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# 2016 COLLEGE AFFORDABILITY DIAGNOSIS

## COLORADO



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# COLORADO

COLLEGE AFFORDABILITY RANKING

31

College has become increasingly more expensive in Colorado at a time when the state's economy will require one of the most educated workforces in the United States.

The state's public two-year and four-year institutions are among the nation's least affordable. Full-time students would have to work 31 hours a week, on average, to cover the cost of attending one of the state's community colleges, and more than 40 hours a week to attend a public four-year institution.

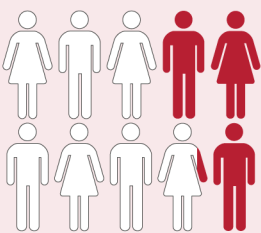
The state has consistently increased need-based aid for public institutions, but this aid has not kept pace with the high cost of attending these institutions. For a student to attend community college full time, for example, low-income families would have to spend almost half of their income. Middle-income families would need to contribute nearly a quarter of their family income to pay for full-time college expenses, while high-income families would need to spend nearly 10 percent of family income.

Colorado's low performance on college affordability will create substantial challenges for its increasingly knowledge-based economy, its rising rates of childhood poverty, and for the state to close substantial gaps in postsecondary

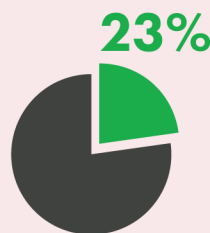
educational attainment between Hispanics and Whites in the state.

- ▶ The percent of family income required to attend college full time has increased in Colorado's four-year nondoctoral colleges and public universities since 2008.
- ▶ Colorado's student population is spread nearly evenly among public-two year, public four-year nondoctoral, and public research institutions.
- ▶ Colorado contributes only \$364 per student need-based financial aid for students to attend public institutions, compared to the national average of \$474.
- ▶ Colorado's high school student population is projected to be 25 percent Hispanic by 2020. As of 2014, however, Hispanic college attainment substantially lagged behind White attainment (20 percent vs. 55 percent).
- ▶ By 2020, 74 percent of jobs in Colorado will require a postsecondary credential. As of 2014, 46 percent of young adults (age 25–34) and 49 percent of working-age adults (age 35–64) in Colorado had an associate's degree or higher.
- ▶ Nearly one in five children in Colorado lives in poverty, a 4 percent increase since 2005.

More Colorado students attend **public two-year institutions** than any other kind of institution, with **32 percent enrolled**. Families would spend, on average, **23 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, **48 percent** of working-age Colorado state residents (age 25-64) have an associate's degree or higher. By 2020, **74 percent of jobs will require an associate's degree or higher.**



**74%**

Jobs requiring associate's degree or higher by 2020

**48%**

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*
<b>Public Two-Year</b> (32 percent of enrollment) **	<b>24</b>	<b>23</b>	<b>44</b>
<b>Public Four-Year Nondoctoral</b> (30 percent of enrollment)	<b>25</b>	<b>30</b>	<b>33</b>
<b>Public Research</b> (29 percent of enrollment)	<b>29</b>	<b>34</b>	<b>41</b>
<b>Private Four-Year Nondoctoral</b> (6 percent of enrollment)	<b>52</b>	<b>48</b>	<b>35</b>
<b>Private Research</b> (2 percent of enrollment)	<b>58</b>	<b>53</b>	<b>18</b>

\* 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](http://www2.gse.upenn.edu/irhe/affordability-diagnosis).

## STATE INCOME PROFILE

Income  
**\$0—30,000**  
Average Income in Group  
**\$17,646**  
Families in Group  
**18%**

Income  
**\$30,000 —48,000**  
Average Income in Group  
**\$39,185**  
Families in Group  
**15%**

Income  
**\$48,000—75,000**  
Average Income in Group  
**\$61,215**  
Families in Group  
**21%**

Income  
**\$75,000—110,000**  
Average Income in Group  
**\$91,694**  
Families in Group  
**20%**

Income  
**\$110,000 and above**  
Average Income in Group  
**\$189,543**  
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	8,361	<b>47</b>
\$30,000—48,000	9,568	<b>24</b>
\$48,000—75,000	11,884	<b>19</b>
\$75,000—110,000	14,062	<b>15</b>
\$110,000 and above	14,633	<b>8</b>

Students would have to work 31 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	11,589	<b>66</b>
\$30,000—48,000	12,271	<b>31</b>
\$48,000—75,000	14,657	<b>24</b>
\$75,000—110,000	17,054	<b>19</b>
\$110,000 and above	17,297	<b>9</b>

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	12,284	<b>70</b>
\$30,000—48,000	13,913	<b>36</b>
\$48,000—75,000	18,124	<b>30</b>
\$75,000—110,000	21,978	<b>24</b>
\$110,000 and above	23,245	<b>12</b>

Students would have to work 46 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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Families in Group

**21%**

Income

**\$75,000–110,000**

Average Income in Group

**\$91,694**

Families in Group

**20%**

Income

**\$110,000 and above**

Average Income in Group

**\$189,543**

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	19,453	<b>110</b>
\$30,000–48,000	19,611	<b>50</b>
\$48,000–75,000	22,584	<b>37</b>
\$75,000–110,000	25,210	<b>27</b>
\$110,000 and above	30,148	<b>16</b>

Students would have to work 56 hours a week, on average, at federal minimum wage to pay for college expenses to attend a private four-year nondoctoral institution full time.

## PRIVATE RESEARCH INSTITUTION

	Net Price	% of Income Needed to Pay Net Price
\$0–30,000	19,878	<b>113</b>
\$30,000–48,000	22,235	<b>57</b>
\$48,000–75,000	27,300	<b>45</b>
\$75,000–110,000	29,377	<b>32</b>
\$110,000 and above	39,827	<b>21</b>

Students would have to work 74 hours a week, on average, at federal minimum wage to pay for college expenses to attend a private research 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
<b>Need-Based Aid</b>	261	260	364	474
<b>Other Aid</b>	71	0	0	210

### TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PRIVATE INSTITUTIONS

	2004	2007	2013	National Average, 2013
<b>Need-Based Aid</b>	457	334	262	644
<b>Other Aid</b>	19	0	0	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 \$3,012 annually.
- ▶ Students who enroll at private research institutions typically borrow \$2,991 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$3,786 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$5,621 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$2,463 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, 74 percent of jobs in Colorado will require a postsecondary credential.
- ▶ Colorado is 3rd in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

## Educational Attainment

- ▶ As of 2014, 46 percent of young adults in Colorado (ages 25-34), had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 49 percent of working age adults in Colorado (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 48 percent of working age Colorado state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 55 percent of Whites have an associate's degree or higher but the other two most populous racial groups (Hispanics and Blacks) have attainment of only 20 percent and 34 percent respectively.

## Educational Pipeline in Colorado

- ▶ The total number of high school graduates at public institutions in Colorado are projected to decline by 2 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Hispanic is projected to decline by 3 percent and the percent of graduates that are Black is projected to increase by 2 percent in Colorado. The percent of graduates that are White is projected to remain constant over the same time period.
- ▶ While the flat growth of White graduates is above national trends (4 percent decline in White graduates between 2020 and 2028), the decline in Hispanic graduates in Colorado is in the opposite direction of national trends (Hispanics are projected to increase by 2 percent of national high school graduates between 2020 and 2028). The projected increase in Black graduates in Colorado is slightly above national trends (Black high school graduates are projected to increase by only 1 percent nationally).

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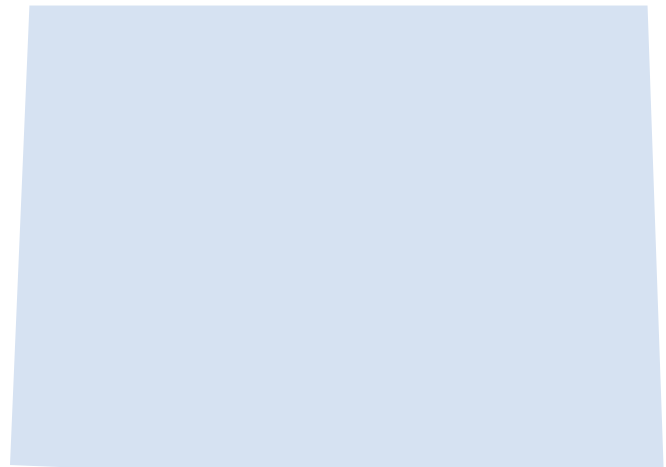


## Children in Poverty

- ▶ The percent of children living in poverty in Colorado increased between 2005 and 2013, from 14 percent to 18 percent.
- ▶ In 2013 Colorado was ranked 14th 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 Colorado, total student share of state and net tuition revenues per full time student was 42 percent in 1989, 45 percent in 2000, and 73 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

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- ▶ 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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