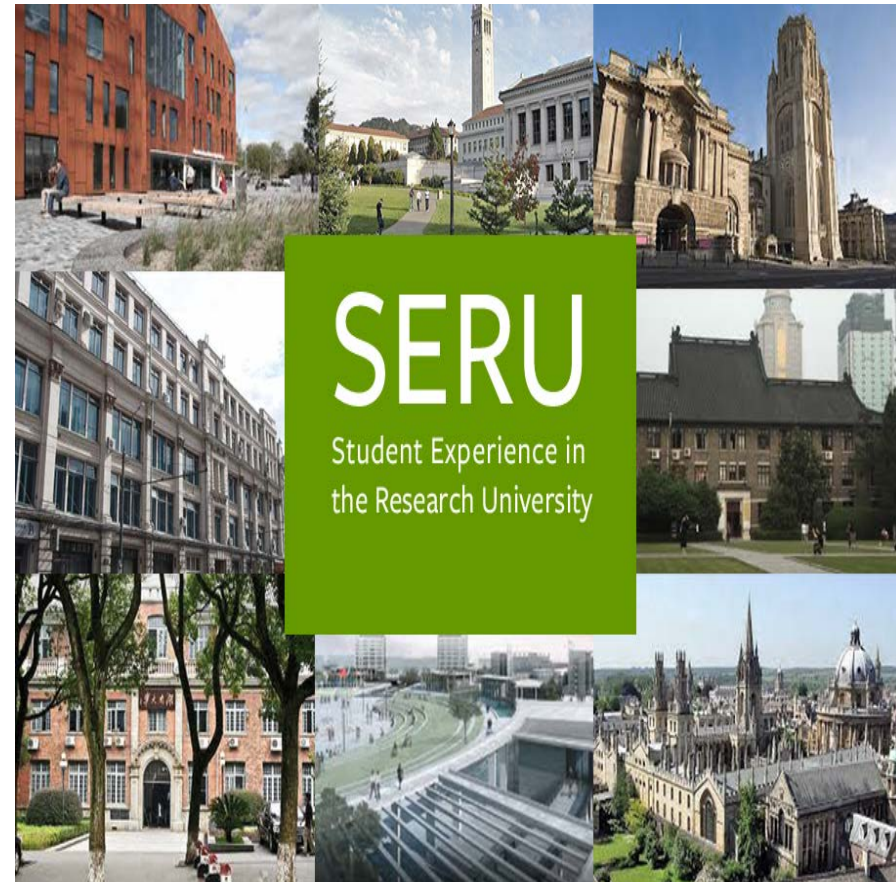


# Affordability at SERU Institutions

SERU Research Symposium  
UC Berkeley  
June 8, 2015

Patrick A. Lapid – SERU Researcher  
Economics – UC Berkeley



# Motivation

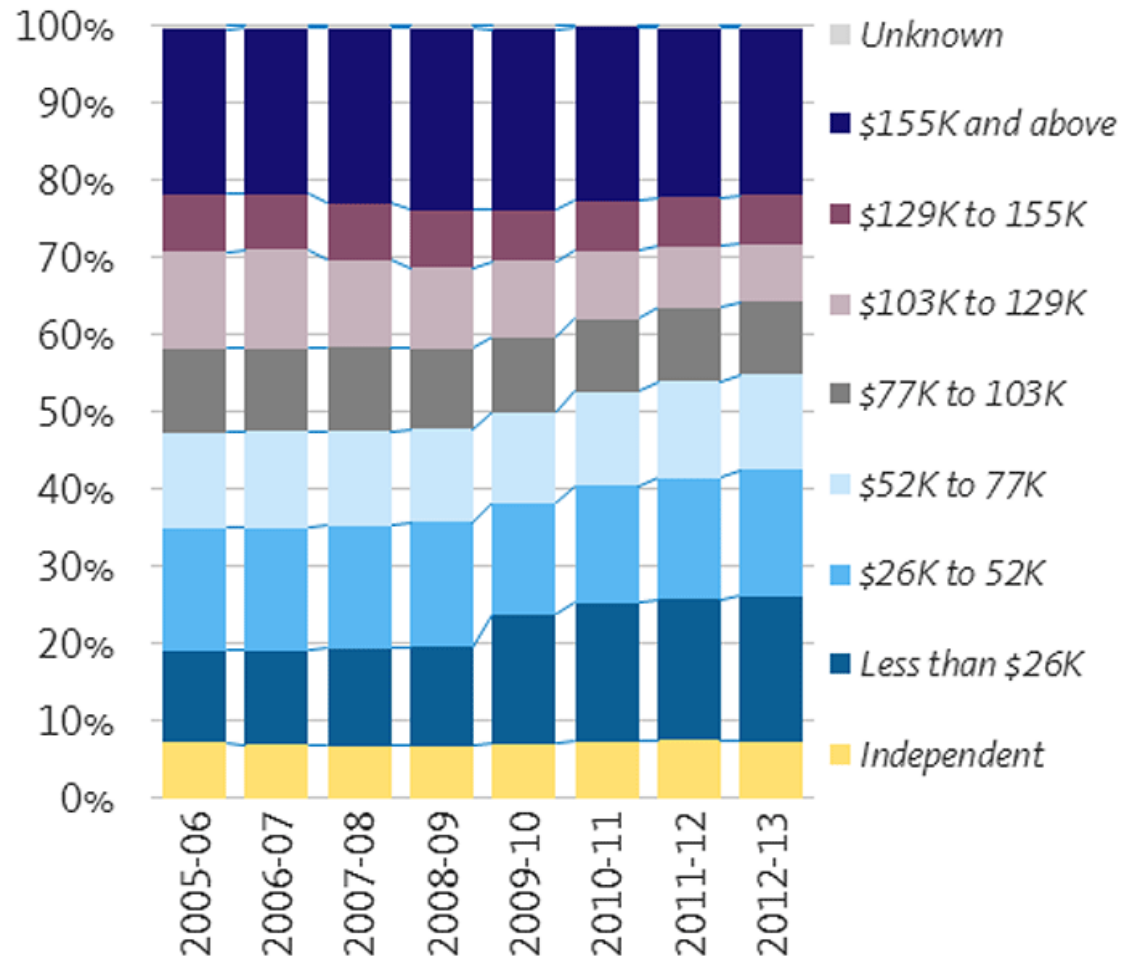
- With greater interest in higher education, as well as rising tuition costs, how have college student demographics changed (in terms of income/class)?
- Have student behaviors and satisfaction with college changed as a result of increased costs?
- Are campuses' financial aid models (like at UC) mitigating students' concerns regarding affordability?

# **Background: 2014 UC Accountability Report**

# UC: attendance by income group

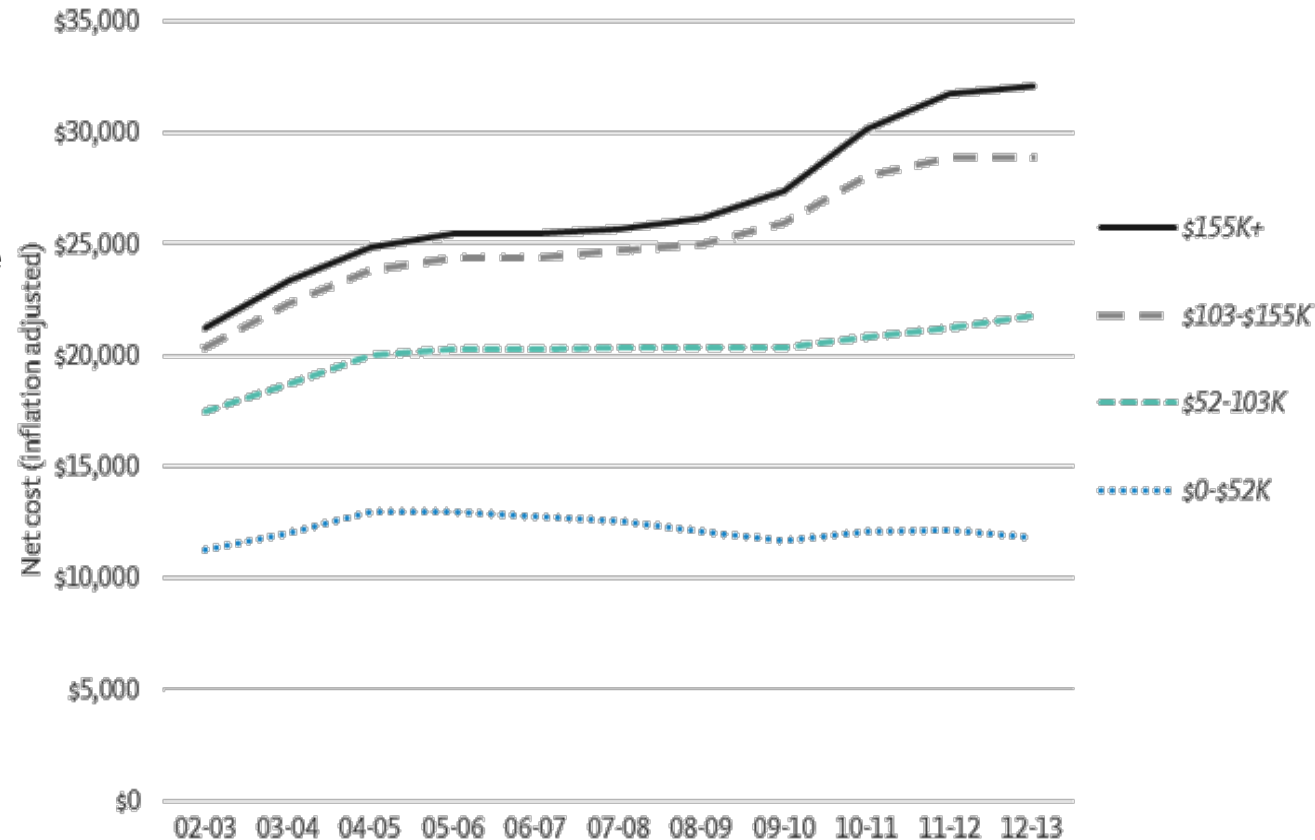
- Growth in lower-income students attending UC
- Decline in attendance shares of upper-middle and upper income students

Source: Indicator 3.2.3, "Trends in the parent income of UC undergraduates, 2012-13 constant dollars, Universitywide, 2005-06 to 2012-13", 2014 Accountability Report, University of California



# UC: Differences in net costs

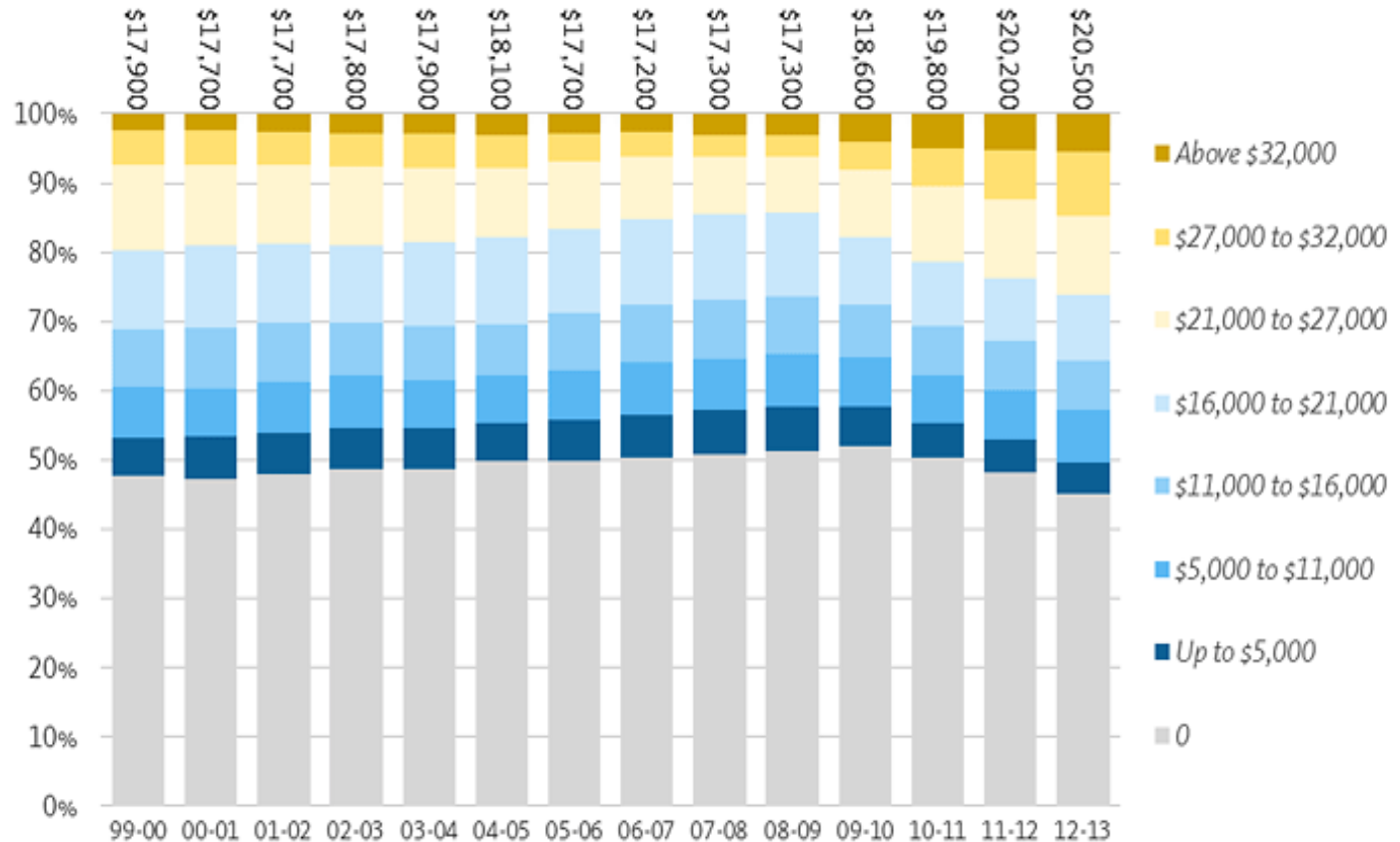
- Net cost flat for low-income students
- Moderate rise in net cost for middle-income students
- Over \$10,000 change in net cost for highest-income students



Source: Indicator 3.3.3, "Net cost of attendance by family income, Universitywide, 2002-03 to 2012-13", 2014 Accountability Report, University of California

# UC: Debt burden rising in recent years

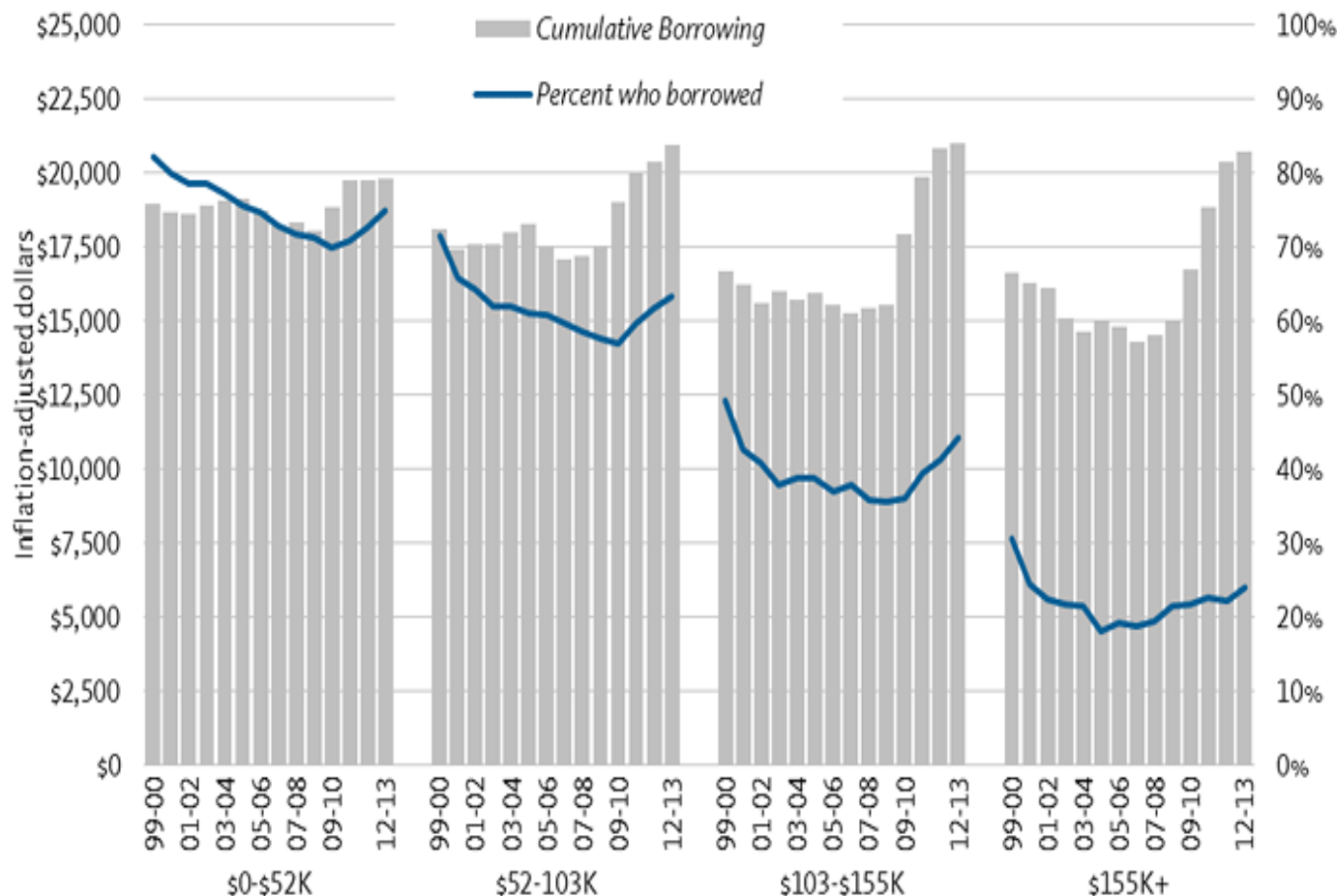
- No student loan debt for 45-50% of graduates
- Share of students with loan debt growing in recent years
- Average debt of \$20,500 has grown since 2009.



Source: Indicator 3.5.1, "Student loan debt burden of graduating seniors, inflation-adjusted, Universitywide, 1999-2000 to 2012-13", 2014 Accountability Report, University of California

# UC: Debt burden, by income

- Lower-income students more likely to borrow
- Borrowing more likely across income groups in recent years, after decline from 2000-2010
- Average debt of \$20,500 similar across income groups

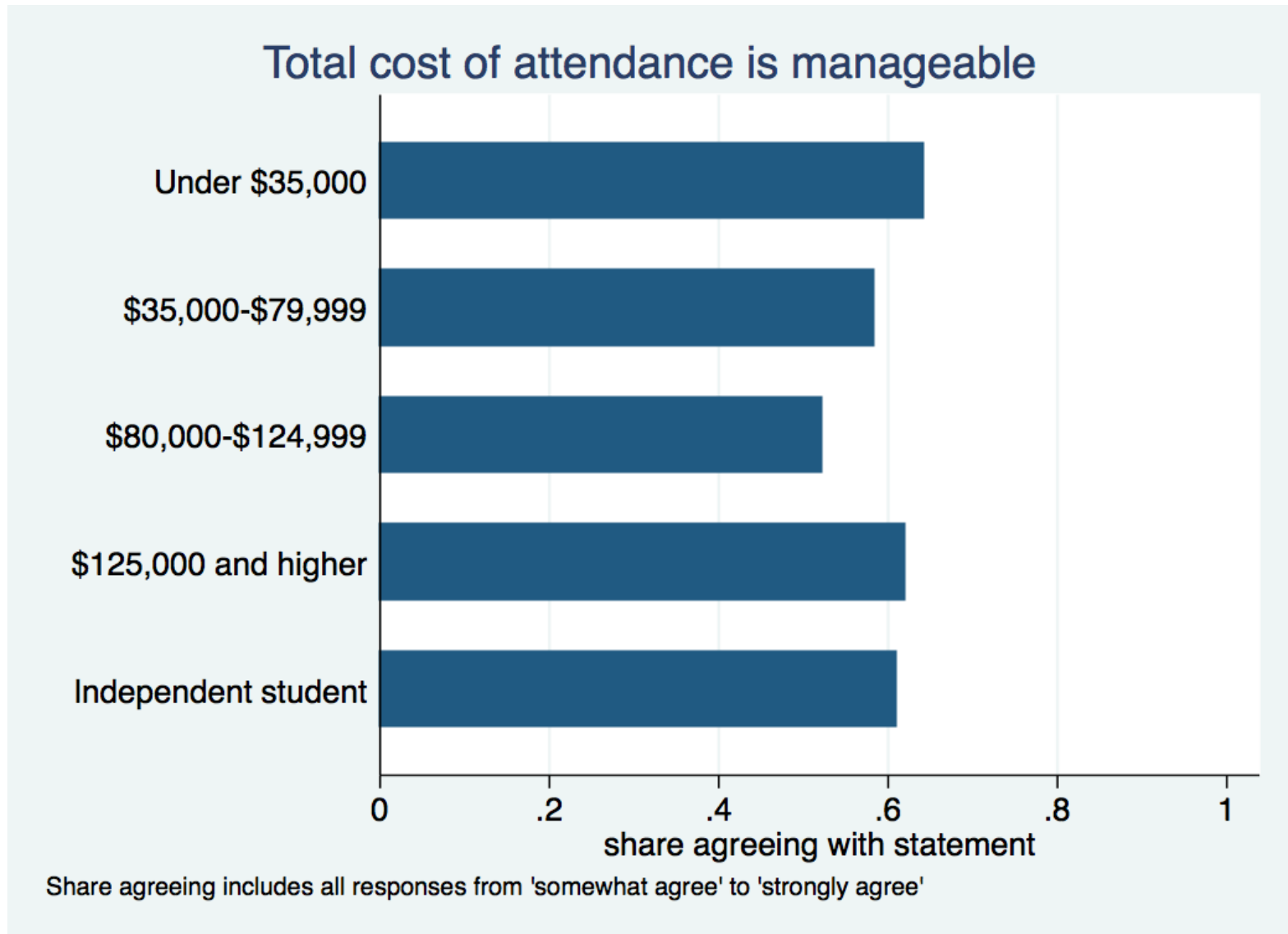


Source: Indicator 3.5.2, "Student loan debt burden of graduating seniors by parent income, Universitywide, 1999-2000 to 2012-13", 2014 Accountability Report, University of California

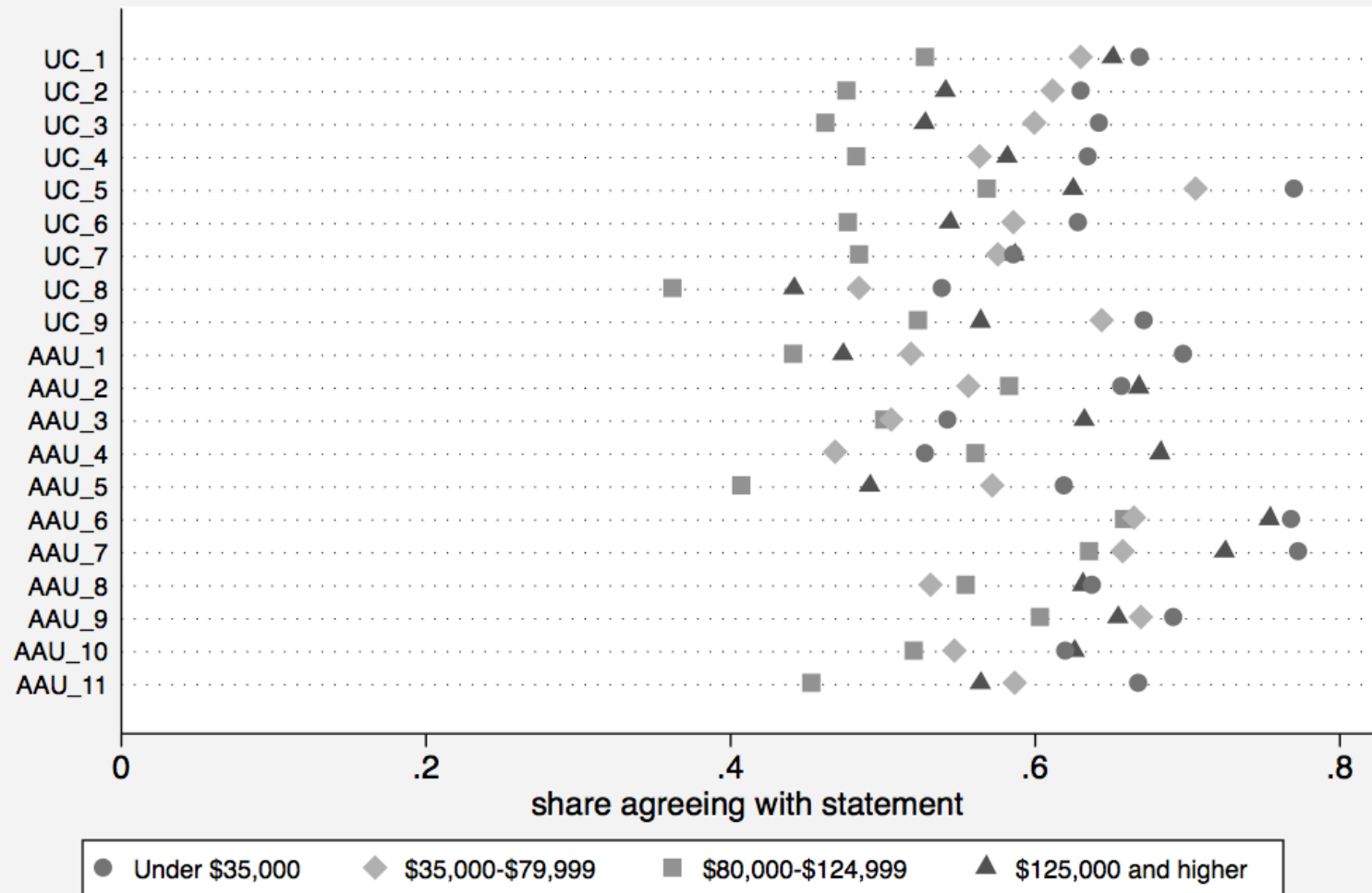
# **2014 SERU: Student responses on affordability**



# Upper-middle income students least likely to perceive cost of attendance as manageable



# This belief about attendance cost is similar across UC campuses and many other AAU institutions

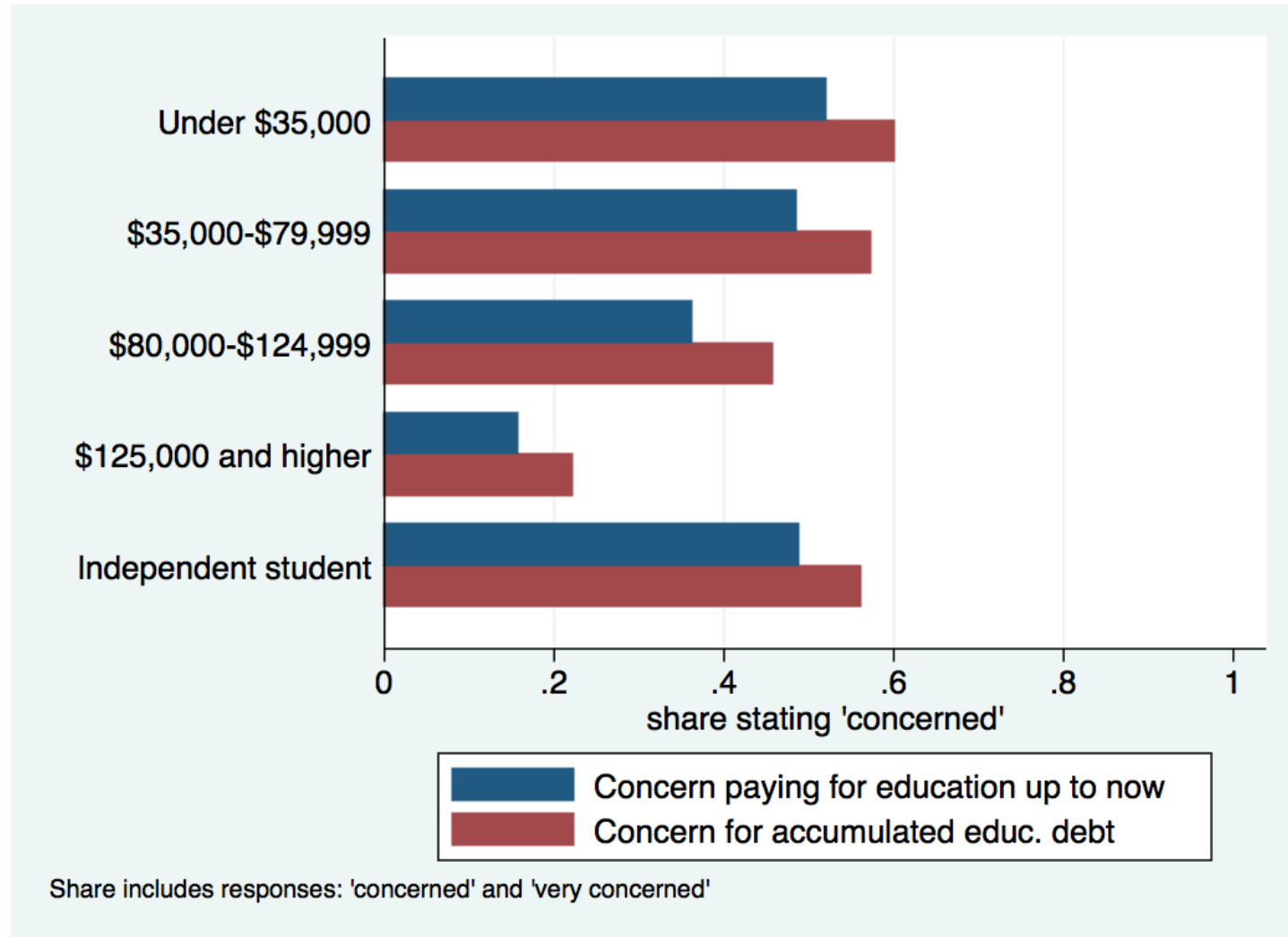


Includes responses: 'somewhat agree', 'agree', and 'strongly agree'

Statement: 'Total cost of attendance is manageable, given grants/scholarships'

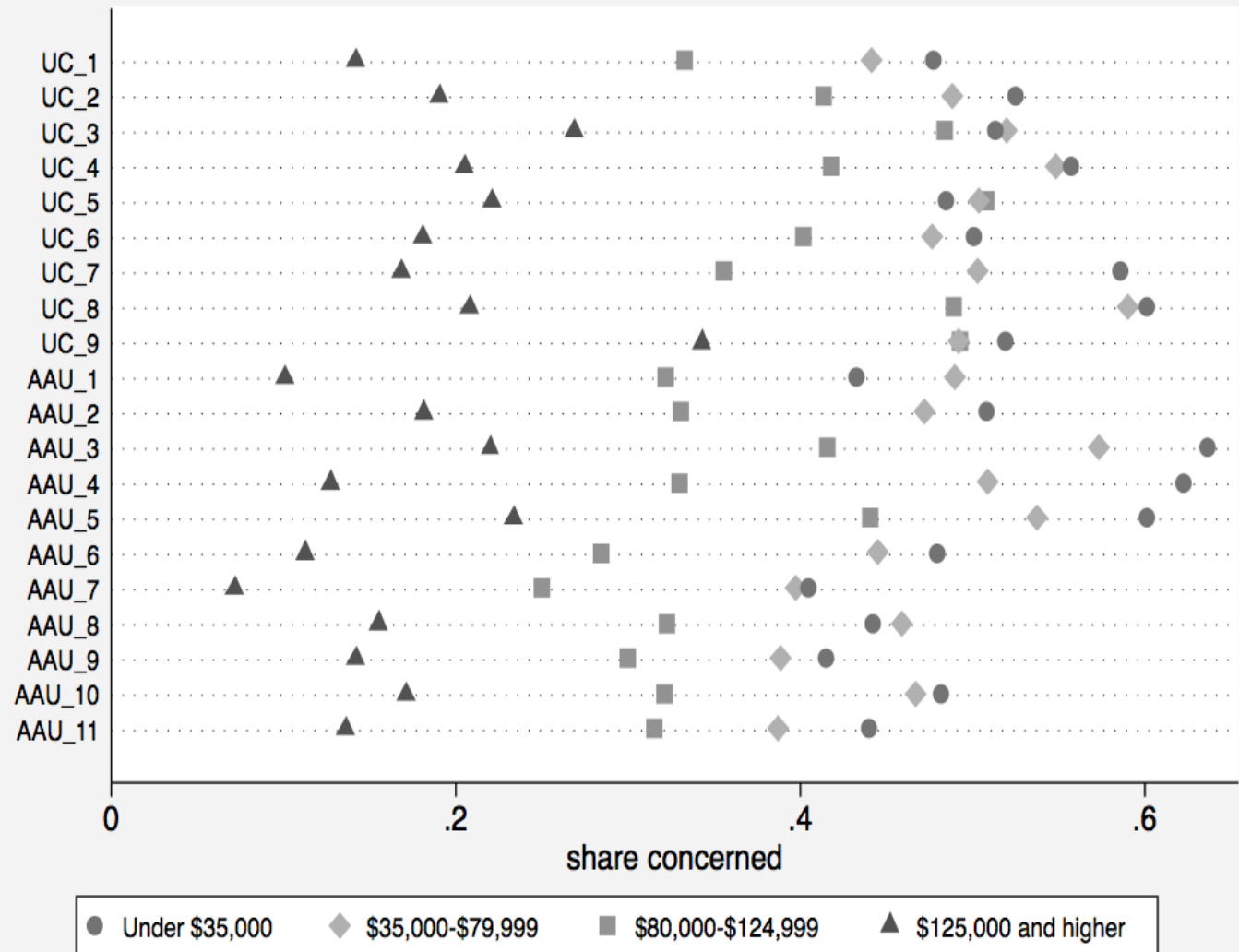
# Students' concern with financing education

As income falls, students are predictably more likely to express concern about paying for their education, as well as their accumulated educational debt.



# Concern for paying for undergraduate education

- Level of concern similar for lower- and lower-middle income students
- Concern is much lower for higher-income students across campuses

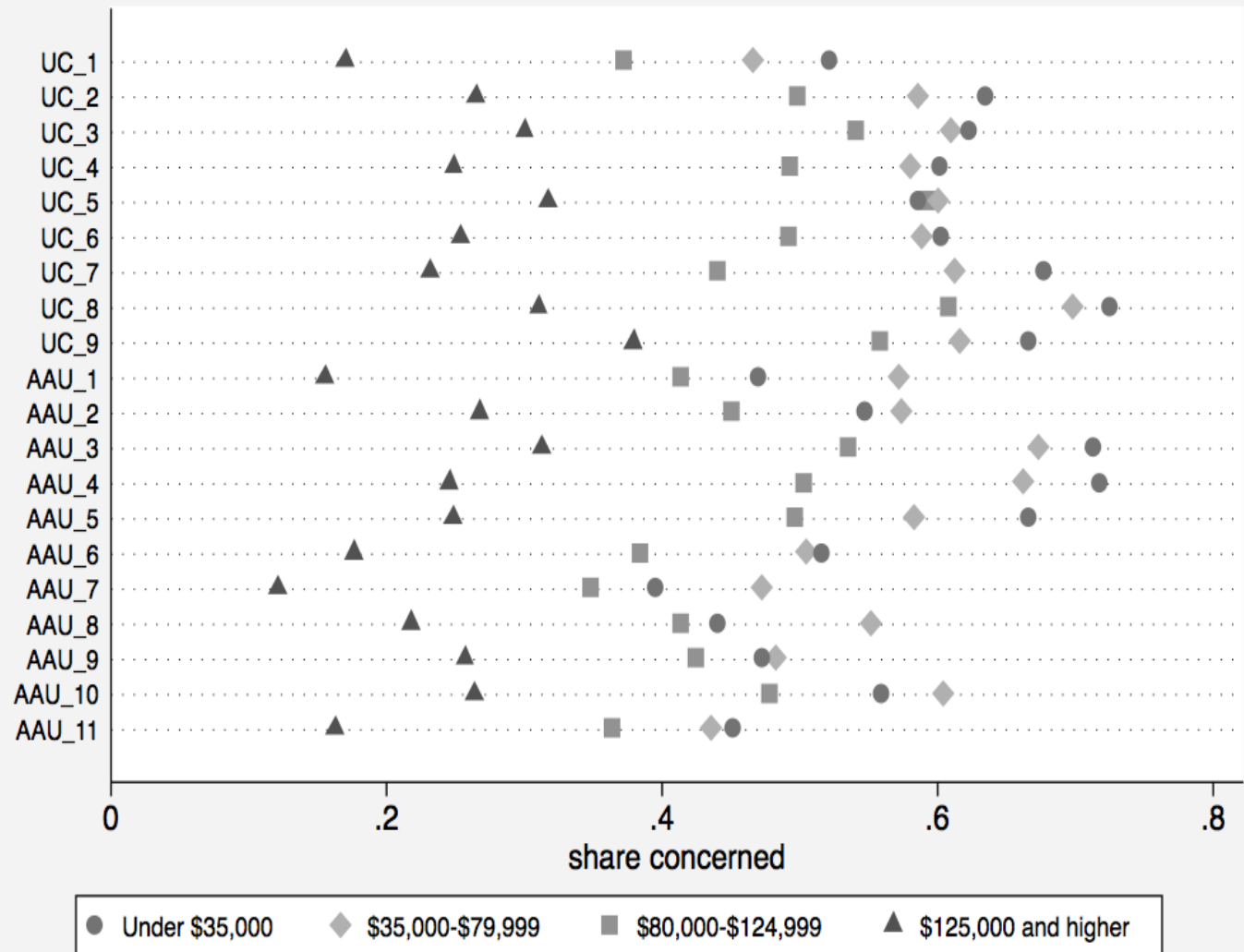


Includes responses: 'concerned' and 'very concerned'

Statement: 'Level of concern paying for undergraduate education up to now'

# Concern for accumulated educational debt

- Level of concern similar for all except highest-income group
- At some AAU campuses, share concerned higher for \$35k-80k students

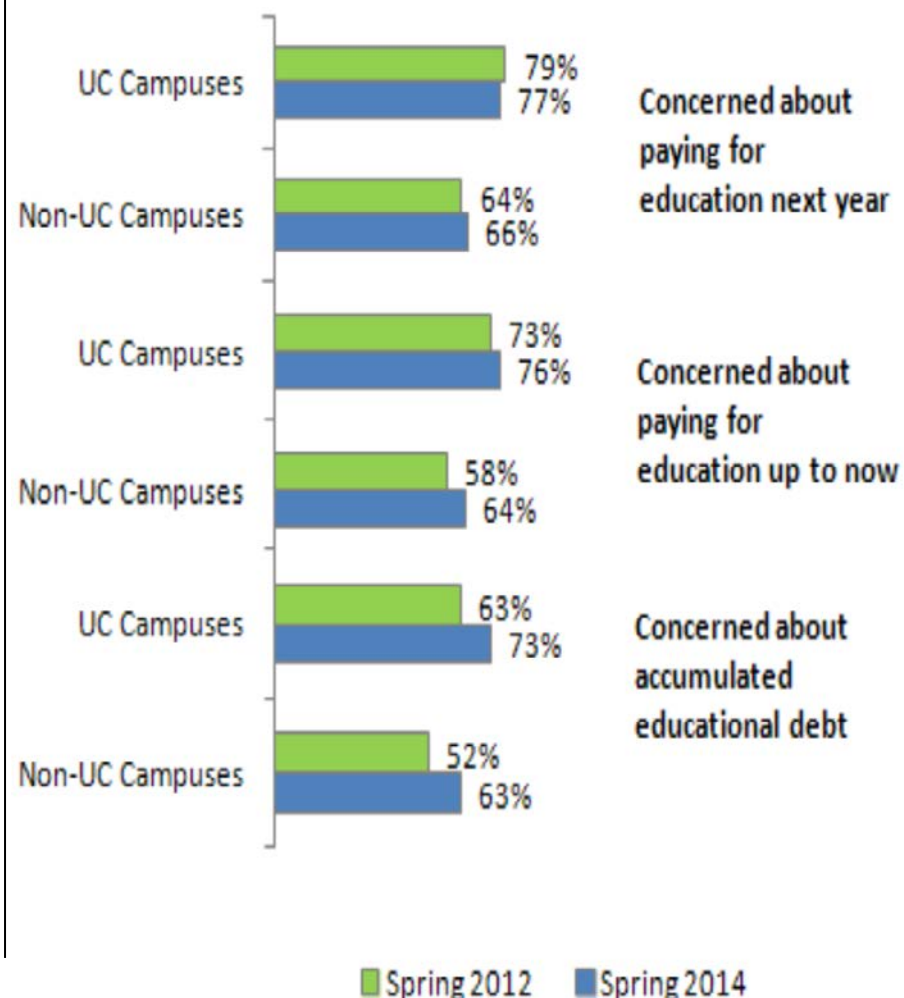
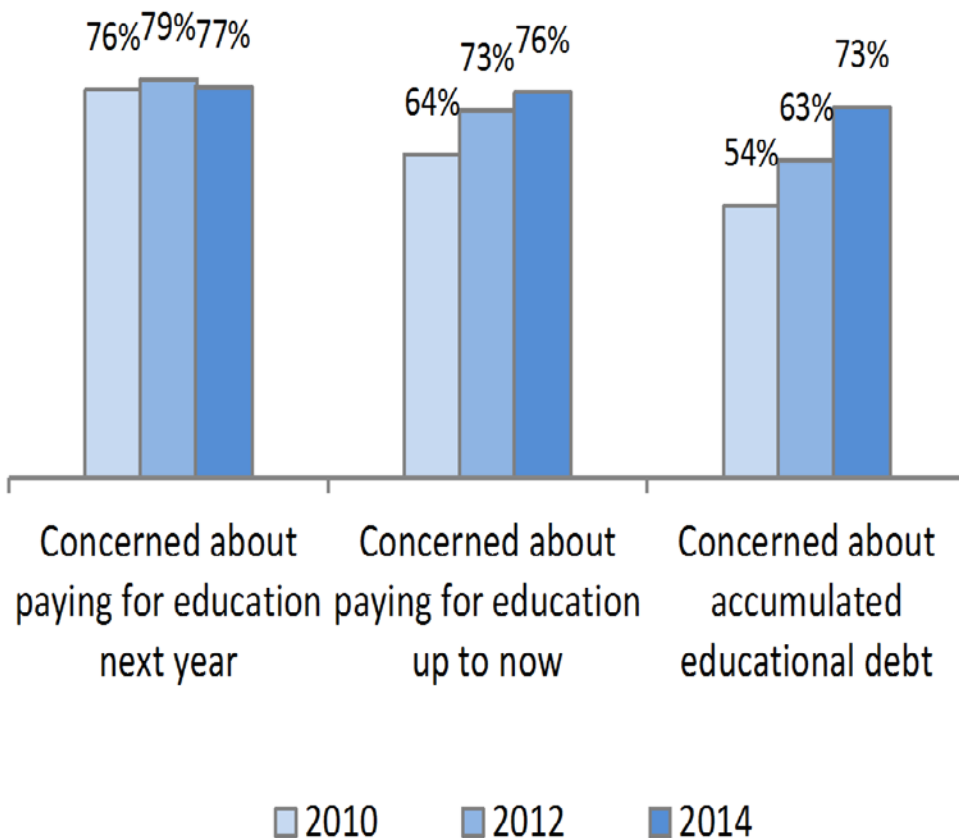


Includes responses: 'concerned' and 'very concerned'

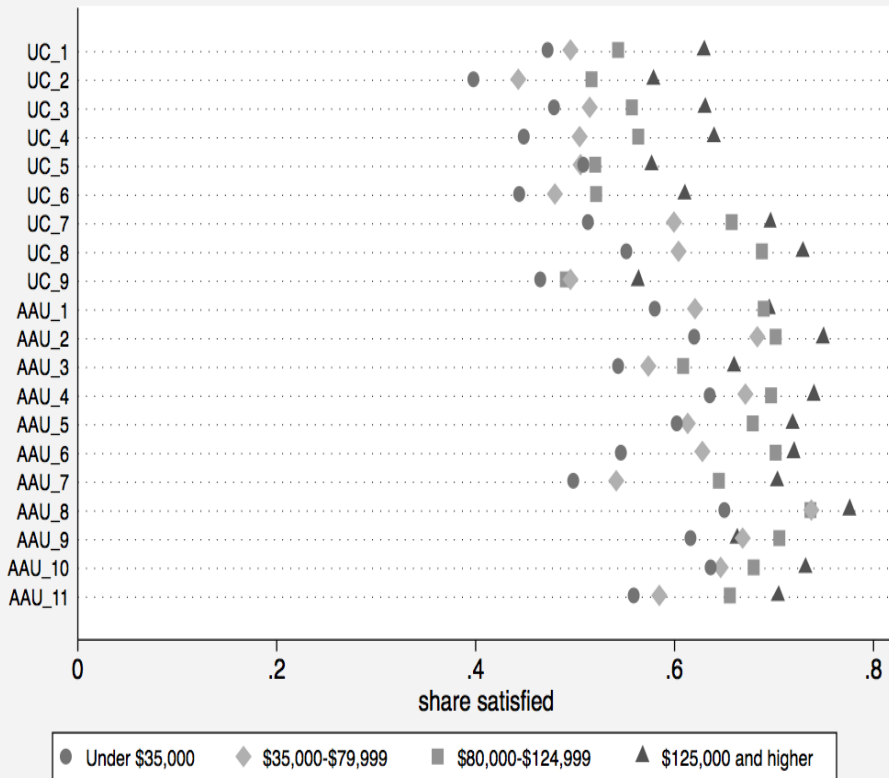
Statement: 'Level of concern for accumulated educational debt'

# Concern about financing college has been rising

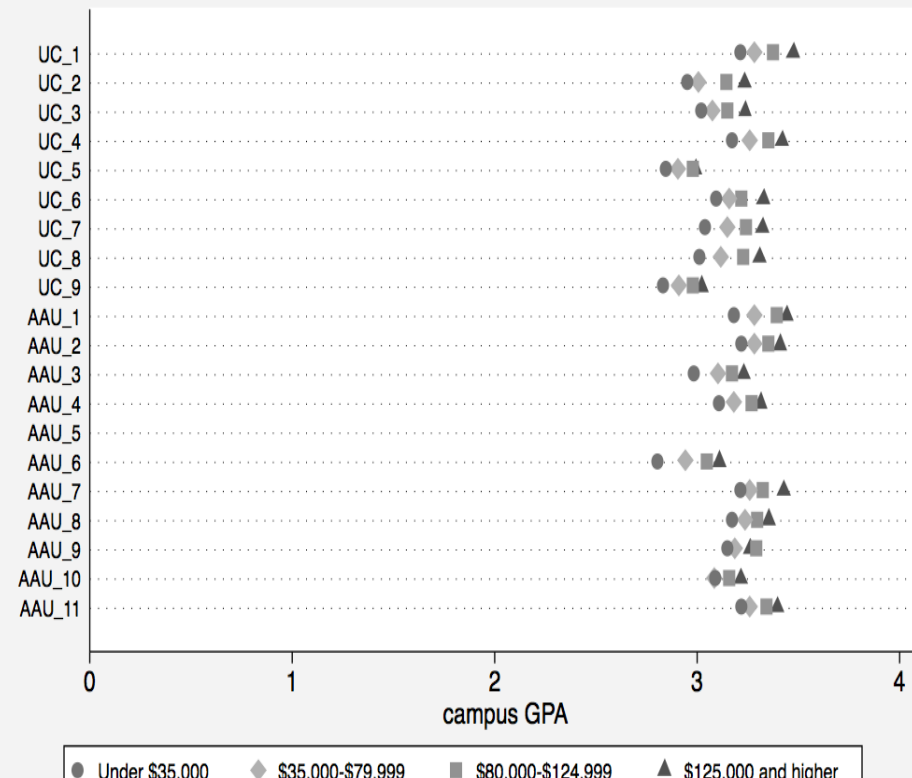
(UC respondents only)



# While satisfaction with GPA appears to rise with income...

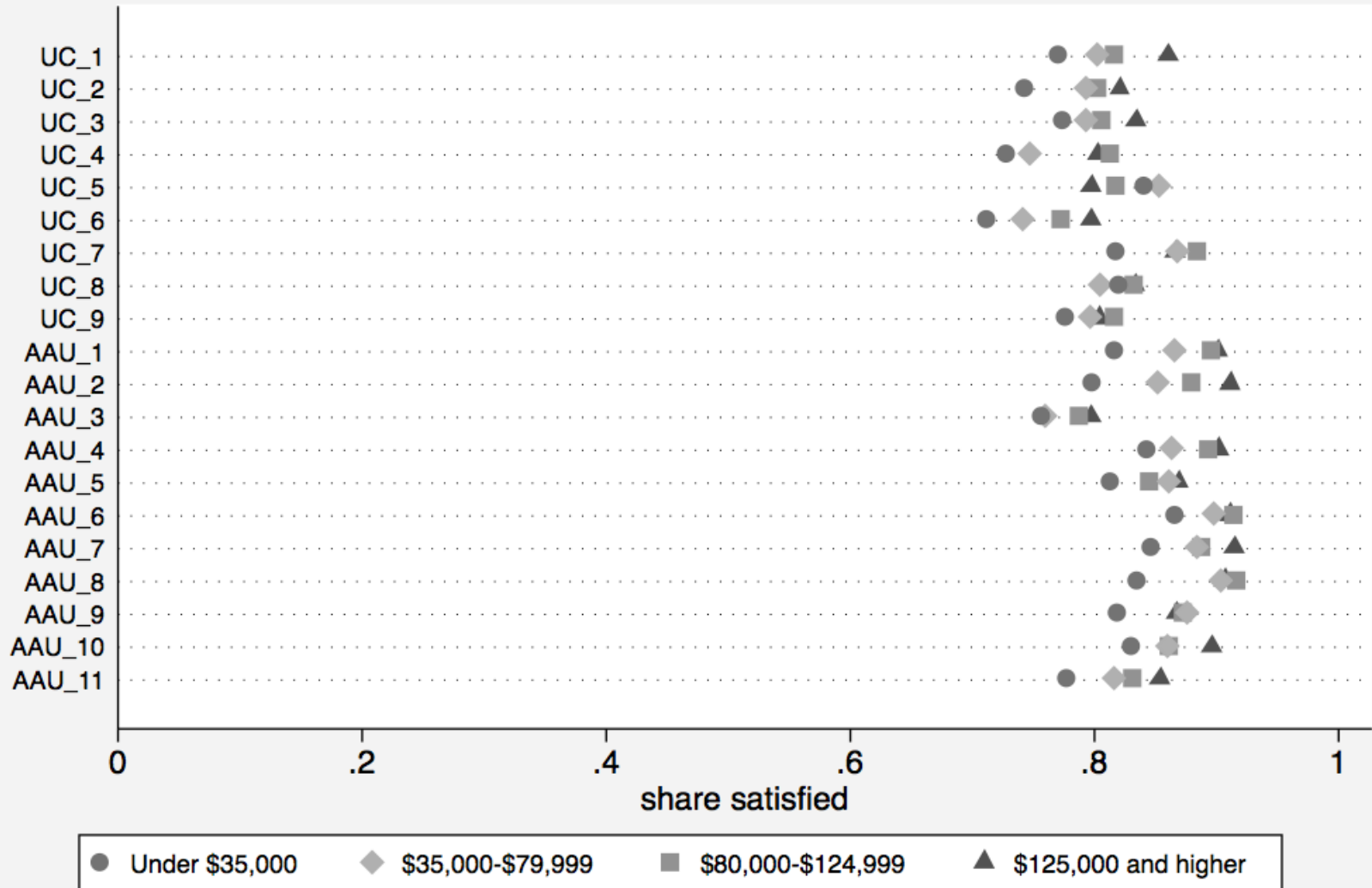


Includes responses: 'somewhat-' to 'strongly satisfied'  
Statement: 'satisfaction with GPA'



from campus administrative data  
Campus GPA, by income group

...most students are generally satisfied with their academic experiences...

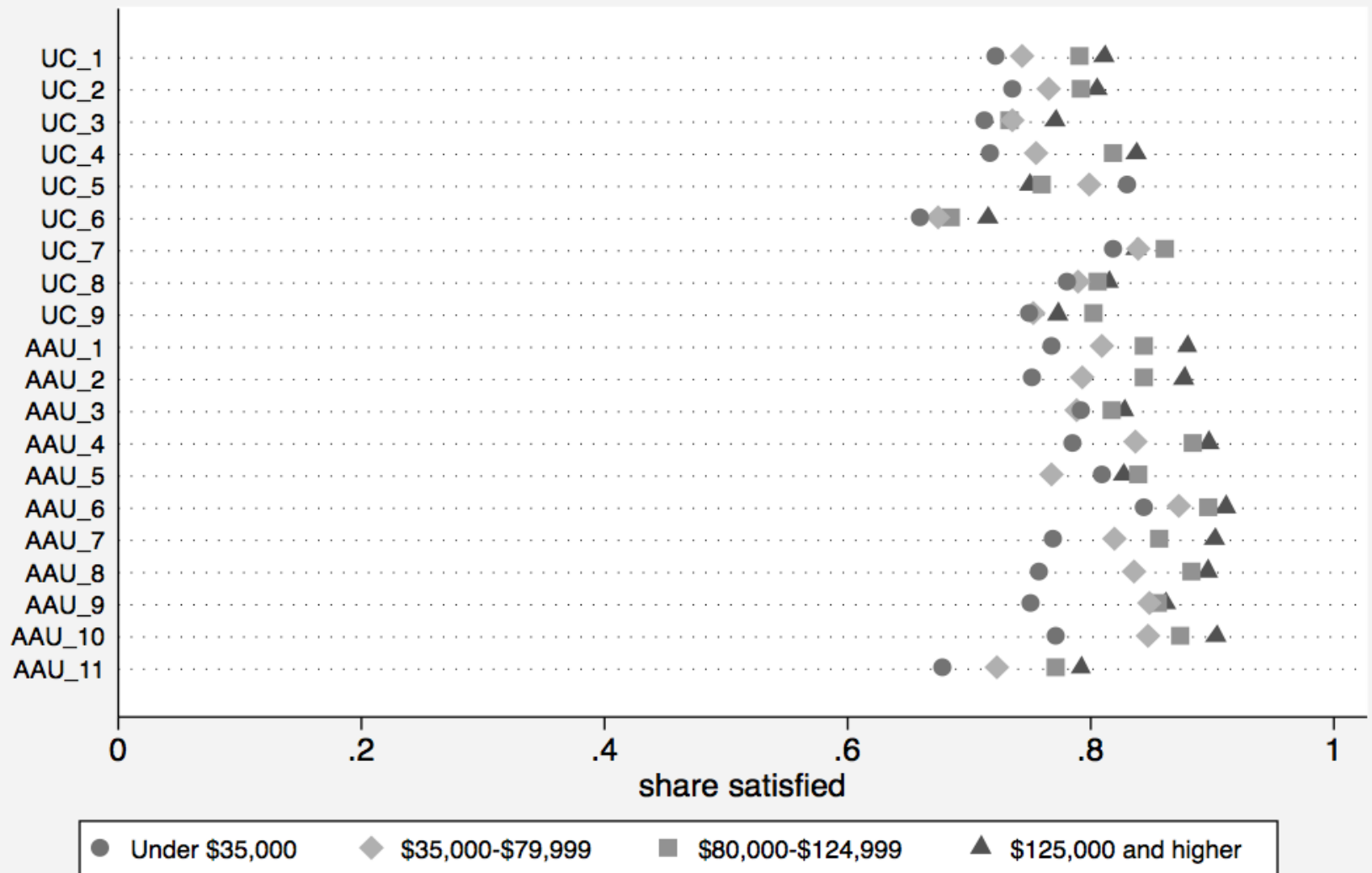


Includes responses: 'somewhat-' to 'strongly satisfied'

Statement: 'satisfaction with overall academic experience'



...and are also satisfied with their social experiences.

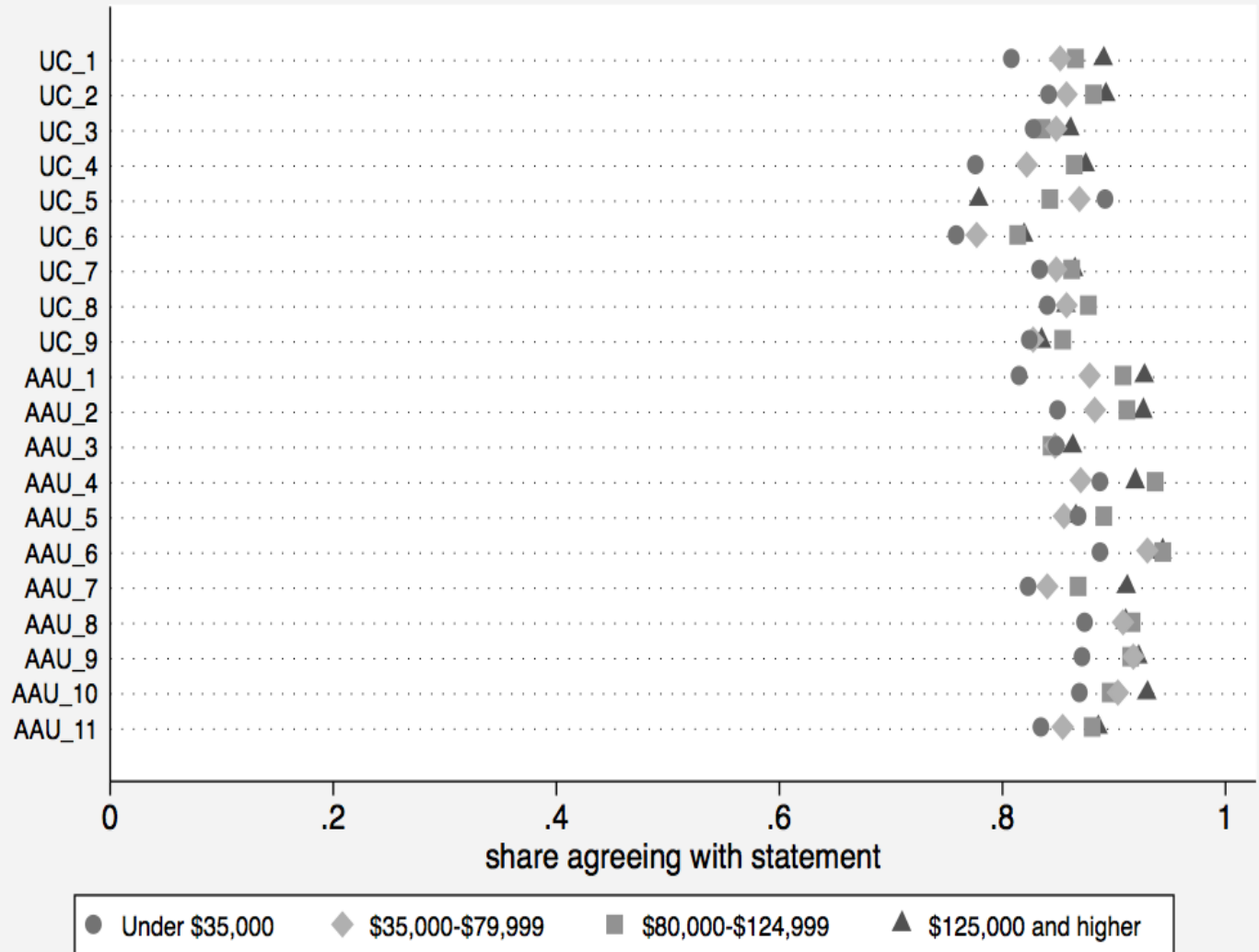


Includes responses: 'somewhat-' to 'strongly satisfied'

Statement: 'satisfaction with overall social experience'

# “I belong at this institution”

- Across income groups, over 80% express some agreement with this statement.
- Differences between low- and high-income students are small.

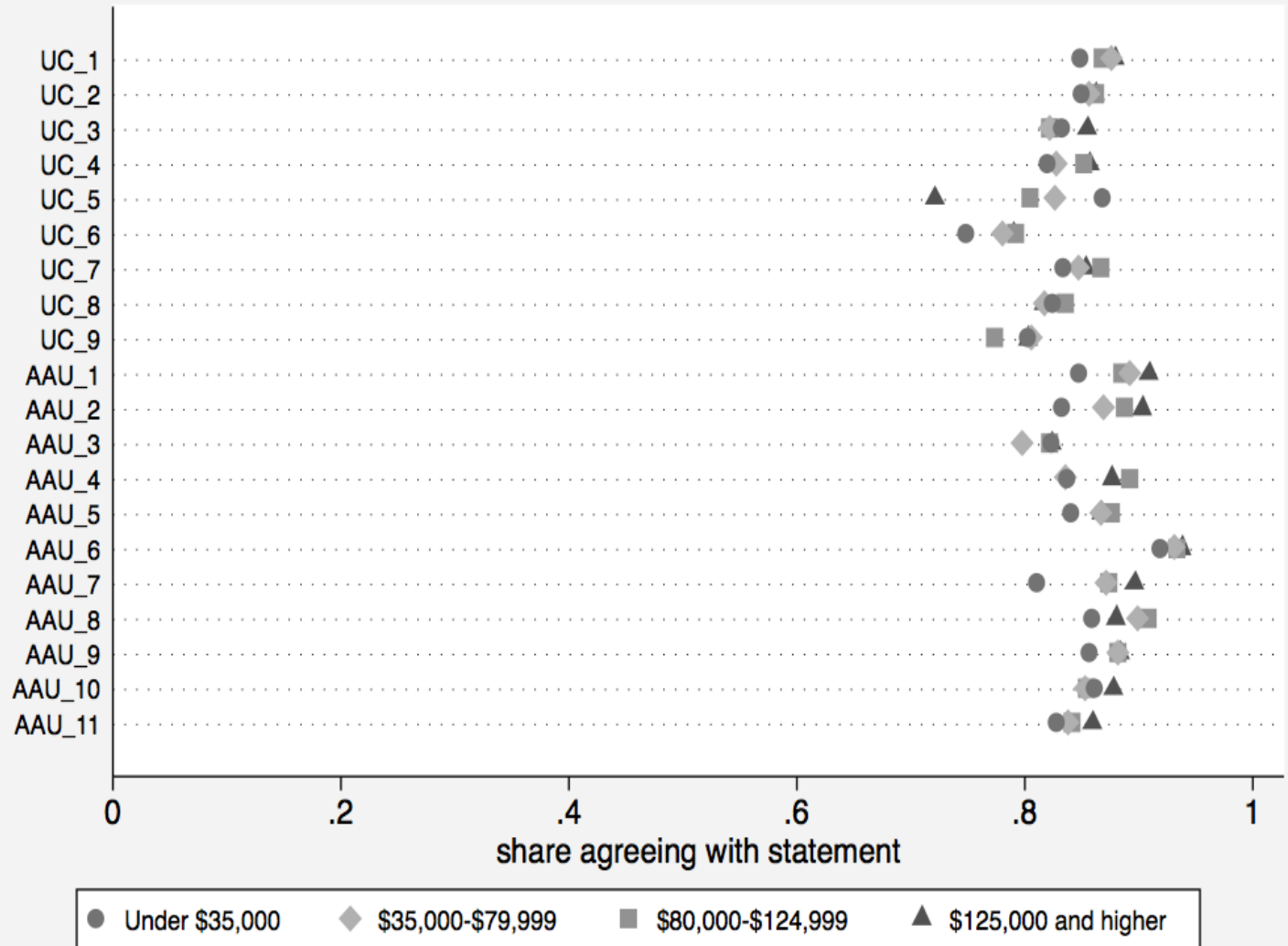


Includes responses: 'somewhat agree', 'agree', and 'strongly agree'

Statement: 'I belong at this institution'

# “I would still choose to enroll here”

- Across income groups, over 80% express some agreement with this statement.
- Differences between low- and high-income students are small.



Includes responses: 'somewhat agree', 'agree', and 'strongly agree'

Statement: 'I would still choose to enroll here'

# Discussion and questions

- Are the demographic, cost, and debt descriptions in UC's 2014 Accountability Report unique to UC, or do we see this at other institutions?
- While lower-income students are more likely to express concern about debt and paying for their education, they also are the most likely to agree that their educational costs are manageable. Why might this be the case?