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# 2016 COLLEGE AFFORDABILITY DIAGNOSIS

## VERMONT



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# VERMONT

COLLEGE  
AFFORDABILITY  
RANKING

46

As a small state, Vermont does not have a wide array of higher education options. The options that do exist—private four-year nondoctoral colleges, a flagship state university, and some of the most expensive community colleges in the nation—are all costly.

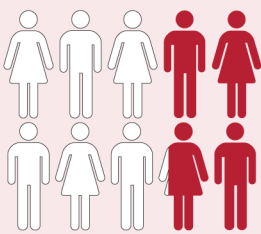
Vermont offers just below the national average in per-student need-based aid to students attending public schools. For students attending private schools, it provides even less.

Students attending Vermont's private four-year nondoctoral colleges would need to work 67 hours a week, on average, to cover the annual costs of attending full time. At the University of Vermont, which accounts for 30 percent of student enrollment, students would have to work 41 hours a week, on average, to pay the annual costs of attending full time.

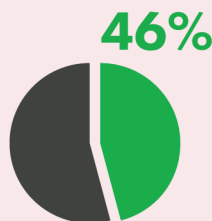
By 2020, 65 percent of jobs in the state will require a postsecondary credential—about a third more than the educational attainment of its current population. At the same time, the number of high school graduates is expected to decline 5 percent between 2020 and 2028.

- ▶ Since 2008, all types of higher education institutions would require a larger percent of family income to attend college full time.
- ▶ Vermont's public two-year colleges, which account for 17 percent of enrollment, are the third most expensive community college system in the country. These schools would require, on average, 29 percent of family income to attend full time.
- ▶ The state contributes little (\$348 per student) in financial aid to college students attending private institutions, which account for 38 percent of total enrollment. The national average is \$644.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$4,081 annually.
- ▶ Vermont educates 30 percent of its students at the University of Vermont. For families earning \$30,000 or less, 58 percent of family income would be required to attend this institution full time. For families earning between \$30,000 and \$48,000, 29 percent of family income would be required to attend this institution full time.

More Vermont students attend **private four-year nondoctoral institutions** than any other kind of institution, with **38 percent enrolled**. Families would spend, on average, **46 percent of annual income** to pay for full-time attendance.



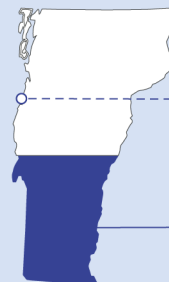
Percentage of students attending private four-year nondoctoral institutions



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

On average, **45 percent** of working-age Vermont state residents (age 25-64) have an associate's degree or higher.

By 2020, **65 percent of jobs will require an associate's degree or higher.**



**65%**

Jobs requiring associate's degree or higher by 2020

**45%**

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><br>(17 percent of enrollment) **            | <b>25</b>              | <b>29</b>              | <b>48</b> |
| <b>Public Four-Year Nondoctoral</b><br>(14 percent of enrollment)  | <b>28</b>              | <b>33</b>              | <b>42</b> |
| <b>Public Research</b><br>(30 percent of enrollment)               | <b>19</b>              | <b>29</b>              | <b>22</b> |
| <b>Private Four-Year Nondoctoral</b><br>(38 percent of enrollment) | <b>44</b>              | <b>46</b>              | <b>28</b> |
| <b>Private Research</b><br>(NA percent of enrollment)              | <b>NA</b>              | <b>NA</b>              | <b>NA</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

**\$18,363**

Families in Group

**17%**

Income

**\$30,000 —48,000**

Average Income in Group

**\$39,465**

Families in Group

**17%**

Income

**\$48,000—75,000**

Average Income in Group

**\$61,575**

Families in Group

**24%**

Income

**\$75,000—110,000**

Average Income in Group

**\$91,127**

Families in Group

**22%**

Income

**\$110,000 and above**

Average Income in Group

**\$177,090**

Families in Group

**21%**

# 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          | 11,415    | <b>62</b>                           |
| \$30,000—48,000     | 12,060    | <b>31</b>                           |
| \$48,000—75,000     | 14,595    | <b>24</b>                           |
| \$75,000—110,000    | 16,932    | <b>19</b>                           |
| \$110,000 and above | 17,224    | <b>10</b>                           |

Students would have to work 42 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          | 13,293    | <b>72</b>                           |
| \$30,000—48,000     | 13,453    | <b>34</b>                           |
| \$48,000—75,000     | 16,111    | <b>26</b>                           |
| \$75,000—110,000    | 18,189    | <b>20</b>                           |
| \$110,000 and above | 19,240    | <b>11</b>                           |

Students would have to work 42 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          | 10,742    | <b>58</b>                           |
| \$30,000—48,000     | 11,407    | <b>29</b>                           |
| \$48,000—75,000     | 14,030    | <b>23</b>                           |
| \$75,000—110,000    | 18,991    | <b>21</b>                           |
| \$110,000 and above | 22,482    | <b>13</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 research institution full time.

Source: Income data: U.S. Census Bureau; Net price data: U.S. Department of Education.

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

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Average Income in Group

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Average Income in Group

**\$91,127**

Families in Group

**22%**

Income

**\$110,000 and above**

Average Income in Group

**\$177,090**

Families in Group

**21%**

# 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          | 17,214    | <b>94</b>                           |
| \$30,000–48,000     | 19,898    | <b>50</b>                           |
| \$48,000–75,000     | 23,442    | <b>38</b>                           |
| \$75,000–110,000    | 27,148    | <b>30</b>                           |
| \$110,000 and above | 34,452    | <b>19</b>                           |

Students would have to work 67 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 |
|-----------------------|------|------|------|------------------------|
| <b>Need-Based Aid</b> | 415  | 406  | 429  | 474                    |
| <b>Other Aid</b>      | 10   | 31   | 27   | 210                    |

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

|                       | 2004 | 2007 | 2013 | National Average, 2013 |
|-----------------------|------|------|------|------------------------|
| <b>Need-Based Aid</b> | 432  | 379  | 348  | 644                    |
| <b>Other Aid</b>      | 12   | 9    | 134  | 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 \$3,029 annually.
- ▶ Students who enroll at public four-year nondoctoral institutions typically borrow \$4,102 annually.
- ▶ Students who enroll at private four-year nondoctoral institutions typically borrow \$4,081 annually.
- ▶ In contrast, students who enroll at public two-year institutions borrow \$2,619 annually.

Data Source: U.S. Department of Education.

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).

# WHAT CONSIDERATIONS SHOULD STATES take into account in establishing policies on college affordability?

## Workforce Needs

- ▶ By 2020, 65 percent of jobs in Vermont will require a postsecondary credential.
- ▶ Vermont is 29th in terms of states with the highest percentage of jobs that will require a postsecondary credential in the future.

## Educational Attainment

- ▶ As of 2014, 47 percent of young adults in Vermont (ages 25-34) had an associate's degree or higher compared to 42 percent nationally.
- ▶ As of 2014, 44 percent of working age adults in Vermont (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, 45 percent of working age Vermont state residents (age 25-64) have an associate's degree or higher. However, attainment varies by race: 45 percent of Whites have an associate's degree or higher but the other most populous racial groups (Asian and Hispanic) have attainment of 52 percent and 48 percent respectively. However, it should be noted that both Asian and Hispanics represent less than 2 percent of total population in Vermont.

## Educational Pipeline in Vermont

- ▶ In 2020, Vermont's public high school graduates are projected to be 3% Asian and 2% Hispanic.
- ▶ The total number of high school graduates at public institutions in Vermont is projected to decrease by 5 percent between 2020 and 2028.
- ▶ However, the percent of graduates that are Asian in Vermont is projected to grow by 1 percent and the percent of graduates that are White is projected to decline by 2 percent while the percent of graduates that are Hispanic is projected to grow by 1 percent over the same time period.
- ▶ The decline in White graduates is similar but less pronounced than projections for the nation (4 percent decline in White graduates between 2020 and 2028), the growth in both Hispanics and Asians in Vermont is also similar to national patterns (Hispanics are projected to increase by 2 percent of national high school graduates by 2028 and Asians are projected to increase by 1 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](http://www2.gse.upenn.edu/irhe/affordability-diagnosis).





### **Children in Poverty**

- ▶ The percent of children living in poverty in Vermont has remained constant between 2005 and 2013 at 15 percent.
- ▶ In 2013 Vermont was ranked 7th 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 Vermont, total student share of state and net tuition revenues per full time student was 61 percent in 1989, 76 percent in 2000, and 85 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 and after the 2007-08 recession net tuition revenues continued to increase.

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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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