

DEGREES OF



ADDRESSING RISING
STUDENT DEBT AND COLLEGE
AFFORDABILITY IN TEXAS

College Students Left to Fend for Themselves as State Support Declines

Postsecondary education is critical for driving prosperity for all Texas families. But the cost of a postsecondary education in Texas is increasing at an alarming rate. As costs rise, state-based financial aid has dwindled, shifting the burden to Texas students and families who are finding it more difficult to pay for higher education (1st blogpost link). While the high cost of postsecondary education affects all Texans, non-traditional students struggle even more to access state aid and pay for their education (2nd blogpost link).

As costs rise and students are unable to finish their postsecondary education, affording college has become a major challenge for all groups of students. It's critical that we invest in higher education access now to ensure prosperity for all Texans in the future.

Increasing tuition is a major driver of college and university affordability, but tuition makes up only about a third of college and university attendance costs.¹ The remaining expenses — shelter, food, books, and other school supplies — make up the majority of students' cost of attendance.

To pay for college, Texas students use a complex recipe of funding sources each year. Beyond what they contribute from their own savings and earnings, students must also seek federal aid, state aid, campus aid, loans and other types of support such as work-study programs.

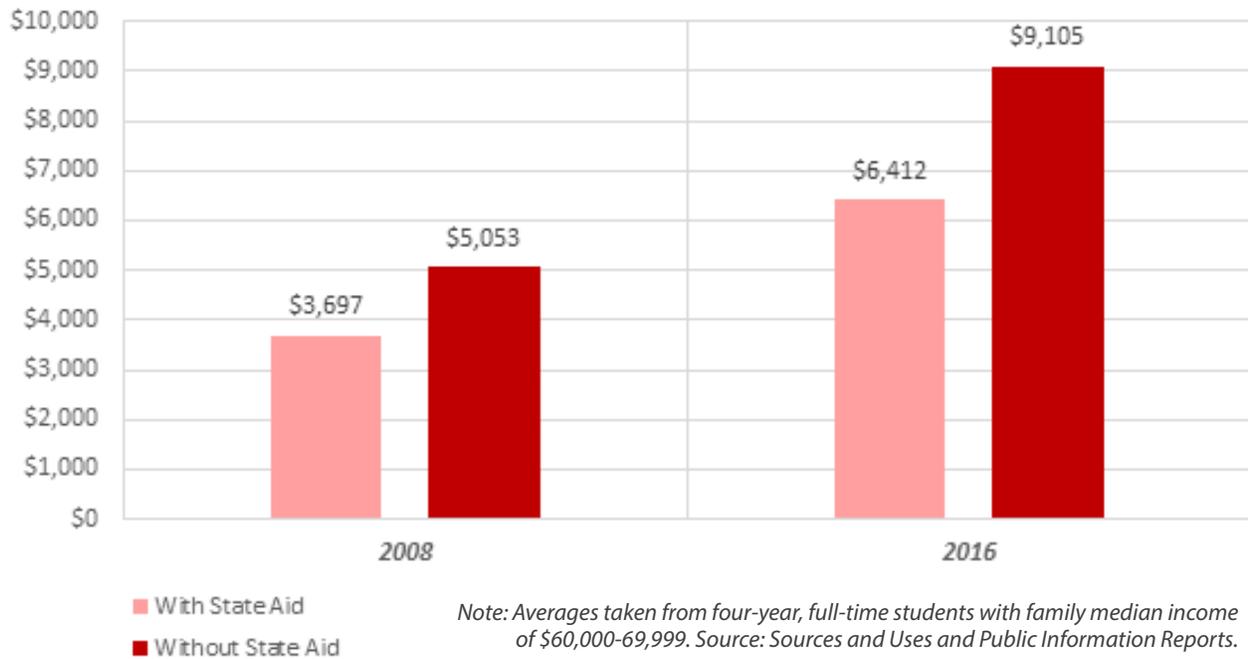
After students exhaust all of these resources, most low and moderate-income Texans are still unable to cover the full cost of their education. Students cover their remaining expenses — the college and university funding gap, or the unmet need — by working part-time and making difficult decisions to do without necessities such as food, books, and housing.

The amount of unmet need Texas students face has risen significantly along with tuition prices. Between 2008 and 2016, unmet need for middle-income Texans increased by nearly \$3,000 for those receiving state aid and by about \$4,000 for those without state aid.² So, while aid has increased in dollar amounts in tandem with cost of attendance, aid is simply not enough to make postsecondary education affordable for students, even if they take out loans.

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Unmet Need Nearly Doubled 2008-2016



In order to earn enough to cover their unmet need, a middle income student must work 21 hours a week for the entire year at a minimum wage job in Texas (at \$7.25 an hour). That is six hours more than the same student had to work in 2008 to cover their unmet need. While some part-time work can be helpful – particularly if it leads to work experience in a chosen field of study – many researchers see twenty-plus hours of work as too high for students to meet the academic demands. In their work on college affordability, the Lumina Foundation considers just 10 hours a week to be a “reasonable” amount of time for students to work, putting the average middle-income student in Texas well beyond this standard if they have to work to help fund their education.²

High unmet need has significant consequences on student outcomes. Research has shown that students with greater unmet need are less likely to complete their education. Other research, however, shows that students in the lowest income brackets are most likely to see graduation rate improvements

when they can meet all their financial need. This illuminates how critical adequate student financial support is, especially to students most in need.

Even after exhausting all resources available and working more hours than what experts recommend, Texas students are still going without critical necessities or being pushed out of higher education altogether. As Texas approaches 2030 – with a stated goal of 60 percent of Texans ages 25-34 having a post-secondary credential – it is critical for the state to revisit decisions that have led to the sharp decline in higher education investment. Texas needs to deepen its investment in students, not only to cover tuition, but for the additional costs that make up the largest part of a student’s postsecondary expenses.

- 1 Goldrick-Rab, S. (2016). *Paying the Price: College costs, financial aid, and the betrayal of the American Dream*. Chicago: The University of Chicago Press.
- 2 The tuition and fee data included here are the amounts reported as net tuition and fees in the Sources and Uses Reports from the Texas Higher Education Coordinating Board and in 2016 dollars.
- 3 Lumina Foundation (August 2015). *A Benchmark for Making College Affordable*. Retrieved from <https://www.luminafoundation.org/files/resources/affordability-benchmark-1.pdf>