

# UNIVERSITY OF CONNECTICUT'S AFFORDABILITY TO STUDENTS

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Legislative Program Review and  
Investigations Committee

October 3, 2013

# Presentation Overview

- Study Purpose
- Affordability Defined
- Affordability Measures
- Next Steps

# Study Scope

- Purpose: Examine how affordability has changed at UConn
  - Define affordability measures
  - Assess impact of financial aid policies
  - Examine admission policies and enrollment patterns
  - Explore overall expenditure and revenue trends

# Affordability Defined

- Subjective term
- Time frame is important consideration
- Measures are imperfect

# Affordability Measures

- Best available measures include:
  - Price compared to inflation and income
  - Student debt and default rates

# Several Meanings of Price

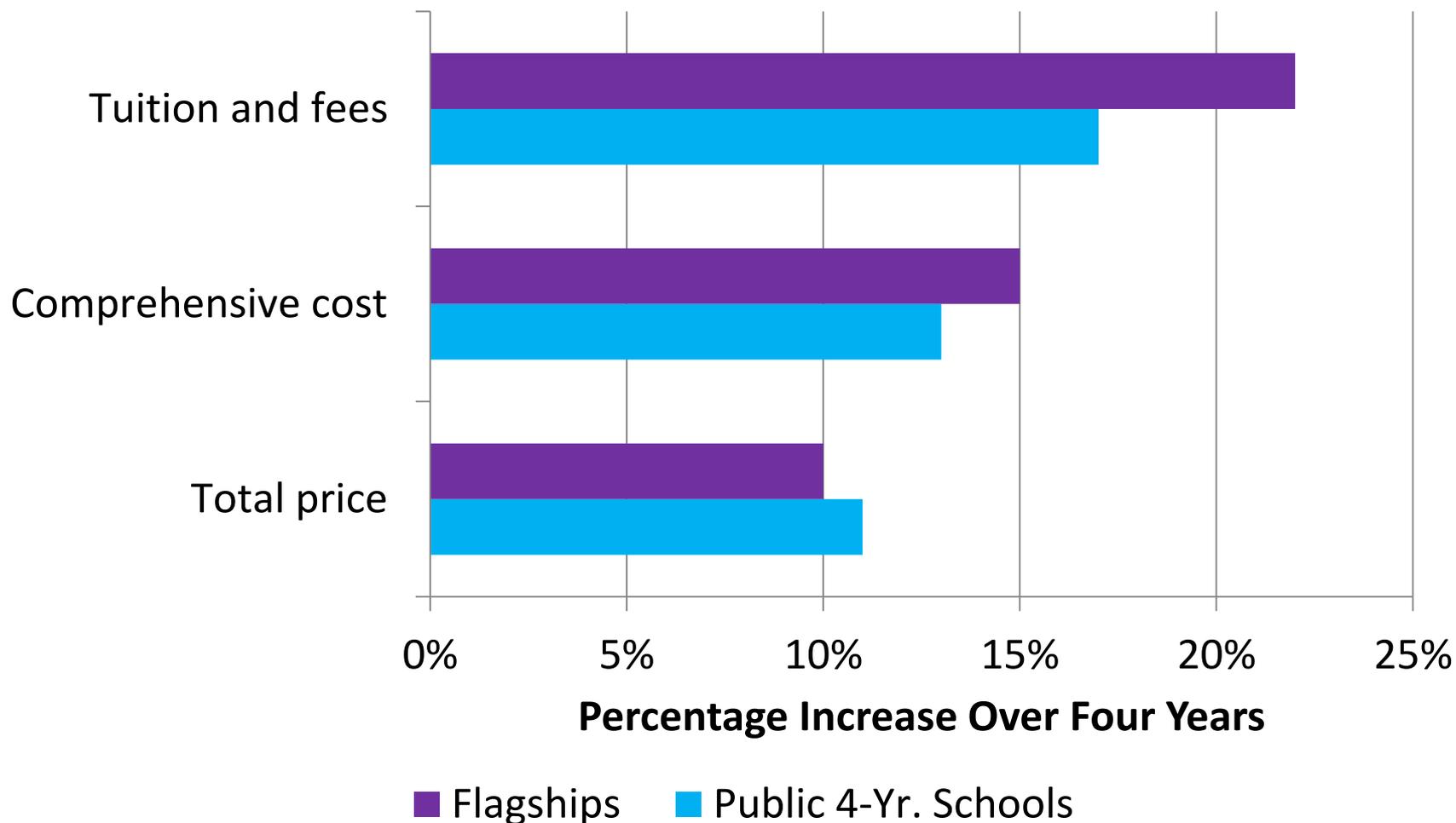
Price	Classes	Mandatory Fees	Room and Board	Other Costs	Grants	Loans, Benefits
1) Tuition and Fees						
2) Comp. Costs						
3) Total Price						
4a) Net Price (after grants)						
4b) Net Price (out-of-pocket)						

# Affordability Measures: Main Points

1. Affordability has declined across the board
  - Prices have risen beyond inflation, income
2. UConn compares well, generally
  - In-state only

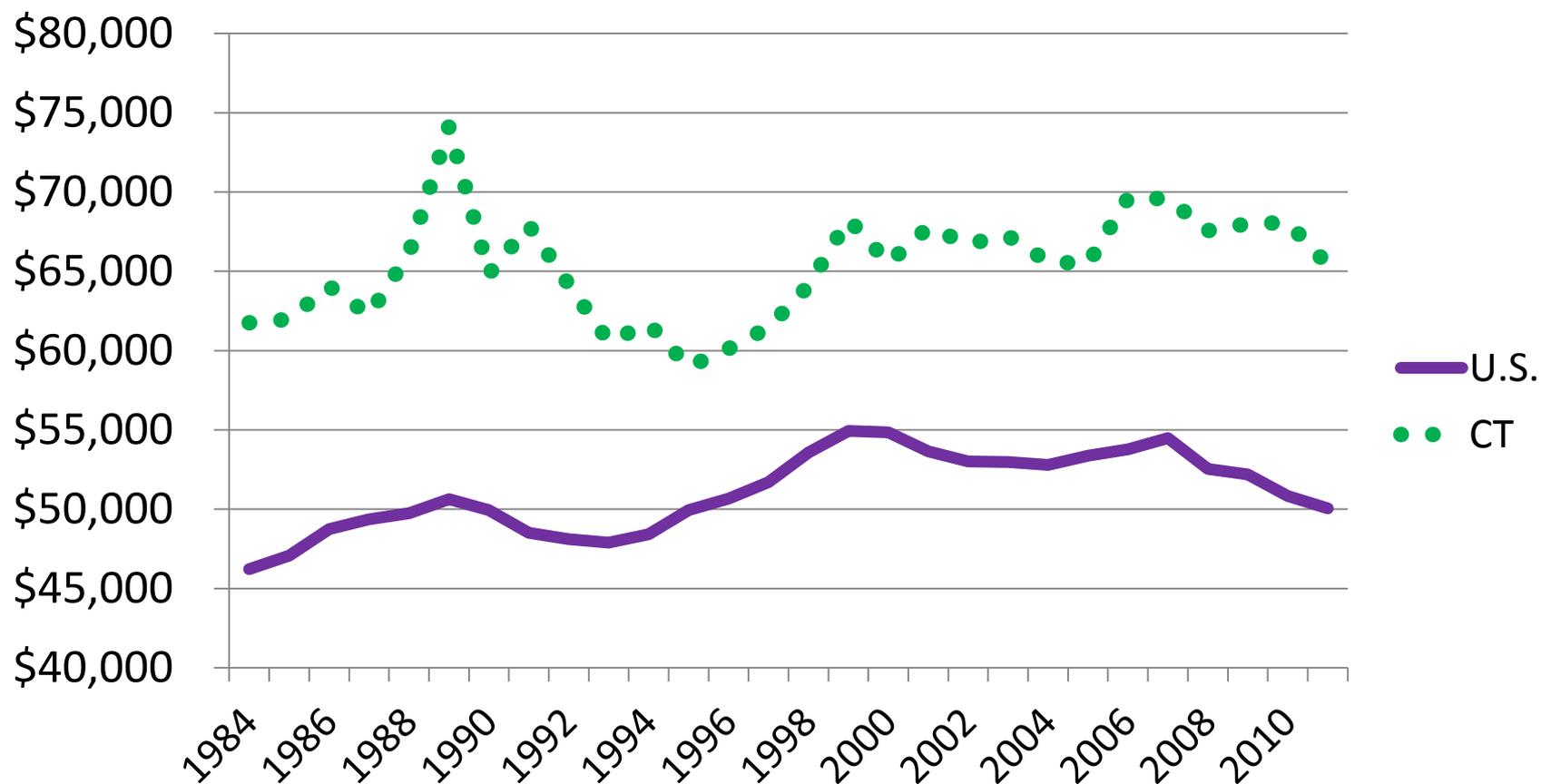
# In-State Prices Have Increased, Beyond Inflation

(2008-09 to 2011-12)



# But Incomes Have Not

## Median Household Income in 2011 dollars

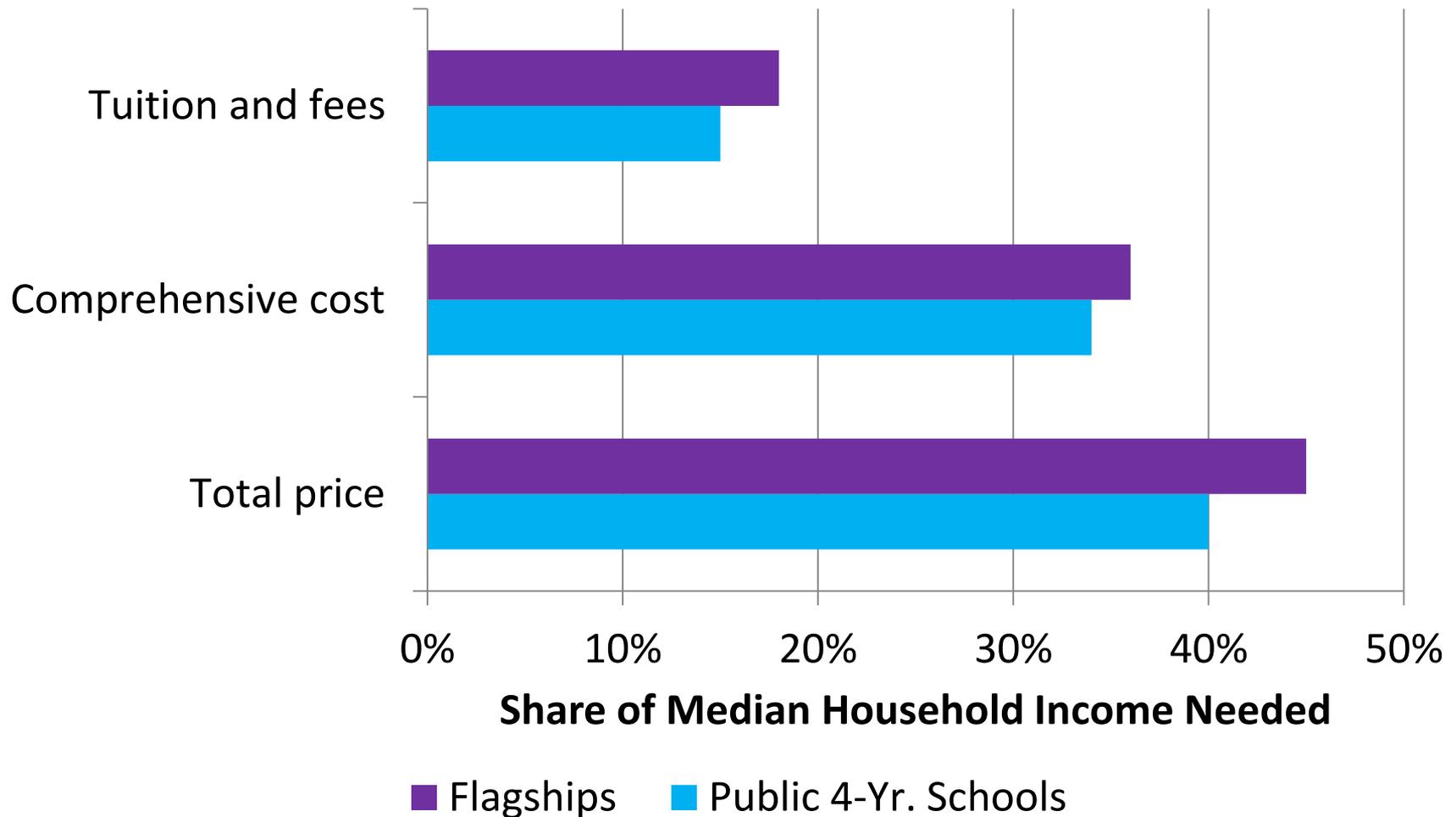


So:

**Affordability Has Declined**

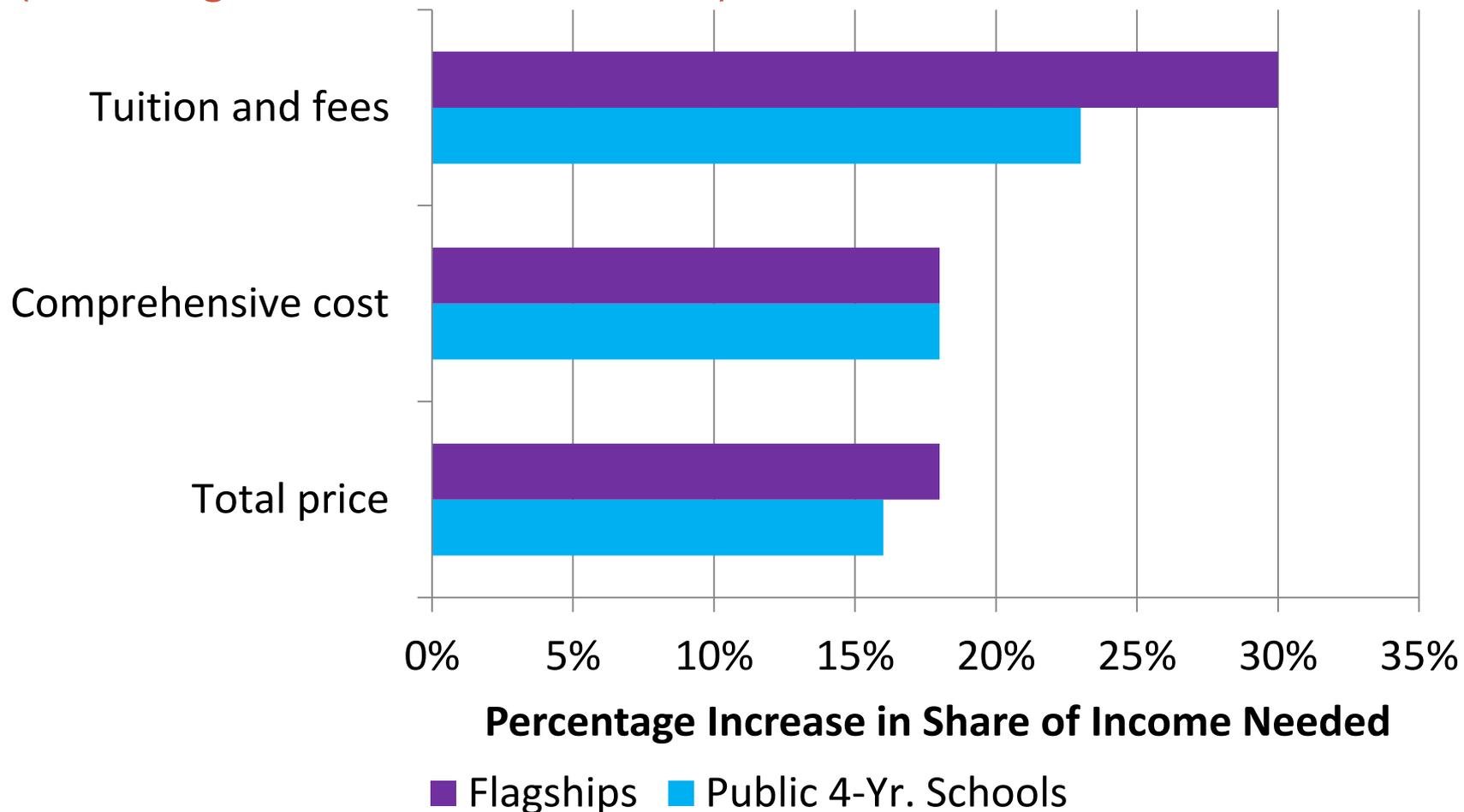
**Because  
prices have risen  
beyond inflation and income**

# Share of Income Needed to Pay List Prices Higher for Flagships (2011-12)



# Sizeable Percentage Increases in Share of Income Needed to Pay List Prices

(% change, 2008-09 to 2011-12)



# Caveats: List Price May Mislead

- List price is not the price ultimately paid – net price is
- Net price -
  - Needs a much lower share of income
    - E.g.: For flagships, estimated share of income required was --
      - 28% for net price in 2010-11
      - 45% for total price (sticker) in 2011-12
  - But data are limited

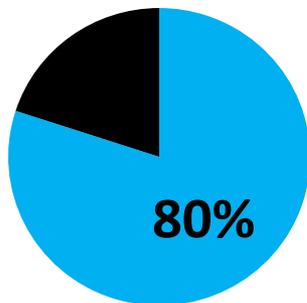
# Caveats: Income Varies

- Many families aren't at the median income – so, share of income that would be needed differs
- Example: Flagship tuition and fees, 2011-12

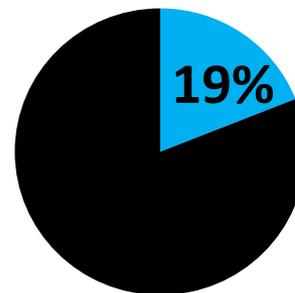
# Share of Annual Income Needed For List Price Differs by Family Income Level

(Flagship tuition and fees, 2011-12)

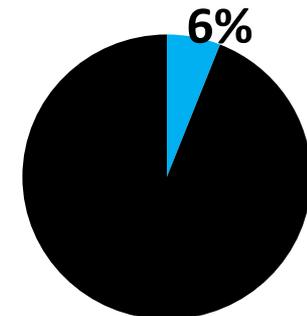
Low Income



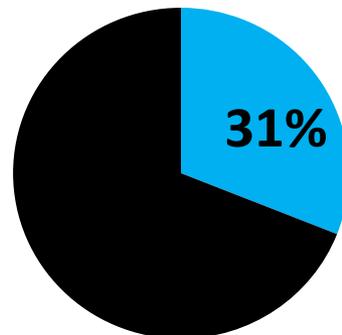
Middle Income



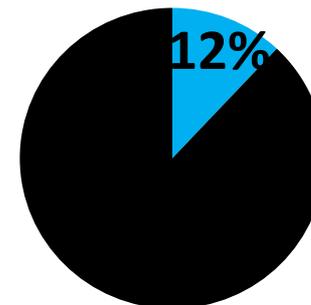
High Income



Low Middle



High Middle



# How Does UConn Compare?

- Generally, well
  - Prices are higher, but
  - Affordability is better
    - High income level offsets high in-state prices – but not out-of-state prices
- However, in absolute terms:
  - Prices are rising, and
  - Affordability is declining

## UConn's Prices are High

	<u>Price</u> 2012-13, except net price	<u>Flagship Rank</u> (1=highest; red = top 25)
Tuition and fees	\$11,242	14
Comprehensive cost	\$22,622	10
Total price	\$26,122	10
Net price 2010-11	\$14,877	16

## But UConn's Affordability is Favorable

	<u>Share of Median Income Needed</u> 2011-12, except net price	<u>Flagship Rank</u> (1=least affordable; green = bottom 25)
Tuition and fees	16%	30
Comprehensive cost	33%	34
Total price	39%	43
Net price	23%	39

## UConn's Prices are Rising – But Less Than Other Flagships

	<u>Price Increase</u> 2008-09 to 2011-12 (green = UConn performed better than flagship median change; red = worse)
Tuition and fees	9%
Comprehensive cost	10%
Total price	8%
Net price	8%

## UConn's Affordability is Declining – But It's Dropping Less Than Other Flagships

	<u>Share of Income</u> <u>Increase</u> 2008-09 to 2011-12 (green = UConn performed better than flagship median change; red = worse)
Tuition and fees	13%
Comprehensive cost	14%
Total price	11%
Net price to 2010-11	7% (approx. =)

## UConn's Student Debt – More Borrowers But Similar Amount and Lower Default

	<u>UConn</u> 2010-11	<u>UConn Rank</u> (green = UConn performed better, red=worse, gray =similar)
Graduates with debt	63%	9
Amount	\$23,822	24
Default rate	2.3%	35

# Next Steps

- Assess impact of financial aid practices
- Explore trends in UConn's overall expenditures and revenues
- Examine enrollment patterns
- Compare to peers, where possible

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