National Higher Education Perspectives

New Hampshire’s 2nd Annual Summit on Higher Education
March 15, 2019
Thomas Harnisch, Ed.D.
American Association of State Colleges and Universities
About AASCU

- Association of 400 public college and university presidents
- Represent regional public colleges and universities, including Keene State and USNH, the “workhorses” institutions of higher ed
- Track and advocate on state and federal policy matters
- Interests=affordability, excellence in undergraduate education, teacher education, diversity, student success
Observations

• Despite a strong economy, higher ed remains pivotal to individual and community wellbeing. Not everyone is sharing in today’s prosperity.

• NH—like other states—is undergoing profound economic/demographic shifts

• New Hampshire remains at or near the bottom in college affordability. Need to invest in higher ed & provide need-based financial aid.

• Federal policy could starkly change the higher ed landscape
A Tale of Two Cities

“It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of light, it was the season of darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to heaven, we were all going direct the other way.”

Charles Dickens
The Best of Times...

• Longest economic expansion in U.S. history
• Low national & state unemployment rate---below 3% for over 2+ years in New Hampshire. Lowest unemployment in NH since 1988.
• Highest wage growth in a decade
• Strong GDP growth
• Consumer confidence highest since 2000 in fall 2018
“We have an unusually large number of people in their prime working years who are not in the labor force. The United States has a lower labor force participation rate than almost every other advanced country.”

---Fed Chair
Jerome Powell on 60 Minutes, March 10, 2019
Key forces cited by Fed Chair

• Evolving technologies require rising skills, but educational attainment rates have not kept up.
• Manufacturing base has deteriorated
• Opioid crisis
• Risk having a “lost generation”
The Worst of Times

Where Have All the Men Without College Degrees Gone?

Economists are trying to understand the steady decline of non-college-educated men in the labor market.

ADAM HARRIS  MAR 9, 2019

Labor-Force Participation Rates by Education Status, Males Aged 25-54, 1965-2016

Using the Current Population Survey, the researchers examined labor participation by education status. The dashed lines exclude foreign-born workers—the survey began tracking birthplace in 1994—showing that the decline among native-born men who dropped out of high school is even more severe. (Source: National Bureau of Economic Research)

Source: The Atlantic, March 9, 2019
The Future

- More jobs are going to require some form of a higher education in NH and elsewhere
  - Georgetown CEW: 68% of jobs in NH are going to require education beyond high school. 65% nationwide. NH goal to have 65% by 2025
  - Without greater educational attainment, more people will be left behind
  - Incremental growth

Source: Lumina Foundation, 2018
Demographic Decline

State Profile for New Hampshire

Overall High School Graduate Trends

- 14,600 high school graduates, on average, projected per year between school years 2011-12 and 2031-32.

- The total number of graduates in New Hampshire is not projected to increase after 2011-12, ending at 12,400 in 2031-32.

- New Hampshire generates about 2.4% of the Northeast’s total, on average.

Source: WICHE, 2016
Over 40% of NH Students Attend Public Colleges and Universities

### Table 1

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>United States</td>
<td>40.9</td>
<td>31.7</td>
<td>19.6</td>
<td>6.3</td>
<td>0.2</td>
<td>1.4</td>
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<td>New England</td>
<td>29.0</td>
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<td>1.7</td>
<td>0.1</td>
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<td>Connecticut</td>
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<td>34.9</td>
<td>4.6</td>
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<td>Maine</td>
<td>42.5</td>
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<td>29.2</td>
<td>2.2</td>
<td>0.4</td>
<td>0.6</td>
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<tr>
<td>Massachusetts</td>
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<td>19.9</td>
<td>54.6</td>
<td>0.7</td>
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<td>0.2</td>
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<td>New Hampshire</td>
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<td>57.3</td>
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<td>Rhode Island</td>
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<td>48.8</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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<td>Vermont</td>
<td>44.6</td>
<td>13.7</td>
<td>40.7</td>
<td>1.0</td>
<td>0.0</td>
<td>0.0</td>
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</tbody>
</table>


Source: Boston Federal Reserve, 2019
New Hampshire is the least affordable state for students pursuing higher education. It offers no need-based financial aid, and yet nearly 40 percent of students enroll in expensive private four-year non-doctoral institutions. Without policy changes, New Hampshire’s workforce will not be able to meet the economy’s needs by the end of the decade.

For students to be able to attend a private four-year non-doctoral institution full time, they would be required to work, on average, 66 hours a week. Families would be required to pay 64 percent of their income for the cost of full-time attendance at these colleges and universities, a 16 percent increase between 2008 and 2013.

New Hampshire’s public research institutions are costly as well. To attend full time a student would have to work, on average, 58 hours a week.

The situation is not expected to improve in coming decades without significant policy changes. Between 2020 and 2028, the total number of high school graduates at public institutions is projected to drop by 12 percent, making it more difficult for New Hampshire to meet the demands for an educated workforce.

- The state contributes no financial aid to college students attending either public or private institutions. Nationally, states invest an average of $474 per students at public institutions and $644 per students at private institutions.
- In New Hampshire, 39 percent of students attend private four-year non-doctoral colleges. For New Hampshire families earning $30,000 or less, 159 percent of family income would be required to attend these institutions full time.
- The state’s public two-year colleges, which account for 19 percent of enrollment, require on average 37 percent of family income to attend full time.
- By 2020, 68 percent of jobs in New Hampshire will require a postsecondary credential. As of 2014, 47 percent of adults (age 25–64) have an associate’s degree or higher.
- Between 2020 and 2028, the total number of high school graduates at public institutions is projected to decline by 12 percent.

Source: University of Pennsylvania Institute for Higher Education Research, 2016
### Making College Opportunities Affordable?

#### State Income Profile

<table>
<thead>
<tr>
<th>Income</th>
<th>Average Income in Group</th>
<th>Families in Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0—30,000</td>
<td>$18,840</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>$30,000—48,000</td>
<td>$39,468</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>$48,000—75,000</td>
<td>$61,484</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>$75,000—110,000</td>
<td>$91,337</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>$110,000 and above</td>
<td>$183,723</td>
<td>29%</td>
<td></td>
</tr>
</tbody>
</table>

#### PERCENT OF FAMILY INCOME needed to attend full time:

##### PUBLIC TWO-YEAR INSTITUTION

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Net Price</th>
<th>% of Income Needed to Pay Net Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0—30,000</td>
<td>14,672</td>
<td>78</td>
</tr>
<tr>
<td>$30,000—48,000</td>
<td>18,625</td>
<td>47</td>
</tr>
<tr>
<td>$48,000—75,000</td>
<td>18,519</td>
<td>30</td>
</tr>
<tr>
<td>$75,000—110,000</td>
<td>18,707</td>
<td>20</td>
</tr>
<tr>
<td>$110,000 and above</td>
<td>18,750</td>
<td>10</td>
</tr>
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</table>

Students would have to work 48 hours a week, on average, at federal minimum wage to pay for college expenses to attend a public two-year institution full time.

##### PUBLIC FOUR-YEAR NONDOCTORAL INSTITUTION

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Net Price</th>
<th>% of Income Needed to Pay Net Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0—30,000</td>
<td>14,399</td>
<td>76</td>
</tr>
<tr>
<td>$30,000—48,000</td>
<td>15,888</td>
<td>40</td>
</tr>
<tr>
<td>$48,000—75,000</td>
<td>18,597</td>
<td>30</td>
</tr>
<tr>
<td>$75,000—110,000</td>
<td>21,856</td>
<td>24</td>
</tr>
<tr>
<td>$110,000 and above</td>
<td>23,437</td>
<td>13</td>
</tr>
</tbody>
</table>

Students would have to work 46 hours a week, on average, at federal minimum wage to pay for college expenses to attend a public four-year nondoctoral institution full time.

##### PUBLIC RESEARCH INSTITUTION

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Net Price</th>
<th>% of Income Needed to Pay Net Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0—30,000</td>
<td>15,985</td>
<td>85</td>
</tr>
<tr>
<td>$30,000—48,000</td>
<td>17,873</td>
<td>45</td>
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<tr>
<td>$48,000—75,000</td>
<td>21,516</td>
<td>35</td>
</tr>
<tr>
<td>$75,000—110,000</td>
<td>25,663</td>
<td>28</td>
</tr>
<tr>
<td>$110,000 and above</td>
<td>29,008</td>
<td>16</td>
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</tbody>
</table>

Students would have to work 58 hours a week, on average, at federal minimum wage to pay for college expenses to attend a public research institution full time.

Source: University of Pennsylvania Institute for Higher Education Research, 2016
New Hampshire College Affordability
Public 2-Year Colleges

Source: The College Board, 2018
New Hampshire College Affordability
Public 4-Year Colleges

Source: The College Board, 2018
New Hampshire Financial Aid-Doesn’t Exist

<table>
<thead>
<tr>
<th>State</th>
<th>Estimated UG Grant Dollars/UG FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hawaii</td>
<td>76.45</td>
</tr>
<tr>
<td>Utah</td>
<td>61.63</td>
</tr>
<tr>
<td>Arizona</td>
<td>58.01</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>44.58</td>
</tr>
<tr>
<td>Montana</td>
<td>34.28</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>-</td>
</tr>
<tr>
<td>Wyoming</td>
<td>-</td>
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</table>

Source: NASSGAP Survey
Student Debt in NH - Near the Top Nationally

New Hampshire

View or download these data in a sortable table at CollegeInsight.

<table>
<thead>
<tr>
<th></th>
<th>Public 4-Year Institutions and Private Non-Profit 4-Year Institutions</th>
<th>Public 4-Year Institutions and Private Non-Profit 4-Year Institutions</th>
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<tbody>
<tr>
<td><strong>Average Debt</strong></td>
<td>Rank **</td>
<td>Proportion with Debt **</td>
</tr>
<tr>
<td>State Average</td>
<td>$34,415</td>
<td>4</td>
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</table>

Key factors: More expensive public colleges, higher rate of private college attendance, lack of eligibility for some federal aid programs

Source: The Project on Student Debt, 2018
State Investment Near the Bottom Nationally

Source: SHEEO, 2018

NOTES: 1. Educational appropriations are a measure of state and local support available for public higher education operating.
In 2018-19, NH had the 2nd highest published in-state tuition and fees at four-year public colleges at $7,090—Nat'l average: $3,660

NOTES:
Data adjusted for inflation using the Higher Education Cost Adjustment (HECA). Full-time equivalent (FTE) enrollment equates student credit hours to full-time, academic year students, but excludes medical students. Educational appropriations are a measure of state and local support available for public higher education operating expenses including ARRA funds, and exclude appropriations for independent institutions, financial aid for students attending independent institutions, research, hospitals, and medical education. Source: SHEEO, 2018
State Funding

- New Hampshire funding for higher ed near the bottom nationally
- New Hampshire still 26% below pre-recession funding levels

Source: Boston Federal Reserve, 2019
What are other states doing?

- Reinvesting in institutions and state financial aid, with tuition caps and tuition freezes
- Discussing non-tuition costs, problems with housing and food insecurity
- More interest in online education
- Last-dollar free community college
- Slashing tuition rates (i.e. North Carolina Promise)
- Extending in-state tuition to out-of-state students, fighting brain drain
Federal Environment

- Higher Education Act Reauthorization?
- Unfavorable budget request for education, but will likely be ignored
- Return of brinksmanship and austerity?
- Negotiated rulemaking could usher in new era for higher education
Conclusion

• NH will need to make college more affordable through greater investment to meet its future workforce needs
• How does the state build a durable coalition to elevate higher education as a state priority?
Questions?

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