



BEARING THE BURDENS OF COLLEGE COSTS: A Look at College Affordability by Student Race and Income at California's Public Two- and Four-Year Colleges and Universities

California's public two- and four-year colleges and universities serve the vast majority of the state's college students including BIPOC students and those from low-income households. This fact sheet highlights the extent to which these students' total college costs are covered by financial aid, how much of their annual family income is required to afford their out-of-pocket college costs, and the financial aid reforms policymakers must prioritize to better serve students and increase educational attainment.

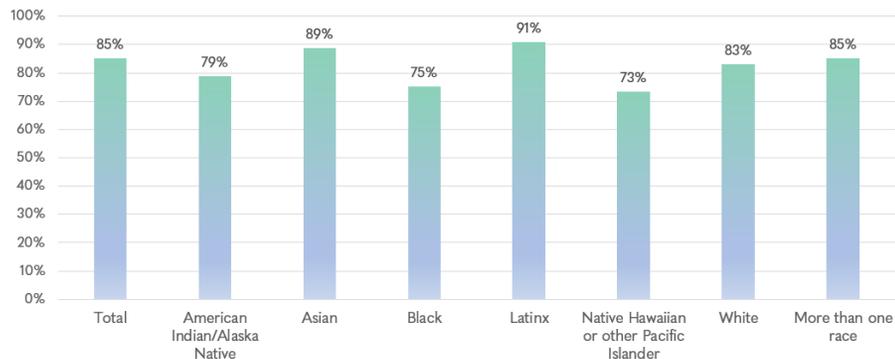
Robust and equitable state financial aid programs are critical for student success and a key driver of educational attainment rates. The Cal Grant is the cornerstone of college affordability in California, but new investments are needed to further strengthen and expand the program to increase student enrollment and completion, and to close racial and economic equity gaps. Despite the Cal Grant program being one of the largest grant programs in the nation, students attending public colleges in California continue to face substantial financial barriers which must be eliminated.

WHERE ARE CALIFORNIA'S COLLEGE STUDENTS ENROLLED AND HOW MUCH DO THEIR FAMILIES EARN ANNUALLY?

California's public two- and four-year colleges and universities serve the vast majority (85%) of all students in the state and most students of every race/ethnicity. Notably, about nine in ten Asian (89%) and Latinx (91%) students attend the state's public two- and four-year institutions.

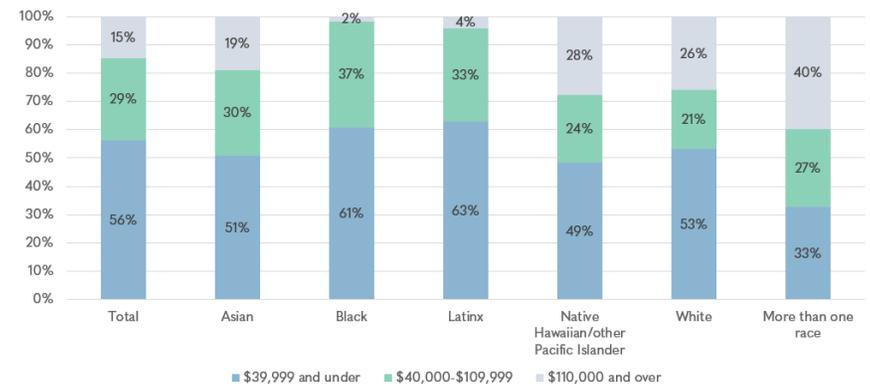
Over half (56%) of the students who attend public two- and four-year institutions in California come from families that earn under \$40,000 annually, as do most Pell Grant recipients nationwide.¹ More specifically, Black (61%) and Latinx (63%) students are more likely to come from low-income backgrounds and most students of every race/ethnicity are from families that earn less than \$110,000 annually, the income ceiling for a family of four under the current Cal Grant program.²

Share of All Students Attending CA Public 2- and 4-year Institutions by Race/Ethnicity, 2019-20



Note: Calculations by The Institute for College Access & Success (TICAS) using 2019-20 12-month enrollment data from the Integrated Postsecondary Education Data System (IPEDS).

Students Attending California Public Two- and Four-Year Institutions by Race/Ethnicity and Income, 2017-18

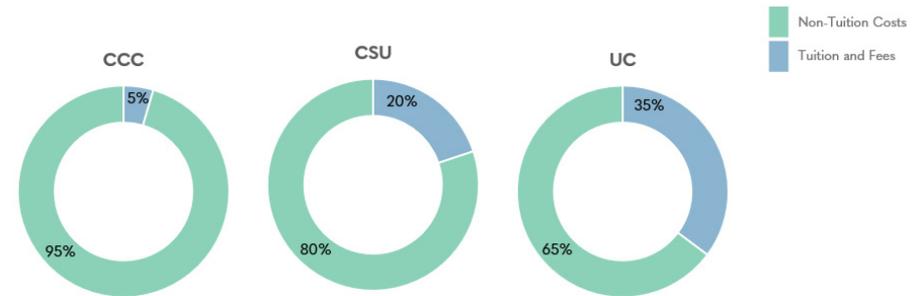


Note: Calculations by TICAS using 2017-18 data from the National Postsecondary Student Aid Study, Administrative Collection (NPSAS:18-AC); estimates for Black students with annual family income of \$110,000 and above should be interpreted with caution, as the standard error represents more than 30 percent of the estimate. Estimates for American Indian or Alaska Native students are not included due to large standard errors. Estimates for each student race/ethnicity may not add up to 100% due to rounding.

HOW DOES THE CAL GRANT STACK UP AGAINST TOTAL COLLEGE COSTS AT CALIFORNIA'S PUBLIC COLLEGES?

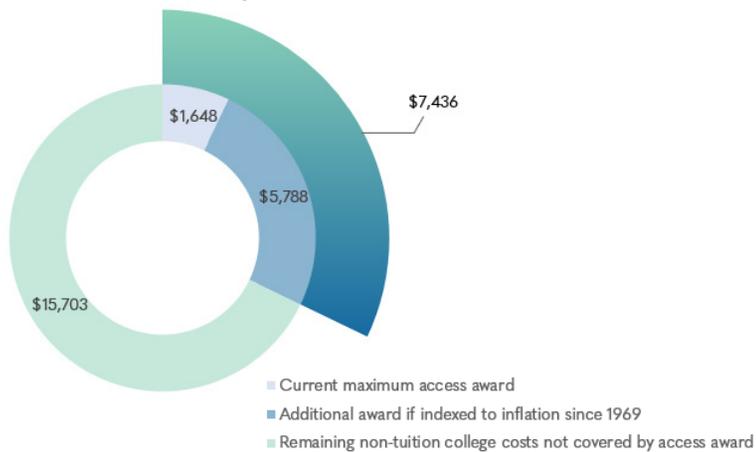
To help students afford tuition and fees, Cal Grant recipients at the California State University (CSU) and the University of California (UC) receive Cal Grant awards that provide full statewide tuition and fee coverage. Similarly, eligible students at the California Community Colleges (CCC) can also have their enrollment fees waived under the California College Promise Grant. While tuition assistance remains an important factor in a student's ability to afford college, for many students at public two- and four-year institutions,³ non-tuition costs like housing, food, and books comprise the majority of total college costs.

Academic Year 2021-22 College Costs for California Public College Students Living Off Campus



Note: Created by The Institute for College Access & Success (TICAS) using 2021-22 Student Expense Budget from the California Student Aid Commission (CSAC). <https://bit.ly/3IZLUJ8>

Cal Grant Access Award Coverage of Non-Tuition College Costs, 2021-22



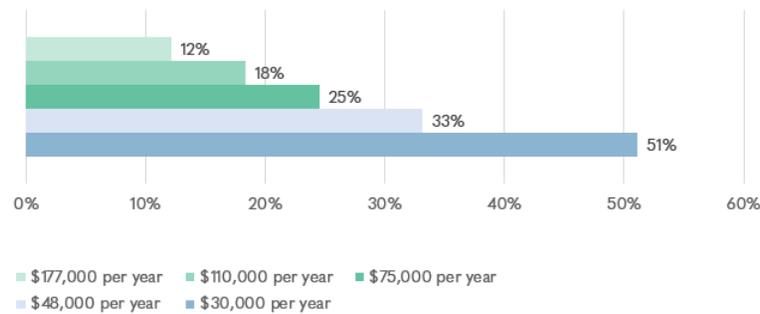
The Cal Grant access award, which helps students cover these critical non-tuition college costs, has dramatically lost value over the years. The maximum award amount today (\$1,648) only covers about seven percent of students' non-tuition costs but had the access award been indexed to annual inflation from the time of its inception in 1969, it would be worth about \$7,400 today.⁴

Note: Calculations on non-tuition college costs by TICAS using the 2021-22 Student Expense Budget from the California Student Aid Commission (CSAC), <https://bit.ly/3afo2VC>; calculations on access award indexation by TICAS using the California Consumer Price Index (CCPI) values from June 1969, the inception of the award program, and June 2021, based on the original award amount of \$900, <https://bit.ly/3yLxhXP>

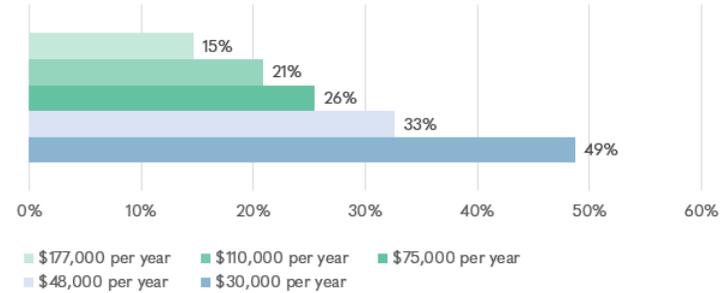
According to a previous TICAS analysis, the lowest-income California college students still face substantial out-of-pocket costs across all three segments of the state’s public colleges and universities, even after taking into account federal, state, and institutional grant aid.⁵

Additionally, college costs demand the largest share of family income for the lowest-income families, resulting in a higher likelihood of bearing student loan debt to cover remaining college costs.⁶ Notably, students attending CCC and CSU from the lowest-income backgrounds would need to put forward about half of their annual family income to cover college expenses – also known as “net costs” – after available grant aid.

Share of Annual Family Income Needed to Cover Average Net College Costs at CCC, 2019-20



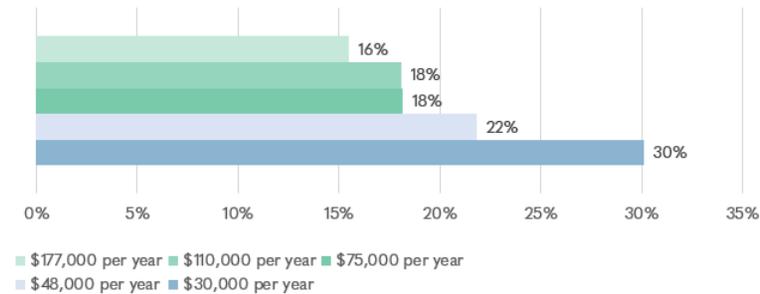
Share of Annual Family Income Needed to Cover Average Net College Costs at CSU, 2019-20



Note: Calculations by TICAS using 2019-20 student financial aid data from IPEDS; note that the Student Financial Aid cohort includes only first-time, full-time students. Calculations are based on the highest points of each income band set by IPEDS, e.g., calculations for the \$30,000-\$48,000 income range uses \$48,000 as the denominator; for students from families earning less than the highest point in each income range, they may have to put forward a larger share of their annual income to afford college. For the \$110,000 and above income range, we used \$177,000 as the highest point, the maximum annual household income and asset amount to qualify for the Middle Class Scholarship in 2019-20, the year with the most recent publicly available data, <https://bit.ly/3MS7rWs>.

Note: Calculations by TICAS using 2019-20 student financial aid data from IPEDS; note that the Student Financial Aid cohort includes only first-time, full-time students. Calculations are based on the highest points of each income band set by IPEDS, e.g., calculations for the \$30,000-\$48,000 income range uses \$48,000 as the denominator; for students from families earning less than the highest point in each income range, they may have to put forward a larger share of their annual income to afford college. For the \$110,000 and above income range, we used \$177,000 as the highest point, the maximum annual household income and asset amount to qualify for the Middle Class Scholarship in 2019-20, the year with the most recent publicly available data, <https://bit.ly/3MS7rWs>.

Share of Annual Family Income Needed to Cover Average Net College Costs at UC, 2019-20



Note: Calculations by TICAS using 2019-20 student financial aid data from IPEDS; note that the Student Financial Aid cohort includes only first-time, full-time students. Calculations are based on the highest points of each income band set by IPEDS, e.g., calculations for the \$30,000-\$48,000 income range uses \$48,000 as the denominator; for students from families earning less than the highest point in each income range, they may have to put forward a larger share of their annual income to afford college. For the \$110,000 and above income range, we used \$177,000 as the highest point, the maximum annual household income and asset amount to qualify for the Middle Class Scholarship in 2019-20, the year with the most recent publicly available data, <https://bit.ly/3MS7rWs>.

Despite having access to a relatively robust state need-based financial aid program compared to others across the nation, California college students have long faced college affordability challenges. The COVID-19 pandemic has only exacerbated these struggles; many students, particularly those who identify as Black, Indigenous, Latinx, and Filipino, have had to prioritize employment and family obligations over college attendance.⁷ While last year's creation of the CCC Expanded Entitlement award – which lifted the age and time-out-of-high school eligibility criteria that kept older, returning students from accessing Cal Grant aid – has already expanded access to tens of thousands more under-resourced students, continuing to widen and deepen the coverage of need-based financial aid will allow many more Californians to reenroll or persist in college without working or borrowing excessively.⁸

To ensure that the Cal Grant access award keeps pace with the rapidly growing non-tuition expenses that comprise the majority of most Californians college costs, **state policymakers should index the access award to an annual growth factor – the change in annual inflation, at a minimum.**⁹ Doing so will ensure that the access award does not continue to lose value, a protection that is already built into Cal Grant tuition and fee coverage for students at CSU and UC. **Other priority steps to equitably reform the Cal Grant program, as proposed in recent state legislation,¹⁰ include:**

- » Streamlining and simplifying the Cal Grant program, and aligning eligibility with the federal Pell Grant so that students and their families have a clearer understanding of the types of grant aid they can expect to receive; and
- » Removing additional, non-financial eligibility criteria – such as high school GPA for community college students – to allow additional older, returning students with financial need to access grant aid.

ENDNOTES

¹ Calculations by TICAS using data from the U.S. Department of Education, 2019-20 Federal Pell Grant Program End-of-Year Report, Table 71. Of the Pell Grant recipients with family incomes above \$40,000, nearly two-thirds (66%) have families of four or larger and almost two in five (37%) have families of five or larger.

² California Student Aid Commission, “2021-22 Cal Grant Program Income and Asset Ceilings,” July 14, 2021, <https://bit.ly/3aqew22>.

³ About 56% of students attending public two- and four-year colleges and universities in California live off-campus independently, based on calculations by TICAS using 2017-18 data from the National Postsecondary Student Aid Study, Administrative Collection (NPSAS:18-AC).

⁴ Calculations on access award indexation by TICAS using the California Consumer Price Index (CCPI) values from June 1969, the inception of the award program, to June 2021, and the original award amount of \$900, <https://bit.ly/3yLxhXP>.

⁵ TICAS, *What College Costs for Low-Income Californians: 2020*, July 2020, <https://bit.ly/3t1lj8J>.

⁶ University of California, *Annual Accountability Report 2021*, Indicator 2.3.6: Student loan debt burden of graduating seniors by parent income, 2021, <https://bit.ly/3z2aaYW>; TICAS and Cal State Student Association, *Where Debt Comes Due at CSU*, December 2017, <https://bit.ly/38MhCg7>.

⁷ TICAS, May 24, 2021, “The Uneven Cost of COVID-19 on College Completion in California,” <https://bit.ly/3NQ8YNr>.

⁸ California Student Aid Commission, “Operations Memo: 2021-22 Cal Grant California Community College Entitlement Award Offers,” November 15, 2021, <https://bit.ly/3GvZ3JT>.

⁹ TICAS, “Memo: Ensuring Cal Grant Reforms Support Meaningful Coverage of Students’ Non-Tuition College Costs,” January 19, 2021, <https://bit.ly/3rEnr6A>.

¹⁰ Assembly Bill 1746 (Medina, McCarty, Leyva; 2022); California Student Aid Commission, *Cal Grant Equity Framework: The Next Steps Needed to Fixing Financial Aid Shortfalls For Students*, April 2022, <https://bit.ly/3sMKcFO>.