



# **Growing Financial Barriers To Higher Education**

Yes We Must Coalition

March 28, 2023

Tom Mortenson, Senior Scholar

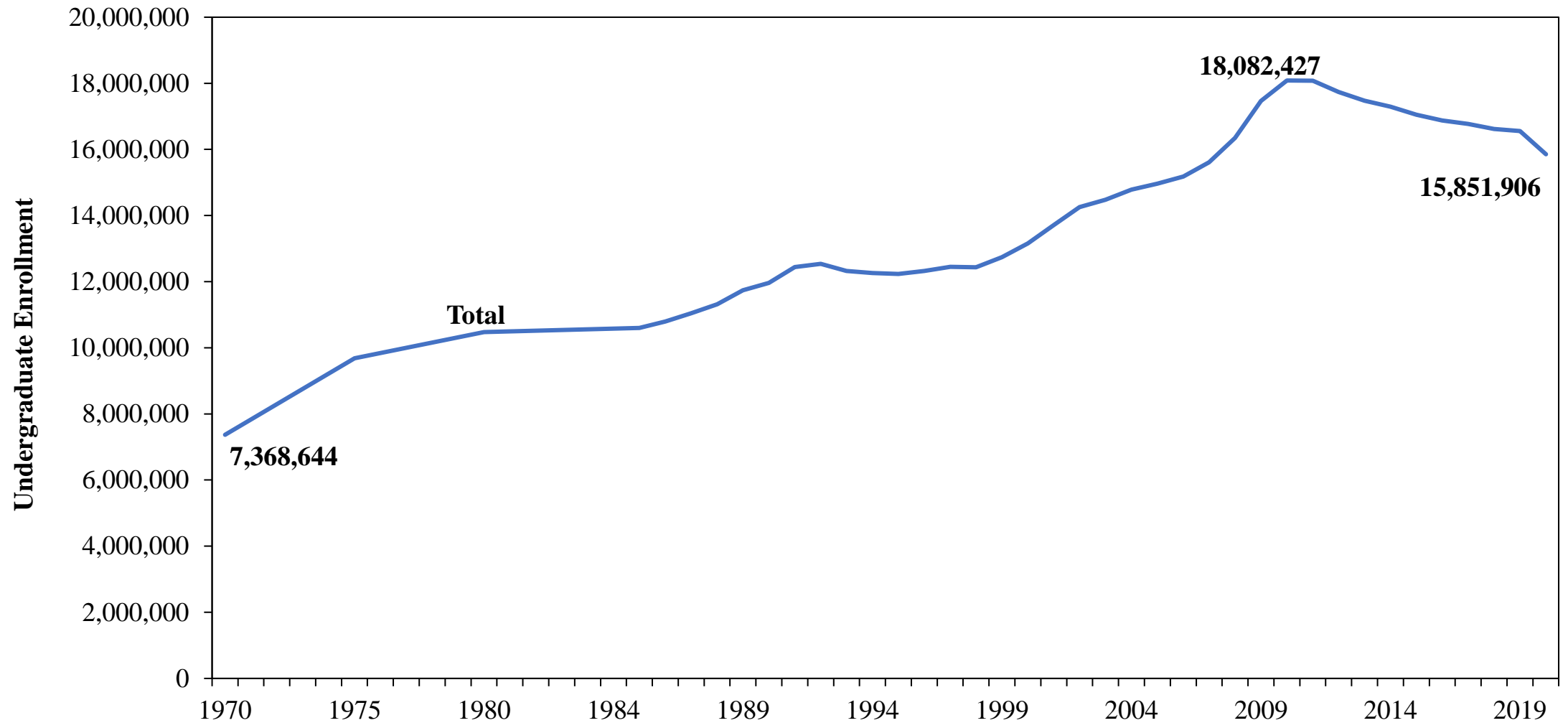
Nicole Brunt, Research Associate

The Pell Institute for the Study of Opportunity in Higher Education

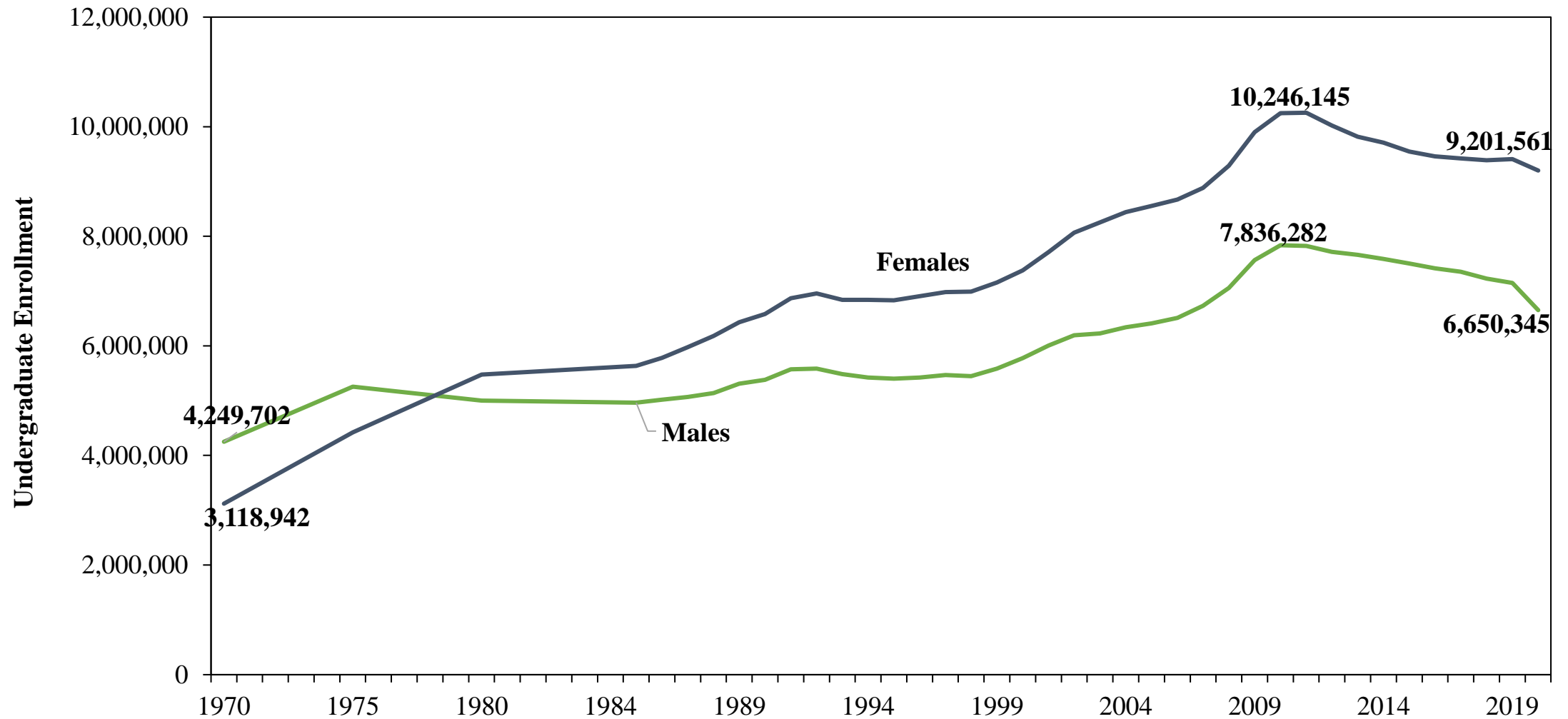
# **Growing Financial Barriers to Higher Education**

- **Declining enrollment since 2010**
- Contexts for the decline
- Financial barriers to college
- Public policy choices
- \$30,000 Pell Grant maximum award

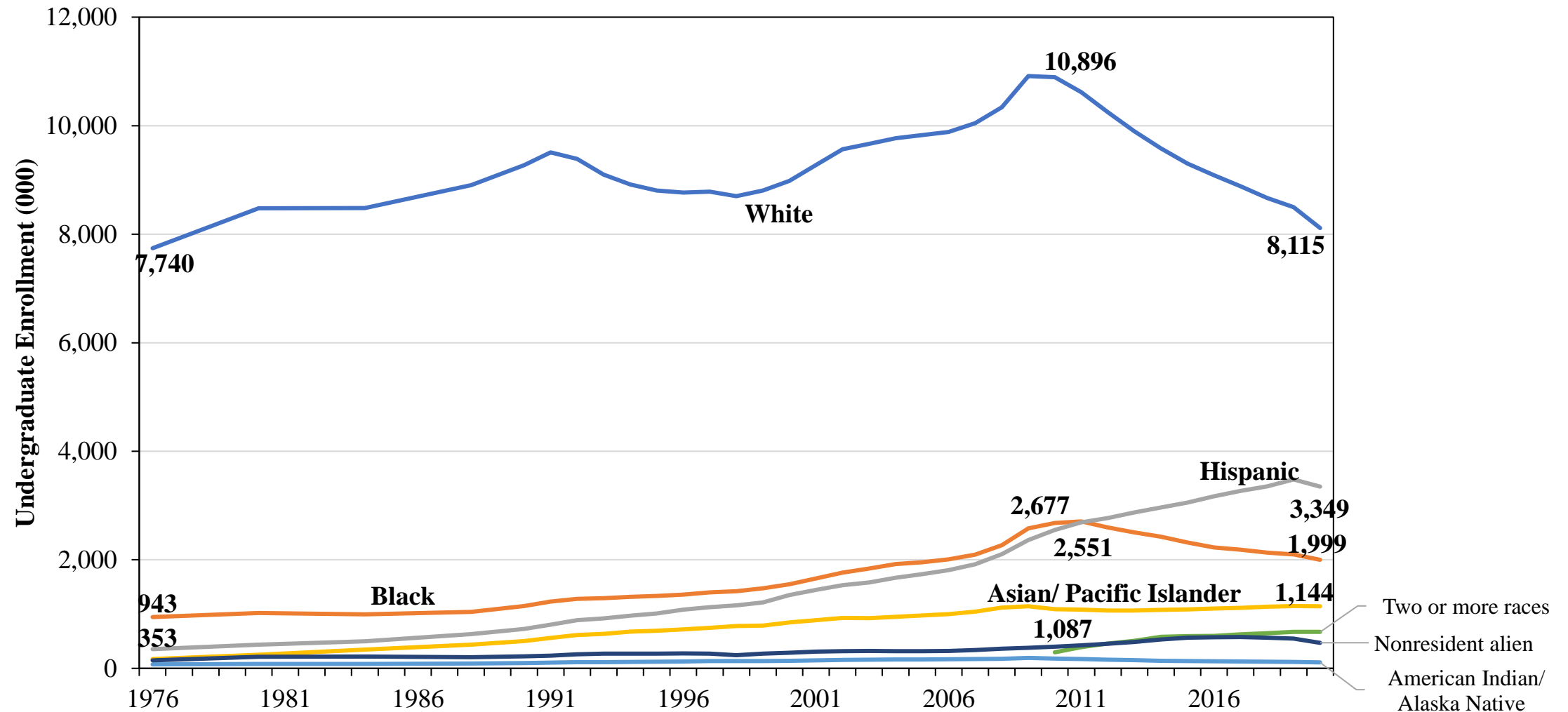
# Total Undergraduate Fall Enrollment in Degree-Seeking Institutions 1970 - 2020



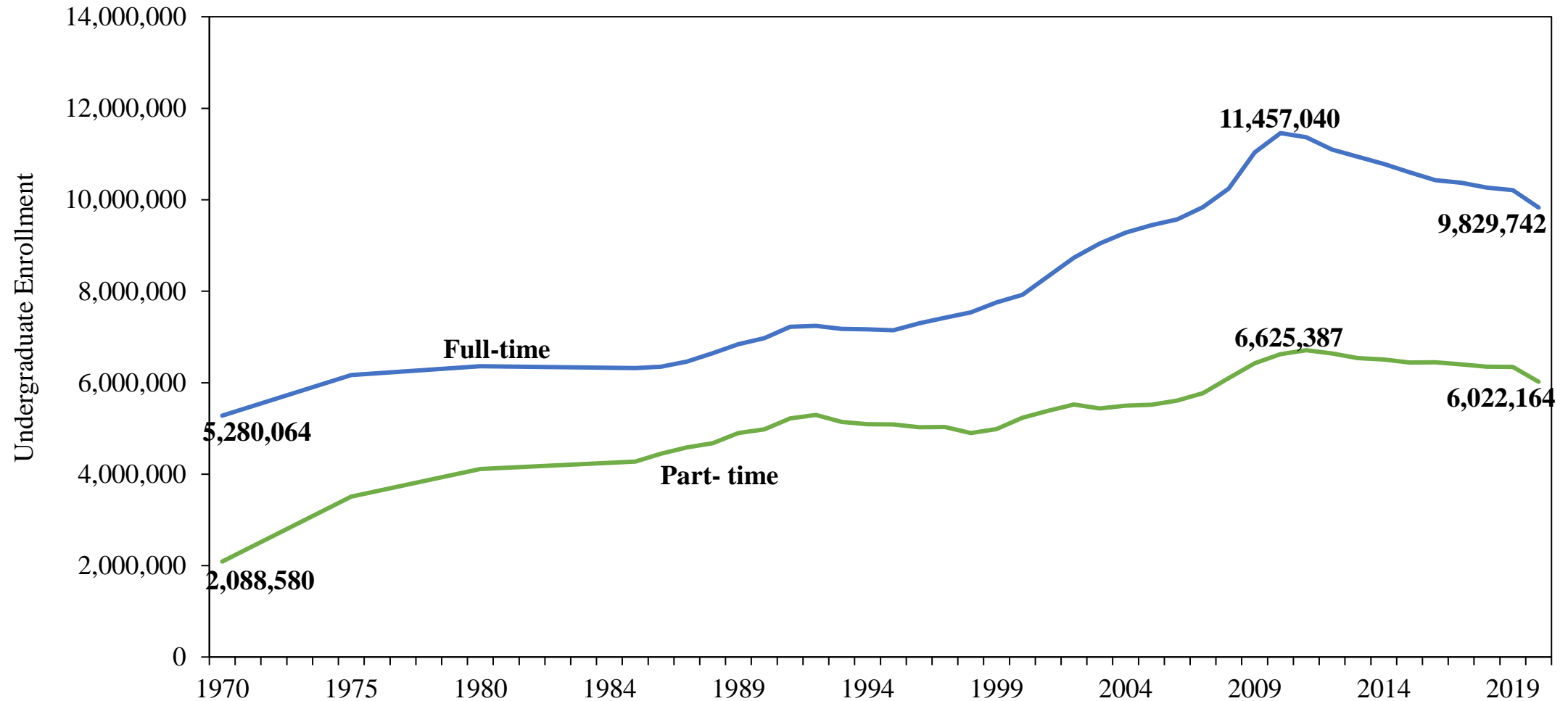
# Total Undergraduate Fall Enrollment in Degree-Seeking Institutions by Sex 1970 - 2020



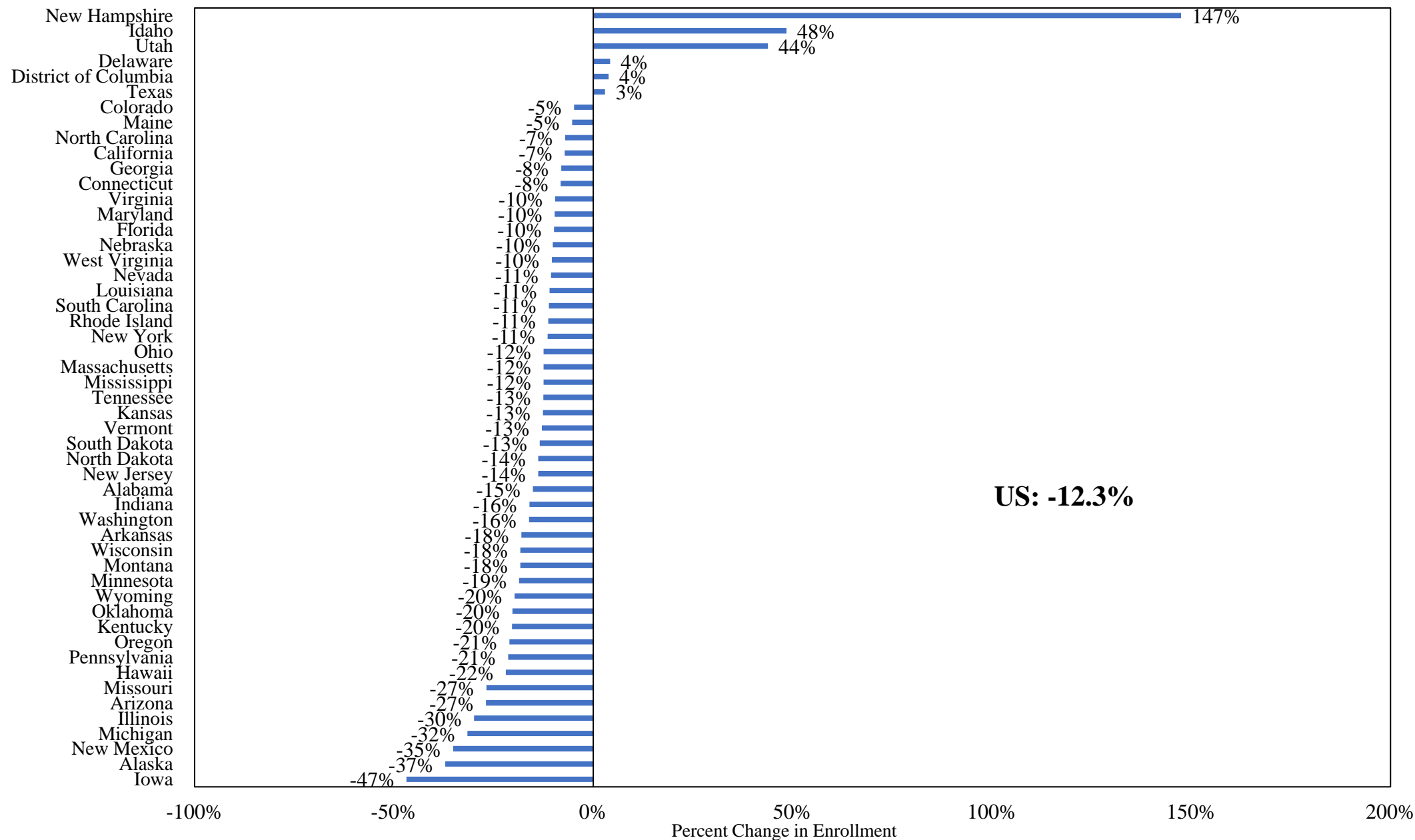
# Total Undergraduate Fall Enrollment in Degree-Seeking Institutions by Race/Ethnicity 1970 - 2020



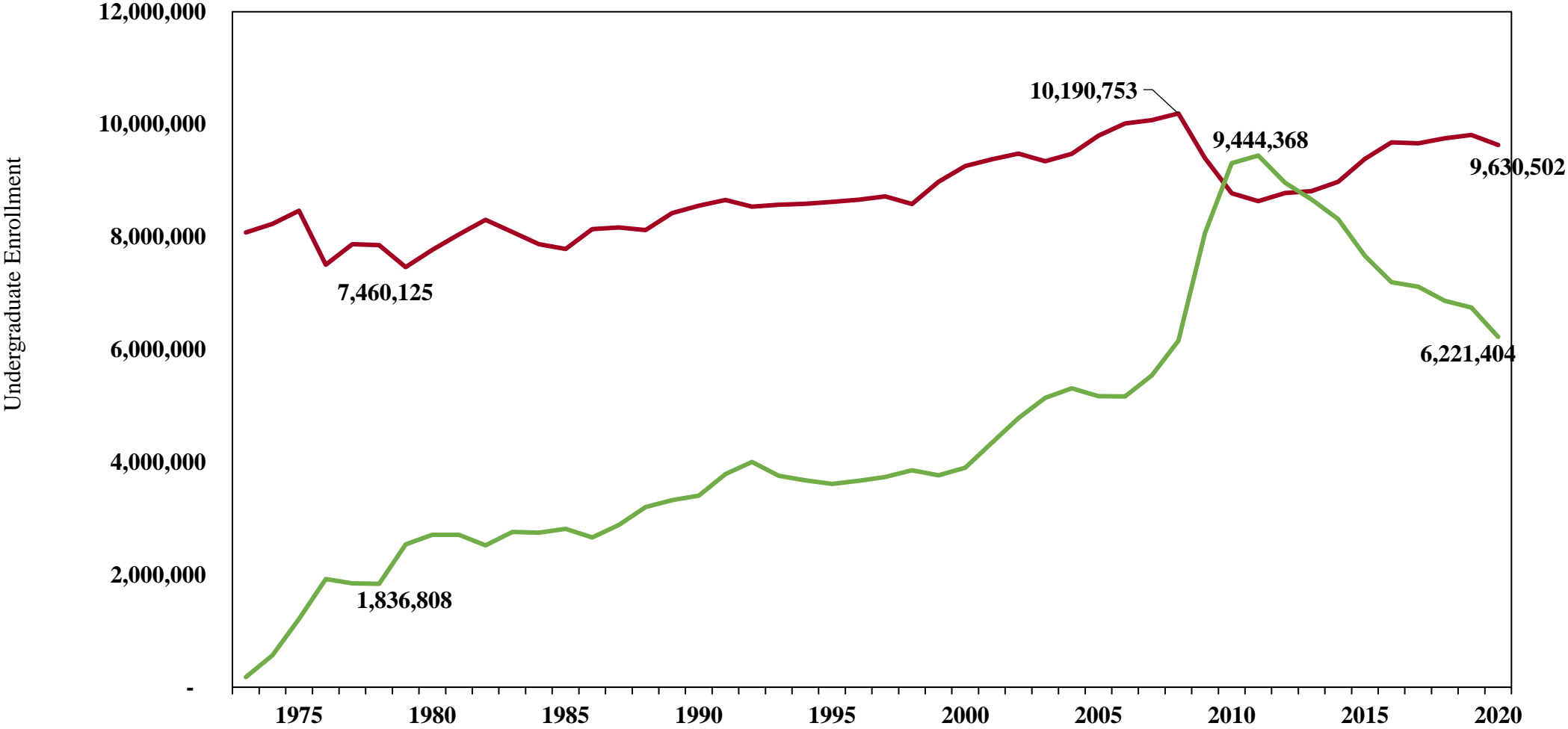
# Total Undergraduate Fall Enrollment in Degree-Seeking Institutions by Enrollment Status 1970 - 2020



# Change in Undergraduate Enrollment by State 2010 to 2020



**Undergraduate Enrollment**  
**with Pell Grants and without Pell Grants**  
**1973 to 2020**



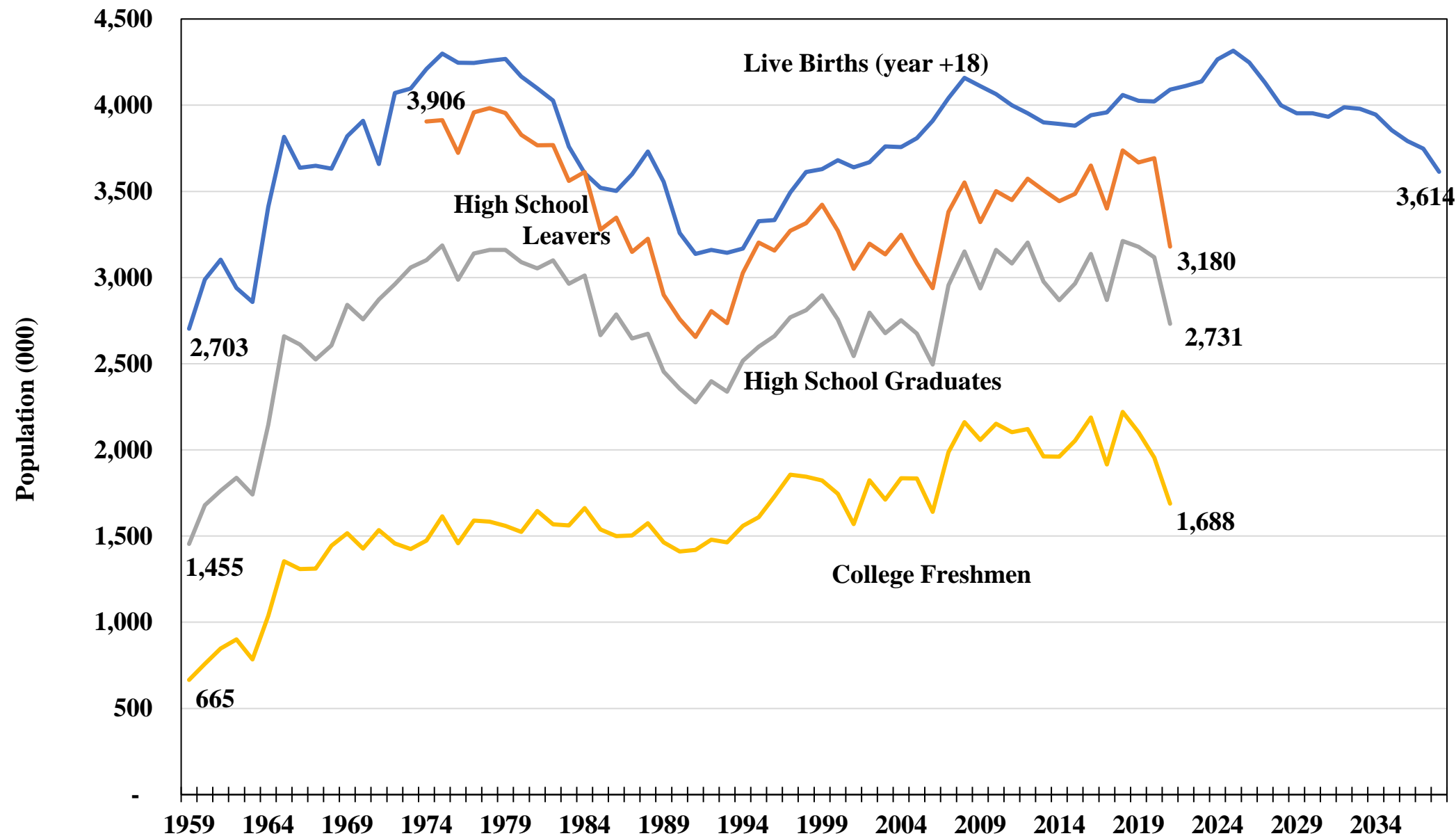
Source: OPE & Office of Federal Student Aid



# Growing Financial Barriers to Higher Education

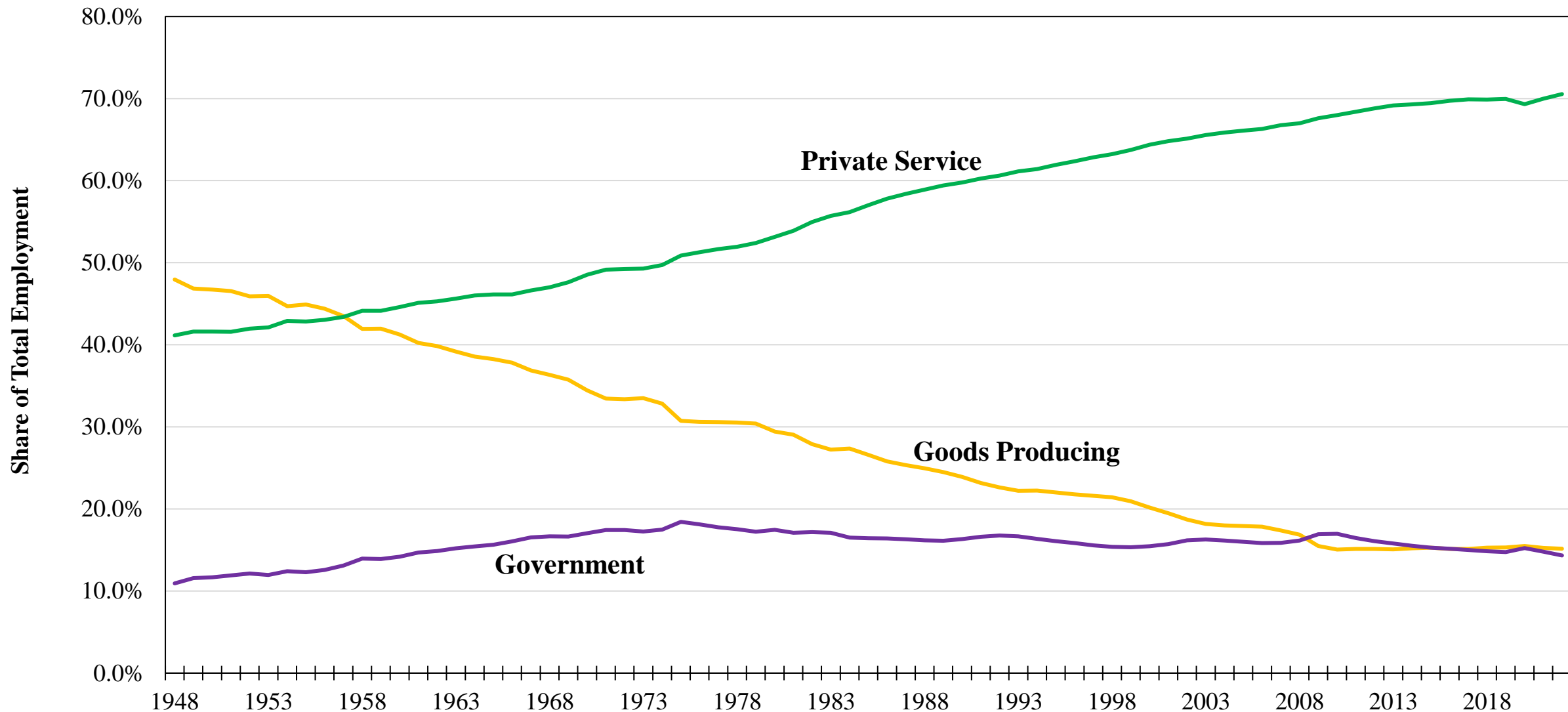
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# Demographic Structure of College Freshman Enrollment 1959 to 2038



# Distribution of Employment by Industry

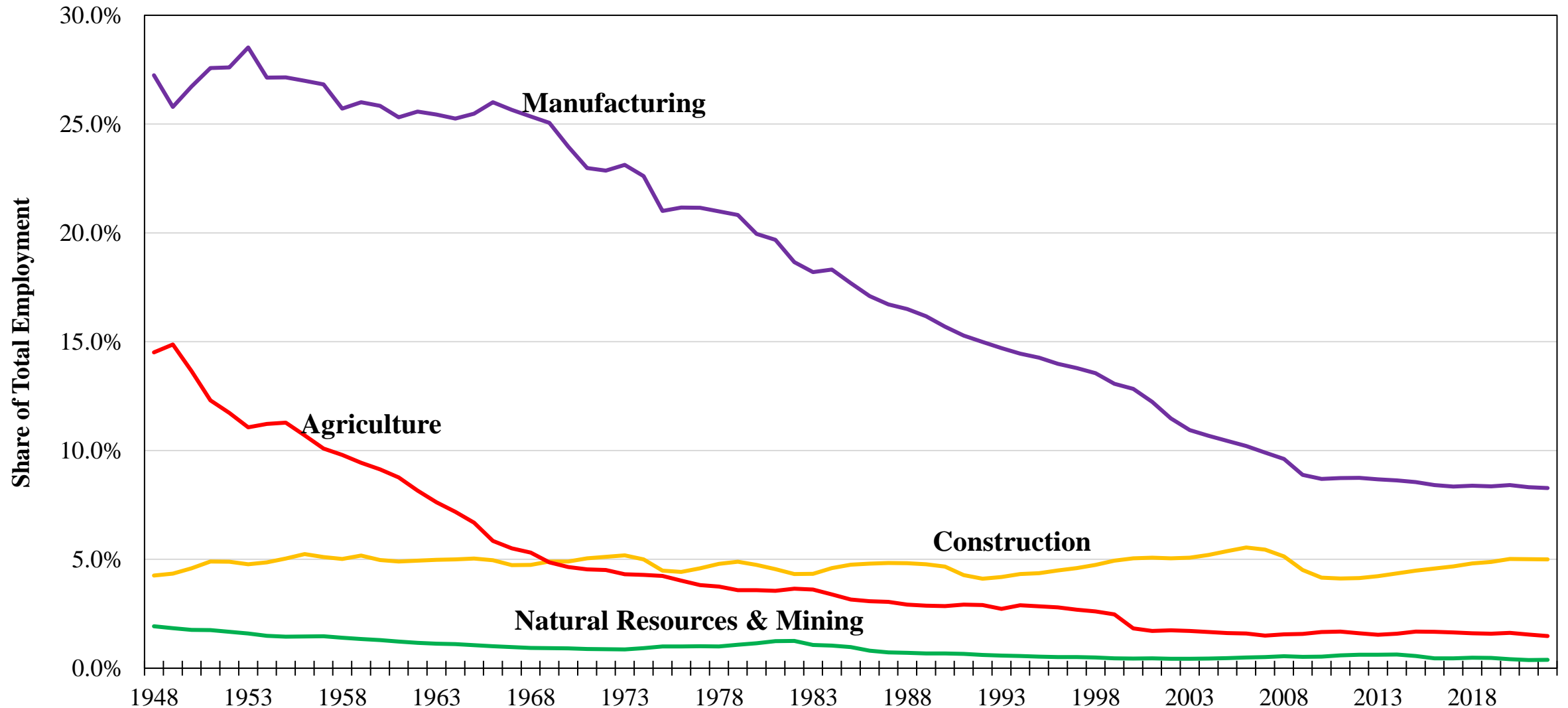
## 1948 to 2022



Source: Bureau of Labor Statistics

# Distribution of Goods Producing Employment by Industry

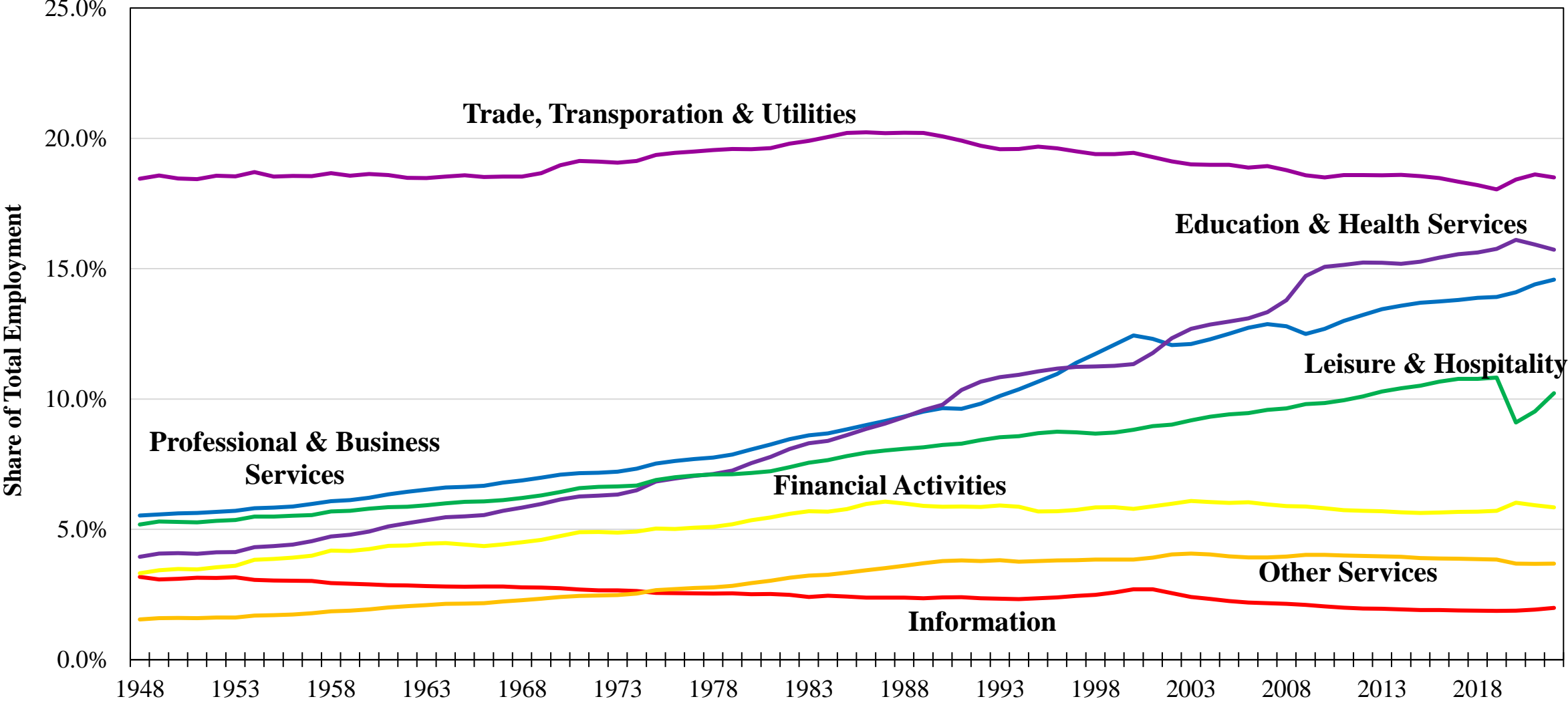
## 1948 to 2022



Source: Bureau of Labor Statistics

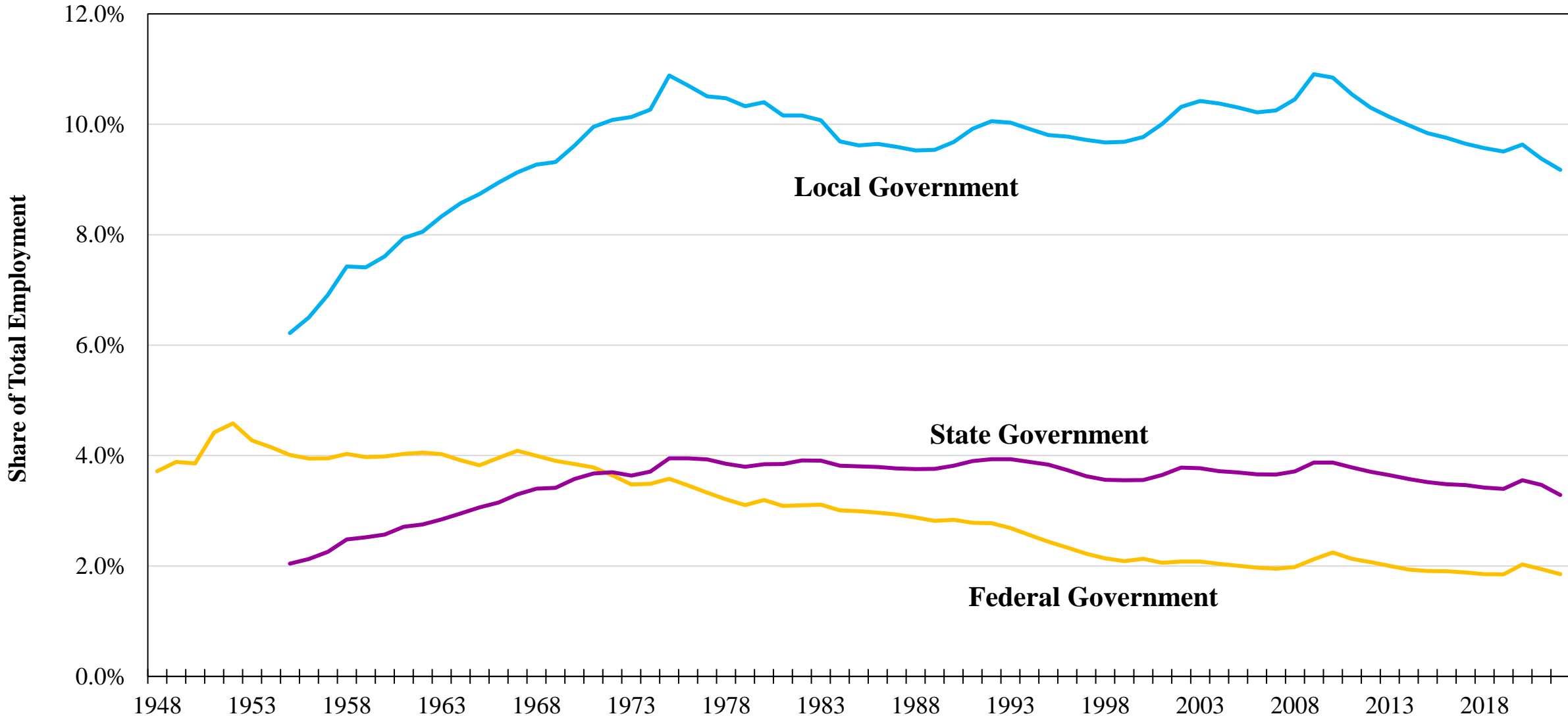
# Distribution of Service Providing Employment by Industry

## 1948 to 2022

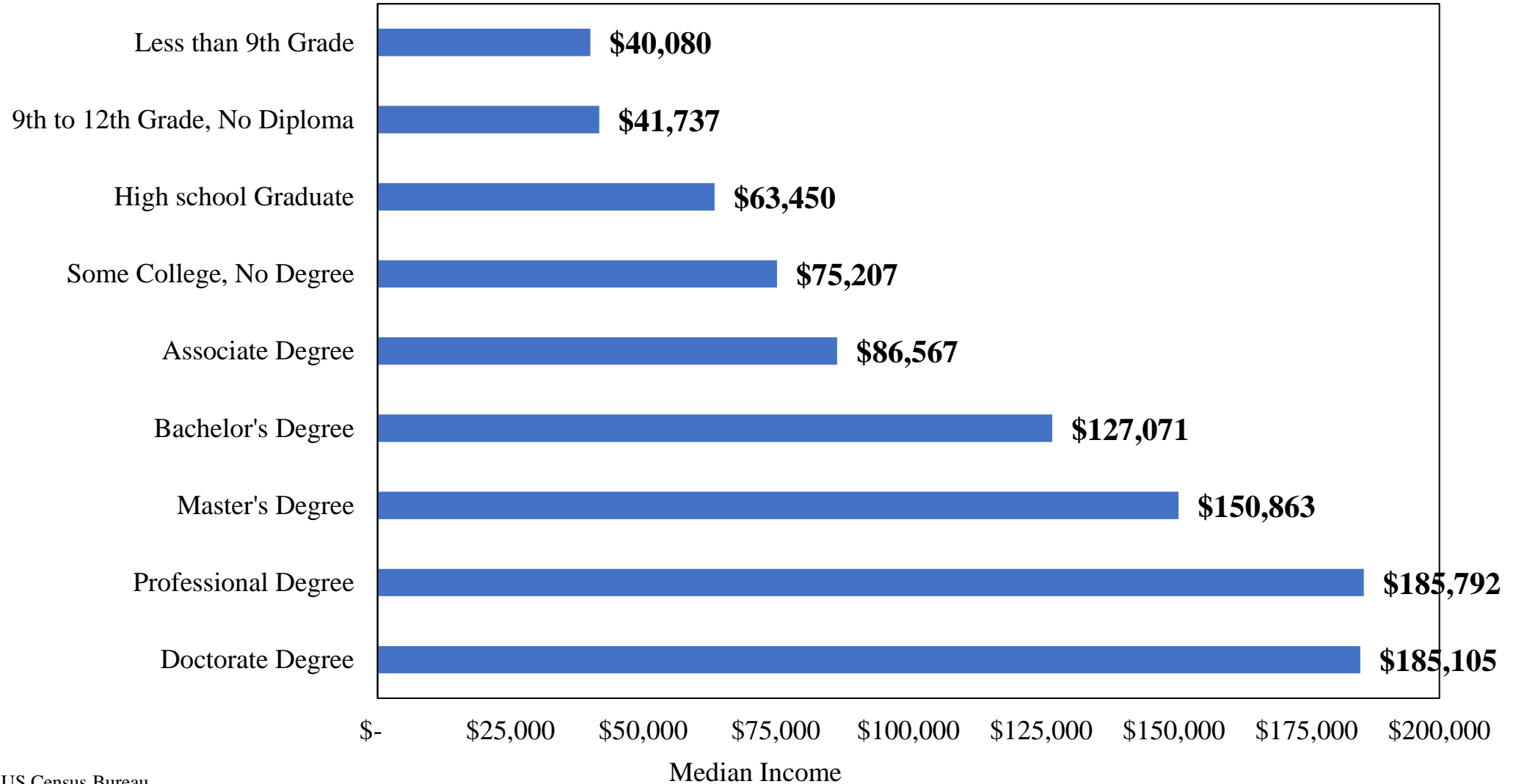


# Distribution of Government Employment by Level

## 1948 to 2022

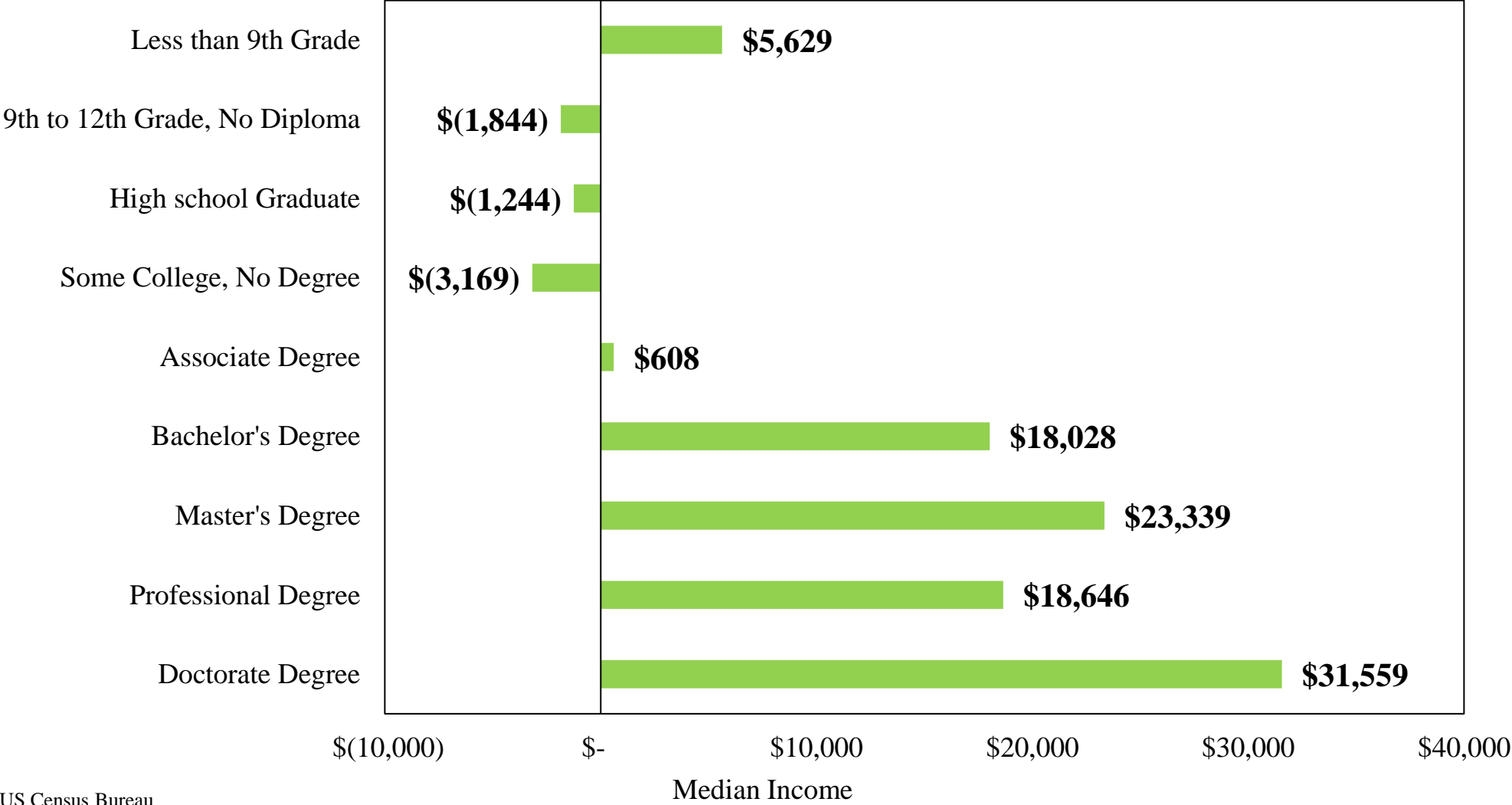


## Median Family Income by Educational Attainment of Householder, 2021



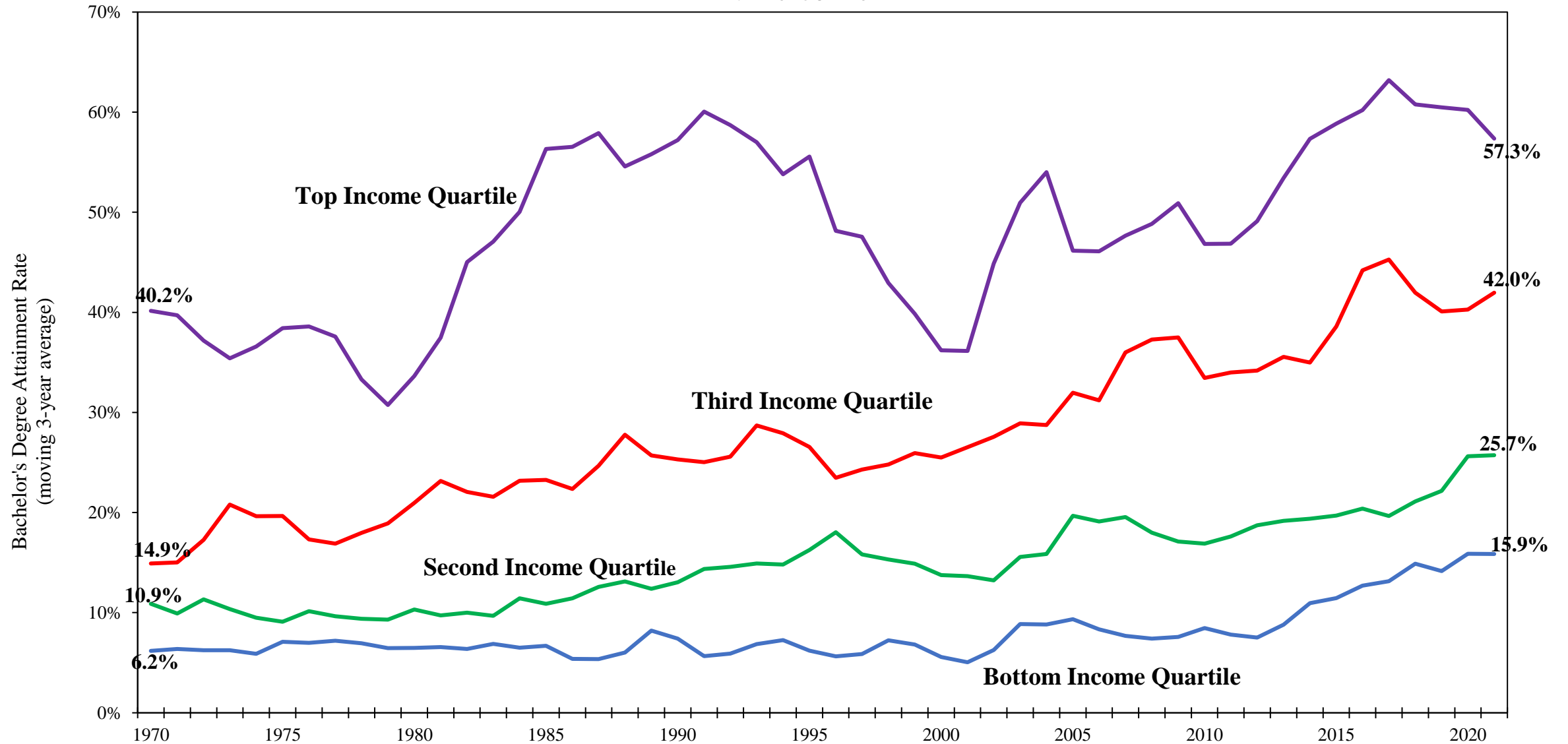
Source: US Census Bureau

**Change in Median Family Income  
by Educational Attainment of Householder, 1991 to 2021**



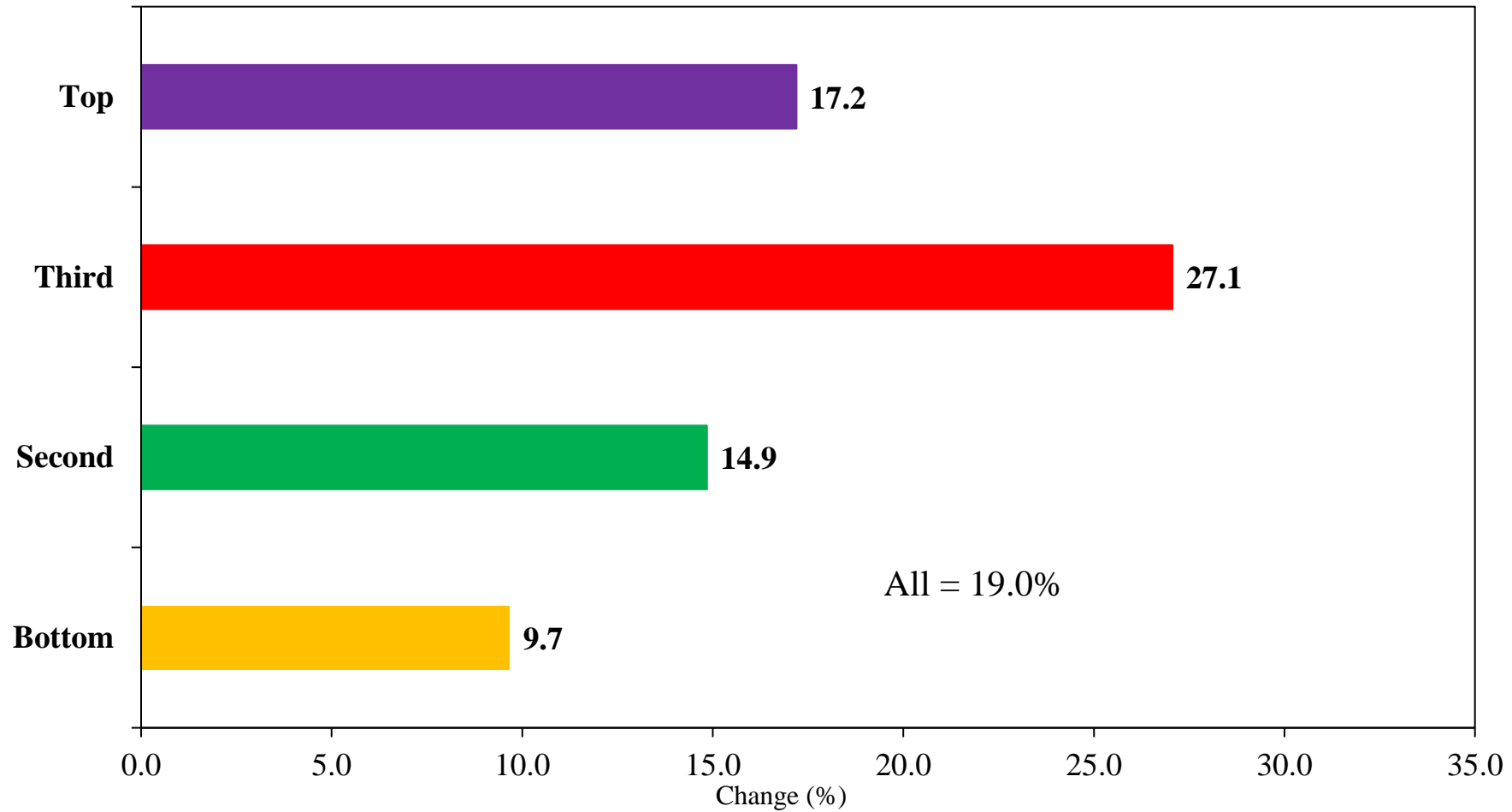


# Estimated Baccalaureate Degree Attainment by Age 24 by Family Income Quartile 1970 to 2021



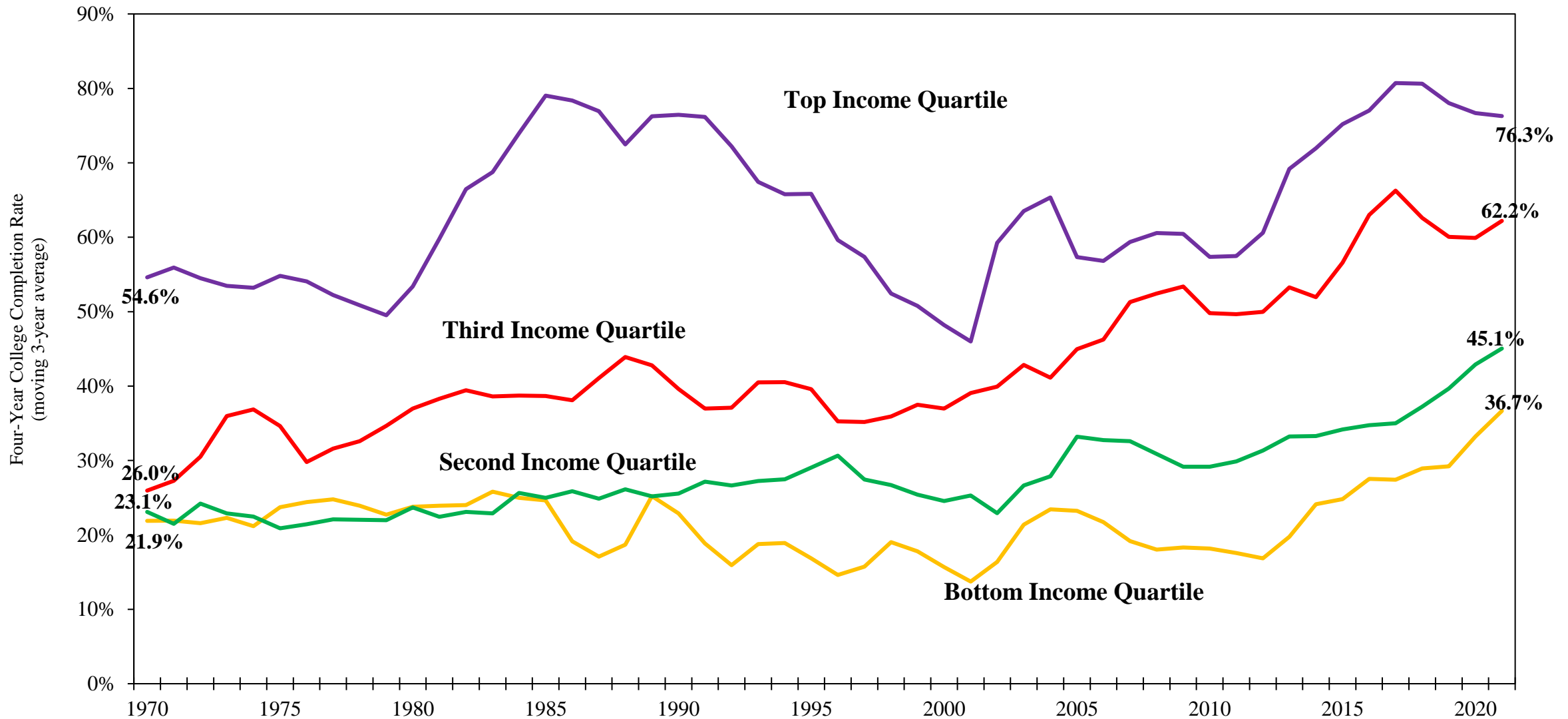
Source: Calculated from October Current Population Survey File  
(Formerly Table 14 in Census Bureau's School Enrollment Report)

# Change in Estimated Bachelor's Degree Attainment Rate by Age 24 by Family Income Quartile 1970 to 2021



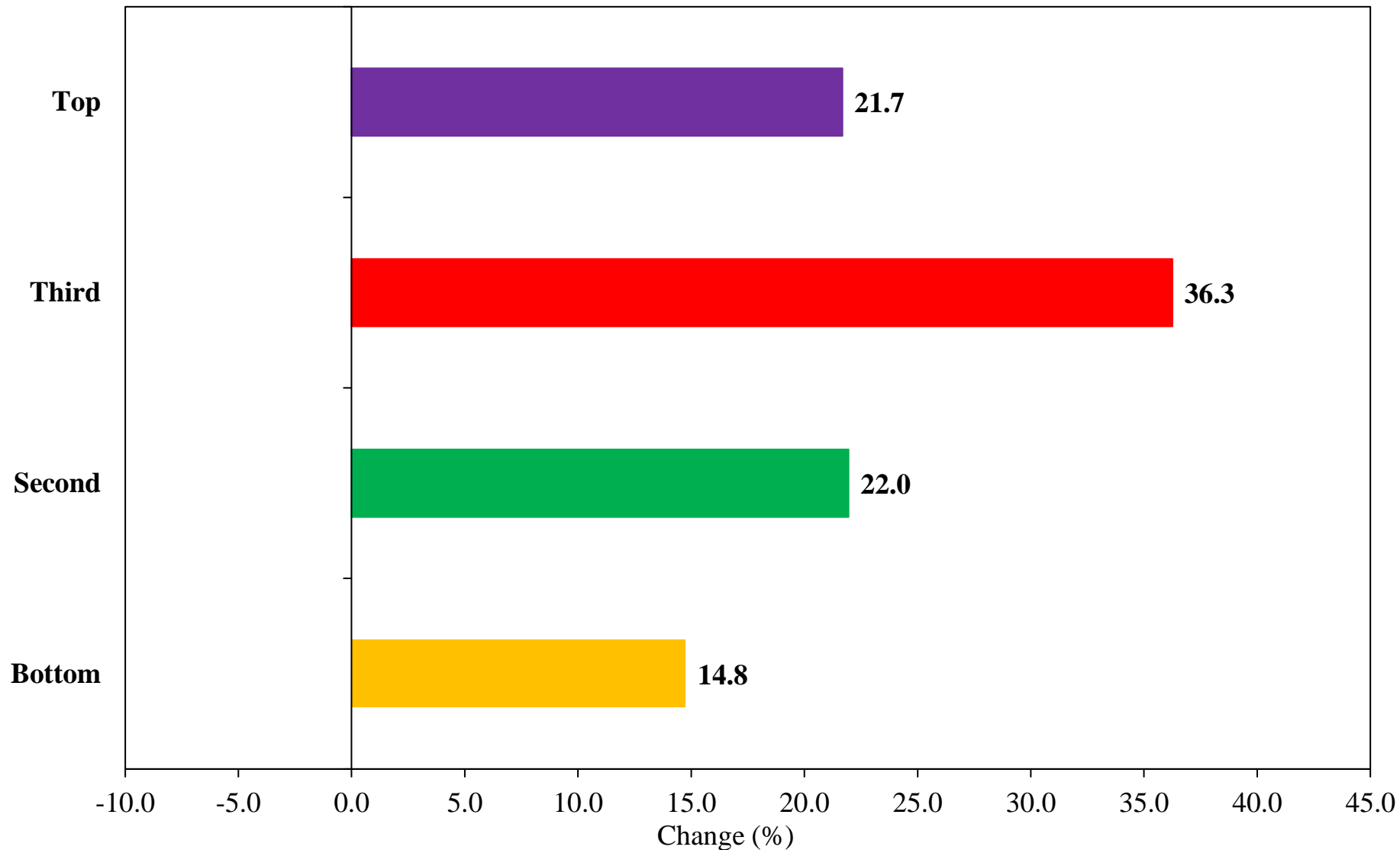
Source: Calculated from October Current Population Survey File  
(Formerly Table 14 in Census Bureau's School Enrollment Report)

# Estimated Bachelor's Degree Completion Rates by Age 24 by Family Income Quartiles for Dependent College Students Who Began College, 1970 to 2021



Source: Calculated from October Current Population Survey File  
(Formerly Table 14 in Census Bureau's School Enrollment Report)

## Change in Estimated Completion Rate by Income Quartile 1970 to 2021

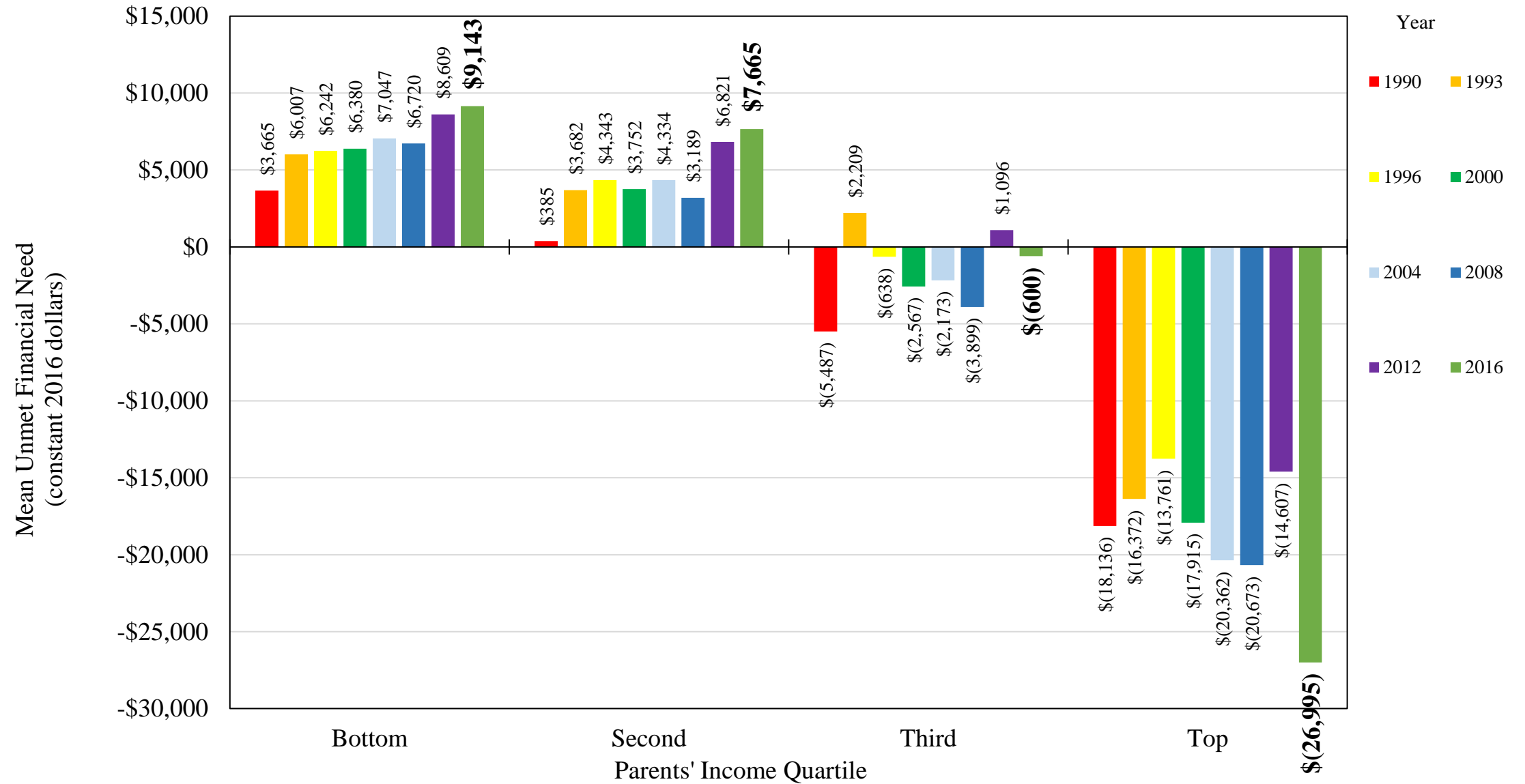


Source: Calculated from October Current Population Survey File  
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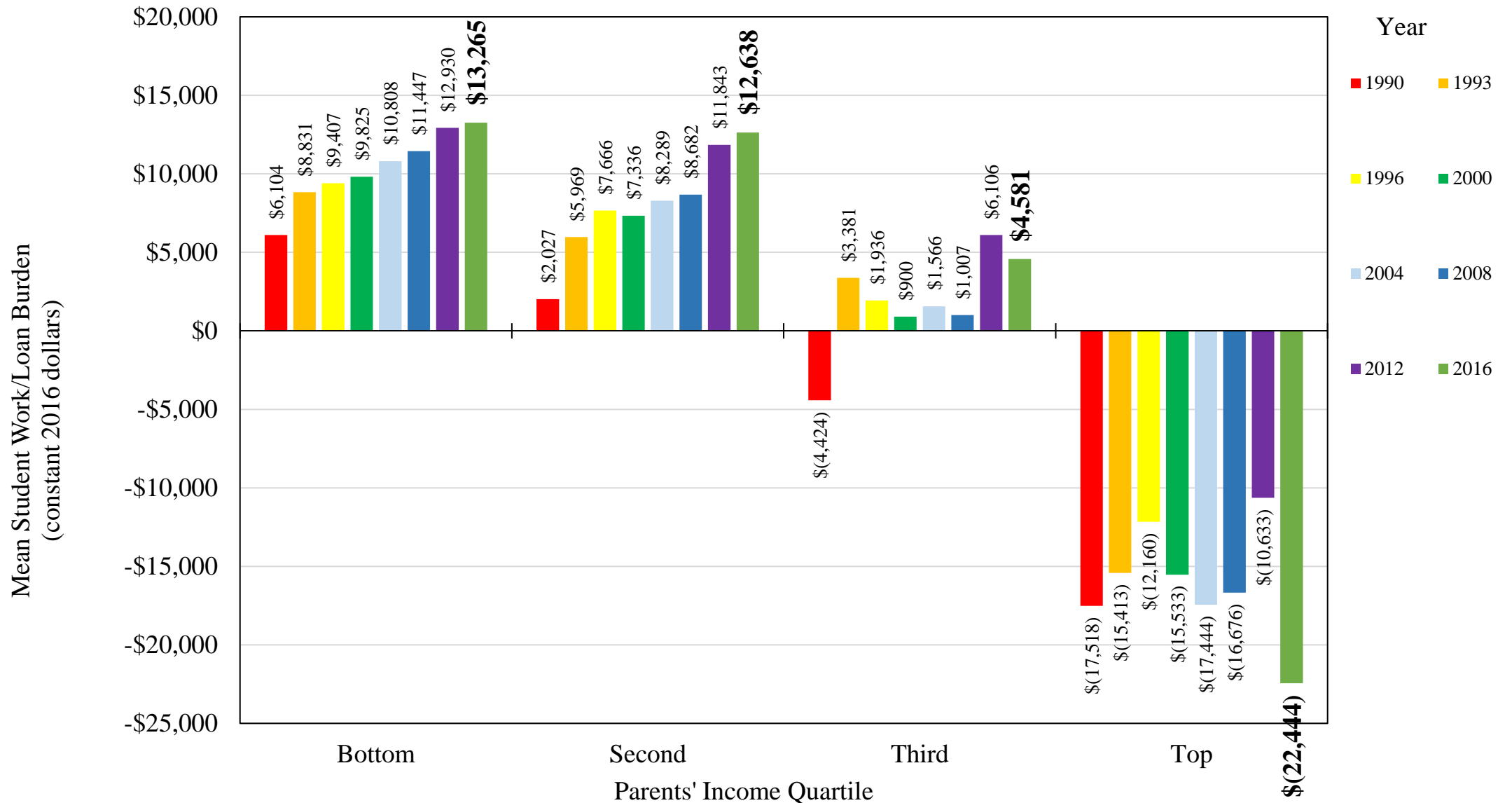
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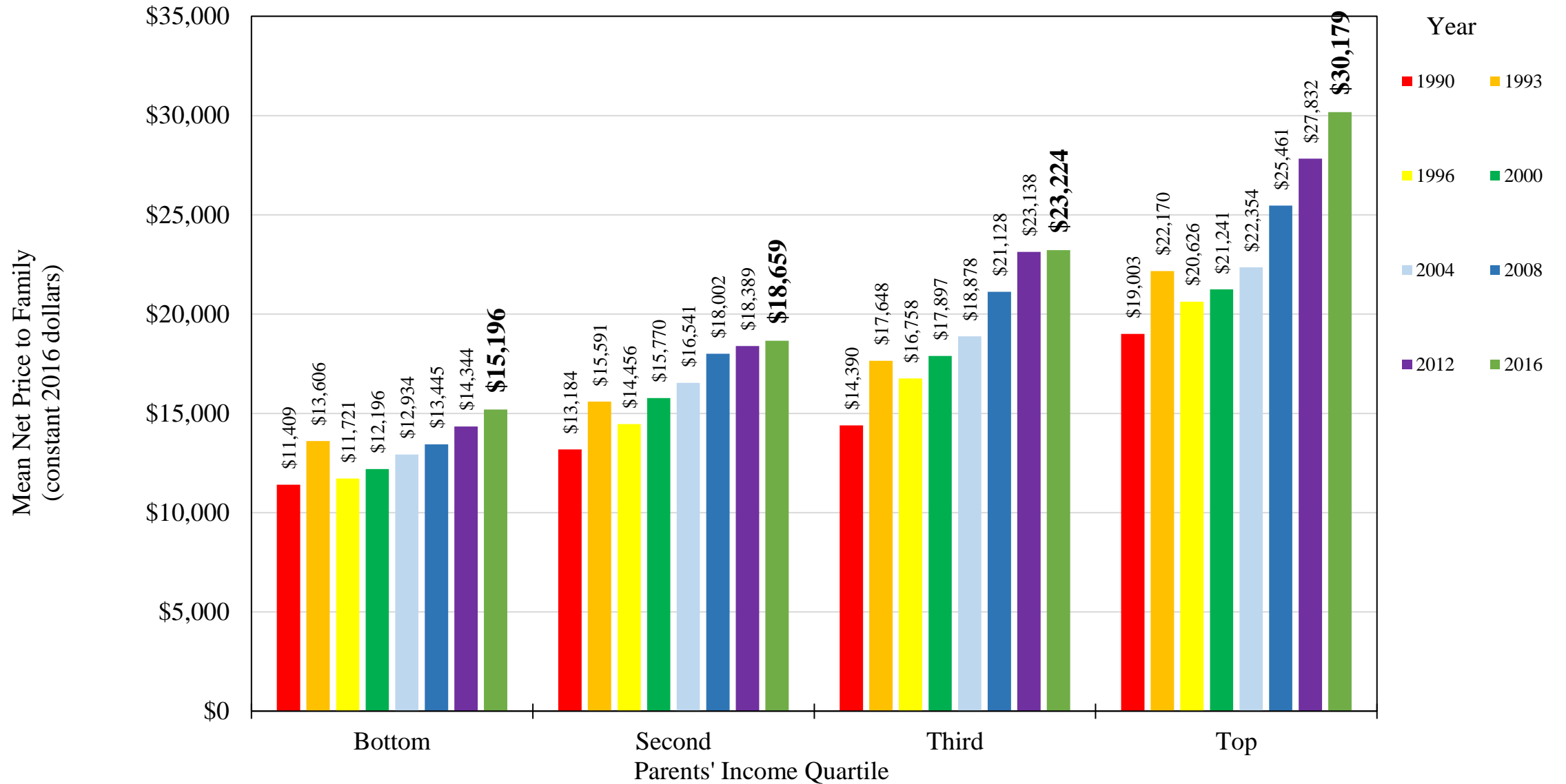
# Mean Unmet Financial Need for Dependent Undergraduates By Parents' Income Quartiles 1990 to 2016



# Mean Student Work/Loan Burden for Dependent Undergraduates by Parents' Income Quartiles 1990 to 2016

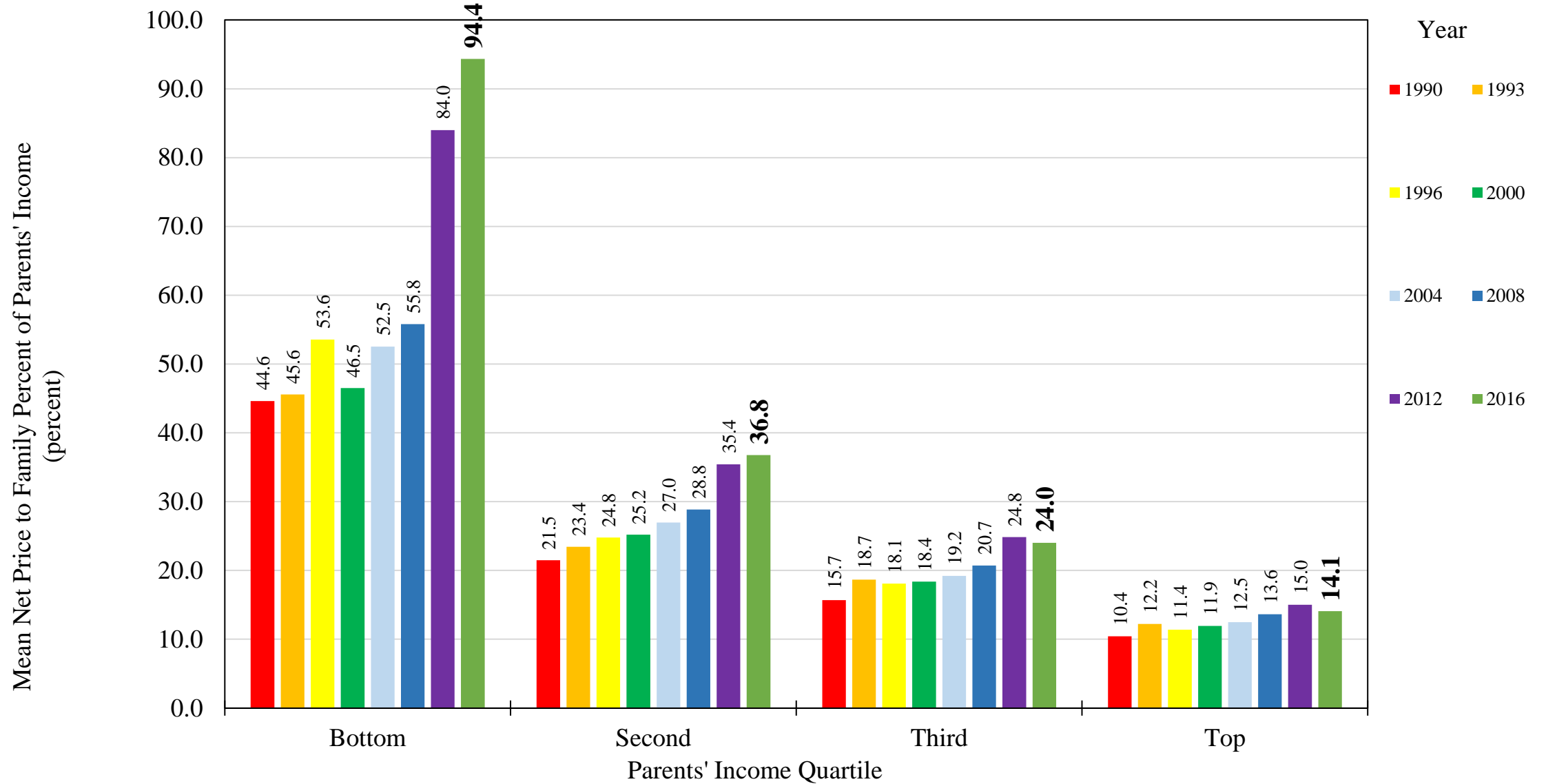


# Mean Net Price to Family for Dependent Undergraduates by Parents' Income Quartiles 1990 to 2016





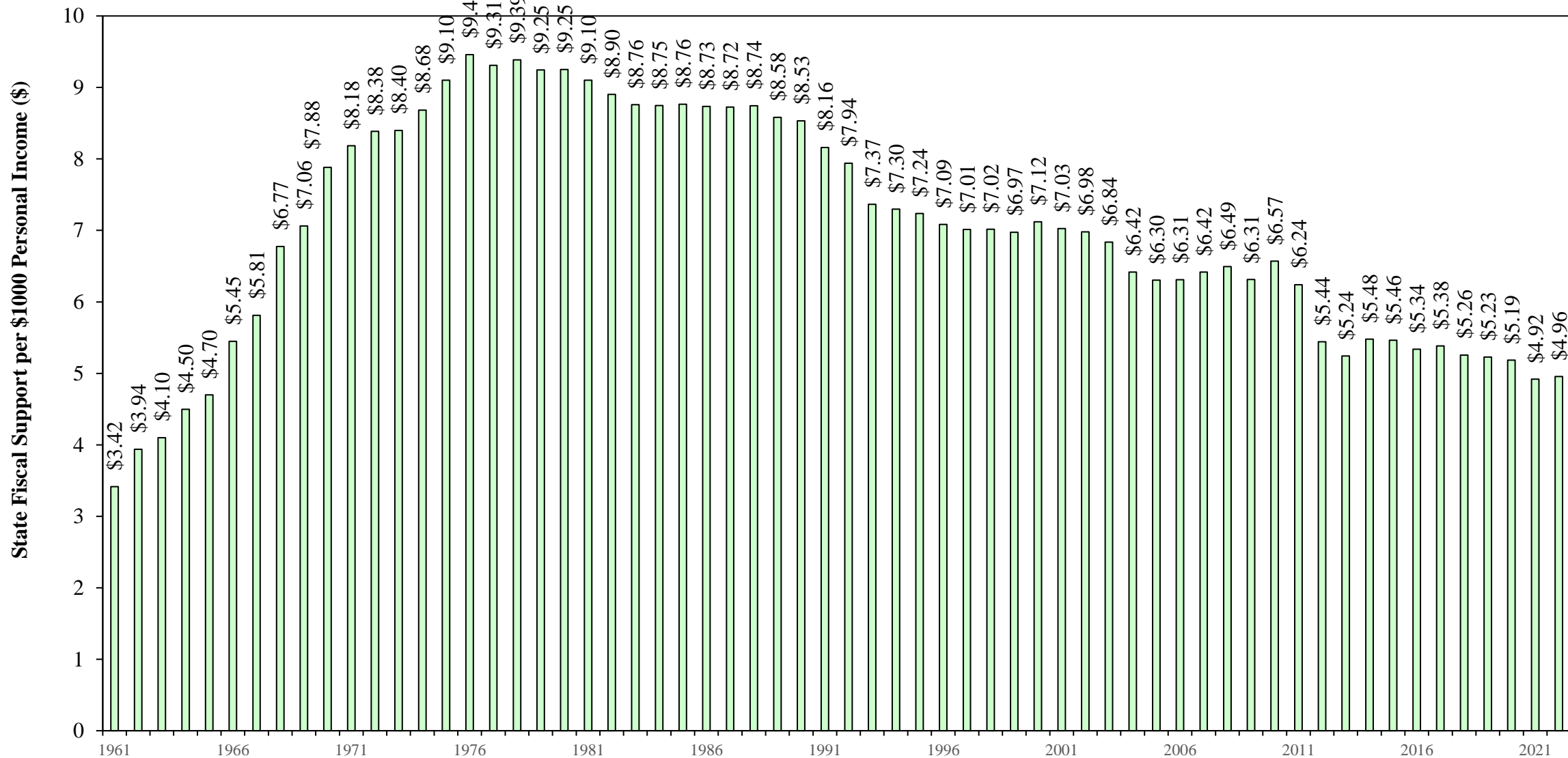
**Mean Net Price to Family as a Percent of Parents' Income  
by Parents' Income Quartiles  
1990 to 2016**



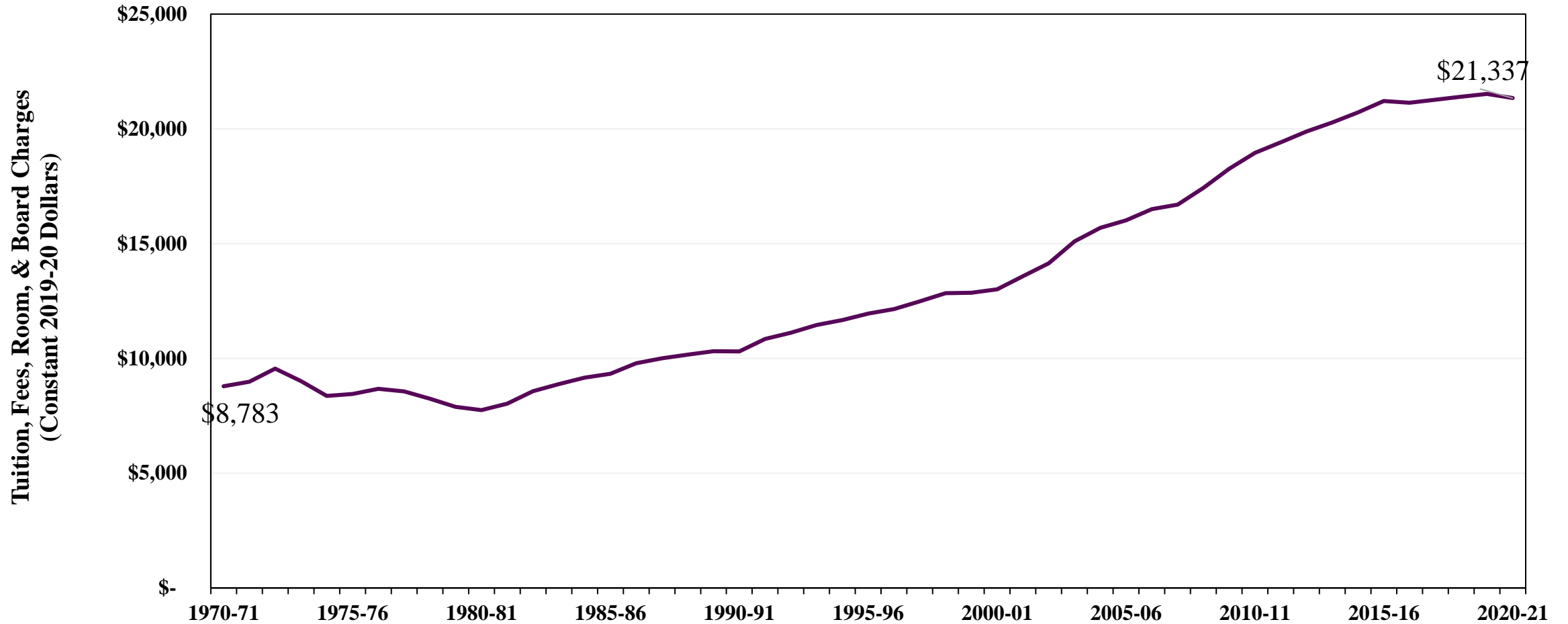
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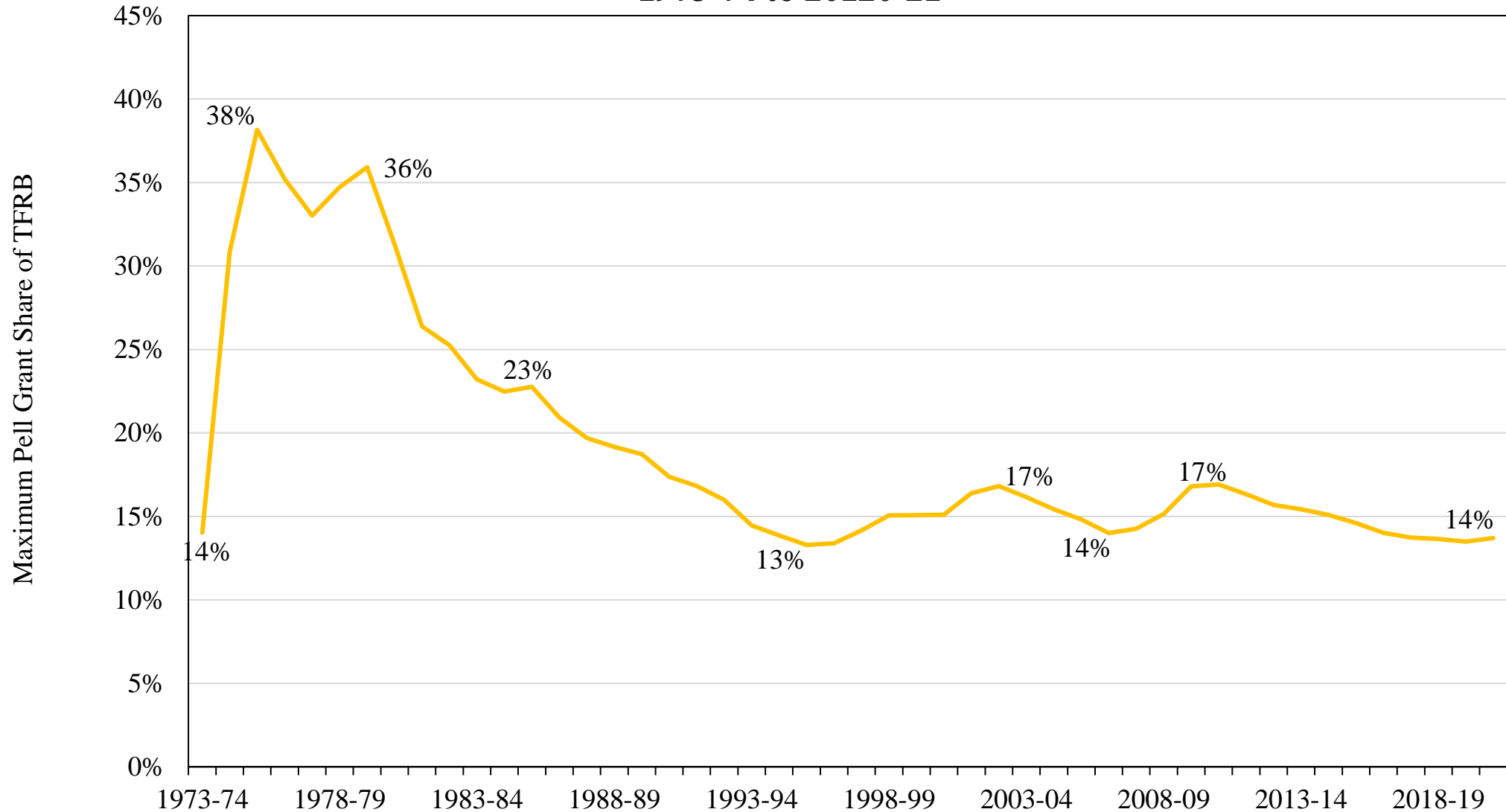
# State Fiscal Support for Higher Education per \$1000 of Personal Income FY1961 to FY2022



# Public 4-Year Tuition, Fees, Room, and Board Charges 1970-71 to 2020-21 (Constant Dollars)

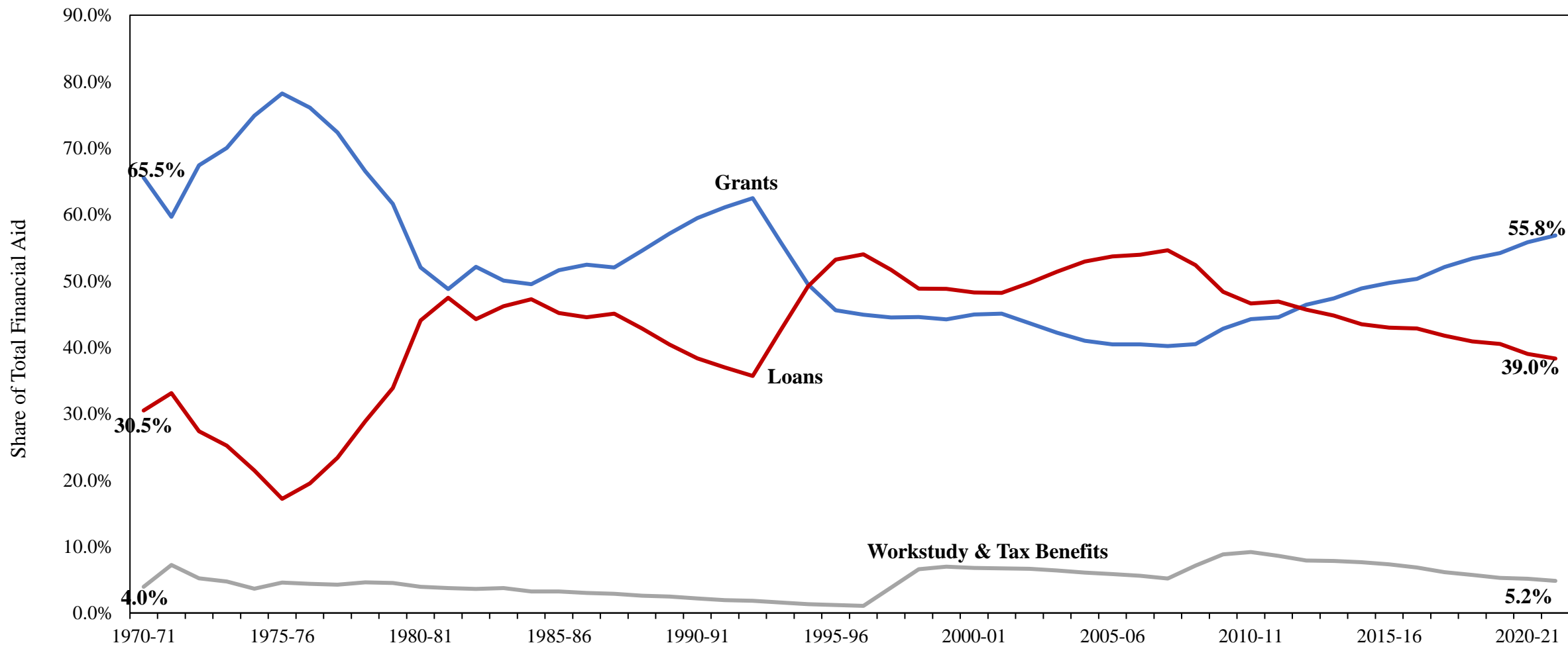


**Pell Grant Maximum Award as a Share of  
Average Tuition and Required Fees and Dormitory Room  
and Board Charges at Private 4-Year Institutions  
1973-74 to 20120-21**



# Share of Total Financial Aid by Aid Type

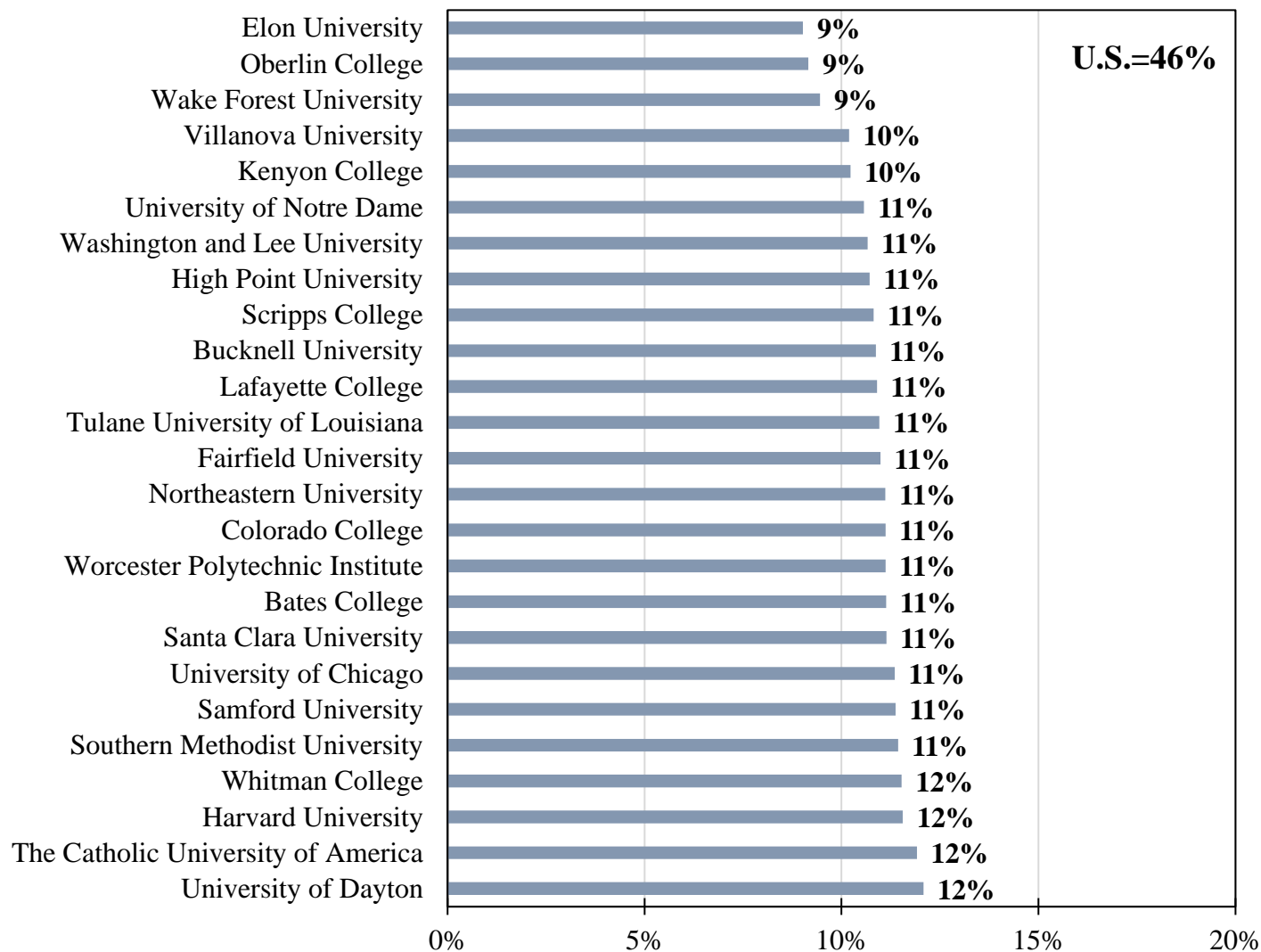
## 1970-71 to 2021-22\*



\*Data for 90/91 and later are for undergraduates only.

Source: College Board

**Private Not-for-Profit 4-Year College/Universities\* Enrolling  
the 25 Smallest Shares of Undergraduates with Pell Grants  
2018-19**

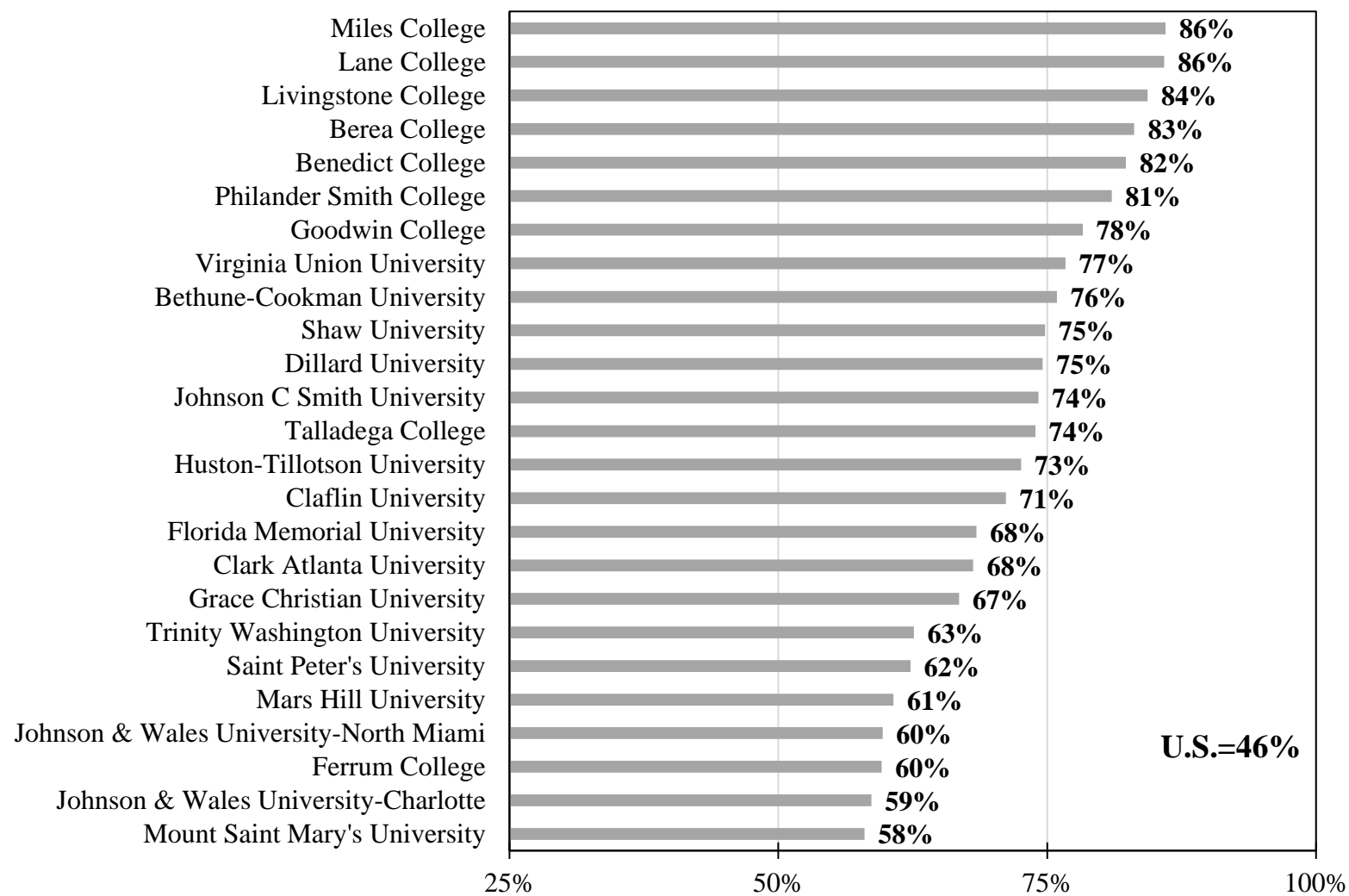


\* Schools with enrollment over 1,000

Source: IPEDS

Share of Undergraduates with Pell Grants

**Private Not-for-Profit 4-Year College/Universities\* Enrolling  
the 25 Largest Shares of Undergraduates with Pell Grants  
2018-19**



\* Schools with enrollment over 1,000  
Source: IPEDS



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# **Resetting American Higher Education: Policy, Programs and Funding**

- **Affordability**
  - **\$30,000 Pell Grant Maximum Award**
  - **Use negative Expected Family Contribution in need**
  - **Eliminate need for education loans**
  - **Pell Grant Program funded 50% federal/50% state**
  - **Restore state investment in higher education, targeted on needy**

# **Resetting American Higher Education: Policy, Programs and Funding**

- **Institutions**
  - **Private institutions: Tax exempt status dependent on share of undergraduates with Pell Grants (46% for full eligibility)**
  - **Public institutions: State funding dependent on share of undergraduates with Pell Grants**
  - **Reward for graduation rates**
  - **Selective college admissions: replace with lottery?**



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