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CONTACTS: [Shannon Serrato](#), 510-318-7915  
[Emily Hecker](#), 202-371-1999

## College (Un)Affordability: Lowest Income Students Face Highest Cost Burdens at 2- and 4-Year Public Colleges in All 50 States, Even After Aid, New Analysis Finds

A sobering new analysis released today by The Institute for College Access & Success (TICAS) finds striking inequities in public college affordability, both within and across states. [College Costs in Context: A State-by-State Look at College \(Un\)Affordability](#) exposes the financial burdens that the actual costs of getting a public college education place on students at different income levels. While college costs are high relative to family incomes for most students in most states, the lowest income students face by far the most extreme and unrealistic financial expectations.

*Nationally, families that earn \$30,000 or less have to spend 77 percent of their total income to cover the average net price of going to a four-year school, and 50 percent of their total income for a two-year school – more than double the burden placed on any other income group. “Net price” is the total cost of college – books, transportation, and living expenses, as well as tuition and fees – minus state, federal, and college grants and scholarships. In 15 states and D.C., the net price for the lowest income students at four-year colleges is more than 100 percent of total family income.*

*College Costs in Context* is unique in focusing on affordability as the share of family income required to cover the net price paid by students at each income level, and the number of hours low-income students would have to work to cover the price they’re asked to pay.

“College prices alone don’t tell you whether they’re affordable for a given family,” said **Debbie Cochrane**, vice president of TICAS and report co-author. “The net price of college may be lowest for the lowest income families, but a family living on \$30,000 per year cannot realistically devote more than half of its income to college and still cover basic necessities.”

Other findings from *College Costs in Context*:

### Wide Variations by State

- To pay the net price of going to a public, four-year college as an in-state, full-time student, the share of total income required from those with family incomes of \$30,000 or less ranges from a high of 146 percent in D.C. to a low of 55 percent in California. At community colleges, the share of total income required for the lowest income students ranges from a high of 120 percent of income in New Hampshire to a low of 35 percent in Michigan.
- The affordability gap is widest in the D.C., Mississippi, Idaho, and Utah: the lowest income students must commit more than eight times the share of income than the highest income students to cover the net price of four-year college. The gap is narrowest in California, Washington, and New York, where the share of family income required for the neediest students is still at least 3.5 times higher than for the wealthiest families.

### Work Hours Needed to Cover the Net Price are Excessive in Many States

- In nine states and D.C., the lowest income students would need to work more than 40 hours per week at minimum wage to cover the net cost of public four-year college, and more than 20 hours per week in all but one state. At community colleges in 27 states plus D.C., the lowest income

students would also have to work more than 20 hours per week to cover their net price. Research shows that working more than half time reduces students' odds of graduating.

- In no state do public four-year or two-year colleges meet the Lumina Foundation's affordability benchmark for students with family incomes under 200% of poverty, for whom the net price of college is not supposed to exceed the equivalent of 10 hours of work per week.

#### Low and Moderate Income Families' Burdens Even Greater Considering Discretionary Income

- Looking at discretionary income – what families have left after paying for food, housing and other necessities – puts inequitable burdens into even starker relief. Families with incomes up to \$30,000 have *no* discretionary income to put towards college costs, yet they are expected to pay on average \$6,057 per year to attend a two-year college or \$9,310 for a public four-year college. For students with family incomes between \$30,001 and \$48,000, two-year college costs require about a third (32%) of discretionary income, and four-year college costs require more than half (53%).

#### Disproportionate Impact by Race/Ethnicity

- Because the majority of African-American, Latino, and Native-American college students have family incomes under \$30,000, the heavy affordability burdens placed on low-income students reinforce both income and racial/ethnic disparities in college attainment.

“We will not achieve equity in college enrollment and completion until federal and state student aid recognize the full cost of attending college and direct more aid to those with the greatest need,” said **Lindsay Ahlman**, senior policy analyst at TICAS and report co-author.

To narrow gaps in college affordability, TICAS recommends that policymakers focus where the problems are most severe by strengthening need-based federal Pell Grants, improving state aid programs, and promoting state investment in higher education. The maximum federal Pell Grant covers the smallest share of college costs in more than 40 years, and Pell Grant recipients – the vast majority of whom have family incomes of \$40,000 or less – are more than twice as likely as other students to have student loans and owe much more when they graduate. Improving and increasing state grant aid will also help narrow affordability, enrollment, and completion gaps, and states should assess the inequitable impact that early application deadlines, age restrictions, and prohibitions on using grants for non-tuition college costs can have on students' access to needed aid. A new federal investment that promotes state higher education spending would help increase affordability for low- and middle-income students at public colleges, which serve more three-quarters of all undergraduates. On average, state higher education spending is 17 percent lower than before the recession.

*College Costs in Context* includes national and state-level cost and affordability data for students at community colleges and public four-year schools, which can be compared by state, type of school, and income group. A sortable spreadsheet, the full report, and additional graphics can be downloaded at <http://www.ticas.org/content/pub/college-costs-context>.

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*An independent, nonprofit organization, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see [www.ticas.org](http://www.ticas.org) or follow us on [Twitter](#) and [Facebook](#).*