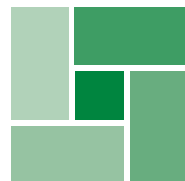


Affordability: Investing in Student Success

House Budget Review Subcommittee on Postsecondary Education – February 14th, 2019



PRICHARD COMMITTEE
FOR ACADEMIC EXCELLENCE

STUDY • INFORM • ENGAGE

Who is the Prichard Committee?

We began in 1983 as an independent, nonprofit organization with committee members from across the Commonwealth.

We engage families, students, business and community leaders on education issues from early childhood to postsecondary.

We produce independent, solutions-oriented policy research and recommendations, supported and informed by engagement of citizens across Kentucky.

We focus on moving Kentucky to top tier of states for educational excellence **WITH equity.**

Why Does Affordability Matter?

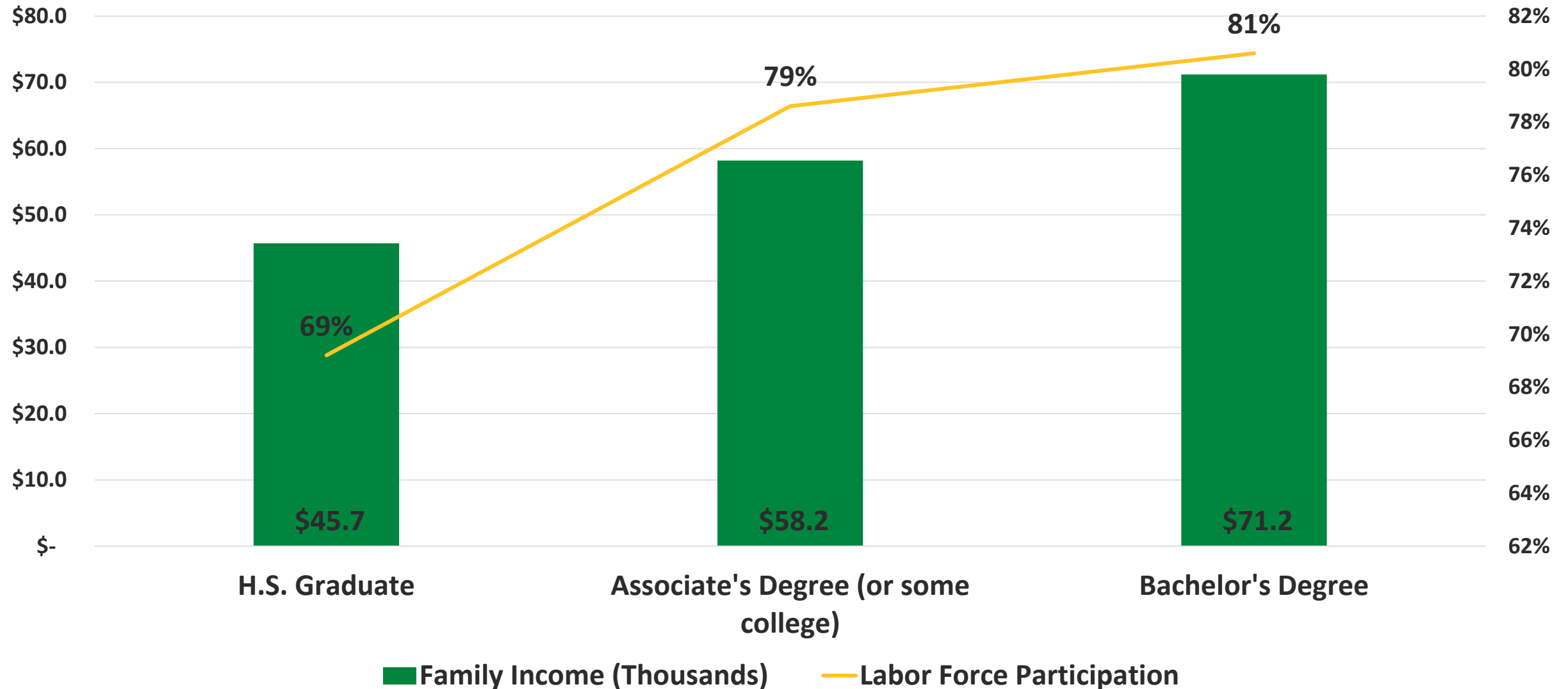
**THE BIG GOAL – 60%
POSTSECONDARY
ATTAINMENT BY
2030**

```
graph LR; A[THE BIG GOAL – 60% POSTSECONDARY ATTAINMENT BY 2030] --> B[62% of JOBS BY 2020 WILL REQUIRE SOME POSTSECONDARY EDUCATION]; B --> C["$900 MILLION MORE IN TAX REVENUE AND COST SAVINGS BY REACHING NATIONAL AVERAGE FOR ATTAINMENT"];
```

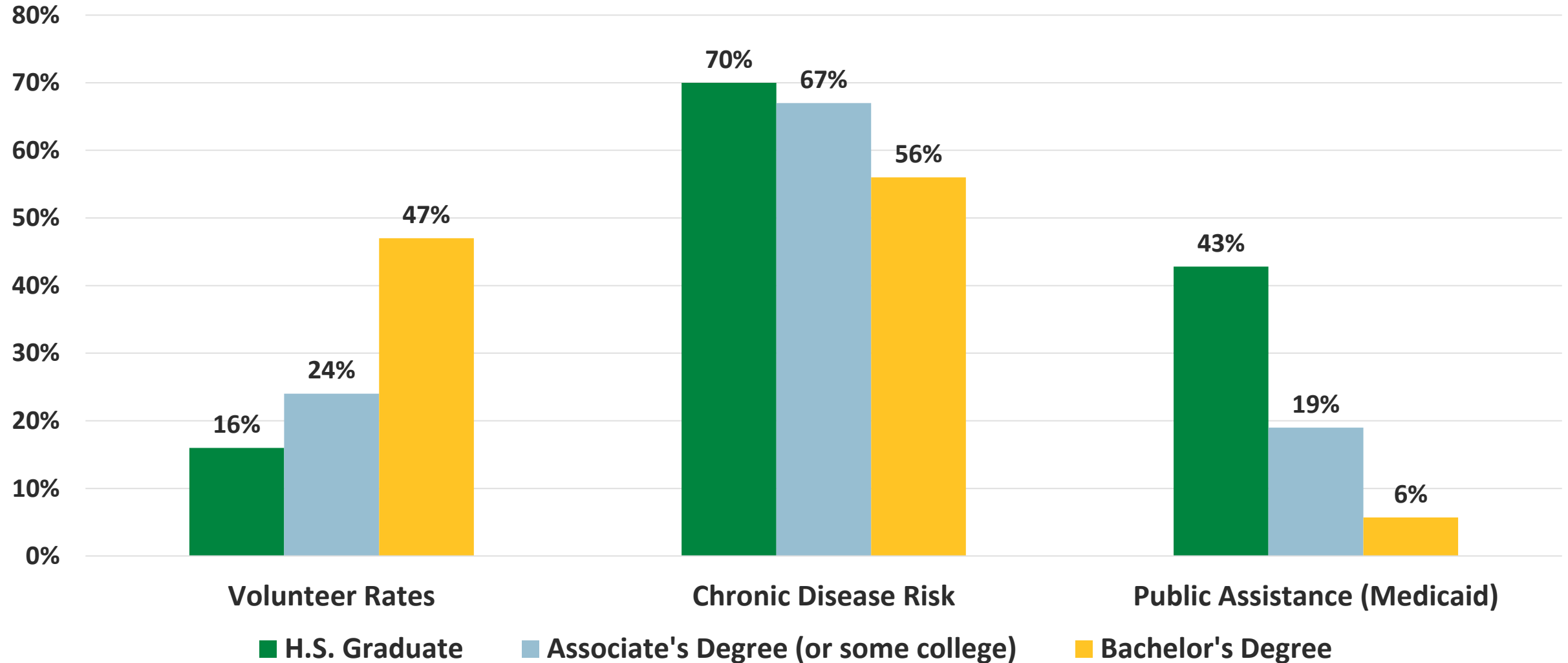
**62% of JOBS BY 2020
WILL REQUIRE SOME
POSTSECONDARY
EDUCATION**

**\$900 MILLION MORE IN
TAX REVENUE AND
COST SAVINGS BY
REACHING NATIONAL
AVERAGE FOR
ATTAINMENT**

Why Does Affordability Matter?

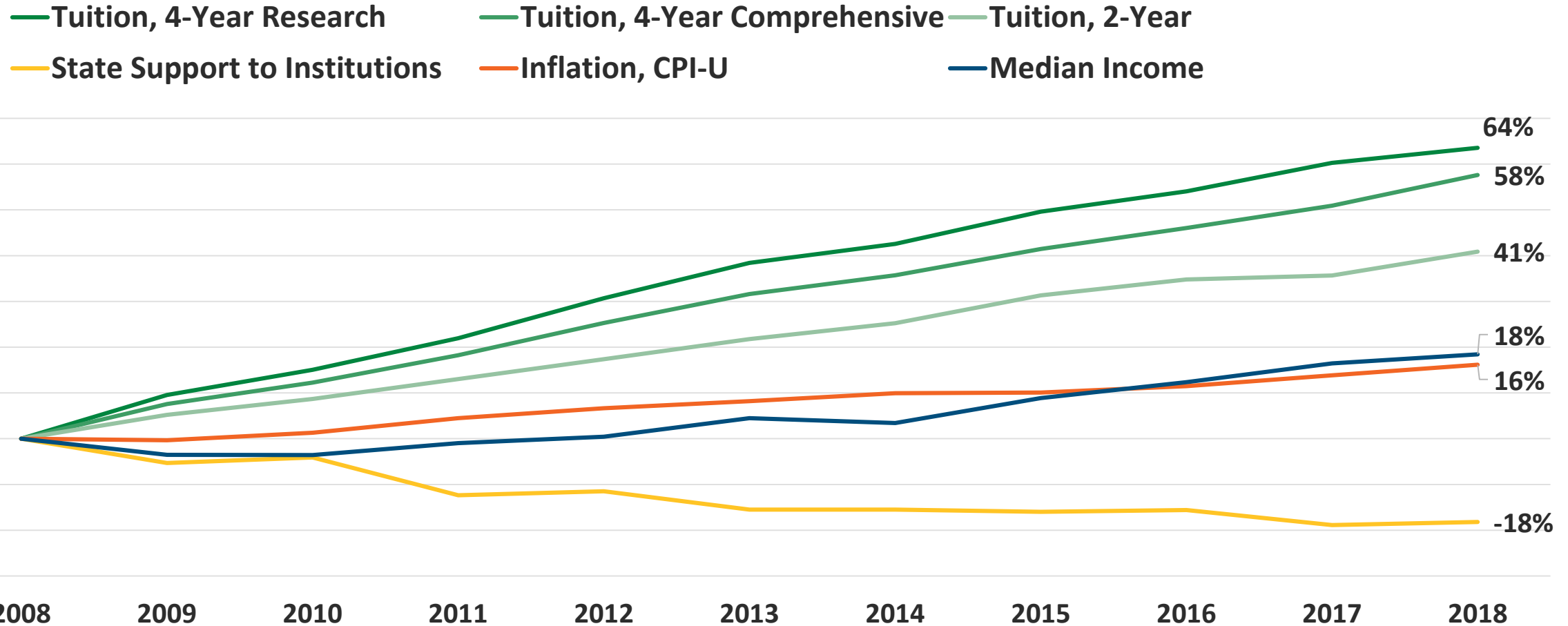


Why Does Affordability Matter?



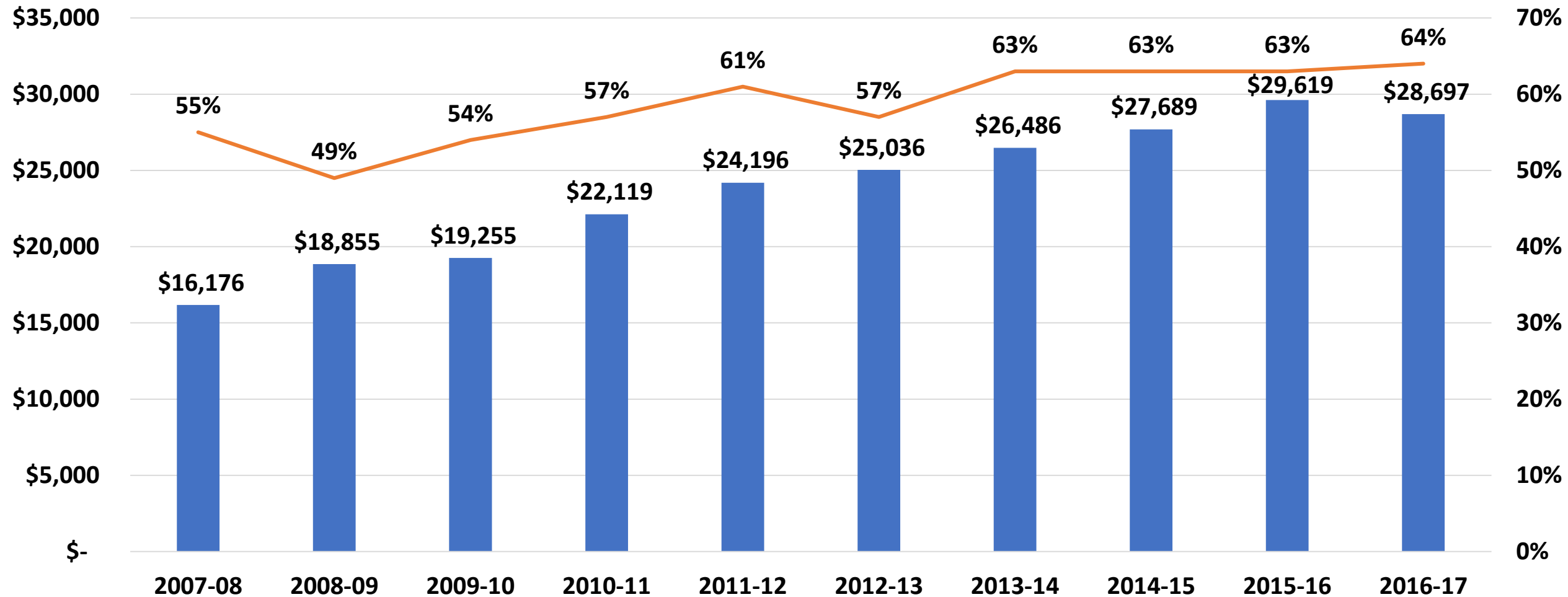
Trends that Impact Affordability Raise Concerns

Kentucky: Change in Tuition & State Support - Publics

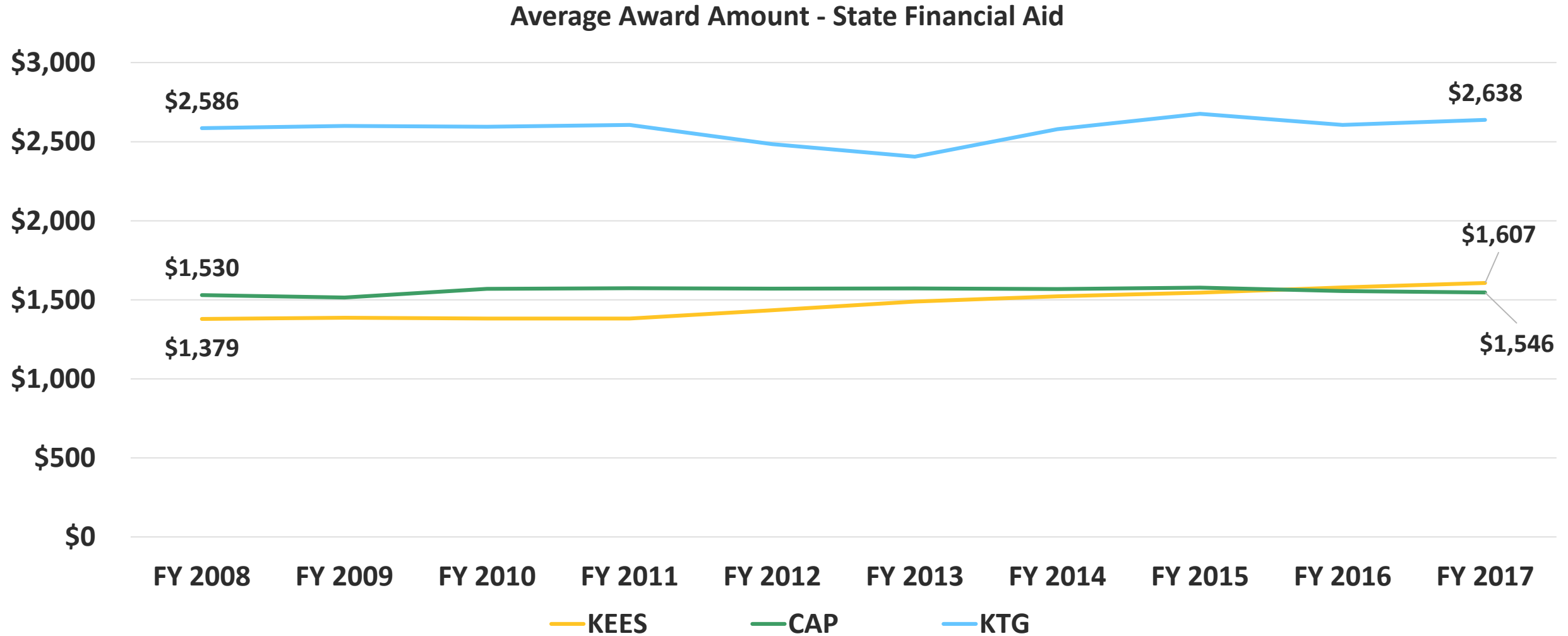


Trends that Impact Affordability Raise Concerns

Kentucky Public 4-Year Universities - Average Student Loan Debt & Percent Graduating with Debt

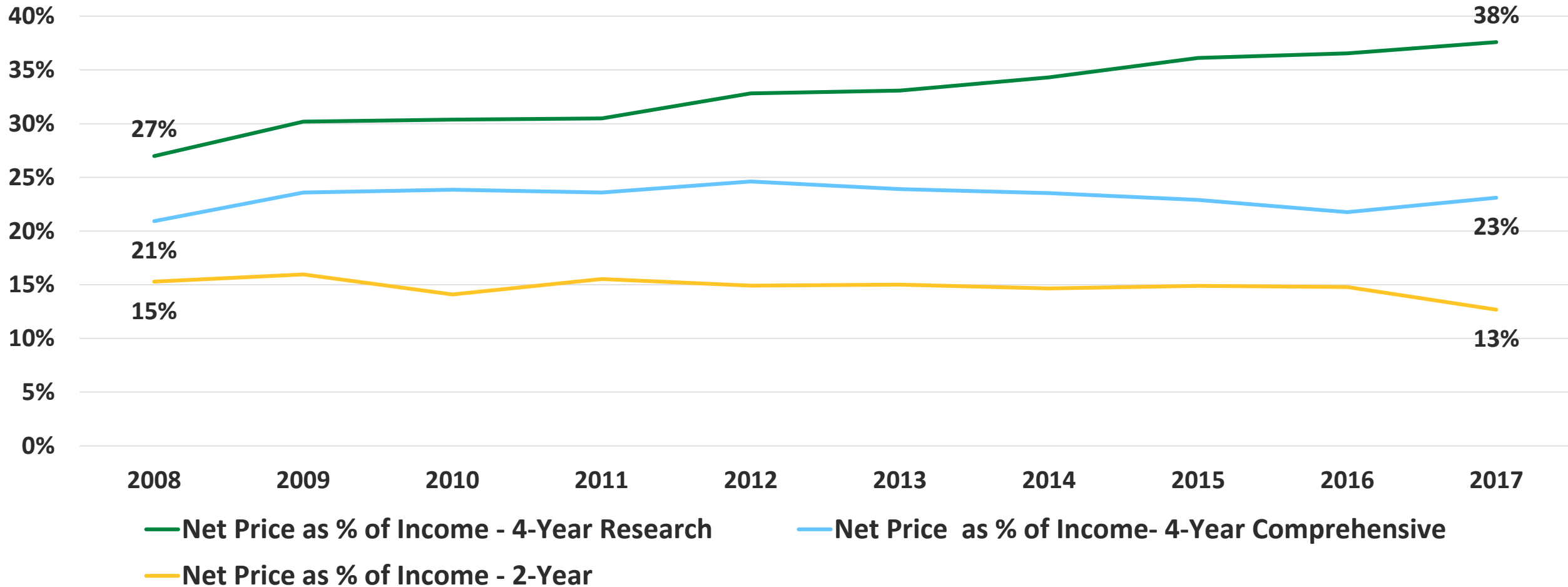


Trends that Impact Affordability Raise Concerns



Trends that Impact Affordability Raise Concerns

Net Price as a % of Income



Trends that Impact Affordability Raise Concerns

SREB – NET PRICE AS A % OF INCOME AT 2-YEAR PUBLIC COLLEGES - 2016

Family Income	Average in This Income Level, 2015	Percentage of Families in This Income Level, 2015	Net Price, 2015-16	Percentage of 2010 Income Needed	Percentage of 2015 Income Needed
Income \$0 - \$30,000	\$16,622	27%	\$5,163	33%	31%
Income \$30,000 - \$48,000	\$39,161	18%	\$5,222	15%	13%
Income \$48,000 - \$75,000	\$60,813	22%	\$7,415	14%	12%
Income \$75,000 - \$110,000	\$91,082	17%	\$9,900	11%	11%
Income \$110,000 and above	\$180,531	16%	\$10,258	6%	6%



Kentucky Must Better “Define” Affordability

- Guiding Principle - High-Quality Postsecondary Education Should Be Affordable
- Rooted in Shared Understanding of what affordability means and challenges facing students, families, institutions and policy makers.
- Recognizes the Shared Responsibility of all stakeholders in overcoming financial barriers and ensuring student success.

“Defining” Affordability is Difficult

- There is no single, simple measure such as annual tuition or median income.
- There are a variety of ways to consider:
 - Price
 - Ability to Pay
 - Value (Return on Investment)
- These all impact “actual” versus “perceived” affordability

Building an Affordability Framework

- **We are convening an Affordability Working Group in 2019 – Builds on a one-day symposium we convened in October 2017.**
- **Objectives**
 - **Assess Current Trends Impacting Affordability**
 - **Determine How Kentucky Might Measure Affordability**
 - **Define Affordability Goals**

Building an Affordability Framework

- **Impacts**
 - **Illustrate impact of funding policies on all students.**
 - **Communicate expectations regarding shared responsibilities of stakeholders – the state, institutions and students.**
 - **Support strategic investments and policies to make postsecondary education more affordable.**
 - **Inform funding decisions that align investments in institutions, financial aid programs and tuition.**

tuition

state
appropriations

student
loans

state
financial aid

affordability

return on investment

family
contribution

student
work

federal
grants

institutional
aid