

## COLLEGE COSTS IN CONTEXT

# A STATE-BY-STATE LOOK AT COLLEGE (UN)AFFORDABILITY

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As sticker prices and student debt keep rising, students, families, and the policymakers who represent them are increasingly concerned about college affordability. Although debates about what is or is not affordable tend to focus on dollar figures, even a very low cost can be unaffordable for those with few resources, whereas a far higher dollar amount may be manageable for those with more resources. This brief looks at the burdens that the actual costs of public post-secondary education place on students at different income levels.

Net price is the total cost of college – including not just tuition but also textbooks, transportation, and living expenses – minus any state, federal, and institutional grants or scholarships the student receives. The net price of college generally increases with family income: students with higher family incomes tend to face higher net prices. While net price tells you what students and their families actually pay, it does not tell you whether they can reasonably afford to pay it.

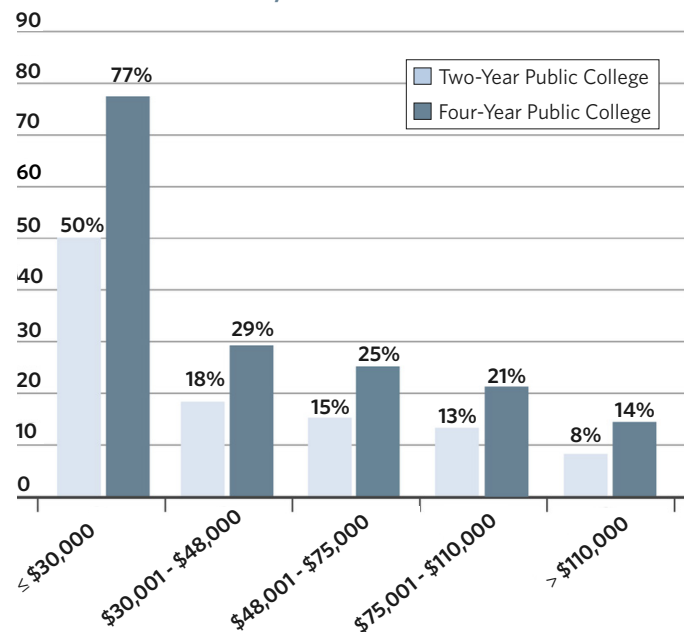
In this analysis, we focus on college affordability as the proportion of family income needed to cover the net price that students are being asked to pay. Unlike looking at dollar figures alone, this provides a better sense of how manageable different prices are for families with different resources. Using the most recent data available for typical net prices at each income level, we assess college affordability for public two- and four-year college students nationally and in every state.

*What we find are striking inequities in public college affordability both within and across states, with the lowest income students facing the most extreme and unrealistic financial expectations.* For families that earn \$30,000 or less, the share of total income required to cover their net price is 77 percent at four-year schools and 50 percent at two-year schools (community colleges) — more than double the burden placed on any other income group.

While college costs are high relative to family incomes for most students in most states, our analysis revealed an especially heavy burden on the lowest income students, *despite grant aid*. In 41 states and the District of Columbia, net prices at public four-year colleges represent *more than one-fifth* of total incomes for families making up to \$75,000 per year. Yet in all 50 states plus the District of Columbia, the net price of going to a public four-year college is *more than half* of total income for those families making \$30,000 or less.

While there is no single standard for what it means to be affordable, the shares of family income required for low- and middle-income students to cover the net price of college should give policymakers pause. Because higher income families have more ability to save for college and repay education debt, the shares of their annual income required to pay for college may be less meaningful indicators of affordability.

SHARE OF TOTAL INCOME NEEDED TO COVER THE NATIONAL AVERAGE NET COST OF COLLEGE, BY FAMILY INCOME



As shown in the following tables, we measure the share of income in two ways, using families' *total income* and their *discretionary income*. Measuring costs as a share of discretionary income puts into even sharper focus the challenges low-income students face in paying for college. For students with family incomes of \$30,000 or less, minimal living expenses alone exceed available resources. With insufficient income to cover basic necessities, these families have *negative* discretionary income. Yet they are expected to dedicate thousands of dollars towards paying for college.

The inequitable burden of college costs on the lowest income students not only contributes to wide college enrollment and completion gaps by income, but also disproportionately affects underrepresented minority students. Among undergraduates, more than half of Latino students (52%), about three in five Native-American students (59%), and almost two-thirds of African-American students (64%) have family incomes under \$30,000.<sup>1</sup>

While the price of college keeps some students from enrolling at all, the figures in this analysis reflect the financial realities for full-time students at colleges throughout the country. For these students, the question then is not whether they will enroll but rather how they will cover the cost and whether they are able to stay enrolled through completion. The data presented here underscore the difficult choices many students must make to pay their way, including tradeoffs between working long hours while enrolled full time or using loans, including risky private loans, to fill the gap. In light of unmanageable costs, students may reduce their courseload to make more time to work, compromising their graduation prospects as a result.

## KEY FINDINGS

### Low-income families face the highest cost burdens, needing to spend most of their income on public college costs.

- On average, net prices for the lowest income students represent 77 percent of total family income for those enrolled at four-year colleges and 50 percent of family income for those enrolled at two-year colleges nationally. The equivalent shares of income for the highest income students, while far from trivial, are much lower: 14 percent for

TABLE 1

NATIONAL NET PRICES AND SHARES OF INCOME NEEDED, 2014-15						
	Family Income Tier	\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000
	Median Total Income	\$12,034	\$37,806	\$59,734	\$89,472	\$143,573
	Median Discretionary Income	-\$5,201*	\$20,571	\$42,499	\$72,237	\$126,338
Public 4-year	Net Price	\$9,310	\$10,855	\$14,717	\$18,518	\$20,729
	Share of Income					
	<i>Total</i>	77%	29%	25%	21%	14%
	<i>Discretionary</i>	-179%*	53%	35%	26%	16%
Public 2-year	Net Price	\$6,057	\$6,669	\$8,936	\$11,270	\$11,755
	Share of Income					
	<i>Total</i>	50%	18%	15%	13%	8%
	<i>Discretionary</i>	-116%*	32%	21%	16%	9%

\* Discretionary income, as well as the share of discretionary income needed to cover the cost of college for the lowest income families, is negative because basic living expenses alone exceed their available resources, leaving nothing to designate as "discretionary."

four-year colleges and eight percent for two-year colleges.

- When considering only discretionary income – the income left after a conservatively estimated cost of covering basic needs – the reality of the burden placed on lower income families becomes even starker. Those with incomes up to \$30,000 have *no discretionary income* to put towards college costs, yet they are expected to pay on average \$6,057 per year to attend a two-year college and \$9,310 to attend a public four-year college. For students with family incomes between \$30,001 and \$48,000, two-year college costs require about a third (32%) of discretionary income, and four-year college costs require more than half (53%) of their discretionary income.

### College cost burdens vary substantially across states, but the lowest income families face the highest burden even in the most equitable states.

- In 15 states and the District of Columbia, the net price for low-income students attending four-year colleges *exceeds* total family income. In New Hampshire, this is the case at both two-year and four-year colleges.
- To pay the net price of going to a public, four-year college as an in-state student, the share of total income required from those with family incomes of \$30,000 or less ranges from a high of 146 percent

<sup>1</sup> Calculations by TICAS on data from the U.S. Department of Education's National Postsecondary Student Aid Study, 2011-12 (NPSAS:12), and include undergraduates at all public institutions.

in the District of Columbia to a low of 55 percent in California.

- The net price of public two-year college for low-income students ranges from a high of 120 percent of total income in New Hampshire to a low of 35 percent in Michigan.
- The burden of four-year college costs is most equitable across income groups in California, Washington, and New York. Yet, for low-income students in these states, the required share of their income is at least 3.5 times higher than for their higher income peers. For example, in Washington, four-year college costs would require 66 percent of a low-income student's total family income compared to 16 percent for the highest income students.
- The gap between shares of income that the lowest and highest income families must pay is widest in the District of Columbia, Mississippi, Idaho, and Utah, where low-income students must commit more than eight times the share of their income than the highest income students to cover the net price of four-year college.

**Across the nation, low-income students would have to work too many hours per week to earn enough money to pay their net college prices.**

- In nine states and the District of Columbia, the lowest income students would need to work more than 40 hours per week to cover the cost of public four-year college, effectively requiring full-time students to also work more than full-time. In New Hampshire, students at both two- and four-year colleges would need to work over 40 hours.
- In all but one state (California), the lowest income students at public four-year colleges would have to work more than 20 hours per week at their state's minimum wage to earn enough to cover their net price, a work burden that research shows reduces students' odds of graduating. The same is true for the lowest income community college students in over half of all states (28 states).
- Our analysis indicates that no public college sector anywhere in the country would meet the affordability benchmark developed by the Lumina Foundation.<sup>2</sup> Lumina's framework for determining

what students and families can afford to pay for college suggests that low-income students (defined as those with incomes under 200% of the federal poverty threshold for a student's family size) should be able to cover the net price of college by working 10 hours per week.

**BETTER DATA WOULD SHOW THE PROBLEMS ARE EVEN WORSE**

While the data in this analysis show clear patterns and disparities in college affordability, both within and across states, they substantially understate many students' net prices and affordability challenges.

Data on college costs and net prices are reported by colleges to the U.S. Department of Education, and the Department does not allow colleges to report total college costs for students living with family. Specifically, colleges are not able to report estimated food and housing costs for these students, even though a recent TICAS analysis showed that most colleges assume students living with family incur these costs.\* For many students, living at home is not free. For example, a 2015 survey found that three in four low- and moderate-income Wisconsin students living at home purchased food and 39 percent paid rent.\*\*

Net price is computed by subtracting grants and scholarships from students' total costs. The exclusion of room and board costs in the federal data for students living with family means that students' average total cost estimates are understated, as are the net prices once grant aid is subtracted. This issue affects net prices for community colleges more than other types of schools, because more than half (54%) of community college students represented in the net price data live with family. However, the problem is not limited to public, two-year schools: 22 percent of public four-year college students represented in the data live with family.

Adjusting the federal survey to allow colleges to report room and board estimates for students living at home would allow for more accurate analysis of the burden of college costs by state and sector.\*\*\*

\* TICAS, 2016, "Federal Cost Data for Students Living at Home Are Significantly Understated," <http://ticas.org/blog/federal-cost-data-students-living-home-are-significantly-understated>.

\*\* Sara Goldrick-Rab and Nancy Kendall, 2016, "The Real Price of College Completion Series: Part Two," <https://tcfdotorg.atavist.com/the-real-price-of-college>.

\*\*\* For an alternative approach to assessing affordability for specific institutions that avoids this data problem, see TICAS, 2017, *What College Costs for Low-Income Californians*, [http://www.ticas.org/sites/default/files/pub\\_files/what\\_college\\_costs\\_for\\_low-income\\_californians.pdf](http://www.ticas.org/sites/default/files/pub_files/what_college_costs_for_low-income_californians.pdf).

<sup>2</sup> Lumina Foundation. (2015). A benchmark for making college affordable: The rule of 10. Retrieved from <http://www.luminafoundation.org/files/resources/affordability-benchmark-1.pdf>.

TABLE 2

SHARE OF TOTAL AND DISCRETIONARY INCOME REQUIRED TO PAY NET PRICES BY INCOME, BY STATE, 2014-15											
STATE	PUBLIC SECTOR	Share of Total Income Required to Pay Costs					Share of Discretionary Income Required to Pay Costs				
		\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000	\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000
Alabama	2-year	47%	17%	14%	11%	7%	-109%	32%	20%	14%	8%
	4-year	105%	39%	30%	22%	15%	-243%	71%	42%	27%	17%
Alaska	2-year	58%	20%	—	—	—	74%	47%	—	—	—
	4-year	62%	22%	17%	14%	9%	79%	51%	27%	19%	11%
Arizona	2-year	49%	17%	14%	11%	7%	-113%	32%	20%	14%	8%
	4-year	82%	30%	25%	20%	13%	-190%	55%	35%	24%	15%
Arkansas	2-year	50%	17%	14%	11%	8%	-116%	31%	20%	14%	9%
	4-year	80%	28%	22%	17%	11%	-186%	52%	30%	21%	13%
California	2-year	45%	16%	14%	11%	9%	-105%	29%	19%	14%	10%
	4-year	55%	22%	20%	20%	16%	-128%	40%	29%	25%	18%
Colorado	2-year	69%	23%	19%	15%	10%	-158%	43%	26%	19%	11%
	4-year	97%	34%	28%	22%	16%	-225%	63%	39%	27%	18%
Connecticut	2-year	48%	16%	11%	10%	7%	-111%	29%	16%	13%	8%
	4-year	86%	32%	25%	21%	15%	-198%	59%	36%	26%	17%
Delaware	2-year	55%	19%	14%	11%	7%	-128%	35%	20%	14%	8%
	4-year	112%	30%	23%	20%	15%	-260%	54%	33%	25%	17%
District of Columbia	4-year	146%	48%	33%	26%	15%	-338%	89%	47%	32%	17%
Florida	2-year	45%	14%	13%	11%	7%	-105%	25%	18%	13%	7%
	4-year	65%	24%	20%	17%	12%	-151%	45%	28%	21%	13%
Georgia	2-year	38%	15%	13%	12%	7%	-89%	28%	18%	14%	8%
	4-year	85%	31%	24%	18%	12%	-196%	56%	33%	22%	13%
Hawaii	2-year	39%	12%	11%	10%	6%	-59%	26%	16%	13%	7%
	4-year	63%	24%	19%	17%	13%	-97%	50%	29%	22%	15%
Idaho	2-year	48%	15%	13%	11%	7%	-112%	28%	18%	14%	8%
	4-year	103%	35%	26%	20%	12%	-239%	64%	36%	24%	14%
Illinois	2-year	53%	17%	14%	11%	7%	-123%	31%	20%	14%	8%
	4-year	103%	35%	29%	25%	17%	-238%	65%	41%	31%	19%
Indiana	2-year	47%	17%	16%	13%	8%	-109%	32%	22%	16%	10%
	4-year	64%	24%	23%	20%	14%	-147%	43%	32%	24%	15%
Iowa	2-year	66%	22%	18%	14%	9%	-152%	41%	25%	18%	10%
	4-year	74%	28%	23%	18%	12%	-172%	52%	32%	23%	14%
Kansas	2-year	56%	18%	15%	12%	8%	-129%	33%	21%	15%	9%
	4-year	107%	33%	26%	20%	13%	-248%	61%	36%	25%	15%
Kentucky	2-year	44%	14%	12%	11%	7%	-101%	26%	17%	13%	8%
	4-year	82%	28%	23%	18%	12%	-190%	51%	33%	23%	14%
Louisiana	2-year	65%	22%	16%	13%	8%	-150%	41%	23%	16%	9%
	4-year	67%	25%	20%	15%	10%	-155%	46%	27%	19%	11%
Maine	2-year	68%	23%	19%	15%	10%	-157%	43%	27%	19%	11%
	4-year	94%	35%	26%	20%	14%	-218%	64%	37%	25%	16%

TABLE 2 (CONT.)

SHARE OF TOTAL AND DISCRETIONARY INCOME REQUIRED TO PAY NET PRICES BY INCOME, BY STATE, 2014-15											
STATE	PUBLIC SECTOR	Share of Total Income Required to Pay Costs					Share of Discretionary Income Required to Pay Costs				
		\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000	\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000
Maryland	2-year	58%	20%	16%	13%	9%	-135%	37%	23%	16%	10%
	4-year	91%	33%	28%	22%	15%	-210%	61%	39%	28%	17%
Massachusetts	2-year	55%	19%	15%	12%	8%	-127%	35%	21%	15%	9%
	4-year	94%	33%	27%	22%	15%	-217%	61%	38%	27%	17%
Michigan	2-year	35%	12%	12%	10%	7%	-81%	23%	17%	13%	8%
	4-year	79%	29%	24%	20%	14%	-184%	53%	33%	24%	15%
Minnesota	2-year	85%	28%	21%	17%	11%	-197%	51%	29%	21%	12%
	4-year	80%	27%	23%	20%	14%	-185%	50%	32%	25%	16%
Mississippi	2-year	36%	13%	11%	9%	6%	-84%	24%	15%	11%	6%
	4-year	102%	33%	27%	19%	12%	-237%	61%	37%	24%	14%
Missouri	2-year	52%	18%	14%	10%	7%	-121%	32%	19%	13%	8%
	4-year	82%	29%	23%	18%	12%	-191%	53%	32%	23%	14%
Montana	2-year	67%	23%	18%	13%	8%	-155%	42%	25%	16%	9%
	4-year	93%	32%	25%	19%	12%	-215%	59%	35%	23%	13%
Nebraska	2-year	51%	17%	14%	11%	6%	-119%	31%	19%	14%	6%
	4-year	88%	30%	24%	19%	13%	-204%	56%	33%	24%	15%
Nevada	2-year	67%	24%	18%	14%	9%	-154%	44%	25%	18%	10%
	4-year	74%	26%	21%	18%	12%	-172%	49%	30%	22%	13%
New Hampshire	2-year	120%	49%	31%	21%	13%	-278%	90%	44%	26%	15%
	4-year	131%	45%	34%	28%	19%	-303%	83%	48%	34%	21%
New Jersey	2-year	58%	19%	16%	13%	8%	-133%	35%	22%	16%	9%
	4-year	107%	38%	34%	28%	18%	-247%	71%	48%	34%	21%
New Mexico	2-year	41%	15%	12%	11%	7%	-95%	27%	17%	13%	8%
	4-year	69%	22%	18%	15%	10%	-160%	41%	25%	18%	12%
New York	2-year	44%	17%	16%	13%	8%	-102%	32%	23%	16%	9%
	4-year	61%	27%	26%	22%	14%	-141%	50%	37%	27%	16%
North Carolina	2-year	55%	19%	13%	12%	8%	-128%	35%	19%	15%	9%
	4-year	62%	24%	23%	20%	14%	-144%	45%	32%	25%	16%
North Dakota	2-year	67%	24%	20%	14%	9%	-154%	45%	27%	18%	11%
	4-year	73%	27%	22%	16%	11%	-168%	49%	31%	20%	12%
Ohio	2-year	49%	18%	15%	12%	8%	-114%	32%	21%	15%	9%
	4-year	101%	37%	28%	22%	15%	-234%	67%	40%	27%	17%
Oklahoma	2-year	58%	18%	15%	12%	8%	-134%	33%	21%	15%	9%
	4-year	72%	26%	22%	18%	12%	-167%	47%	31%	22%	14%
Oregon	2-year	64%	21%	17%	14%	9%	-149%	39%	24%	17%	10%
	4-year	110%	37%	28%	23%	15%	-254%	68%	39%	29%	17%
Pennsylvania	2-year	51%	18%	15%	13%	8%	-117%	33%	22%	16%	9%
	4-year	125%	43%	33%	26%	18%	-289%	79%	47%	32%	20%
Rhode Island	2-year	46%	18%	15%	12%	8%	-106%	32%	21%	15%	9%
	4-year	78%	30%	25%	22%	15%	-180%	54%	36%	27%	17%

TABLE 2 (CONT.)

**SHARE OF TOTAL AND DISCRETIONARY INCOME REQUIRED  
TO PAY NET PRICES BY INCOME, BY STATE, 2014-15**

STATE	PUBLIC SECTOR	Share of Total Income Required to Pay Costs					Share of Discretionary Income Required to Pay Costs				
		\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000	\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000
South Carolina	2-year	52%	17%	13%	11%	7%	-119%	32%	19%	13%	8%
	4-year	104%	37%	28%	21%	14%	-242%	67%	39%	26%	16%
South Dakota	2-year	81%	27%	22%	16%	10%	-187%	50%	30%	20%	12%
	4-year	105%	39%	31%	23%	14%	-243%	72%	43%	28%	16%
Tennessee	2-year	47%	17%	15%	12%	8%	-108%	31%	21%	15%	9%
	4-year	78%	31%	27%	19%	13%	-181%	57%	37%	24%	14%
Texas	2-year	52%	17%	14%	12%	8%	-120%	31%	20%	15%	9%
	4-year	69%	25%	23%	20%	14%	-160%	45%	32%	25%	16%
Utah	2-year	66%	20%	14%	9%	—	-153%	37%	20%	11%	—
	4-year	82%	27%	20%	16%	10%	-191%	50%	28%	19%	12%
Vermont	2-year	80%	27%	21%	16%	10%	-185%	49%	30%	20%	12%
	4-year	103%	35%	28%	22%	16%	-238%	65%	39%	27%	18%
Virginia	2-year	54%	18%	14%	13%	8%	-125%	33%	20%	16%	10%
	4-year	104%	38%	30%	24%	17%	-242%	70%	42%	30%	19%
Washington	2-year	47%	17%	16%	14%	9%	-108%	32%	22%	17%	10%
	4-year	66%	24%	22%	23%	16%	-152%	45%	31%	28%	18%
West Virginia	2-year	51%	18%	14%	13%	8%	-117%	33%	20%	16%	9%
	4-year	63%	21%	18%	15%	10%	-146%	39%	25%	18%	11%
Wisconsin	2-year	66%	21%	18%	14%	9%	-153%	38%	25%	18%	10%
	4-year	80%	30%	25%	20%	13%	-185%	55%	35%	25%	15%
Wyoming	2-year	46%	16%	13%	12%	7%	-106%	29%	19%	14%	8%
	4-year	69%	19%	19%	17%	11%	-160%	35%	27%	20%	12%

**Notes:** All public college data for the District of Columbia are reported to IPEDS under a single four-year college. Missing data for income groups within a state indicate that no school reported students in that income group who received federal aid, a requirement for inclusion in the cohort.

TABLE 3

NET COLLEGE PRICES BY INCOME AND NUMBER OF WORK HOURS REQUIRED, BY STATE, 2014-15							
STATE	PUBLIC SECTOR	2014-15 Net Price by Family Income					Number of weekly work hours required to earn the net price for students with family incomes of \$30,000 or less
		\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000	
Alabama	2-year	\$5,656	\$6,544	\$8,559	\$10,188	\$10,659	20
	4-year	\$12,615	\$14,628	\$17,807	\$19,510	\$20,960	45
Alaska	2-year	\$7,039	\$7,697	—	—	—	21
	4-year	\$7,498	\$8,351	\$10,201	\$12,805	\$12,835	22
Arizona	2-year	\$5,881	\$6,546	\$8,532	\$9,986	\$10,024	19
	4-year	\$9,865	\$11,295	\$14,771	\$17,498	\$18,662	31
Arkansas	2-year	\$6,029	\$6,426	\$8,297	\$10,189	\$11,531	21
	4-year	\$9,649	\$10,712	\$12,923	\$14,834	\$15,867	33
California	2-year	\$5,457	\$6,058	\$8,222	\$9,864	\$12,216	16
	4-year	\$6,655	\$8,183	\$12,229	\$18,111	\$23,033	19
Colorado	2-year	\$8,244	\$8,852	\$11,131	\$13,805	\$14,397	26
	4-year	\$11,699	\$12,973	\$16,508	\$19,850	\$22,300	36
Connecticut	2-year	\$5,766	\$6,028	\$6,794	\$9,209	\$10,568	16
	4-year	\$10,309	\$12,088	\$15,218	\$18,723	\$21,768	29
Delaware	2-year	\$6,672	\$7,255	\$8,457	\$9,760	\$9,862	21
	4-year	\$13,507	\$11,205	\$13,822	\$17,895	\$21,547	42
District of Columbia	4-year	\$17,589	\$18,219	\$19,884	\$22,847	\$21,245	43
Florida	2-year	\$5,440	\$5,144	\$7,695	\$9,472	\$9,382	17
	4-year	\$7,852	\$9,174	\$11,913	\$15,024	\$16,738	25
Georgia	2-year	\$4,611	\$5,688	\$7,855	\$10,307	\$10,229	16
	4-year	\$10,200	\$11,545	\$14,202	\$16,159	\$16,812	36
Hawaii	2-year	\$4,641	\$4,594	\$6,472	\$8,776	\$9,258	15
	4-year	\$7,561	\$9,005	\$11,480	\$15,340	\$18,074	25
Idaho	2-year	\$5,802	\$5,823	\$7,661	\$9,780	\$10,081	21
	4-year	\$12,454	\$13,090	\$15,315	\$17,555	\$17,835	44
Illinois	2-year	\$6,404	\$6,333	\$8,341	\$9,912	\$9,749	20
	4-year	\$12,353	\$13,301	\$17,461	\$22,083	\$24,350	38
Indiana	2-year	\$5,652	\$6,513	\$9,355	\$11,755	\$12,045	20
	4-year	\$7,657	\$8,939	\$13,704	\$17,494	\$19,427	27
Iowa	2-year	\$7,914	\$8,471	\$10,683	\$12,660	\$13,034	28
	4-year	\$8,937	\$10,601	\$13,782	\$16,419	\$17,575	32
Kansas	2-year	\$6,716	\$6,854	\$8,932	\$10,555	\$10,987	24
	4-year	\$12,877	\$12,520	\$15,311	\$17,881	\$19,227	46
Kentucky	2-year	\$5,272	\$5,395	\$7,326	\$9,744	\$10,095	19
	4-year	\$9,896	\$10,542	\$14,014	\$16,396	\$17,662	35
Louisiana	2-year	\$7,790	\$8,385	\$9,790	\$11,723	\$11,531	28
	4-year	\$8,074	\$9,361	\$11,663	\$13,500	\$13,793	29
Maine	2-year	\$8,154	\$8,802	\$11,461	\$13,497	\$14,292	28
	4-year	\$11,351	\$13,167	\$15,615	\$18,203	\$20,470	39

TABLE 3 (CONT.)

NET COLLEGE PRICES BY INCOME AND NUMBER OF WORK HOURS REQUIRED, BY STATE, 2014-15							
STATE	PUBLIC SECTOR	2014-15 Net Price by Family Income					Number of weekly work hours required to earn the net price for students with family incomes of \$30,000 or less
		\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000	
Maryland	2-year	\$6,995	\$7,652	\$9,789	\$11,913	\$12,073	22
	4-year	\$10,925	\$12,490	\$16,448	\$20,088	\$12,752	34
Massachusetts	2-year	\$6,617	\$7,181	\$8,841	\$10,993	\$11,564	19
	4-year	\$11,276	\$12,536	\$16,053	\$19,667	\$22,051	32
Michigan	2-year	\$4,192	\$4,702	\$7,223	\$9,049	\$9,533	13
	4-year	\$9,546	\$10,917	\$14,216	\$17,653	\$19,551	30
Minnesota	2-year	\$10,253	\$10,487	\$12,394	\$14,891	\$15,334	29
	4-year	\$9,634	\$10,381	\$13,756	\$18,325	\$20,771	27
Mississippi	2-year	\$4,388	\$4,926	\$6,578	\$8,065	\$8,184	16
	4-year	\$12,326	\$12,446	\$15,857	\$17,097	\$17,645	44
Missouri	2-year	\$6,313	\$6,682	\$8,097	\$9,306	\$9,565	21
	4-year	\$9,918	\$10,999	\$13,792	\$16,478	\$17,906	33
Montana	2-year	\$8,052	\$8,648	\$10,667	\$11,852	\$11,489	26
	4-year	\$11,182	\$12,159	\$14,866	\$16,575	\$16,695	36
Nebraska	2-year	\$6,178	\$6,342	\$8,254	\$10,281	\$8,209	20
	4-year	\$10,591	\$11,436	\$14,145	\$17,362	\$18,643	34
Nevada	2-year	\$8,029	\$8,957	\$10,515	\$12,702	\$12,702	25
	4-year	\$8,956	\$10,003	\$12,666	\$15,719	\$16,567	28
New Hampshire	2-year	\$14,457	\$18,520	\$18,740	\$18,485	\$19,230	51
	4-year	\$15,782	\$17,156	\$20,464	\$24,877	\$27,044	56
New Jersey	2-year	\$6,930	\$7,167	\$9,402	\$11,450	\$11,674	21
	4-year	\$12,830	\$14,518	\$20,571	\$24,636	\$25,956	39
New Mexico	2-year	\$4,955	\$5,564	\$7,291	\$9,422	\$10,710	17
	4-year	\$8,345	\$8,341	\$10,602	\$13,229	\$14,865	29
New York	2-year	\$5,300	\$6,575	\$9,696	\$11,369	\$11,709	16
	4-year	\$7,347	\$10,233	\$15,636	\$19,311	\$20,624	22
North Carolina	2-year	\$6,657	\$7,263	\$7,991	\$10,735	\$11,873	24
	4-year	\$7,508	\$9,225	\$13,581	\$17,820	\$19,847	27
North Dakota	2-year	\$8,006	\$9,172	\$11,655	\$12,868	\$13,639	28
	4-year	\$8,736	\$10,036	\$13,198	\$14,697	\$15,708	31
Ohio	2-year	\$5,925	\$6,623	\$9,067	\$10,861	\$11,788	19
	4-year	\$12,176	\$13,861	\$16,974	\$19,378	\$21,104	39
Oklahoma	2-year	\$6,952	\$6,863	\$8,966	\$11,168	\$11,657	25
	4-year	\$8,683	\$9,693	\$13,017	\$15,711	\$17,670	31
Oregon	2-year	\$7,729	\$8,071	\$10,068	\$12,221	\$12,507	21
	4-year	\$13,222	\$13,923	\$16,608	\$20,660	\$21,534	37
Pennsylvania	2-year	\$6,078	\$6,837	\$9,212	\$11,282	\$11,983	21
	4-year	\$15,017	\$16,321	\$19,835	\$23,381	\$25,593	53
Rhode Island	2-year	\$5,489	\$6,625	\$8,780	\$10,517	\$10,840	16
	4-year	\$9,346	\$11,191	\$15,128	\$19,308	\$21,946	27



TABLE 3 (CONT.)

NET COLLEGE PRICES BY INCOME AND NUMBER OF WORK HOURS REQUIRED, BY STATE, 2014-15							
STATE	PUBLIC SECTOR	2014-15 Net Price by Family Income					Number of weekly work hours required to earn the net price for students with family incomes of \$30,000 or less
		\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000	
South Carolina	2-year	\$6,198	\$6,491	\$7,920	\$9,641	\$9,977	22
	4-year	\$12,574	\$13,857	\$16,622	\$18,597	\$20,008	44
South Dakota	2-year	\$9,741	\$10,342	\$12,951	\$14,463	\$14,570	29
	4-year	\$12,644	\$14,873	\$18,281	\$20,214	\$20,621	38
Tennessee	2-year	\$5,603	\$6,363	\$8,719	\$10,905	\$11,159	20
	4-year	\$9,393	\$11,638	\$15,893	\$17,339	\$18,125	33
Texas	2-year	\$6,262	\$6,379	\$8,612	\$10,773	\$11,550	22
	4-year	\$8,335	\$9,327	\$13,598	\$18,198	\$20,042	29
Utah	2-year	\$7,934	\$7,524	\$8,523	\$8,272	—	28
	4-year	\$9,928	\$10,341	\$12,028	\$14,053	\$14,682	35
Vermont	2-year	\$9,646	\$10,060	\$12,668	\$14,464	\$14,987	27
	4-year	\$12,391	\$13,414	\$16,444	\$19,283	\$22,556	35
Virginia	2-year	\$6,510	\$6,874	\$8,489	\$11,278	\$12,189	23
	4-year	\$12,570	\$14,301	\$17,855	\$21,528	\$23,849	44
Washington	2-year	\$5,596	\$6,572	\$9,321	\$12,283	\$12,912	15
	4-year	\$7,894	\$9,174	\$13,262	\$20,164	\$22,888	21
West Virginia	2-year	\$6,106	\$6,853	\$8,357	\$11,261	\$11,575	20
	4-year	\$7,572	\$7,964	\$10,561	\$13,055	\$13,764	24
Wisconsin	2-year	\$7,969	\$7,846	\$10,749	\$12,799	\$13,085	28
	4-year	\$9,602	\$11,214	\$15,053	\$18,029	\$19,149	34
Wyoming	2-year	\$5,515	\$5,910	\$7,964	\$10,450	\$10,469	20
	4-year	\$8,309	\$7,231	\$11,280	\$14,769	\$15,319	29

**Notes:** Assumes 39 weeks of work at state's minimum wage. All public college data for the District of Columbia are reported to IPEDS under a single four-year college. Missing data for income groups within a state indicate that no school reported students in that income group who received federal aid, a requirement for inclusion in the cohort.

## STRENGTHENING AFFORDABILITY: POLICY RECOMMENDATIONS

**Focus Where the Problems Are Most Severe.** While few families find it easy to pay for college, there is a stark difference between the shares of income expected from families with incomes above \$110,000 and those in the \$0-30,000 and \$30,001-\$48,000 ranges. To tackle college affordability equitably, policymakers should begin by focusing attention and investments on the students for whom college is least affordable.

- **Increase Federal Pell Grants.** Federal Pell Grants make college possible for millions of Americans each year. However, the maximum award currently covers the smallest share of college costs in more than 40 years, and Pell Grant recipients – the vast majority of whom have family incomes of \$40,000 or less – are more than twice as likely as other students to have student loans.<sup>3</sup> Raising the maximum award to cover a greater share of college costs, and increasing the award annually in line with inflation will reduce these students' need to borrow and help bring college within reach for lower income students.
- **Increase and Improve State Grant Aid.** Many state grant aid programs allocate some or all awards based on academic merit rather than financial need. In 2014-15, 24 percent of state grant aid dollars were awarded to undergraduate students without regard to their financial circumstances.<sup>4</sup> Further, early application deadlines, age restrictions, awarding grants on a first-come, first-served basis, or prohibiting grants from being spent on non-tuition costs can effectively keep low-income students from benefiting from available aid as much as others. Virtually all state grant programs rely upon a combination of deadlines, age limits, and merit requirements to ration available dollars, and these programs should be evaluated carefully to ensure that aid is distributed equitably and that the state's lowest-income students are not effectively shut out by these criteria.

**Promote State Investment in Higher Education.** To help increase affordability at public colleges more generally, we recommend making a significant new federal investment contingent on states' investing in public higher education. Three in four undergraduates (76%) attend public colleges, where average state funding per student remains 17 percent lower than before the recession.<sup>5</sup> Congress should create a new federal/state partnership aimed at maintaining or lowering the net price of public college for low- and moderate-income students. By including a strong maintenance-of-effort provision, Congress can ensure that new federal dollars sent to states supplement, rather than supplant, state and other forms of higher education funding and financial aid.

<sup>3</sup> TICAS, 2017, "Pell Grants Help Keep College Affordable for Millions of Americans," [http://ticas.org/sites/default/files/pub\\_files/overall\\_pell\\_one-pager.pdf](http://ticas.org/sites/default/files/pub_files/overall_pell_one-pager.pdf).

<sup>4</sup> National Association of State Student Grant and Aid Programs (NASSGAP). 2016. 46th Annual Survey Report on State-Sponsored Student Financial Aid: 2014-15 Academic Year. [http://www.nassgap.org/survey/NASSGAP\\_Report\\_14-15\\_final.pdf](http://www.nassgap.org/survey/NASSGAP_Report_14-15_final.pdf).

<sup>5</sup> State Higher Education Executive Officers (SHEEO). 2017. State Higher Education Finance: FY2016. [http://sheeo.org/sites/default/files/SHEEO\\_SHEF\\_2016\\_Report.pdf](http://sheeo.org/sites/default/files/SHEEO_SHEF_2016_Report.pdf)

## METHODOLOGY

### 2014-15 net price

- 2014-15 net price figures represent average weighted net prices for first-time, full-time, in-district/in-state Title IV aid recipients reported by colleges to the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS).

### Share of total income required to pay the cost of college

- Share of total income required to pay the cost of college is calculated as [net price for income level/income level]. The income levels used in these calculations are the median total income figures for Title IV recipients within each income range, as estimated using the National Postsecondary Student Aid Study (NPSAS) for college students in 2011-12. Median income levels for each income group are as follows: \$0-30k: \$12,034; \$30-40k: \$37,806; \$48-75k: \$59,734; \$75-110k: \$89,472; >\$110k: \$143,573.

### Share of discretionary income required to pay the cost of college

- Discretionary income is calculated as [income level - 150% \* poverty level for a household of 1 in given year]. Income for net price figures (and Title IV eligibility) is for the calendar year prior to a given award year (2013 for the 2014-15 award year). Discretionary income for Alaska and Hawaii use their state specific poverty guidelines. Source for poverty level in 2013 (U.S. Department of Health & Human Services): <https://aspe.hhs.gov/2013-poverty-guidelines>.
- Share of discretionary income required for net price is calculated as [net price for income level / discretionary income for income level]. The underlying income levels used in these calculations are the same as those described above. Calculated shares for a given income level are conservative estimates and would be higher for households with more than one member since they have less discretionary income available.

### Work hours required to pay the cost of college

- Work hours are calculated for each state and sector using 2015 state minimum wages. The federal minimum wage is used where a state's minimum wage is unavailable or below the federal minimum wage. Hours are calculated assuming 39 weeks of work during a nine month academic school year. Source for state minimum wages: <https://www.dol.gov/whd/state/stateMin-WageHis.htm>.

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