



Pennsylvania Partnerships for Children

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SEVENTY-FIVE PERCENT OF FUTURE JOBS IN PA REQUIRE EDUCATION BEYOND HIGH SCHOOL

PA Partnerships for Children Report Shows College Unaffordable **Students graduate with average debt of nearly \$24,000**

(HARRISBURG), Jan. 22, 2009 – Pennsylvania Partnerships for Children (PPC) today released a new report that shows while three-quarters of the jobs of the future require postsecondary education, less than half of today's workforce has the skills and education to fill these jobs. The price tag for college in Pennsylvania may be one reason for this knowledge gap. In "The High Cost of Higher Education," PPC notes that college costs in PA are the sixth most expensive in the nation and that 29 percent of family income is required to send a student to community college (after financial aid and student loans are calculated), while 41 percent of family income (of all income groups) is needed to pay for four-year institutions in the state.

In 2007, 71 percent of college students in Pennsylvania graduated with an average debt of nearly \$24,000. The cost of college tuition has out-paced economic conditions – and parents' ability to pay. Between 1984 and 2006, the Consumer Price Index increased 106 percent, median family income increased 147 percent, and the cost of college climbed 439 percent.

"Jobs of the future require postsecondary education yet our report shows college is financially out of reach for many Pennsylvania families. They simply can't keep up," said Joan L. Benso, President & CEO, PA Partnerships for Children. "The Commonwealth must do what it can to help all young people attend college. Doing so is an investment not only in our children, but in the future of our economy."

In Pennsylvania, about 265,000 young people of college age – 18 to 21 – live in families with income of less than \$41,000 for a family of four. The reality is that lower-income families must dedicate a significantly higher percent of their yearly income to pay for school than moderate and higher income families. Before student loans, families making \$20,000 or less with a dependent student

attending a PA State System of Higher Education (PASSHE) institution must devote an average of 73 percent of their income to pay for college, a significant hardship. Families making \$60,000 with a dependent student attending a PASSHE school must pay almost one-quarter of their income in college costs. And still, students graduate with oppressive debtloads.

In its report PPC outlines recommendations to help Pennsylvania students and their families pay for college. Two models to consider include last-dollar scholarships (after all other forms of financial aid have been exhausted) to low-income students, and alignment of college costs with family income that would establish the share of tuition a family pays based on their income. This model would not only provide greater assistance to low-income families, but middle-class families who struggle to send their children to college would benefit too.

Tuition, fees, room and board for Pennsylvania undergraduates at the 14 PASSHE schools total more than \$13,000 a year. The average student attending a PASSHE university receives \$4,300 in aid. This leaves a balance of \$8,700 annually. Whether or not a student can afford college depends on many factors – how much financial aid is available, and how much debt a student will have to take on are critical considerations for students and their families.

Adding to the money crunch is that in today's weakening economy, lenders are tightening credit requirements for private student loans, limiting the number and amount of loans and raising rates for potential students and their parents.

Katie Morgan is a senior at Indiana University of Pennsylvania (IUP) majoring in Public Relations. Morgan, from Harrisburg, said that although she has spent summers and breaks working to save money for tuition and has received PHEAA grants each semester to help defray the cost of her education, she will graduate in May owing about \$30,000. "I am terrified," Morgan said, "I don't know how I will find a job in this recession let alone earn enough to pay it all back."

To learn more about PPC's recommendations, financial aid data and statistics contained in this report, please go to www.papartnerships.org/collegeafford/ or contact Kathy Geller Myers, Communications Director, at 717-236-5680.

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