

The Affordability Gap: How Philanthropy Can Support Postsecondary Education Attainment



September 25, 2024
2:00 PM – 3:00 PM ET

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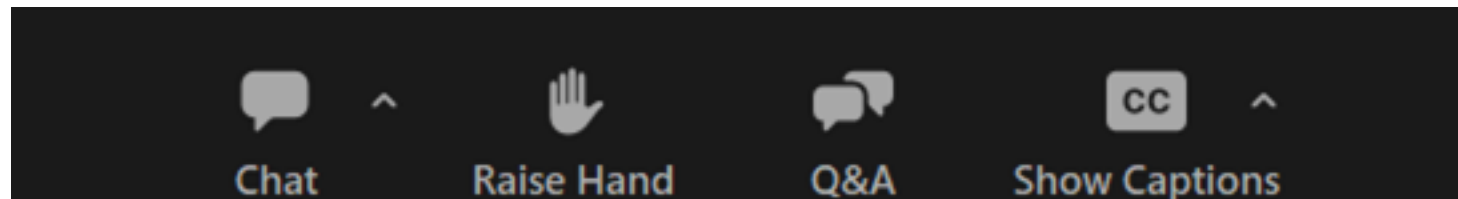
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Today's Session Agenda

- Welcome + Logistics + Overview and Framing
- NCAN Affordability Research
- Reactions to the Data and a Student Perspective
- Ways for Philanthropy to Engage
- Q&A
- Closing Remarks

Speakers



Catherine Brown
Senior Director, Policy and
Advocacy
National College Attainment
Network



Alfredo Camacho
Western Regional Director
Young Invincibles

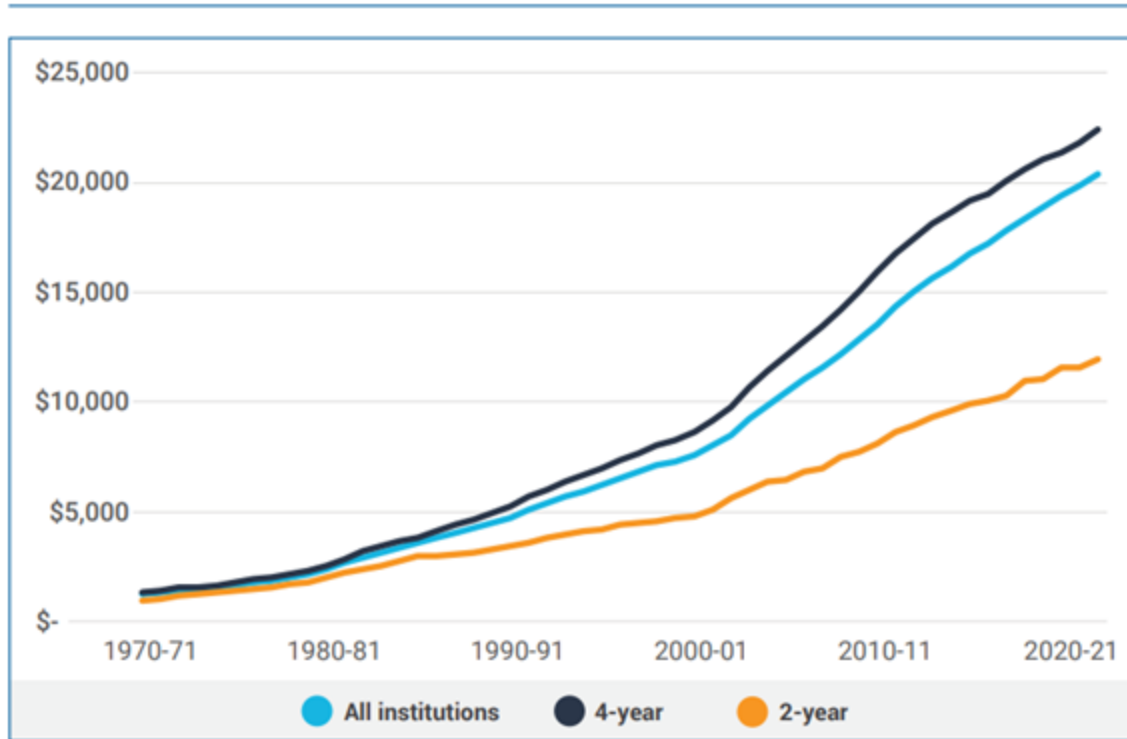


Astrid Morales
California Youth Advisory Board
Member
Young Invincibles

Asset Funders Network: NCAN Affordability Research

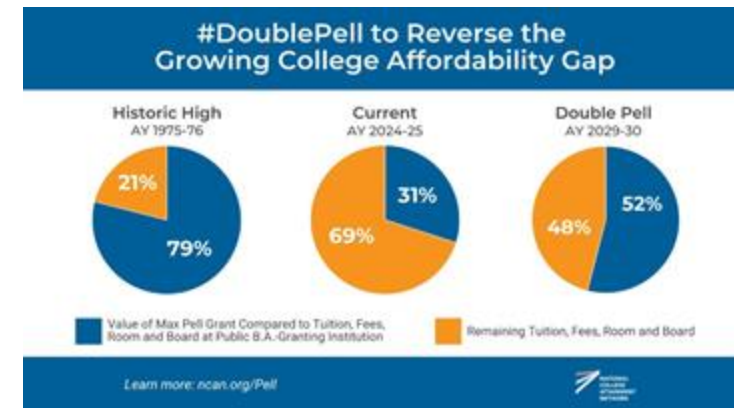
DECLINING COLLEGE AFFORDABILITY: THE CONTEXT

FIGURE 1. Cost of tuition, fees, and room and board at public institutions over time



SOURCE: U.S. Department of Education, National Center for Education Statistics, https://nces.ed.gov/programs/digest/d23/tables/dt23_330.10.asp

Federal disinvestment: The purchasing power of the federal Pell Grant, the cornerstone of federal financial aid, has eroded from 79% of the total cost of a public B.A.-granting institution in 1976 to 31% today.

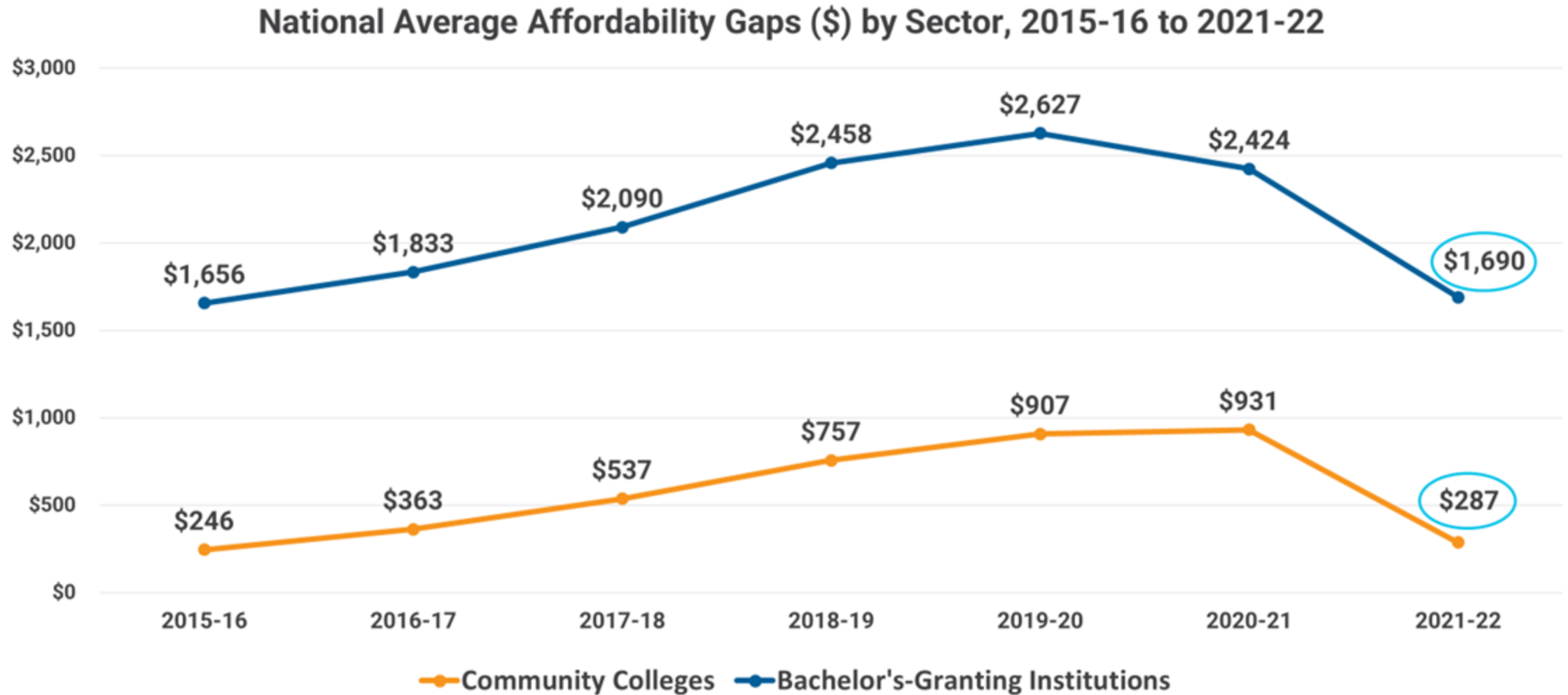


State disinvestment: State higher education funding was below pre-recession levels in 2018-19, and only rebounded in 2022. While the average student share of the cost of college was 20.9% in 1980, it was 41.7% by 2022.

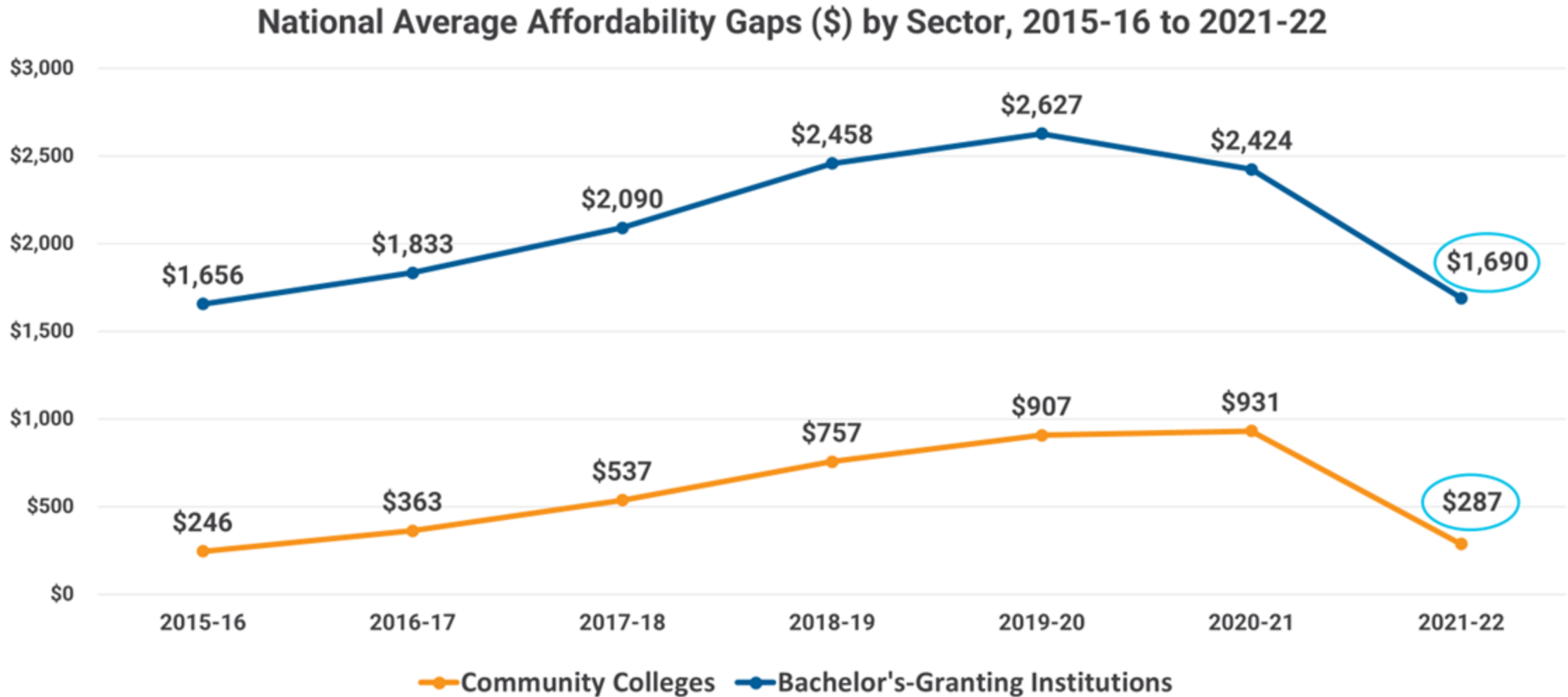
CALCULATING COLLEGE AFFORDABILITY: THE NCAN MODEL



TRENDS IN AVERAGE AFFORDABILITY GAPS

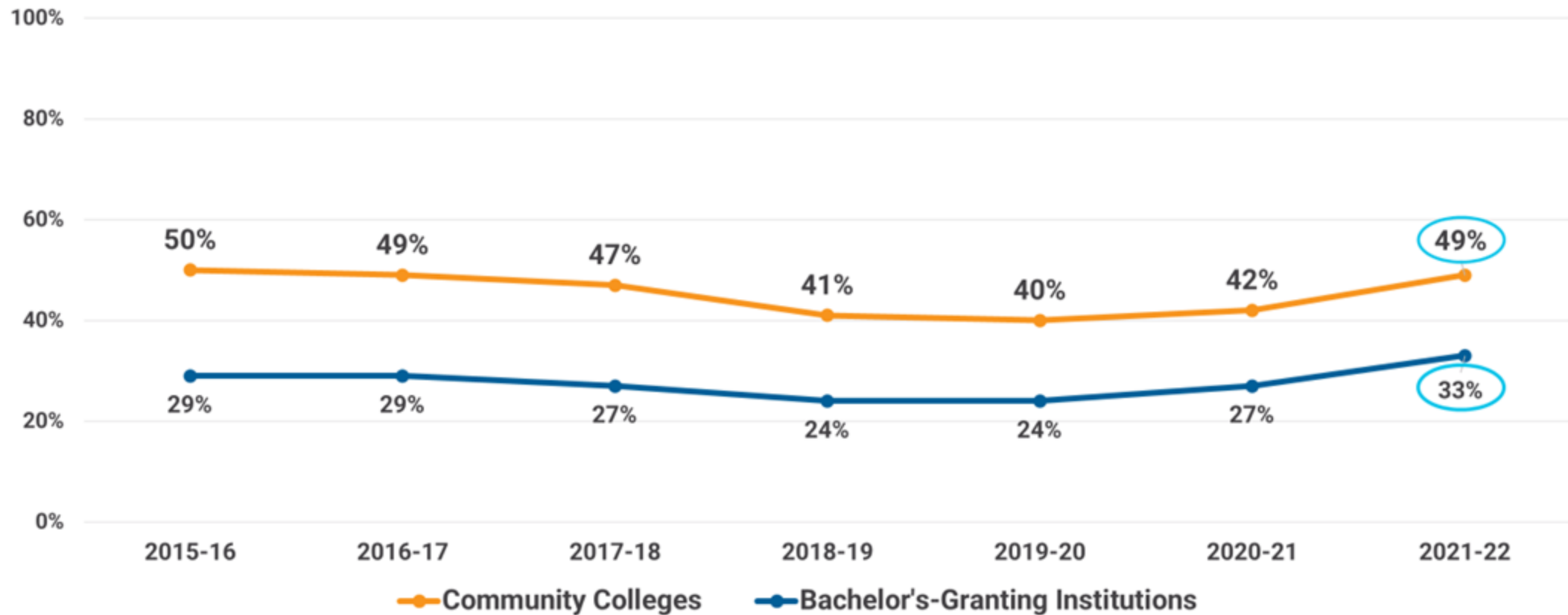


TRENDS IN AVERAGE AFFORDABILITY GAPS



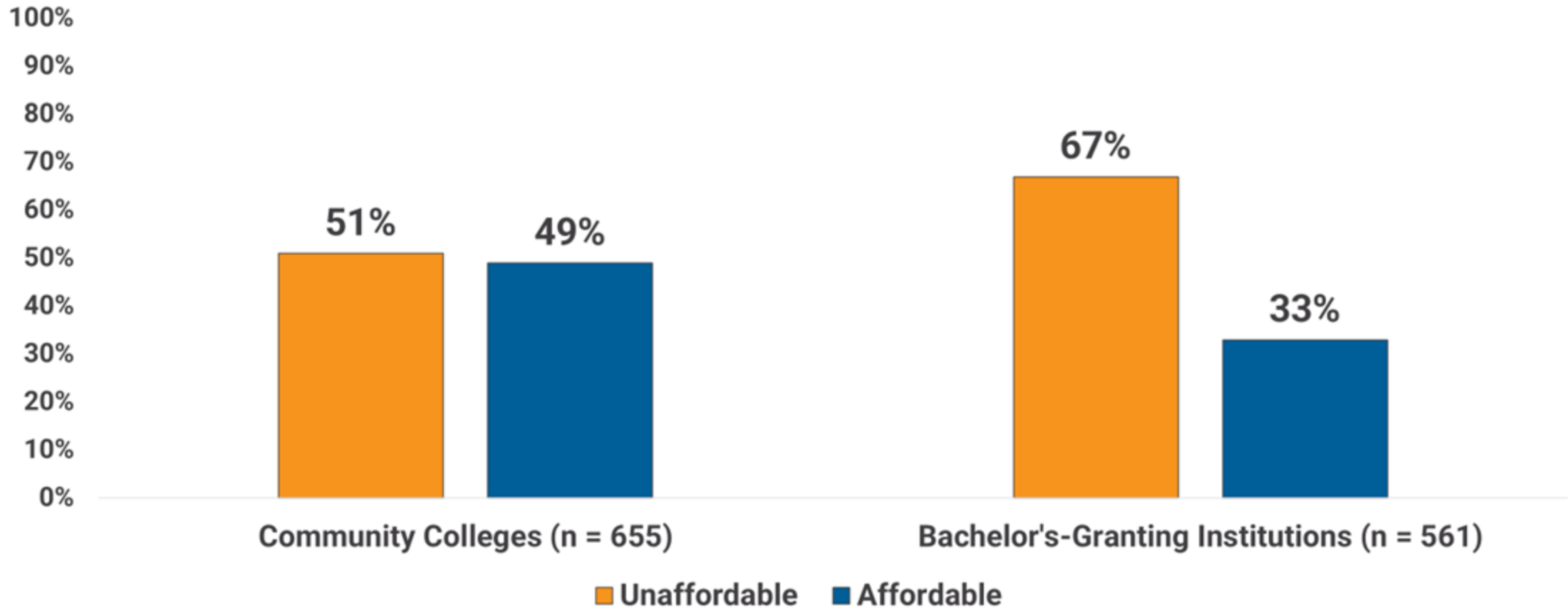
TRENDS IN PERCENTAGE OF AFFORDABLE INSTITUTIONS

Percent of Affordable Institutions by Sector, 2015-16 to 2021-22



NEW DATA: NATIONAL AVERAGE AFFORDABILITY (%) BY SECTOR

National Average College Affordability (%) by Institution Type, 2021-22



COMMUNITY COLLEGES: MOST & LEAST AFFORDABLE (BY AVG GAP)

Most Affordable:

1. Maine
2. Kentucky
3. New Mexico
4. Nebraska
5. Georgia

Least Affordable:

1. New Hampshire
2. Hawaii
3. Utah
4. Pennsylvania
5. New Jersey

BA-GRANTING INSTITUTIONS: MOST & LEAST AFFORDABLE (BY AVG GAP)

Most Affordable:

1. New Mexico
2. Florida
3. Washington
4. Wyoming
5. Arkansas

Least Affordable:

1. New Hampshire
2. Pennsylvania
3. New Jersey
4. Massachusetts
5. Connecticut

Addressing the College Affordability Gap

Alfredo Camacho & Astrid Morales

YOUNG 
INVINCIBLES

Students across the country are being forced to make impossible choices between paying tuition and covering basic needs such as housing and food.

This affordability gap threatens their educational progress and future economic opportunities.

Housing Insecurity and Basic Needs: A Growing Crisis

Skyrocketing housing costs in California mean that many students cannot afford both rent and tuition. Housing insecurity is a leading cause of students dropping out of college.

According to recent data, 35% of California's community college students experience basic needs insecurity.

Many students are juggling multiple jobs just to afford rent, which undermines their academic success.

The housing crisis, coupled with limited access to affordable education, places overwhelming pressure on young adults. The intersection of housing, food insecurity, and education costs is pushing too many California students out of higher education.

The Impact on Jobs and Economic Mobility

In California, many students are unable to complete their degrees on time due to the need to work long hours at low-paying jobs.

As students work to pay off college costs, they miss out on internships and opportunities that build career skills, limiting their future job prospects.

Low-wage jobs, combined with student debt, make upward mobility nearly impossible for many young adults in the state.

The lack of affordable higher education in California stifles students' ability to access quality jobs and grow wealth. Addressing the affordability crisis must include bridging the gap between education and meaningful, well-paying career opportunities.

Astrid's Story



FEDERAL POLICY RECOMMENDATIONS

- **Double the Pell Grant** to restore its purchasing power to cover at least 50% of the total cost of attending a B.A.-granting public postsecondary institution by 2029.
- **Create a federal-state partnership** to increase state investment and bring down the cost of college.
- **Increase funding for the Postsecondary Student Success Grant Program**, which funds evidence-based initiatives that increase degree attainment for students from low-income families.
- **Reform Federal Work-Study** so that it provides funds to schools with the largest portions of students from low-income backgrounds.
- **Expand SNAP access for college students**
- **Make child savings accounts** available nationally so that every child can begin to build wealth and save for college.

STATE POLICY RECOMMENDATIONS

- **Increase higher education spending** (operational funding for public postsecondary institutions and state financial aid programs) to at least exceed the amount invested prior to the Great Recession.
- **Ensure financial aid programs are well-targeted** towards students with financial need, first-dollar, cover the full cost of attendance and can be coupled with other forms of financial aid.
- **Streamline the number of state financial aid programs and reduce administrative barriers** to accessing state aid. Use FAFSA as the only application, eliminate background checks, community service, and other requirements.
- **Develop longitudinal data systems** that capture student outcomes by program and institution and share this data with college access providers to inform student choices.
- **Prohibit scholarship displacement** to ensure that students receive the support that they are awarded.

PROGRAMMATIC AND INSTITUTIONAL INVESTMENT RECOMMENDATIONS

- **Help low-income students access SNAP and other public safety net programs** to meet their basic needs.
- **Invest in proven initiatives to increase degree attainment**, such as mentors and coaches that provide personalized support including intensive academic and career advising, as well as wraparound supports such as childcare, scholarships, and emergency aid.
- **Invest in easy to access emergency aid programs** either at the state, institutional or community level.
- **Expand affinity groups, cohort models, summer bridge programs**, and other initiatives that help build community and a sense of belonging for first-generation, low-income students.
- **Solve "stranded credits"** by waiving unpaid balances and fees of less than \$1,500.

RECOMMENDATIONS FOR SCHOLARSHIP PROVIDERS

- **Center scholarships on students from low-to-modest income backgrounds, first generation college students, and students of color.**
- **Give awards that are of significant enough size** to fill gaps in the student's financial aid package, cover the full cost of attendance, and are renewable for at least four years.
- **Pair scholarships with impactful college access and success support services** provided by community-based partners.
- **Collect, measure, and share data** on scholarship recipients related to their enrollment, persistence, and completion of degrees and credentials.
- **Support easily accessible emergency aid funding.**

Q & A

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