

The Condition of Higher Education in Iowa

College Readiness,
Affordability,
& Future Employability

2012 Report prepared by:



IowaCollegeAid.gov

OPENING REMARKS

COLLEGE READINESS, AFFORDABILITY, AND FUTURE EMPLOYABILITY

The Iowa College Student Aid Commission is pleased to provide this publication, *The Condition of Higher Education in Iowa*, as an overview of Iowa's population in relation to educational attainment, college readiness, affordability and the future employability of the citizens of Iowa. The data presented in this report is derived from research conducted by the Iowa College Student Aid Commission as well as from other recognized sources. Our intent is to present many variables relating to educational attainment in Iowa in a clear and concise manner.

Improving college attainment is critical to the growth of Iowa's economy. By 2018, it is projected that 62 percent of jobs in Iowa will require postsecondary education¹. In addition, as educational attainment increases, income also increases and the percent of the population living in poverty decreases. For Iowans with only a high school degree, the poverty rate is three times higher than for those with a bachelor's degree or higher. For Iowans with less than a high school education, the poverty rate is more than six times higher².

A college degree is the key to economic opportunity. It has been estimated that the average lifetime earnings of a person with a bachelor's degree is \$2.8 million - 84 percent more than that earned by individuals with only high school degrees³.

The vision of the Iowa College Student Aid Commission is that all Iowans can achieve education beyond high school. To realize that vision, the Iowa College Student Aid Commission provides essential services that prepare students to enter and succeed in postsecondary education. The goal is to make the path to education and training beyond high school easier for Iowans by helping to improve college readiness, increase awareness of career opportunities, improve the financial literacy of Iowa students before, during and after college, and to help ease the burden of college costs for Iowa families.

The data presented in this report highlights the benefits of higher education and the need for Iowa to provide services and resources to prepare its citizens for a successful and prosperous future.



Commissioner Chair
Iowa College Student Aid Commission



Executive Director
Iowa College Student Aid Commission

This report is accessible online at www.IowaCollegeAid.gov in the Higher Education Data Center, or can be accessed directly at <http://tinyurl.com/2011COHE>

[1] Georgetown University Center on Education and the Workforce (June, 2010). *Projections of Jobs and Education Requirements through 2018*.

[2] U.S. Census Bureau. American Community Survey 2008-2010 3-year estimates. *Poverty Status in the Past 12 months*.

[3] Georgetown University Center of Education and the Workforce. (2011). *The College Payoff: Education, Occupations, Lifetime Earnings*.

CONDITION OF HIGHER EDUCATION INTRODUCTION

College readiness is highly related to college success. Students who are ready for college are less likely to need remediation, more likely to succeed in first-year college courses, and more likely to re-enroll at the same postsecondary institution their second year than those who are not ready¹. College and career planning are important factors to ensure students are college-ready.

Through a partnership with the Iowa Department of Education, the Iowa College Student Aid Commission provides I Have A Plan Iowa™, the state-designated career information system, to help Iowans in all stages of life explore education and career options. I Have A Plan Iowa™ helps Iowa schools meet the requirements of Iowa Code Section 279.61 that requires all Iowa students to create career plans in grade 8 as well as complete required components of the state-designated system in grades 8-12. Students are able to create high school course plans in the system that align with college and career goals, research careers and college majors that fit their personal interests, prepare for the ACT and SAT and search for colleges and universities that meet their needs. As students prepare for high school graduation, they can use the system to track college visits, search for scholarships, practice completing college applications, practice for job interviews, and use the cover letter creator and resumé builder. Last year Iowans logged into the system 964,748 times. A total of 19,539,690 pages were viewed, averaging 20.25 pages per visit.

The Iowa College Student Aid Commission also has programs that prepare economically-disadvantaged and academically-at-risk students to enter and succeed in postsecondary education. Through the administration of the Gaining Early Awareness and Readiness for Undergraduate Program (GEAR UP) grant for the State of Iowa, the Iowa College Student Aid Commission provides statewide and school-based services to a cohort of approximately 6,000 Iowa students and their families. Across the state, GEAR UP Iowa students benefit from program services such as college visits, 21st century technology in the classroom, leadership camps, enhanced curriculum programs and increased academic tutoring and credit recovery opportunities.

Iowa students and families rely on the Iowa College Student Aid Commission as an information resource. The Iowa College Student Aid Commission produces multiple printed publications relating to college access, college planning, financial aid, financial literacy and default prevention. Last year, over 245,000 publications were provided to Iowa students, families, schools, and postsecondary institutions with many more available online. In addition, its comprehensive website, www.IowaCollegeAid.gov, received over 138,000 visits.

In addition to being academically prepared to enter and succeed in postsecondary education, Iowa families need affordable options. The Iowa College Student Aid Commission helps to ensure a college education is affordable for Iowans through the administration of state-funded financial aid programs. In FY 2011, over

\$59 million in state-funded programs helped almost 26,000 students pay higher education expenses. However, with the cost of college rising faster than household income, the number of Iowa families applying for financial aid is increasing. [To produce more college graduates, more funding is needed to allow students to persist in postsecondary education through graduation.](#)

Reducing student loan debt is also a factor in improving retention levels. [Iowa students have one of the highest student loan debt levels upon graduation - an average of \\$29,598².](#)

To prepare students to make smart financial decisions before they go to college or enter the workforce, the Iowa College Student Aid Commission provides high school and college-level financial literacy programs. Accessible through I Have A Plan Iowa™, the Iowa Financial Literacy Program uses the latest in new media technology to teach, assess and certify high school students in over 600 core concepts of personal finance. The college-level program, Buttonwood™, helps Iowa college students make smart borrowing decisions, understand the importance of completing a degree, and prepare for student loan repayment. Buttonwood™ adapts to each user so that the educational content around loan management is most applicable to them.

These resources provide a means to improve college readiness, make college more affordable for Iowa citizens, and ultimately prepare Iowans for sustainable future careers in the state.

[1] The ACT (2008). *What We Know About College Success: Using ACT Data to Inform Educational Issues*.

[2] The Project on Student Debt. (2011). *Student Debt and the Class of 2010*. Retrieved from <http://projectionstudentdebt.org/files/pub/classof2010.pdf>.

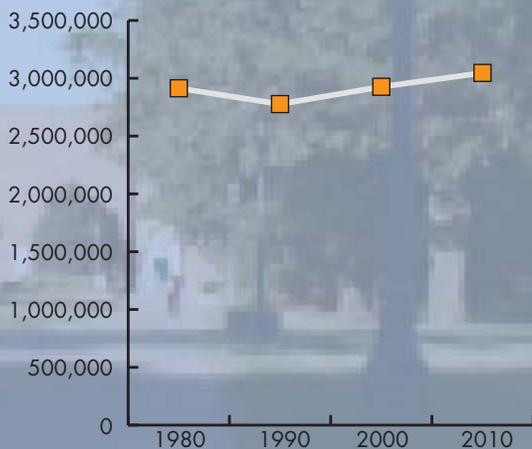
THE POPULATION OF IOWA

In 2010, Iowa's population reached 3,046,355, an increase of 4.5 percent from 1980¹. Iowa's growth was significantly less than national growth. From 1980 to 2010, the population of the United States grew by 36.3 percent. In the last ten years, Iowa experienced a 4.1 percent population growth, as compared to 9.7 percent for the nation as a whole. However, Iowa grew at a faster rate than other Midwest* states, which grew at a rate of 3.9 percent. South Dakota was the fastest growing state in the Midwest at 7.9 percent, replacing Minnesota, which had been the fastest growing state in the Midwest for the past three decades².

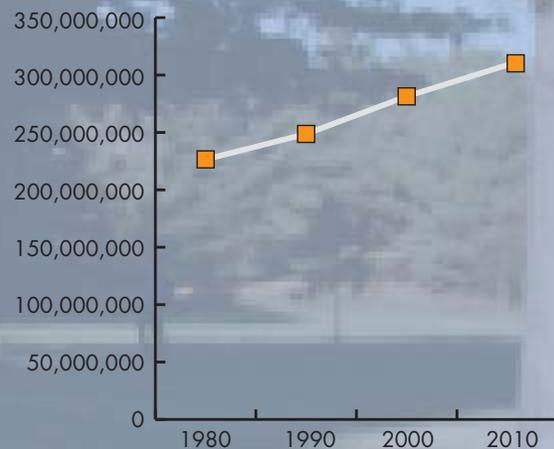
STATES WITH THE SLOWEST POPULATION GROWTH FROM 2000 TO 2010¹

1. -0.6% - Michigan
2. 0.4% - Rhode Island
3. 1.4% - Louisiana
4. 1.6% - Ohio
5. 2.1% - New York
6. 2.5% - West Virginia
7. 2.8% - Vermont
8. 3.1% - Massachusetts
9. 3.3% - Illinois
10. 3.4% - Pennsylvania
- 11. 4.1% - Iowa**
12. 4.2% - Maine

IOWA POPULATION



UNITED STATES POPULATION



Source: U.S. Census Bureau: 2010 Census, State and County Quick Facts <http://quickfacts.census.gov/qfd/states/19000.html>

The age distribution of Iowa's population is similar to that of the United States. For both Iowa and the United States, the share of the population above age 24 grew faster than the percentage of the population below that age. The aging of the population is reflected in an increase in median age in both Iowa and the United States. In 2010, Iowa's median age increased to 38.1 from 36.6 in 2000. Similarly, the median age in the United States increased two years, to 37.2, between 2000 and 2010. Iowa's median age of 38.1 is slightly higher than that of the Midwest*, which is 37.7².

Projections indicate that Iowa's population under the age of 24 will continue to decline through 2030 and will account for a smaller percentage of the state's total population³. As its population continues to age, Iowa will be challenged with finding creative solutions to increase its proportion of college graduates.

PERCENT OF POPULATION BY AGE GROUP



Source: U.S. Census Bureau: 2010 Census

[1] U.S. Census Bureau, 2010 Census.

[2] U.S. Census Bureau. (2010). *Census Briefs, Age and Sex Composition: 2010*.

[3] U.S. Census Bureau (2010). *U.S. Population Projections, Population Pyramids and Demographic Summary Indicators for States*.

*Midwest includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

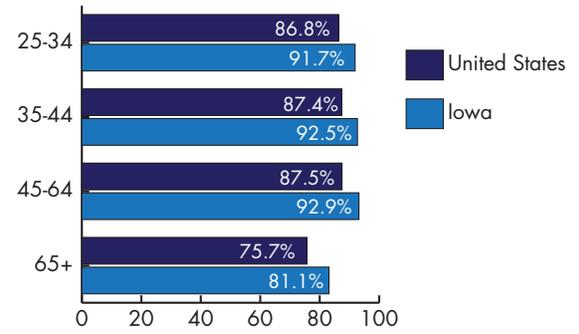
EDUCATION LEVELS IN IOWA

President Obama has set a goal for the United States to have the highest proportion of college graduates in the world by 2020. To achieve this, the United States must increase its college degree attainment rate to 60 percent¹. Iowa's rate of associate's degree attainment is lower than that of the U.S. as a whole. Some 34 percent of Iowans over age 24 have an associate's or higher degree, ranking Iowa 30th among the 50 states on this measure.

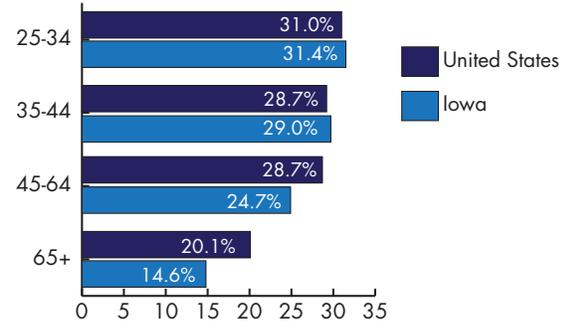
Young adults account for the majority of college graduates, and attainment rates among young adults aged 25-34 are often used in international comparisons². Approximately 92 percent³ of Iowa's population in this age group has attained a high school degree or higher; but significantly less, approximately 45 percent², has attained an associate's degree or higher. Iowa will need to increase the degree attainment of this age group to meet President Obama's 2020 degree attainment goal.

Approximately 34.2% of Iowa's population age 25 and older has an associate's degree or higher. This is slightly lower than the national average of 35.4%³.

HIGH SCHOOL GRADUATE OR HIGHER BY AGE

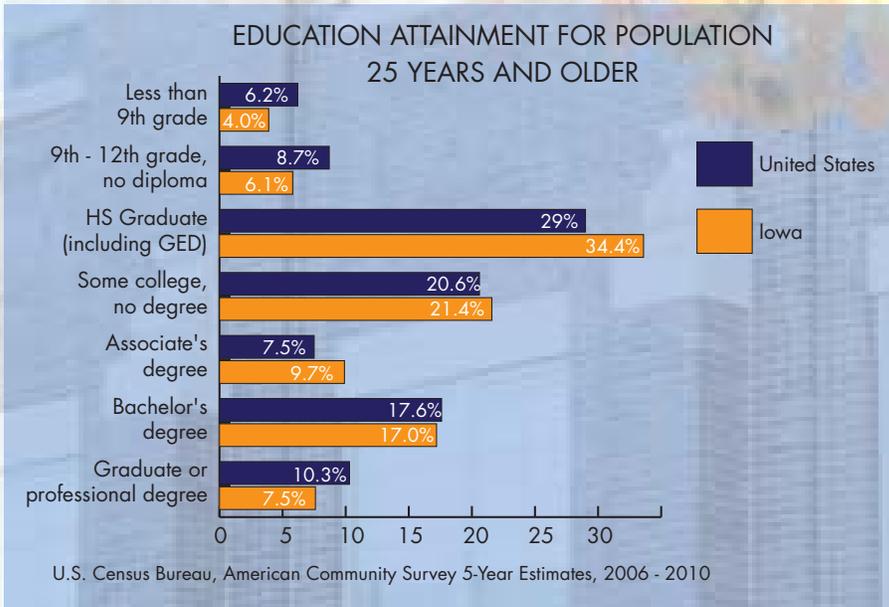


BACHELOR'S DEGREE OR HIGHER BY AGE

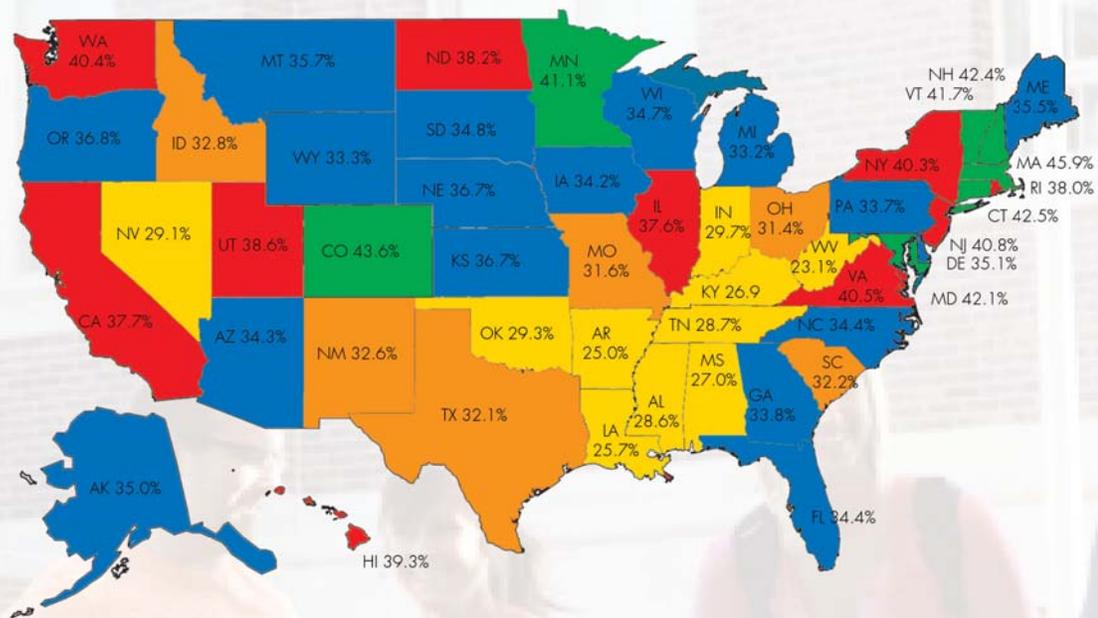


Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2006-2010 Table S1501

- [1] U.S. Department of Education. (2011). *Meeting President Obama's 2020 College Completion Goal* [PowerPoint slides]. Retrieved from <http://www.ed.gov/news/speeches/meeting-president-obamas-2020-college-completion-goal>.
- [2] U.S. Department of Education. (2011). *Meeting the Nation's 2020 Goal: State Targets for Increasing the Number and Percentage of College Graduates with Degrees*. Retrieved from http://www.whitehouse.gov/sites/default/files/completion_state_by_state.pdf.
- [3] U.S. Census Bureau, American Community Survey 5-Year Estimates, 2006-2010.



PERCENT OF POPULATION, AGE 25 AND OLDER, WITH AN ASSOCIATE'S DEGREE OR HIGHER BY STATE³



EDUCATION AND INCOME

As educational attainment increases, income also increases and the percent of the population living in poverty decreases. Nationally, individuals with bachelor's degrees earned approximately 66 percent more than individuals with only high school degrees and 134 percent more than those with less than high school diplomas. In Iowa, the poverty rate for the population 25 years and older with a bachelor's degree is 3.1 percent compared to 20.3 percent for those with less than a high school education.

PERCENT OF POPULATION BELOW POVERTY LEVEL FOR U.S. AND MIDWEST STATES

U.S.	13.8%
MINNESOTA	10.6%
IOWA	11.6%
WISCONSIN	11.6%
NEBRASKA	11.8%
NORTH DAKOTA	12.3%
KANSAS	12.4%
ILLINOIS	12.6%
INDIANA	13.5%
SOUTH DAKOTA	13.7%
MISSOURI	14.0%
OHIO	14.2%

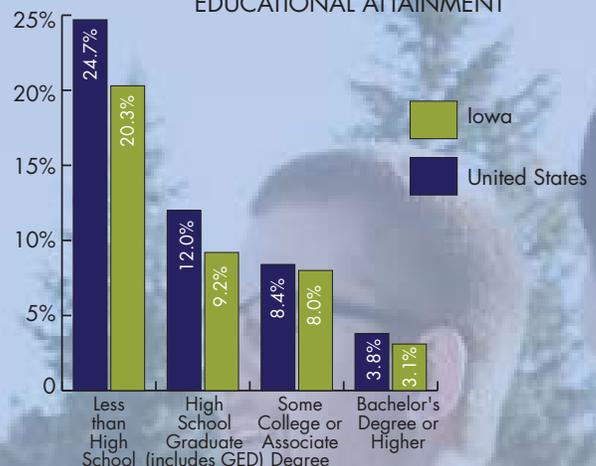
Source: U.S. Census Bureau, 2006-2010 American Community Survey

NATIONAL MEDIAN WEEKLY EARNINGS 2010



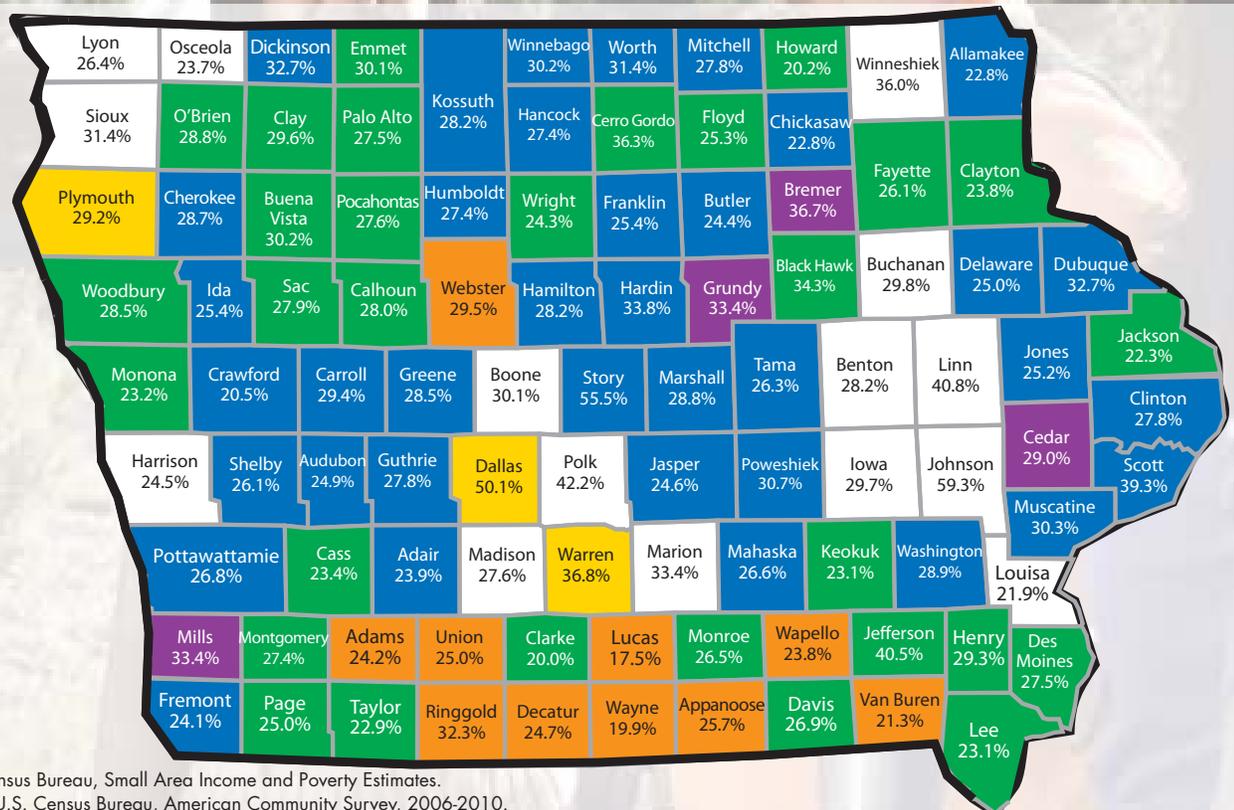
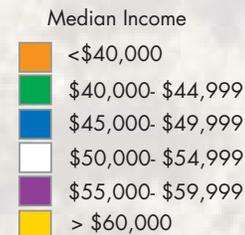
Source: Bureau of Labor Statistics, Current Population Survey. Data are for 2010 national annual averages for persons age 25 and over. Earnings are for full-time wage and salary workers.

POVERTY RATE FOR IOWA POPULATION 25 YEARS AND OVER FOR WHOM POVERTY STATUS IS DETERMINED BY EDUCATIONAL ATTAINMENT



Source: U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months, 2006-2010 5-year estimates and 2008-2010 3-year estimates.

EDUCATIONAL ATTAINMENT AND MEDIAN INCOME BY IOWA COUNTY



Median Income Source: U.S. Census Bureau, Small Area Income and Poverty Estimates.
Educational Attainment Source: U.S. Census Bureau, American Community Survey, 2006-2010.

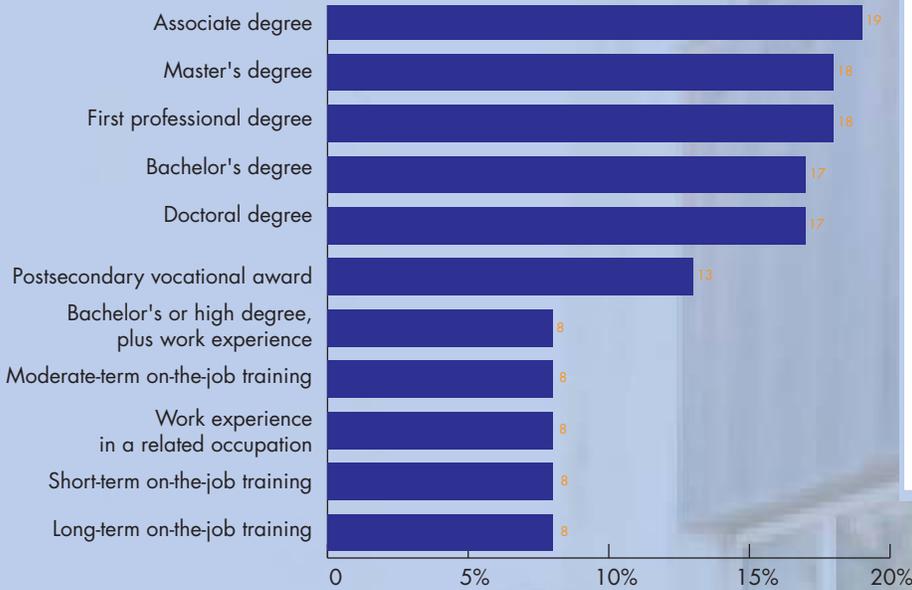
EDUCATION AND EMPLOYABILITY

Nationally, the number of new jobs in occupations that require some postsecondary education are expected to experience higher rates of growth through at least 2018 than those in on-the-job training categories¹.

Occupations that require an associate's degree are projected to grow the fastest, at about 19 percent. In addition, occupations in the master's and first professional degree categories are anticipated to grow by about 18 percent, and occupations in the bachelor's and doctoral degree categories are expected to grow by about 17 percent. Occupations in the on-the-job training categories are expected to grow by 8 percent.

In Iowa, nearly two-thirds of the top 50 fastest growing occupations require some type of formal training program or postsecondary education². Of the top 50 jobs in Iowa with both high demand and high salaries, 98 percent require postsecondary education³. By 2018, it is projected that 1.1 million jobs in Iowa, or 62 percent, will require postsecondary education or training beyond high school⁴.

PERCENT CHANGE IN EMPLOYMENT BY EDUCATION TRAINING CATEGORY, 2008-18 (PROJECTED)



Source: U.S. Bureau of Labor Statistics, Division of Occupational Outlook

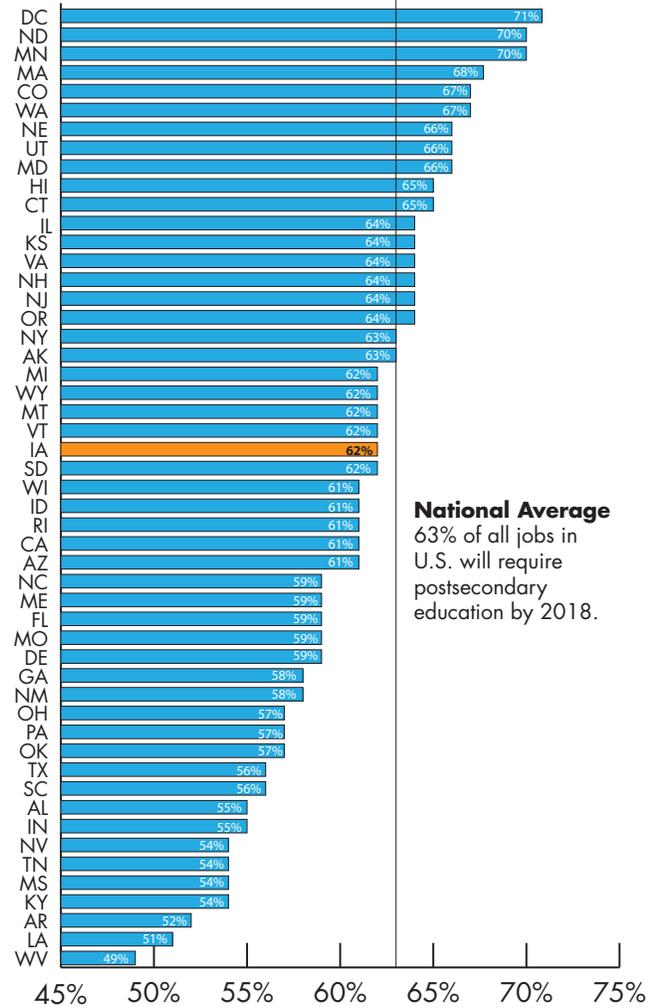
Unemployment disproportionately impacts those with lower levels of education. In Iowa, the unemployment rate for persons 25 to 64 years of age is 2.3 percent for persons with a bachelor's degree, as compared to 11.3 percent for persons with less than a high school degree¹.

[1] U.S. Bureau of Labor Statistics. *Occupational Outlook Handbook, 2010-11 Edition*.
 [2] Iowa Workforce Development. *Iowa Occupational Projections 2008-2018*. Chart Source: BLS Division of Occupational Outlook.
 [3] Iowa Workforce Development (December, 2011). *Iowa's Hot 50 Jobs 2008-2018*.
 [4] Georgetown University Center on Education and the Workforce. (June 2010). *The Midwest Challenge: Matching Jobs with Education in the Post-Recession Economy*.

IOWA'S RANK IN JOBS FORECASTED FOR 2018 BY EDUCATION LEVEL

Education Level	2018 Jobs	Rank
High School Dropouts	135,000	43
High School Graduates	583,000	19
Some College, No Degree	414,000	21
Associate's Degree	216,000	5
Bachelor's Degree	349,000	22
Graduate Degree	122,000	42

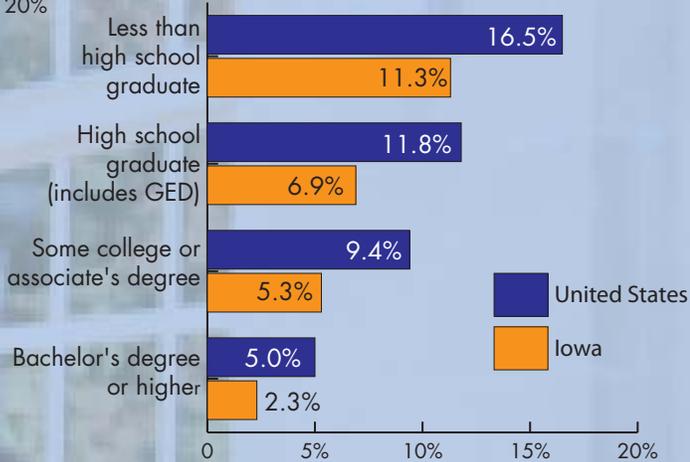
PERCENT OF JOBS IN 2018 THAT WILL REQUIRE POSTSECONDARY EDUCATION, BY STATE



National Average
63% of all jobs in U.S. will require postsecondary education by 2018.

Source: Georgetown University Center on Education and the Workforce [June 2010]. *Help Wanted: Projecting Jobs and Education Requirements Through 2018*.

UNEMPLOYMENT RATE POPULATION 25 TO 64 YEARS



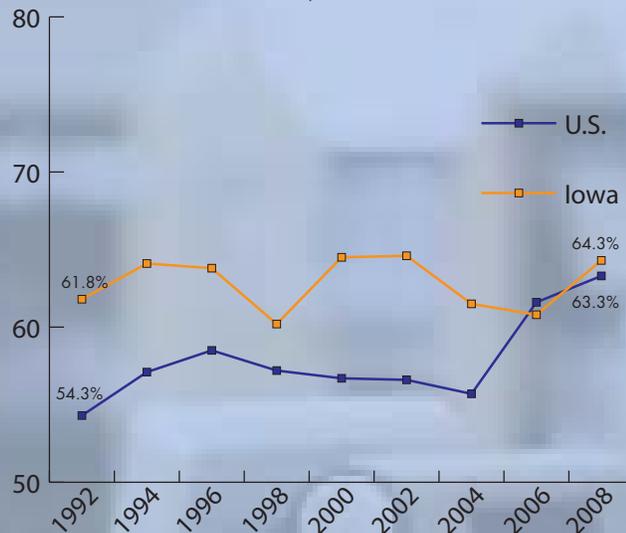
Source: U.S. Census Bureau, 2010 American Community Survey, Table S2301

ENROLLMENT AT IOWA COLLEGES & UNIVERSITIES

While Iowa achieved a 2010 four-year high school graduation rate of 88.8 percent¹, not all those who graduate have intentions of continuing to further their education. Of students who graduated from a public high school in Iowa in 2011, 77.71 percent of them intended to enroll in college (either two-year or four-year) directly after graduating². Based on the most recent data, fewer than 65 percent of Iowa's high school graduates attend college directly after high school³.

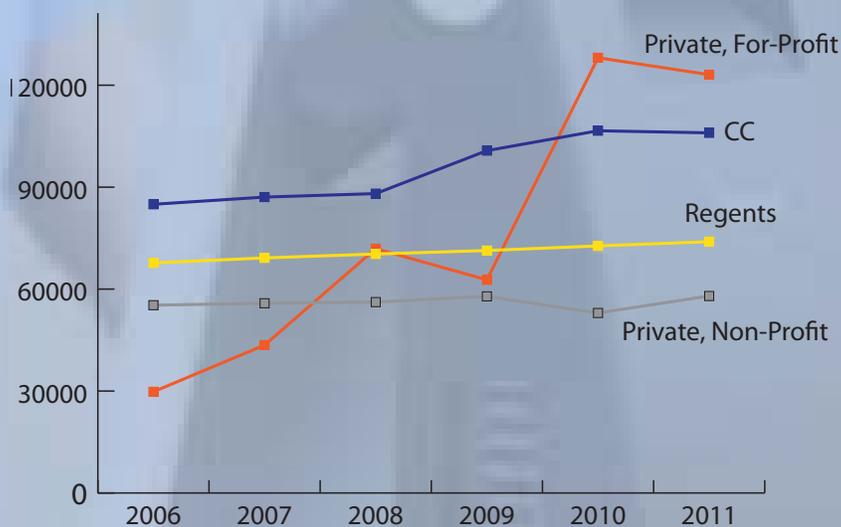
Nationally, the percent of students who attend college directly after high school has increased over the past few years while the percent in Iowa has stagnated. In 1992, the gap between Iowa and the United States was 7.5 percentage points. In 2008, the gap between Iowa and the United States had been narrowed to within 1 percentage point. In 1992, Iowa ranked 6th among the 50 states on this measure; but by 2008, Iowa's ranking fell to 22nd place³.

PERCENT OF HIGH SCHOOL GRADUATES WHO ATTEND COLLEGE DIRECTLY AFTER HIGH SCHOOL, IOWA AND U.S.



Source: Tom Mortenson, Postsecondary Education Opportunity www.postsecondary.org. Data available biennially. Obtained from HigherEdInfo.org

TOTAL ENROLLMENT AT IOWA COLLEGES & UNIVERSITIES BY INSTITUTION TYPE, 2006-2011*



Source: University of Iowa, Iowa College and University Fall Enrollment Report, 2006-2011 Private college enrollment (for profit and not-for-profit) includes enrollment reported at 4-year or above institutions.

* Includes extended campus and online enrollments.

Based on reported fall enrollment at all sectors of Iowa colleges and universities, enrollment has increased over the past 6 years. The most significant increases have been at Iowa's community colleges where enrollment increased nearly 25% from 2006 to 2011, and at Iowa's for-profit institutions which experienced a 313% increase in enrollment over the same time period⁴. The majority of the enrollment increase at Iowa community colleges has been from Iowa residents who made up 91.9 percent of total community college enrollment in 2011. In 2011, Iowa resident enrollment made up 3.7 percent of the total for-profit enrollment, which also includes online and extension enrollment⁴. Growth in non-resident enrollment does not impact state financial aid programs as Iowa residency is an eligibility requirement for all state-appropriated programs.

Iowa lost ground as other states increased the percent of students who attended college directly after high school. In 1992, Iowa had the 6th highest percent. By 2008, Iowa's rank had fallen to 22nd³.

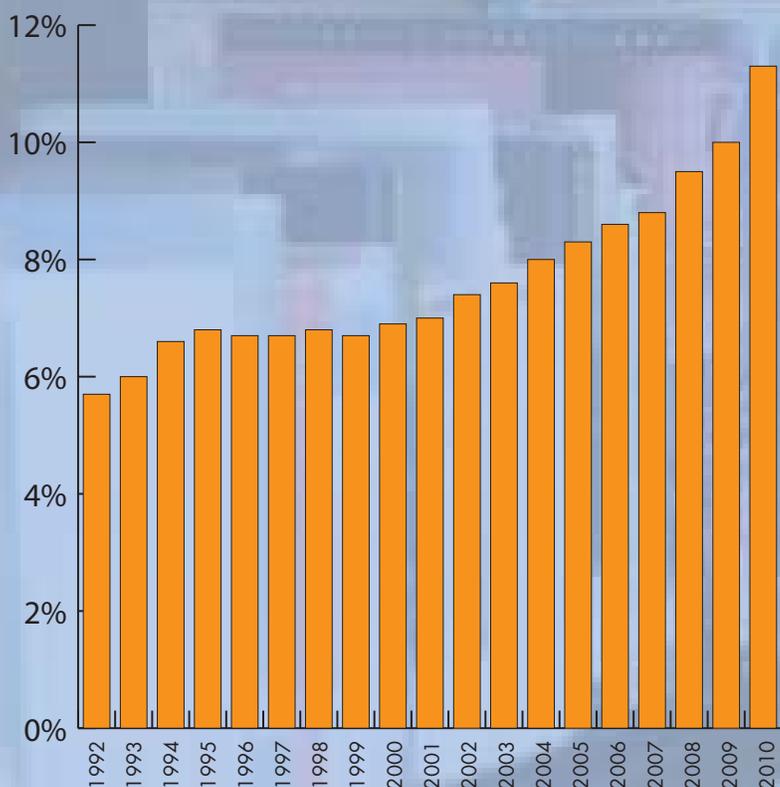
[1] Iowa Department of Education. Obtained from www.educateiowa.gov.
 [2] Iowa Department of Education. 2010-2011 Iowa Public High School Graduate Intentions.
 [3] Mortenson, T. (2008). *Postsecondary Education Opportunity*. Retrieved from HigherEdInfo.org.
 [4] University of Iowa. (2011). *Iowa College and University Fall Enrollment Report, 2006-2011*.

DIVERSITY ENROLLMENT TRENDS

In the fall of 2010, a total of 243,738 full- and part-time graduate and undergraduate students were enrolled at degree-granting colleges or universities in Iowa. Iowa residents represented 74.8 percent of the total enrollment in all sectors of Iowa colleges and universities¹.

The percent of total enrollment represented by minority students has steadily increased over the past few years. In 2010, minority students made up approximately 11.3 percent of the total enrollment, or 27,442 students - an increase of 120 percent from 2000 to 2010. Iowa residents represented 63.7 percent of total minority enrollment in all sectors of Iowa colleges and universities¹.

MINORITY ENROLLMENT AS A PERCENTAGE OF TOTAL ENROLLMENT IN IOWA COLLEGES & UNIVERSITIES, 1992-2010.



Source: Iowa College Student Aid Commission. March 2011, Student and Faculty Ethnic Diversity Report.

Non-Hispanic whites account for over 90 percent of the state population of Iowa². Nevertheless, the state is becoming increasingly diverse and the number of students from minority population groups is expected to increase in the years ahead. African American and Hispanic students are expected to represent as much as 23 percent of the state's high school graduating class by 2022³. To increase college-going rates among Iowa's recent high school graduates, college must appeal to an increasingly racially/ethnically diverse student body.

[1] Iowa College Student Aid Commission (March 2011). Student and Faculty Ethnic Diversity Report.

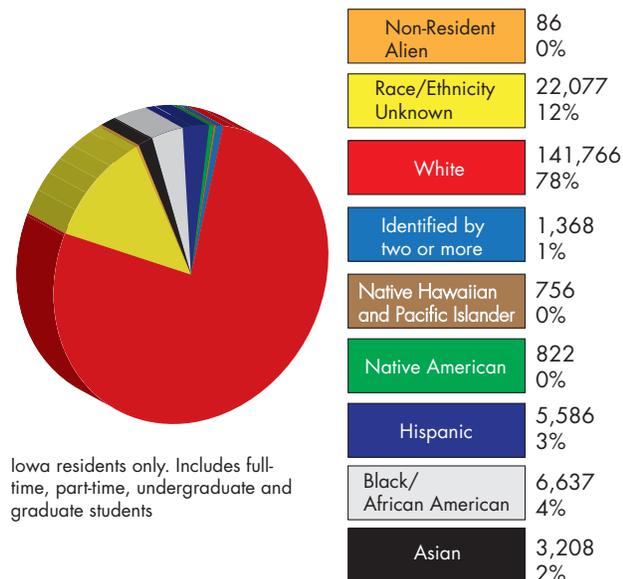
[2] U.S. Census Bureau, 2010 Census.

[3] Western-Interstate Commission for Higher Education (2008). Knocking at the College Door: Projections of High School Graduates by State and Race/Ethnicity, 1991-2020.

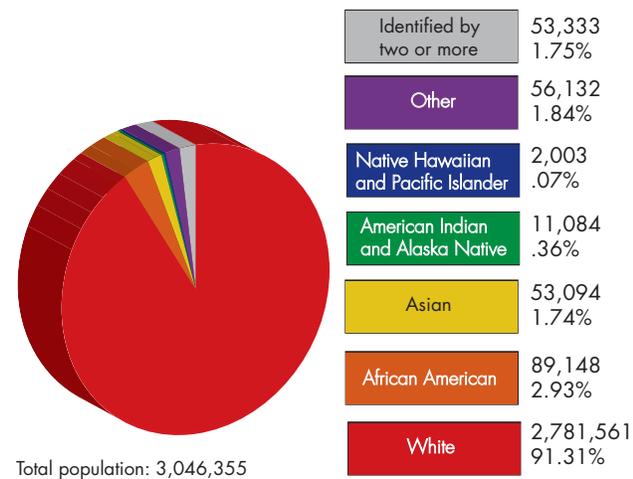


Between fall 2000 and fall 2010, enrollment of minority students in Iowa's colleges and universities grew 120%¹.

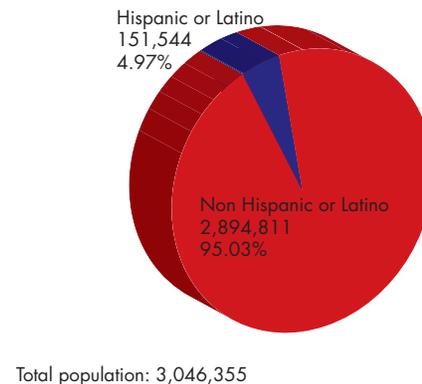
IOWA RESIDENT ENROLLMENT BY RACE/ETHNICITY, FALL 2010¹



IOWA TOTAL POPULATION BY RACE, 2010²



IOWA TOTAL POPULATION BY ETHNICITY, 2010²

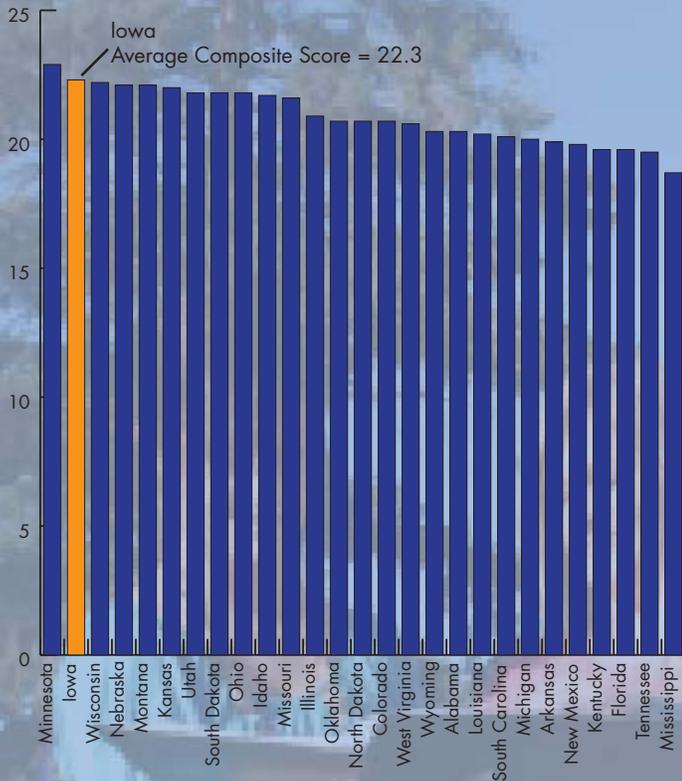


EDUCATION AND PREPARATION

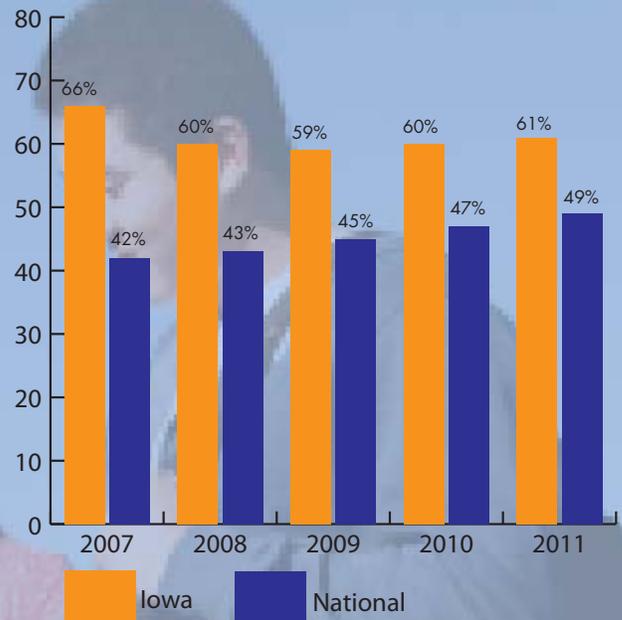
Among states where at least 50 percent of 2011 graduates took the ACT, Iowa had the second highest average composite score at 22.3.

The ACT is a curriculum-based achievement exam designed to measure the academic skills that are taught in schools and deemed important for success in first-year college courses. Approximately 61 percent of all 2011 Iowa high school graduates took the ACT during high school. Eight states - Colorado, Illinois, Kentucky, Louisiana, Michigan, Mississippi, Tennessee and Wyoming - tested 100 percent of their 2011 high school graduates. Nationally, the percent of high school graduates who took the ACT has gradually increased over the last five years, while the percent in Iowa has remained steady¹.

AVERAGE ACT COMPOSITE SCORE BY STATE¹

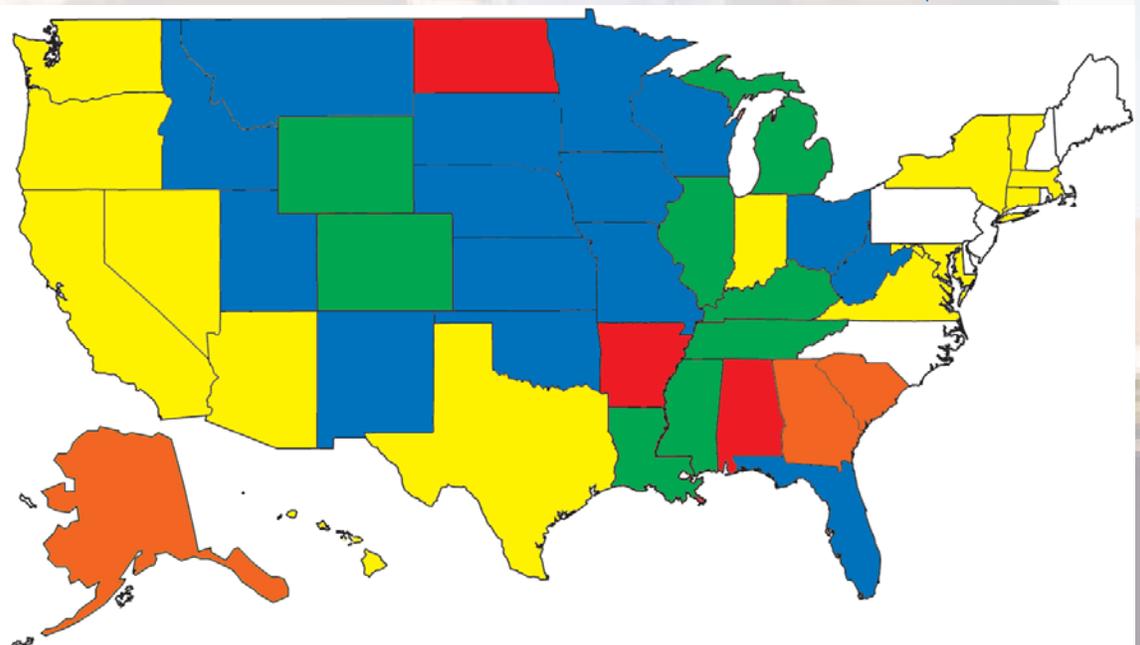
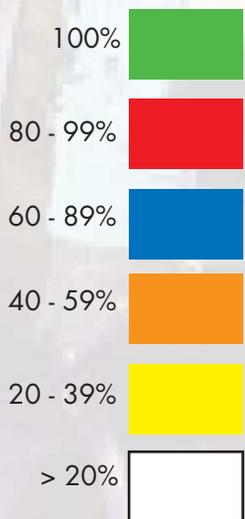


PERCENT OF STUDENTS WHO TOOK THE ACT



Source: The ACT, ACT Profile Report Graduating Class of 2011, Iowa

PERCENT OF ACT-TESTED HIGH SCHOOL GRADUATES BY STATE, 2011



Source: The ACT, 2010 ACT National and State Scores. Retrieved from <http://www.act.org/newsroom/data/2011/states.html>

[1] The ACT. (2011). ACT Profile Report Graduating Class of 2011: Iowa. Note: Average ACT Composite Score by State chart includes only states where at least 50 percent of their 2011 high school graduates took the ACT.

COLLEGE & CAREER READINESS

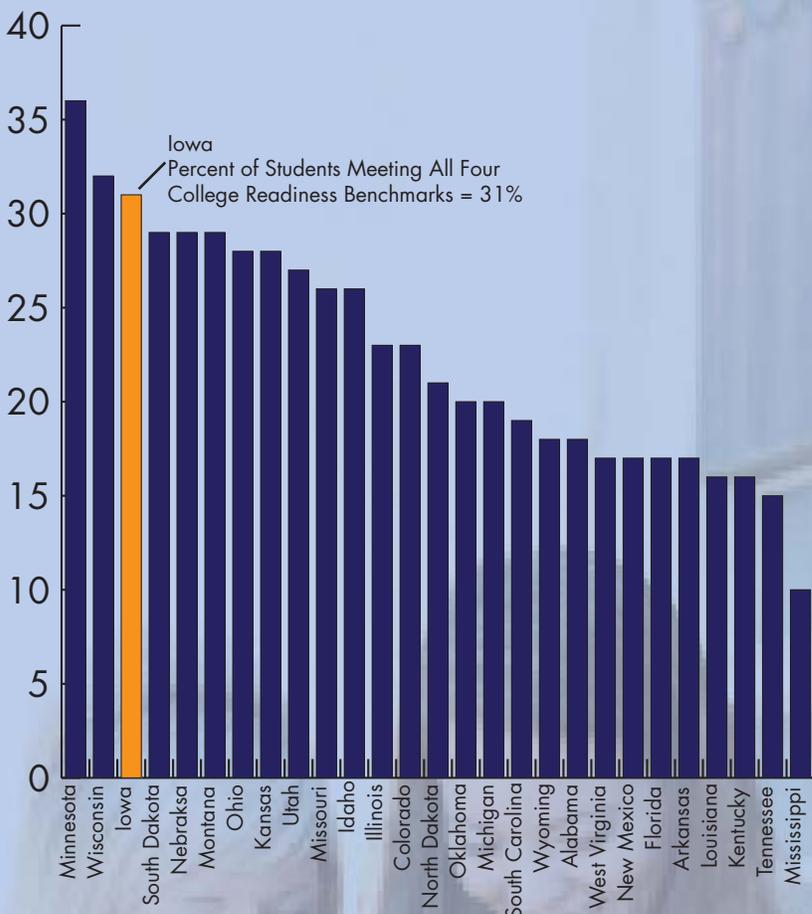
ACT has set benchmarks in each of four content areas (English, Mathematics, Reading and Science) to indicate college readiness. Each benchmark is the minimum score needed to indicate a 50 percent chance of obtaining a B or higher or about a 75 percent chance of obtaining a C or higher in corresponding college courses, which include English Composition, Algebra, Social Sciences and Biology. Of the 2011 graduating seniors in Iowa who took the ACT as sophomores, juniors or seniors, and indicated they were scheduled to graduate in 2011, 31 percent met all four ACT College Readiness Benchmark Scores¹. Of the states where 50 percent or more of their 2011 high school graduates took the ACT, Iowa ranked 3rd on this measure behind Wisconsin and Minnesota. As referenced earlier, nearly 65 percent of Iowa high school graduates attend college directly after high school², a figure much higher than the percent of Iowa students meeting all four ACT College Readiness Benchmarks.



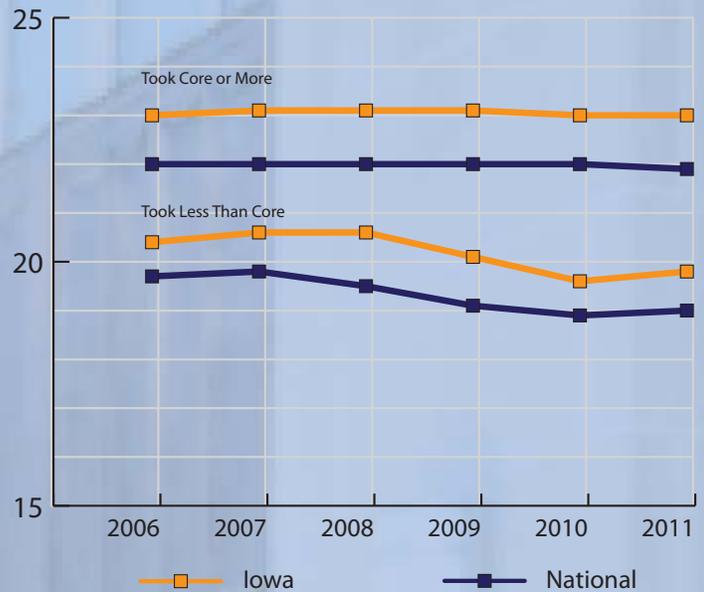
Nearly 65 percent of Iowa high school graduates attend college directly after high school², while 31 percent meet college readiness benchmarks as measured by ACT, Inc.¹.

The Iowa Core, which was signed into law on May 1, 2008, identifies essential concepts and skills for kindergarten through grade 12 in literacy, mathematics, science, social studies, and 21st century skills. The Core must be fully implemented in Iowa high schools by July 1, 2012, and in kindergarten through grade 8 by 2014-2015. 2011 Iowa high school graduates who completed a core curriculum had higher composite ACT scores than graduates who did not.

PERCENT OF STUDENTS WHO MEET ALL FOUR COLLEGE READINESS BENCHMARKS - INCLUDES STATES WHERE 50 PERCENT OR MORE OF 2011 GRADUATES TOOK THE ACT



AVERAGE ACT SCORES BY CORE CURRICULUM COMPLETION STATUS, 2006-2011



Iowa Code Section 279.61, which went into effect for the school year beginning July 1, 2008, specifies that all Iowa students must create high school and career development plans in grade 8 as well as complete other requirements and updates throughout high school. These individualized plans outline coursework needed in grades 9 through 12 to support students' postsecondary education and career options.

I Have A Plan Iowa™, administered by the Iowa College Student Aid Commission, is Iowa's state-designated career information system that assists students, parents, teachers and counselors in meeting this requirement. During the 2010-11 academic year, a total of 59,869 students in grades 8 through 12 had plans in the system.

Source: The ACT, ACT Profile Report Graduating Class of 2010, Iowa

[1] The ACT. (2011). *ACT Profile Report Graduating Class of 2011, Iowa*.
 [2] Mortenson, T. (2008). *Postsecondary Education Opportunity*. Retrieved from HigherEdInfo.org.

STATE-ADMINISTERED FINANCIAL AID

The State of Iowa appropriated over \$59 million in scholarships, grants, and loan forgiveness opportunities in FY 2011. This figure includes only state-based financial aid to students and does not include financial aid awarded to students from institutional sources or appropriations to the state's public colleges and universities.

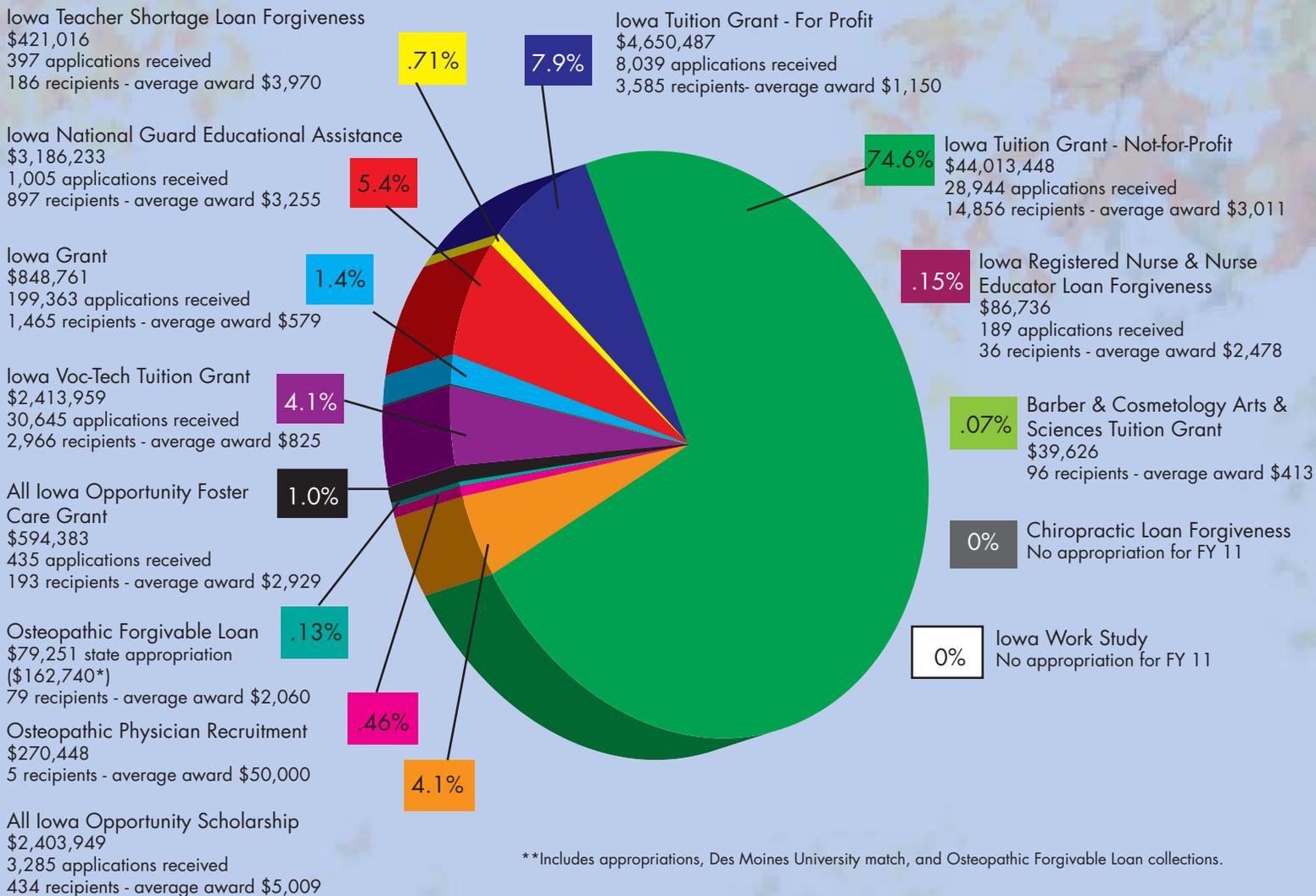
Iowa ranks 29th among states in terms of state grant aid as a percentage of state fiscal support for higher education and 29th in total grant aid awarded to students¹. Iowa also ranks 29th among the states in terms of its investment in need-based aid to undergraduate students at \$225.85 per student.

During the 2009-10 academic year, Iowa awarded 81.1 percent of its need-based grant and scholarship funding to students attending private, not-for-profit colleges and universities, 10.3 percent to students attending public in-state institutions, and 8.6 percent to students attending proprietary institutions. Among the 50 states, Iowa awarded the highest percentage of state-funded, need-based grant aid to students attending private, not-for-profit colleges and universities. Among the states that specified institution type for need-based grants awarded to students, Iowa ranked next to last in the percent of funding awarded to students attending public institutions¹.

STATES WITH THE HIGHEST PERCENT DECREASE IN TOTAL GRANT AID AWARDED FROM 2008-09 TO 2009-10¹

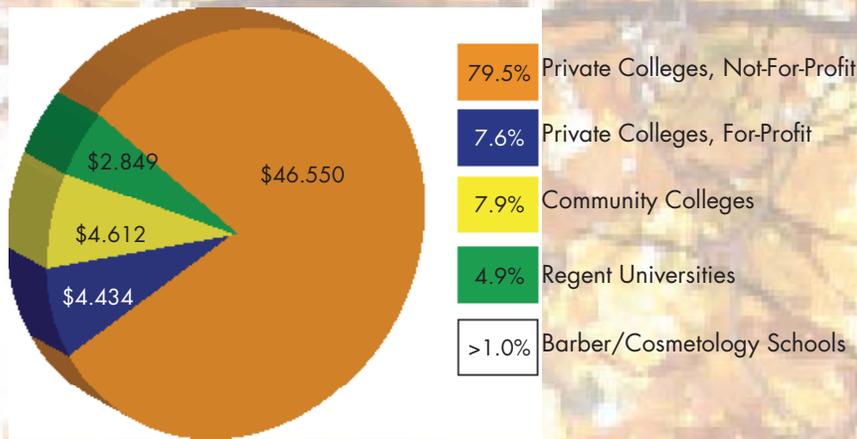
1. -71.7% - Michigan
2. -61.9% - Ohio
3. -56.7% - Alaska
4. -26.2% - Idaho
5. -15.8% - Maine
6. -13.0% - Colorado
7. -12.5% - Iowa
8. -11.5% - Arizona
9. -8.8% - Massachusetts
10. -7.5% - Mississippi

FY 2011 FINAL STATE APPROPRIATIONS \$59,008,297



[1] National Association of State Student Grant and Aid Programs (NASSGAP). 41th Annual Survey Report on State-Sponsored Student Financial Aid, 2009-2010 Academic Year.

IOWA FINANCIAL AID AWARDED TO STUDENTS BY INSTITUTION TYPE, 2010-11 (IN MILLIONS)



Source: Iowa College Student Aid Commission, End of Year Report 2010-11. Excludes loan forgiveness programs.

STATES WITH THE HIGHEST PERCENT OF NEED-BASED GRANTS AWARDED TO STUDENTS ATTENDING PRIVATE, NOT-FOR-PROFIT INSTITUTIONS¹

- 81.1% - Iowa
- 74.0% - Michigan
- 64.7% - South Carolina
- 51.5% - Missouri
- 49.9% - Kansas
- 49.0% - Ohio
- 41.7% - Kentucky
- 40.4% - Illinois
- 39.2% - Massachusetts
- 38.8% - New York

APPROPRIATIONS FOR IOWA FINANCIAL AID PROGRAMS, FY 2008 THROUGH FY 2012



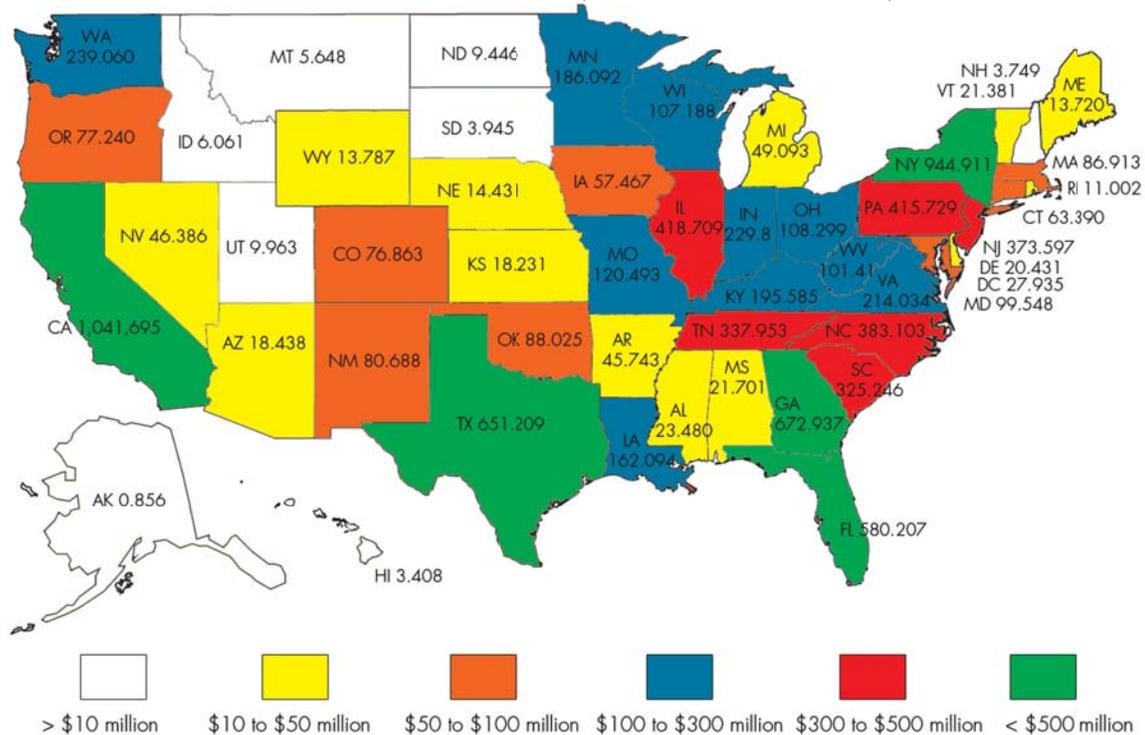
Source: Iowa College Student Aid Commission, Historical Appropriations Summary.

STATES WITH THE LOWEST PERCENT OF NEED-BASED GRANTS AWARDED TO STUDENTS ATTENDING PUBLIC INSTITUTIONS¹

- 5.4% - Kansas
- 10.3% - Iowa
- 18.0% - Alabama
- 26.0% - Michigan
- 35.3% - South Carolina
- 45.6% - Vermont
- 48.5% - Kentucky
- 48.5% - Missouri
- 50.4% - Ohio
- 52.3% - Pennsylvania

Excludes District of Columbia, Puerto Rico and six states that did not specify institution type for over 95 percent of need-based aid. Institution type was not specified for 44.8 percent of need-based grant awards in Kansas and 76.6 percent in Alabama which may impact ranking.

TOTAL GRANT AID AWARDED BY STATE (IN MILLIONS OF DOLLARS) 2009-10¹

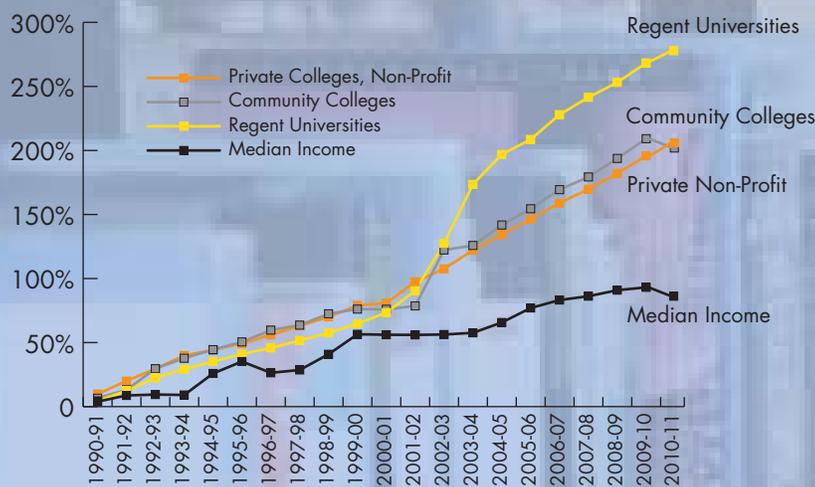


AFFORDABILITY OF HIGHER EDUCATION

Iowa's median income has not kept pace with increasing costs at Iowa colleges and universities.

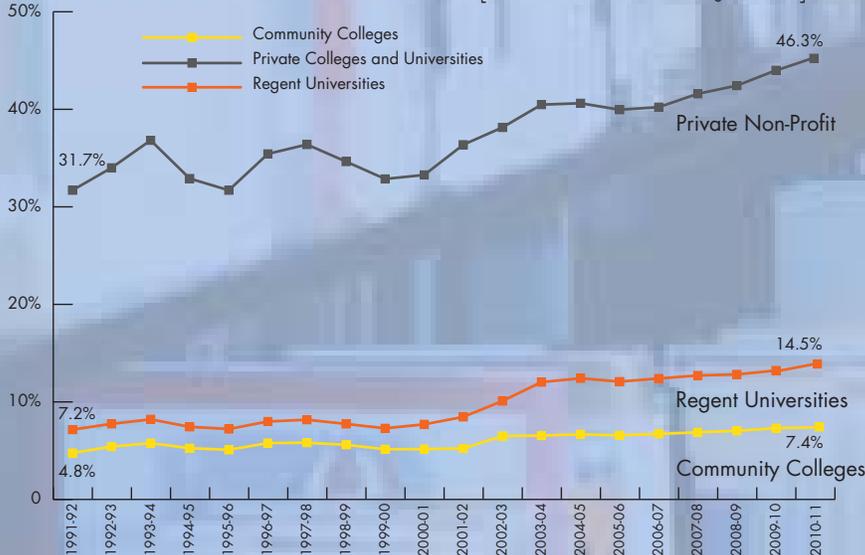
Over the past two decades, undergraduate tuition and required fees at the state's public universities have nearly tripled; without adjusting for inflation, tuition and fees at Iowa's Regent Universities increased 292 percent between academic years 1990-91 and 2010-11. Meanwhile, average tuition and fees at non-profit four-year colleges and universities and community colleges increased more than 200 percent. These increases far outstripped increases in household income during the same period. Between 1990 and 2010 (without adjusting for inflation), median household income in Iowa increased 87 percent. Today, college costs consume a larger percentage of household income than they did twenty years ago. During the 1990-91 academic year, tuition and fees at the state's Regent Universities represented about 7 percent of the median income; by 2010-11 this share had more than doubled to nearly 15 percent.

PERCENT INCREASE SINCE 1990-91 IN IOWA MEDIAN HOUSEHOLD INCOME & AVERAGE UNDERGRADUATE TUITION & REQUIRED FEES AT COLLEGES & UNIVERSITIES [NOT INFLATION-ADJUSTED]



Source: Iowa College Student Aid Commission, College Costs and Household Income in Iowa

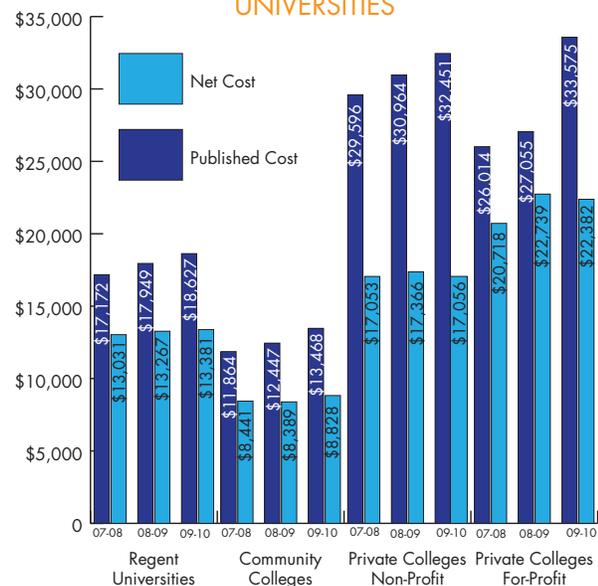
IOWA COLLEGE TUITION & REQUIRED FEES AS A PERCENTAGE OF MEDIAN HOUSEHOLD INCOME [NOT INFLATION-ADJUSTED]



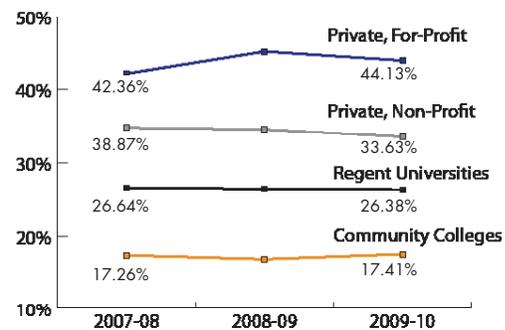
Source: Iowa College Student Aid Commission, College Costs and Household Income in Iowa

Because students may receive financial aid, the published costs of Iowa colleges and universities do not necessarily reflect the amount that all students pay to attend. Average net price is calculated by subtracting the average amount of federal, state/local government, and institutional grant and scholarship aid from the cost of attendance at each college. Average net price is significantly less than the published average tuition, fees, room and board and other expenses at Iowa colleges and universities.

AVERAGE COST OF ATTENDANCE COMPARED TO AVERAGE NET PRICE AT IOWA COLLEGES & UNIVERSITIES



AVERAGE NET PRICE AT IOWA COLLEGES & UNIVERSITIES AS A PERCENTAGE OF MEDIAN HOUSEHOLD INCOME (CURRENT DOLLARS)



Source: National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS).

Note: Average net price is for full-time, first-time, degree/certificate-seeking undergraduate students. Total cost of attendance is the sum of published tuition and required fees, book and supplies, and the weighted average room and board and other expenses.

GROWTH IN IOWA AID APPLICANTS

During the last six years, the number of Free Applications for Federal Student Aid (FAFSAs) filed by Iowa residents has increased by nearly 62 percent. In comparison, Iowa's population and the number of Iowa residents enrolled in Iowa's colleges and universities have not experienced the same growth. From 2000 to 2010, the state's population increased by 4.1 percent¹. Resident enrollment at Iowa colleges and universities increased by approximately 11 percent between the fall of 2006 through fall of 2010².

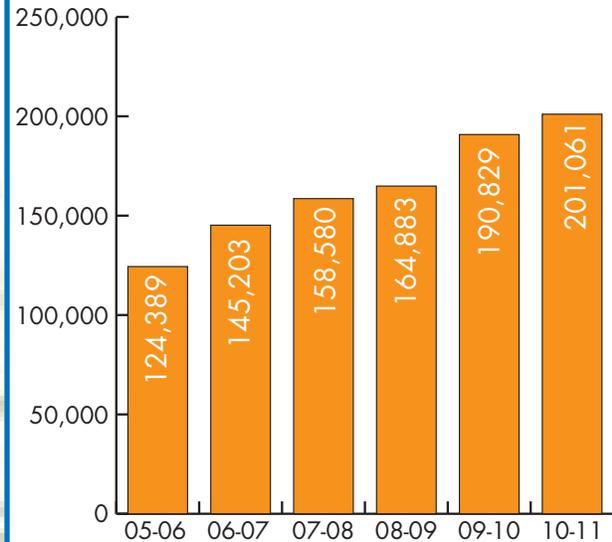
Much of the increase in FAFSA filings has been from applicants age 25 and older. Over the last six years, the number of FAFSA filers at least 25 years of age has increased nearly 137 percent in comparison to 34 percent for filers under the age of 25. Traditional-aged FAFSA applicants (under 25 years) accounted for approximately 73 percent of all FAFSA applicants in 2005-06; for the 2010-11 academic year, they account for 61 percent.

Over the past six years, Iowa has also seen growth in the percent of Iowa high school seniors filing the FAFSA. For the 2005-06 academic year, 55 percent of the total high school senior enrollment in Iowa filed FAFSAs. By the 2010-11 academic year, that percent increased to 69 percent.



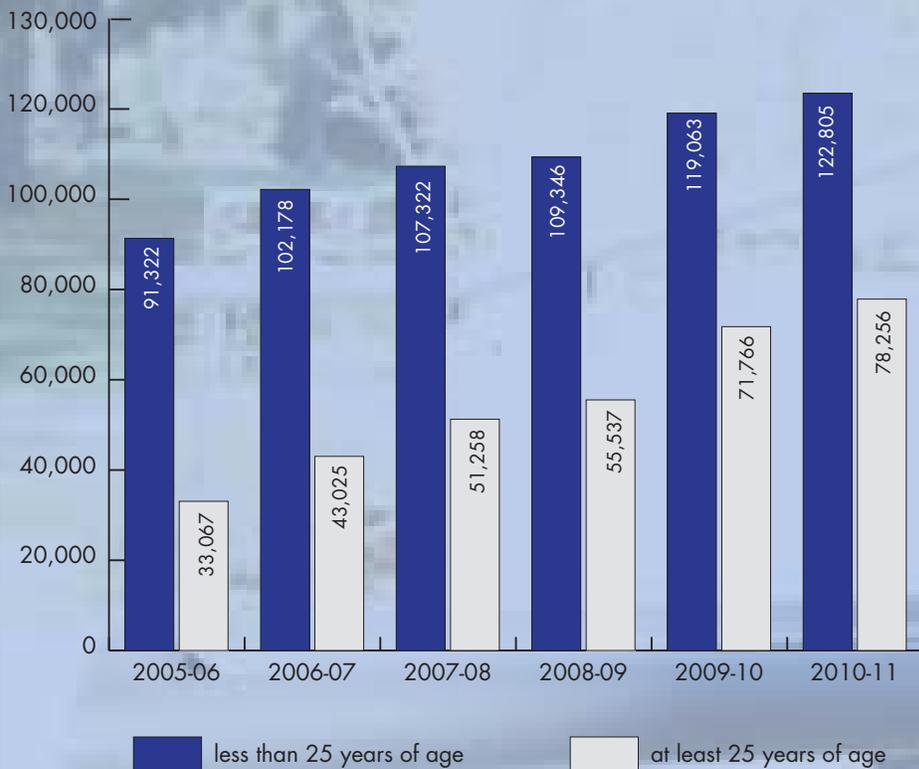
The number of Iowa FAFSA filers, age 25 and over, increased nearly 137 percent from the 2005-06 academic year to 2010-11.

TOTAL NUMBER OF FAFSAs FILED BY IOWA RESIDENTS PER AWARD YEAR



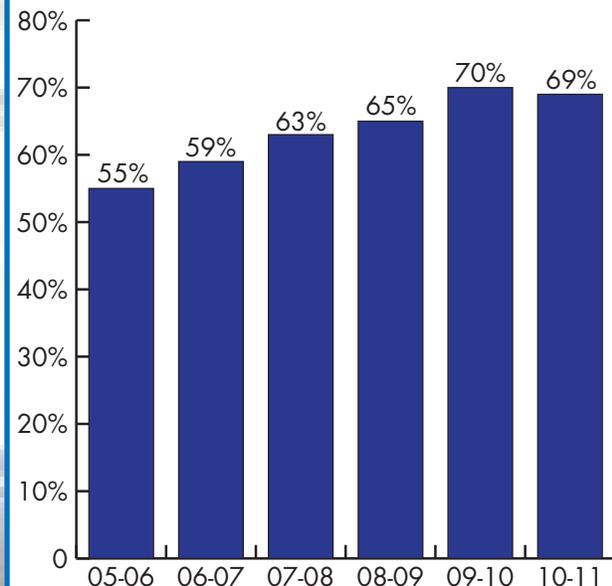
Source: Iowa College Student Aid Commission, Free Applications for Federal Student Aid Filed by Iowa Residents, September 2011.

NUMBER OF FAFSAs BY APPLICANT AGE AND AWARD YEAR



Source: Iowa College Student Aid Commission

IOWA HIGH SCHOOL SENIOR FAFSA FILERS AS A PERCENT OF TOTAL SENIOR ENROLLMENT



Source: Iowa College Student Aid Commission, Free Applications for Federal Student Aid Filed by Iowa Residents, September 2011.

[1] U.S. Census Bureau. (2010). *State and County Quick Facts*. Retrieved from <http://quickfacts.census.gov/qfd/states/19000.html>

[2] University of Iowa. (2010). *Iowa College and University Fall Enrollment Report, 2006-2010*.

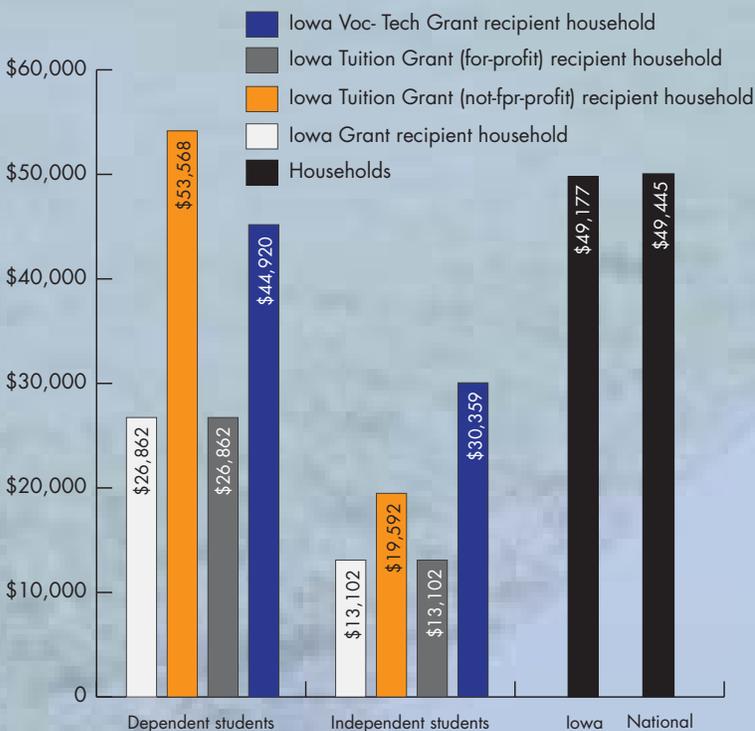
PROFILE OF IOWA FAFSA FILERS

The Federal Pell Grant Program provides need-based grants to low-income undergraduate students who have not received their first bachelor's degrees and to students enrolled in certain postbaccalaureate programs that lead to teacher certification or licensure. Pell Grants are often considered to be the foundation of financial aid to which other sources are added. Over the past six years, the number of Pell-eligible FAFSA filers in Iowa increased nearly 130 percent. Among Iowa resident FAFSA filers for the 2010-11 academic year, 54 percent were eligible for Federal Pell Grants.

For the 2010-11 academic year, more than 39 percent of Iowa resident FAFSA filers had a zero Expected Family Contribution (EFC). The EFC is a calculated assessment of a student's ability to pay for education; it is the amount a student can be expected to contribute towards college costs as determined from information provided on the FAFSA. In general, the lower the EFC, the greater the student's financial need.

Recipients of many Iowa-funded college financial aid programs have median household incomes below the median income for all Iowa households. The median household income for independent students is lower than for dependent students among four of Iowa's primary financial aid programs. The 2010 poverty threshold for a family of four with one child under the age of 18 is \$22,859¹. The median household income for independent recipients of the Iowa Grant and Iowa Tuition Grant Programs falls well below this poverty threshold.

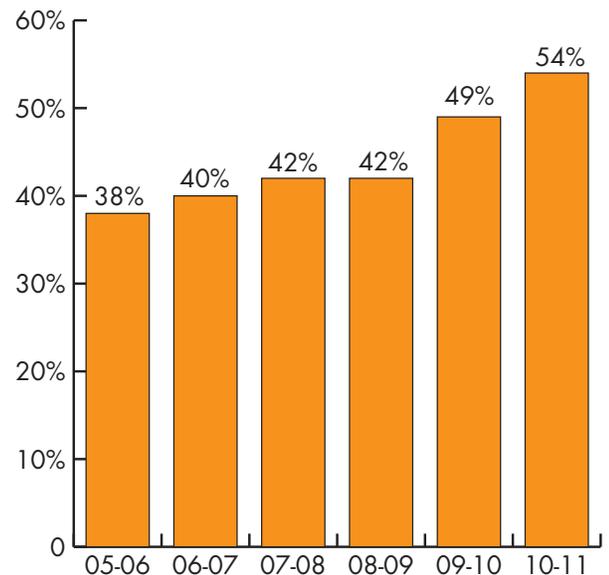
MEDIAN INCOME OF 2010-11 IOWA FINANCIAL AID PROGRAM RECIPIENTS & 2010 NATIONAL AND IOWA HOUSEHOLDS



Source: Iowa College Student Aid Commission, College Costs and Household Income in Iowa. U.S. Census Bureau, Retrieved from <http://www.census.gov/hhes/www/income/data/statemedian/>

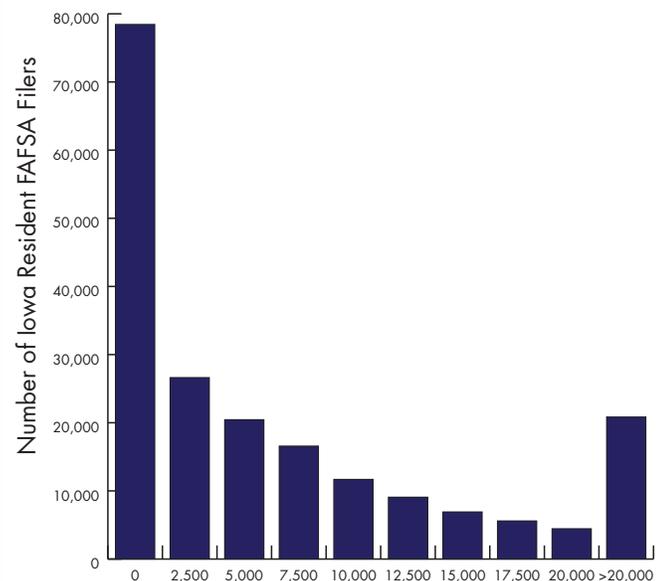
More than 39 percent of all Iowa residents who filed a FAFSA had a zero EFC, an indication of inability to financially contribute towards education costs.

PERCENT OF IOWA FAFSA APPLICANTS WHO ARE ELIGIBLE FOR FEDERAL PELL GRANTS BY ACADEMIC YEAR



Source: Iowa College Student Aid Commission, Free Applications for Federal Student Aid filed by Iowa Residents, September 2011.

EFC FREQUENCY 2010-11



Source: Iowa College Student Aid Commission

[1] U.S. Census Bureau. Retrieved from <http://www.census.gov/hhes/www/poverty/data/threshld/index.html>

STUDENT LOAN DEBT LEVELS

Iowa families have turned to student loans as a means to pay for higher education. The Project on Student Debt estimates that nationally, college seniors who graduated in 2010 carried an average of \$25,250 in student loan debt. Iowa's average of \$29,598 ranked Iowa as the state with the third highest average debt levels for the class of 2010.

Seventy-two percent of Iowa's 2010 class graduated with student loan debt, ranking Iowa fourth in the nation for the highest percent of students graduating with student loan debt.

For the class of 2010, the average student loan debt upon graduation for each sector in Iowa was: \$27,532 at Regent Universities, \$28,941 at private not-for-profit colleges and universities, \$28,704 at private for-profit colleges and universities, and \$12,711 at community colleges.

AVERAGE DEBT UPON GRADUATION FROM COLLEGES & UNIVERSITIES IN IOWA BY INSTITUTIONAL TYPE CLASS OF 2005 THROUGH CLASS OF 2010

Academic Year

2004-05 2005-06 2006-07 2007-08 2008-09 2009-10

Four-Year Degrees

Regent Universities	\$24,206	\$25,210	\$25,904	\$26,537	\$25,854	\$27,532
Private Not-for-Profit	\$22,835	\$24,729	\$26,942	\$25,476	\$29,652	\$28,941
Private For-Profit	\$29,752	\$24,512	\$27,785	\$29,705	\$30,893	\$28,704

Two-Year Degrees

Community Colleges	\$8,793	\$8,157	\$8,679	\$9,982	\$11,954	\$12,711
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Colleges and universities report both aggregate loan debt and the number of graduates with debt who began their degree program at the reporting institution. Averages for institutional types, or sectors, represent total loan debt divided by the number of students graduating with debt from institutions in that sector. Debt is reported for student loans from all sources either certified by the institution or reported to the institution by the student or lending organization. For this report, loan debt excludes Parent Loans for Undergraduate Students (PLUS Loans).

Source: Iowa College Student Aid Commission Annual Survey of Financial Aid

10 STATES WITH THE HIGHEST STUDENT LOAN DEBT

New Hampshire	\$31,048
Maine	\$29,983
Iowa	\$29,598
Minnesota	\$29,058
Pennsylvania	\$28,599
Vermont	\$28,391
Ohio	\$27,713
Indiana	\$27,001
Rhode Island	\$26,340
New York	\$26,271

12 STATES WITH HIGHEST PERCENT OF STUDENTS WITH STUDENT LOAN DEBT

South Dakota	75%
New Hampshire	74%
West Virginia	73%
Iowa	72%
Minnesota	71%
Pennsylvania	70%
Ohio	68%
Rhode Island	67%
Wisconsin	67%
Idaho	66%
New Jersey	66%
Vermont	66%

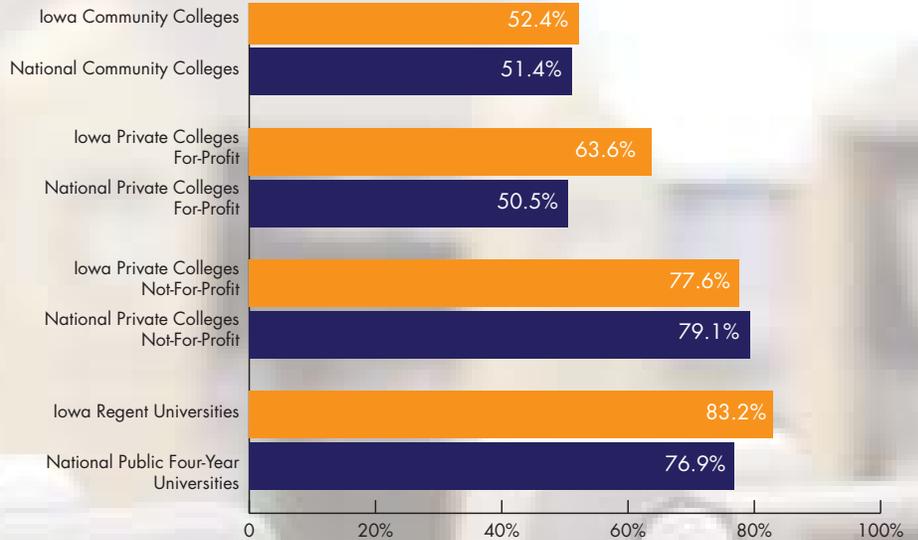
Source: The Project on Student Debt, Student Debt and the Class of 2010, Retrieved from <http://projectionstudentdebt.org/files/pub/classof2010.pdf>.

COLLEGE GRADUATION & RETENTION RATES

The first-year retention rate of full-time students is the percent of the fall full-time cohort from the prior year that re-enrolled at that institution. At 83.2 percent, the first-year retention rate at Iowa Regent Universities is higher than the national rate of 76.9 percent¹. Graduation rates at Iowa Regent Universities and Iowa private, not-for-profit, 4-year colleges and universities exceed the national average of 56 percent for bachelor's degree-seeking students. Graduation rates at Iowa community colleges also exceed the national average of 28 percent for associate's degree-seeking students¹.

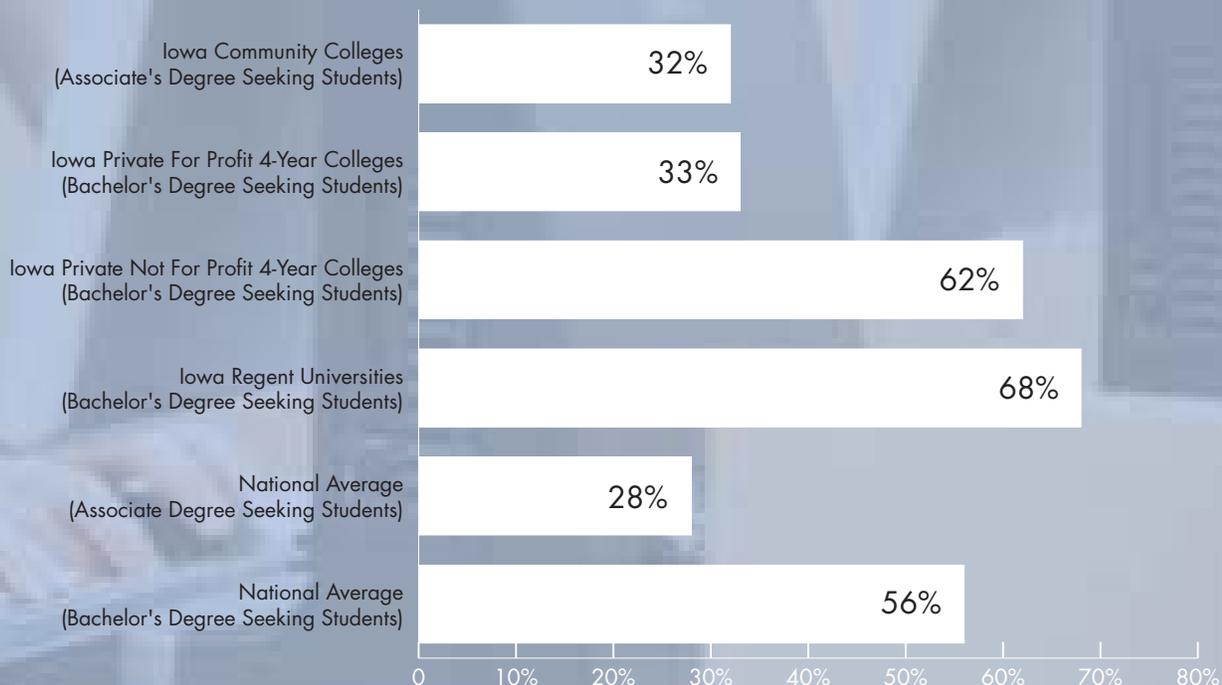
Educational attainment, as measured by highest level of education completed, not only has a direct correlation to earning potential, but also impacts student loan default rates. Student borrowers who withdraw before completing degrees are more likely to default on their student loans than those who complete degrees².

FIRST-YEAR RETENTION OF FULL-TIME STUDENTS AT IOWA COLLEGES AND UNIVERSITIES



Source: National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS), Fall 2009

AVERAGE GRADUATION RATES AT IOWA COLLEGES & UNIVERSITIES AND NATIONWIDE



Note: Graduation rate is the percent of degree-seeking students who complete a degree within six years at 4-year institutions and three years at 2-year institutions. Source: National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS), Fall 2009.

[1] U.S. Department of Education. (2009). National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS), Fall 2009.
 [2] Iowa College Student Aid Commission. (April, 2010). *Relevant Factors of Student Loan Default*.

The Iowa College Student Aid Commission is the State of Iowa's higher education student financial aid agency.



Established in 1963 by the Iowa General Assembly, the Iowa College Student Aid Commission serves as the State of Iowa's higher education student financial aid agency. The Iowa College Student Aid Commission assists Iowa students and families as they plan, prepare and pay for education and training beyond high school by providing services and resources that:

- Provide scholarships and grants that assist Iowa students and families to meet the cost of higher education;
- Increase college preparedness and access;
- Improve financial literacy and debt management;
- Explore career and college planning; and
- Help student loan borrowers avoid the serious consequences of default.

THE IOWA COLLEGE STUDENT AID COMMISSION ADMINISTERS

- 14 state-funded, scholarship, grant, loan forgiveness and work study programs totaling over \$59 million.
- The Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant for the State of Iowa, which provides early awareness programming and outreach initiatives to over 6,000 Iowa students and their families.
- The U.S. Department of Education's College Access Challenge Grant Program for the State of Iowa, which promotes financial literacy and debt management, improves career preparation, and increases college awareness.
- I Have A Plan Iowa™ – Iowa's designated career information and planning system.
- Financial literacy programs for students, including the Iowa Financial Literacy Program for high school students and Buttonwood™ for college students.
- Research relating to higher education in Iowa.
- The Federal Family Education Loan Program (FFELP) as the state-designated guarantor.

IF YOU HAVE QUESTIONS ABOUT THIS REPORT, PLEASE CONTACT:

GENERAL QUESTIONS

JULIE LEEPER

Executive Officer

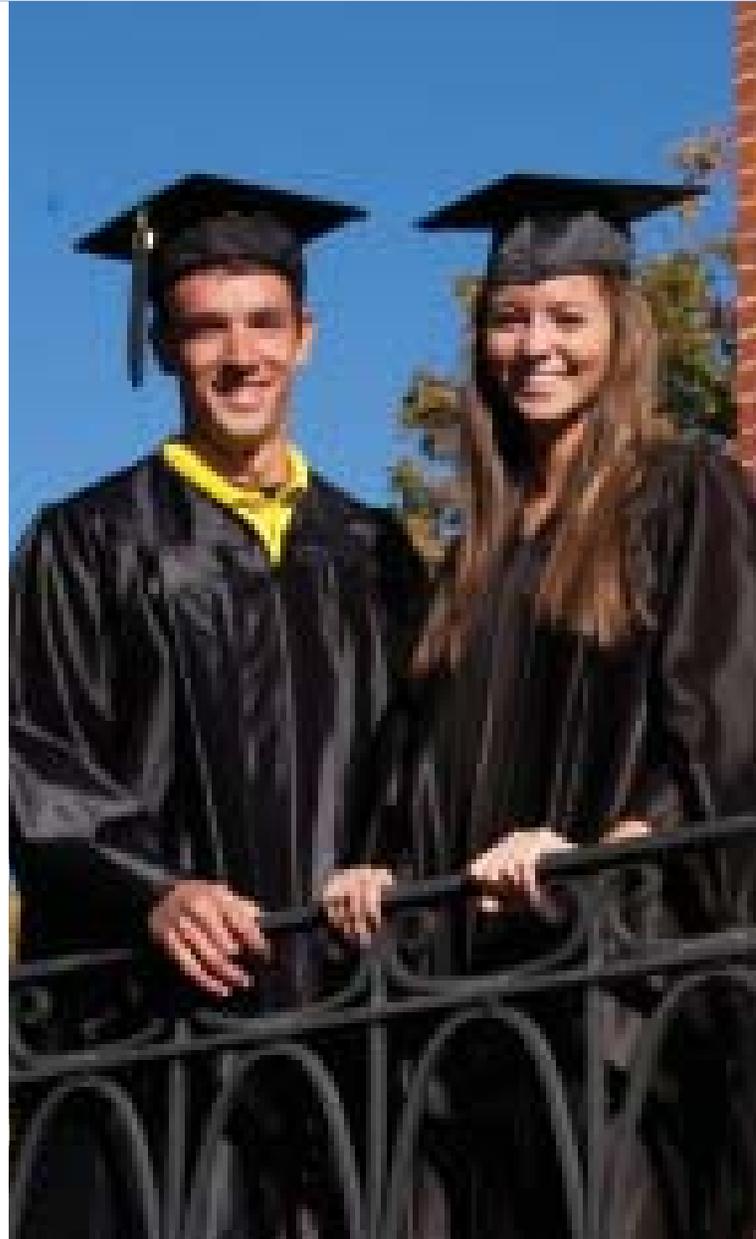
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DATA-RELATED QUESTIONS

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While the Health Care and Education Reconciliation Act of 2010 included provisions that eliminated the authority to originate new loans through FFELP, the Iowa College Student Aid Commission maintains its agreement with the U.S. Department of Education and continues to service its existing student loan portfolio.



IowaCollegeAid.gov

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