

BENCHMARKS: WICHE Region 2008

Benchmarks: WICHE Region 2008 presents information on the West's progress in improving access to, success in, and financing of higher education. The information is updated annually to monitor change over time and encourage its use as a current tool for informed discussion in policy and education communities. To establish a general context for the benchmarks, it is useful to understand that three demographic characteristics of the West are central to issues of Access, Success, and Finance. First, median household income in the West is slightly higher than in most other regions; while the national median household income in 2006 was \$48,201, the average for WICHE states was \$49,610. However, average tuition and fees for resident undergraduates in 2007-08 at public four-year institutions in the West were significantly lower: \$4,789 in the region compared to \$6,185 nationally. Second, on average, a slightly higher proportion of the region's population holds at least a bachelor's degree (28.4%) than is found nationally (27%). Finally, although population growth has been strong in the West, not all states have grown equally and this will impact the numbers of high school graduates over the next several years. Half of the WICHE states will see increased numbers of high school graduates over the next decade, but half will not.

ACCESS

Are access and equity eroding or improving over time?

Participation and **Completion** indicators suggest that the West has much room for improvement on access and equity. An examination of the "educational pipeline" showing continuous progression from 9th grade in high school to a postsecondary degree reveals several points of leakage (Fig. 1). Estimates for 2004 illustrate that for 100 ninth graders in the region, approximately 28 do not make it to high school graduation within four years. Of the 72 who do graduate from high school, 34 do not go on to college, while about 38 enroll in postsecondary education. Only 17 of 100 ninth graders finish an associate's degree within three years of entering college or a bachelor's degree within six years of entering college. These data show a very slight improvement over past years.

The U.S. averages are slightly better at most points; on average the Western states perform better only on progression from 9th grade to 12th grade, as about three in ten 9th graders nationally are not graduating from high school within four years. However, of the 70 students who finish 12th grade, 31 do not go on to college but 39 do. Once in college, students nationally tend to graduate at a higher rate: almost 19 of 100 ninth graders are completing an associate's degree within three years or a bachelor's degree within six years. Estimates of educational attainment levels for both the West and the nation also show that 27% of adults ages 25 and older nationally and 28.4% regionally held at least a bachelor's degree, while 34.4% nationally and 36.4% regionally held at least an associate's degree.

In the West, among adults aged 25 to 49, under 5% were enrolled in higher education as undergraduates in 2006-07. That participation rate remains higher than the national average, although it has slipped slightly over the last several years (Fig. 2).

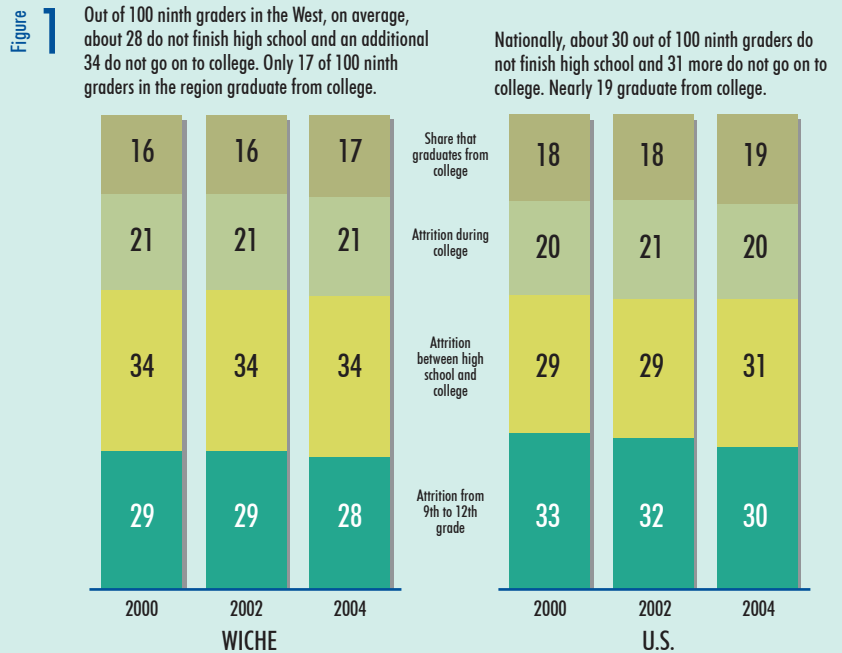
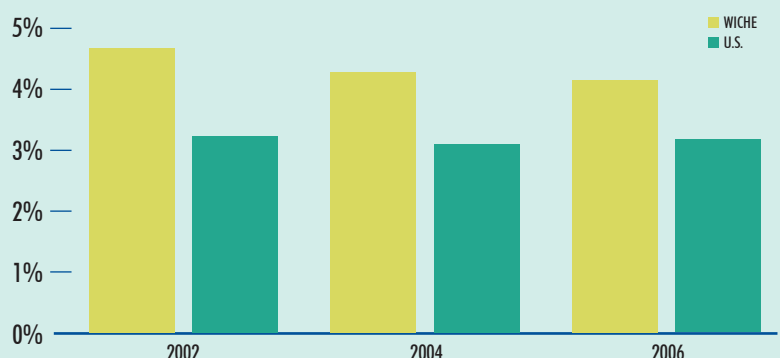


Figure 2 The Western region consistently surpasses the U.S. on the enrollment of adult students as undergraduates as a percent of the total population of adults.



Equity measures also show low performance — especially for most underrepresented groups. Graduation from high school is a significant issue regionally for several groups. While 78% of White and 86% of Asian/Pacific Islander 9th graders in 2001-02 graduated from high school in four years, the proportions drop to 61% for Blacks and Hispanics and 57% for American Indians/Alaska Natives (Fig. 3). While all of these percentages showed improvement in the most recent year, the racial/ethnic gaps remain large and show little sign of closing. The nation's rates are higher than the West's for American Indian/Alaska Native (62% nationally) and for Asian/Pacific Islanders (87%), while Hispanics (57% nationally) and Black non-Hispanics (53%) in the West fare better than they do in the nation.

An important equity indicator is access to, and success in, college. Figure 4 provides a ratio of the share of full-time undergraduate enrollment by race/ethnicity to the share of each racial/ethnic group in the population in 1996 and 2006. This ratio has improved somewhat in the West for every racial/ethnic group over the past decade, except Asians/Pacific Islanders.

As an indication of the region's performance in producing college graduates among individuals of different racial/ethnic groups, the ratio in Figure 5 compares the share of bachelor's degrees awarded to members of each racial/ethnic group to the share of each group in the population in 2006. Unlike the enrollment ratios in Figure 4, these ratios suggest that the region is similar to the U.S. in the share of bachelor's degrees earned by most racial/ethnic groups when compared to their share of the population. However, regionally few Blacks, Hispanics, or American Indians/Alaska Natives receive a bachelor's degree when compared to their proportion in the population, though all have made improvements over the last decade.

In addition to equity by race/ethnicity, measures of income equity are important benchmarks of progress. Regionally in 2005, 25% of undergraduates received a Pell grant, compared to the national average of 29%. The value of these data is enhanced when comparing them to the proportion of children in poverty. That year, 16% of children aged 12 to 17 were in poverty — or nearly 960,000 potential college students in the WICHE states. The share of Pell recipients among all undergraduates attending non-profit institutions in the West was 1.59 times the poverty rate of 12-to-17 year olds; nationally the proportion was 1.81. The region's performance on this measure has consistently lagged behind the nation's.

Affordability is a major national concern, particularly for low-income families. Affordability benchmarks measured in current dollars for tuition and fees and student financial aid suggest that the West may be partially addressing access, equity, and affordability issues. Between 2006-07 and 2007-08, resident tuition and fees increased by \$367 (8.3%) at public four-year institutions in the region, on average. Nationally, the average increase was \$381 (6.6%). Average tuition and fees for resident students at public four-year institutions nationally was \$6,185 in 2007-08, compared to \$4,789 in the WICHE region.

The region saw an increase of \$91 (3.9%) per student between 2006-07 and 2007-08 in public two-year college tuition and fees for residents, compared to an increase of \$95 (4.2%) nationally (Fig. 7). Average tuition and fees at public two-year colleges in the West were \$2,391 in 2007-08, compared to \$2,361 nationally, marking just the second time that the West's average in this sector exceeded the national average. (The West's data exclude community colleges in California because their sheer number and their comparatively low fees distort regional patterns.)

Another indicator of affordability is tuition and fees as a percent of household income. Regionally, tuition and fees in the West account for an increasing proportion of household income: growing from 3.7% in 2001-02 to 4.7% in 2006-07 for public two-year college tuition and from 6.4% to 8.3% for public baccalaureate/master's institutions (Fig. 8). During that period, median household income grew from \$42,343 to \$47,417, a 12% increase.

Financial aid is also a key indicator. The amount of restricted and unrestricted grant aid per FTE student decreased slightly in recent years (Fig. 9); the regional average in 2004-05 was \$852, compared to \$986 in 2001-02. However, the average amount of state-funded need-based grant aid per FTE has increased in the U.S. and the region. The national average was \$464 in 2005-06 while the average in the West climbed to a total of \$416 (Fig. 10).

The share of first-time, full-time students receiving federal grant aid (most notably a Pell Grant) has hovered around 30% in the West, while in recent years the proportion of such students across the nation has increased to approximately one-third (Fig. 11). This is an imperfect measure of the share of students receiving need-based aid, especially because it does not include part-time students, but it does provide one indication of how well we are providing much-needed grant aid to the poor.

In the West, affordability and access have improved overall through WICHE's undergraduate exchange programs since 2001-02. In 2007-08, families and/or states are saving an estimated \$137.7 million in tuition and fees by participating in the Western Undergraduate Exchange (WUE) program, compared to \$77.9 million five years ago (Fig. 12).

Figure 3 In the West, successfully progressing from ninth grade to high school graduation varies significantly by race/ethnicity.

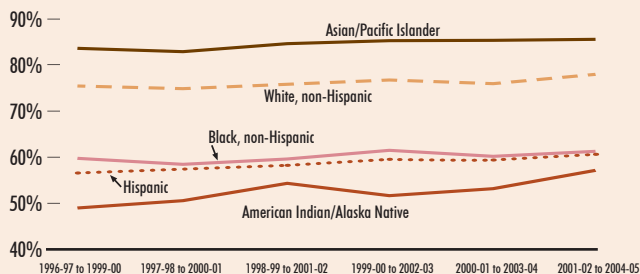


Figure 4 Compared to 1996, the West in 2006 enrolled proportionately more students from the Hispanic and Black non-Hispanic populations as measured against those groups' shares of the general population.

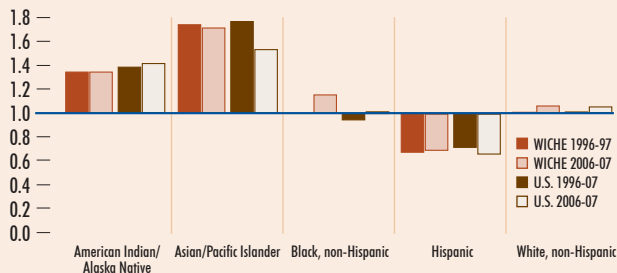


Figure 5 In 2006, the West awarded proportionately fewer bachelor's degrees to students from underrepresented groups (other than Asians/Pacific Islanders) as measured against each group's share of the general population. Improvement over 1996 levels was evident for all groups, however.

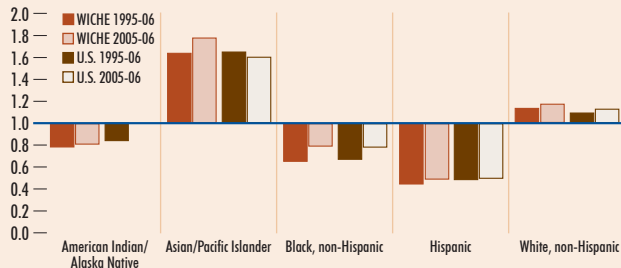


Figure 6 The nation outperforms the West when comparing the relationship between Pell recipients among undergraduate enrollments and poverty rates among individuals approaching traditional college age.

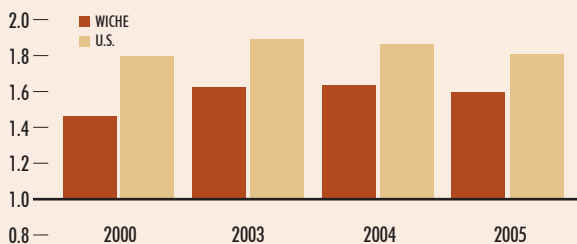


Figure 7 In the past decade, tuition and fees at public four-year institutions in the West have risen by nearly 90%, while growing at over 90% at public two-year colleges.

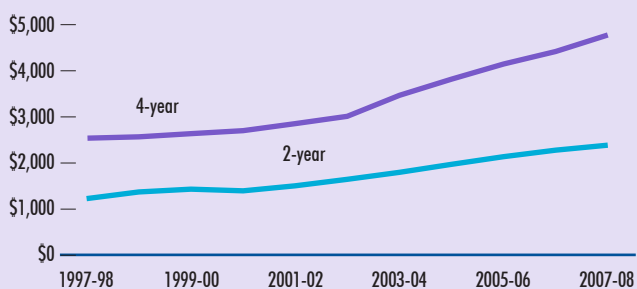


Figure 8 The share of household income that goes to tuition and fees has increased dramatically over the past decade.

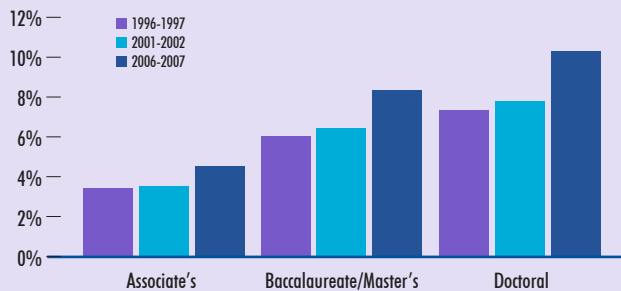


Figure 9 The amount of total grant financial aid per full-time-equivalent student in the region's public institutions has declined somewhat in recent years, though it held steady between 2003 and 2004.

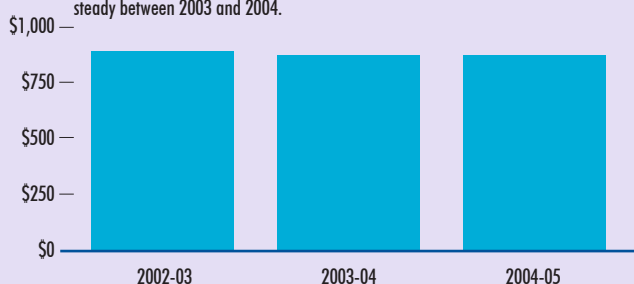


Figure 10 State-need based grant aid per FTE has increased in the region and the nation over the past year.



Figure 11 In the West, the share of the full-time entering cohort receiving federal grant aid (mainly Pell grants) has held steady in recent years at approximately 30%.



Figure 12 Savings to families and/or states through participation in WICHE's Western Undergraduate Exchange (WUE) program have grown substantially in the last several years.



Are revenues sufficient to meet state needs for higher education?

Finance indicators show a mixed picture for the West when compared to the rest of the nation. The region averaged \$6,508 in state appropriations to higher education per FTE in FY 2007 (Fig. 13). When adjusted for inflation and after accounting for factors such as cost of living and enrollment mix, the FY 2007 regional average showed a decline of 8.5% from FY 2002. The US average has also fluctuated, experiencing a 7.5% reduction in the same time frame, dropping from \$7,320 to \$6,771 per FTE.

While there are four major funding sources for colleges and universities – the state, students, the federal government, and private entities – state appropriations and student tuition and fees are the principal sources of operating funds for public institutions. Over the past several years, the mix of appropriations and tuition and fees revenue per FTE at public institutions has varied (Fig. 14). When revenues from appropriations and tuition and fees are combined and adjusted for inflation, per FTE student revenues from these two sources averaged \$8,714 for the Western states in FY 2007, which was very little changed from the FY 2002 level of \$8,750. Nationally, net educational appropriations and net tuition and fees revenues per FTE showed some growth in inflation-adjusted 2007 dollars, climbing by \$174 to \$10,682.

When adjusted for inflation, on average state tax revenue per capita grew between 2006 and 2007 by 3.3% to \$2,743, surpassing the national average of \$2,488. In 2002, tax revenue per capita in the West averaged \$2,091 while the U.S. average was \$2,146 (Fig. 15). Between 2002 and 2007 per capita income grew on average by 10.5%, from \$33,145 to \$36,614 (adjusted for inflation using 2007 dollars).

Figure 13 State appropriations per FTE in the region fell between 2001 and 2005 before climbing in the last two fiscal years.

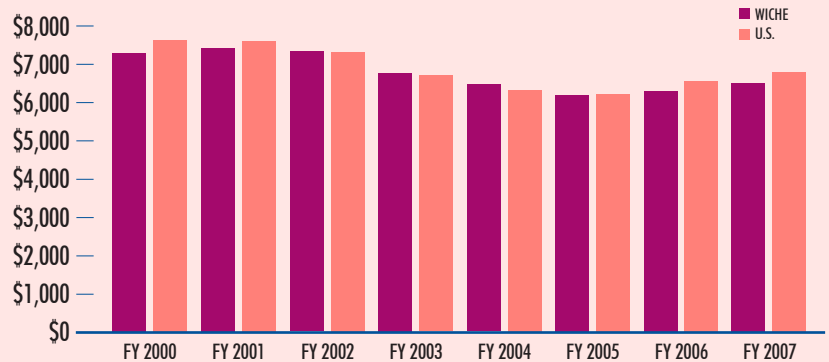


Figure 14 Tuition and fees revenues in the West accounted for 25.3% of total revenue from appropriations and tuition and fees in 2007 compared to 18.7% five years before.

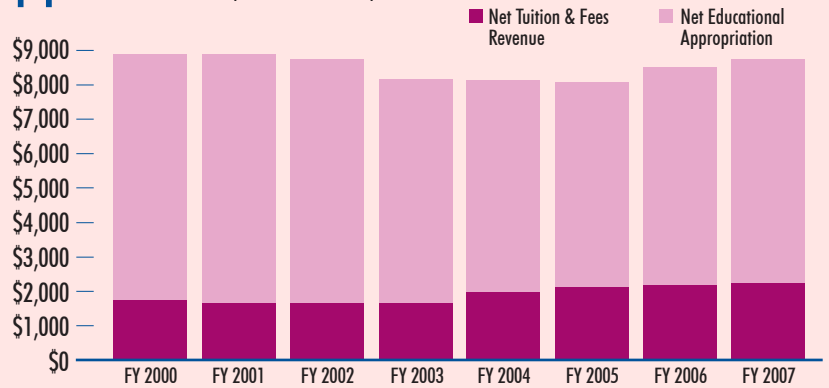
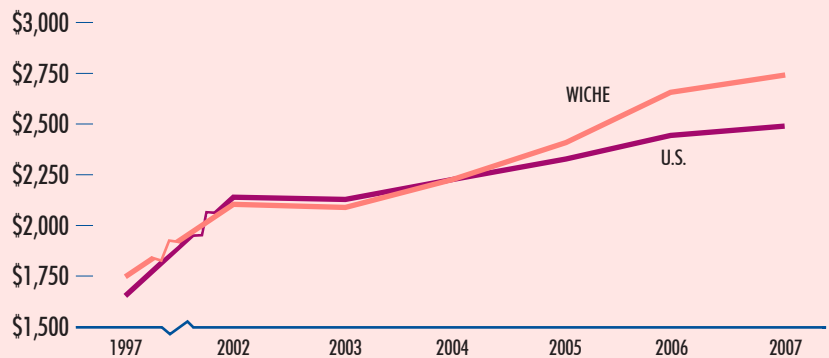


Figure 15 The regional average state tax revenue per capita, adjusted for inflation, has recently climbed above the U.S. figure.



Source Notes:

Introductory paragraph U.S. Census Bureau; and Western Interstate Commission for Higher Education.

Fig. 1 National Center for Higher Education Management Systems (NCHEMS).

Fig. 2 National Center for Education Statistics (NCES); and U.S. Census Bureau.

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Fig. 10 National Association of State Student Grant and Aid Programs (NASSGAP).

Fig. 11 National Center for Education Statistics (NCES).

Fig. 12 Western Interstate Commission for Higher Education.

Fig. 13 State Higher Education Executive Officers (SHEEO). These data are adjusted for cost of living and enrollment mix, in addition to inflation. Data for 2006 and 2007 are preliminary.

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Fig. 15 U.S. Bureau of Economic Analysis.