

BENCHMARKS: WICHE Region 2005

Benchmarks: WICHE Region 2005 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 2003 was \$43,564, the average for WICHE states was \$44,117. However, average tuition and fees for resident undergraduates in 2004-05 at public four-year institutions in the West were significantly lower: \$3,810 in the region compared to \$5,132 nationally. Second, on average, a slightly higher proportion of the region's population holds at least a bachelor's degree (28.2%) than is found nationally (26.5%). 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). Trends between 1998 and 2002 illustrate that for 100 ninth graders in the region, approximately 29 do not make it to high school graduation within four years. Of the 71 who do graduate from high school, 34 do not go on to college, while about 37 enroll in postsecondary education. Only 16 of 100 ninth graders finish an associate degree within three years of entering college or a baccalaureate degree within six years of entering college.

The U.S. averages are slightly better at some points; notably, of the 68 students who finish 12th grade, 29 do not go on to college but 39 do. However, on average the Western states perform better on progression from 9th grade to 12th grade, as nearly one in three 9th graders nationally are not graduating from high school within four years. Once in college, students nationally tend to graduate at a higher rate: 18 of 100 ninth graders are completing an associate degree within three years or a baccalaureate degree within six years. For 2002, data also show that 30% of adults ages 25 to 34 nationally and 28% regionally held at least a bachelor's degree, while 38% nationally and 36% regionally held at least an associate's degree; but the pipeline demonstrates the inefficiencies that exist today.

Among adults aged 25 to 49, under 5% were enrolled in higher education in 2003, although that was higher than the national average (Fig. 2). Both national and regional enrollment rates for adults have been relatively flat for years.

Figure 1 Out of 100 ninth graders in the West, on average, about 29 do not finish high school and an additional 34 do not go on to college. Only 16 of 100 ninth graders in the region graduate from college. Nationally, about 32 out of 100 ninth graders do not finish high school and 29 more do not go on to college. Nearly 18 graduate from college.

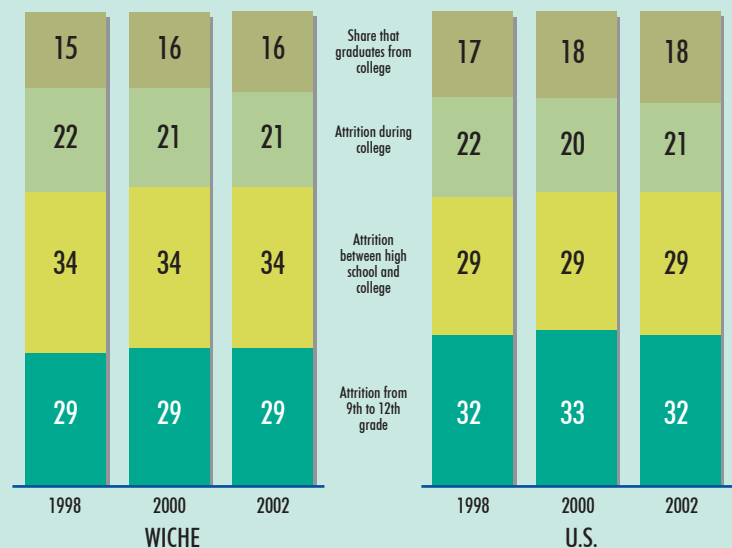


Figure 2 The Western region consistently surpasses the U.S. on the enrollment of adult students as undergraduates as a percent of the total population of adults.



Equity measures also show low performance – especially for most underrepresented groups. Graduation from high school is a significant issue regionally for several groups. While 76% of White and 85% of Asian/Pacific Islander 9th graders graduated from high school in four years, the proportions drop to 58% for Blacks and Hispanics and 54% for American Indians/Alaska Natives (Fig. 3). Since the high school class of 1997, these percentages have shown only modest improvement. Data suggest that American Indian/Alaska Native 9th graders fare somewhat better nationally with a 60% graduation rate; other race/ethnicity group data mirror Western data.

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 1992 and 2002. This ratio shows that the nation has outperformed the West on this measure for Hispanics, American Indians/Alaska Natives, and Asians/Pacific Islanders. The West performs better in the enrollment of Black, non-Hispanics.

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 each racial/ethnic group to the share of each group in the population in 2002. 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, nationally or regionally few Blacks, Hispanics, or American Indians/Alaska Natives receive a bachelor's degree when compared to their proportion in the population.

In addition to equity by race/ethnicity, measures of income equity are important benchmarks of progress. Regionally in 2002, 24% of undergraduates received a Pell grant, compared to the national average of 30%. The value of these data is enhanced when considering the proportion of children in poverty. That year, nearly 16% of children aged 12 to 17 were in poverty – or nearly 918,000 potential college students in the WICHE states. In the West in 2002, the share of Pell recipients among all undergraduates attending non-profit institutions was 1.57 times the poverty rate of 12-to-17 year olds; nationally, the proportion was 1.98. These figures are a slight improvement over 2000, but in both years the region's performance on this measure 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 and equity issues. Between 2003-04 and 2004-05, resident tuition and fees increased by only \$290 per student (8.6%) at public four-year institutions in the region, less than the \$487 (10.5%) increase nationally over the same time period (Fig. 7). Average tuition and fees for resident students at public four-year institutions nationally were \$5,132 in 2004-05, compared to \$3,673 in the WICHE region.

The region saw an increase of \$145 (8.1%) per student between 2003-04 and 2004-05 in public two-year college tuition and fees for residents, compared to an increase of \$167 (8.7%) nationally (Fig. 7). Average tuition and fees at public two-year colleges in the West were \$1,945 in 2004-05, compared to \$2,076 nationally.

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 3.5% in 1998-99 to 4.1% in 2003-04 for public two-year college tuition and from 6.1% to 7.3% for public baccalaureate/master's institutions (Fig. 8). During that period, median household income grew from \$38,988 to \$44,117, a 13% increase.

Financial aid is also a key indicator. The amount of restricted and unrestricted financial aid per FTE student increased slightly in recent years (Fig. 9); the regional average in 2002-03 was \$1,716, compared to \$1,646 the previous year. However, the average amount of need-based grant aid per FTE from state grant programs has remained stable in the U.S. and the region, failing to offset tuition increases (Fig. 10).

Additionally, when all grant dollars from non-federal sources are combined, the West now provides fewer dollars in non-federal grant aid than the total dollars received from the federal government through Pell grants (Fig. 11). The nation continues to outperform the West on this benchmark.

In the West, affordability and access have improved dramatically through WICHE's undergraduate exchange programs: in academic year 2004-05, families and/or states saved an estimated \$111.7 million in tuition and fees by participating in the Western Undergraduate Exchange (WUE) program, compared to \$46.6 million six years ago (Fig. 12)

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

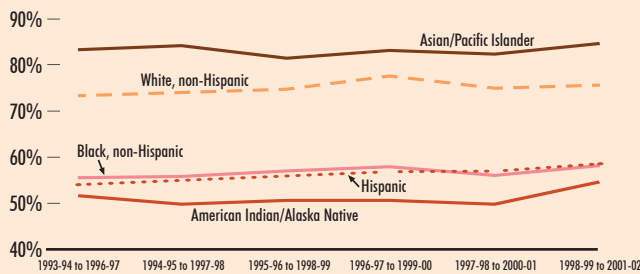


Figure 4 In 2002, the West enrolled proportionally fewer students from underrepresented groups as measured against the group's share of the general population – Blacks were the exception.

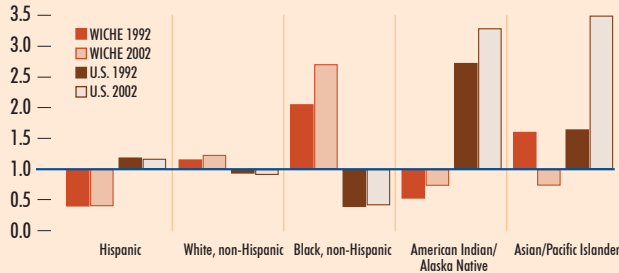


Figure 5 In 2002, the West awarded proportionally fewer bachelor's degrees to students from underrepresented groups as measured against the group's share of the general population – Asians/Pacific Islanders were the exception.

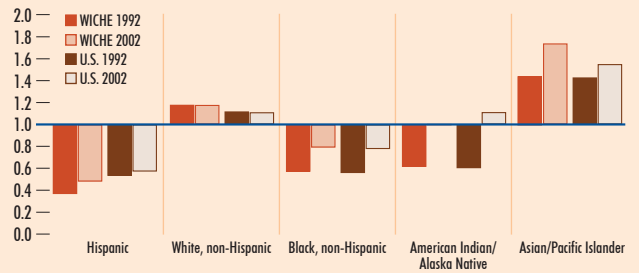


Figure 6 The nation outperforms the West when comparing the relationship between Pell recipients among undergraduate enrollments and poverty rates among individuals approaching traditional college age.

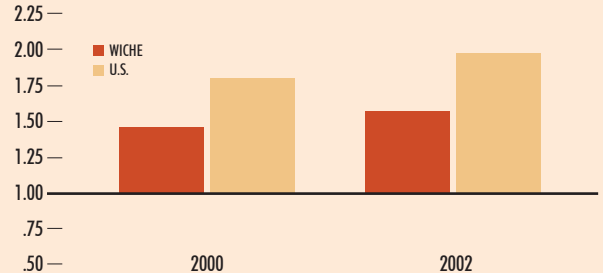


Figure 7 In the past decade, tuition and fees at four-year institutions in the West have risen by almost 80%, and they have nearly doubled at two-year colleges.

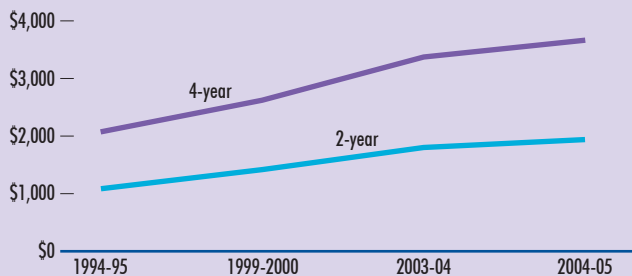


Figure 8 The share of household income that goes to tuition and fees has increased dramatically over the past decade.

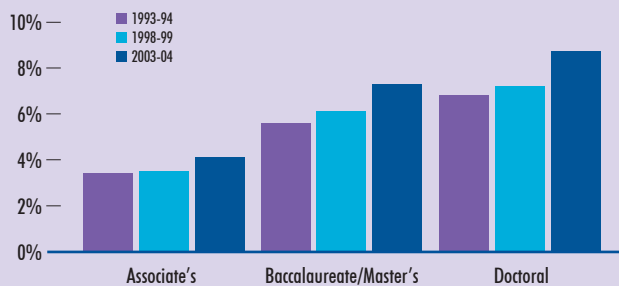


Figure 9 The amount of total grant financial aid per full-time-equivalent student in public institutions has increased somewhat in the region.

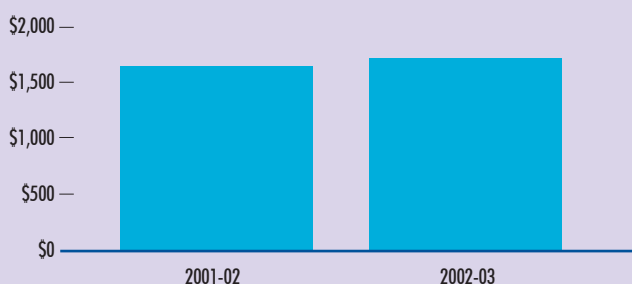


Figure 10 State-need based grant aid per FTE has remained stable in the region and the nation in recent years.

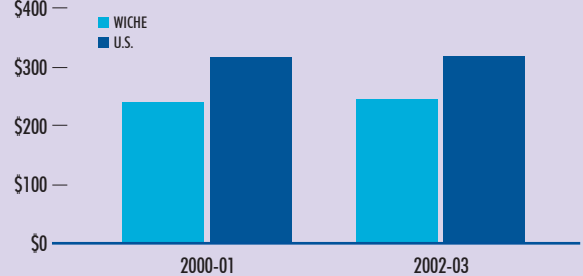


Figure 11 In 2001-02, Western states provided slightly more dollars in grants from non-federal sources than they received from the federal government in Pell grants, producing a ratio of non-federal grants to Pell greater than 1; by 2002-03, that was not true.



Figure 12 Savings to families and/or the state through participation in WICHE's Western Undergraduate Exchange (WUE) program have climbed steadily.



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 \$7,148 in state appropriations to higher education per FTE in FY 2004 (Fig. 13). When adjusted for inflation, the FY 2004 regional average showed a decrease of 8.4% from FY 1999. The US average has fluctuated more widely, experiencing an 18.5% reduction between FY 2002 and FY 2004, dropping from \$8,020 to \$6,767 per FTE. Nationally, state appropriations per FTE declined by 23% between FY 1999 and FY 2004.

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 \$7,787 for the Western states in FY 2003. From \$8,135 in FY 1998, the five-year change represented a decline of 4.3%. Nationally, when these revenues are adjusted using 2004 dollars, net educational appropriations and net tuition and fees per FTE changed little when FY 1998 and FY 2003 are compared: \$9,074 and \$9,023 respectively.

When adjusted for inflation, on average state tax revenue per capita in the West has been relatively flat or declining since 1993 compared to the national average. In 1993, revenue per capita in the West averaged \$2,046 while the U.S. average was \$1,798. By 2003, the gap had closed as the Western average had declined to \$1,905, a few dollars less than the U.S. average (Fig. 15). During that period in the West, per capita income grew on average by 18.3%, from \$26,376 in 1993 to \$31,208 (adjusted for inflation using 2004 dollars).

Figure 13 State appropriations per FTE for the region fell below the U.S. average appropriation until FY 2003 and FY 2004.

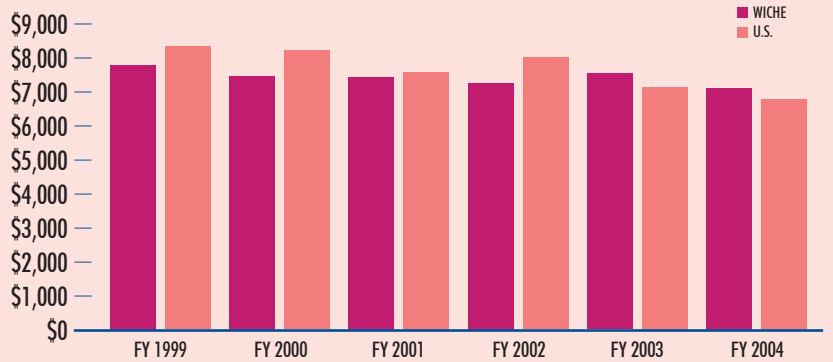


Figure 14 Tuition and fee revenues in the West accounted for 22% of total revenue from appropriations and tuition and fees in 2003 compared to 19% two years earlier.

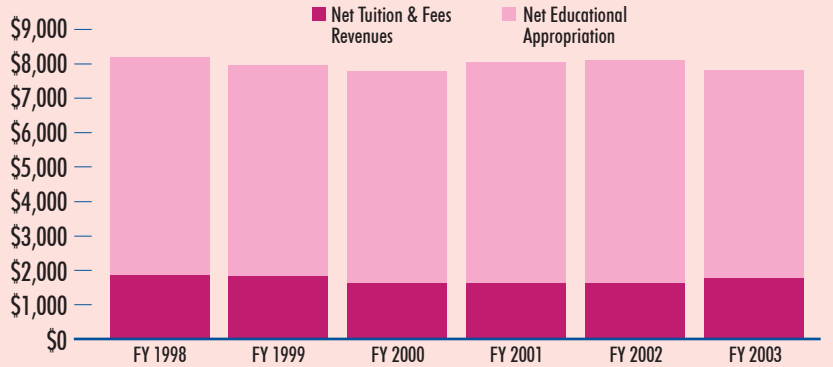
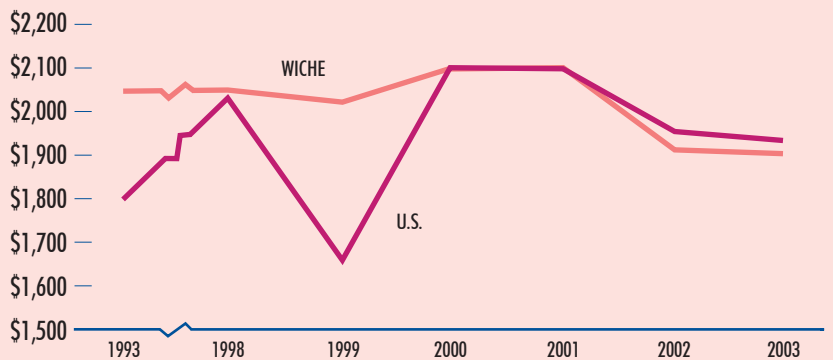


Figure 15 Regional state tax revenue per capita, adjusted for inflation, has mirrored U.S. figures in recent years.



Source Notes:

- Fig. 1 National Center for Higher Education Management Systems (NCHEMS), 2005.
- Fig. 2 National Center for Education Statistics (NCES), 1997 through 2003; and U.S. Census Bureau.
- Fig. 3 National Center for Education Statistics (NCES), 1995 through 2002 and 2004.
- Fig. 4 National Center for Education Statistics (NCES), 2000 and 2002; and U.S. Census Bureau, 2000 and 2003.
- Fig. 5 National Center for Education Statistics (NCES), 2001-2002; and U.S. Census Bureau, 2000.
- Fig. 6 National Center for Education Statistics (NCES), 1999 and 2001; and Bureau of the Census, 2002.
- Fig. 7 Western Interstate Commission for Higher Education, 2004.

- Fig. 8 Western Interstate Commission for Higher Education, 2004; and Bureau of the Census, 2004.
- Fig. 9 National Center for Education Statistics (NCES), 1998-2003.
- Fig. 10 National Association of State Student Grant and Aid Programs (NASSGAP), 2004.
- Fig. 11 National Center for Education Statistics (NCES), 2001-02 and 2002-03.
- Fig. 12 Western Interstate Commission for Higher Education, 2005.
- Fig. 13 National Conference of State Legislatures, 1998 through 2002; and National Center for Education Statistics (NCES), 1999 through 2004.
- Fig. 14 State Higher Education Executive Officers (SHEEO), 2005.
- Fig. 15 U.S. Census Bureau, 2004.