



College Access 2010 Elections

A Voice for Kids A Voice for Kids A Voice for Kids A Voice for Kids A Voice for Kids A Voice for Kids

Pennsylvania Partnerships for Children

Why it Matters

Pennsylvania's young people need to continue their education beyond high school. A traditional high school diploma is not enough anymore for the modern workforce. Careers in the competitive, global economy require education and skills that can only be obtained through postsecondary education. There are multiple pathways to success for our young people that include 4-year Bachelor's degrees as well as those highly skilled and highly compensated "gold collar" occupations which require education past high school, but often less than a 4-year degree – such as medical technicians, computer support analysts and architectural drafters.

Over the past few decades, there has been a dramatic shift from unskilled to skilled jobs in the U.S. and in Pennsylvania. Jobs for high school graduates, without any postsecondary education, are disappearing and those that remain do not provide self/family-sustaining wages.

The U.S. Bureau of Labor Statistics estimates that by 2020, the U.S. will face a shortage of 20 million qualified workers for the fastest growing job sectors – including health care and technology. In Pennsylvania there exists a significant disconnect between the education and skill requirements of jobs and the educational attainment of our workers. More than 75 percent of the jobs in the Commonwealth require workers with education beyond high school, yet less than half of the workforce currently has any postsecondary education.

We know our young people need postsecondary education to be successful and to earn enough to sustain themselves and their families. However, Pennsylvania is the sixth most expensive state in the nation to attend college and our college graduates are saddled with the seventh-highest average student loan debt in the nation – more than \$25,000.¹ The cost of college tuition has outpaced economic conditions – and our students' and families' ability to pay. Between 1984 and 2006, the Consumer Price Index has increased 106 percent, the median family income has increased 147 percent, and the cost of college has risen 439 percent.²

The Commonwealth must clearly take steps to make college more affordable for all of our young people.

What Works

All young people should have access to a college education regardless of their financial means. Ensuring that college is affordable for all students is an important economic issue for the Commonwealth. Young people who attend college have higher earnings and pay more taxes, are more likely to be employed, and less likely to live in poverty than their peers who do not attend college.³

Where Are We Now?

Although the vast majority of Pennsylvania's jobs require workers with education beyond high school, for many of our young people and their families, the affordability of college is out of reach. Roughly 265,000 young people in the Commonwealth live in families with incomes less than 200 percent of the federal poverty income guidelines – currently \$44,100 for a family of four. The share of family income - even after financial aid - needed to pay for college is substantial. It takes 29 percent of Pennsylvania household income (average for all income groups) to send a student to a community college, 41 percent to send students to a public four-year institution (PASSHE and state-related), and a staggering 87 percent of household income to attend one of Pennsylvania's private institutions.⁴

The average cost for a full-time resident undergraduate student (tuition, fees, room and board) to attend a Pennsylvania System of Higher Education (PASSHE) university this year is about \$14,500 per year.⁵ The average dollar amount of grants and scholarships for PASSHE students was \$4,274 (2007-08) which leaves a balance of more than \$10,000 per year.⁶

At Pennsylvania's 14 community colleges, the 2009-2010 average credit cost for a student from a sponsoring area is \$115, and for in-state students from non-sponsoring areas it's \$212.⁷ Full-time costs (32 credits) are \$3,680 and \$6,784 respectively.

The Time Is Now

Pennsylvania must support high school students who do not have the financial means to afford college, along with young people 25 years of age or younger who are returning to college or who dropped out but have gone back and earned their high school credential. In addition, we should not burden our college students with large student loan debt when they graduate. It's critically important that all students, including the economically and educationally disadvantaged, have the opportunity to go to college and are encouraged to attend.

Pennsylvania should make college more affordable by indexing the share of tuition that a student or family would pay at community colleges, PASSHE universities or state-related and private institutions (if the PASSHE tuition level and transfer credits will be accepted) based on income. The plan should provide tuition assistance to students from low- and middle-income families (earning up to \$100,000 a year). However, it's important that young people and their families also contribute. Therefore, the plan should require everyone to pay something, based on their income, and the minimum payment should be \$1,000 per year. Requiring all students to pay something toward their education will help to ensure that they do not take the opportunity for granted and will work hard and persist to earn their degree.

So for example, if a student is attending a PASSHE university (or a participating state-related or private institution), and the student is from a family earning less than \$32,000, he or she should be required to pay \$1,000 a year to attend; if the family earns \$45,000 a year he or she should pay \$2,250; and if the student is from a family earning \$75,000 a year, he or she should pay \$9,250 a year.

An example for a student attending one of the Commonwealth's community colleges (assuming the student is paying at the sponsored rate) would be as follows: If the family income of the student is under \$32,000 a year, that student already is receiving enough financial aid to pay less than \$1,000 a year; if the family earns \$45,000 a year the tuition payment should be \$1,000; and if the student is from a family earning \$75,000 a year, he or she should pay \$3,000 a year.

For Pennsylvania's economy to grow and succeed in today's global marketplace, we must ensure that our young people have the education and skills to compete. To do this, the Commonwealth must implement a strategy that ensures no young person is denied the opportunity to attend college because of financial barriers.

¹ The Project on Student Debt; Student Debt and the Class of 2008; December 2009

² The National Center for Public Policy and Higher Education; Measuring Up 2008. The National Report Card on Higher Education; December 2008; pg. 8

³ 2006-08 American Community Survey (B20004, B23006, B15004)

⁴ Measuring Up 2008: The State Report on Card on Higher Education – Pennsylvania; The National Center for Public Policy and Higher Education; 2008; pgs. 7-8.

⁵ PA State System of Higher Education News Release; PASSHE Board of Governors Approves Tuition Increase; July 16, 2009

⁶ PA State System of Higher Education Fact Book 2007-2008

⁷ PA Commission for Community Colleges; PA Community Colleges' 2009-10 Tuition and Fees