

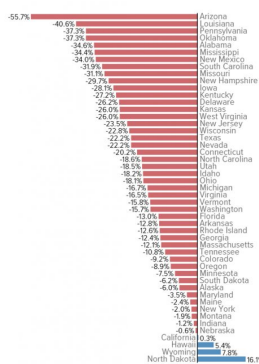
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How State Budget Cuts to University Funding Results in the Overall Increase of Class Disparity

Background

At the end of 2018, state funding for 2-4 year public colleges was more than 7 billion dollars below its 2008 levels

State Funding for Higher Education Remains Far Below Pre-Recession Levels in Most States
Percent change in state spending per student, inflation adjusted, 2008-2018



Note: Illinois was excluded because the data necessary to make a valid comparison are not available. Since enrollment data are only available through the 2016-17 school year, we have estimated enrollment for the 2017-18 school year using data from past years.
Source: CBPP calculations using the "Graspette" higher education appropriations data from Illinois State University, enrollment and combined state and local funding data from the State Higher Education Executive Officers Association and the Consumer Price Index, published by the Bureau of Labor Statistics

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Cuts to State-Funding Increase Tuition Rates

Average tuitions rates have increased by:

- more than 60 percent in seven states;
- more than 40 percent in 20 states; and
- more than 20 percent in 40 states.

Tuition increases deter enrollment of students from low-income families

In 2015, around 63% of high school graduates coming from families with total incomes in the lowest 20% enrolled in some type of post-secondary education, in the same year 83% of high school graduates from the top 20% income bracket enrolled in some type of post-secondary education

Affects Future Earnings

Students whose parents are less educated as well as students who have parents that are minorities greatly benefit from going to elite colleges due to experiencing higher post-graduate earnings

Reduced Campus Diversity

Non-selective public institutions experienced a 4.5% drop in campus diversity when its tuition costs increased by \$1000

In 2017, the average cost of in-state tuition and fees made up about 20% of Hispanic and black households' incomes in 22 states and 33, respectively.

Students from Low-Income Families Continue to Struggle with Debt

In 2012, 79% of students graduating with a bachelor's degree whose families' income was in the bottom quarter, had student loans, as opposed to the 55% of students graduating with student loans from families in a higher income bracket

Increasing Class Disparity

About one out of four of the richest students go to an elite college

Less than ½ of a percent of children from the bottom fifth of American families go to an elite school and less than half actually attend college

<https://www.cbpp.org/research/state-budget-and-tax/unkept-promises-state-cuts-to-higher-education-threaten-access-and>

<https://www.nytimes.com/interactive/2017/01/18/upshot/some-colleges-have-more-students-from-the-top-1-percent-than-the-bottom-60.html?module=inline>

<https://www.cbpp.org/research/state-budget-and-tax/a-lost-decade-in-higher-education-funding>