Higher Education in PA: “What We’re Doing Isn’t Working”

April 27, 2023
Publicly Funded Colleges Are Essential To Realizing The American Dream

Public Colleges and State-Related Universities Account for 65% of All Pennsylvania College "Success Stories" - i.e., 65% of All Students That Come From Bottom 60% Households and Have Top 40% Incomes by Age 32-34

Private (4-year/2-year), 35%
Community Colleges, State System & State-Related Universities, 65%

Source: Keystone Research Center based Mobility Report Cards: The Role of Colleges in Intergenerational Mobility
http://www.equality-of-opportunity.org/college/
Low state investment = high tuition
PA underfunds higher education

We rank 47th in the nation for per capita funding for higher education, spending about half per capita than the national average.

Pennsylvania Has Very Low State Investment in Higher Education Compared to Other States

State higher education investment per capita, FY2021
Pennsylvania State Budget Allocation for Higher Education, 2008-09 to 2022-23
Billions of inflation adjusted 2021 dollars.

Source: Keystone Research Center analysis of multiple Pennsylvania state budgets.
The Price of College Has Outpaced the Change in Median Income in Pennsylvania

Relative change in price of college* by institution type compared to median household income (inflation adjusted 2021 dollars), 2002-2020

*This is the price of college for in-state students living on campus, which includes in-state tuition and fees, books and supplies, on campus room and board, and other on-campus expenses.

Pennsylvania Has the Worst Tuition Burden in the Nation for Whites, Blacks, and Hispanics; Black and Hispanic Students Face the Largest Burden

Average net price at public, four-year university as share of median household income, Pennsylvania, 2018

*In terms of price of four-year university as a share of median household income, Pennsylvania ranks worst in the nation for white non-Hispanics, Blacks, and Hispanics. 2nd worst for Asians and PA ranks 3rd highest in the nation overall.

Most Rural PA counties have no Community College Presence or “Out-of-District” Tuition

Community Colleges in Pennsylvania

- In-District Tuition
- Out-of-District Tuition
- No Campus or Instructional Site

With no affordable college, few PA HS grads seek financial aid.
Pennsylvanians Leave $271 Million in Federal Pell Grant Support “on the Table”

<table>
<thead>
<tr>
<th>Federal Dollars Left on the Table Because PA Public Colleges Have High Tuition and Don't Cover the State—$271 Million</th>
<th>Public Colleges</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recipients</td>
</tr>
<tr>
<td>Pennsylvania Share of National 2017-18 Pell Grants</td>
<td>2.4%</td>
</tr>
<tr>
<td>PA Pell Grants Currently</td>
<td>120,095</td>
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<tr>
<td>PA Share of US Population, 19-34</td>
<td>3.7%</td>
</tr>
<tr>
<td>Additional Recipients/ Funds if PA Received Its Share of 19-34 Population</td>
<td>64,873</td>
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<tr>
<td>Total Recipients/Funds if PA Received Its Share of 19- to 34-Year-Old Population</td>
<td>184,968</td>
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The Achilles Heel of PA Educational Attainment: The High Share of Folks with Exactly a HS Education (we rank 3rd)

<table>
<thead>
<tr>
<th>Educational Attainment Level</th>
<th>Share of PA Adults (25 and older) with this Education Level</th>
<th>PA Rank Out of 50 Staters</th>
</tr>
</thead>
<tbody>
<tr>
<td>High school graduate or higher</td>
<td>91.4%</td>
<td>20</td>
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<tr>
<td>High school graduate (includes equivalency) but no postsecondary education</td>
<td>33.8%</td>
<td>3</td>
</tr>
<tr>
<td>More than a high school education</td>
<td>57.5%</td>
<td>42</td>
</tr>
<tr>
<td>Bachelor's degree or higher</td>
<td>33.1%</td>
<td>22</td>
</tr>
<tr>
<td>Graduate or professional degree</td>
<td>13.2%</td>
<td>16</td>
</tr>
</tbody>
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Few HS Students in PA Are on a Career-Related On-Ramp to Postsecondary Education

<table>
<thead>
<tr>
<th>State</th>
<th>Share of Students Who Are CTE “Concentrators” (enrolled in CTE two or more years)</th>
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<tbody>
<tr>
<td>Pennsylvania</td>
<td>6.4%</td>
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<tr>
<td>New York</td>
<td>7.2%</td>
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<tr>
<td>New Jersey</td>
<td>10.9%</td>
</tr>
<tr>
<td>Maryland</td>
<td>11.5%</td>
</tr>
<tr>
<td>Ohio</td>
<td>16.5%</td>
</tr>
<tr>
<td>West Virginia</td>
<td>33.0%</td>
</tr>
<tr>
<td>Delaware</td>
<td>36.7%</td>
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</tbody>
</table>
In over half of Pennsylvania counties (35), the share of adults with more than a high-school degree is lower than in any of the 50 states (i.e., lower than West Virginia’s 48.1%).
Pennsylvania has a student debt problem
Student Loan Debt in Pennsylvania Increased Nearly Four Times Since 2003

Total student loan debt owed by residents of Pennsylvania, 2003-2020 (inflation adjusted to 2021)

Pennsylvania ranks third in the nation for the average amount of debt 2020 graduates left school with.

Pennsylvania ranks sixth in the nation for the percentage of 2020 graduates graduating with student debt.
The Governor recognizes that we have a problem
“And for those who choose to pursue college, it’s on us to rethink our system of higher education — because what we’re doing isn’t working.

Colleges competing with one another for a limited dollar — duplicating degree programs, driving up costs, and actually reducing access.

As enrollment declines and questions about the value of a college degree persist, it’s on us to once and for all have an honest dialogue about higher education in Pennsylvania.

I’ve tasked Acting Education Secretary Mumin to immediately convene our college and university presidents to pick up on the conversation I’ve already started with them.

They’ve agreed to engage in a constructive, time-limited working group so that when I stand before you next year, I can present a comprehensive and meaningful reform plan for higher education.”

Governor Shapiro’s Budget Address, March 7, 2023
Lack of Investment in Higher Education Hurts Us All

• It reduces economic growth and starves business of talent.
• It undercuts the American Dream and turns higher education from an engine of mobility to a cementer of immobility.
• It strangles the possibilities and the hopes of too many:
  • those who don’t go at all AND don’t have/find other postsecondary options.
  • those who get burdened with debt and must choose a career that pays rather than pursuing their passion.
• WE MUST DO BETTER.
Possible Solutions
What KRC Has Put on the Table

• Last-dollar scholarships to increase Pell grant draw-down and increase affordability with (mostly) federal $, “Pathway to the PA Promise of Affordable College and Good Paying Careers”

• A more comprehensive college affordability proposal, the Pennsylvania Promise

• State solutions to the student debt crisis
Thank you!