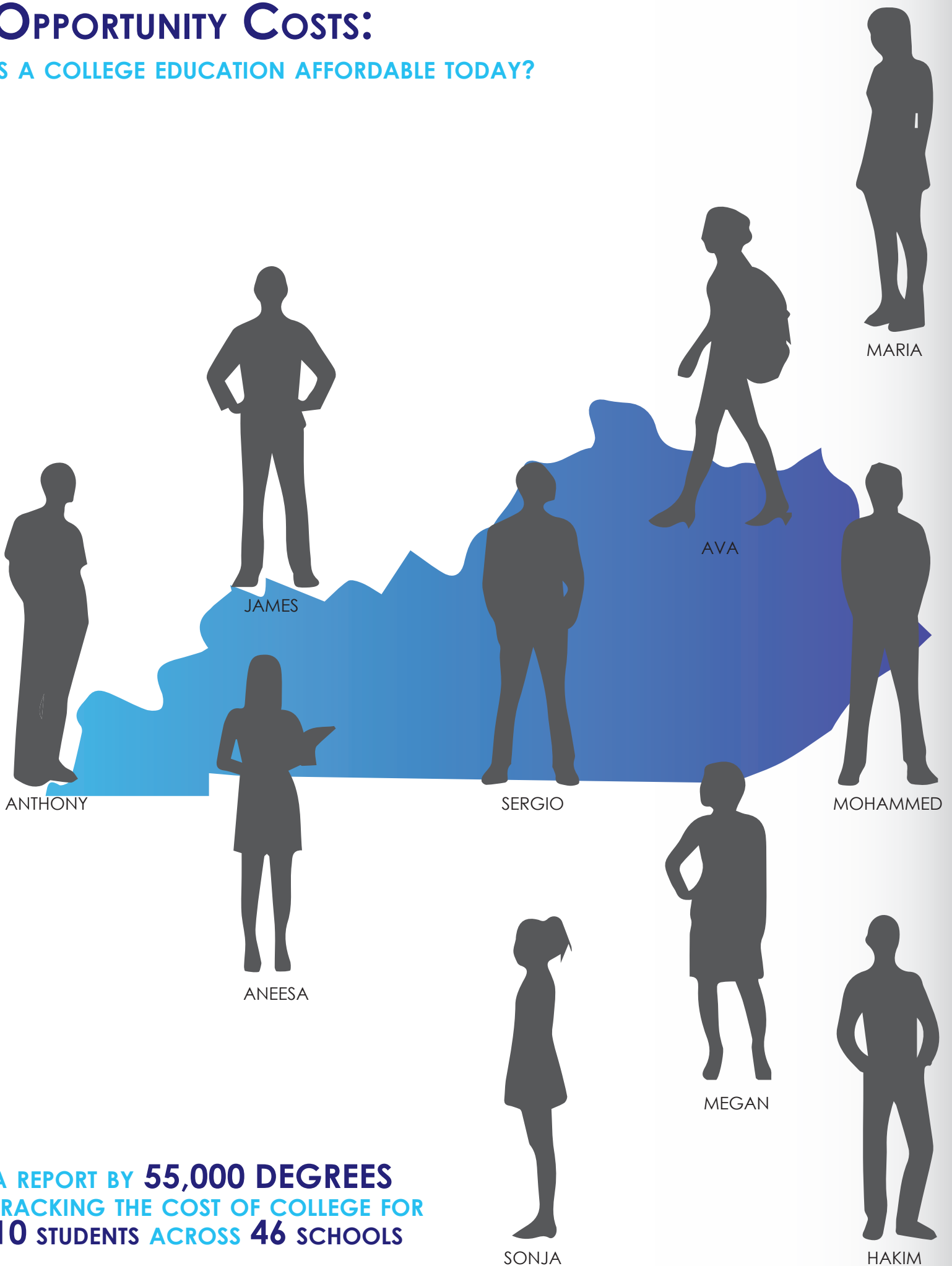


# OPPORTUNITY COSTS:

IS A COLLEGE EDUCATION AFFORDABLE TODAY?



A REPORT BY **55,000 DEGREES**  
TRACKING THE COST OF COLLEGE FOR  
**10 STUDENTS ACROSS 46 SCHOOLS**

SONJA

HAKIM

# SUMMARY OF CONTENT

WHY DOES AFFORDABILITY MATTER?	1-2
IS COST A BARRIER TO COLLEGE?	3
SUMMARY OF FINDINGS	4
MEASURING AFFORDABILITY	5-7
PROFILES IN AFFORDABILITY	8-14
FINDINGS	15-16
RECOMMENDATIONS AND SUMMARY	17-20

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## **LOUISVILLE MAYOR GREG FISCHER:**

“OUR CITY’S COMMITMENT TO LIFELONG LEARNING STEMS FROM OUR RECOGNITION THAT BUILDING A ROBUST, 21ST CENTURY ECONOMY REQUIRES AN EDUCATED, SKILLED WORKFORCE. THIS REPORT FOCUSES ATTENTION ON AN IMPORTANT CHALLENGE TO THAT GOAL: AFFORDABILITY. TOO MANY PEOPLE DON’T SEE AN AFFORDABLE PATHWAY TO GETTING THE SKILLS THEY NEED FOR A CAREER THAT WILL SUPPORT A FAMILY. WE NEED TO WORK NOW TO ADDRESS THIS ISSUE SO THAT EVERY PERSON IN OUR COMMUNITY HAS THE OPPORTUNITY TO REACH THEIR FULL POTENTIAL.”

## **55,000 DEGREES EXECUTIVE DIRECTOR MARY GWEN WHEELER:**

“THIS REPORT SHINES A VALUABLE SPOTLIGHT ON WHAT COLLEGE AFFORDABILITY REALLY MEANS TO FAMILIES. IT’S EASY TO TALK ABOUT THESE ISSUES IN THE ABSTRACT, BUT WHEN YOU LOOK AT THESE EXAMPLES AND THINK ABOUT HOW MUCH FAMILIES CAN REALISTICALLY SAVE AND HOW MUCH STUDENTS CAN REALISTICALLY WORK WHILE GOING TO SCHOOL, YOU CAN SEE THE CHALLENGE IN CLEAR TERMS. WE AS A COMMUNITY NEED TO FIGURE OUT WAYS TO MAKE IT MORE FEASIBLE FOR STUDENTS TO GET THE EDUCATION AFTER HIGH SCHOOL THEY NEED TO SUCCEED.”

---

## Why Does Affordability Matter?

In our first report on affordability, **Fast Forward: Affordability in Focus**,<sup>1</sup> 55,000 Degrees took a deep look at the rising cost of college and its impact on our community. Our analysis of local data led us to highlight this “modern paradox”:

---

**A COLLEGE EDUCATION IS ESSENTIAL IN THE 21ST CENTURY.**

**COLLEGE IS TOO EXPENSIVE.**

---

That was our way of sounding an alarm to the community. Too many of our key indicators were headed in the wrong direction at precisely the wrong time. National research indicates that a larger share of jobs in Kentucky, somewhere around two-thirds of all jobs in the state, will require at least some postsecondary education by 2020<sup>2</sup>. Our own analysis with KentuckianaWorks showed that 75 percent of the family-supporting jobs that are projected to be added locally by 2025 will require some form of postsecondary education<sup>3</sup>.

The conclusion was simple: tuition was going up and fewer people were enrolling in college; all at a time when education and training beyond high school had never been more important.

Unfortunately, not much has changed. In fact, it is fair to say that the situation has gotten worse. As we look at college affordability and access today, local data show us the following:

---

**32 PERCENT AVERAGE INCREASE IN LOCAL TUITION SINCE 2008**

**ALMOST 500 FEWER JCPS GRADUATES GOING TO COLLEGE  
THAN IN 2009**

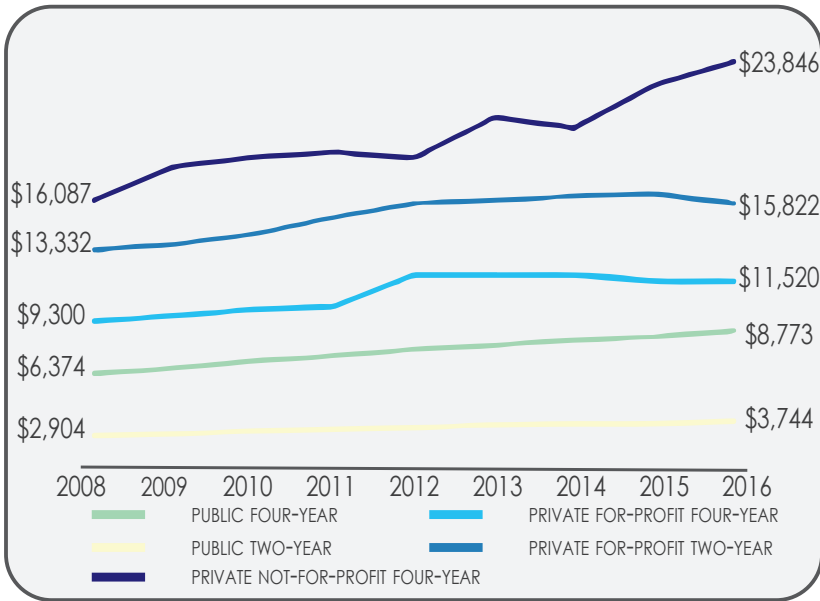
**MORE THAN 11,000 FEWER PEOPLE ENROLLED IN COLLEGE  
IN OUR REGION SINCE 2010**

---

### AUTHORS' NOTE:

ALL OF THE FINDINGS IN THIS REPORT APPLY ONLY TO THESE 10 INDIVIDUAL STUDENT PROFILES. THE FINDINGS SHOULD NOT BE INTERPRETED AS A REFLECTION OF JEFFERSON COUNTY AS A WHOLE AND WE MAKE NO CLAIMS OF REPRESENTATIVENESS IN THIS REPORT.

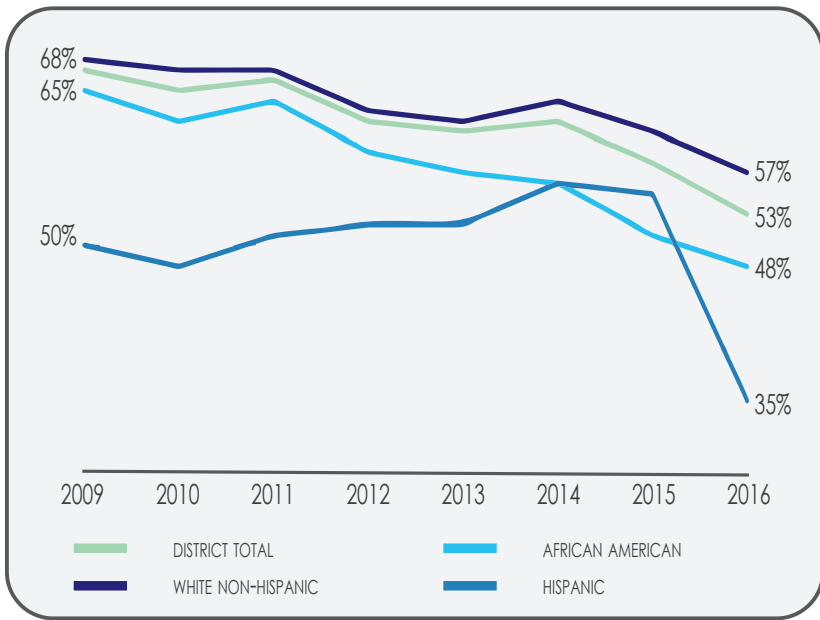
WHILE WE BELIEVE THAT THERE ARE STUDENTS IN OUR COMMUNITY THAT LOOK LIKE THESE 10 PROFILES, WE DO NOT KNOW THE DEGREE TO WHICH THESE PROFILES REPRESENT ALL OF JEFFERSON COUNTY.



# 1

## TUITION IS STILL GOING UP

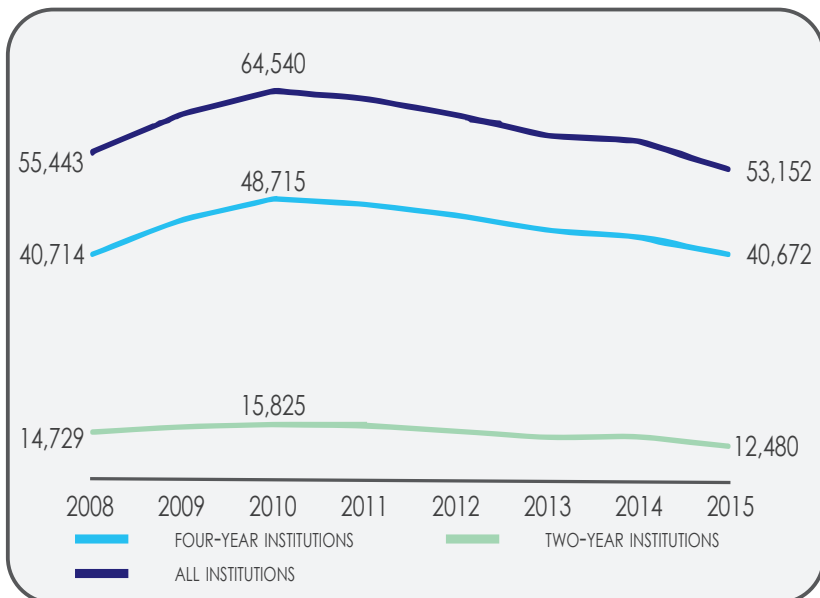
Average in-district tuition for full-time undergraduate students at local<sup>4</sup> postsecondary institutions<sup>5</sup>.



# 2

## THE LOCAL COLLEGE-GOING RATE IS FALLING EVEN FASTER THAN BEFORE

Percentage of Jefferson County Public Schools graduates who enroll in any post-secondary institution as a degree-seeking student within twelve months of high school graduation<sup>6</sup>.



# 3

## POSTSECONDARY ENROLLMENT HAS DECLINED SINCE 2010

Fall undergraduate enrollment at local postsecondary institutions<sup>7</sup>.

## Is Cost a Barrier to College?

The conclusion we drew in our first report on college affordability still rings true today: **while the price of tuition continues to go up, the number of people going to college continues to go down.** That much is clear.

What is not so clear is the degree to which one is causing the other. Tuition only represents the “sticker price” of attending college and almost nobody pays the full price anyway. In fact, in 2014-15 almost 90 percent of full-time undergraduates in the United States received at least some financial aid<sup>8</sup>. Between state, federal, and institutional aid, billions of dollars are given out every year to help lower the price of tuition<sup>9</sup>. So if hardly anyone is paying the published tuition price, than how great of an impact on college-going and enrollment does that number really have? Is the cost of college really a barrier once financial aid, loans and wages earned from working are calculated in? What is reasonable to expect of today’s students? Is college actually affordable for most students?

College tuition, just like any other product, is only expensive as it relates to one’s ability to pay for it. Whether tuition is too high or not depends almost entirely on an individual’s perspective. On the other hand, examining affordability acknowledges the differences in individual circumstances and provides a much more complete picture of what it takes for a student to pay for college. In this report we will not ask whether rising tuition has put college out of reach. Instead we will ask a far more useful question:

---

### WHO CAN AFFORD TO GO TO COLLEGE?

---

To answer that question we replicated and adapted the methodology used in the Institute for Higher Education Policy’s (IHEP) groundbreaking report, **Limited Means, Limited Opportunity**<sup>10</sup>. In that study IHEP created ten theoretical student profiles<sup>11</sup> and used the **Lumina Foundation's "Rule of 10"**<sup>12</sup> to determine if college was affordable for each of those ten hypothetical students.

Adapting that methodology, which we explain in more detail in the next section, to our local and state context allows us to imagine what these ten individuals from different backgrounds would face when trying to access higher education in our community.

This is a values-based way of looking at affordability and it doesn’t represent the reality for every student in Jefferson County. But what we found in this report, summarized below, gives a sobering look into just how unaffordable college has become.

# Summary of Findings

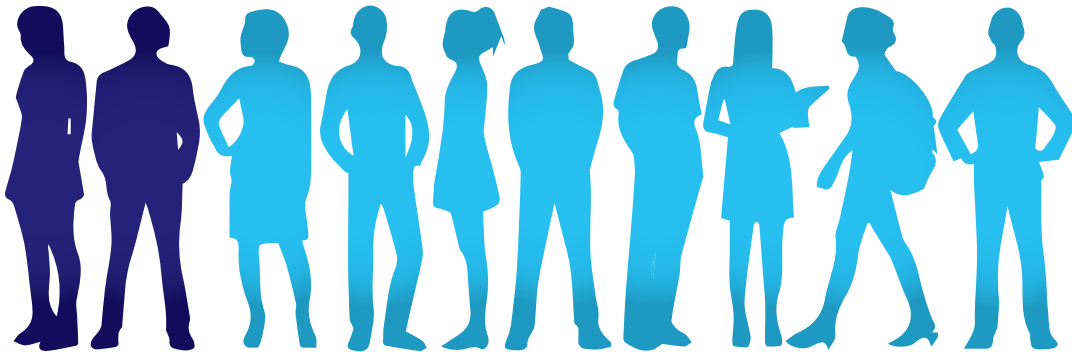
WE MEASURED AFFORDABILITY FOR 10 HYPOTHETICAL STUDENT PROFILES. HERE IS WHAT WE FOUND:

## LOCAL INSTITUTIONS



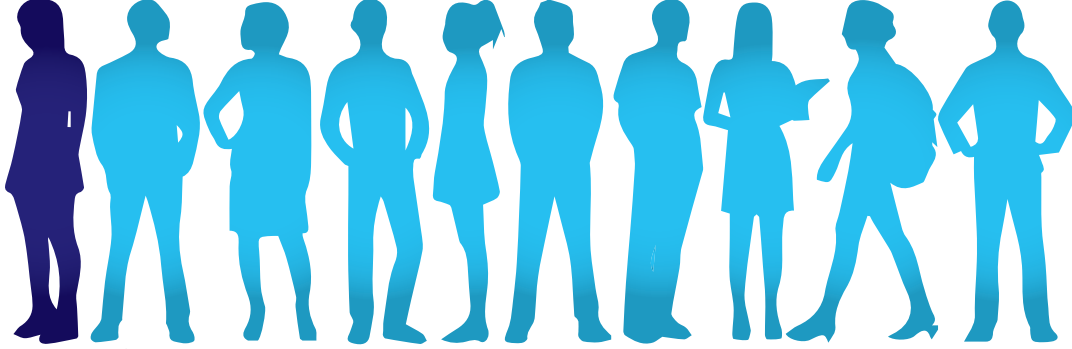
2 OF THESE 10  
STUDENTS COULD AFFORD  
TO ATTEND AT LEAST  
ONE OF 14  
LOCAL INSTITUTIONS

## KY 2-YEAR PUBLIC INSTITUTIONS



2 OF THESE 10  
STUDENTS COULD AFFORD  
TO ATTEND AT LEAST  
ONE OF 16  
KENTUCKY TWO-YEAR  
PUBLIC INSTITUTIONS

## KY 4-YEAR PUBLIC INSTITUTIONS



1 OF THESE 10  
STUDENTS COULD AFFORD  
TO ATTEND AT LEAST  
ONE OF 7  
KENTUCKY FOUR-YEAR  
PUBLIC INSTITUTIONS

## KY 4-YEAR PRIVATE INSTITUTIONS



8\* OF THESE 10  
STUDENTS COULD AFFORD  
TO ATTEND AT LEAST  
ONE OF 15  
KENTUCKY FOUR-YEAR  
PRIVATE INSTITUTIONS

\*THESE 6 STUDENTS CAN AFFORD ONLY  
BEREA COLLEGE DUE TO THEIR  
"NO TUITION PROMISE"

AVA AND JAMES CANNOT AFFORD  
COLLEGE IN KENTUCKY

# Measuring Affordability

## What is Affordability?

In this report, we go beyond looking just at tuition prices and examine how affordable it is for students in our community to go to college. Instead of looking at cost alone, measuring affordability gives us a better understanding of what it takes to actually pay for college. This is done by accounting for the real cost of attendance (the net price) and the individual and family circumstances which factor into a student's ability to cover that cost (the affordability threshold).

Using IHEP's methodology and Lumina's "Rule of 10", we established what individuals of differing backgrounds could afford to pay for postsecondary education; their affordability benchmark. That benchmark was then compared to institutional net prices for colleges and universities in the Louisville region and across Kentucky to determine how affordable it is for each student to attend college.

---


$$\text{AFFORDABILITY} = \text{NET PRICE} - \text{STUDENT AFFORDABILITY THRESHOLD}$$


---

## What Do Students Really Pay?

In order to determine whether college is affordable we must first measure its cost. Tuition, of course, is a big part of that. But it doesn't tell the whole story of what it costs to go to college. A better way to measure the real cost to students is through net price<sup>13</sup>. This is what students pay once grant aid (financial aid that doesn't have to be repaid) is deducted from the total cost of attendance. By subtracting the amount of grant aid students receive from the total cost of attendance (as shown below) we are able to get a better sense for the real annual cost of going to college.

---


$$\text{NET PRICE} = \text{COST OF ATTENDANCE} - \text{GRANT AID}$$

$$\text{COST OF ATTENDANCE} = \text{TUITION \& FEES} + \text{ROOM \& BOARD} \\ + \text{BOOKS \& SUPPLIES} + \text{TRANSPORTATION \& OTHER COSTS}$$

$$\text{GRANT AID} = \text{STATE (KEES, CAP, KTG)}, \\ \text{FEDERAL (PELL)}, \text{ AND INSTITUTIONAL GRANT AID}$$


---

## What Can Students Pay?

Discussions around college affordability are critical to understanding the realities facing today's students and families but there is no common definition of what affordability actually means. So the focus often turns to what institutions charge or what people pay. The Lumina Foundation has developed the **Rule of 10** to help change that conversation.

Instead of measuring just the cost of a degree, the Rule of 10 develops an **affordability benchmark** which accounts for differences in individual circumstances and measures what would be affordable for each student to pay.

---

### THE RULE OF 10

A FUTURE STUDENT OR THEIR FAMILY IN THE CASE OF  
DEPENDENT STUDENTS SHOULD BE ABLE TO:  
SAVE 10% OF THEIR DISCRETIONARY\* INCOME  
FOR 10 YEARS PRIOR TO COLLEGE, AND  
WORK 10 HOURS PER WEEK WHILE  
ATTENDING COLLEGE FULL TIME.

---

Using this formula, we are then able to calculate an amount that an individual or family should be able to afford to pay for a four-year degree; their affordability threshold. Here is an example of how the Rule of 10 is used to calculate the affordability threshold:

\*Discretionary Income is the amount of yearly income per household above 200% of the Federal Poverty Line. Students whose income was less than 200% above the Federal Poverty Line were not considered to have discretionary income and therefore were not expected to save for college.



# Ava's Affordability Threshold

AVA'S FAMILY INCOME:  
\$69,000 PER YEAR

DISCRETIONARY  
INCOME:  
\$20,400  
PER YEAR

# 10%

DISCRETIONARY INCOME SAVINGS  
WOULD BE \$2,040 PER YEAR

200% POVERTY  
THRESHOLD:  
\$48,600 PER YEAR

# 10 YEARS

OF SAVING WOULD  
EQUAL \$20,400 SAVED  
FOR COLLEGE

POVERTY THRESHOLD:  
\$24,300 PER YEAR

# 10 HOURS

PER WEEK SPENT WORKING WHILE  
TAKING CLASSES WOULD EARN  
\$14,500 TO COVER EXPENSES

AVA'S AFFORDABILITY THRESHOLD IS

# \$8,725

PER YEAR TO INVEST IN A  
COLLEGE EDUCATION

Ava is a high school senior who lives at home with her parents and younger sibling. She gets good grades and scored a 22 on her ACT. Her parents both went to college. Her mother has an Associate Degree. Their family income is \$69,000 per year.

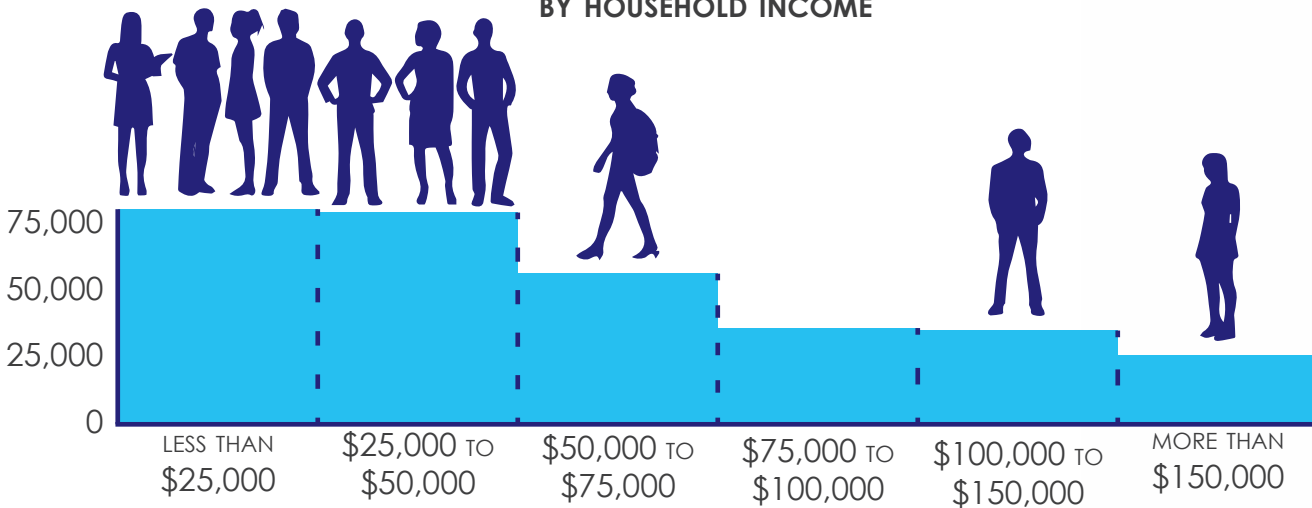
Using Lumina's Rule of 10 we estimate that Ava will have a total of \$34,900 to spend on college across 4 years. This gives her an affordability threshold of \$8,725 per year.

## Profiles in Affordability

In this report we used the ten theoretical student profiles developed by IHEP to better understand how college affordability differs based upon individual circumstance. The student profiles were developed using nationally representative data and were designed to exemplify the diversity of today's college students.

It is important to note that **these student profiles are based on national, not local, datasets and so they are not intended to be a perfect representation of our local population.** We do not know what percentage of students in Jefferson County are represented by these profiles. We are confident, however, that students just like those represented in these profiles are living in our community. We believe that using these profiles gives a better insight into the challenges facing them as they consider whether and how they could pursue a college education.

### HOW THESE STUDENTS COMPARE TO THE JEFFERSON COUNTY POPULATION BY HOUSEHOLD INCOME



### DISTRIBUTION OF JEFFERSON COUNTY HOUSEHOLDS BY HOUSEHOLD INCOME

## Local Context

Finally, we adapted IHEP's methodology by measuring affordability, not for the nation, but locally and across Kentucky. To do this, we entered each hypothetical student's information (found in the technical appendix to this report) into individual institutions' net price calculators. We did this for "local" institutions which are the postsecondary institutions in and around Jefferson County tracked by 55,000 Degrees. We also did this for each of Kentucky's public four-year institutions, for all of Kentucky Community and Technical College System's campuses, and 14 private, non-profit four-year colleges and universities across the state.

## A Note on Findings

The results we found shed a great deal of light on the challenges facing students and they provide more urgency to the belief something must be done to make the dream of a college education a reality for more of our community. Over the next several pages we look at affordability by laying out how many affordable options our sample of ten students have.

There was some variation between types of institutions but not as much as expected. Berea College's "tuition free guarantee" made the private, four-year sector affordable for most of the students in our sample. If Berea were eliminated from the sample, though, only two of the 10 students in this report would have had affordable options in that sector.

Similarly, there was some difference in the number of affordable options based on the backgrounds of our ten students, but overall the majority of our students had very few options. Even the student in our sample, Sergio, who came from a household with an income of \$105,405 could not afford half of the institutions we examined.

Even with these subtle variations between our sample students or between different types of institutions in the state, looking at college affordability through the lens of these ten hypothetical students gives us a simple answer to our question: **There are too few affordable options.**

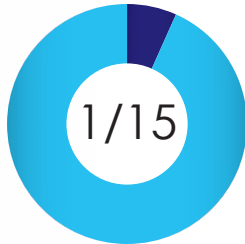
**ANTHONY**  
INDEPENDENT  
SINGLE  
NO CHILDREN



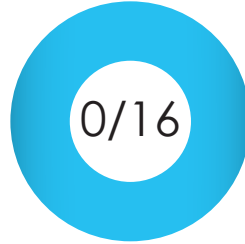
LOCAL  
INSTITUTIONS



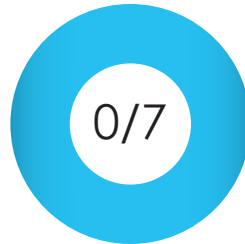
KY 4- YEAR  
PRIVATE INSTITUTIONS



KY 2-YEAR  
PUBLIC INSTITUTIONS



KY 4-YEAR  
PUBLIC INSTITUTIONS



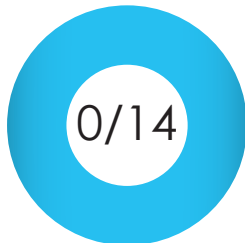
■ AFFORDABLE  
■ UNAFFORDABLE

AGE: 28  
ACT: 21  
GPA: 3.0

YEARLY HOUSEHOLD INCOME: \$2,706  
YEARLY AFFORDABILITY THRESHOLD: \$3,625

**JAMES**  
INDEPENDENT  
SINGLE  
NO CHILDREN

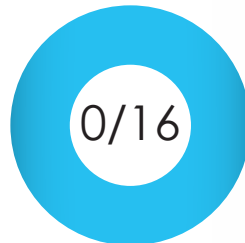
LOCAL  
INSTITUTIONS



KY 4- YEAR  
PRIVATE INSTITUTIONS



KY 2-YEAR  
PUBLIC INSTITUTIONS



KY 4-YEAR  
PUBLIC INSTITUTIONS



■ AFFORDABLE  
■ UNAFFORDABLE



AGE: 28  
ACT: 19  
GPA: 3.1

YEARLY HOUSEHOLD INCOME: \$30,388  
YEARLY AFFORDABILITY THRESHOLD: \$5,282

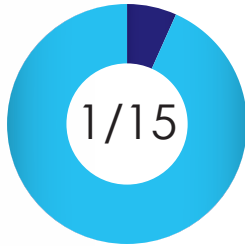
**ANEESA**  
INDEPENDENT  
SINGLE  
TWO CHILDREN



LOCAL  
INSTITUTIONS

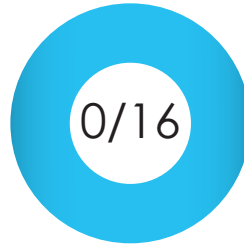


KY 4- YEAR  
PRIVATE INSTITUTIONS

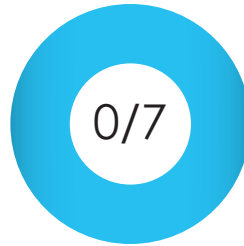


■ AFFORDABLE  
■ UNAFFORDABLE

KY 2-YEAR  
PUBLIC INSTITUTIONS



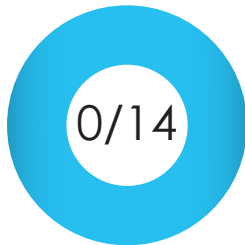
KY 4-YEAR  
PUBLIC INSTITUTIONS



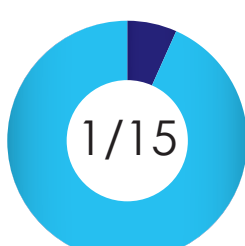
AGE: 28  
ACT: 19  
GPA: 3.1  
YEARLY HOUSEHOLD INCOME: \$2,130  
YEARLY AFFORDABILITY THRESHOLD: \$3,625

**MEGAN**  
INDEPENDENT  
SINGLE  
TWO CHILDREN

LOCAL  
INSTITUTIONS

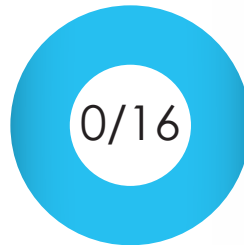


KY 4- YEAR  
PRIVATE INSTITUTIONS

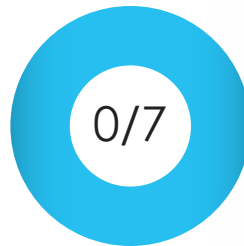


■ AFFORDABLE  
■ UNAFFORDABLE

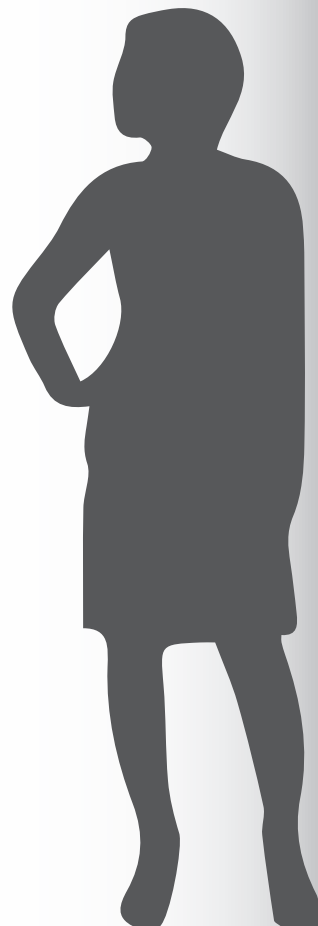
KY 2-YEAR  
PUBLIC INSTITUTIONS



KY 4-YEAR  
PUBLIC INSTITUTIONS



AGE: 28  
ACT: 19  
GPA: 3.2  
YEARLY HOUSEHOLD INCOME: \$33,639  
YEARLY AFFORDABILITY THRESHOLD: \$3,625

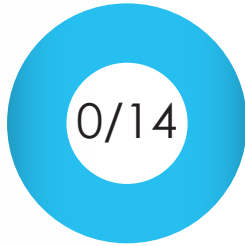


# MOHAMMED

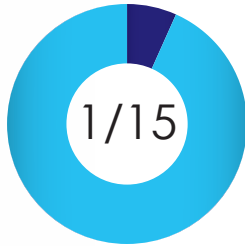
INDEPENDENT  
MARRIED  
TWO CHILDREN



LOCAL  
INSTITUTIONS



KY 4- YEAR  
PRIVATE INSTITUTIONS



KY 2-YEAR  
PUBLIC INSTITUTIONS



KY 4-YEAR  
PUBLIC INSTITUTIONS



■ AFFORDABLE  
■ UNAFFORDABLE

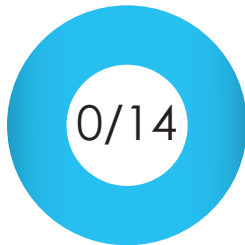
AGE: 28  
ACT: 24  
GPA: 3.2

YEARLY HOUSEHOLD INCOME: \$20,719  
YEARLY AFFORDABILITY THRESHOLD: \$3,625

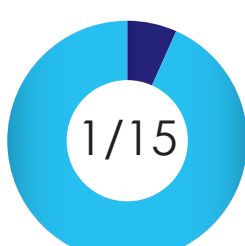
# SONJA

DEPENDENT  
PARENT: SINGLE  
ONE SIBLING

LOCAL  
INSTITUTIONS



KY 4- YEAR  
PRIVATE INSTITUTIONS



KY 2-YEAR  
PUBLIC INSTITUTIONS



KY 4-YEAR  
PUBLIC INSTITUTIONS



■ AFFORDABLE  
■ UNAFFORDABLE



AGE: 18  
ACT: 18  
GPA: 2.9

YEARLY HOUSEHOLD INCOME: \$12,491  
YEARLY AFFORDABILITY THRESHOLD: \$3,625

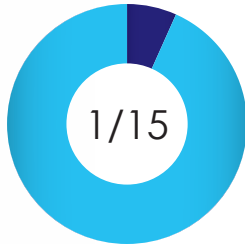
**HAKIM**  
DEPENDENT  
PARENTS: MARRIED  
ONE SIBLING



LOCAL  
INSTITUTIONS

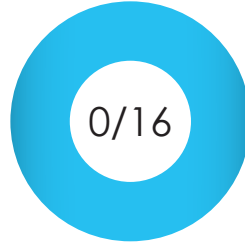


KY 4- YEAR  
PRIVATE INSTITUTIONS

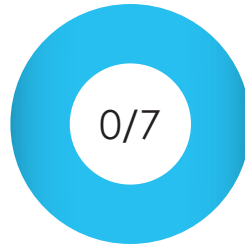


■ AFFORDABLE  
■ UNAFFORDABLE

KY 2-YEAR  
PUBLIC INSTITUTIONS



KY 4-YEAR  
PUBLIC INSTITUTIONS

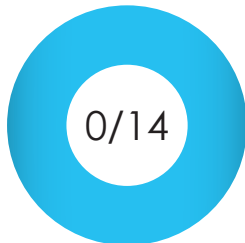


AGE: 18  
ACT: 21  
GPA: 3.0

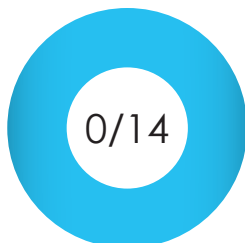
YEARLY HOUSEHOLD INCOME: \$35,910  
YEARLY AFFORDABILITY THRESHOLD: \$3,625

**Ava**  
DEPENDENT  
PARENTS: MARRIED  
ONE SIBLING

LOCAL  
INSTITUTIONS



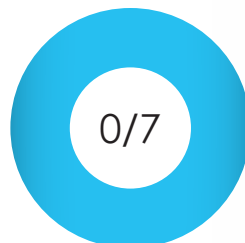
KY 4- YEAR  
PRIVATE INSTITUTIONS



KY 2-YEAR  
PUBLIC INSTITUTIONS



KY 4-YEAR  
PUBLIC INSTITUTIONS



■ AFFORDABLE  
■ UNAFFORDABLE

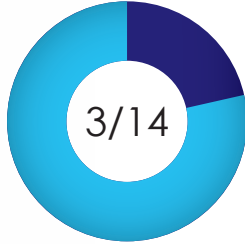
AGE: 18  
ACT: 22  
GPA: 3.2  
YEARLY HOUSEHOLD INCOME: \$69,000  
YEARLY AFFORDABILITY THRESHOLD: \$8,725



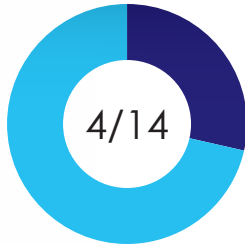
**SERGIO**  
DEPENDENT  
PARENTS: MARRIED  
ONE SIBLING



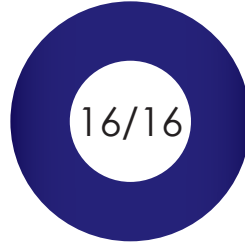
LOCAL INSTITUTIONS



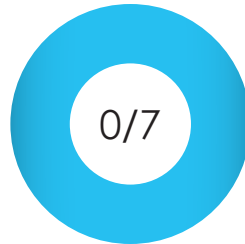
KY 4- YEAR PRIVATE INSTITUTIONS



KY 2-YEAR PUBLIC INSTITUTIONS



KY 4-YEAR PUBLIC INSTITUTIONS



■ AFFORDABLE  
■ UNAFFORDABLE

AGE: 18  
ACT: 23  
GPA: 3.4  
YEARLY HOUSEHOLD INCOME: \$105,405  
YEARLY AFFORDABILITY THRESHOLD: \$17,826

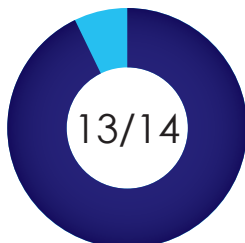
**MARIA**

DEPENDENT  
PARENTS: MARRIED  
ONE SIBLING

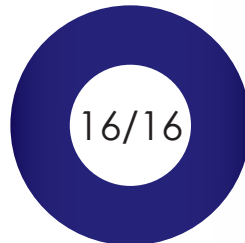
LOCAL INSTITUTIONS



KY 4- YEAR PRIVATE INSTITUTIONS



KY 2-YEAR PUBLIC INSTITUTIONS



KY 4-YEAR PUBLIC INSTITUTIONS



■ AFFORDABLE  
■ UNAFFORDABLE



AGE: 18  
ACT: 24  
GPA: 3.5  
YEARLY HOUSEHOLD INCOME: \$162,995  
YEARLY AFFORDABILITY THRESHOLD: \$32,224



# Findings

The results of this study are sobering. Measuring affordability by comparing net price to Lumina's affordability threshold for each of the 10 hypothetical students in our sample leads us to these troubling conclusions:

## 1. There are too few affordable options.

- 2 of the 10 students in this sample had affordable options locally
- 2 of 10 had affordable options at Kentucky's public 2-year colleges
- 1 of 10 had affordable options at Kentucky's public 4-year colleges
- 8 of 10 had affordable options at Kentucky's private, non-profit 4-year colleges and universities.
  - If Berea College, with its free tuition promise, were eliminated from the sample only 2 of 10 sample students would have had affordable options.

## 2. The middle class can't afford college

- Without Berea College's free tuition option, the only students who had any affordable options at all were Sergio and Maria.
  - Sergio's parents make \$105,405 per year.
  - Maria's parents make \$162,995 per year.
- Median income in Jefferson County, Kentucky is \$51,991 per year<sup>14</sup>. You would have to make twice that to have affordable college options.
 

For example:

  - Sergio has a household income more than 200% of the median, and could afford any two year institution in Kentucky, 3 of 14 local institutions, 4 of 15 private 4 years, and no public 4 year institutions.
  - Maria has an income greater than 300% median income and an institution was still unaffordable for them.

These results might seem shocking, and in many ways they are, but as we consider them **it is important to note two things:**

**1. This is only one lens through which affordability can be examined.**

In this report we use net price to estimate the price of attending college and Lumina's Rule of 10 to measure students' ability to pay that price. Each of these represents a values-laden decision. It is entirely possible to view the cost of college and affordability in different ways. However, IHEP and Lumina Foundation are national leaders in this conversation and the methodology, which we have adapted for this report, provides a "simple, reasonable, and equitable"<sup>10</sup> way to look at college affordability.

**2. These students are not a perfect representation of our community.**

The ten students that make up the sample for this study were created by IHEP using several national datasets. We do not know how accurately they reflect the makeup of our community. We also don't know how strongly these findings reflect the experiences of the thousands of people in and around Louisville who are working to figure out how to go to college right now. What we are sure of is that students who look just like these profiles live in our community and that looking at affordability through the lens of the individual gives us a new way to consider this issue.

Even with those considerations the results of this study seem to clearly suggest that college is becoming less affordable in our community, just at the time people need it the most.

That difficult reality poses the unavoidable question of "**what can be done?**"

# Recommendations

## Tackle the Tuition Barrier

Tuition isn't the only barrier to affordability, but for most it's the first and most significant. A recent survey from Edward Jones found that 83 percent of Americans say that they cannot afford the expense of a college education<sup>15</sup>. And people aren't just feeling the cost crunch themselves. A Gallup Poll showed that almost 80% of Americans don't think that college is affordable to anyone in this country who needs it<sup>16</sup>. Looking at our own local data, it isn't hard to imagine why people feel this way. Just since 2008, tuition at local public 4-year institutions has gone up by almost 40 percent. It has gone up by almost 30 percent at local public 2-years in that same time<sup>5</sup>. There are many reasons for these increases. For example, state cuts to post-secondary education funding have been especially challenging in Kentucky. Regardless of why it has gone up, it is practical to start our march toward greater affordability by grappling with tuition.

Many institutions and states are taking steps to address tuition going up. In some cases colleges are cutting or controlling costs on their own, so that they can freeze or reverse the trend of tuition increases. Other institutions are shifting resources through increases in need-based aid to provide greater equity in access. At the same time, many states are stopping cuts to postsecondary funding and some are implementing performance-based funding in an effort to increase efficiency in the system.

One of the most effective ways communities across the nation are tackling this challenge on their own is by offering promise scholarships. These programs vary in structure, scale, eligibility requirements, and many other substantive ways but promise scholarship programs generally have one thing in common: **they try to eliminate tuition as a barrier to accessing higher education**. The positive impact these programs have had on college enrollment, student persistence, and degree completion has helped start a movement. According to the College Promise Campaign there are now over 200 promise programs across 41 states<sup>17</sup>.

We believe that we could be at the forefront of this movement and that a successful promise scholarship program could work right here.

## Understand that Affordability Means More than Free Tuition

Tuition is going up. People are feeling that and it is having an impact. But tuition isn't the only thing that is making college unaffordable. Our analysis showed that only students from homes with an income over \$100,000 had many affordable options. That is not the case just because tuition is on the rise. Consider the following as a small slice of what students are facing:

- **Other costs, like books, are on the rise too.** On average, a student at Jefferson Community and Technical College will need to spend about \$1,000 on books<sup>18</sup>. A student at the University of Louisville is looking at an average of \$1,200 per year for books<sup>19</sup>.
- **Grant aid from the state is insufficient.** Kentucky operates on a first-come, first-served basis for state grants like the College Access Program (CAP) and the Kentucky Tuition Grant (KTG)<sup>20</sup>. The funds for these grants almost always run out before demand for them is exhausted. The Kentucky Educational Excellence Scholarship (KEES), the state's merit-based grant program, awards students an average amount of about \$1,200 per year and the amount of award money students can earn has stayed the same since KEES was created<sup>21</sup>. While these programs help, they aren't keeping up with the rapidly changing landscape of college costs and they don't make a big enough dent in affordability.
- **Loans might make college look affordable when it's really not.** In a growing number of cases, students turn to loans as a way to cover the gap between tuition and financial aid. In Kentucky more people are graduating from college with loan debt and the amount they owe is getting higher. In fact, two-thirds of four-year graduates in the state now have debt when they earn their degree and the average amount they owe is over \$25,000<sup>22</sup>. That of course has to be paid back with interest and that isn't always easy to do; especially for students who do not complete their degree<sup>23</sup>. So while loans are increasingly used to help students access higher education, that decision might only delay, and can actually make worse, the reality that college might not have been affordable in the first place.

These issues represent just a sliver of what students and families are facing. The point is that no program or policy, whether it offers free tuition or not, can eliminate all of these hurdles at once. College affordability is a complex problem facing the entire community and it will require a complex set of solutions that will only work if the entire community pulls together around this issue.

## Make Success, not Just Access, the Ultimate Goal

Affordability is mostly about access to higher education. That is why to start this report we asked the question “who can afford to go to college?” But access alone shouldn’t be the goal. Getting more people to go to college does very little good, and sometimes more harm than good, if those people aren’t earning degrees and reaching their full potential. Right now too few local students enter college ready to do that. In 2017, only 58 percent of JCPS students were deemed ready for college or career<sup>24</sup>. This means close to half could need remediation when entering college.

When students do get to college, they finish their degree too seldom. At our local four-year institutions 48 percent of students graduate within six years while only 21 percent of students finish a degree within three years at our two-year institutions<sup>25</sup>.

The challenge isn’t just in getting students prepared academically. The educational system in the United States is failing students of color, those from low-income backgrounds, first generation college students and many others who have been traditionally marginalized. Even the best promise program cannot change these realities alone. A scholarship isn’t enough; not even with the kind of student supports we know can make a difference<sup>26</sup>. These students need culturally-competent and inclusive advising and nonacademic student supports. Changing outcomes will take the entire community **wrapping around** students and families, starting from early childhood through the college years. And if we hope to see equity in our outcomes there must be a full commitment to provide each and every student with the supports and opportunities they need to reach their full human potential.

## **Affordability Affects us All**

Education and training beyond high school has never been as important as it is today.

What we have provided in this report is a way of assessing whether that need is affordable. This report is based on assumptions that reflect certain values – about the number of hours a student could realistically work while going to school full-time, about how much money a family could realistically save for one child’s education. Even more fundamentally, it is built on an assumption that post-high school education should be affordable – because it represents opportunity.

We readily admit that these ten students do not necessarily represent the whole of Jefferson County and that this is only one way to understand college affordability.

But we know that our high schools are filled with students just like these. Their futures depend on making these equations work out – to finding a way to make the available resources cover the cost of tuition.

And this report concludes that all too often, the numbers just won’t add up.

We cannot wait any longer to tackle this issue. Higher education is too important to the future of families and our community as a whole. Therefore our call to action is for a heightened sense of urgency in exploring bold new ways to make college affordable in our community.

# Some Reactions from Our Partners

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## **UNIVERSITY OF LOUISVILLE**

### **PRESIDENT DR. GREGORY C. POSTEL, M.D.**

“THE UNIVERSITY OF LOUISVILLE HAS ALWAYS BEEN COMMITTED TO ENSURING THAT THE STUDENTS OF LOUISVILLE HAVE ACCESS TO AFFORDABLE POST-SECONDARY EDUCATION. WE KNOW FROM FIRST-HAND EXPERIENCE WHAT THIS REPORT MAKES VERY CLEAR – THAT EVEN SOLIDLY MIDDLE CLASS FAMILIES SOMETIMES STRUGGLE TO AFFORD COLLEGE OPPORTUNITIES. WE ARE COMMITTED TO WORKING WITH THE COMMUNITY TO CONTINUE TO FIND WAYS TO SUPPORT FAMILIES AS THEY SEEK TO PREPARE THEMSELVES FOR THE WORKFORCE OF TOMORROW.”

## **JEFFERSON COMMUNITY AND TECHNICAL COLLEGE**

### **PRESIDENT DR. TY HANDY**

“JEFFERSON COMMUNITY AND TECHNICAL COLLEGE HAS ALWAYS BEEN COMMITTED TO MAKING A HIGH QUALITY EDUCATION AFFORDABLE TO ALL STUDENTS. THIS REPORT IS A SOBERING REMINDER THAT FOR TOO MANY FAMILIES, POST-SECONDARY EDUCATION MAY STILL SEEM JUST OUTSIDE THEIR GRASP. WE ARE COMMITTED TO WORKING WITH THE COMMUNITY TO BROADEN OPPORTUNITY FOR ALL STUDENTS.”

## **SPALDING UNIVERSITY**

### **PRESIDENT TORI MURDEN McCLURE**

“WE AT SPALDING PLACE SOCIAL JUSTICE AT THE ROOT OF EVERYTHING WE DO. WE ARE DEEPLY COMMITTED TO MAKING COLLEGE MORE AFFORDABLE. WE UNDERSTAND THAT A COLLEGE DEGREE IS, FOR MOST, A VALUABLE FIRST STEP TOWARD BEING ABLE TO BUILD A BETTER LIFE FOR THEMSELVES AND THEIR FAMILIES IN TODAY’S ECONOMY.”

## **BELLARMINE UNIVERSITY**

### **PRESIDENT DR. SUSAN DONOVAN**

“AS THIS REPORT INDICATES, COLLEGE AFFORDABILITY IS AN ISSUE THAT CUTS ACROSS THE ENTIRE HIGHER EDUCATION WORLD, FOR EVERY TYPE OF DEGREE AND EVERY KIND OF HIGHER EDUCATION INSTITUTION. AT BELLARMINE, WE KNOW THAT THE INVESTMENT IN A COLLEGE EDUCATION PAYS OFF TREMENDOUSLY, NOT ONLY IN LIFETIME EARNINGS, BUT IN QUALITY OF LIFE – AND WE ARE COMMITTED TO EQUITY IN ACCESS TO HIGHER EDUCATION, AND TO KEEPING TUITION AS AFFORDABLE AS POSSIBLE.”

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