College Affordability

The cost of attending college has risen significantly faster than the rate of inflation in recent decades. Many factors contribute to that trend, including reductions in state investments in higher education. The end result is that many people who are contemplating postsecondary education must choose to either forgo college or join the ranks of the 45 million Americans with student loan debt. Since most jobs today require a postsecondary credential, college affordability also affects employers. If recent high school graduates or adults who want to pursue new career opportunities cannot afford college, they will not attain the skills they and their prospective employers need.

To effectively address college affordability, states must understand the issue. States often focus only on tuition and assume that rising rates affect all families equally. They must recognize that college affordability is not a monolithic issue, and they should track data that paints a complete picture of the types of students likely to find college unaffordable. By capturing detailed information about college affordability for people of different income levels, and by tracking financial aid needs that go unmet, states can create a foundation of information that can inform policy solutions that support students of all types. States should also provide more need-based financial aid than merit-based aid to steer resources toward students who have the greatest need rather than subsidizing those who may be better able to afford college. Finally, state college promise programs should cover some expenses beyond tuition and fees for community college students.

Findings from 15-State Study

On average, half of the four recommended college affordability policies have been adopted per state.

Signs of progress: The vast majority of the states award more need-based financial aid than merit-based aid. Eight states in the scan have college promise scholarships, and half of them cover some college-related expenses beyond tuition and fees.

Critical gaps: Not many states are carefully examining the costs that students incur in going to college. Less than half of them report differentiated costs of attendance, while only a quarter of them report differentiated unmet needs.

Ahead of the curve: Hawaii, Oregon, Texas, Virginia, and Washington.
**POLICY RECOMMENDATION 13: COLLEGE AFFORDABILITY**

The state promotes college affordability.

<table>
<thead>
<tr>
<th>The state tracks and reports total cost of attendance for public two- and four-year colleges differentiated by their geographic locations (e.g., urban, suburban, and rural).</th>
<th>7 States</th>
</tr>
</thead>
<tbody>
<tr>
<td>The state tracks and reports average unmet financial need of students by their household configuration, type of credential, and/or income level.</td>
<td>4 States</td>
</tr>
<tr>
<td>The state provides more funding for need-based grants than merit-based grants to bolster access to low-income students.</td>
<td>13 States</td>
</tr>
<tr>
<td>If a state has a college promise program, it covers some college-related expenses beyond tuition and fees for community college students.</td>
<td>4 States</td>
</tr>
</tbody>
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**State Spotlight: Oregon**

Oregon is making an effort to understand and respond to the college affordability challenge for people in pursuit of postsecondary credentials. The state’s Higher Education Coordinating Commission monitors [nine key affordability metrics](#), including the net price of college according to family income and the number of students who have unmet financial aid needs. State officials analyze the data to identify links between affordability and completion and inform policy decisions. Policy initiatives focused on college affordability include the state’s college promise program, which makes community college tuition free and provides Pell-eligible students with an additional $1,000 per year to cover basic living expenses; the Oregon Opportunity Grant program, which provides financial aid to part-time students and can be used for short-term credentials; and the Open Oregon Educational Resources initiative, which is designed to reduce textbook costs for students.

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**HELP ALL STUDENTS FULFILL THEIR POTENTIAL**