

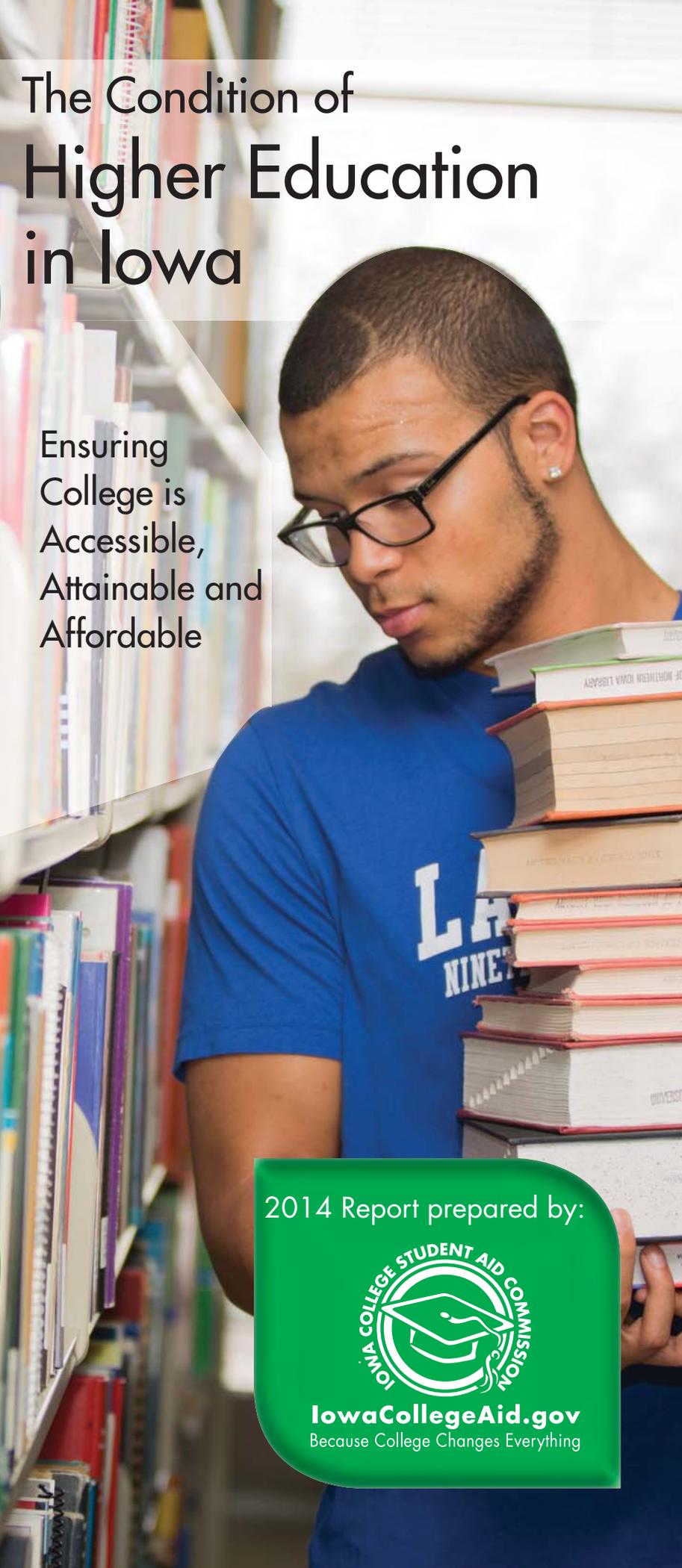
The Condition of Higher Education in Iowa

Ensuring
College is
Accessible,
Attainable and
Affordable

2014 Report prepared by:



IowaCollegeAid.gov
Because College Changes Everything



EXECUTIVE SUMMARY

Ensuring college is accessible, attainable and affordable

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 college readiness, persistence, affordability, educational attainment 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.

IOWA'S CHANGING DEMOGRAPHICS

The population of Iowa is aging and becoming more diverse.

Projections for Iowa indicate the population will grow more slowly, continue to age and be more diverse by the year 2030.¹ While the National Center for Education Statistics projects a slight increase in Iowa's public high school graduates through 2021-2022, Iowa's population under the age of 18 is projected to decline through 2030. Additionally, the Hispanic share of high school graduates is projected to more than double over the same time period.²

A growing number of these future high school graduates are projected to be from low-income families, bringing a new set of challenges to the movement to increase educational attainment.³

THE BENEFITS OF HIGHER EDUCATION

Iowans with higher levels of education earn more and are less likely to be unemployed and living in poverty.

Most importantly, 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 degrees.⁴ In addition, as educational attainment increases, not only does income increase, but 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 nearly seven times higher.⁵

The benefits of increasing educational attainment extend beyond that of the individual.

An educated workforce is vital for the continued economic prosperity of Iowa communities. Employers in all industries have an increasing need for skilled and educated workers. However, less than 40 percent of Iowa's nearly 1.6 million working-age adults (age 25 - 64) have at least an associate's degree⁶ while more than six in ten jobs in the state will require postsecondary credentials by 2018.⁷

Increasing the educational attainment of a state's workforce has been shown to stimulate labor demand.⁸ A high-skilled labor supply in turn attracts employers with higher-paying, higher-skilled jobs. It is suggested that an increase in labor supply stimulates demand by at least two-thirds of the supply increase.⁹

- [1] State Library of Iowa. State Data Center Program. Interim Population Projections Change in Total Population and Selected Age Groups for Iowa: 2000 to 2030.
- [2] Western Interstate Commission for Higher Education, (2013). *Knocking at the College Door: Projections of High School Graduates - Iowa*. Retrieved February 19, 2014, from <http://www.wiche.edu/info/knocking-8th/profiles/ia.pdf>.
- [3] Postsecondary Education Opportunity (June 2013). *Low Income Students in the K-12 Pipeline Header for Higher Education by State 1989 to 2030*. Number 252.
- [4] Georgetown University Center of Education and the Workforce. (2011). *The College Payoff: Education, Occupations, Lifetime Earnings*.
- [5] U.S. Census Bureau. American Community Survey 2008-2012 5-year estimates. *Poverty Status in the Past 12 months*.
- [6] U.S. Census Bureau. American Community Survey 2008-2012 5-year estimates. *Educational Attainment*.
- [7] Georgetown University Center on Education and the Workforce (June, 2010). *Projections of Jobs and Education Requirements through 2018*.
- [8] Bartik, T. J. 2009. *What Works in State Economic Development?* In *Growing the State Economy: Evidence-Based Policy Options*, 1st edition, Stephanie Eddy, and Karen Bogenschneider, eds. Madison, WI: University of Wisconsin, pp. 15-29.
- [9] Bartik, T. J. (2001). *Jobs for the poor: Can labor demand policies help?* New York and Kalamazoo, MI: Russell Sage Foundation and W.E. Upjohn Institute for Employment Research.

This report is accessible online at www.iowaCollegeAid.gov in the Higher Education Data Center.

CHALLENGES TO INCREASING EDUCATIONAL ATTAINMENT

College participation rates of low-income students lag behind those from more affluent families.

The percent of students who enroll in college immediately after high school graduation has steadily increased for middle and upper-income students while it has remained stagnant for low-income students.¹ With more of Iowa's students projected to be from low-income families in the future, programs to increase college access will become even more crucial.

Less than half of high school students who enroll in college immediately following graduation are academically prepared.

Almost 67 percent of Iowa high school graduates attend college directly after high school.² That number increases slightly to almost 70 percent for Iowa students who attend college within 16 months of graduating from high school.³ Those figures are much higher than the percent of Iowa students meeting all four ACT College Readiness Benchmarks. 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 2013 graduating seniors in Iowa who took the ACT as sophomores, juniors or seniors and indicated they were scheduled to graduate in 2013, only 32 percent met all four ACT College Readiness Benchmark Scores.⁴

Increases in college costs have outpaced increases in household income and appropriations for state financial aid programs.

Today, college costs consume a larger percentage of household income than they did twenty years ago. Over the past two

decades, undergraduate tuition and required fees at the state's public universities have quadrupled. Without adjusting for inflation, tuition and fees at Iowa's Regent Universities increased 311 percent and more than 200 percent at Iowa's non-profit four-year colleges and universities and community colleges.⁵ In contrast, median household income in Iowa increased 87 percent⁶ and appropriations for state financial aid programs increased just over 56 percent during the same time period.⁶

Increasingly, Iowans applying for financial aid for college have higher need.

Over the past six years, the number of Pell-eligible FAFSA filers in Iowa increased nearly 130 percent.⁷ Among Iowa resident FAFSA filers for the 2012-2013 academic year, nearly 53 percent were eligible for Federal Pell Grants and nearly 38 percent had a zero Expected Family Contribution (EFC). In general, the lower the EFC, the greater the student's financial need.

The median income of most state financial aid program recipients is well below that of the state as a whole.

The median household incomes of independent student recipients of the Iowa Tuition Grant, Iowa Vocational-Technical Tuition Grant and Iowa Grant programs⁸ are less than half of the state's median household income of \$51,129.⁹ In addition, median household incomes of dependent student recipients of the Iowa Vocational-Technical Tuition Grant, Iowa Grant and the For-Profit Iowa Tuition Grant programs are also less than Iowa's median household income. Many of these families have limited resources, if any, to contribute towards higher education costs. Yet the maximum award of \$1,000 for the Iowa Grant, Iowa's need-based program serving the most financially needy of students, has not seen an increase in 25 years.

The vision of the Iowa College Student Aid Commission is that all Iowans can achieve an 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.

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.

[1] College Board (2013). *Education Pays 2013*.

[2] Mortenson, T. (2010). *Postsecondary Education Opportunity*. Retrieved from HigherEdInfo.org.

[3] Iowa Department of Education. *Percent of Students who Attend College within 16 Months, 2010-11*.

[4] The ACT. (2013). *ACT Profile Report Graduating Class of 2013, Iowa*.

[5] Iowa College Student Aid Commission. (2013). *College Costs and Household Income in Iowa*.

[6] Iowa College Student Aid Commission. (2013). *Historical Appropriations Summary*.

[7] Iowa College Student Aid Commission (2013). *Free Applications for Federal Student Aid filed by Iowa Residents*.

[8] Iowa College Student Aid Commission (2013). *College Costs and Household Income in Iowa*.

[9] U.S. Census Bureau, American Community Survey. *Median Income in the Past 12 Months (in 2012 Inflation-adjusted dollars). 2008-2012 5-Year Estimates*.

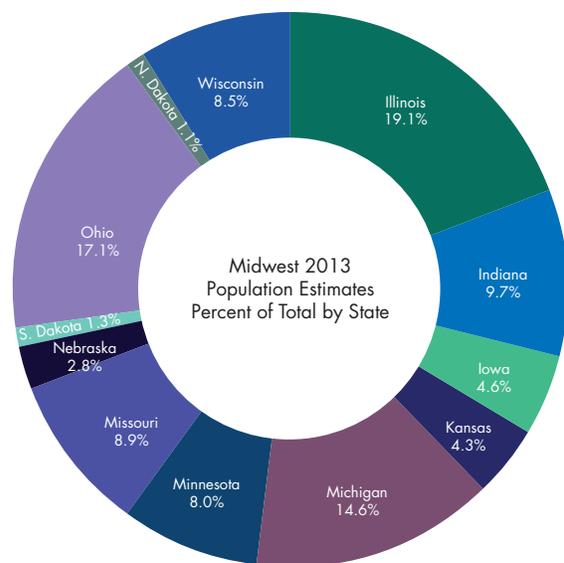
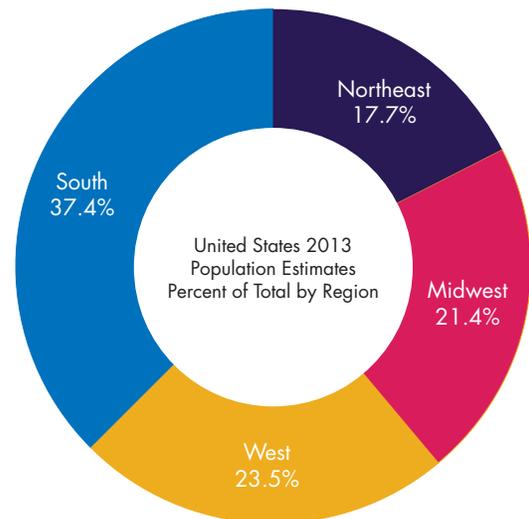
THE POPULATION OF IOWA

The U.S. Census Bureau's Population Estimates Program (PEP) produces annual estimates at the national, state and county levels to reflect demographic components of population change: birth, deaths and migration. The most recent population estimates show Iowa's population reached 3,090,416 as of July 1, 2013, representing a 1.4 percent increase from the 2010 Census. This growth was slightly higher than the .93 percent experienced in the Midwest region, but slower than the U.S. as a whole, which grew by 2.4 percent over the same time period.¹ Overall, Iowa ranked in the middle, at 30th out of 50 states for most growth over this period. The Midwest's population is comprised of 12 states, of which Iowa's population makes up nearly 4.6 percent of the Midwest total.¹

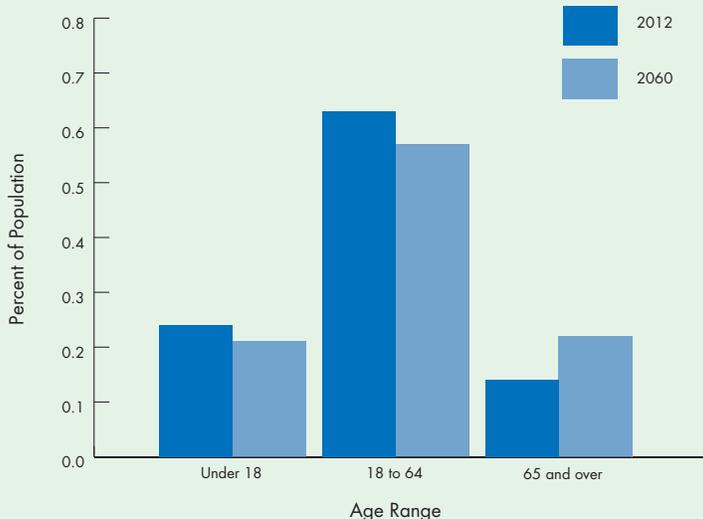
The age distribution of Iowa's population is similar to that of the United States. For both Iowa and the United States, the share of the population under age 18 is 23.5 percent. The percent of Iowa's population over the age of 65, 15.3 percent, is higher than that of the United States, which is 13.7 percent.²

Projections indicate that the population of the United States will grow more slowly, continue to age and be more diverse by the year 2060. The population age 65 and older is expected to more than double between 2012 and 2060, representing just over one in five residents by 2060. The Hispanic population is also projected to more than double during this time, to comprise nearly one in three citizens.³

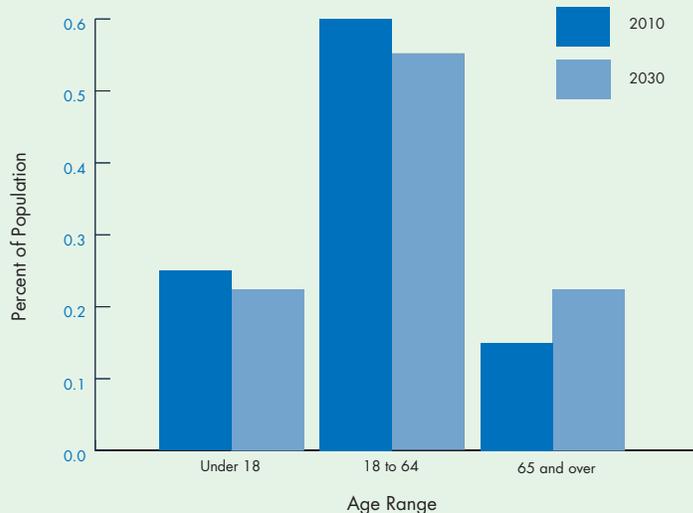
Projections for Iowa show the state trending on a similar path as the United States. Iowa's population, age 44 and younger, is expected to decline through 2030 while the population age 45 and over is expected to increase. The ages of 65 to 84 and 85+ are expected to experience significant increases from 2000 to 2030 at 50.4% and 61.2% respectively. Currently, Iowa's median age of 38 is slightly higher than that of the U.S., which is 37.2.⁵



DISTRIBUTION OF U.S. POPULATION BY AGE: 2012 AND 2060



DISTRIBUTION OF IOWA POPULATION BY AGE: 2010 AND 2030



[1] U.S. Census Bureau. (December 2013). Population Division. *Table 1 Annual Estimates of the Population for the United States, Regions, States and Puerto Rico: April 1, 2010 to July 1, 2013 (NST-EST2013-01)*

[2] U.S. Census Bureau. State and County Quick Facts. Retrieved February 17, 2014 from <http://quickfacts.census.gov/qfd/states/19000.html>.

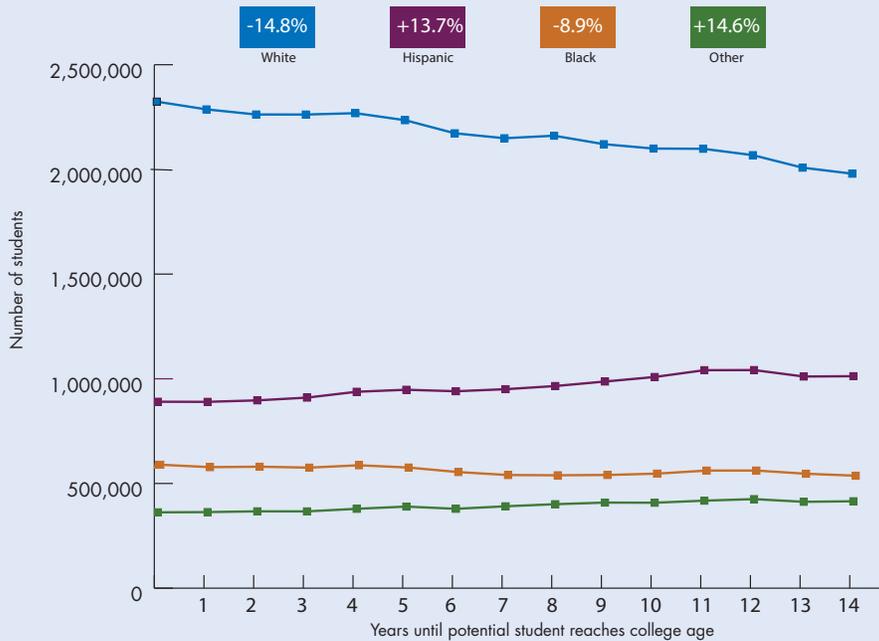
[3] U.S. Census Bureau. 2012 National Population Projections.

[4] State Library of Iowa. State Data Center Program. Interim Population Projections Change in Total Population and Selected Age Groups for Iowa: 2000 to 2030.

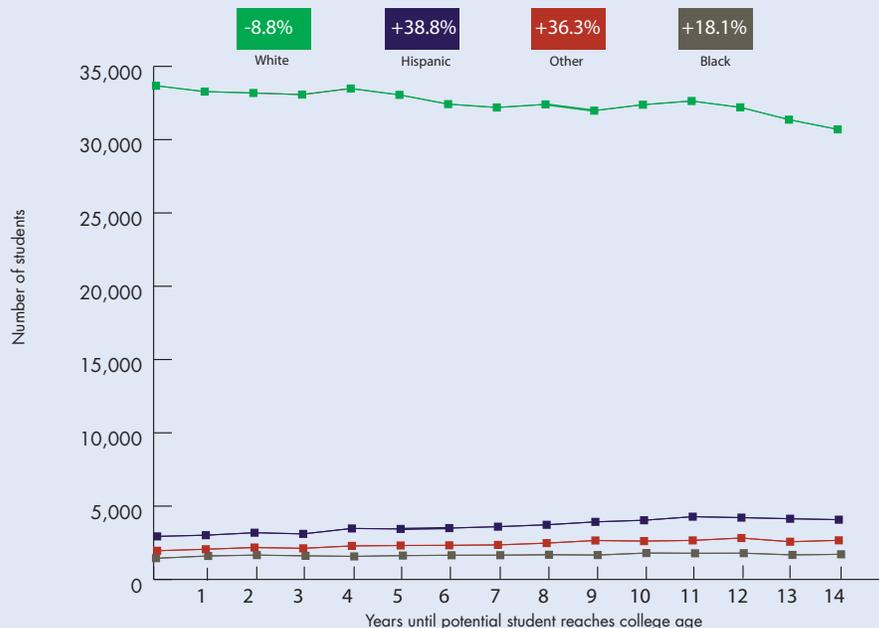
[5] U.S. Census Bureau, American Community Survey. Age and Sex. 2008-2012 5-Year Estimates.

POPULATION SHIFTS IN IOWA

DEMOGRAPHIC CHANGES IN THE U.S.



DEMOGRAPHIC CHANGES IN IOWA



Demographic data on children in the college pipeline show big changes coming in the United States. Data on students currently in the education system, ages 4

to 18, indicate that the nation's future population of high school graduates and traditional-aged college students will be fewer in number and will be increasingly more diverse.¹

Percent increase in the number of Hispanic students reaching college age over the next 14 years:¹

+ 38.8% Iowa
+ 13.7% U.S.

Iowa is following a similar path as the state's school-aged population has become more diverse over the past decade, and projections indicate that trend will continue. Data from the Iowa Department of Education shows that minority students made up 9.7 percent of total public school enrollment in 2000-2001, but by 2012-2013, it had increased to 20.2 percent. The Hispanic student population increased the most, from 3.6 percent to 9.3 percent.

Iowa's public high school graduating classes are projected to rapidly become more racially and ethnically-diverse in the years ahead. White, non-Hispanic students accounted for 90 percent of all graduates in 2008-2009, but that share is expected to fall seven percentage points by 2019-2020. While the percent of both black non-Hispanic and Asians/Pacific Island students are expected to increase, the most significant increases are expected from the Hispanic student population. The Hispanic share of high school graduates is projected to more than double over the same time period, accounting for nearly one in ten Iowa graduates by 2019-2020.²

According to a national survey of Latinos by the Pew Hispanic Center, nearly 89 percent of Latino young adults believe that a college education is important for success in life, yet only about half that number—48 percent—indicate that they themselves plan to get a college degree.³

The biggest reason for the gap between the high value Latinos place on education and their more modest aspirations to finish college appears to come from financial pressure to support a family.³

These are issues that Iowa will need to address in order to increase educational attainment in the state.

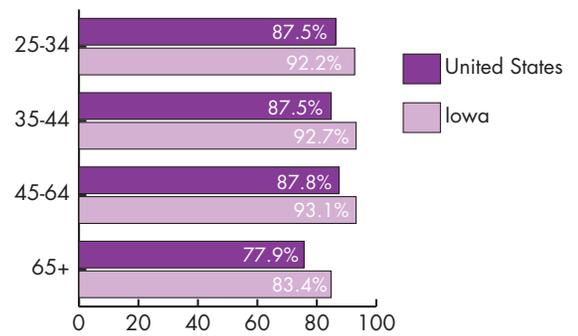
[1] Lipka, S (2014). *Colleges, Here is Your Future*, LX(19), A22-A27. Retrieved February 19, 2014, from <http://chronicle.com/article/Demographic-Data-Let-Colleges/144101/>.
 [2] Western Interstate Commission for Higher Education, (2013). *Knocking at the College Door: Projections of High School Graduates - Iowa*. Retrieved February 19, 2014, from <http://www.wiche.edu/info/knocking-8th/profiles/ia.pdf>.
 [3] Lopez, M.H. 2009. *Latinos and Education: Explaining the Attainment Gap*. Washington, DC: Pew Hispanic Center.

EDUCATION LEVELS IN IOWA

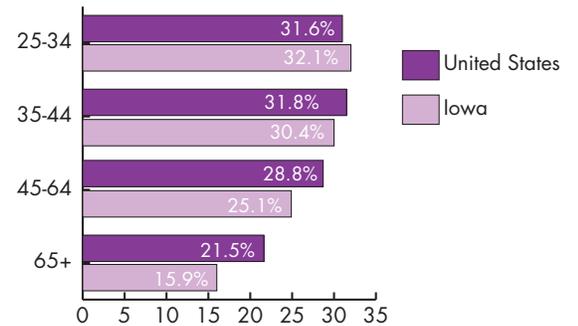
In Iowa, just over 2 million people, or approximately 66 percent of the population are age 25 or over.¹ The majority of this segment of the population, 90.7 percent, has a high school education or higher, but a significantly smaller segment of the population has also completed postsecondary education. Only 35.6 percent of Iowa's population age 25 and over has an associate's degree, ranking Iowa nearly in the middle among all 50 states, at 26th on this measure.² Iowa's percent of the population with a bachelor's degree or higher is 25.3 percent, ranking the state in the lower half at 36th among all 50 states.²

In contrast, a growing number of jobs in the state require postsecondary education. It is projected that by 2018, 1.1 million jobs in the state, or 62 percent, will require postsecondary education or training beyond high school.³ Iowa's total occupational employment is also expected to increase by 13 percent from 2010 to 2020, translating into 231,680 new jobs, the majority of which will require education beyond high school.⁴ In order to have a future workforce with the necessary skills to fill these job openings, Iowa will need to increase educational attainment, particularly in the fastest growing occupational groups.

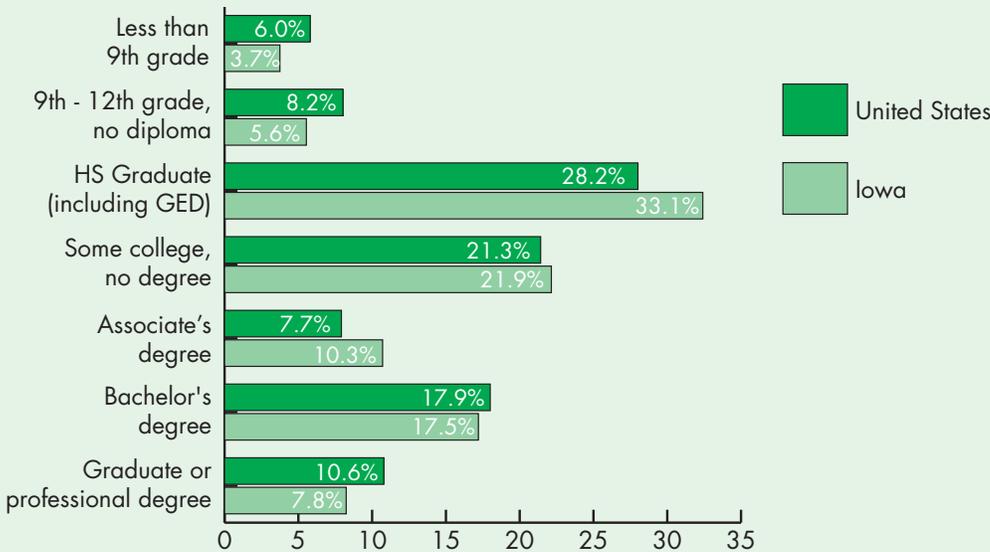
HIGH SCHOOL GRADUATE OR HIGHER BY AGE



BACHELOR'S DEGREE OR HIGHER BY AGE



HIGHEST LEVEL OF EDUCATION ATTAINMENT FOR POPULATION 25 YEARS AND OLDER



U.S. Census Bureau, American Community Survey 5-Year Estimates, 2008-2012

Occupational Groups Expected to Grow Faster than the State Annual Average of 1.3% for 2010-2020⁴

- Computer & Mathematical
- Healthcare Support
- Personal Care
- Healthcare Practitioner
- Community & Social Services
- Construction
- Business & Financial
- Arts/Entertainment/Media
- Installation/Maintenance/Repair
- Transportation & Material Moving
- Architecture & Engineering

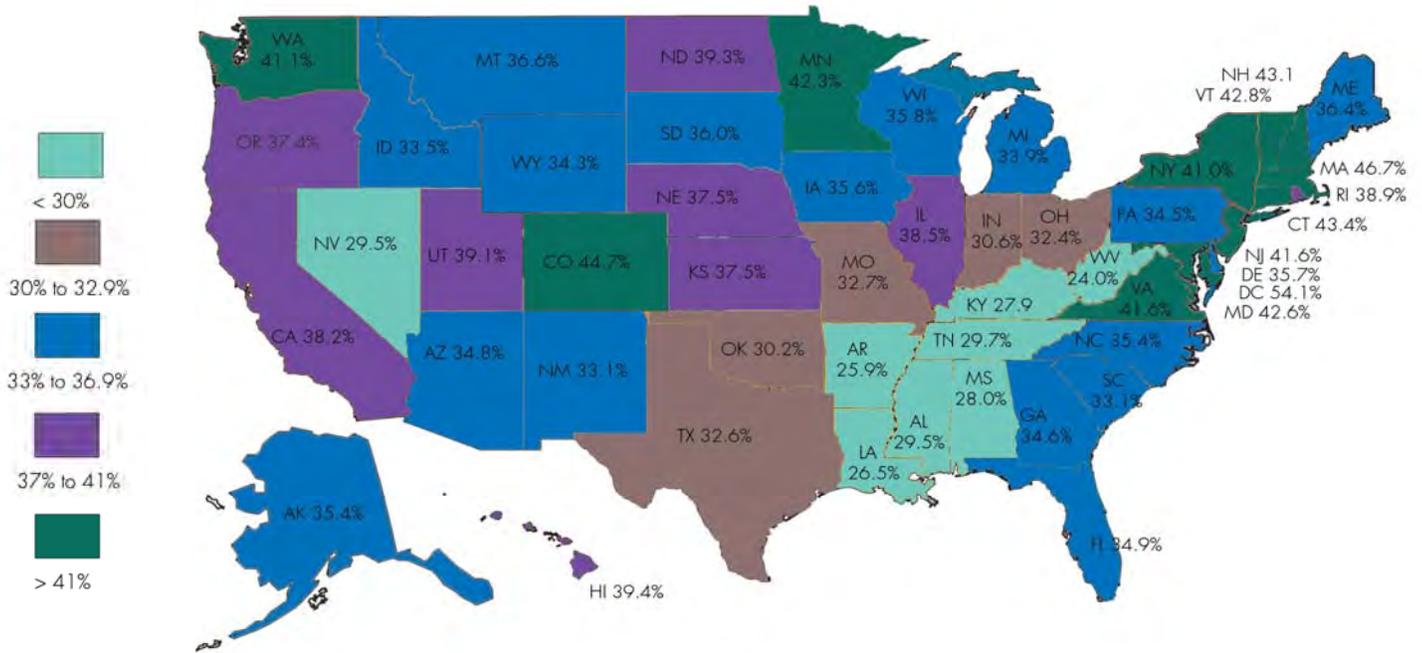
[1] U.S. Census Bureau, American Community Survey. Age and Sex. 2008-2012 5-Year Estimates.

[2] U.S. Census Bureau, American Community Survey. Educational Attainment. 2008-2012 5-Year Estimates.

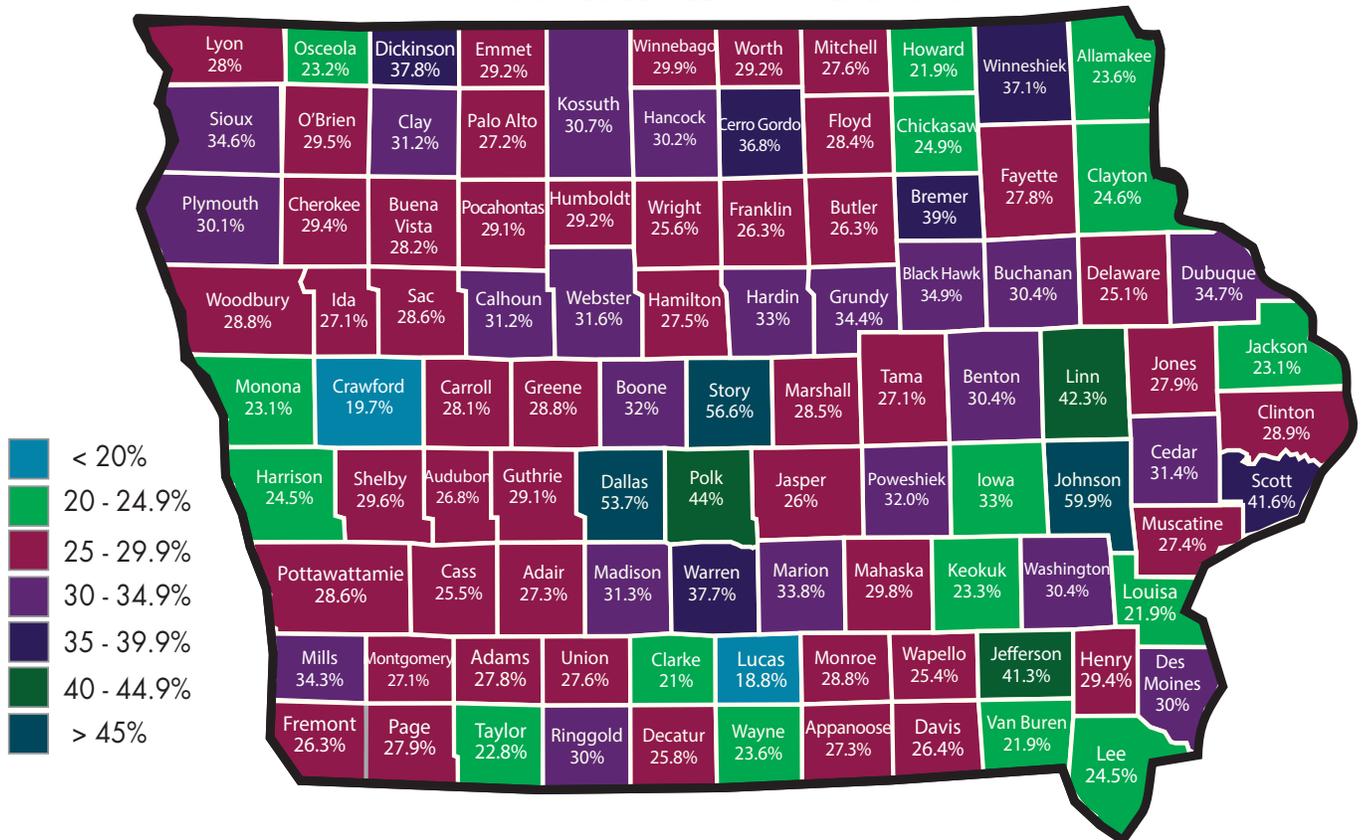
[3] Georgetown University Center on Education and the Workforce. (June 2010). *The Midwest Challenge: Matching Jobs with Education in the Post-Recession Economy*.

[4] Iowa Workforce Development. (2013). *Iowa's Workforce and the Economy*.

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



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



EDUCATION AND INCOME

The value of a college degree is evident in the disparity of economic outcomes between those with education beyond high school and those with a high school diploma or less. According to a recent study by the Pew Research Center, "The Rising Cost of Not Going to College", young college graduates of the Millennial Generation (those born between 1980 and 1995) outperform their peers with less education on virtually every measure of economic well-being and career attainment. Millennial college graduates between the ages of 25 and 32 earn more, are more likely to be employed full time and are significantly less likely to be unemployed than their less educated counterparts.¹ The disparity between college graduates and those with less education is more pronounced in the Millennial Generation than when other generations were the same age as the Millennials are today. Millennials with only a high school diploma earn 62 percent of what the typical college graduate earns.

During a 40-year, full-time working life, the median earnings of bachelor's degree recipients are **65%** higher than the median earnings of high school graduates.⁴

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 99 percent more than individuals with only high school degrees and 176 percent more than those with less than high school diplomas.² In Iowa, individuals with bachelor's degrees earned approximately 60 percent more than individuals with only high school degrees and 110 percent more than those with less than high school diplomas.³

Even without taking other factors, such as cost of living, into consideration, a relationship appears to exist between educational attainment and income. States with more educated populations (holding an associate's degree or higher) also tend to have higher median earnings. The same holds true for Iowa. Counties in Iowa with a high percent of their populations holding an associate's degree or higher tend to have higher median earnings.³

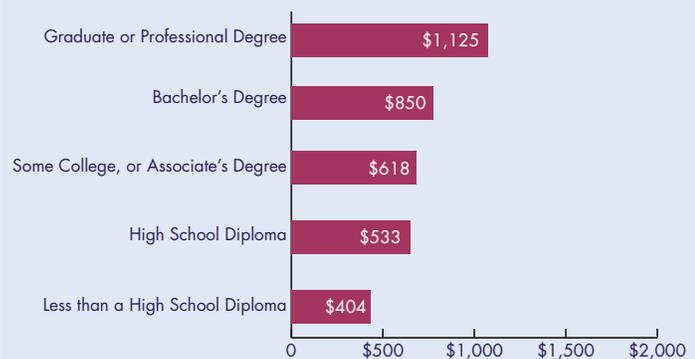
[1] The Pew Research Center (2014). *The Rising Cost of Not Going to College*.
 [2] Bureau of Labor Statistics, Current Population Survey. Retrieved March 24, 2014 from http://www.bls.gov/emp/ep_chart_001.htm.
 [3] U.S. Census Bureau, American Community Survey. Earnings in the past 12 months. 2008-2012 5-Year Estimates.
 [4] College Board (2013). *Education Pays 2013*.

NATIONAL MEDIAN WEEKLY EARNINGS 2013



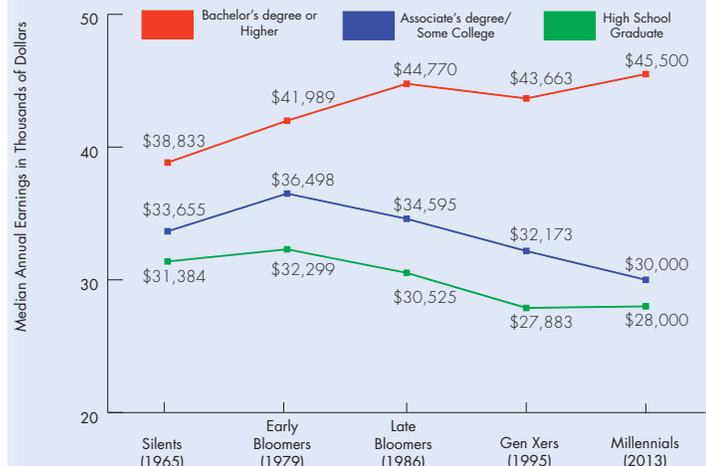
Source: Bureau of Labor Statistics, Current Population Survey. Data are for 2013 national annual averages for persons age 25 and over. Earnings are for full-time wage and salary workers.

IOWA MEDIAN WEEKLY EARNINGS 2012



Source: U.S. Census Bureau, American Community Survey. Earnings in the Past 12 Months. 2008-2012 5-Year Estimates. Data are for persons age 25 and over. Earnings are for full-time, year-round workers with earnings.

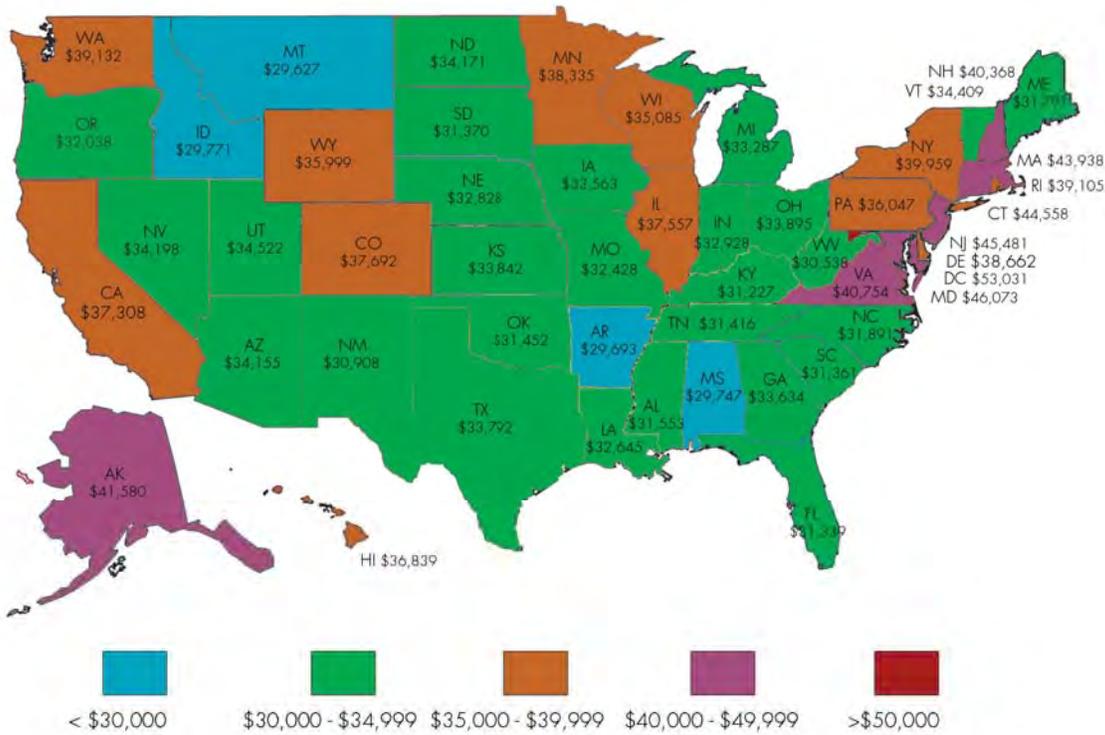
RISING EARNINGS DISPARITY BETWEEN YOUNG ADULTS WITH AND WITHOUT COLLEGE DEGREES



Source: Pew Research Center, February 11, 2014. *The Rising Cost of Not Going to College*.

Notes: Median annual earnings are limited to 25- to 32-year olds who worked full-time during the previous calendar year and reported positive earnings.

MEDIAN EARNINGS IN THE PAST 12 MONTHS IN 2012 INFLATION-ADJUSTED DOLLARS - POPULATION 25 YEARS AND OVER



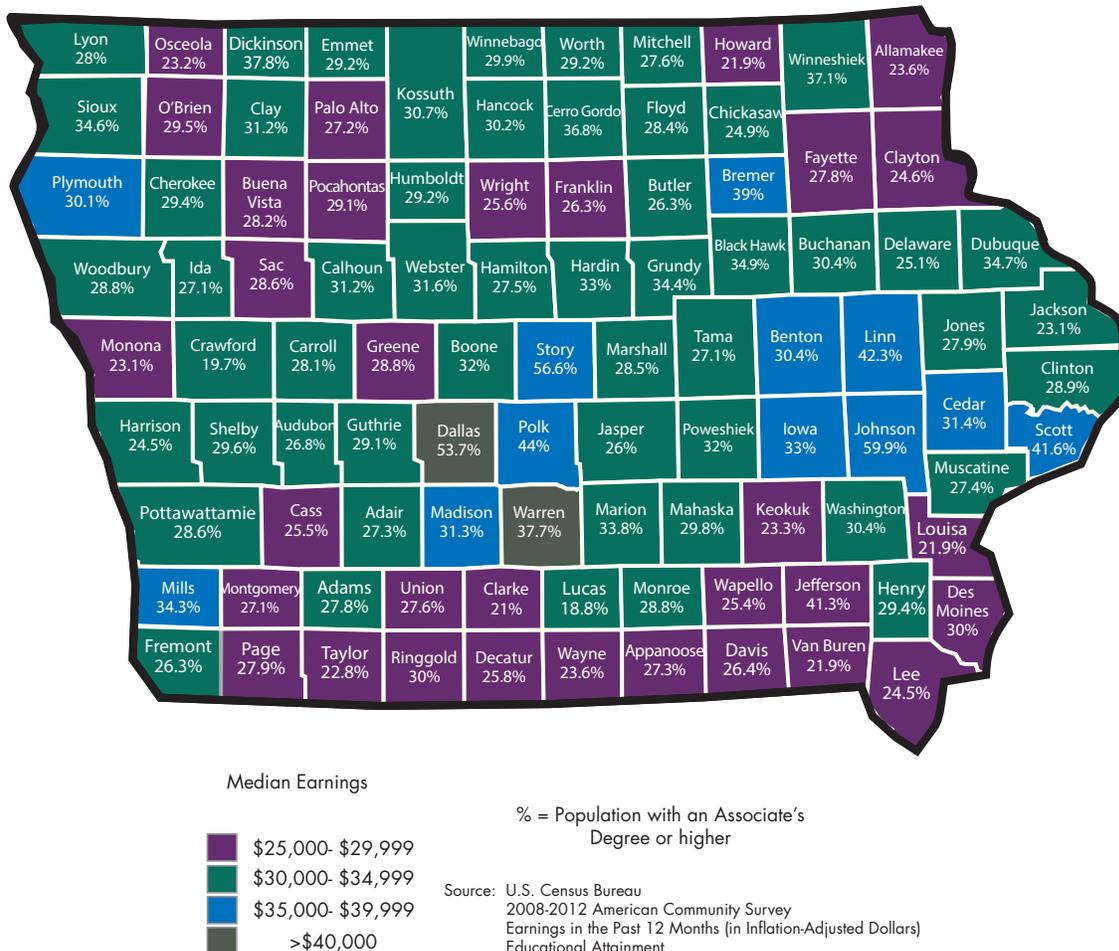
Source: U.S. Census Bureau, American Community Survey, 2008-2012.

STATES WITH HIGHEST PERCENT OF POPULATION AGE 25 OR HIGHER WITH ASSOCIATE'S DEGREE AND MEDIAN EARNINGS

State	Educational Attainment	Income
U.S.	36.2%	\$35,522
D.C.	54.1%	\$53,031
MA	46.7%	\$43,938
CO	44.7%	\$37,692
CT	43.4%	\$44,558
NH	43.1%	\$40,368
VT	42.8%	\$34,409
MD	42.6%	\$46,073
MN	42.3%	\$38,335
NJ	41.6%	\$45,481
VA	41.6%	\$40,754
IA	35.6%	\$33,563

Source: U.S. Census Bureau, American Community Survey, Educational Attainment, 5-year averages 2008-2012.
U.S. Census Bureau, American Community Survey, Earnings in the Past 12 Months (in 2012 Inflation-Adjusted Dollars).
Note: Population 25 years and over.

EDUCATIONAL ATTAINMENT AND MEDIAN INCOME BY IOWA COUNTY



IOWA COUNTIES WITH HIGHEST PERCENT OF POPULATION AGE 25 OR HIGHER WITH ASSOCIATE'S DEGREE AND MEDIAN EARNINGS

County	Educational Attainment	Income
Johnson	59.9%	\$38,202
Story	56.6%	\$36,842
Dallas	53.7%	\$44,297
Polk	44.0%	\$38,720
Linn	42.3%	\$37,995
Scott	41.6%	\$36,288
Jefferson	41.3%	\$28,594
Bremer	39.0%	\$36,698
Dickinson	37.8%	\$31,135
Warren	37.7%	\$40,228
Iowa	35.6%	\$33,563

Source: U.S. Census Bureau, American Community Survey, Educational Attainment, 5-year averages 2008-2012.
U.S. Census Bureau, American Community Survey, Earnings in the Past 12 Months (in 2012 Inflation-Adjusted Dollars).
Note: Population 25 years and over.

EDUCATION AND POVERTY

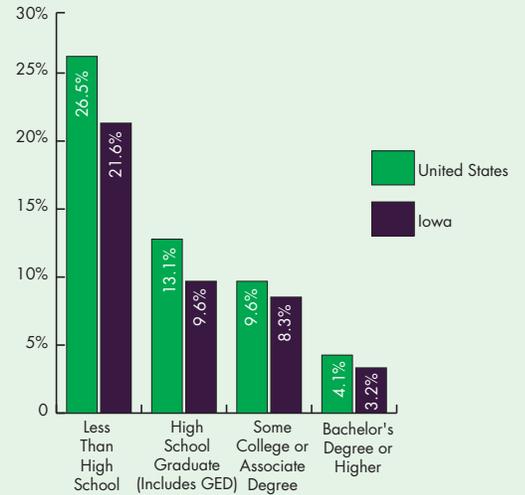
As educational attainment increases, the percent of the population living in poverty decreases. The percent of Iowa's population living in poverty is 12.2 percent for the state as a whole, but there are significant differences when broken down by level of education achieved. Over one-fifth, or 21.6 percent, of Iowa's adult population, age 25 and over, with less than a high school education lives in poverty. In contrast, significantly less, 3.2 percent, of Iowa's adult population with a bachelor's degree or higher lives in poverty.¹

The **3.2%** poverty rate for bachelor's degree recipients in Iowa is about **one-third** of the **9.6%** poverty rate for high school graduates.¹

Research suggests that individuals living in poverty are at higher risk of adverse outcomes, such as poor health and criminal activity, both of which may lead to reduced participation in the labor market and an increased cost on society through loss of productivity and increased spending on public assistance.² Additionally, growing up in poverty has been shown to limit the academic opportunities of children.² In Iowa, the percent of school-aged children living in poverty, 14.4 percent, is greater than the percent for the state as a whole.¹ During the 2012-2013 school year, approximately 41 percent of the student body in Iowa's K-12 public schools was eligible for free or reduced lunch, up from 30 percent ten years ago.³ School districts with the largest (greater than 7,500) and smallest (less than 300) enrollments had even higher proportions of their student bodies on free or reduced priced lunch, 50.3 percent and 44.4 percent respectively.³ The guidelines, which are based on family size and income, are adjusted annually by the Iowa Department of Education's Bureau of Nutrition and Health Services.

The Millennial Generation, defined as those born between 1980 and 1995, has been hit particularly hard by the current economic climate. However, those with only a high school education have been found to fare far worse than their college-educated peers.⁴ Twenty-two percent of Millennials, age 25-32, with only a high school diploma are living in poverty, as compared to six percent of today's college-educated young adults.⁴

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



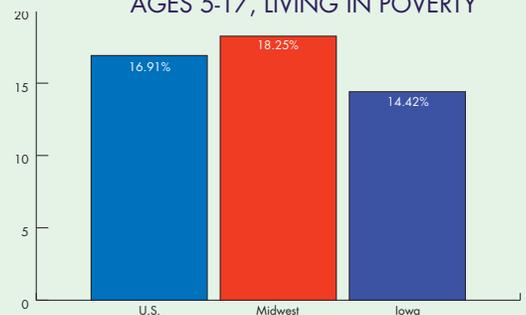
Source: U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months, 2008-2012 5-year estimates.

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

U.S.	14.9%
MINNESOTA	11.2%
NORTH DAKOTA	12.1%
IOWA	12.2%
NEBRASKA	12.4%
WISCONSIN	12.5%
KANSAS	13.2%
ILLINOIS	13.7%
SOUTH DAKOTA	13.8%
INDIANA	14.7%
MISSOURI	15.0%
OHIO	15.4%
MICHIGAN	16.3%

Source: U.S. Census Bureau, American Community Survey. Poverty Status in the Past 12 Months. 2008-2012 5-Year Estimates. Data are for population for whom poverty status is determined

PERCENT OF SCHOOL-AGE CHILDREN AGES 5-17, LIVING IN POVERTY



Source: U.S. Census Bureau, American Community Survey, Poverty Status in the Past 12 Months by Sex and Age, 2008-2012 5-year estimates.

[1] U.S. Census Bureau, American Community Survey. Poverty status in the past 12 months by sex and age. 2008-2012 5-Year Estimates.

[2] U.S. Government Accountability Office (2007). *Poverty in America: Consequences for the Individuals and the Economy*.

[3] Iowa Department of Education (2013). *The Annual Condition of Higher Education*.

[4] The Pew Research Center (2014). *The Rising Cost of Not Going to College*.

College Participation of Low-Income Students

College participation rates vary considerably based on family income. The gaps in college participation between low-income youth (those from families with incomes below \$18,300) and their more privileged counterparts have grown over the past few years. The percent of students who enroll in college immediately after graduating from high school has steadily increased for middle and upper-income students while it has remained stagnant for low-income students.¹

Across the 50 states, college participation rates for students from low-income families range from 10.9 percent (Alaska) to 62.7 percent (New Hampshire) in 2012.² Iowa's rate of 45.9 percent in 2012 ranks Iowa 12th out of the 50 states on this measure.² But Iowa does not rank as high when considering percent change over the past decade. While the U.S. experienced a 15.9 percent increase in college participation rates among low-income students from 2002 to 2012, Iowa's increase was much less, 7.3 percent, ranking Iowa 39th among the states on this measure.² With projections indicating a higher percent of high school

graduates will be from from low-income lowa families in the future, increasing their college participation rates will become even more critical in order to meet future workforce demands.

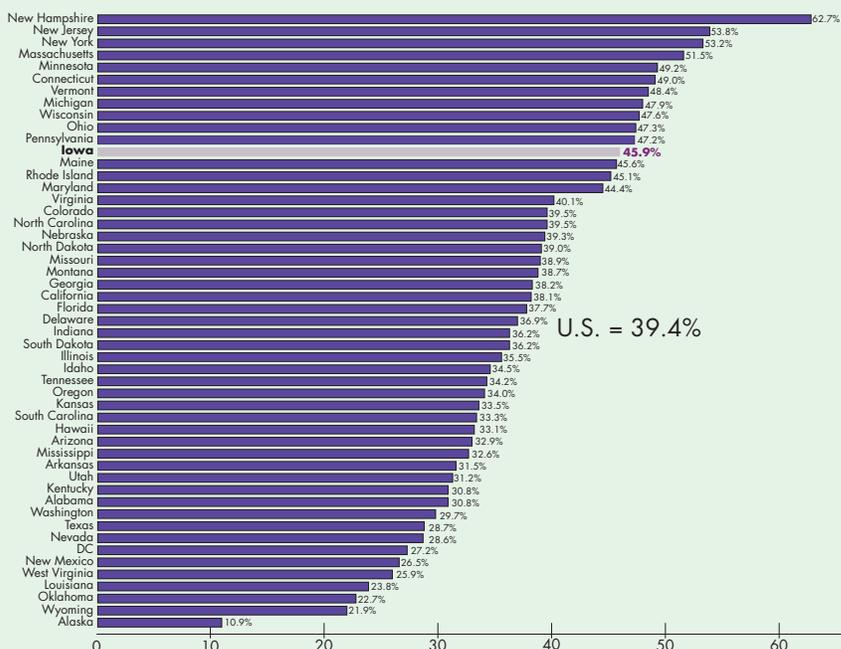
In 2012, **82%** of high school graduates from **affluent families** enrolled immediately in college while only **52%** of those from **low-income families** enrolled.¹

Completion rates also vary based on family income. Students from families in the top quartile of income (\$108,650 and above) are considerably more likely to persist in college and earn a bachelor's degree by age 24 than those born into the bottom quartile. A student born into the top income range had a 73.3 percent chance of completing a bachelor's degree by age 24.³ Students in the bottom quartile of family income in 2012 (up to \$34,160) had an 8.3 percent chance of completing a bachelor's degree by age 24.³

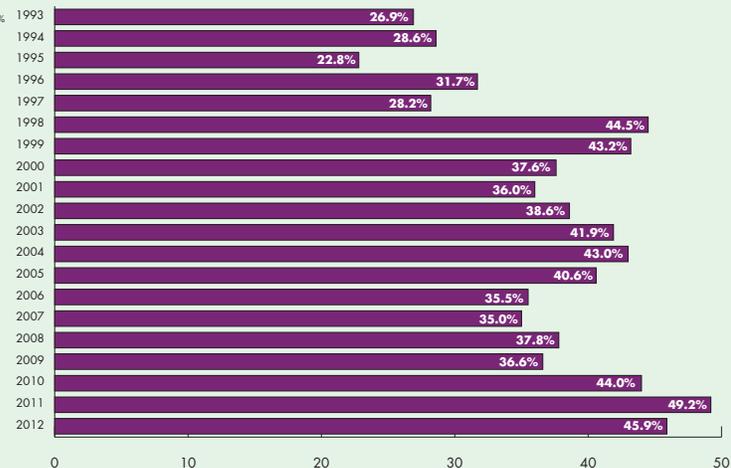
With the number of low-income students projected to increase, college participation and completion rates are likely to decline.

When these low-income students reach college age, it is likely many of them will have a zero expected family contribution and little to no family resources to pay college costs.⁴

COLLEGE PARTICIPATION RATES FOR STUDENTS FROM LOW-INCOME FAMILIES BY STATE - FY 2012²



IOWA COLLEGE PARTICIPATION RATES FOR STUDENTS FROM LOW-INCOME FAMILIES 1993-2012²



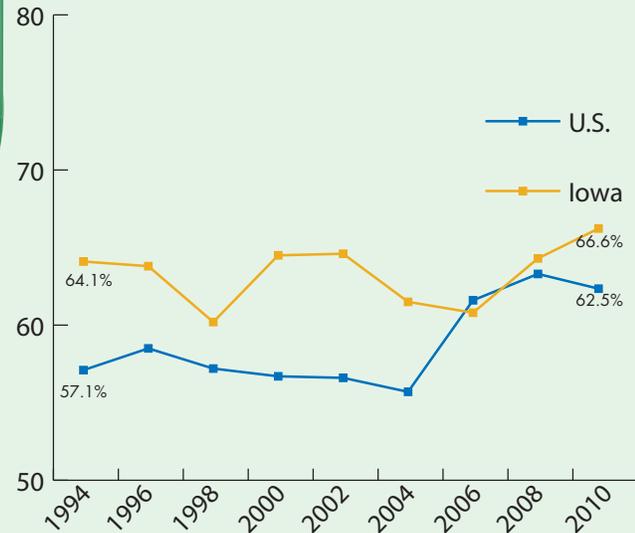
[1] College Board (2013). *Education Pays 2013*.
 [2] Postsecondary Education Opportunity (September 2013). *College Participation Rates for Students from Low-Income Families by State 1993 to 2012*. Number 255.
 [3] Postsecondary Education Opportunity (October 2013). *Unequal Family Income and Unequal Higher Education Opportunity 1070 to 2012*. Number 256.
 [4] Iowa Department of Education (2013). *The Annual Condition of Higher Education*.

ENROLLMENT AT IOWA COLLEGES & UNIVERSITIES

Iowa's statewide four-year graduation rate for the class of 2013 was 89.68 percent, an increase from 89.26 percent in 2012 and 88.32 percent in 2011.¹ However, not all those who graduate have postsecondary education aspirations. Of students who graduated from a public high school in Iowa in 2012, approximately 78.1 percent intended to enroll in college (either two-year or four-year) directly after graduating.² Based on the most recent data, even fewer, 66.6 percent of Iowa's high school graduates, actually attend college directly after high school.³ That number increases slightly to almost 70 percent for Iowa students who attend college within 16 months of graduating from high school.⁴

66.6% of students in Iowa attend college directly after high school as compared to **62.5%** nationally. Iowa ranks **13th out of 50 states** on this measure.³

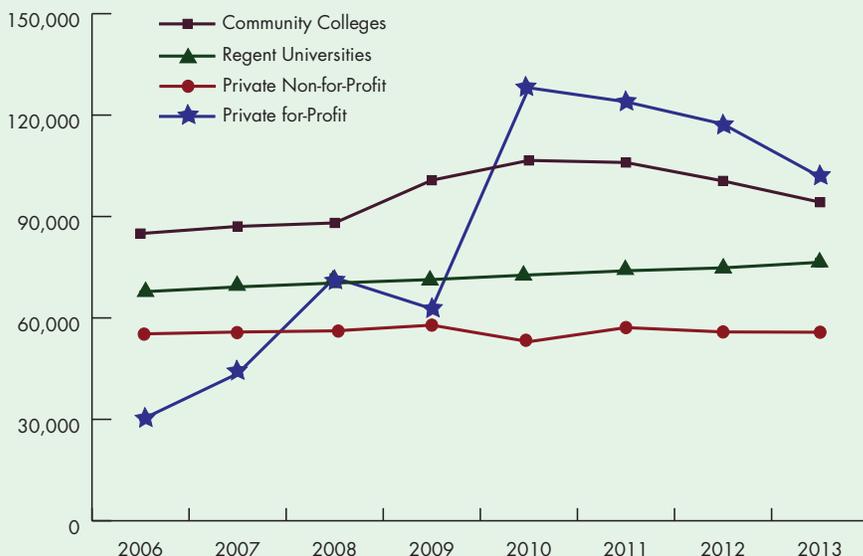
PERCENT OF HIGH SCHOOL GRADUATES WHO ATTEND COLLEGE DIRECTLY AFTER HIGH SCHOOL, IOWA AND U.S.



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

After making steady increases between 2004 and 2008 in the percent of students who attended college directly after high school, the percent decreased nationally from 63.3 percent in 2008 to 62.5 percent in 2010. In contrast, Iowa improved on this measure, increasing from 64.3 percent in 2008 to 66.6 percent in 2010. In 1992, Iowa ranked 6th among the 50 states on this measure; but by 2008, Iowa's ranking fell to 22nd place. Between 2008 and 2010, Iowa's ranking improved to 13th place.³

TOTAL FALL ENROLLMENT AT IOWA COLLEGES & UNIVERSITIES BY INSTITUTION TYPE, 2006-2013*



Source: University of Iowa, *Iowa College and University Fall Enrollment Report, 2006-2013*. 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 steadily increased from 2006, peaking in 2010. The significant peak in enrollment in 2010 for the for-profit institutions can be attributed to the growth of online programs. Approximately 96 percent of the fall enrollment in 2013 at Iowa's for-profit institutions was from non-Iowa residents. In contrast, approximately 91 percent of 2013 fall enrollment at Iowa's community colleges was from Iowa residents.

The past three years have seen a slight decline in fall enrollment at all sectors except for enrollment at Iowa's Regent universities, which has continued to increase.⁵ The slow down in enrollment coincides with the start of economic recovery from the recession which is reported to have commenced in January of 2010.⁶

[1] Iowa Department of Education. Retrieved from www.educateiowa.gov.

[2] Iowa Department of Education. *2011-2012 Iowa Public High School Graduate Intentions*.

[3] Mortenson, T. (2010). *Postsecondary Education Opportunity*. Retrieved from HigherEdInfo.org.

[4] Iowa Department of Education. *Percent of Students who Attend College within 16 Months, 2010-11*.

[5] University of Iowa. (2013). *Iowa College and University Fall Enrollment Report, 2006-2013*.

[6] Georgetown University Center on Education and the Workforce (August 2012). *The College Advantage: Weathering the Economic Storm*.

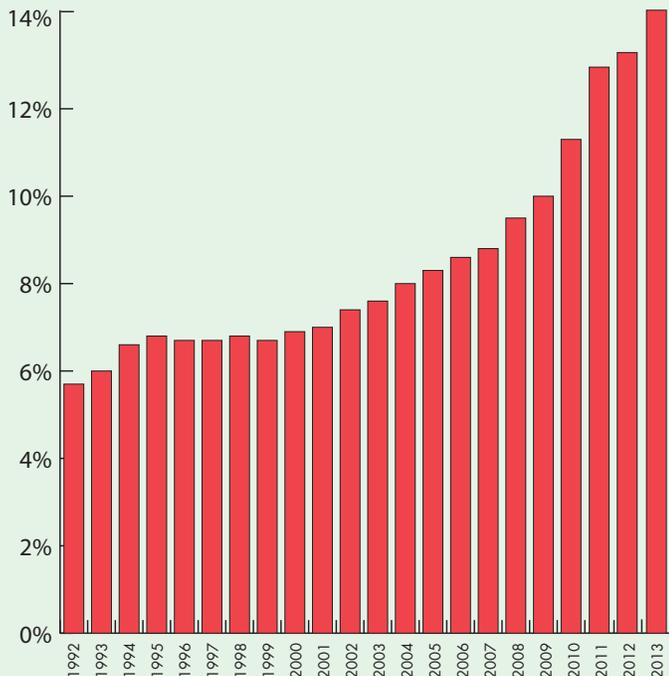
Since the fall enrollment report only counts students enrolled at the beginning of the fall semester, it doesn't tell the whole story. The report includes graduate as well as undergraduate enrollment and it doesn't count students who enroll in college at other times of the year. This doesn't show the full picture, especially at community colleges and private for-profit institutions where flexible enrollment options enable students to enroll throughout the year. Data from the Integrated Postsecondary Education Data System (IPEDS) on 12-month unduplicated undergraduate enrollment shows significantly higher enrollment numbers at Iowa's community colleges and private for-profit institutions than the fall report. The most recent unduplicated undergraduate enrollment reported was for 2011-2012. Fall enrollment at community colleges in 2011 was 105,975, compared to the unduplicated undergraduate enrollment for 2011-2012, which was 148,981. Similarly, fall enrollment at 4-year, for-profit institutions was 123,930 in 2011 compared to the unduplicated undergraduate enrollment for 2011-2012 which was 223,779.

In the fall of 2013, a total of 232,790 full- and part-time graduate and undergraduate students were enrolled at degree-granting colleges or universities in Iowa. The percent of total enrollment represented by minority students has steadily increased over the past few years. In 2013, minority students made up approximately 14 percent of the total enrollment, or

32,534 students. Between 1992 and 2013, total enrollment at Iowa colleges and universities grew by 35 percent, but enrollment of racial and ethnic minorities grew by 234 percent.¹

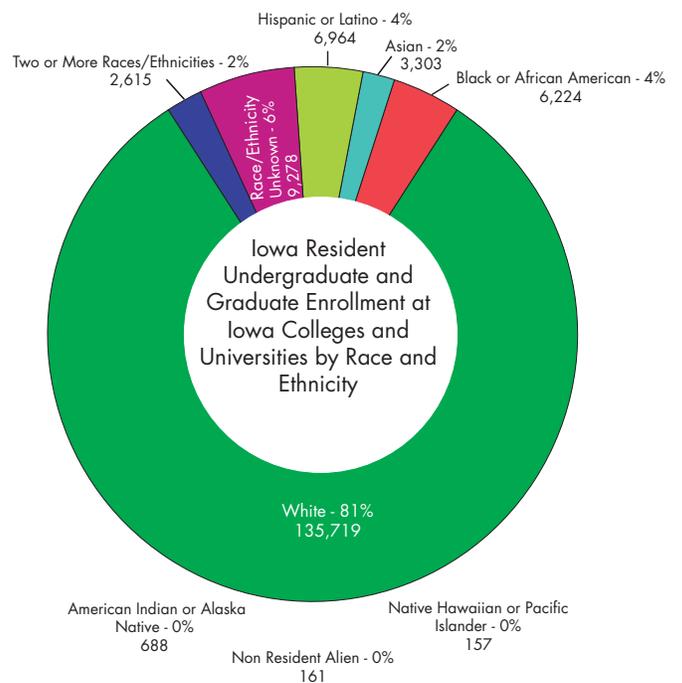
Iowa's public high school graduating classes are projected to become more diverse in the years ahead.² White non-Hispanic students accounted for 90 percent of all public high school graduates in 2008-2009, but that share is expected to decrease seven percentage points by 2019-2020. Over the same time period, the Hispanic student body is projected to more than double, accounting for nearly one in ten graduates by 2019-2020². To increase college-going rates among Iowa's recent high school graduates, colleges must appeal to an increasingly racially and ethnically diverse student body.

MINORITY ENROLLMENT AS A PERCENTAGE OF TOTAL ENROLLMENT AT IOWA COLLEGES & UNIVERSITIES, 1992-2013



Source: Iowa College Student Aid Commission. March 2014, Student and Faculty Ethnic Diversity Report.

UNDUPLICATED 12-MONTH UNDERGRADUATE ENROLLMENT BY COLLEGE SECTOR IN IOWA



Source: Iowa College Student Aid Commission (March 2014). Student and Faculty Ethnic Diversity Report.

[1] Iowa College Student Aid Commission (March 2014). Student and Faculty Ethnic Diversity Report.

[2] Western-Interstate Commission for Higher Education (2013). Knocking at the College Door: Projections of High School Graduates by State and Race/Ethnicity, 1996-2028.

EDUCATION AND EMPLOYMENT

Unemployment disproportionately impacts those with less education. The unemployment rate for individuals with at least a bachelor's degree has consistently been about half the unemployment rate for high school graduates.¹ In Iowa, the unemployment rate for adults with a bachelor's degree or higher is 2.0 percent, which is less than half the 5.6 percent rate for high school graduates and less than one fifth the 10.9 percent rate for adults without a high school diploma or equivalent.²



New jobs are demanding more education than ever before. This becomes even more evident by looking at job recovery from the economic recession that began in December, 2007. The recession hit those with less education disproportionately hard - nearly four out of five jobs lost in the United States were held by individuals with no postsecondary education.³ Since January 2010, when the recovery began, job gains have been experienced by those with education beyond high school.³

Over the past three years in Iowa, many of the jobs regained from those

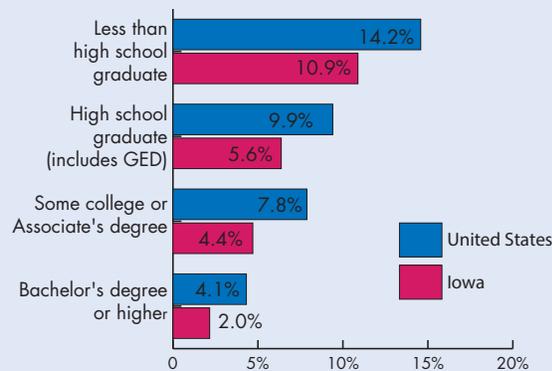
lost during the recession are classified as "middle-skill" jobs, or those that require education or training beyond high school, but less than a bachelor's degree.³ Presently, 56 percent of the jobs in Iowa require middle-skills while only 33 percent of workers in the state possess the skills employers need to fill those positions.³

The need for an educated workforce is expected to increase. By 2020, 65 percent of all jobs in the U.S. will require some form of postsecondary education or training beyond high school.⁴ Of the 55 million job openings projected between 2010 and

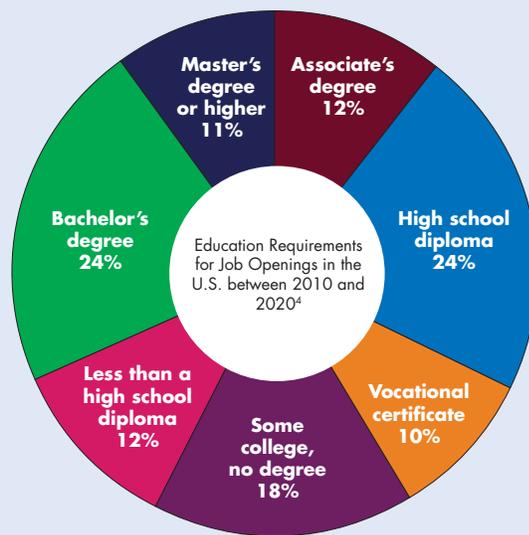
2020, 35 percent will require at least a bachelor's degree and an additional 30 percent will require some college or an associate's degree.⁵

Of Iowa's top 50 jobs projected to experience both high demand and pay high salaries from 2010 through 2020, 94 percent require postsecondary education.⁶ By 2018, it is projected that 1.1 million jobs in Iowa, or 62 percent, will require postsecondary education or training beyond high school.⁷

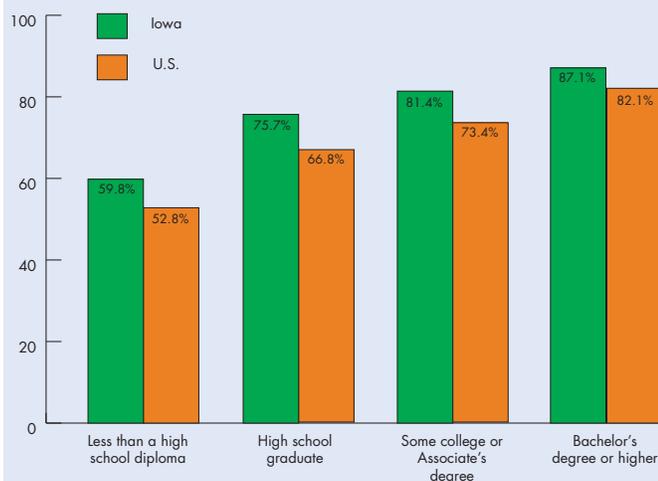
UNEMPLOYMENT RATE
POPULATION 25 TO 64 YEARS



Source: U.S. Census Bureau, 2008-2012 American Community Survey



LABOR FORCE PARTICIPATION RATES BY EDUCATION LEVEL
CIVILIAN POPULATION 25 TO 64 YEARS



Source: U.S. Census Bureau, 2008-2012 American Community Survey

[1] U.S. Census Bureau, American Community Survey. Employment Status. 2008-2012 5-Year Estimates.

[2] College Board (2013). *Education Pays 2013*.

[3] Iowa Workforce Development (July 2013). *Middle-Skill Jobs in Iowa*.

[4] Georgetown University Center on Education and the Workforce (August 2012). *The College Advantage: Weathering the Economic Storm*.

[5] Georgetown University Center on Education and the Workforce (June 2013). *Recovery: Job Growth and Education Requirements through 2020*.

[6] Iowa Workforce Development (October 2012). *Iowa's Hot 50 Jobs 2010-2020*.

[7] Georgetown University Center on Education and the Workforce. (June 2010). *The Midwest Challenge: Matching Jobs with Education in the Post-Recession Economy*.

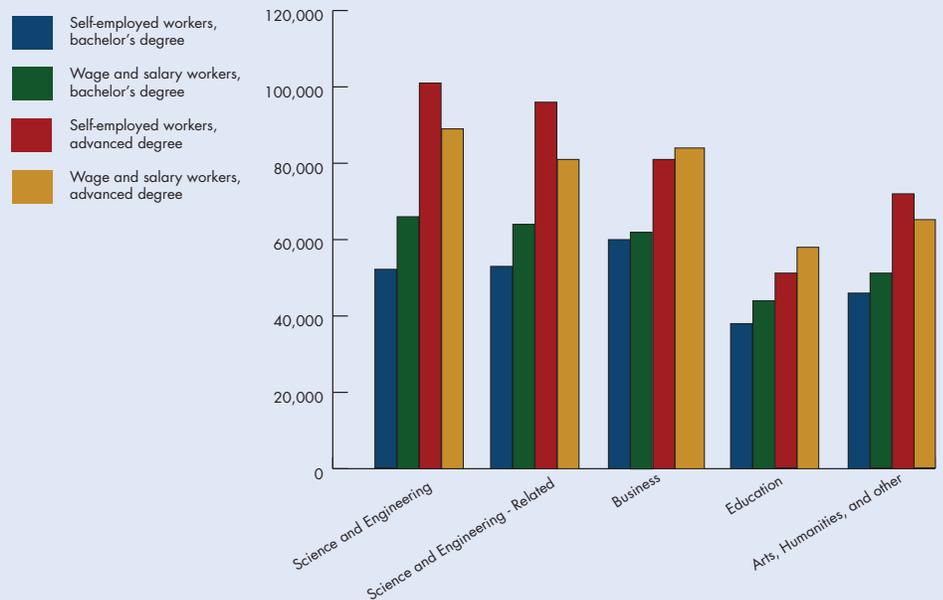
However, having a degree does not guarantee employment. Just as level of education impacts employment, so does field of study. There are noted differences in employment statuses among degree fields. Specific fields of employment and the higher technical skills associated with them can and often do have lower unemployment and higher earnings.¹

Nationally, unemployment rates were lower for recent college graduates with degrees in nursing (4.8%), elementary education (5.0%), physical fitness and parks and recreation (5.2%), chemistry (5.8%), mathematics (5.9%) and finance (5.9%).¹ Higher unemployment rates were found for recent graduates with degrees in information systems (14.7%), architecture (12.8%), anthropology and archeology (12.6%), political science (11.1%), economics (10.4%) and fine arts (10.1%).¹

The fields with the lowest unemployment rates for recent graduates also coincide with the fastest growing occupations. STEM-related occupations (science, technology, engineering and math), healthcare professionals and community service fields are expected to grow the fastest through 2020 and also have the highest demand for postsecondary education and training.² In addition, wage and salary workers with bachelor's and advanced degrees in science, engineering and business have significantly higher annual earnings than those in education, arts, humanities and other fields.³

In Iowa, fast-growing occupational groups and unemployment rates by field of degree appear to follow national trends. Several occupational groups are expected to experience faster rates of growth through 2020: business and financial; computer and mathematical; community and social services; healthcare practitioners and healthcare support; personal care and service; and construction.⁴ Based on estimates from the 2010-2012 American Community Survey, lower rates of unemployment were experienced by individuals whose first field of study for their bachelor's degree was in a STEM-related field versus individuals with degrees in other fields.⁵

MEDIAN ANNUAL EARNINGS BY FIELD OF BACHELOR'S DEGREE BY CLASS OF WORK AND EDUCATIONAL ATTAINMENT: 2011



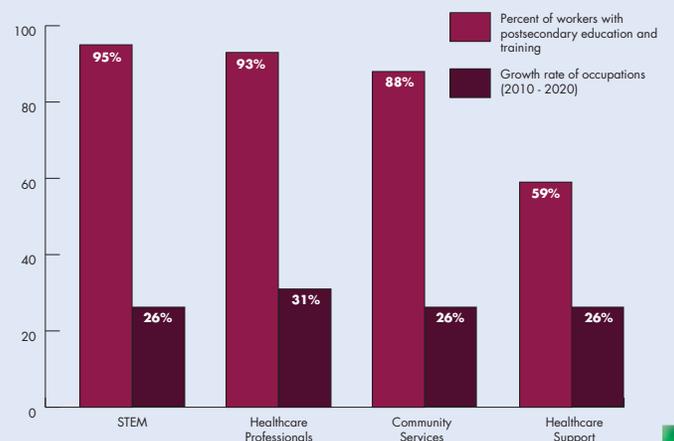
Source: U.S. Census Bureau, American Community Survey Briefs. Field of Degree and Earnings by Selected Employment Characteristics: 2011.

INDUSTRY MEDIAN EARNINGS IN THE PAST 12 MONTHS FULL-TIME, YEAR-ROUND CIVILIAN EMPLOYED POPULATION 16 YEARS AND OLDER



Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2008-2012.

FASTEST GROWING OCCUPATIONS REQUIRE HIGH LEVELS OF POSTSECONDARY EDUCATION



Source: Georgetown University, June 2013. Recovery: Job Growth and Education Requirements through 2020.

[1] Georgetown University, (2013). *Hard Times, College Majors, Unemployment and Earnings*.

[2] Georgetown University, (June 2013). *Recovery: Job Growth and Education Requirements through 2020*.

[3] U.S. Census Bureau, (2011). American Community Survey Briefs. Field of Degree and Earnings by Selected Employment Characteristics.

[4] Iowa Workforce Development (2013). *Iowa's Workforce and the Economy*.

[5] U.S. Census Bureau. American Community Survey 3-Year Estimates, 2010-2012.

COLLEGE 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 2013 graduating seniors in Iowa who took the ACT as sophomores, juniors or seniors, and indicated they were scheduled to graduate in 2013, 32 percent met all four ACT College Readiness Benchmark Scores.¹ Of the states where 50 percent or more of their 2013 high school graduates took the ACT, Iowa ranked 3rd on this measure behind Wisconsin and Minnesota. As referenced earlier, almost 67 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.

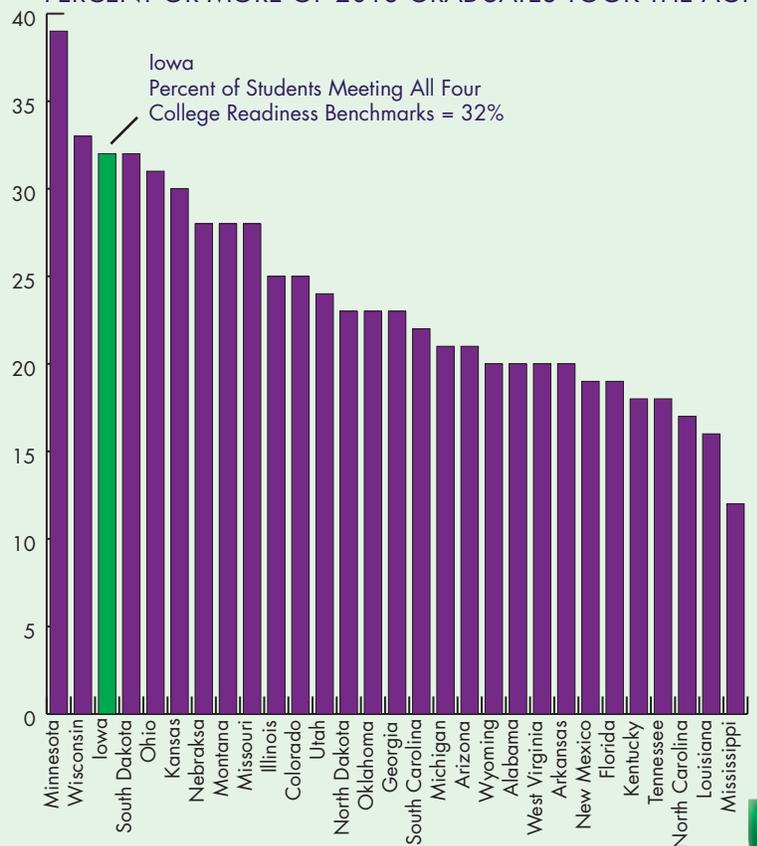
In Iowa, only **32%** of the graduating class of 2013 who took the ACT met all four **college readiness benchmarks.**¹

identifies essential concepts and skills for kindergarten through grade 12 in literacy, mathematics, science, social studies and 21st century skills. Common Core State Standards in literacy and mathematics were integrated into the Iowa Core by Iowa State Board of Education action in 2010. The Core was required to be fully implemented in Iowa high schools by July 1, 2012, and in kindergarten through grade 8 by 2014-2015.

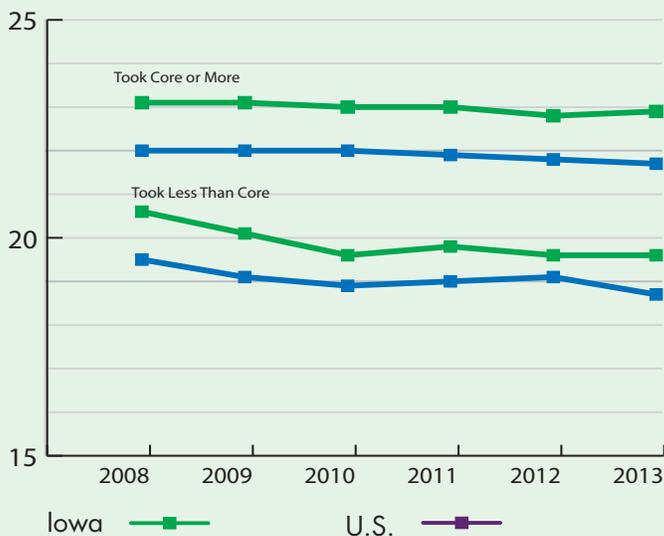
Iowa's 2013 high school graduates who completed a core curriculum (four or more years of English and three or more years each of math, social studies and natural science) had higher composite ACT scores than graduates who did not. Looking at the benchmarks individually, 76 percent of students met the English benchmark, 54 percent met the reading benchmark, 50 percent met the math benchmark and 46 percent met the science benchmark.

One of ACT's recommendations to increase the percentage of students who are college-ready is to make core curriculum a priority, regardless of postsecondary aspirations. Iowa has addressed this through the implementation of the Iowa Core, which was signed into law on May 1, 2008. The Iowa Core

PERCENT OF STUDENTS WHO MEET ALL FOUR COLLEGE READINESS BENCHMARKS - INCLUDES STATES WHERE 50 PERCENT OR MORE OF 2013 GRADUATES TOOK THE ACT



AVERAGE ACT SCORES BY CORE CURRICULUM COMPLETION STATUS, 2008-2013



[1] The ACT. (2013). *ACT Profile Report Graduating Class of 2013, Iowa*.
 [2] Mortenson, T. (2010). *Postsecondary Education Opportunity*. Retrieved from HigherEdInfo.org.

CAREER READINESS

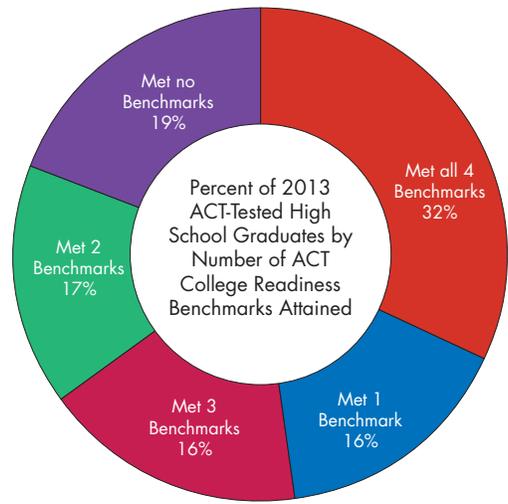
While academically prepared students are more likely to be prepared for the rigors of postsecondary education, there are other factors that contribute to college readiness. Research indicates that students are more likely to persist in college, remain in their chosen major, earn higher GPAs and complete their degrees in a timely fashion if their interests are comparable to those of people in their chosen college majors.¹

ACT research has shown that younger students who take rigorous courses are more college and career ready when they graduate from high school.² To help students better plan for coursework in high school and to align those choices with interests and future aspirations, Iowa passed a law in 2008 requiring students to begin career and educational planning 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 aspirations.

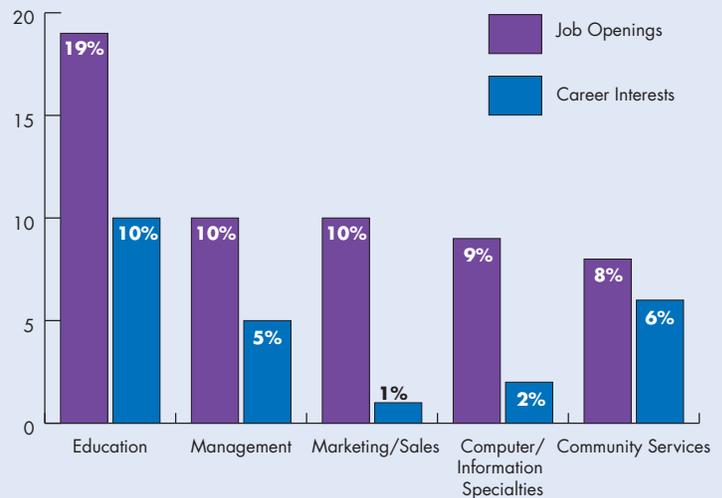
I Have A Plan Iowa®, administered by the Iowa College Student Aid Commission, is Iowa's state-designated career information system that assists students, parents, teachers and counselors in meeting this requirement. Through assessments and components in I Have A Plan Iowa® students can match their interests, values, strengths and skills with education and employment opportunities.

Many students who are interested in careers in high-growth fields in Iowa fall short of meeting ACT college readiness benchmarks, suggesting they are not prepared to take advantage of these opportunities.² The intention of the required state components for college and career planning is to help ensure students are on the right path to take advantage of the career opportunities that interest them. By creating four-year high school course plans that align with college and career interests, students will be better prepared to succeed in those programs of study. During the 2012-2013 academic year, a total of 133,940 active accounts for students in grades 8 through 12 resided in the system.

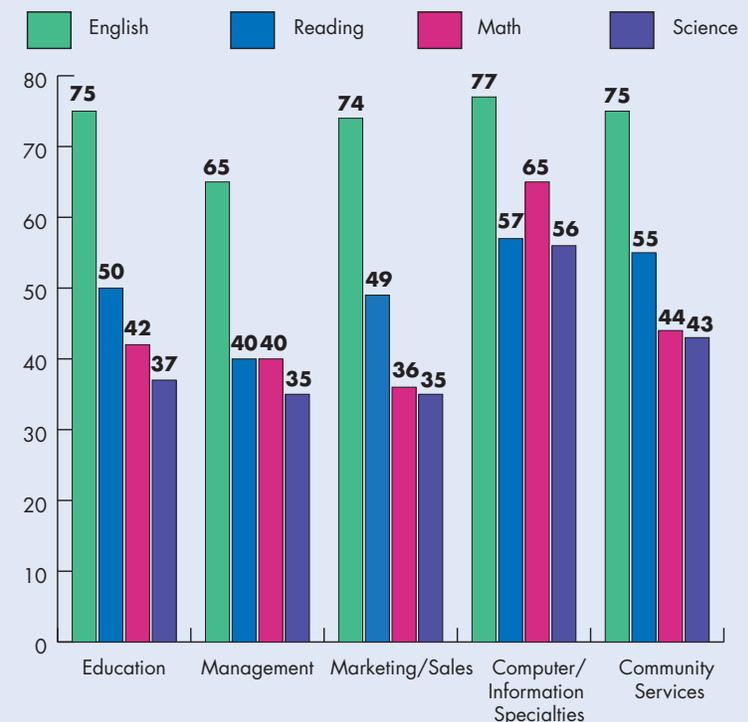
Of all Iowa 2013 high school graduates who took the ACT, **19% did not meet any** of the four **college readiness benchmarks** in English, reading, mathematics or science.²



PERCENT OF 2013 IOWA ACT-TESTED HIGH SCHOOL GRADUATES WITH INTERESTS IN JOBS REQUIRING A TWO-YEAR DEGREE OR MORE IN IOWA'S FIVE FASTEST GROWING FIELDS



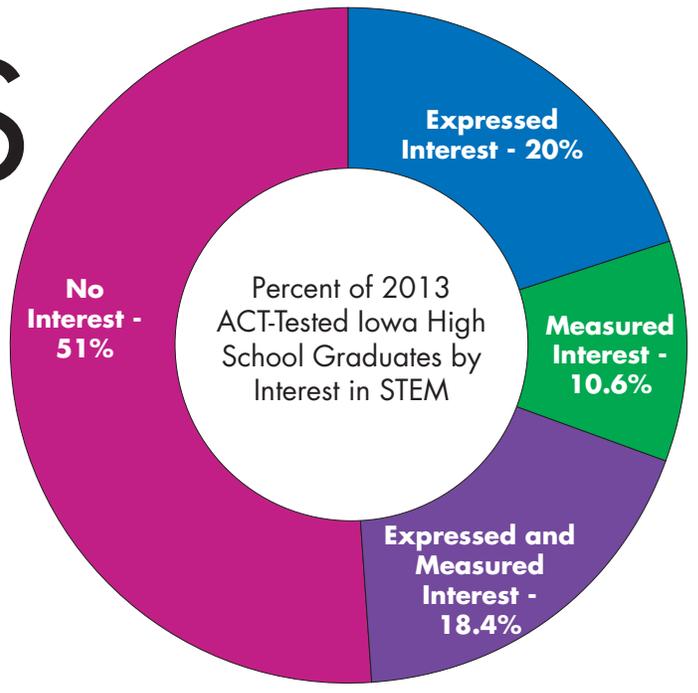
PERCENT OF 2013 IOWA ACT-TESTED HIGH SCHOOL GRADUATES INTERESTED IN HIGH-GROWTH CAREERS MEETING ACT COLLEGE READINESS BENCHMARKS BY SUBJECT



STEM READINESS

STEM is the acronym for Science, Technology, Engineering and Mathematics. In Iowa, among all occupational areas, approximately 16 percent of all jobs are anticipated to be within STEM sectors in the ten year period from 2010-2020.¹ Over this same time period, all occupations are expected to have a 13.5 percent job growth.² Certain STEM sectors (computer and mathematical occupations and healthcare practitioners, technical and support occupations) are expected to experience a much higher rate of growth, 25.1 percent and 22.5 percent respectively.² Iowa's workforce will need to have the required skills and education to meet future workforce demands.

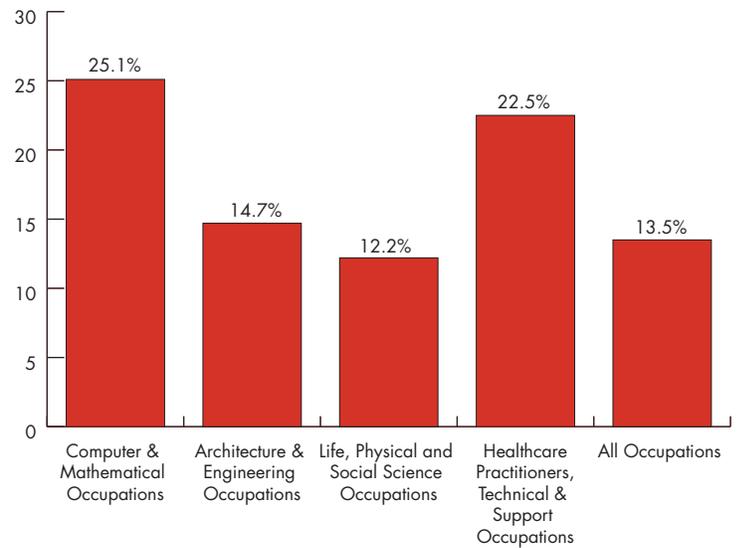
Of all Iowa 2013 high school graduates who took the ACT, **18.4%** had both an expressed and measured interest in STEM and another **20%** expressed interest in STEM.³



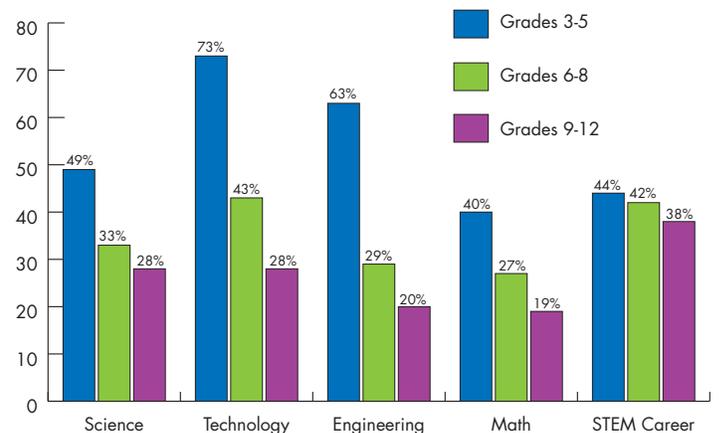
Unfortunately, as students progress to high school, interest in STEM-related fields appears to wane. Iowa Assessments are taken annually by nearly every student in grades 3 through 12 in the state. For the 2012-2013 academic year, an 8-item interest inventory was added to gauge interest in specific subject areas and STEM careers. In all four STEM fields, interest was highest at the elementary school level, followed by middle school and last, high school.¹

The ACT exam provides another gauge of STEM-related student interest. When students register for the ACT, they are asked to choose a college major they plan to enter as well as an occupational choice from a list of 294 major and occupational titles, 93 of which have been identified as STEM-related. Of the 22,526 graduates from 2013 who took the ACT, 4,489 had an expressed interest in STEM, 2,399 students had a measured interest in STEM, and another 4,153 had both. A total of 11,485 students exhibited no interest in STEM.³ Students were considered to have an expressed interest when they identified that they intended to pursue a STEM major or occupation. Measured interest, in contrast, was derived from students' responses to the ACT Interest Inventory that measures preferences for different types of work tasks.

2010-2020 JOB GROWTH BY STEM GROUP²



PERCENT OF STUDENTS STATEWIDE BY GRADE WHO SAID THEY "LIKE IT A LOT" (GRADES 3-5) OR WERE "VERY INTERESTED" (GRADES 6-12) IN STEM TOPICS OR A STEM CAREER¹



[1] Heiden, E. O., Cornish, D. L., Lutz, G. M., Kemis, M., & Avery, M. (2013). *Iowa STEM Monitoring Project: 2012-2013 Summary Report*. Cedar Falls, IA: University of Northern Iowa, Center for Social and Behavioral Research.
 [2] Iowa Workforce Development (November 2012). *Iowa's STEM Jobs 2010-2020*.
 [3] The ACT (2014). *The Condition of STEM 2013: Iowa*.

STATE-ADMINISTERED FINANCIAL AID

The state of Iowa appropriated over \$64 million in scholarships, grants and loan forgiveness opportunities in FY 2013. 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.

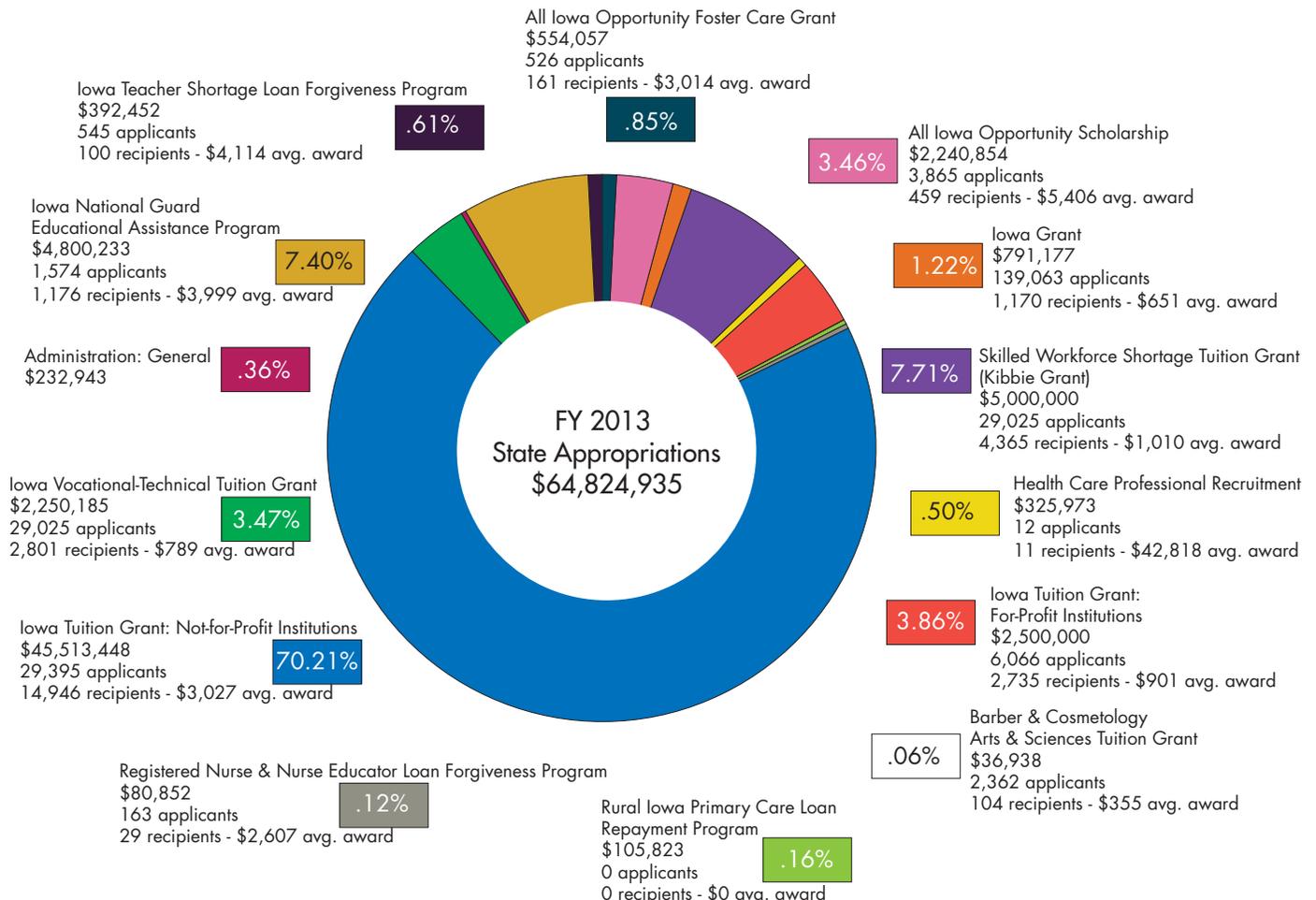
With seven percent of the state's fiscal support for higher education going towards state grants during the 2011-2012 academic year, Iowa trails behind the national average of 13 percent and ranks 29th among states on this measure. Iowa also ranks 29th in total grant aid awarded to students.¹ The total amount

awarded, \$57.6 million, represented a 7.8 percent increase from what was reported five years ago (2006-2007 to 2011-2012). Iowa ranks 31st among the states in terms of its investment in need-based aid to undergraduate students at \$201.36 per student.¹

During the 2011-2012 academic year, Iowa awarded 83.2 percent of its need-based grant and scholarship funding to students attending private, not-for-profit colleges and universities, 9 percent to students attending public in-state institutions, and 7.8 percent to students attending proprietary institutions. Among the 50 states, Iowa awarded the highest

During the 2011-2012 academic year, **83.2% of Iowa's need-based student financial aid programs** was awarded to students attending private, not-for-profit colleges and universities.¹

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 last in the percent of funding awarded to students attending public institutions.¹



**Includes appropriations, Des Moines University match and Osteopathic Forgivable Loan collections.

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

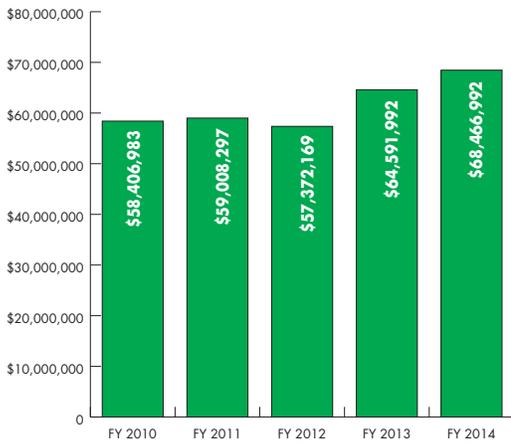
1. **9.0% - Iowa**
2. 30.0% - Alabama
3. 39.5% - Ohio
4. 43.3% - Vermont
5. 47.0% - Kentucky
6. 50.8% - Missouri
7. 51.7% - Kansas
8. 53.9% - Illinois
9. 54.6% - Pennsylvania
10. 55.2% - Michigan

During the 2011-2012 academic year, over \$57 million in total grant aid was awarded to Iowa students, which equated to \$18.80 per estimated population.¹ Iowa ranked 29th out of all reporting states, with South Carolina at the highest with \$70.10 spent per estimated population. While state appropriations for grant programs have increased the past two years in Iowa, the percent awarded to students by type of institution has remained consistent. In 2012-2013, 74.2 percent of total aid was awarded to students at private, not-for-profit colleges and universities.²

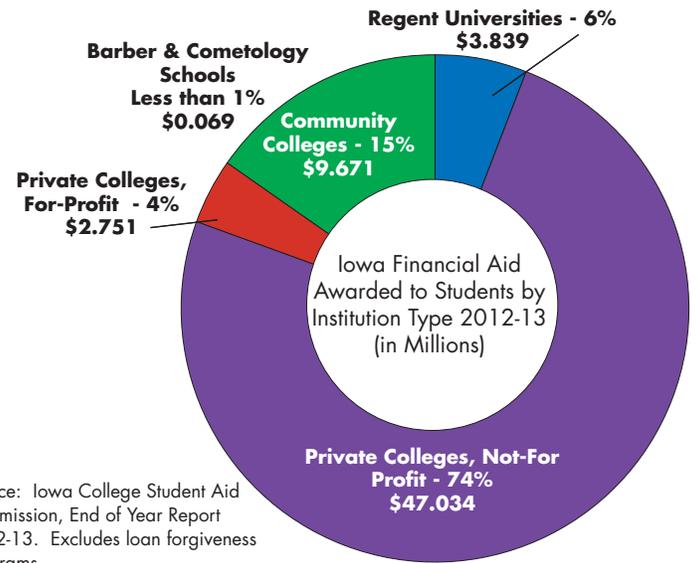
STATES WITH THE HIGHEST PERCENT OF NEED-BASED GRANTS AWARDED TO STUDENTS ATTENDING PRIVATE, NOT-FOR-PROFIT INSTITUTIONS¹

1. **83.2% - Iowa**
2. 49.2% - Missouri
3. 48.3% - Kansas
4. 47.5% - Ohio
5. 45.5% - Kentucky
6. 44.8% - Michigan
7. 40.3% - Illinois
8. 37.4% - Massachusetts
9. 36.4% - Connecticut
10. 31.9% - Pennsylvania

APPROPRIATIONS FOR IOWA FINANCIAL AID PROGRAMS
FY 2010 THROUGH FY 2014

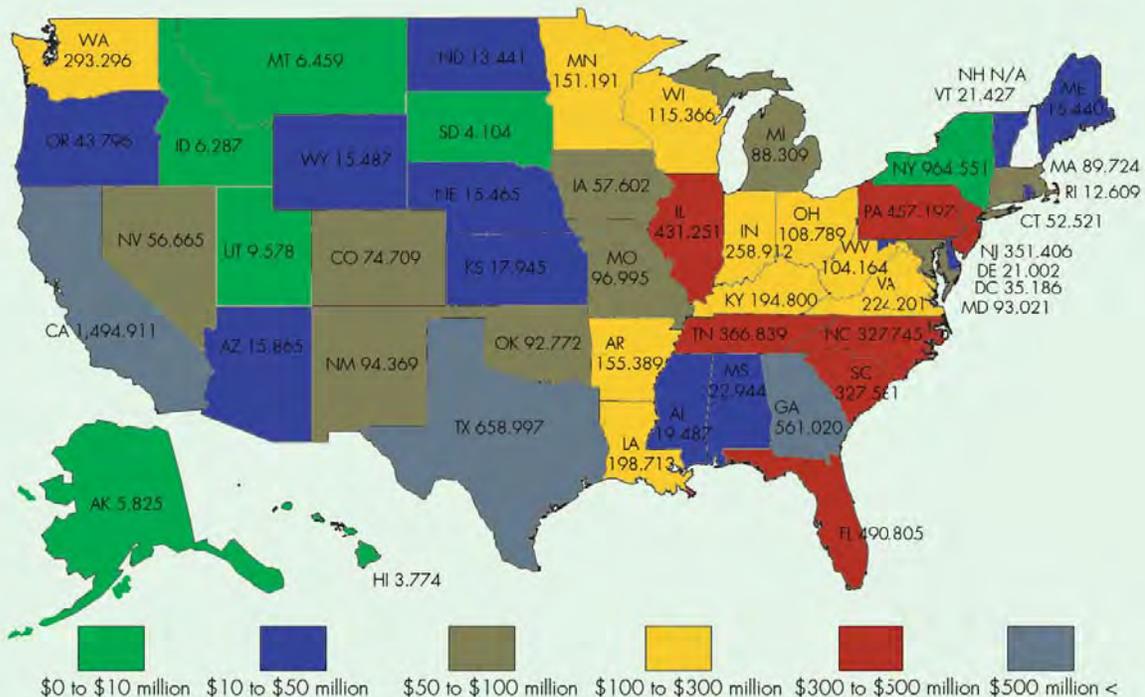


Source: Iowa College Student Aid Commission, Historical Appropriations Summary.



Source: Iowa College Student Aid Commission, End of Year Report 2012-13. Excludes loan forgiveness programs.

TOTAL GRANT AID AWARDED BY STATE (IN MILLIONS OF DOLLARS) 2011-2012¹



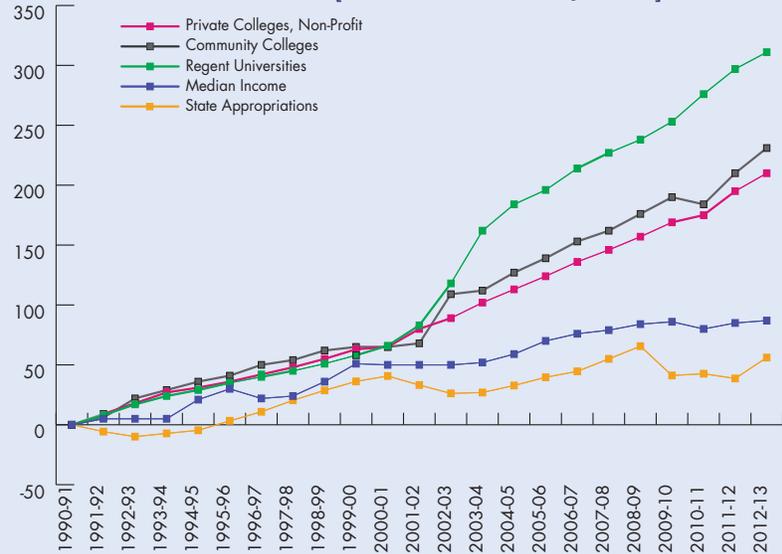
[1] National Association of State Student Grant and Aid Programs (NASSGAP). 43th Annual Survey Report on State-Sponsored Student Financial Aid, 2011-2012 Academic Year. Excludes District of Columbia, Puerto Rico and three states that did not specify institution type. Also did not include the two separate agencies reporting for the South Carolina.
 [2] Iowa College Student Aid Commission. End of Year Report 2012-13. Excludes loan forgiveness programs.

AFFORDABILITY OF COLLEGE

Paying higher education expenses has become more difficult for Iowa families. Over the past two decades, undergraduate tuition and required fees at the state's public universities have quadrupled; without adjusting for inflation, tuition and fees at Iowa's Regent Universities increased 311 percent between academic years 1990-1991 and 2012-2013. Meanwhile, average tuition and fees at non-profit four-year colleges and universities and community colleges increased more than 200 percent. These increases far out-paced increases in household income and state appropriations during the same period. Between 1990 and 2013 (without adjusting for inflation), median household income in Iowa increased 87 percent and appropriations for state financial aid programs increased just over 56 percent. College costs consume a larger percentage of household income than they did twenty years ago. During the 1990-1991 academic year, tuition and fees at the state's Regent Universities represented about 7 percent of the median income; by 2012-2013 this share had more than doubled to 15.27 percent.

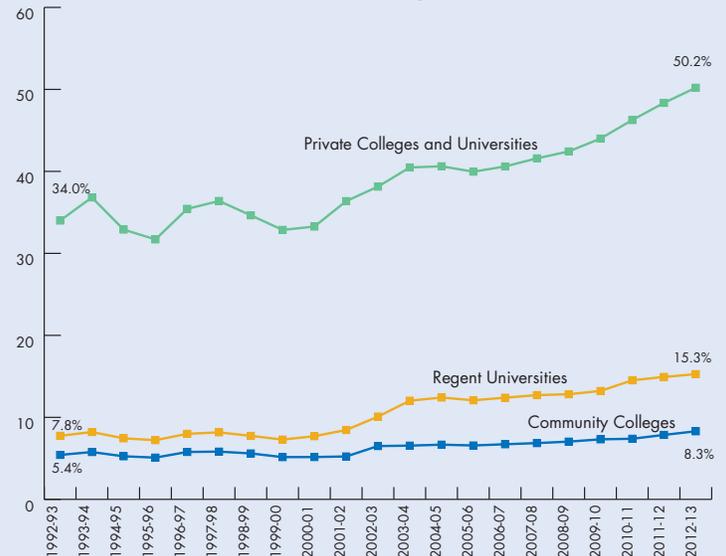
The published costs at Iowa colleges and universities do not necessarily reflect the amount that all students pay to attend because the amount of financial aid awarded is not taken into consideration. During the 2012-2013 academic year, over half of the approximately 194,000 Iowa residents who filed a Free Application for Federal Student Aid (FAFSA) were considered Pell-eligible. Average net price provides a more accurate indication of college costs faced by families. It 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.

PERCENT CHANGE IN IOWA MEDIAN HOUSEHOLD INCOME, UNDERGRADUATE TUITION & STATE FINANCIAL AID APPROPRIATIONS [NOT INFLATION-ADJUSTED]



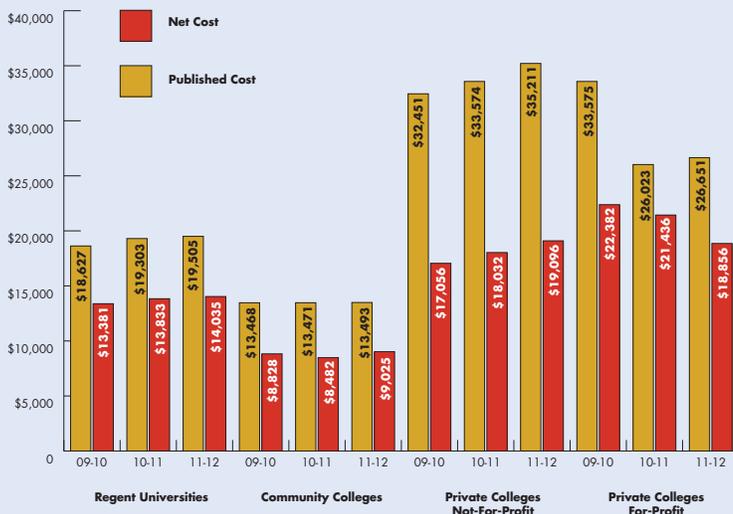
Source: Iowa College Student Aid Commission, College Costs and Household Income in Iowa
Iowa College Student Aid Commission, Historical Appropriations Summary

IOWA COLLEGE TUITION & REQUIRED FEES AS A PERCENTAGE OF MEDIAN HOUSEHOLD INCOME [NON-INFLATION-ADJUSTED]

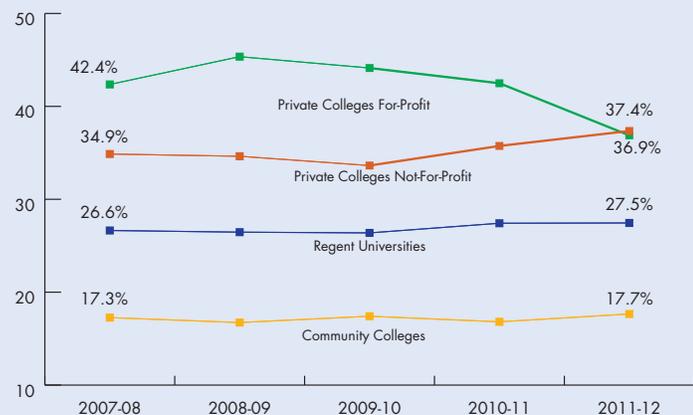


Source: Iowa College Student Aid Commission, College Costs and Household Income in Iowa

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

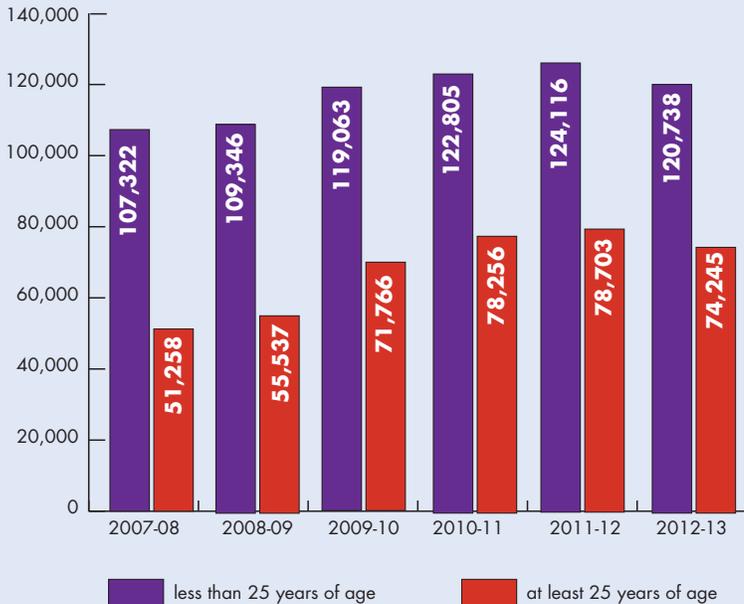
The number of Free Applications for Federal Student Aid (FAFSAs) filed by Iowa residents has increased by nearly 23 percent over the past six years and 50 percent over the past nine years. In comparison, Iowa's population, as well as the number of residents enrolled in Iowa's colleges and universities, has not experienced the same growth. The most recent population estimates show Iowa's population reached 3,090,416 as of July 1, 2013, representing a 1.4 percent increase from the 2010 Census.¹ Resident enrollment at Iowa colleges and universities increased by approximately 3.8 percent between the fall of 2005 through fall of 2013.²

Over the last six years, the number of students **over the age of 25** who filed a FAFSA **increased** nearly **73%** in comparison to **18%** for **traditional-aged** college students.

A significant portion of the increase in FAFSA filings has been from nontraditional students. Over the last six years, the number of FAFSA filers who were at least 25 years of age has increased nearly 73 percent in comparison to 18 percent for filers under the age of 25. Nontraditional-aged FAFSA applicants (age 25 years and older) accounted for approximately 29.6 percent of all FAFSA applicants in 2006 - 2007; for the 2012 - 2013 academic year, they accounted for 38.1 percent.

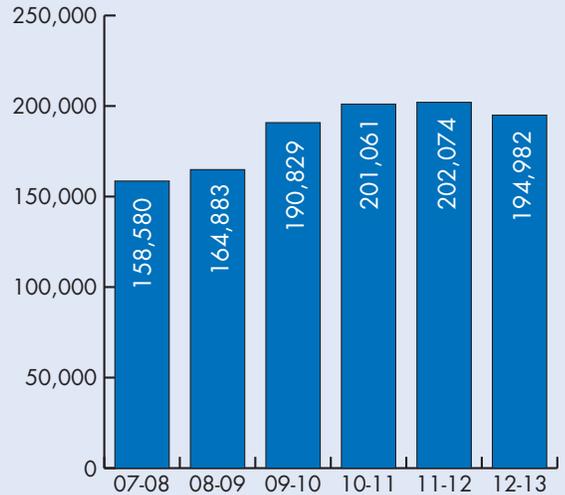
Over the past six years, Iowa has not seen much of an increase in the percent of high school seniors filing the FAFSA. For the 2007-08 academic year, 64 percent of the total high school senior enrollment in Iowa filed FAFSAs. By the 2012-2013 academic year, that percent increased slightly to 66 percent.

NUMBER OF FAFSAs FILED BY IOWA RESIDENTS BY APPLICANT AGE AND AWARD YEAR



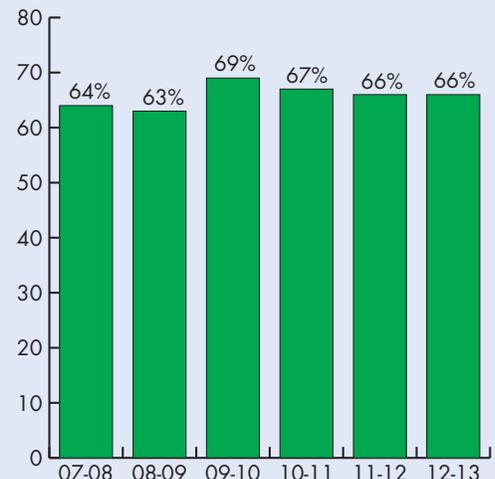
Source: Iowa College Student Aid Commission

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, July, 2013.

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, July, 2013.

[1] U.S. Census Bureau. (December 2013). Population Division. Table 1 Annual Estimates of the Population for the United States, Regions, States and Puerto Rico: April 1, 2010 to July 1, 2013 (NST-EST2013-01)

[2] University of Iowa. (2010). Iowa College and University Fall Enrollment Report, 2005-2013.

PROFILE OF IOWA FAFSA FILERS

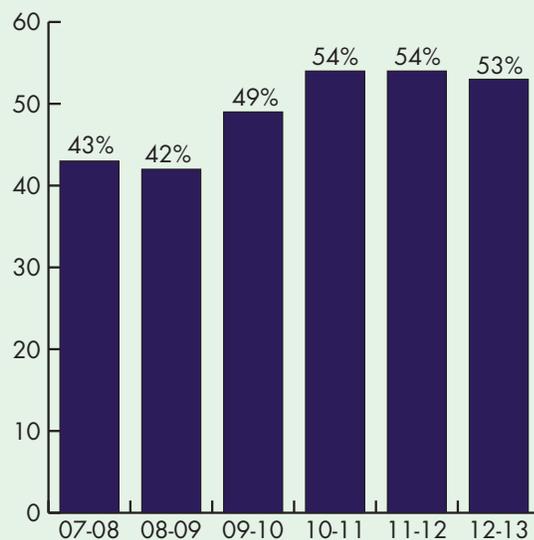
The Federal Pell Grant Program provides need-based grants to low-income undergraduate students who have not received their first bachelor's degree and to students enrolled in certain postbaccalaureate programs that lead to teacher certification or licensure. Pell Grants are often considered to be the 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 2012-2013 academic year, nearly 53 percent were eligible for Federal Pell Grants.

For the 2012-2013 academic year, nearly 38 percent of Iowa resident FAFSA filers had a zero Expected Family Contribution (EFC), 30 percent had EFCs between \$1 and \$10,000, 18 percent had EFCs between \$10,001 and \$20,000 and 14 percent had EFCs greater than \$20,000. The EFC is a calculated assessment of a family's ability to pay for education. The number results from the financial information the student provides on his or her Free Application for Federal Student Aid (FAFSA). In general, the lower the EFC, the greater the student's financial need.

Recipients of many Iowa-funded college financial aid programs, especially independent student recipients, have median household incomes well below the median income for all Iowa households. In addition, all 2012-2013 Iowa Grant recipients as well as independent student recipients of the Iowa Tuition Grant and Iowa Vocational-Technical Tuition Grant had household incomes below the poverty line for a family of four. The 2013 poverty threshold for a family of four with one child under the age of 18 is \$24,421.¹

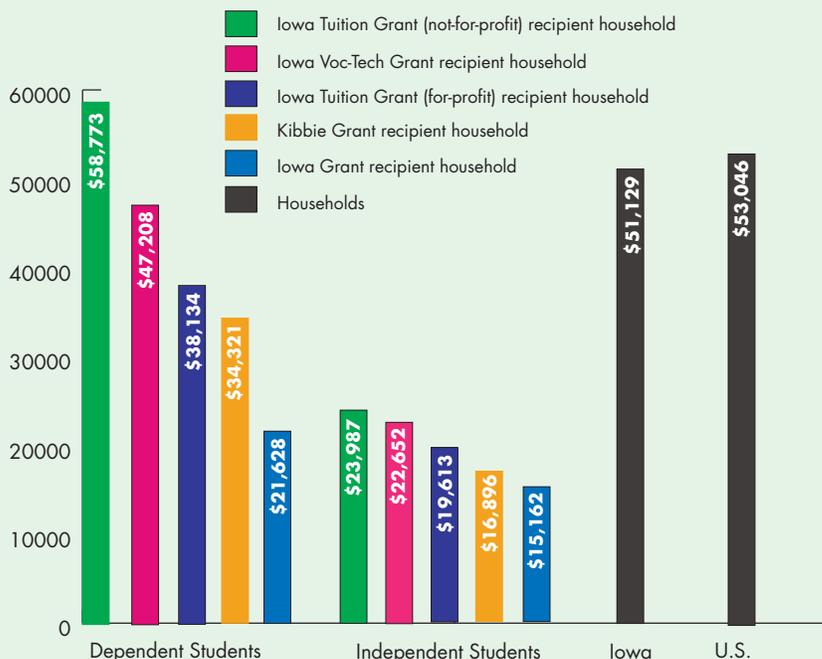
Of all Iowa residents who filed a FAFSA in 2012-2013, nearly **38%** had a **zero EFC**, an indication of their inability to financially contribute towards education costs.

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



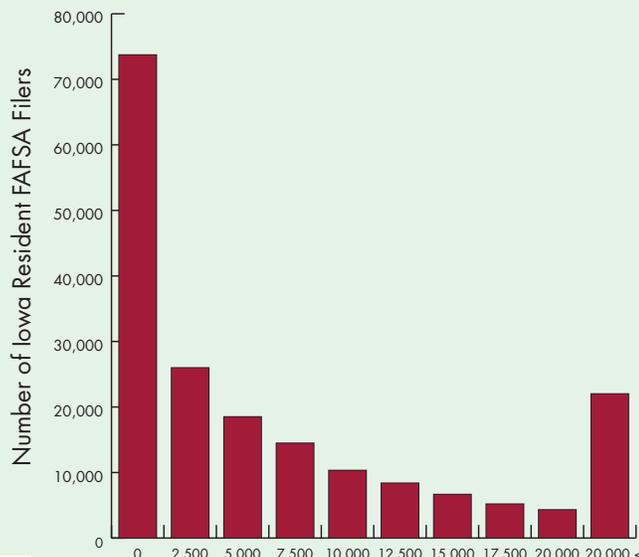
Source: Iowa College Student Aid Commission, Free Applications for Federal Student Aid filed by Iowa Residents, July, 2013.

MEDIAN INCOME OF 2012-2013 IOWA FINANCIAL AID PROGRAM RECIPIENTS & 2012 NATIONAL AND IOWA HOUSEHOLDS



Source: Iowa College Student Aid Commission, College Costs and Household Income in Iowa. U.S. Census Bureau, American Community Survey. Employment Status. 2008-2012 5-Year Estimates.

EFC FREQUENCY 2012-2013



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 2012 carried an average of \$29,400 in student loan debt. State averages for student loan debt upon graduation ranged widely, from \$18,000 to \$33,650. Iowa's average of \$29,456 ranked Iowa as the state with the sixth highest average debt level for the class of 2012.

Iowa has the **6th highest average student loan debt** in the nation and ranks **3rd** in the proportion of students who **graduated with student loan debt**.

percent of students graduating with student loan debt. The high debt states were concentrated in the Northeast and Midwest while low-debt states were mainly in the West and South.

According to Iowa College Aid's Annual Survey of Financial Aid, the average student loan debt upon graduation increased from the previous year for the class of 2013 in all sectors. The average student loan debt upon graduation at Iowa Regent Universities was

\$28,293; \$31,497 at private not-for-profit colleges and universities; \$23,485 at private for-profit colleges and universities; and \$14,267 at community colleges.

Seventy-one percent of Iowa's 2012 class graduated with student loan debt, ranking Iowa third in the nation for the highest

AVERAGE DEBT UPON GRADUATION FROM COLLEGES & UNIVERSITIES IN IOWA BY INSTITUTIONAL TYPE CLASS OF 2008 THROUGH CLASS OF 2013

Academic Year

2007-08 2008-09 2009-10 2010-11 2011-12 2012-13

Four-Year Degrees

Regent Universities	\$26,537	\$25,854	\$27,532	\$27,757	\$27,395	\$28,293
Private Not-for-Profit	\$25,476	\$29,652	\$28,941	\$30,612	\$28,880	\$31,497
Private For-Profit	\$29,705	\$30,893	\$28,704	\$23,072	\$23,187	\$23,485

Two-Year Degrees

Community Colleges	\$9,982	\$11,954	\$12,711	\$13,721	\$13,185	\$14,267
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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).

10 STATES WITH THE HIGHEST AVERAGE STUDENT LOAN DEBT UPON GRADUATION

State	Average Debt at Graduation
Delaware	\$33,649
New Hampshire	\$32,698
Pennsylvania	\$31,675
Minnesota	\$31,497
Rhode Island	\$31,156
Iowa	\$29,456
Maine	\$29,352
New Jersey	\$29,287
Ohio	\$29,037
Michigan	\$28,840

12 STATES WITH THE HIGHEST PROPORTION OF STUDENTS WITH LOAN DEBT UPON GRADUATION

State	Percent with Debt at Graduation
South Dakota	78%
New Hampshire	74%
Iowa	71%
Minnesota	70%
Pennsylvania	70%
Ohio	69%
Rhode Island	69%
Wisconsin	68%
Maine	67%
Massachusetts	66%
Idaho	65%
New Jersey	65%

Source: The Project on Student Debt, Student Debt and the Class of 2012, Retrieved from <http://projectonstudentdebt.org/files/pub/classof2012.pdf>.

COLLEGE GRADUATION & RETENTION RATES

Students are more likely to **persist** in college, **not change majors**, complete their **degrees on time** and earn **high GPAs** when their chosen program of study is closely aligned with their interests.⁵

Not all students who enter college end up leaving with a degree. 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 84 percent, the first-year retention rate at Iowa Regent Universities is nearly 17 percent higher than the national rate of 72 percent for public four-year universities.¹

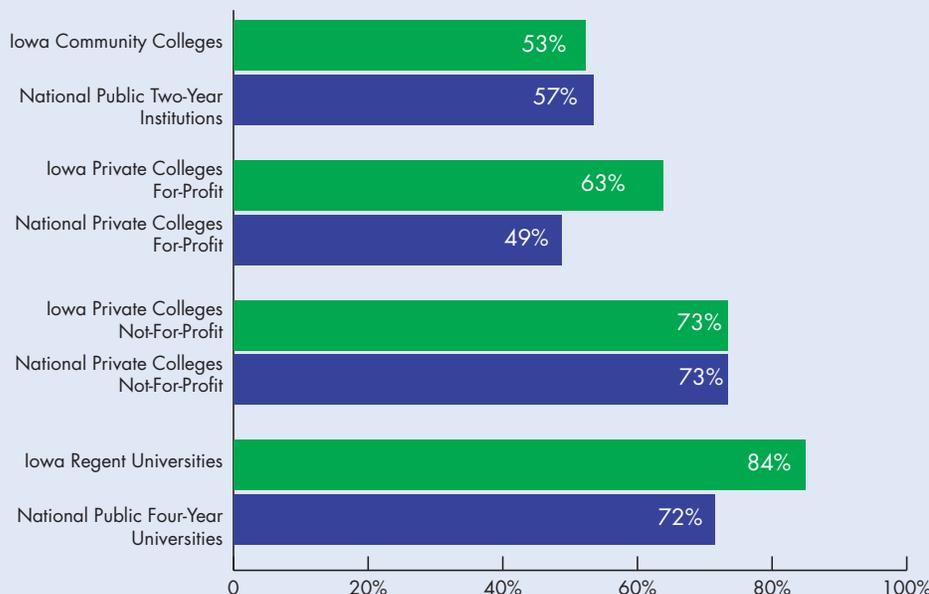
Graduation rates at Iowa Regent Universities, measured as the percent of degree-seeking students who complete a bachelor's degree within six years, is nearly 16 percent higher than the national average of 59.5 percent for public four-year universities.

Graduation rates at Iowa community colleges, measured as the percent of degree-seeking students who complete an associate's degree within three years, is slightly higher than the national average of 33.4 percent at national public two-year institutions.¹

There are many factors, both academic and non-academic, that have been found to affect retention rates. A study by ACT found that high grade point average, socioeconomic status and ACT assessment scores had positive relationships to college retention. The relationship to college retention was strongest when those factors were combined with institutional commitment, academic goals, social support, academic self-confidence and social involvement.² A recent study found factors such as enrollment status (full-or part-time) followed by race/ethnicity, gender, receipt of financial aid and family status were the best non-academic predictors of persistence for underprepared community college students.³

Persistence and retention are key to reaching degree completion and ultimately increasing educational attainment in the state, as measured by highest level of education completed. Doing so 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 degrees.⁴

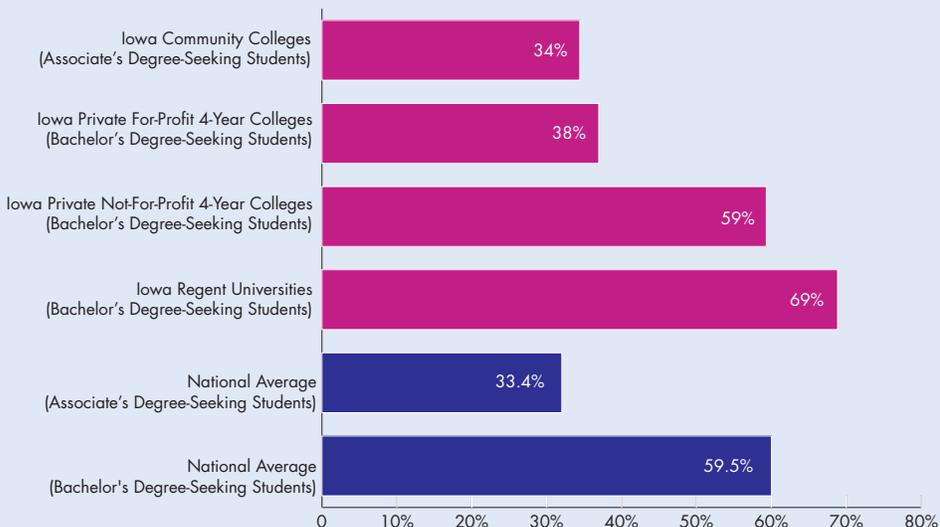
FIRST-YEAR RETENTION OF FULL-TIME STUDENTS AT COLLEGES AND UNIVERSITIES - IOWA AND U.S.



Note: 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 the institution.

Source: National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS), Fall 2012

AVERAGE GRADUATION RATES AT COLLEGES & UNIVERSITIES IOWA AND U.S.



Note: Graduation rate is the percent of degree-seeking students who complete a degree within six years at four-year institutions and three years at two-year institutions.

Source: National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS), Fall 2012.

[1] U.S. Department of Education. (2012). National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS), Fall 2012.

[2] ACT (2004). *The Role of Academic and Non-Academic Factors in Improving College Retention*.

[3] Paulson, A (2012). *Transition to College: Nonacademic Factors that Influence Persistence for Underprepared College Students*.

[4] Iowa College Student Aid Commission. (April, 2010). *Relevant Factors of Student Loan Default*.

[5] ACT (2013). *The Reality of College Readiness 2013: National*.

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 (Iowa College Aid) serves as the state of Iowa's higher education student financial aid agency assisting Iowa students and families as they plan, prepare and pay for education and training beyond high school. Through its efforts, Iowa College Aid seeks to realize its vision that all Iowans can achieve an education beyond high school.

THE IOWA COLLEGE STUDENT AID COMMISSION ADMINISTERS:

- 13 state-funded, scholarship, grant, and loan forgiveness programs totaling over \$64 million.
- The Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant for the state of Iowa, with the goal of growing the college-going culture in the state.
- I Have A Plan Iowa® – Iowa's designated career information and planning system.
- Financial literacy programs for students, including the Iowa Financial Literacy Program, Vault and other financial literacy resources to prepare students to make smart financial decisions.
- Research relating to higher education in Iowa.

MISSION

We advocate for and help Iowa students and families as they explore, finance and complete educational opportunities beyond high school.

MOTTO

Because College Changes Everything.

VISION

All Iowans can achieve an education beyond high school.

VALUES

We believe in the value of education and our commitment is to:

- Put students first.
- Uphold the public trust.
- Develop and empower a motivated, compassionate and professional team.
- Create and nurture partnerships that benefit our customers.
- Provide services to our customers that exceed expectations and address their changing needs.
- Respect and honor the dignity of each other and all those whom we serve.





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