

# **Economic Intelligence:**

**Tuition and State Aid Review**  
**Value of Nonresident Students**  
**Measuring College Affordability**

**Presentation to the Utah State Board of Regents**  
**January 24, 2020**

INFORMED DECISIONS™

## Utah System of Higher Education: State Aid Project

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# Highlights for today:

## Tuition and State Aid

- Published tuition and fees
- Share of students awarded aid
- Average net price for aid recipients
- Policy, definition, tuition model observations

## Value of Nonresident Students

- Nonresident share of students over time
- Nonresident students by institution
- Economic and fiscal impacts of students
- Nonresident students in Utah's economy

## Insights for Measuring Affordability

- Alternatives for measuring unmet need
- Return on investment
- Framing affordability

**Baseline analysis for further policy discussion of state aid**  
**Commissioned by Utah System of Higher Education, December 2018**

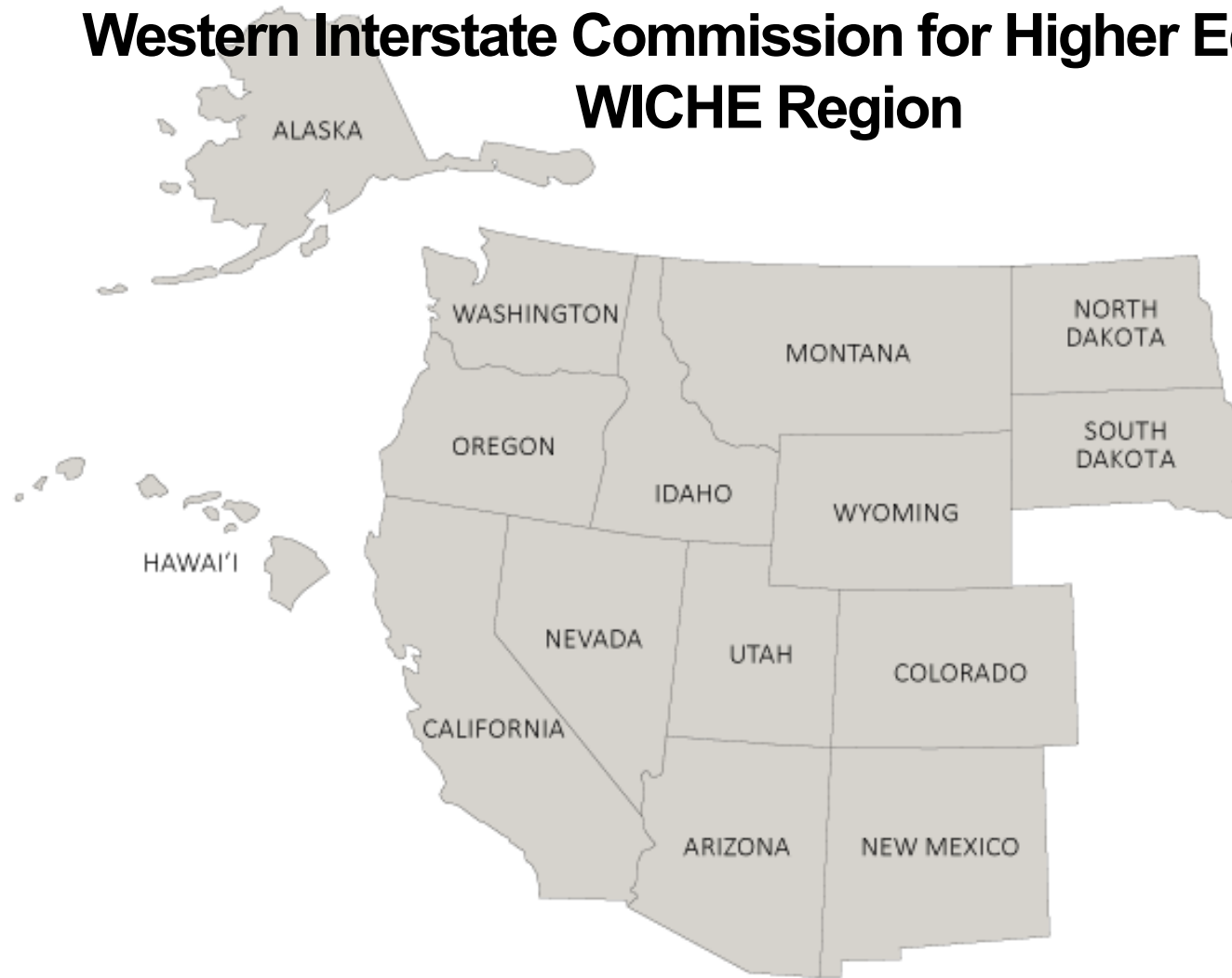
# Tuition and State Aid

The Gardner Institute summarizes the current state of tuition and fees, net price, and share of students receiving aid at Utah schools, and provides a comparison to the WICHE region. Based on additional research, provides insights on policies, definitions, and tuition models



# ***Comparisons with WICHE schools***

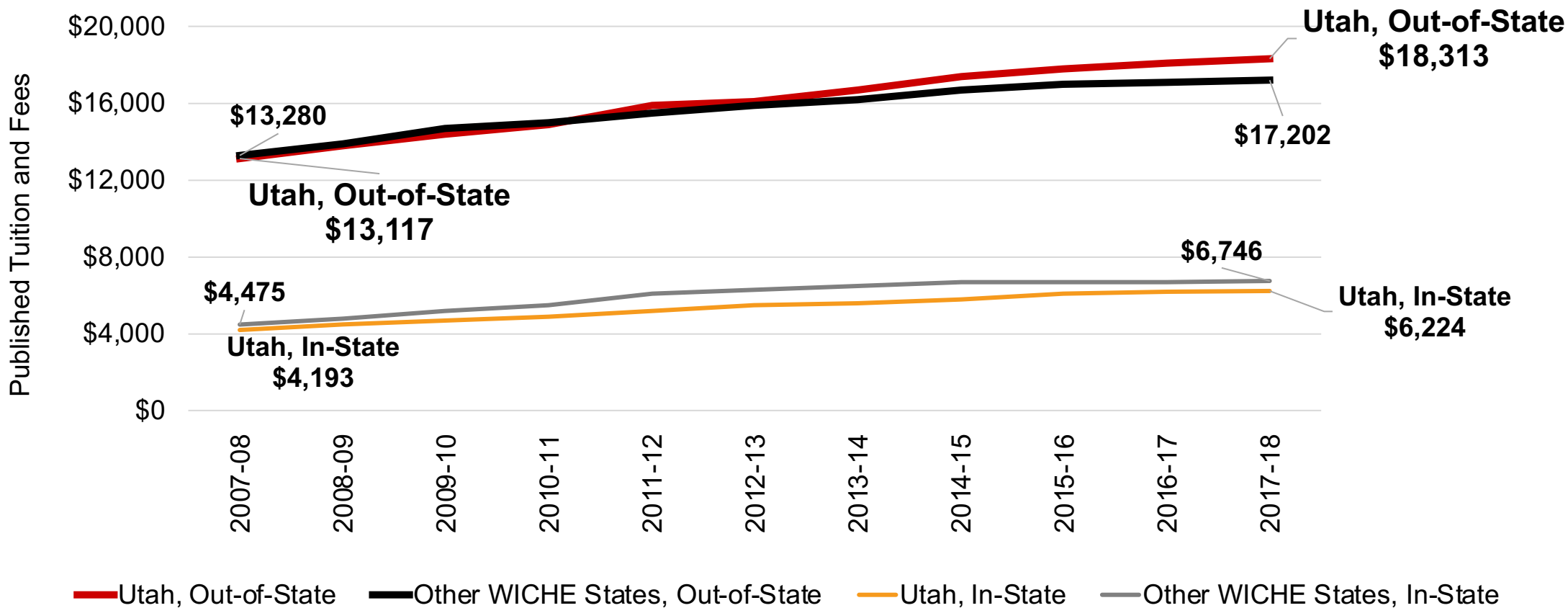
## **Western Interstate Commission for Higher Education WICHE Region**



Note: The WICHE Region also includes the Northern Mariana Islands and Guam, which are not included in this analysis

# Utah published rates essentially average

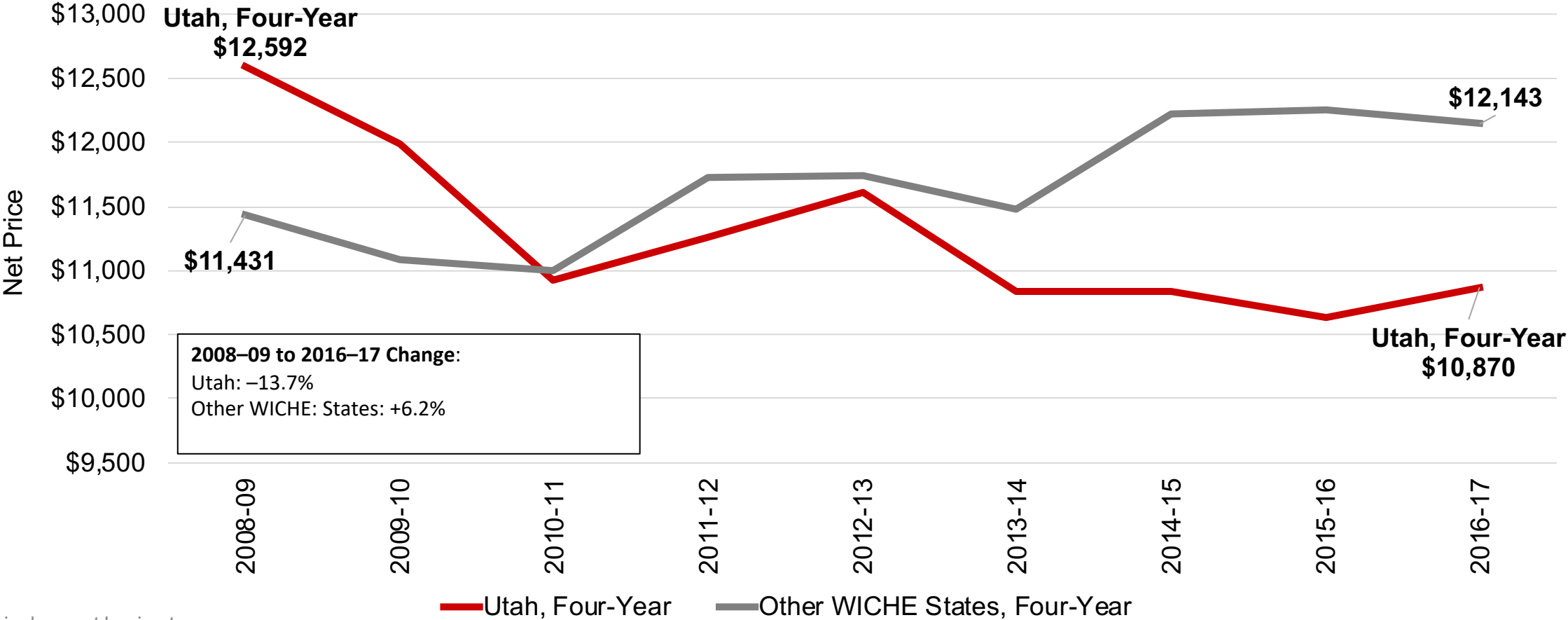
Published Tuition and Fees at Public Four-Year Institutions  
(inflation adjusted)



Source: U.S. Department of Education’s Integrated Postsecondary Education Data System (IPEDS) and the Bureau of Labor Statistics

# Utah net prices have declined, are below average

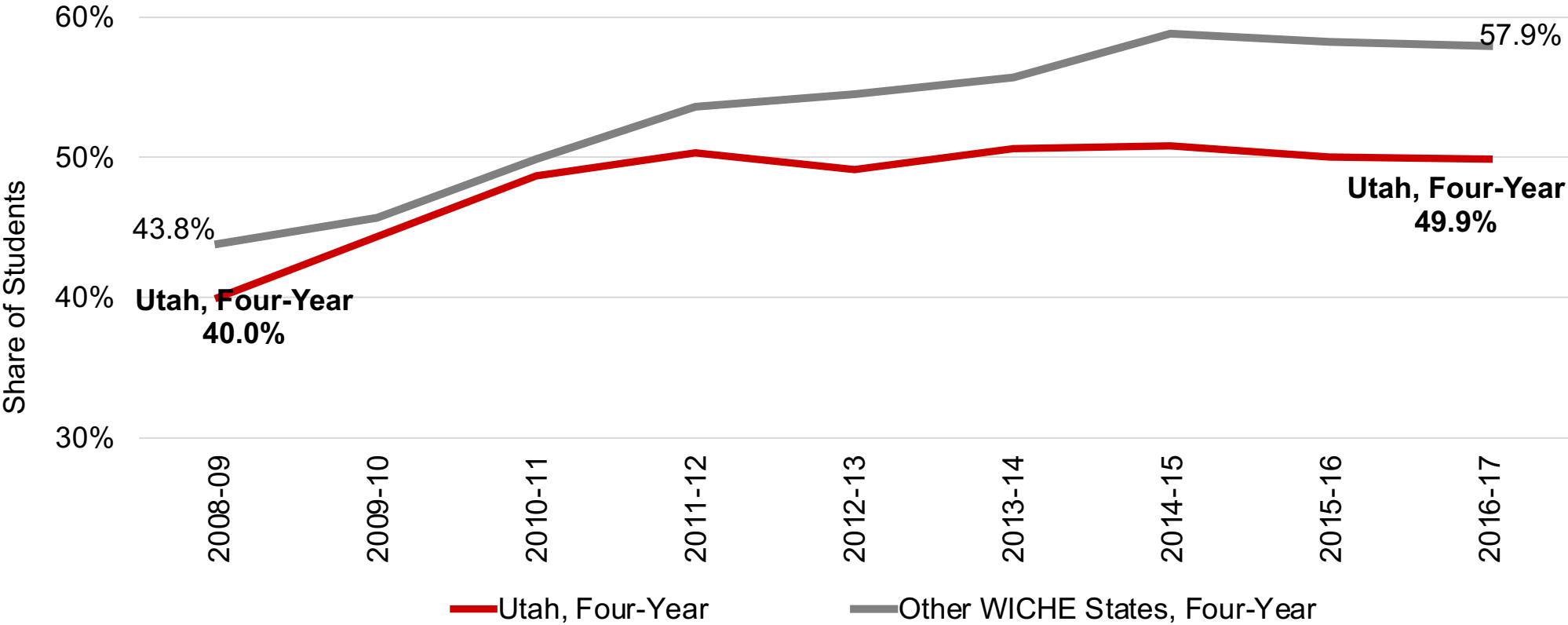
Average Annual Net Price for Students Awarded Aid  
(inflation adjusted)



Note: Y-axis does not begin at zero.  
Source: U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS) and the Bureau of Labor Statistics

# Increasing aid for Utah students, still below average

Share of Undergraduate Students Awarded Grant Aid



Note: Y-axis does not begin at zero.  
Source: U.S. Department of Education’s Integrated Postsecondary Education Data System (IPEDS)

# ***Some additional findings/observations***

## **Policy, Definitions, and Tuition Models**

- There is variation in the existence of formal, written policies on state aid at USHE institutions
- There are gaps, overlaps, and inconsistencies in terminology and definitions related to tuition and aid
- The categorization and definition of fees varies across USHE institutions
- Peer-reviewed research comparing plateau and linear plateau tuition models is lacking



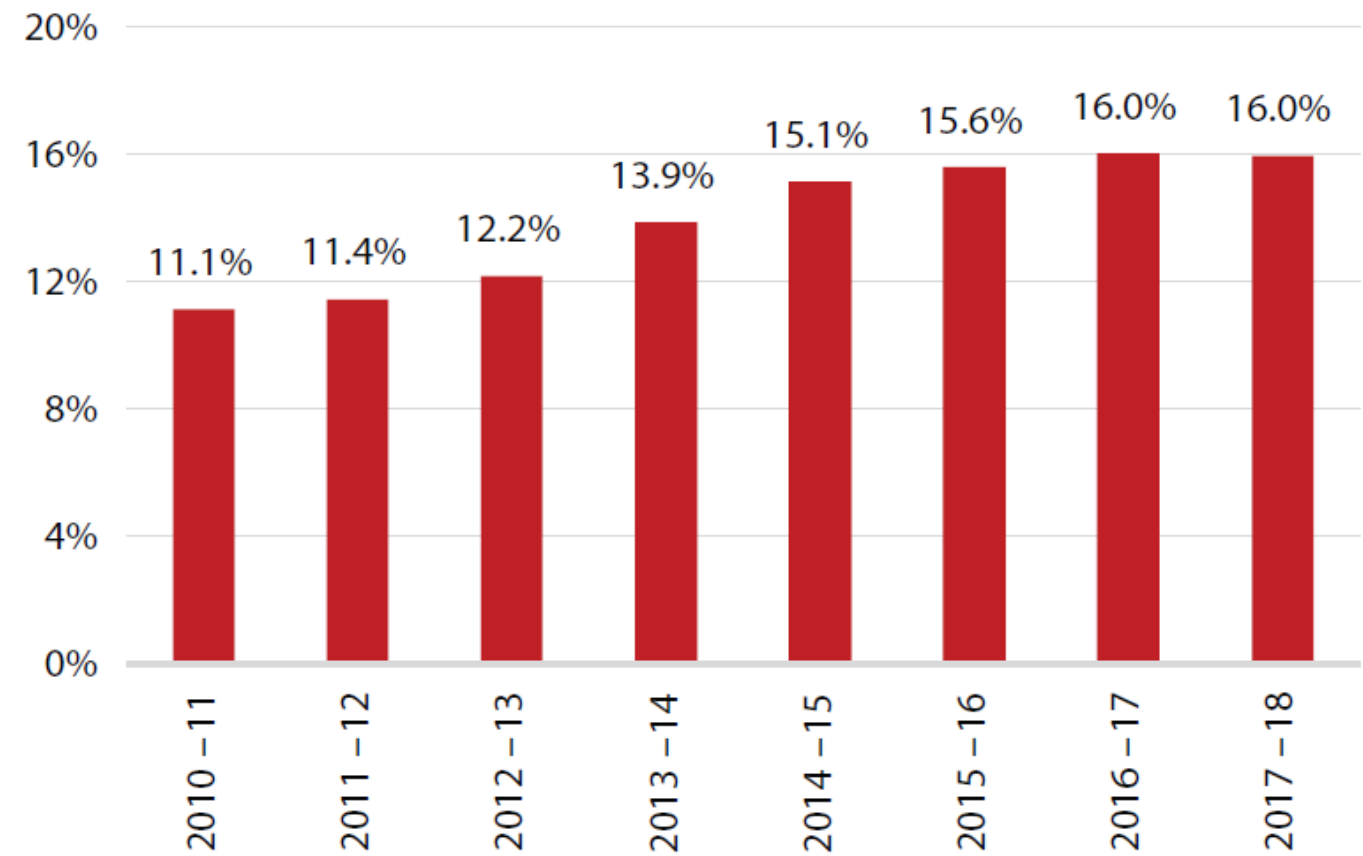
# Value of Nonresident Students

The Gardner Institute assesses the benefit of nonresident students in Utah, including estimated economic and fiscal impacts, and a brief analysis of graduates working in Utah.



# Increasing nonresident enrollments

## Nonresident Share of Total Enrollment at USHE Institutions

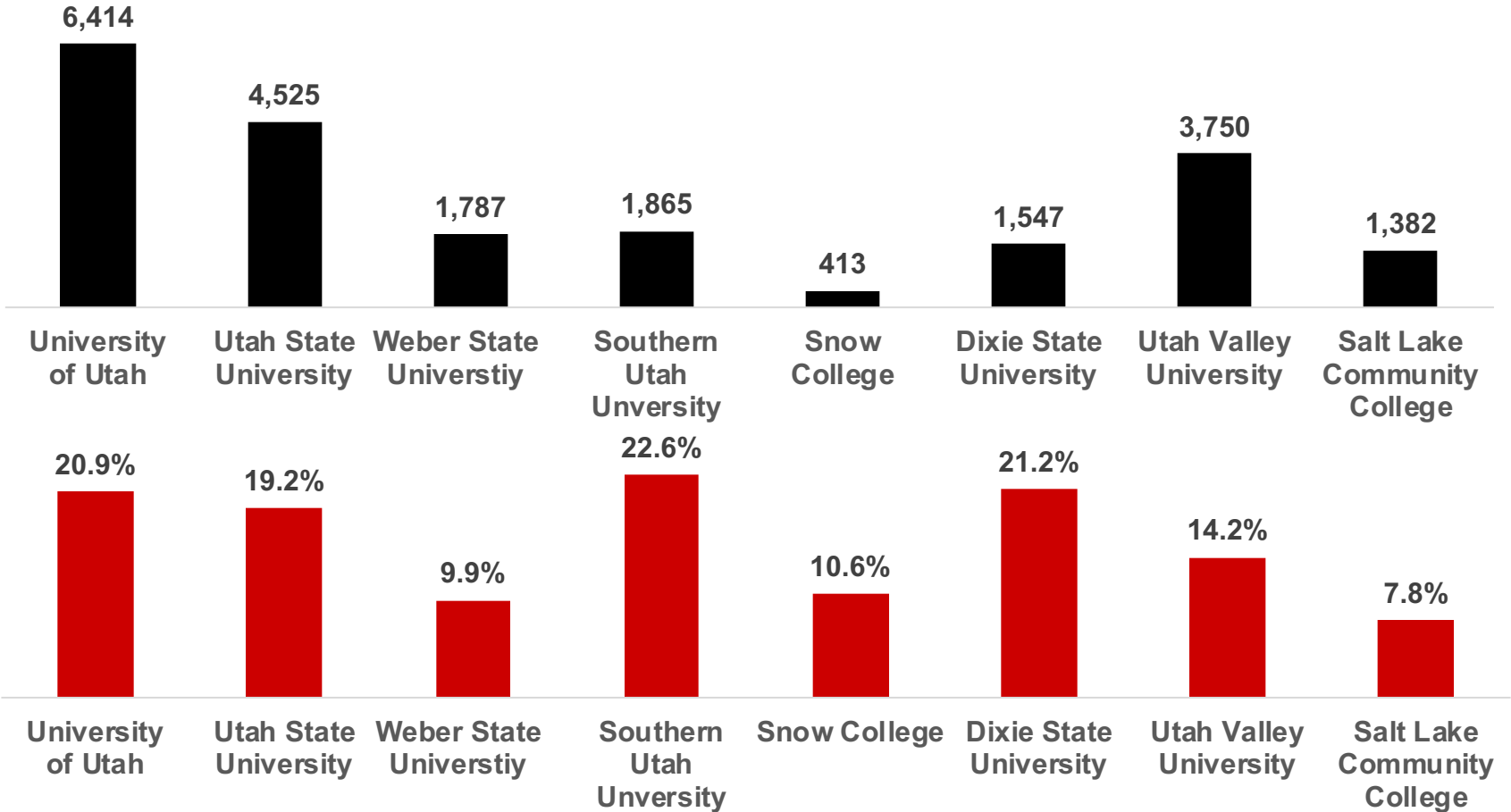


Source: Kem C. Gardner Policy Institute analysis of Utah System of Higher Education data

# Increasing nonresident enrollments

## Nonresident Student Enrollment at USHE Institutions

Count and share of total enrollment, 2017-2018

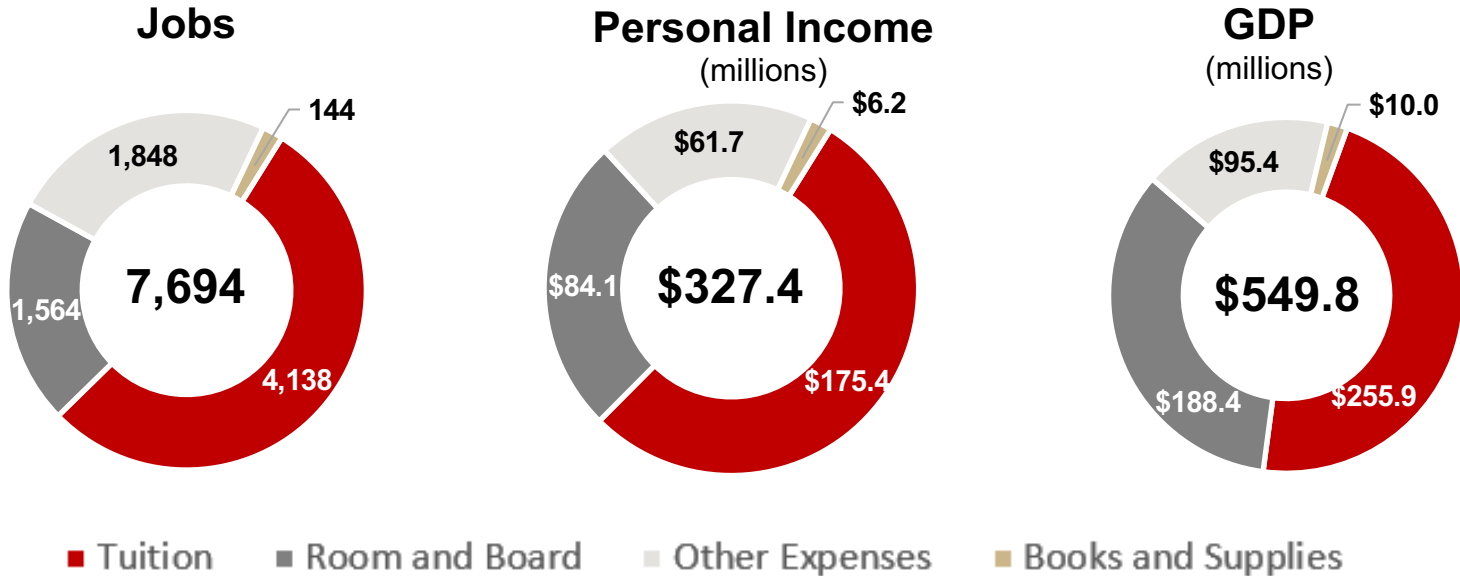


Source: Kem C. Gardner Policy Institute analysis of Utah System of Higher Education data

# Nonresident students impact through spending

| USHE Nonresident Student Spending, 2017–18 (Millions) |                |
|---|----------------|
| Gross Student Spending                                | \$549.1        |
| Less In-State Wages                                   | –\$157.5       |
| Other Adjustments                                     | <u>–\$37.9</u> |
| Net Student Spending                                  | \$353.7        |

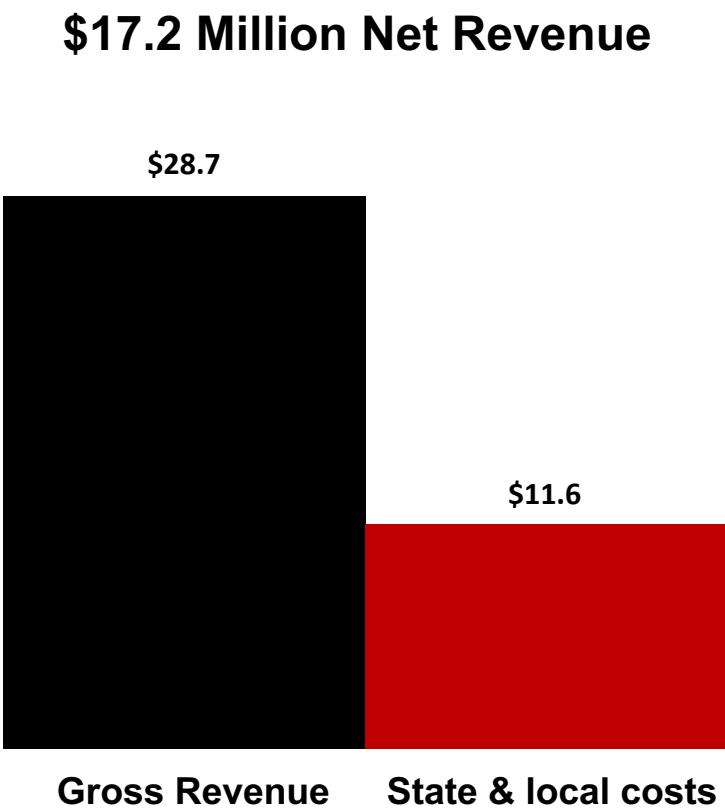
## Total Economic Impact



Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model

# *Nonresident students generate state and local revenue*

## Fiscal Impacts of Nonresident USHE Students, 2017–18

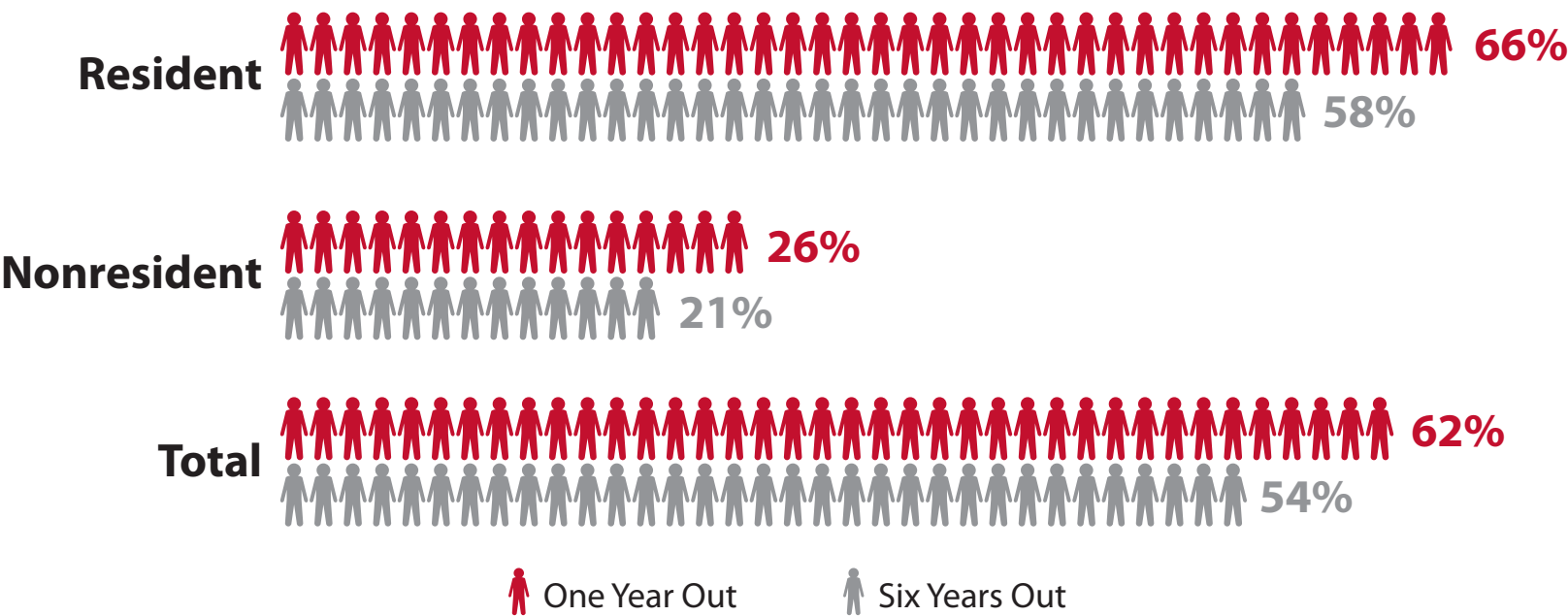


Source: Kem C. Gardner Policy Institute analysis using the REMI PI+ model

# Nonresident students support the economy

## USHE Graduates Employed in Utah

One and six years after graduation, 2012 Cohort

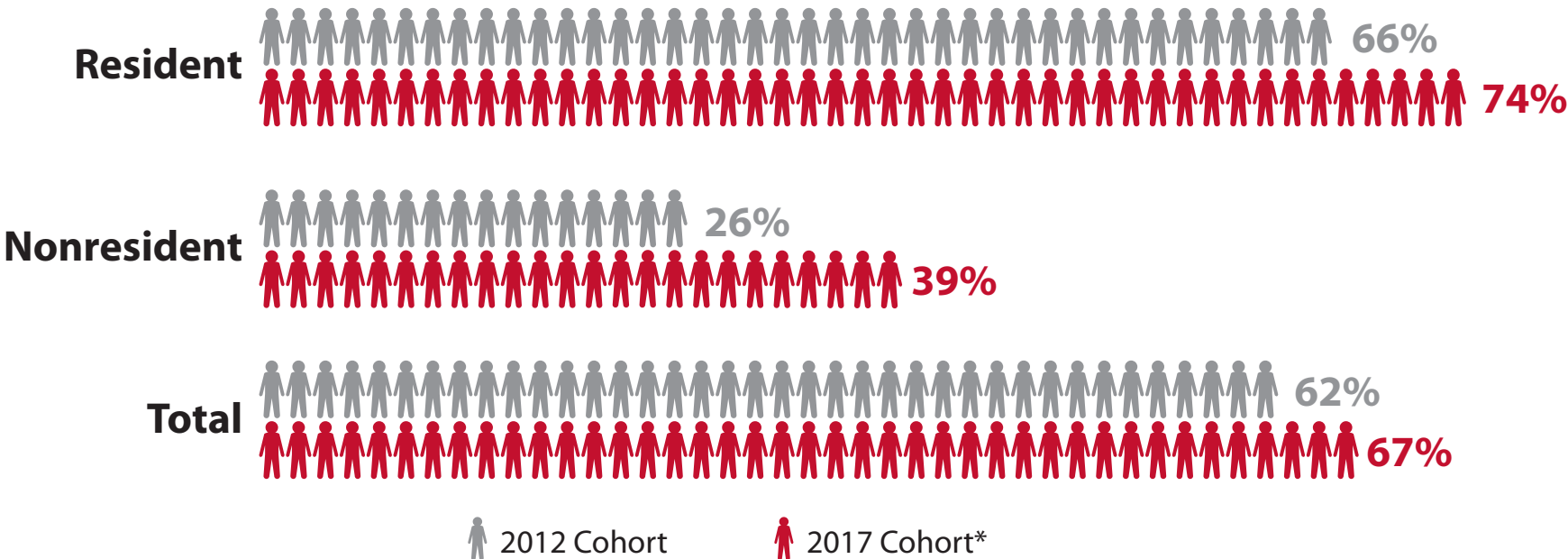


Source: Kem C. Gardner Policy Institute analysis of data from Utah Data Research Center

# Increase in nonresidents working in Utah

## USHE Graduate Cohorts Employed in Utah

One year after graduation, 2012 and 2017



\*Only includes students graduating in the first seven months of 2017  
Source: Kem C. Gardner Policy Institute analysis of data from Utah Data Research Center

# Measuring Affordability

The Gardner Institute outlines and applies existing methods for determining unmet need and return on investment to several **hypothetical examples**. We frame affordability in terms of cost, ability to pay, and lifetime value of a degree.

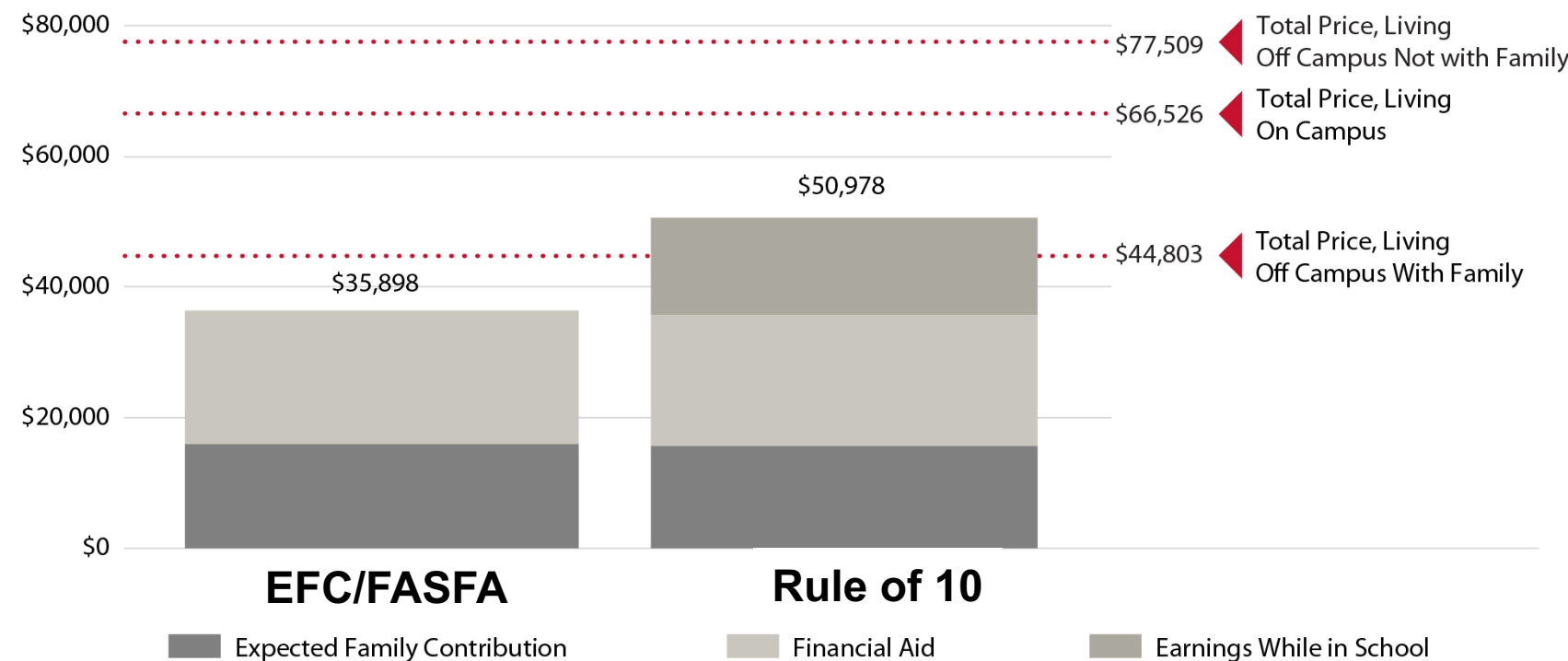




# Unmet need: pre-college resources

## FASFA and Rule of 10 Results for Hypothetical Utah Student

Family of four with two college students (per student), 2016-2017



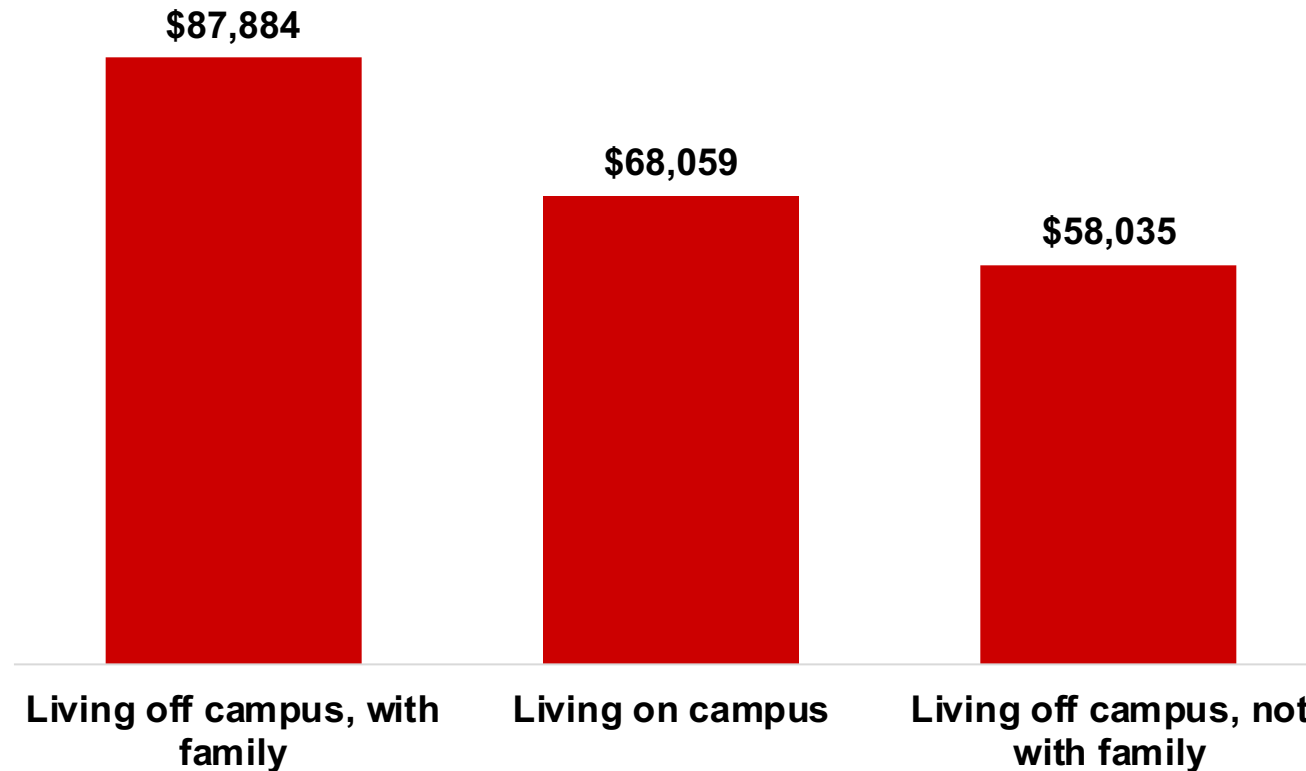
Source: Kem C. Gardner Policy Institute analysis of the U.S. Census Bureau and the U.S. Department of Education's Integrated Postsecondary Education Data System data

# ***Return on investment: post-college resources***

## **Net Present Value of a College Degree**

Hypothetical Utah Student, 2016-2017

3.76% discount rate, 14-year scenario



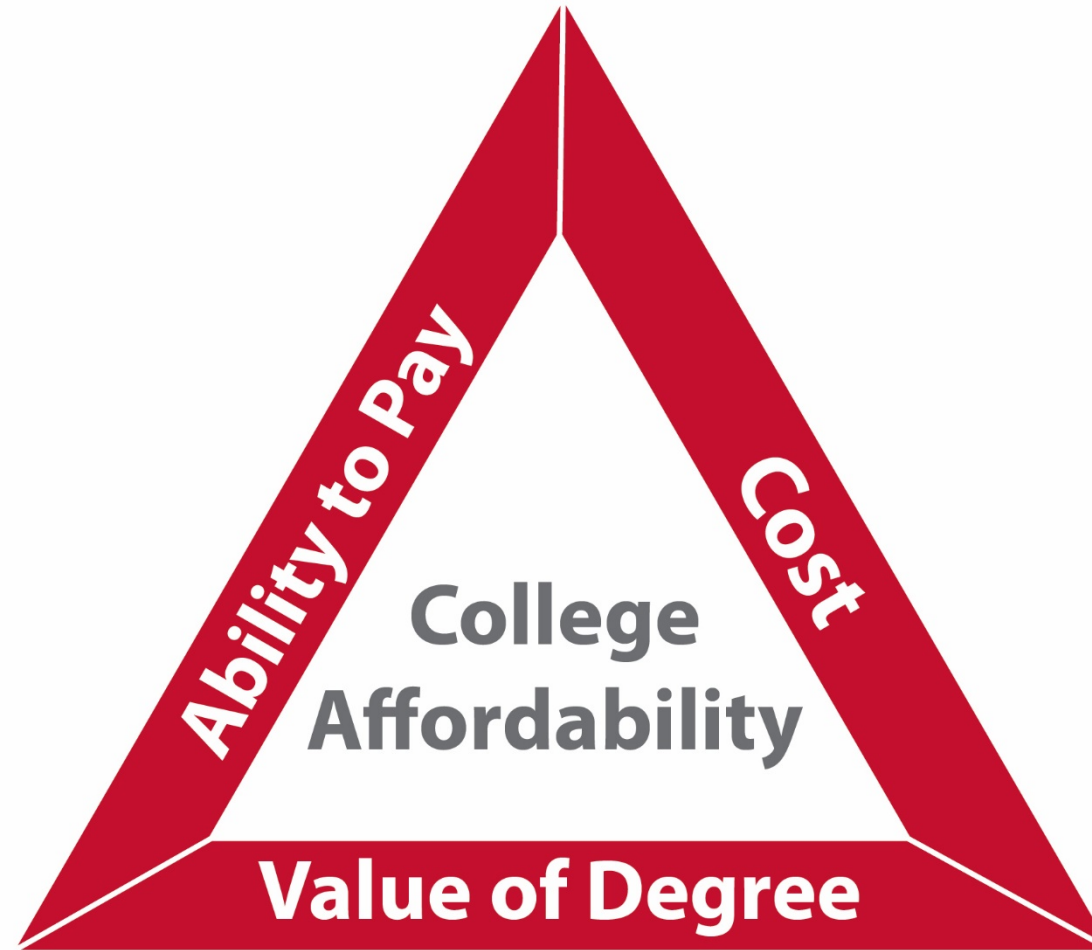
Source: Kem C. Gardner Policy Institute analysis of the U.S. Census Bureau and the U.S. Department of Education's Integrated Postsecondary Education Data System data

Table 3.1: Estimated Returns on a College Degree in Utah, Based on Net Present Value, 2016

| Living Situation While Enrolled     | Scenario 1: 10 Year Timeline,<br>Total Initial Cost | Scenario 2: 10 Year Timeline,<br>Cost Spent During First Four Years | Scenario 3: 14 Year Timeline,<br>Cost Spent During First Four Years |
|-------------------------------------|---|---|---|
| Discount Rate: 1.81% (Low Bound)    |   |   |   |
| Living On Campus                    | \$95,038  | \$37,426  | \$87,270  |
| Living Off Campus Not With Family   | \$84,055  | \$26,923  | \$76,767  |
| Living Off Campus With Family       | \$116,760   | \$58,201  | \$108,045   |
| Discount Rate: 3.76% (Medium Bound) |   |   |   |
| Living On Campus                    | \$81,570  | \$28,713  | \$68,059  |
| Living Off Campus Not With Family   | \$70,587  | \$18,689  | \$58,035  |
| Living Off Campus With Family       | \$103,293   | \$48,537  | \$87,884  |
| Discount Rate: 11.42% (High Bound)  |   |   |   |
| Living On Campus                    | \$43,815  | \$6,611   | \$22,868  |
| Living Off Campus Not With Family   | \$32,832  | -\$1,831  | \$14,426  |
| Living Off Campus With Family       | \$65,538  | \$23,310  | \$39,567  |

Source: Kem C. Gardner Policy Institute Analysis of U.S. Census Bureau and IPEDS data.

# ***Framing College Affordability***



## **Kem C. Gardner Policy Institute**

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