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HIGHER EDUCATION
POLICY INSTITUTE

2016 COLLEGE AFFORDABILITY DIAGNOSIS

RHODE ISLAND



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RHODE ISLAND

COLLEGE
AFFORDABILITY
RANKING

48

Rhode Island's dismal showing on the national college affordability rankings is fueled by deep poverty and a high concentration of students who attend the most expensive higher education institutions in the state.

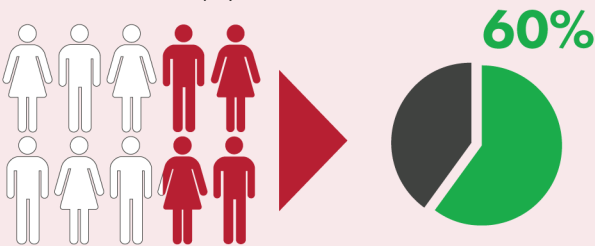
Rhode Island enrolls the largest concentration of its students in private four-year nondoctoral colleges. On average, students attending these institutions would have to work nearly 80 hours a week to cover the annual costs of attending full time. Full-time attendance costs at these institutions would eat up 60 percent of family income, on average.

The Community College of Rhode Island is much more affordable. At this institution, which enrolls 24 percent of the state's undergraduates, students would have to work 22 hours a week to cover annual full-time costs of attendance

The state faces tough choices as current and future workforce needs outpace the number of Rhode Islanders with the necessary postsecondary credentials.

- ▶ Since 2008, all institutions in the state, with the exception of private research institutions, have become less affordable.
- ▶ For Rhode Island families earning \$30,000 or less per year, 139 percent of family income would be required to attend the state's private four-year nondoctoral institutions full time, compared with the 30 percent of family income to attend public two-year colleges full time.
- ▶ For Rhode Island families earning more than \$110,000, only 20 percent of family income would be required to attend the private four-year nondoctoral colleges full time, and just 6 percent of family income would be required to attend public two-year college full time.
- ▶ By 2020, 71 percent of jobs in Rhode Island will require a postsecondary credential. As of 2014, only 44 percent of young adults (age 25–34) and 41 percent of working-age adults (age 35–64) had an associate's degree or higher.
- ▶ Higher educational attainment by race and ethnicity varies considerably. On average, 47 percent of Whites have an associate's degree or higher, compared to only 19 percent of Hispanics and 28 percent of Blacks.
- ▶ By 2020, 20 percent of Rhode Island's public high school graduates will be Hispanic and 8 percent will be Black.
- ▶ One in five children lives in poverty in Rhode Island.

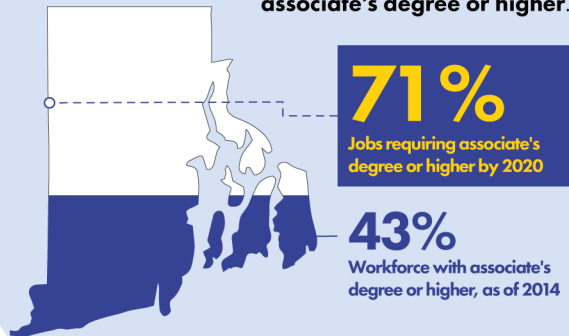
More Rhode Island students attend **private four-year nondoctoral institutions** than any other kind of institution, with **39 percent enrolled**. Families would spend, on average, **60 percent of annual income** to pay for full-time attendance.



Percentage of students attending private four-year nondoctoral institutions

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

On average, **43 percent** of working-age Rhode Island state residents (age 25-64) have an associate's degree or higher. By 2020, **71 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 (24 percent of enrollment) **	10	15	7
Public Four-Year Nondoctoral (10 percent of enrollment)	15	19	1
Public Research (18 percent of enrollment)	28	35	43
Private Four-Year Nondoctoral (39 percent of enrollment)	56	60	47
Private Research (9 percent of enrollment)	23	20	1

* 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

\$16,895

Families in Group

20%

Income

\$30,000 —48,000

Average Income in Group

\$39,328

Families in Group

15%

Income

\$48,000—75,000

Average Income in Group

\$61,645

Families in Group

20%

Income

\$75,000—110,000

Average Income in Group

\$91,852

Families in Group

20%

Income

\$110,000 and above

Average Income in Group

\$185,360

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	5,040	30
\$30,000—48,000	6,136	16
\$48,000—75,000	8,548	14
\$75,000—110,000	10,461	11
\$110,000 and above	10,796	6

Students would have to work 22 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	6,164	36
\$30,000—48,000	7,012	18
\$48,000—75,000	10,086	16
\$75,000—110,000	14,216	15
\$110,000 and above	15,094	8

Students would have to work 28 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	11,895	70
\$30,000—48,000	14,779	38
\$48,000—75,000	18,147	29
\$75,000—110,000	22,147	24
\$110,000 and above	24,368	13

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 INCOME PROFILE

Income

\$0–30,000

Average Income in Group

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\$91,852

Families in Group

20%

Income

\$110,000 and above

Average Income in Group

\$185,360

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	23,541	139
\$30,000–48,000	24,820	63
\$48,000–75,000	27,722	45
\$75,000–110,000	30,385	33
\$110,000 and above	36,211	20

Students would have to work 79 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	3,186	19
\$30,000–48,000	7,129	18
\$48,000–75,000	10,700	17
\$75,000–110,000	22,282	24
\$110,000 and above	42,007	23

Students would have to work 45 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
Need-Based Aid	225	235	254	474
Other Aid	0	0	0	210

TOTAL STATE FINANCIAL AID DOLLARS PER STUDENT AT PRIVATE INSTITUTIONS

	2004	2007	2013	National Average, 2013
Need-Based Aid	98	98	62	644
Other Aid	0	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 \$4,403 annually.
- ▶ Students who enroll at private research institutions typically borrow \$1,414 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$4,196 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$5,047 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$1,448 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, 71 percent of jobs in Rhode Island will require a postsecondary credential.
- ▶ Rhode Island is 6th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

Educational Attainment

- ▶ As of 2014, 44 percent of young adults in Rhode Island (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 41 percent of working age adults in Rhode Island (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, 43 percent of working age Rhode Island 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 two most populous racial groups (Hispanics and Blacks) have attainment of only 19 percent and 28 percent respectively.

Educational Pipeline in Rhode Island

- ▶ In 2020, Rhode Island's public high school graduates are projected to be 20 percent Hispanic and 8 percent Black.
- ▶ The total number of high school graduates at public institutions in Rhode Island are projected to decline by 13 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Hispanic in Rhode Island is projected to grow by 1 percent and the percent of graduates that are White is projected to decline by 5 percent while the percent of graduates that are Black is projected to grow by 2 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 Black graduates in Rhode Island is slightly above national patterns (Blacks are only projected to increase by 1 percent of national high school graduates by 2028). The growth in Hispanics is slightly below national patterns (Hispanics are projected to grow by 2 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 Rhode Island stayed the same between 2005 and 2013 at 20 percent.
- ▶ In 2013 Rhode Island was ranked 22nd 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 Rhode Island, total student share of state and net tuition revenues per full time student was 32 percent in 1989, 45 percent in 2000, and 70 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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