



WASHINGTON STUDENT
ACHIEVEMENT COUNCIL
EDUCATION · OPPORTUNITY · RESULTS

Using Data to Inform Affordability Policy

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Measuring affordability

College affordability has three major financial components:

Costs

Include tuition and fees, books, room and board, etc.

Financial Aid

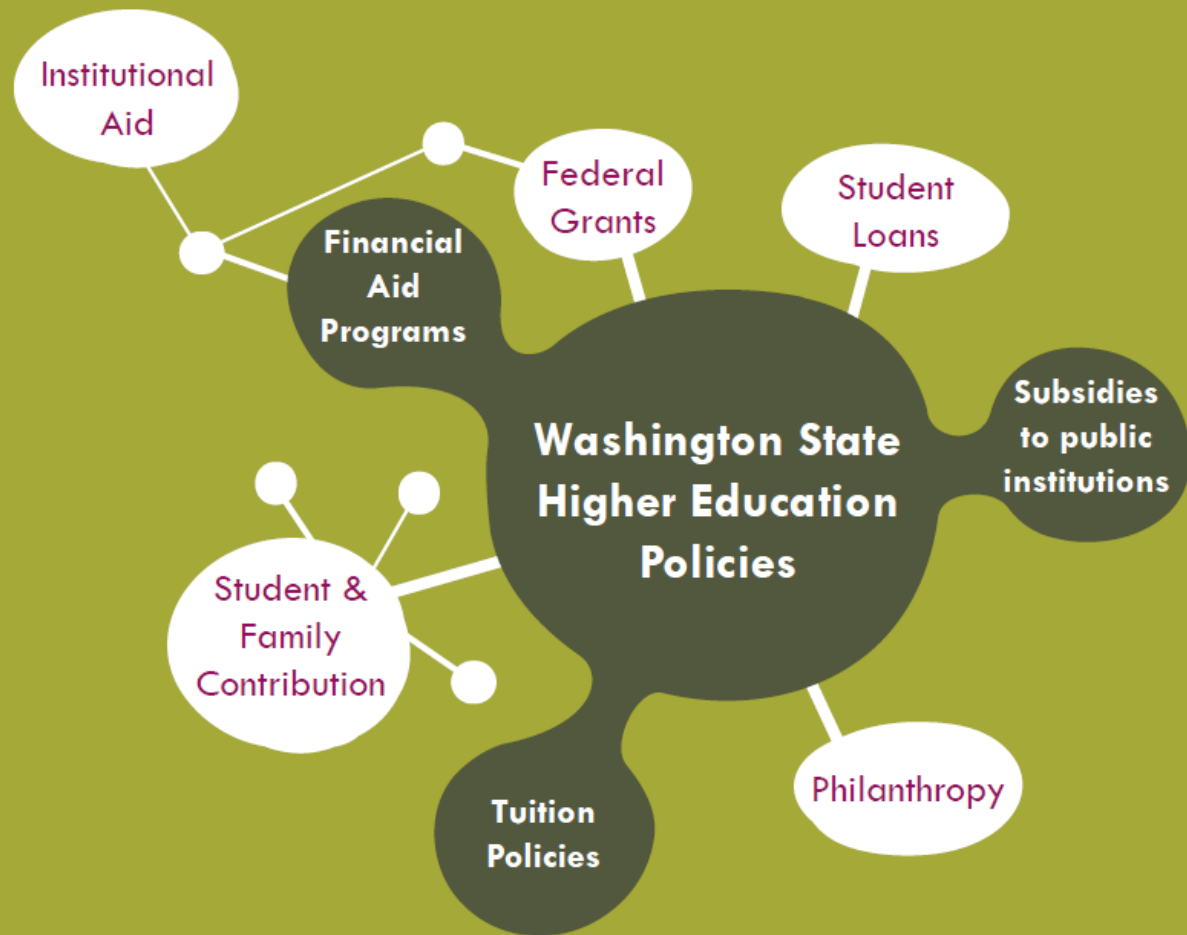
The system by which some costs are reduced or waived, lowering total cost for recipients.

Student Options

Students must decide how to pay net cost - cost remaining after any aid is applied. They can work, borrow, attend part-time, choose different institutions, etc.



State legislatures have key policy levers to make college affordable for all students.



A Washington State Affordability Framework will help us:



Understand how funding sources interact and impact affordability for students.



Define affordability goals.



Measure affordability.



Agree on limits for reasonable levels of student debt and work.



Adjust policy levers to make college affordable for all students.



Affordability Model – Research University, Living On Campus, 2017

FAMILY'S SHARE

- 20% Discr. income annually during college
- 200% Family income exclusion threshold
- 4 Years of saving
- 1% Discretionary income saved annually
- 1.0% Interest on savings

STUDENT'S SHARE

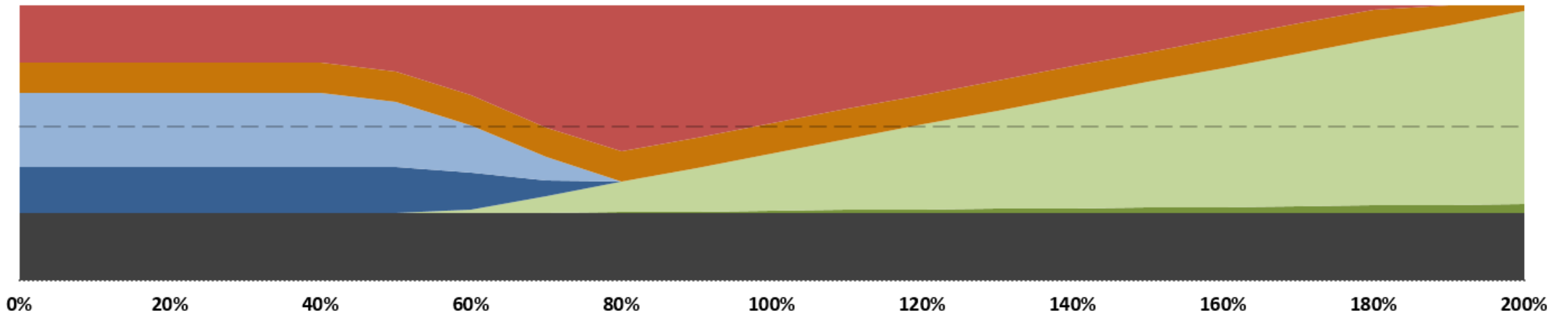
- 500 hrs worked
Annual take-home pay is \$3,681
- 9.26 \$/hr base pay
- 0.0% Student debt ratio

POLICY CHANGE

- 14.5% Tuition change
Tuition is \$10,599
- 0.0% SNG served change

Policy impact on budgets	Schools:	0.0%
	State:	19.0%

- State Appropriation
- Funds from Pell
- Funds from Work
- Funds from Family College Savings
- Funds from SNG
- Implied College Debt
- Funds from Family Income During College
- Funds from Inst. Aid & Scholarships
- Tuition and Fees



Low <-----Family Income-----> High



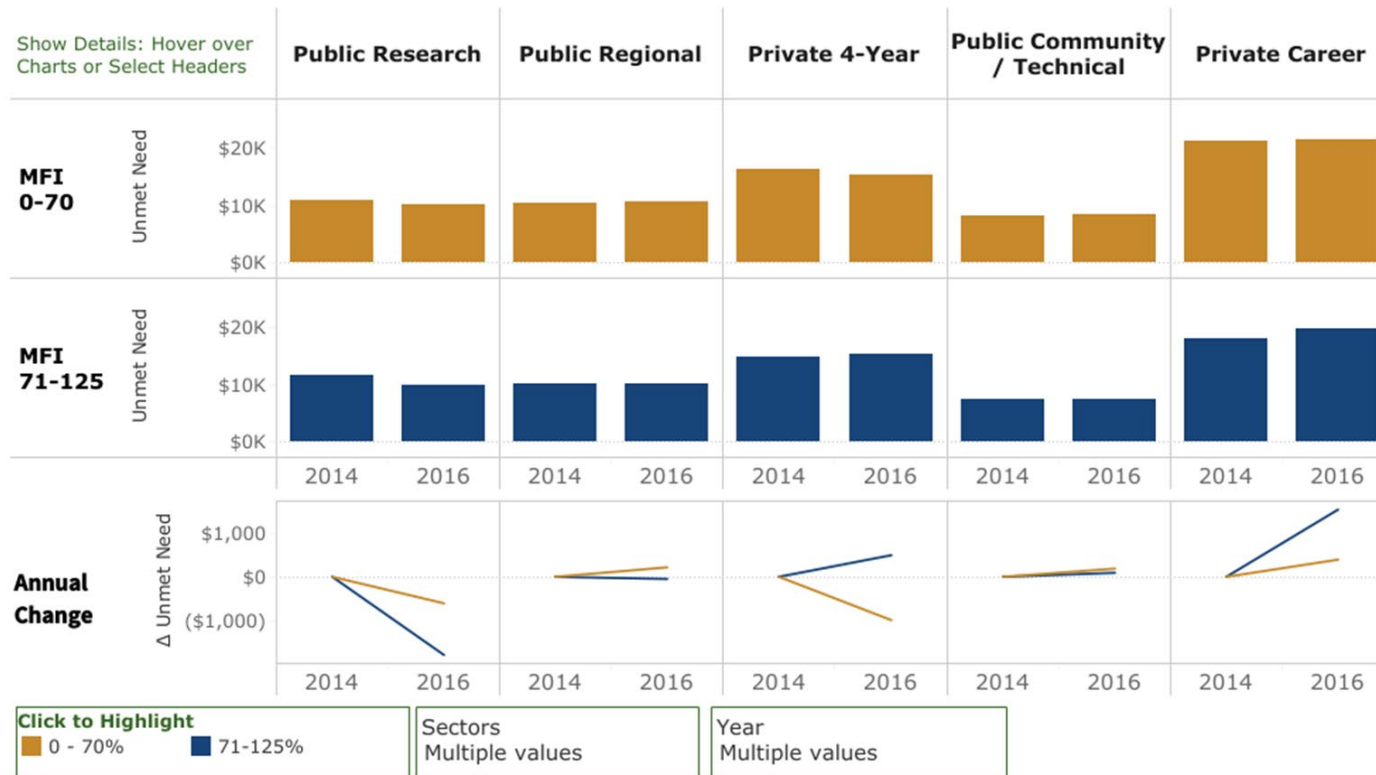
Why Is This Important?

- Centers the student
- Get buy-in on a shared vision: ***“Every Washington resident who desires and is able to attend postsecondary education should be able to cover educational costs.”***
- Places state policy in context
 - Tuition ≠ “affordability”
- Can be used to inform students/families
- Mythbusting
 - “I worked my way through college, and these lazy kids with their...”
- Useful across many aspects of state policymaking
 - Tuition/state support
 - Financial aid
 - College savings



Affordability Dashboards

- Change in Unmet Need (IPEDES)



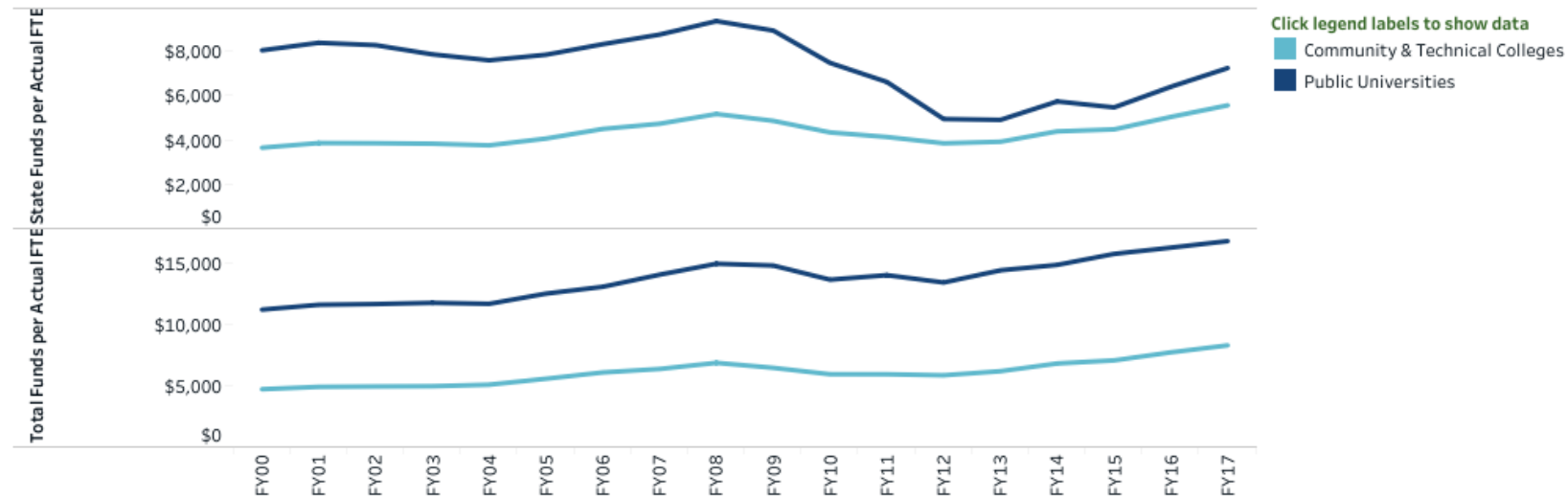


State-level Metrics

• Change in State/Total funding per FTE

Average State and Total* Funds per Actual FTE (*Total: State Funds and Tuition Expenditures)

Reveal: hover or select chart elements, legend or year labels. **Refine:** use drop down controls. **Reset:** escape, arrows at footer, or refresh page.



Years 2000 to 2019	Detail Sector Total	Filter All
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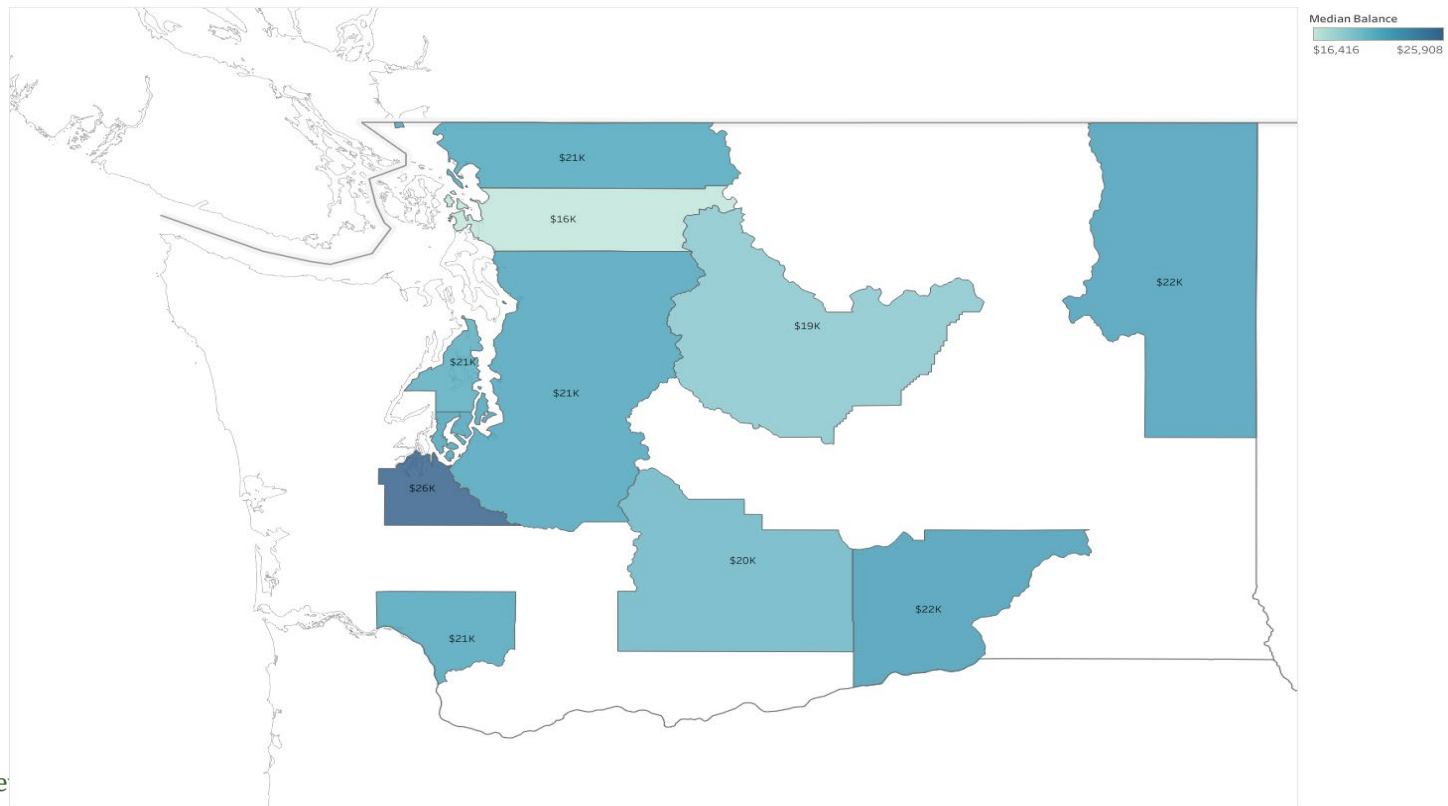
Source: WSAC staff analysis of Historical Tuition Revenues, Enrollments, & Operating Funds from the Washington LEAP Committee (December 2017). Next update: Summer 2018. "Expenditures" are from the state tuition fund 149 "Inst of HI ED Operating Fees" per <https://www.ofm.wa.gov/accounting/fund/detail/149> and <http://app.leg.wa.gov/rcw/default.aspx?cite=28B.15.031>



State-level Metrics

Student Loan information by state and region

Median Student Loans

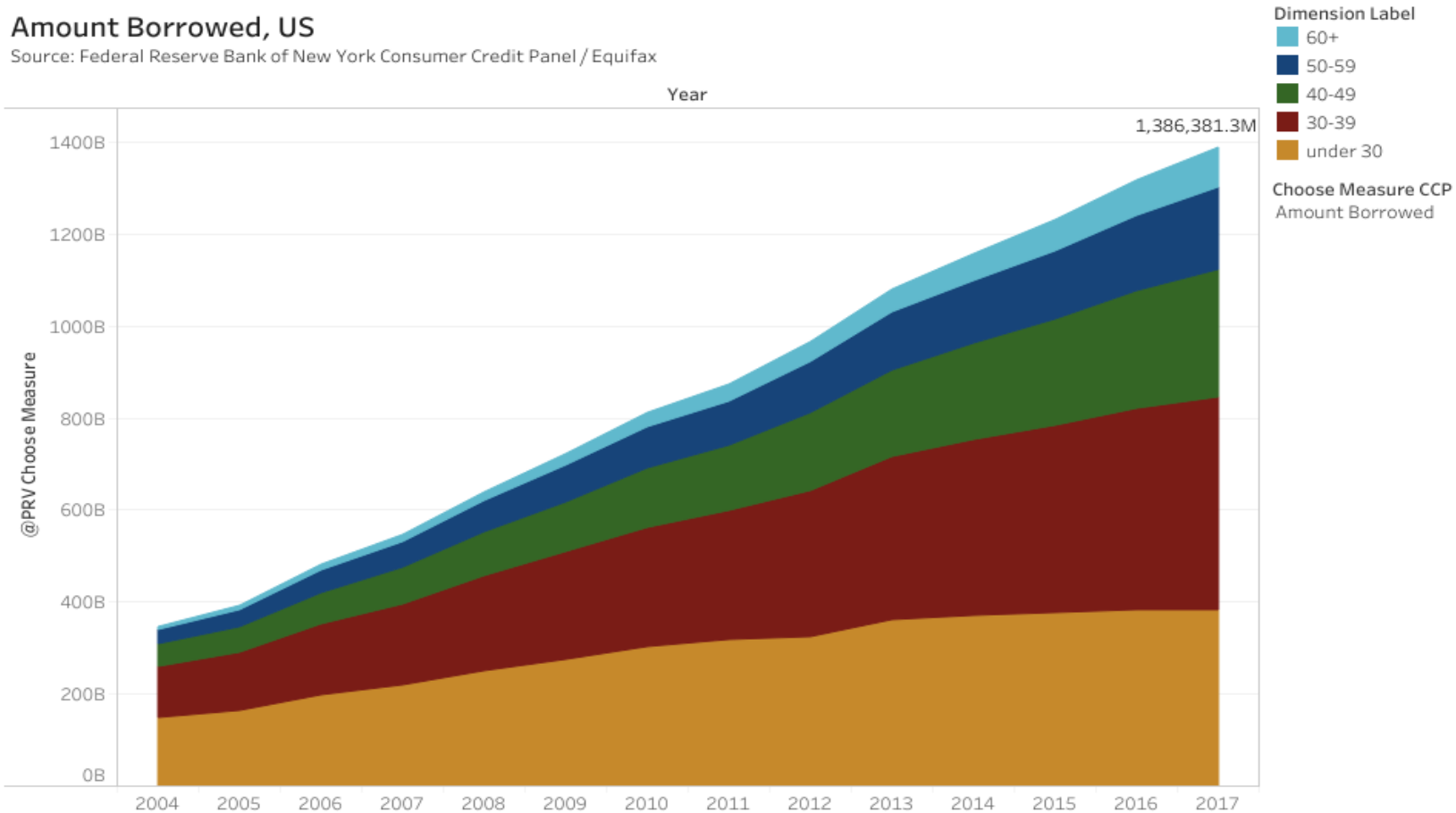




National Trends

Amount Borrowed, US

Source: Federal Reserve Bank of New York Consumer Credit Panel / Equifax





Defining affordability

- Metrics and trends are informative, but ideally, we would define what counted as “affordable” and “not affordable.”
- These are inputs on latest versions of the Affordability Model that allow for definitions of “affordable” debt.
- Based on wages for workers with AA/BA degrees, excluding those who aren’t working. User can select the percentile of the wage distribution (here it’s 20th percentile).

Inputs:	
Median family income (\$/yr)	81,800
Annual tuition and fees (\$/yr)	7,790
Annual non-tuition costs (\$/yr)	13,250
Annual cost of attendance (\$/yr)	21,040
Years in college (yrs)	4
State appropriation (\$/student/year)	3,480

Model variables:	
Family Size	4
Students In Family	1
Percent of current income contributed (%)	10
Years spent saving (yrs)	10
Percent of annual income saved (%)	5
Interest on savings (%)	1
Loan repayment ratio (%)	7
Percentile of earner (% ~ \$ 26,250)	20
Percentile of excluded earner	6
Interest on debt (%APR)	5
Loan duration (yrs)	10



State Need Grant: Washington's Flagship Aid Program

Washington is nationally recognized for its commitment to financial aid.

State Need Grant (SNG) has supported low-income undergraduate students for 48 years.

SNG is a critical strategy to reach the state's attainment goals.

SNG supports the College Bound Scholarship.



Sustained commitment leads to results.

Stable State
Financial Aid

Support low-income students to attend and complete.

Improve transparent communication.

Predictable
Tuition

Help families plan for college costs.

Enable institutions to plan long-term.

Supported
Institutions

Provide quality pathways and instruction.

Support student success and completion.

Stable
funding

Quality
institutions

Commitment
to
Affordability



Resources

- Roadmap Dashboards:
 - <https://wsac.wa.gov/roadmap/overview>
- Affordability Model
 - <https://public.college-affordability.css.uwb.edu/>
- Affordability Framework
 - <https://wsac.wa.gov/sites/default/files/2016.03.23%20Framework.pdf>