent of working age adults in Washington (ages 35-64) had an associate's degree or higher, compared to 40 percent nationally.

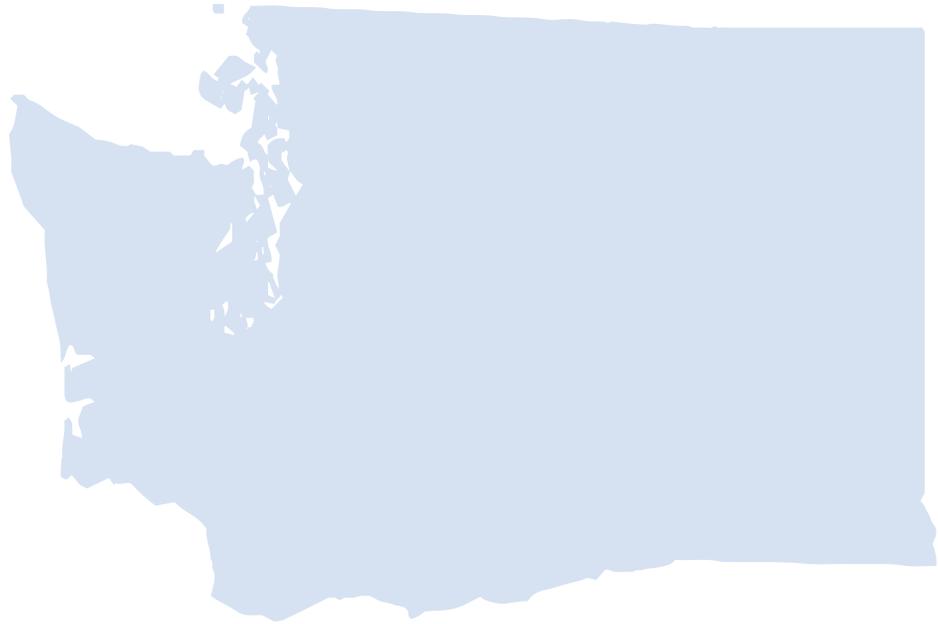
Educational Attainment by Race/Ethnicity

- ▶ As of 2014, on average, 44 percent of working age Washington 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 three most populous racial groups (Hispanics, Asians and Blacks) have attainment of 21 percent, 57 percent and 31 percent respectively.

Educational Pipeline in Washington

- ▶ In 2020, Washington's public high school graduates are projected to be 17 percent Hispanic, and 11 percent Asian.
- ▶ The total number of high school graduates at public institutions in Washington are projected to grow by 10 percent between 2020 and 2028.
- ▶ The percent of graduates that are Hispanic in Washington is projected to grow by 1 percent and the percent of graduates that are White is projected to decline by 8 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 but more pronounced than projections for the nation (4 percent decline in White graduates between 2020 and 2028), the growth in Asian graduates in Washington is slightly above national patterns (Asians are only projected to increase by 1 percent of national high school graduates by 2028) and the growth in Hispanic graduates is slightly below national patterns (Hispanics are projected to increase by 2 percent of national high school graduates by 2020 and 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 Washington increased between 2005 and 2013, from 15 percent to 18 percent.
- ▶ In 2013 Washington was ranked 15th 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 Washington, total student share of state and net tuition revenues per full time student was 20 percent in 1989, 21 percent in 2000, and 48 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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