



## The University of Connecticut's Affordability to Students

### Background

In June 2013, the program review committee authorized a study to examine how the affordability of a University of Connecticut (UConn) undergraduate education has changed, with particular attention to in-state students. UConn is the state's flagship institution, with a main campus in Storrs, five regional campuses, and a medical center.

In part to support an increase in the number of faculty, UConn's Board of Trustees recently approved a series of tuition and fee increases over 5% annually.

The state supports UConn directly through appropriating funds and by covering a portion of the university's health benefits. The state also has given UConn over \$2 billion in bond funding over the past 18 years for two building and expansion initiatives. An additional \$1.5 billion in funding will be provided for construction activities as part of the NextGen initiative.

The affordability of UConn and other universities is somewhat difficult to evaluate. The perception of affordability is specific to individual students and their families, who bear short- and long-term costs. Postsecondary education is considered a long-term investment with generally positive – though variable – returns. In that context, it may be reasonable to incur substantial debt. However, data on both payoff and costs are difficult to locate.

Accepted methods to assess affordability over time include comparing college prices to inflation and income levels. Student debt and default rates also can be indicators.

To complete this update, program review committee staff analyzed price and income data from federal and private sources. UConn is compared to the median of the 50 flagships and the public four-year school average. Staff also interviewed experts and reviewed applicable literature.

### Main Points

**College prices have risen well beyond inflation.** The three versions of list price - tuition and fees, comprehensive cost (tuition, fees, room, and board), and total price - have all increased far beyond inflation for UConn, the flagship median, and the average of public four-year schools.

**By every way of considering price, college has become less affordable.** Even in just the last four years, a higher share of median household income is needed to pay college prices. The income share required for the comprehensive cost grew for the public four-year sector (from 28% to 34%), the median flagship (from 31% to 36%), and UConn (from 29% to 33%).

**UConn's in-state affordability levels and trends compare favorably to the flagship median in every measure of affordability based on state median household income.** For each method of considering price, UConn falls well below the flagship median share of income needed for an in-state student. For example, among the 50 flagship universities, UConn tuition and fees required the 30<sup>th</sup> highest share of median income. UConn's affordability is favorably impacted by the state's high income levels.

**UConn also is relatively affordable when examining net price, which is the price actually paid by students.** UConn's average net price ranked 39<sup>th</sup> (i.e., 11<sup>th</sup>-lowest) among flagships. In addition, the net price at UConn consumes a smaller share of low income students' income and a larger share from high income students than the flagship median. Recent changes in the share of income, though, were progressive for the flagship median but not for UConn.

**UConn compares favorably to other flagships and within its sector on some student debt measures.** Although UConn had a higher percentage of graduates with debt (63%) than the flagship median (50%), the average debt for a UConn graduate was similar (\$23,822 compared to \$23,341). In addition, the short-term default rate for UConn (2.3%) was under the median flagship (3.4%).

### Next Steps

1. Assess impact of financial aid policies and practices on affordability including analysis of financial aid packages, unmet financial need, and indebtedness; analyze post-graduation outcomes if possible for selected groups of students.
2. Explore trends in UConn's overall expenditures and revenues that appear to impact student costs.
3. Examine UConn's enrollment patterns for in-state and out-of-state students and determine how the profile of incoming freshmen has changed academically, financially, and demographically.
4. Compare UConn to peers, where possible.