

Higher Education in PA: “What We’re Doing Isn’t Working”

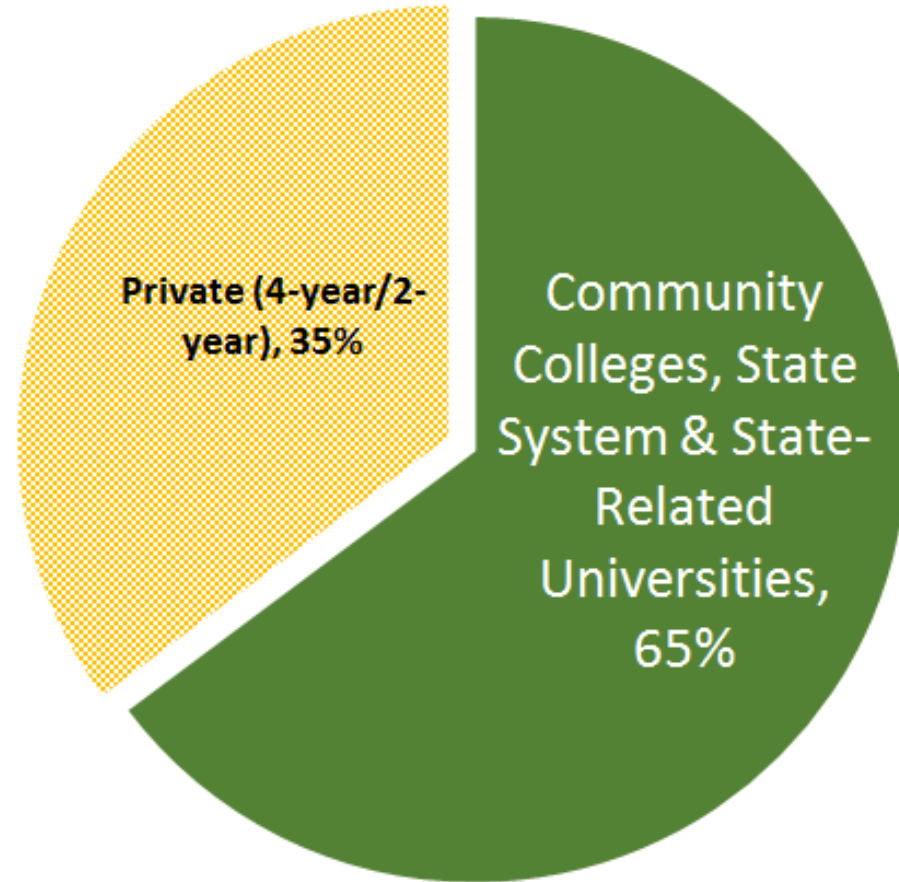
April 27, 2023



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Publicly Funded Colleges Are Essential To Realizing The American Dream

Public Colleges and State-Related Universities Account for 65% of All Pennsylvania College "Success Stories" - i.e., 65% of of All Students That Come From Bottom 60% Households and Have Top 40% Incomes by Age 32-34



Source: Keystone Research Center based Mobility Report Cards: The Role of Colleges in Intergenerational Mobility
<http://www.equality-of-opportunity.org/college/>



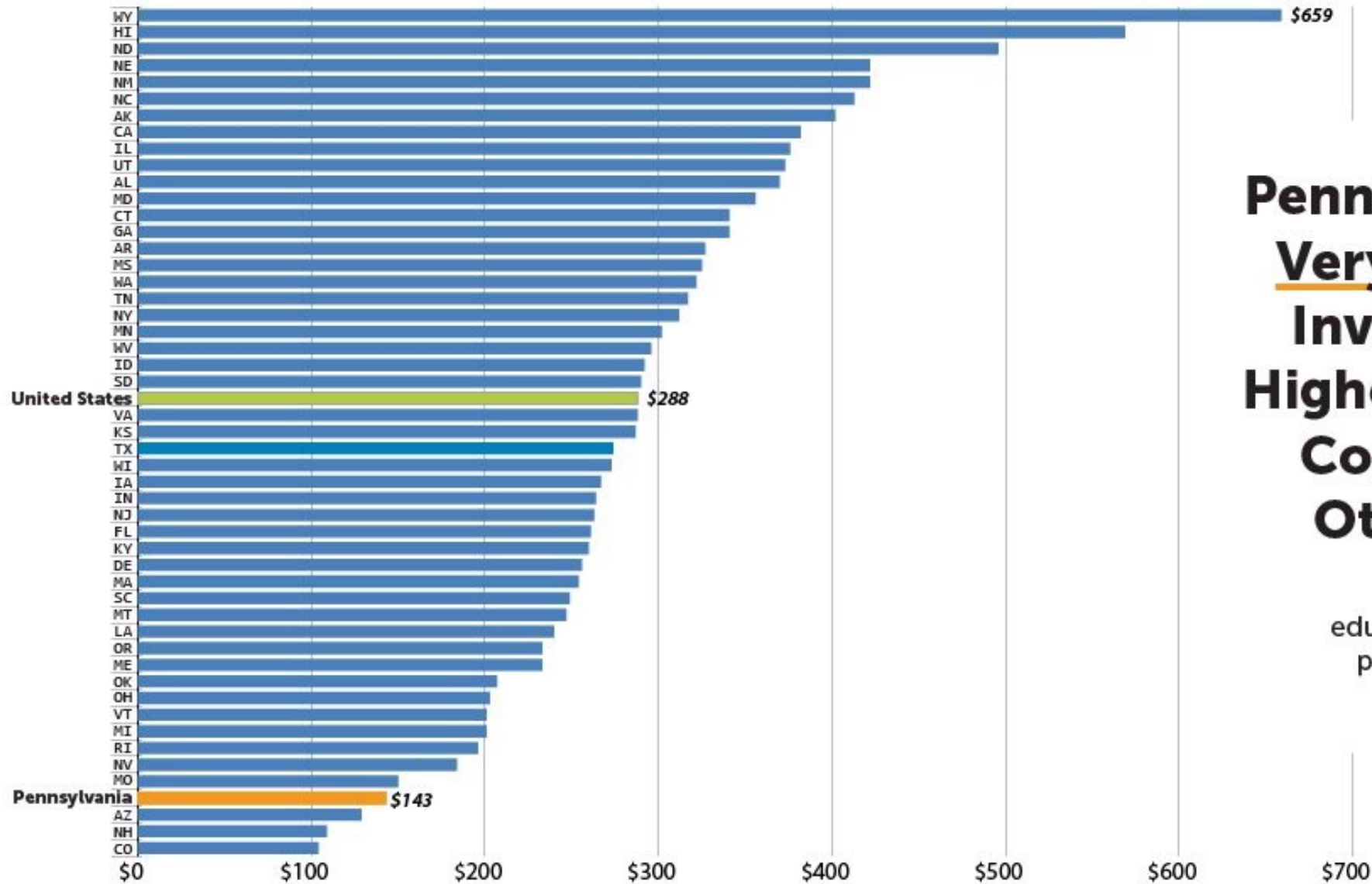
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Low state
investment = high
tuition



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Higher Education

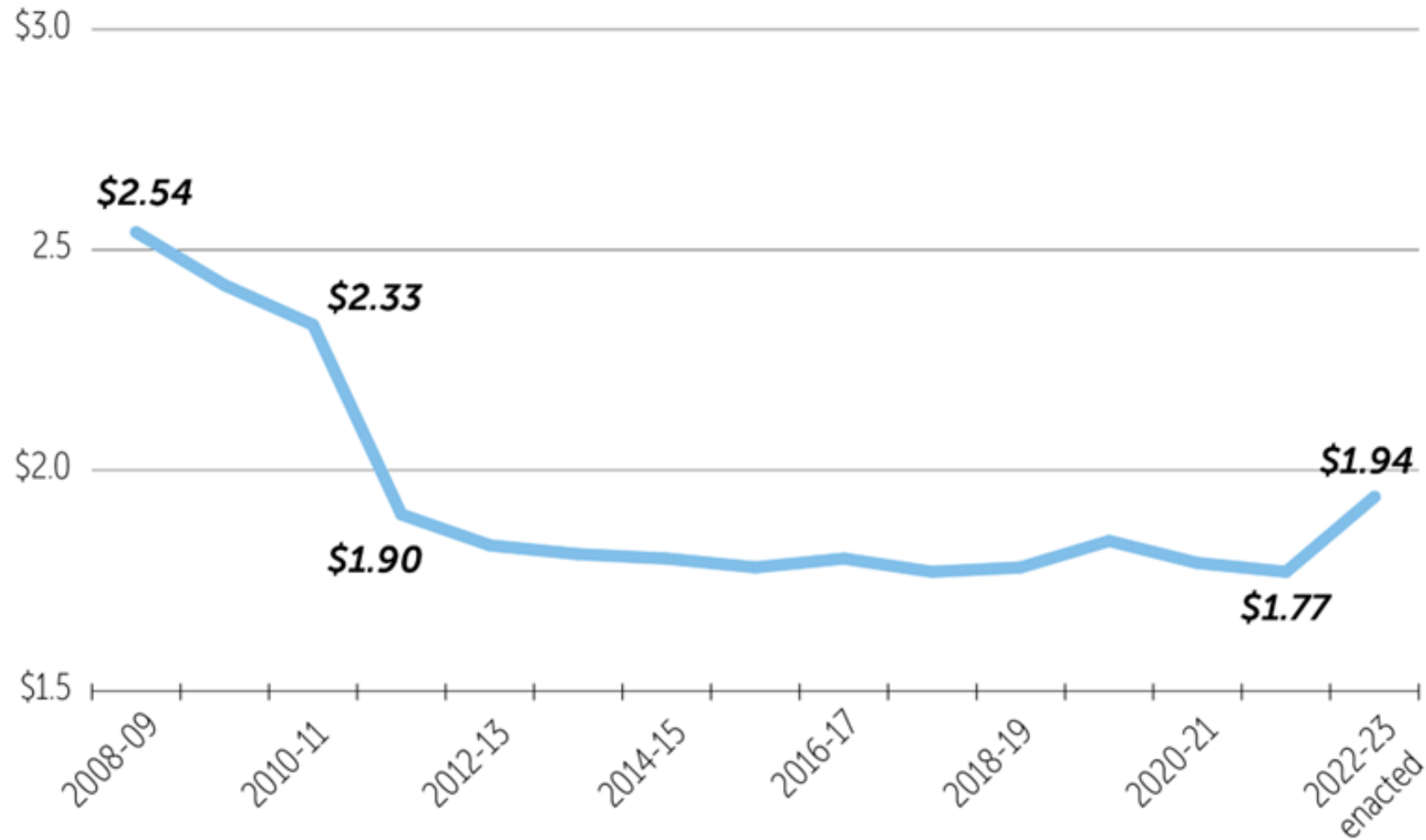


**Pennsylvania Has
Very Low State
Investment in
Higher Education
Compared to
Other States**

State higher
education investment
per capita, FY2021

Pennsylvania State Budget Allocation for Higher Education, 2008-09 to 2022-23

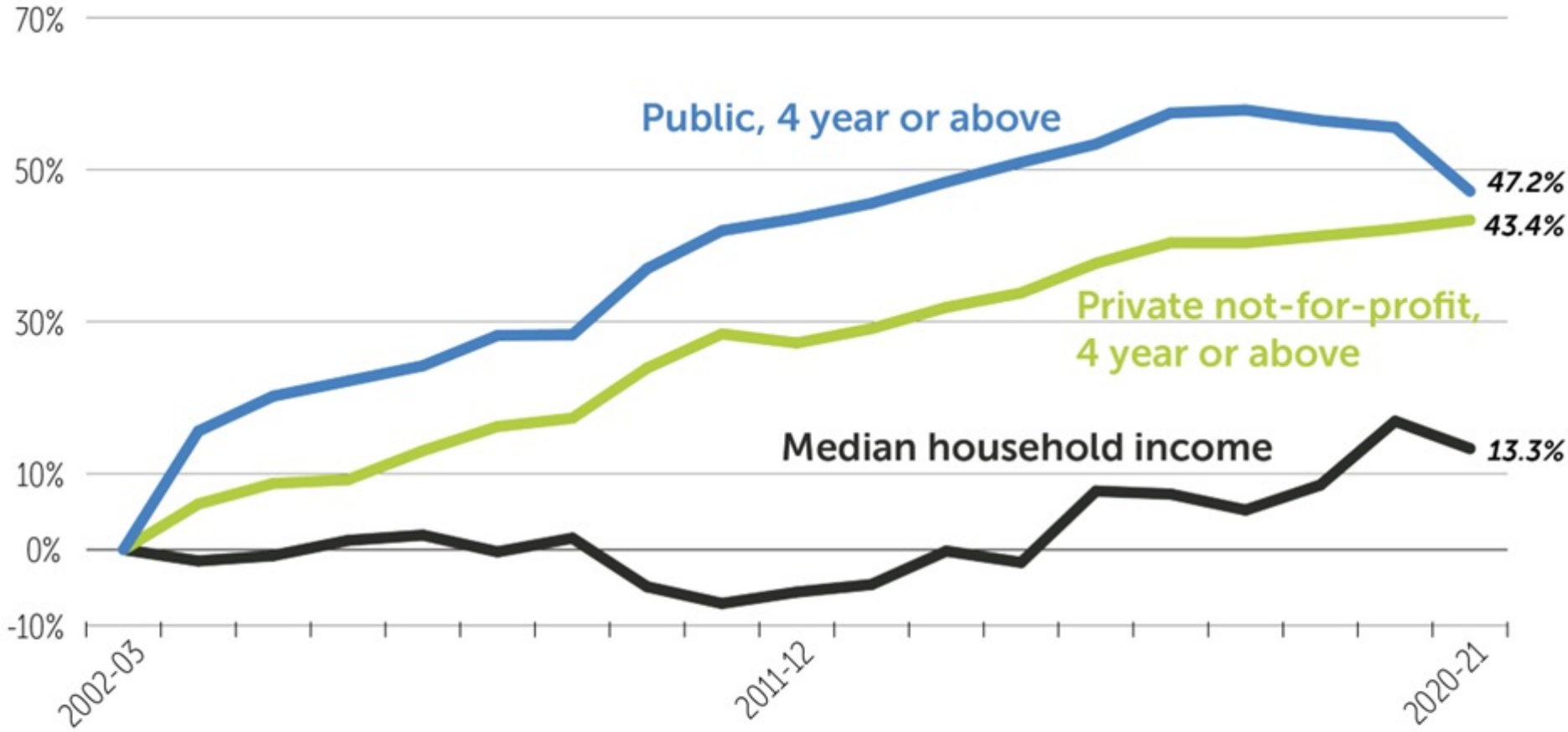
Billions of inflation adjusted 2021 dollars.



Source: Keystone Research Center analysis of multiple Pennsylvania state budgets.

The Price of College Has Outpaced the Change in Median Income in Pennsylvania

Relative change in price of college* by institution type compared to median household income (inflation adjusted 2021 dollars), 2002-2020

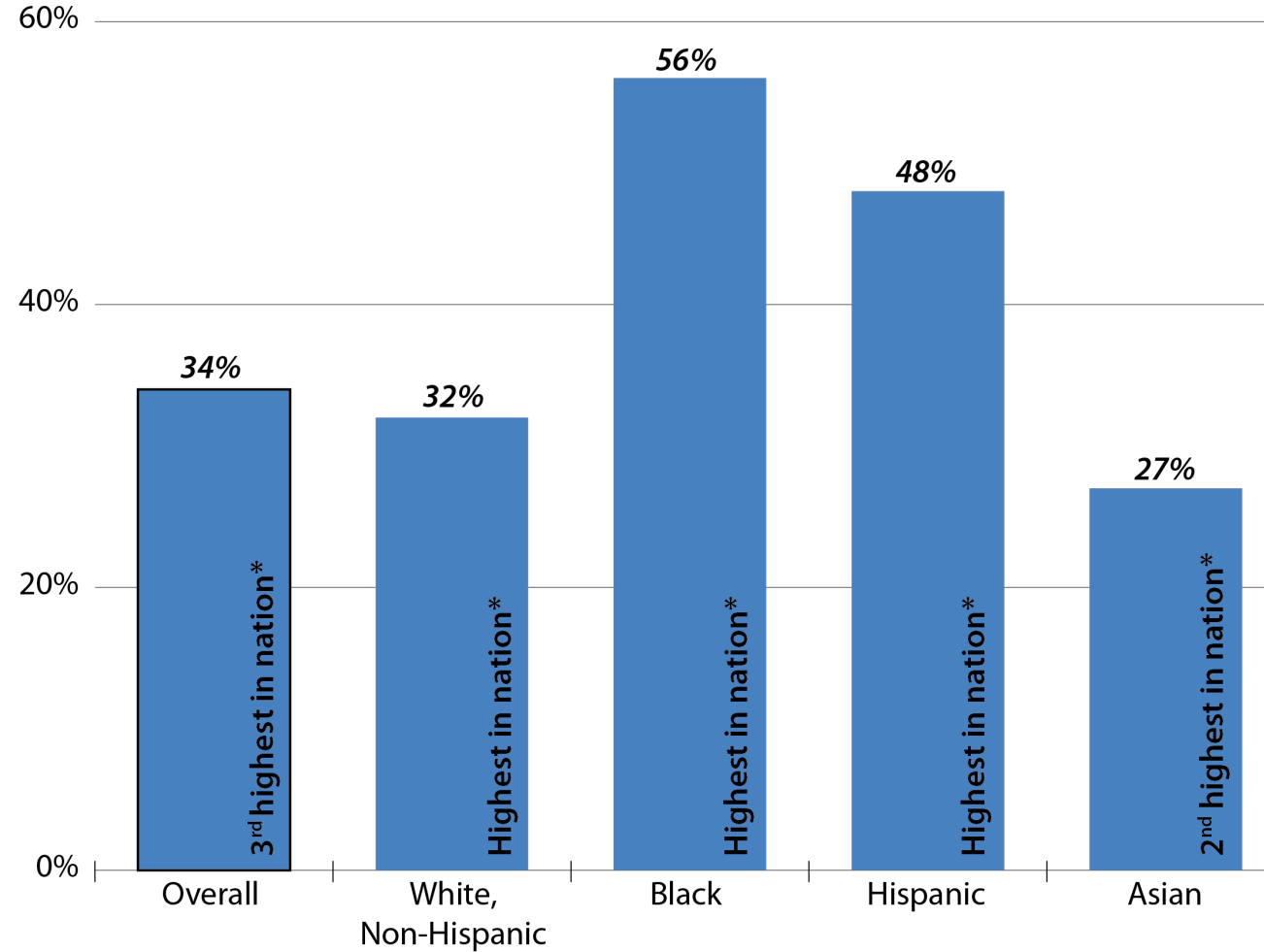


*This is the price of college for in-state students living on campus, which includes in-state tuition and fees, books and supplies, on campus room and board, and other on-campus expenses.

Source: Keystone Research Center analysis of NCES, IPEDS data, <https://nces.ed.gov/ipeds/datacenter/Data.aspx>, and FRED economic data and inflation adjusted to 2021\$, <https://fred.stlouisfed.org/series/MEHOINUSPAA646N>

Pennsylvania Has the Worst Tuition Burden in the Nation for Whites, Blacks, and Hispanics; Black and Hispanic Students Face the Largest Burden

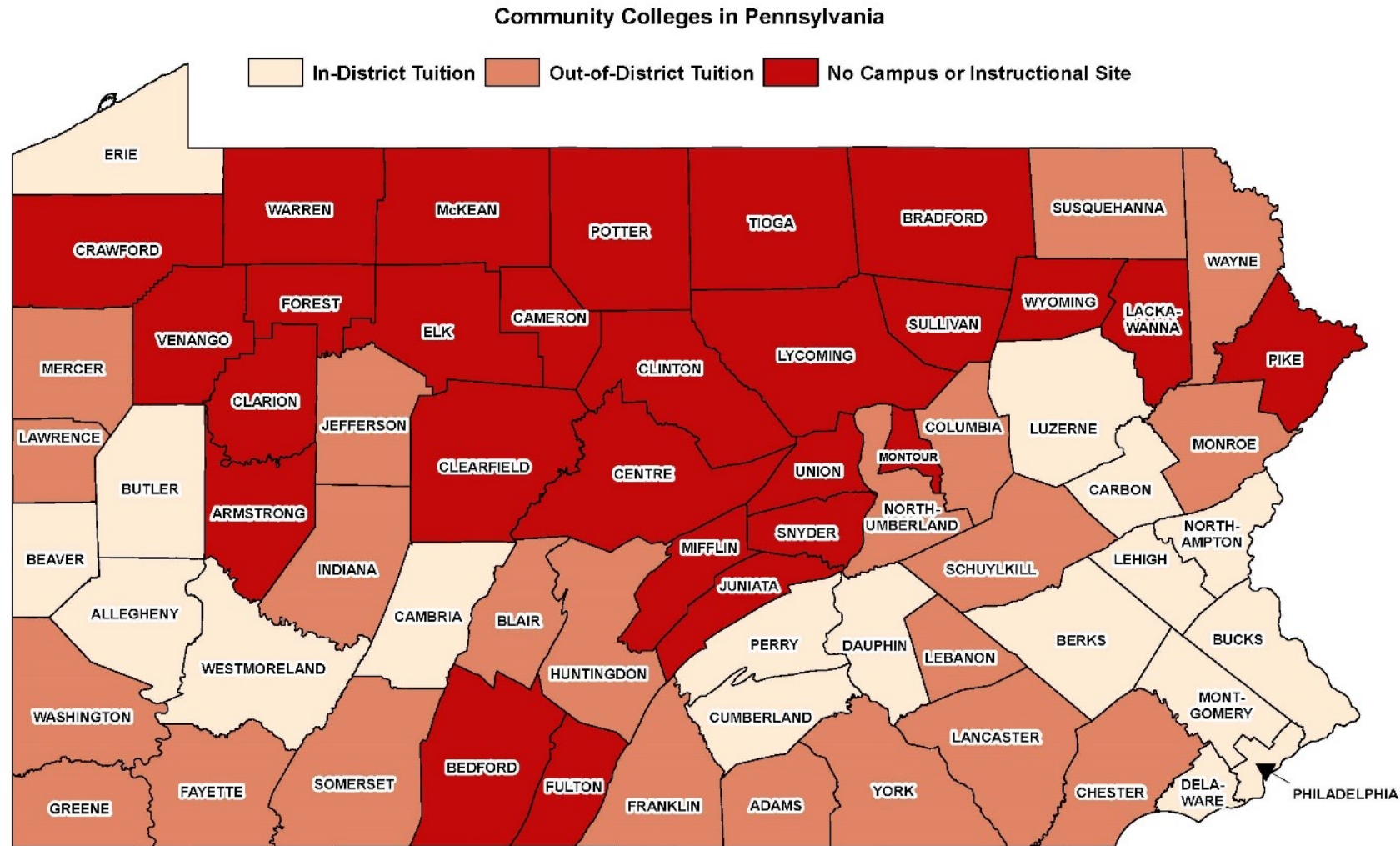
Average net price at public, four-year university as share of median household income, Pennsylvania, 2018



* In terms of price of four-year university as a share of median household income, Pennsylvania ranks worst in the nation for white/ non-Hispanics, Blacks, and Hispanics. 2nd worst for Asians and PA ranks 3rd highest in the nation overall.

Source. Pennsylvania Budget and Policy Center analysis of data from the Center on Budget and Policy Priorities report: <https://www.cbpp.org/sites/files/2-17-21sfp.pdf>

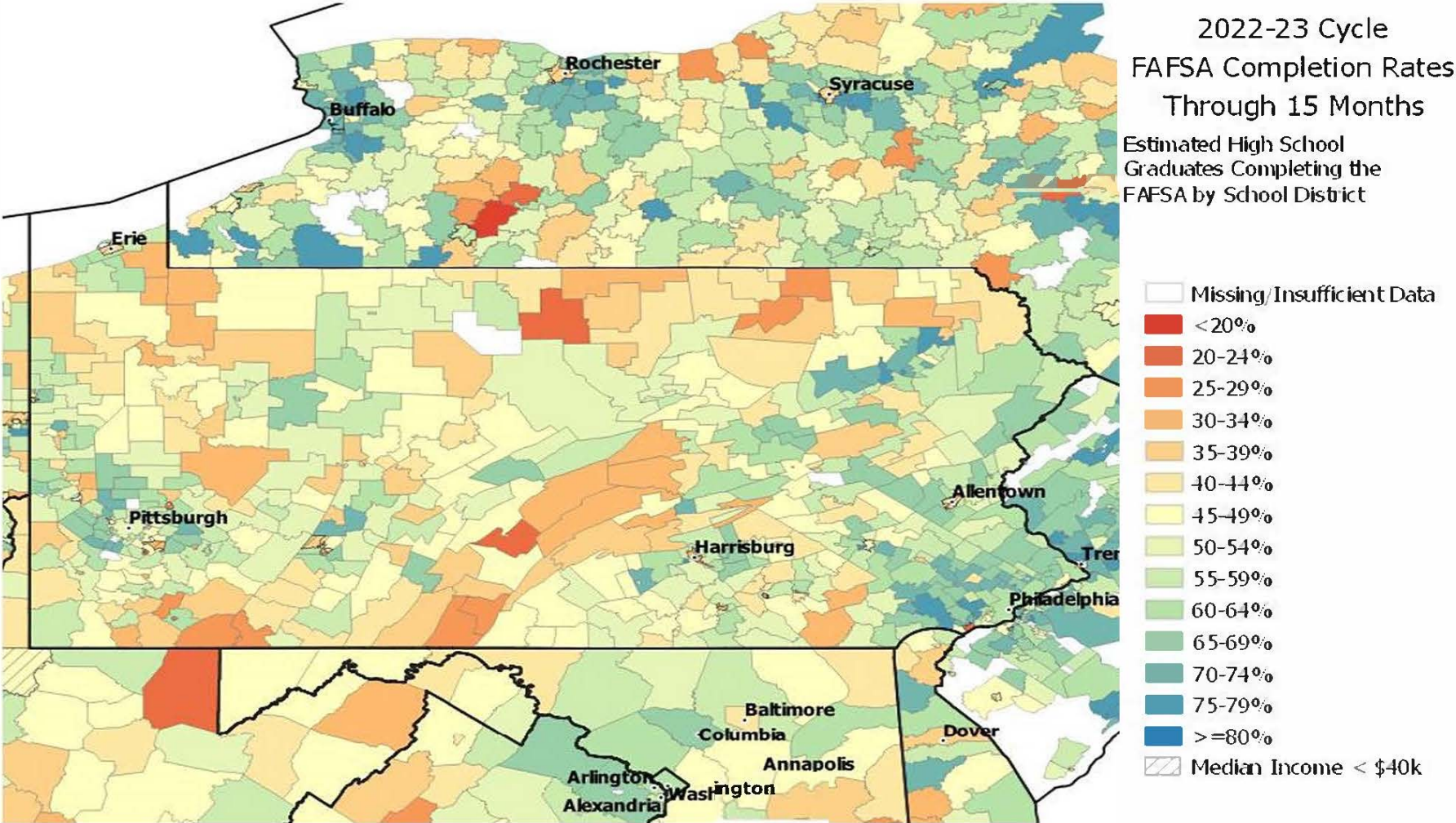
Most Rural PA counties have no Community College Presence or “Out-of-District” Tuition



Dauphin, Cumberland, and Perry Counties share a community college district as do Lehigh and Carbon. Students in these counties pay in-district rates whether they have a primary campus in their county or not.
 Source: Ginger Stull et al., "College Affordability in PA: How Did We Get Here, and What Can Be Done?" November 2016, 16, <https://www.researchforaction.org/wp-content/uploads/2021/07/RFA-College-Affordability-PACER-Final-November-2016.pdf>.

Public School District 2022-23 Cycle FAFSA Completion Rates for Pennsylvania

With no affordable college, few PA HS grads seek financial aid



Note: <https://studentaid.ed.gov/sa/about/data-center/student/application-volume/afsa-completion-data> for details on the data and <https://studentaid.ed.gov/sa/about/data-center/student/application-volume/faq> for frequently asked questions. Graduation rates are estimated using the most recent Regulatory Adjusted Cohort Graduation Rate multiplied by the largest reported enrollment for this cohort beginning in the 9th grade (<http://nces.ed.gov/ipeds/data/ipedsdatacenter/ipedsdatacenter.asp>). Median Income via NCES EDGE Open Data (CDP03_16E).

Source: go to <https://studentaid.gov/data-center/student/application-volume/afsa-completion-high-school>. Scroll down below the text to find the list of states. Click on Pennsylvania to download this map.

Pennsylvanians Leave \$271 Million in Federal Pell Grant Support “on the Table”

Federal Dollars Left on the Table Because PA Public Colleges Have High Tuition and Don't Cover the State—\$271 Million

	Public Colleges	
	Recipients	Funding
Pennsylvania Share of National 2017-18 Pell Grants	2.4%	2.3%
PA Pell Grants Currently	120,095	\$465 million
PA Share of US Population, 19-34	3.7%	3.7%
Additional Recipients/ Funds if PA Received Its Share of 19-34 Population	64,873	\$271 million
Total Recipients/Funds if PA Received Its Share of 19- to 34-Year-Old Population	184,968	\$737 million

Source. Keystone Research Center based on Kaiser Family Foundation population estimates (using the Census Bureau's March 2016 Current Population Survey) online at <https://www.kff.org/other/state-indicator/distribution-by-age/>; and U.S. Department of Education data from table 21 online at <https://www2.ed.gov/finaid/prof/resources/data/pell-data.html>.

The Achilles Heel of PA Educational Attainment: The High Share of Folks with Exactly a HS Education (we rank 3rd)

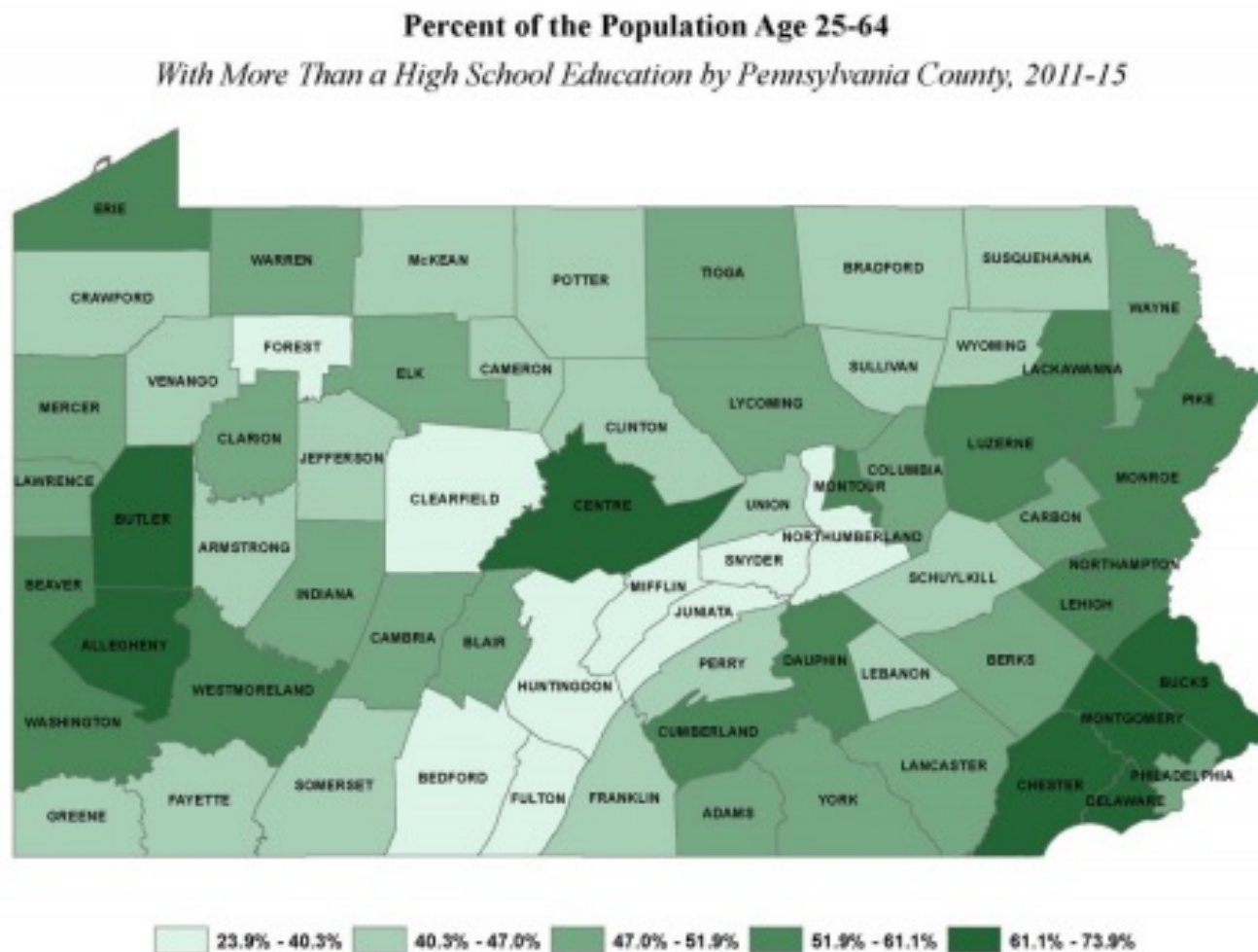
Educational Attainment Level	Share of PA Adults (25 and older) with this Education Level	PA Rank Out of 50 States
High school graduate or higher	91.4%	20
High school graduate (includes equivalency) but no postsecondary education	33.8%	3
More than a high school education	57.5%	42
Bachelor's degree or higher	33.1%	22
Graduate or professional degree	13.2%	16

Source: 2017-21 American Community Survey 5-Year Estimates. Data downloaded from <https://www.census.gov/acs/www/data/data-tables-and-tools/subject-tables/>.

Few HS Students in PA Are on a Career-Related On-Ramp to Postsecondary Education

<u>State</u>	<u>Share of Students Who Are CTE “Concentrators” (enrolled in CTE two or more years)</u>
<u>Pennsylvania</u>	<u>6.4%</u>
<u>New York</u>	<u>7.2%</u>
<u>New Jersey</u>	<u>10.9%</u>
<u>Maryland</u>	<u>11.5%</u>
<u>Ohio</u>	<u>16.5%</u>
<u>West Virginia</u>	<u>33.0%</u>
<u>Delaware</u>	<u>36.7%</u>

In over half of Pennsylvania counties (35), the share of adults with more than a high-school degree is lower than in any of the 50 states (i.e., lower than West Virginia's 48.1%)



Source: Keystone Research Center analysis of American Community Survey 2011-2015 data, <https://goo.gl/qgw2RD>

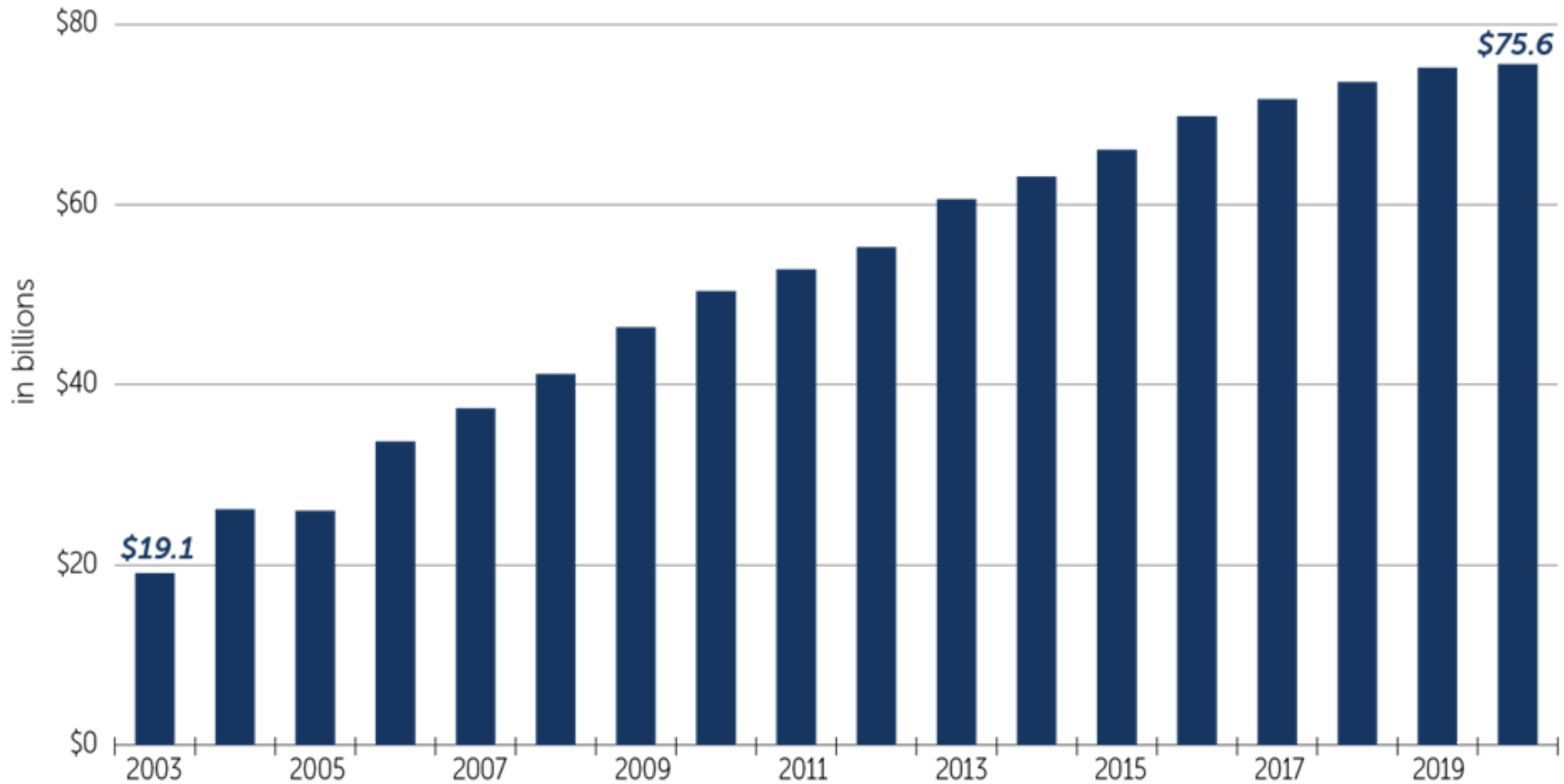
Pennsylvania has a
student debt problem



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Student Loan Debt in Pennsylvania Increased Nearly Four Times Since 2003

Total student loan debt owed by residents of Pennsylvania, 2003-2020 (inflation adjusted to 2021)



Source: Keystone Research Center analysis of State Level Household Debt Statistics 2003-2020, Federal Reserve Bank of New York, March, 2021

The Governor
recognizes that
we have a
problem



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“And for those who choose to pursue college, it’s on us to rethink our system of higher education — because what we’re doing isn’t working.

Colleges competing with one another for a limited dollar — duplicating degree programs, driving up costs, and actually reducing access.

As enrollment declines and questions about the value of a college degree persist, it’s on us to once and for all have an honest dialogue about higher education in Pennsylvania.

I’ve tasked Acting Education Secretary Mumin to immediately convene our college and university presidents to pick up on the conversation I’ve already started with them.

They’ve agreed to engage in a constructive, time-limited working group so that when I stand before you next year, I can present a comprehensive and meaningful reform plan for higher education.”

Governor Shapiro’s Budget Address, March 7, 2023

Lack of Investment in Higher Education Hurts Us All

- It reduces economic growth and starves business of talent.
- It undercuts the American Dream and turns higher education from an engine of mobility to a cementer of immobility.
- It strangles the possibilities and the hopes of too many:
 - those who don't go at all AND don't have/find other postsecondary options.
 - those who get burdened with debt and must choose a career that pays rather than pursuing their passion.
- WE MUST DO BETTER.

Possible Solutions



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What KRC Has Put on the Table

- Last-dollar scholarships to increase Pell grant draw-down and increase affordability with (mostly) federal \$, [“Pathway to the PA Promise of Affordable College and Good Paying Careers”](#)
- A more comprehensive college affordability proposal, [the Pennsylvania Promise](#)
- State solutions to the [student debt crisis](#)

Thank you!



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