OVERVIEW

• Trends in Sticker Prices, Financial Aid and Net Prices
• Student Debt
• Highlights from the 2016 *Education Pays* report
• Q&A and discussion
Sticker Prices, Financial Aid, and Net Prices
Sticker prices are rising while family income remains stagnant

Published Tuition and Fees and Family Income Relative to 1986-87, 1986-87 to 2016-17 (1986-87 = 1.0), Inflation-Adjusted

SOURCE: The College Board, Trends in College Pricing 2016, Figure 5; U.S. Census Bureau, Historical Family Income Table F-3.
Annual total grant aid has been rising

Total grant aid in 2015 dollars over time

SOURCE: The College Board, Trends in Student Aid 2016, Figure 4
Annual total borrowing has been declining for 5 years

Total federal and nonfederal loan borrowing in 2015 dollars over time

SOURCE: The College Board, Trends in Student Aid 2016, Figure 5
Grant aid per FTE is increasing, while federal loans per FTE continue to decline.

Average Aid per Full-Time Equivalent (FTE) Student, in 2015 Dollars

SOURCE: The College Board, Trends in Student Aid 2016, Figure 1
Between 2010-11 and 2015-16, average *annual* loan amount per borrower

*Declined* for direct loans and *increased* for PLUS loans

![Bar chart showing average annual loan amounts for direct and PLUS loans for undergraduate and graduate borrowers.]
Net prices are slowly rising

Average *Published* and *Net* Prices in 2016 Dollars, Full-Time In-State Undergraduate Students, 1996-97 to 2016-17

In 2009-10 and 2010-11, Sticker TF price sharply, but net TF because of:

1) dramatic increase in Pell,
2) implementation of the AOTC

SOURCE: The College Board, *Trends in College Pricing 2016*, Figure 10
Net prices are slowly rising

Average *Published* and *Net* Prices in 2016 Dollars, Full-Time Undergraduate Students, 1996-97 to 2016-17

In the private nonprofit sector, *institutional grant aid* plays a major role in keeping net price down

SOURCE: The College Board, *Trends in College Pricing 2016*, Figure 11
Student Debt
Average cumulative debt levels of bachelor’s recipients are rising

SOURCE: The College Board, *Trends in Student Aid 2016*, Figure 13
Average cumulative debt levels of bachelor’s recipients are rising.
Student borrowing varies across institutional sectors

Distribution of 2011-12 Bachelor’s Degree Recipients by Sector and Cumulative Debt

<table>
<thead>
<tr>
<th>Sector</th>
<th>No Debt</th>
<th>Less than $10,000</th>
<th>$10,000 to $19,999</th>
<th>$20,000 to $29,999</th>
<th>$30,000 to $39,999</th>
<th>$40,000 or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>30%</td>
<td>10%</td>
<td>13%</td>
<td>18%</td>
<td>12%</td>
<td>18%</td>
</tr>
<tr>
<td>Public Four-Year</td>
<td>34%</td>
<td>12%</td>
<td>14%</td>
<td>18%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Private Nonprofit Four-Year</td>
<td>25%</td>
<td>8%</td>
<td>12%</td>
<td>20%</td>
<td>14%</td>
<td>20%</td>
</tr>
<tr>
<td>For-Profit</td>
<td>12%</td>
<td>4%</td>
<td>7%</td>
<td>14%</td>
<td>16%</td>
<td>48%</td>
</tr>
</tbody>
</table>

SOURCE: The College Board, Trends in Student Aid 2014, Figure 14A
Highlights from *Education Pays 2016*
Part 1: The Distribution of the Benefits: Who Participates and Succeeds in Higher Education?

• Enrollment
• Completion and Attainment

Part 2: Individual and Societal Benefits of Higher Education

• Earnings
• Other Economic Benefits
• Health Benefits
• Other Individual and Societal Benefits
Part 2: Individual and Societal Benefits of Higher Education

• Earnings
• Other Economic Benefits
• Health Benefits
• Other Individual and Societal Benefits
By age 34, the average bachelor's degree holder will have recouped college costs

Estimated Cumulative Full-Time Earnings (in 2014 Dollars) Net of Forgone Earnings and Payment for Tuition and Fees and Books and Supplies, by Education Level
Individuals with higher levels of education have higher earnings and pay more in taxes

Median Earnings and Tax Payments by Education Level, Full-Time Year-Round Workers Age 25 and Older, 2015

Source: The College Board, Education Pays 2016, Figure 2.1
The employment and labor force participation rates are higher for individuals with higher levels of education.

Civilian Population Age 35 to 44: Percentage Employed, Unemployed, and Not in Labor Force

<table>
<thead>
<tr>
<th>Year</th>
<th>High School Diploma</th>
<th>Bachelor’s Degree or Higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>78.7%</td>
<td>85.9%</td>
</tr>
<tr>
<td>2010</td>
<td>72.8%</td>
<td>84.4%</td>
</tr>
<tr>
<td>2015</td>
<td>73.3%</td>
<td>86.1%</td>
</tr>
</tbody>
</table>

Unemployment Rate = \[
\frac{\% \text{ unemployed}}{\% \text{ unemployed} + \% \text{ employed}} \]

2010: right after the Great Recession ended

The unemployment rate is lower among individuals with higher levels of education

Unemployment Rates of Individuals Age 25 and Older, by Education Level, 1995 to 2015

SOURCE: The College Board, Education Pays 2016, Figure 2.12A
Individuals with more education are less likely to rely on public assistance

Percentage of Individuals Age 25 and Older Living in Households Receiving Public Assistance, 2015

SOURCE: The College Board, *Education Pays 2016*, Figure 2.17
Education is associated with higher levels of civic participation

Voting Rates Among U.S. Citizens During Presidential Elections, by Education Level, 1964 to 2012

SOURCE: The College Board, *Education Pays 2016*, Figure 2.23B
Variation in Outcomes

- Variation in college enrollment rates
- Variation in college completion rates
- Variation in economic outcomes
College enrollment rates have increased, especially among black and Hispanic students

<table>
<thead>
<tr>
<th></th>
<th>Asian</th>
<th>Black</th>
<th>Hispanic</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>82%</td>
<td>53%</td>
<td>55%</td>
<td>64%</td>
</tr>
<tr>
<td>2015</td>
<td>85%</td>
<td>61%</td>
<td>65%</td>
<td>69%</td>
</tr>
<tr>
<td>20-year percentage point change</td>
<td>+3</td>
<td>+8</td>
<td>+10</td>
<td>+5</td>
</tr>
</tbody>
</table>

SOURCE: NCES, Digest of Education Statistics 2016, Table 302.20
College completion rates vary by institution type

Six-Year Completion Rate by Starting Institution Type
Fall 2010 Cohort

Completion Rate:
% of Students Who Completed:
• a certificate
• associate degree or
• bachelor's degree

SOURCE: National Student Clearinghouse, Signature Report 12, Figure 12
Earnings vary within each level of educational attainment

Earnings Distribution of Full-Time Year-Round Workers Ages 35 to 44, by Education Level, 2015

SOURCE: The College Board, Education Pays 2016, Figure 2.3
Young adults with a college degree are much more likely to move up the socioeconomic ladder than those with only a high school diploma

% of high school sophomore of 2002 in the highest income quartile in 2011

<table>
<thead>
<tr>
<th>Parents’ Income Quartile</th>
<th>Lowest</th>
<th>Highest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student’s Education Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School Diploma</td>
<td>13%</td>
<td>21%</td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>21%</td>
<td>34%</td>
</tr>
</tbody>
</table>

SOURCE: The College Board, *Education Pays 2016*, Figure 2.15
Earnings vary across college majors


SOURCE: The College Board, Education Pays 2016, Figure 2.9
Earnings vary across college sectors

Average 2012 and 2013 Earnings of Dependent Federal Student Aid Recipients in 2001-02 and 2002-03

SOURCE: The College Board, Education Pays 2016, Figure 2.10B
Summary

• More people have been questioning the value of a college education because of:
  • Rising college prices
  • Rising student debt
  • Variation in outcomes
• Education provides personal and social benefits over the lifetime