



## Midwestern Higher Education Compact

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### Average Tuition and Required Fees: A Comparison of Public Colleges and Universities in the Midwest and Beyond<sup>1</sup>

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Due to the recent recession, the effects of which continue to linger in most of the Midwest, people who would normally be working have returned to college in order to obtain credentials that will better position themselves in the labor market. The National Center for Public Policy and Higher Education has reported that now, more than ever, people believe that a college education is necessary in order to be a competitive candidate in the current job market. At the same time, people perceive that college is out of reach for many qualified students. This negative perception appears to follow economic trends. In the early 1990s, during a less severe recession, people had similar feelings that college was not within reach for many. However, during the late 1990s and early-to-mid 2000s, the population's attitudes changed and college was perceived as largely accessible. Now, after the most severe recessions in decades, 69% of the public believes that a significant proportion of qualified students are unable to access higher education.<sup>2</sup>

At the same time, the College Board reports that in 2009, the average income of families in the lowest income quintile was 11% lower than a decade earlier. The middle 20% of families witnessed a 5% reduction in average income, while the income of those in the top quintile remained constant.<sup>3</sup> This suggests that not only low-wealth families, but also middle-class families have experienced reduced purchasing power.

What is the relationship of the negative perception of college access and declining family wealth? People believe that college is inaccessible due to a reduction in family wealth and a concomitant increase in published tuition and fees. The College Board reports in *Trends in College Pricing 2010* that "from 2000-01 to 2010-11, published tuition and fees at public four-year colleges and universities increased at an average rate of 5.6% per year beyond the rate of general inflation."<sup>4</sup> These diverging trends—reduced family wealth and increased tuition—are putting pressure on the majority of families, as only one-third of families are able to pay the full "sticker price" of college.<sup>5</sup> The question that must be asked, according to the American Association of State Colleges and Universities, is "how [do] college price increases affect access to higher

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<sup>1</sup> This report was written by Amber Cameron and Chris Rasmussen. Gina Johnson contributed to an earlier version of the report.

<sup>2</sup> John Immerwahr and Jean Johnson, *Squeeze Play 2010: Continued Public Anxiety on Cost, Harsher Judgments on How Colleges Are Run* (Public Agenda and The National Center for Public Policy and Higher Education, 2010).

<sup>3</sup> The College Board, *Trends in College Pricing 2010* (College Board Advocacy and Policy Center, 2010).

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.



education for not only the neediest students, but also middle-class students and families battered by the recession?”<sup>6</sup>

This challenge is faced not only by students and families. Colleges and universities are experiencing significant financial challenges due to decreased revenues from reduced state appropriations, declining endowments, and slow-downs in annual giving. The College Board states that “if college education is to become more affordable for more students, institutions will have to find ways to offer high-quality higher education in a more cost-effective manner.”<sup>7</sup>

This policy brief examines tuition and required fees charged to students and their families by public two-year and public and private four-year colleges and universities in member states of the Midwestern Higher Education Compact. The data for the report were obtained from two sources: 1) the College Board’s *Annual Survey of Colleges*, accessed via the website of the *Chronicle of Higher Education*,<sup>8</sup> and 2) the annual survey of tuition and fees conducted by the state of Washington’s Higher Education Coordinating Board (WHECB).<sup>9</sup> In addition to Midwestern data, published tuition and fee rates through 2010-11 are presented for selected public research universities and comprehensive institutions in other states for comparison purposes. State averages are presented in nominal terms (not adjusted for inflation) for the academic years 2005-06 through 2009-10.

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<sup>6</sup> AASCU State Relations and Policy Analysis Research Team, *Top 10 Higher Education State Policy Issues for 2010*, American Association of State Colleges and Universities, January 2010.

<sup>7</sup> The College Board, *Trends in College Pricing 2010* (College Board Advocacy and Policy Center, 2010).

<sup>8</sup> See <http://chronicle.com/section/Facts-Figures/58/#searchfees>.

<sup>9</sup> Since 1970, the Washington Higher Education Coordinating Board (WHECB) has conducted an annual survey of tuition and fees charged by selected public colleges and universities in all 50 states. See <http://www.hecb.wa.gov/research/issues/documents/TuitionandFees2009-10Report-Final.pdf>.

### ***Tuition Setting Philosophy***

Until recently, states generally fell into one of three categories in their approach to higher education funding. The three categories, “high tuition—high aid,” “low tuition—low aid,” and “moderate tuition—moderate aid” were based on a complementary balance between sticker price and state appropriations for institutional operating expenses and student financial aid. However, this balance has begun to erode over the past several years due to budgetary challenges in the states. As a result, several states no longer readily fit into one of the three categories as appropriations have not kept pace with higher education operating expenses.

The table below depicts a shifting of four states into new categories based on their ranking among the 50 states on published tuition and fees at public colleges and universities and their rankings on appropriations for public higher education operating expenses and student financial aid.

	Low Tuition	Moderate Tuition	High Tuition
Low Aid	Kansas Nebraska	North Dakota South Dakota	
Moderate Aid		Iowa Minnesota Missouri Wisconsin	Michigan Ohio
High Aid			Illinois Indiana

The table demonstrates that both North Dakota and South Dakota have moved to a “moderate tuition” level with minimal financial aid. In addition, Michigan and Ohio are now located in the “high tuition” category while appropriating only moderate aid.

It is important to understand the balance between tuition and financial aid when considering the actual cost of college to students and families. High published tuition rates do not necessarily mean high cost to students if they are accompanied by generous financial aid programs to improve affordability for low- and moderate-income families. However, access and affordability challenges increase when a state with high tuition rates does not maintain its commitment to fund need-based financial aid programs at a comparative level.

The relative merits of low, moderate, and high tuition approaches have been widely debated. Proponents of the high tuition/high aid model argue that a system of high subsidies and the low tuition it supports is both inefficient and regressive: inefficient because it largely reinforces predetermined college-going behavior among middle- and upper-income individuals, and regressive because more money is spent in this manner on the rich than the poor.

Low tuition can be viewed as subsidizing the personal economic benefits (as well as the consumptive value) individuals derive from higher education at a level exceeding the legitimate role of government. At the same time, large state subsidies that allow for low tuition may actually reduce overall access to higher education if



the associated drain on government budgets limits the number of enrollments that are possible in public institutions.

In contrast, others have advocated for high governmental subsidies as a means of supporting broad participation and furthering the public good mission of higher education. High tuition can also cause “sticker shock,” wherein potential students assume that college is unaffordable (due in part to a lack of understanding about the availability of financial aid). Opponents also argue that high tuition discourages enrollment of students at the financial margins, many of whom possess high academic potential and could be quite successful in college.

### ***The Relationship of Higher Education Cost Increases to Inflation***

The Higher Education Price Index (HEPI) is an inflation index designed specifically for higher education, offering a more accurate indicator of cost changes for colleges and universities than the Consumer Price Index (CPI). Currently managed by Commonfund Institute, HEPI has been calculated annually since 1961. Like the CPI, HEPI tracks the prices of a fixed “market basket” of goods and services purchased by colleges and universities each year through current fund educational and general expenditures, excluding research. Mirroring college and university budgets, the largest component of HEPI is personnel costs, including the salaries, health insurance premiums, and other benefits paid to faculty, administrators, and support staff. HEPI also includes utilities, supplies and materials (including those for building maintenance), and miscellaneous services.

While the CPI increased by 12.8% between 2004 and 2009, HEPI increased by 19.1%. A significant portion of this increase can be attributed to two factors: 1) the increase in the cost of general supplies and materials, and 2) the increase in utility costs over the period, including increases of 27.7% in 2006. (While utility costs decreased 15.1% from 2008 to 2009 and decreased 13.7% from 2006 to 2007, the increase from 2004 to 2009 in utilities was 26.6%, well above the overall CPI increase of 12.8% for all items over the same time period.) In its component regression analysis, HEPI shows an increase of 23.5% in administrative salaries from 2004 to 2009 as compared to 17.2% for faculty, 15.0% for clerical, and 14.0% for service employees. 2009 HEPI and CPI data were used in this analysis to enable a more accurate comparison to the economic climate in which 2010-11 tuition and fees were set. For 2007, both the HEPI and CPI increase were the same—an increase of 2.8%; for each of the other years in the five-year span from 2004-2009 the HEPI increase exceeded the CPI.



### ***Tuition and Fees at Public Institutions in the Midwest and Beyond***

The data that follow are organized by institutional type: 1) four-year public research universities; 2) four-year public comprehensive colleges and universities; and 3) two-year public and community colleges. Data for individual institutions is from the annual survey of tuition and fees conducted by the College Board and then published in the *Chronicle of Higher Education*. Collective data for states is from the annual survey of tuition and fees conducted by the Washington Higher Education Coordinating Board. Data on resident and non-resident tuition and fees are presented for each institutional type.

#### **Four-Year Public Research Universities**

Data on undergraduate tuition and fees for in-state residents attending selected public research universities in the Midwest are presented in Table 1. Data are presented in nominal terms (not adjusted for inflation) for the academic years 2005-06 through 2010-11. For comparison purposes, Table 2 contains similar data for 1) other public universities in the Big Ten and Big XII athletic conferences; 2) additional public flagship universities in states that border the MHEC region; and 3) selected public research institutions in other parts of the country with whom MHEC institutions are likely to compete for faculty and research funds.

Of the 20 public research institutions in the Midwest selected for analysis, only two raised tuition at a cumulative rate greater than 50% between fiscal years 2006 and 2011. The largest one-year (FY 2010 to 2011) increase in tuition and fees was seen at the University of Iowa, at 8.7%. Institutions in Kansas experienced the largest percentage increase in tuition rates over the five-year period: 61.3% at the University of Kansas and 44.0% at Kansas State.

**Table 1: Resident Undergraduate Tuition and Fees at Selected Public Research Universities in the Midwest, 2005-06 to 2010-11**

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Increase FY 09 FY 10	Increase FY 10 FY 11	Increase FY 06 FY 11
University of Illinois, Chicago	\$8,492	\$8,992	\$10,540	\$11,710	\$11,186	\$12,056	-4.5%	7.8%	42.0%
University of Illinois, Urbana-Champaign	8,688	9,882	11,130	12,240	12,528	13,096	2.4%	4.5%	50.7%
Indiana University, Bloomington	7,112	7,460	7,837	8,231	8,613	9,028	4.6%	4.8%	26.9%
Iowa State University, Ames	5,634	5,860	6,161	6,360	6,651	6,997	4.6%	5.2%	24.2%
Kansas State University, Manhattan	5,124	5,779	6,235	6,627	6,870	7,376	3.7%	7.4%	44.0%
Michigan State University, East Lansing	8,237	8,793	9,640	10,214	10,880	11,190	6.5%	2.8%	35.9%
Ohio State University, Columbus	8,082	8,667	8,676	8,679	8,726	9,420	0.5%	8.0%	16.6%
Purdue University, West Lafayette	6,458	7,096	7,416	7,750	8,638	9,070	11.5%	5.0%	40.4%
University of Cincinnati	8,883	9,381	9,399	9,399	9,399	10,065	0.0%	7.1%	13.3%
University of Iowa, Iowa City	5,612	5,935	6,293	6,544	6,824	7,417	4.3%	8.7%	32.2%
University of Kansas, Lawrence	5,413	6,153	7,146	7,725	8,206	8,733	6.2%	6.4%	61.3%
University of Michigan, Ann Arbor	9,213	9,723	10,447	11,037	11,659	11,837	5.6%	1.5%	28.5%
University of Minnesota, Twin Cities	8,822	9,373	9,885	10,634	11,287	12,203	6.1%	8.1%	38.3%
University of Missouri, Columbia	7,415	7,784	8,099	8,485	8,501	8,501	0.2%	0.0%	14.6%
University of Nebraska, Lincoln	5,540	5,867	6,216	6,585	6,857	7,224	4.1%	5.4%	30.4%
University of North Dakota, Grand Forks	5,327	5,792	6,130	6,513	6,726	6,934	3.3%	3.1%	30.2%
University of South Dakota, Vermillion	4,829	5,072	5,393	5,828	6,468	6,762	11.0%	4.5%	40.0%
University of Wisconsin, Madison	6,280	6,726	7,188	7,568	8,310	8,983	9.8%	8.1%	43.0%
University of Wisconsin, Milwaukee	6,220	6,626	6,958	7,309	7,702	8,151	5.4%	5.8%	31.0%
Wayne State University, Detroit	6,439	6,812	7,844	8,109	8,599	9,026	6.0%	5.0%	40.2%
<b>Average</b>	<b>6,891</b>	<b>7,389</b>	<b>7,932</b>	<b>8,377</b>	<b>8,732</b>	<b>9,203</b>	<b>4.2%</b>	<b>5.4%</b>	<b>33.6%</b>
<b>National Public Flagship Average*</b>	<b>6,172</b>	<b>6,618</b>	<b>7,021</b>	<b>7,481</b>	<b>7,963</b>	<b>N/A</b>	<b>6.4%</b>	<b>N/A</b>	<b>N/A</b>

Source: The College Board, *Annual Survey of Colleges 2010*

\*Data from Washington Higher Education Coordinating Board

**Table 2: Resident Undergraduate Tuition and Fees at Selected Comparison Public Research Universities, 2005-06 to 2010-11**

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Increase FY 09 to FY 10	Increase FY 10 to FY 11	Increase FY 06 to FY 11
Oklahoma State University, Stillwater	\$4,365	\$5,147	\$6,016	\$6,887	\$6,887	\$7,090	0.0%	2.9%	62.4%
Pennsylvania State University, University Park	11,508	12,164	12,844	13,706	14,416	15,250	5.2%	5.8%	32.5%
Rutgers University, New Brunswick (NJ)	9,108	9,958	10,686	11,540	11,886	12,582	3.0%	5.9%	38.1%
Texas A&M University, College Station	6,399	6,967	7,335	7,844	8,176	8,387	4.2%	2.6%	31.1%
University of Arizona, Tucson	4,487	4,754	5,037	5,531	6,855	8,237	23.9%	20.2%	83.6%
University of Arkansas, Fayetteville	5,495	5,808	6,038	6,400	6,459	6,768	0.9%	4.8%	23.2%
University of California, Berkeley	6,512	6,654	7,164	7,656	9,749	12,462	27.3%	27.8%	91.4%
University of Colorado, Boulder	5,372	5,643	6,635	7,278	7,932	8,511	9.0%	7.3%	58.4%
University of Florida, Gainesville	3,094	3,206	3,256	3,790	4,373	5,045	15.4%	15.4%	63.1%
University of Georgia, Athens	4,628	4,964	5,622	6,031	7,530	8,736	24.9%	16.0%	88.8%
University of Kentucky, Lexington	5,812	6,510	7,096	7,736	8,123	8,610	5.0%	6.0%	48.1%
University of Maryland, College Park	7,821	7,906	7,969	8,005	8,053	8,416	0.6%	4.5%	7.6%
University of North Carolina, Chapel Hill	4,515	5,034	5,340	5,397	5,625	5,922	4.2%	5.3%	31.2%
University of Oklahoma, Norman	4,408	5,710	6,507	7,423	7,483	7,864	0.8%	5.1%	78.4%
University of Pittsburgh, main campus	11,436	12,138	12,876	13,642	14,154	14,936	3.8%	5.5%	30.6%
University of Texas, Austin	6,972	7,630	7,670	8,532	8,930	9,418	4.7%	5.5%	35.1%
University of Utah, Salt Lake City	4,299	4,663	4,987	5,285	5,746	6,274	8.7%	9.2%	45.9%
University of Virginia, Charlottesville	7,133	7,845	8,500	9,505	9,672	10,628	1.8%	9.9%	49.0%
University of Washington, Seattle	5,620	5,985	6,385	6,907	7,964	8,973	15.3%	12.7%	59.7%
University of Wyoming, Laramie	3,429	3,515	3,554	3,621	3,726	3,927	2.9%	5.4%	14.5%
<b>Peer Comparison Average</b>	<b>6,121</b>	<b>6,610</b>	<b>7,076</b>	<b>7,636</b>	<b>8,187</b>	<b>8,902</b>	<b>7.2%</b>	<b>8.7%</b>	<b>45.4%</b>
<b>Average of 20 Selected Midwestern Institutions</b>	<b>6,891</b>	<b>7,389</b>	<b>7,932</b>	<b>8,377</b>	<b>8,732</b>	<b>9,203</b>	<b>4.2%</b>	<b>5.4%</b>	<b>33.6%</b>

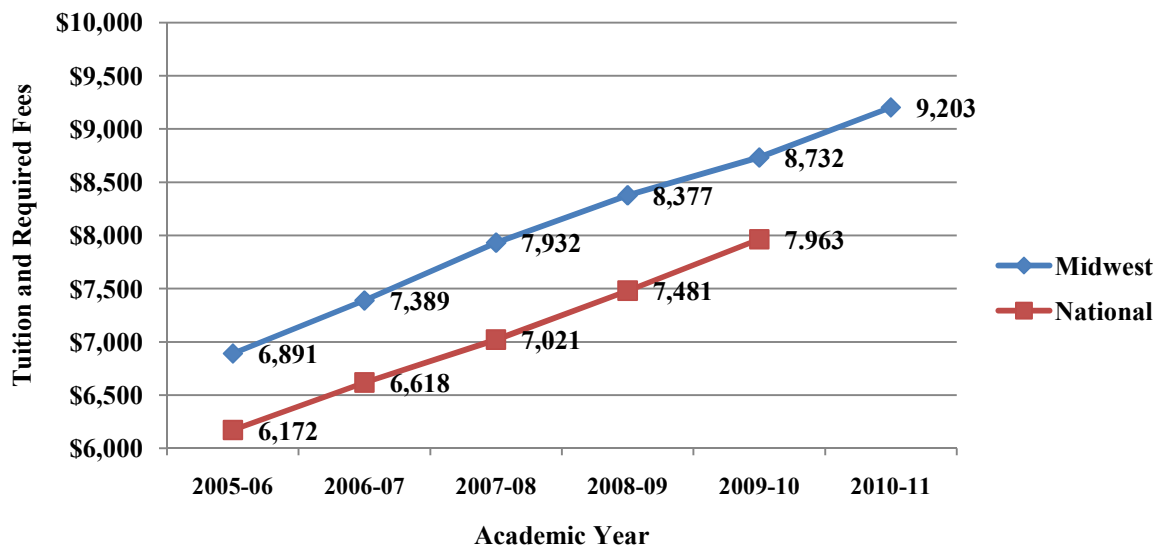
Source: The College Board, *Annual Survey of Colleges 2010*

The average five-year tuition increase among the 20 Midwestern institutions is 33.6%. (A national public flagship average was not available for academic year 2010-2011 at the time this report went to press. This information is released each spring by the Washington Higher Education Coordinating Board. Data for academic year 2010-11 data will be released in Spring 2011.)

For academic year 2010-2011, the Dakotas have the lowest priced institutions among the group. The Universities of South Dakota and North Dakota have published tuition and fees for in-state residents of \$6,762 and \$6,934, respectively. Iowa State University is the only other institution with published tuition and fees under \$7,000; the current rate is \$6,997. Tuition and fees now exceed \$10,000 at six universities: the University of Illinois at Chicago and at Urbana-Champaign, Michigan State University, and at the Universities of Cincinnati, Michigan, and Minnesota.

As can be seen from the trend lines in Figure 1, average tuition and fees at the 20 selected Midwestern public research institutions and public flagship universities have increased at a comparable rate to the national average over the past five years. (2010-11 national data will be released Spring 2011.) The Midwestern average was 11.6% greater than the national average in FY 2006 and 9.7% greater in FY 2010.

**Figure 1: Trends in Resident Undergraduate Tuition and Fees at Selected Public Research Universities in the Midwest and the Nation, 2005-06 to 2010-11**



Data on undergraduate tuition and fees for *non-residents* attending selected public research universities in the Midwest are presented in Table 3. These data are presented in nominal terms (not adjusted for inflation) for the academic years 2005-06 through 2010-11. For comparison purposes, Table 4 contains similar data for the same group of public research universities outside of the Midwest included in Table 2.



**Table 3: Non-Resident Undergraduate Tuition and Fees at Selected Public Research Universities in the Midwest, 2005-06 to 2010-11**

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Increase FY 09 to FY 10	Increase FY 10 to FY 11	Increase FY 06 to FY 11
University of Illinois, Chicago	\$20,692	\$22,132	\$22,134	\$24,100	\$24,424	\$24,446	1.3%	0.1%	18.1%
University of Illinois, Urbana-Champaign	22,774	23,968	25,216	26,024	26,670	27,238	2.5%	2.1%	19.6%
Indiana University, Bloomington	19,508	20,472	22,316	24,769	26,160	27,689	5.6%	5.8%	41.9%
Iowa State University, Ames	15,724	16,354	16,919	17,350	17,871	18,563	3.0%	3.9%	18.1%
Kansas State University, Manhattan	14,454	15,514	15,970	16,931	17,576	18,404	3.8%	4.7%	27.3%
Michigan State University, East Lansing	19,632	21,438	23,500	25,672	27,832	29,160	8.4%	4.8%	48.5%
Ohio State University, Columbus	19,305	20,562	21,285	21,918	22,278	23,604	1.6%	6.0%	22.3%
Purdue University, West Lafayette	19,824	21,266	22,224	23,224	25,118	26,622	8.2%	6.0%	34.3%
University of Cincinnati	22,635	23,904	23,922	23,922	23,922	24,588	0.0%	2.8%	8.6%
University of Iowa, Iowa City	16,998	18,159	19,465	20,658	22,198	23,713	7.5%	6.8%	39.5%
University of Kansas, Lawrence	13,866	15,123	17,556	18,909	20,174	21,538	6.7%	6.8%	55.3%
University of Michigan, Ann Arbor	27,601	29,131	31,301	33,069	35,126	36,001	6.2%	2.5%	30.4%
University of Minnesota, Twin Cities	20,252	21,003	21,515	14,634	15,287	16,503	4.5%	8.0%	-18.5%
University of Missouri, Columbia	17,522	18,050	18,755	19,514	19,682	20,516	0.9%	4.2%	17.1%
University of Nebraska, Lincoln	14,680	15,317	16,236	17,205	17,897	18,924	4.0%	5.7%	28.9%
University of North Dakota, Grand Forks	12,578	13,786	14,523	15,325	15,845	16,373	3.4%	3.3%	30.2%
University of South Dakota, Vermillion	9,816	6,263	6,631	7,148	7,841	8,259	9.7%	5.3%	-15.9%
University of Wisconsin, Madison	20,280	20,726	21,438	21,818	23,059	24,233	5.7%	5.1%	19.5%
University of Wisconsin, Milwaukee	18,972	16,228	16,686	17,038	17,431	17,880	2.3%	2.6%	-5.8%
Wayne State University, Detroit	13,721	14,570	16,595	17,379	18,368	19,225	5.7%	4.7%	40.1%
<b>Average</b>	<b>18,042</b>	<b>18,698</b>	<b>19,709</b>	<b>20,330</b>	<b>21,238</b>	<b>22,174</b>	<b>4.5%</b>	<b>4.4%</b>	<b>22.9%</b>
<b>National Public Flagship Average*</b>	<b>16,720</b>	<b>17,736</b>	<b>18,811</b>	<b>19,880</b>	<b>21,215</b>	<b>N/A</b>	<b>6.7%</b>	<b>N/A</b>	<b>N/A</b>

Source: The College Board, *Annual Survey of Colleges 2010*

\*Data from Washington Higher Education Coordinating Board



**Table 4: Non-Resident Undergraduate Tuition and Fees at Selected Comparison Public Research Universities, 2005-06 to 2010-11**

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Increase FY 09 FY 10	Increase FY 10 FY 11	Increase FY 06 FY 11
Oklahoma State University, Stillwater	\$12,388	\$13,569	\$15,441	\$17,241	\$17,241	\$17,912	0.0%	3.9%	44.6%
Pennsylvania State University, University Park	21,744	22,712	23,712	24,940	25,946	27,114	4.0%	4.5%	24.7%
Rutgers University, New Brunswick (NJ)	16,706	18,463	19,854	21,488	22,518	24,044	4.8%	6.8%	43.9%
Texas A&M University, College Station	14,679	15,216	15,675	22,184	22,606	22,817	1.9%	0.9%	55.4%
University of Arizona, Tucson	13,671	14,960	16,271	18,665	22,264	24,597	19.3%	10.5%	79.9%
University of Arkansas, Fayetteville	13,222	13,942	14,492	15,279	15,337	16,000	0.4%	4.3%	21.0%
University of California, Berkeley	24,332	25,338	26,784	28,264	30,346	35,341	7.4%	16.5%	45.2%
University of Colorado, Boulder	22,826	23,539	24,797	26,756	28,186	29,493	5.3%	4.6%	29.2%
University of Florida, Gainesville	16,579	17,791	17,841	20,640	23,744	27,322	15.0%	15.1%	64.8%
University of Georgia, Athens	16,848	18,040	20,726	22,343	25,740	26,946	15.2%	4.7%	59.9%
University of Kentucky, Lexington	12,798	13,970	14,896	15,884	16,678	17,678	5.0%	6.0%	38.1%
University of Maryland, College Park	20,145	21,345	22,208	23,076	23,990	24,831	4.0%	3.5%	23.3%
University of North Carolina, Chapel Hill	18,313	19,682	20,988	22,295	23,513	24,736	5.5%	5.2%	35.1%
University of Oklahoma, Norman	12,301	13,399	15,621	17,404	17,464	18,295	0.3%	4.8%	48.7%
University of Pittsburgh, main campus	20,784	21,456	22,386	23,290	23,852	24,592	2.4%	3.1%	18.3%
University of Texas, Austin	16,310	20,364	24,544	26,672	30,006	31,218	12.5%	4.0%	91.4%
University of Utah, Salt Lake City	13,372	14,593	15,662	16,601	18,136	19,841	9.2%	9.4%	48.4%
University of Virginia, Charlottesville	23,877	25,945	27,515	29,798	31,230	32,902	4.8%	5.4%	37.8%
University of Washington, Seattle	19,917	21,283	22,131	23,219	24,367	25,601	4.9%	5.1%	28.5%
University of Wyoming, Laramie	9,819	10,055	10,394	11,031	11,606	12,237	5.2%	5.4%	24.6%
<b>Peer Comparison Average</b>	<b>17,032</b>	<b>18,283</b>	<b>19,597</b>	<b>21,354</b>	<b>22,739</b>	<b>24,176</b>	<b>6.5%</b>	<b>6.3%</b>	<b>41.9%</b>
<b>Average of 20 Selected Midwestern Institutions</b>	<b>18,042</b>	<b>18,698</b>	<b>19,709</b>	<b>20,330</b>	<b>21,238</b>	<b>22,174</b>	<b>4.5%</b>	<b>4.4%</b>	<b>22.9%</b>

Source: The College Board, *Annual Survey of Colleges 2010*

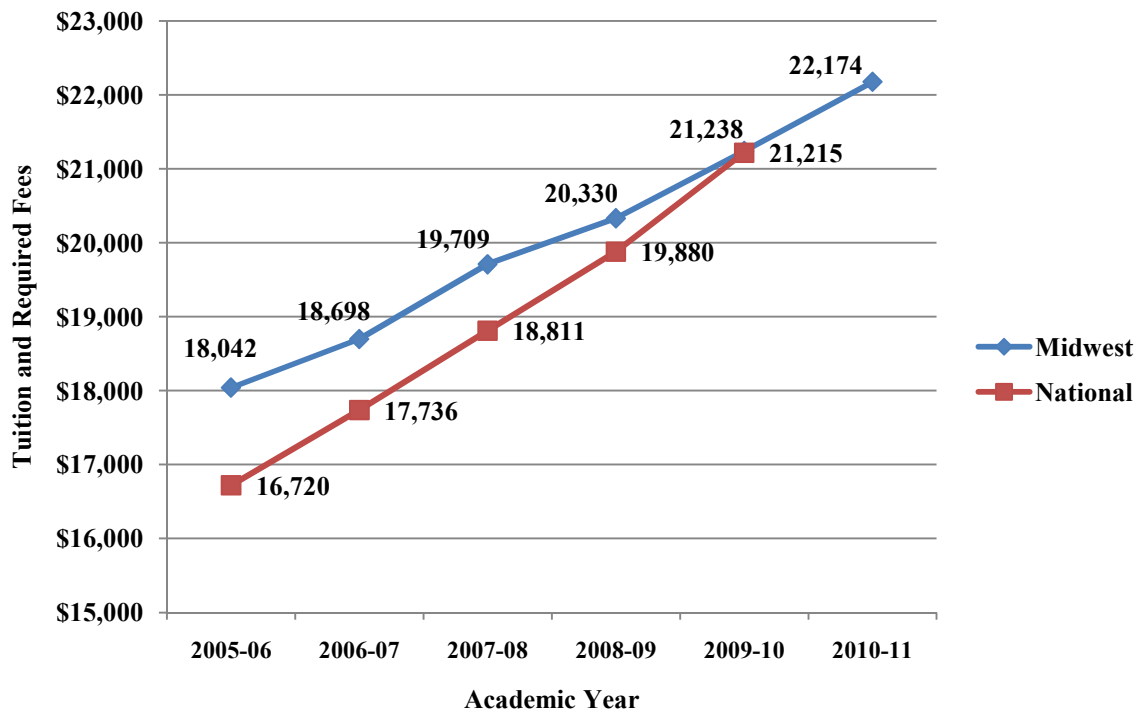
A slightly different picture emerges from the data on non-resident tuition due to the strategy employed in the last few years by a number of public institutions to reduce tuition or minimize increases to non-residents in an attempt to expand enrollment of students from other states. For example, at the University of Minnesota—Twin Cities and University of South Dakota—Vermillion, out-of-state residents are only charged 135% and 122% of in-state tuition, respectively. These are the only two institutions listed with published tuition and fees for out-of-state residents that fall below 200% of in-state rates. As reflected in Table 3, although both institutions saw increases in tuition and fees during the last fiscal year, the five-year history shows that University of Minnesota reduced its out-of-state published tuition and fees by 18.5% and the University of South Dakota by 15.9%. A similar strategy was employed at the University of Wisconsin-Milwaukee, which decreased tuition and fees for non-residents by 5.8% from 2006 to 2011 (although the out-of-state tuition rate is still approximately 220% of the in-state rate).

Relatively small recent increases—and actual decreases at three institutions, due to the factors mentioned above—contributed to 19 of the 20 public research institutions in the analysis holding cumulative increases in non-resident tuition and fees below 50% between FY 2006 and FY 2011. The only institution with an increase over 50% was the University of Kansas at 55.3%. Even though it experienced a significant five-year decrease, the largest one-year (FY 2010 to FY 2011) increase in tuition and fees was seen at the University of Minnesota, at 8.0%.

The University of South Dakota is the lowest priced institution among the group at just over half the price of the next lowest priced institution, with published tuition and fees for non-residents in 2010-11 of \$8,259. The University of North Dakota is next at \$16,373. The University of Michigan has the highest published tuition and fees rates for non-residents by a significant margin at \$36,001. The next highest rate is found at Michigan State University at \$29,160. The average five-year tuition increase among the 20 institutions was 22.9%.

As can be seen in Figure 2, tuition and fees for non-residents at the 20 selected Midwestern public research institutions increased at a slower rate than the national average between FY 2006 and FY 2011, with the national and Midwest averages nearly equal in FY 2010. Whereas the Midwestern average was 7.9% greater than the national average in FY 2006, it was only 0.1% greater in FY 2010.

**Figure 2: Trends in Non-Resident Undergraduate Tuition and Fees at Selected Public Research Universities in the Midwest and the Nation, 2005-06 to 2010-11**





## Four-Year Public Comprehensive Colleges and Universities

Data on undergraduate tuition and fees for in-state residents attending selected public comprehensive universities in the Midwest are presented in Table 5. The data are presented in nominal terms (not adjusted for inflation) for the academic years 2005-06 through 2009-10. Figures were taken from the Washington Higher Education Coordinating Board (WHECB) report of its 41<sup>st</sup> annual survey of tuition and fee rates in the states, released in March 2010. As can be seen in the table, the data presented are averages of tuition and fee charges for resident undergraduates at only a selected number of institutions in each state. The relative representation of a state's institutions in its average varies, from 100% in Iowa, Kansas, and North Dakota, to less than half in Ohio and Wisconsin. For this reason, the figures presented may depart somewhat from the actual average in certain states, and therefore interstate comparisons should be made cautiously. However, given that the composition of institutions included in the survey remains constant year after year, the data are valuable for observing trends over time. A listing of public comprehensive universities included in the analysis can be found in Appendix A.

**Table 5: Average Resident Undergraduate Tuition and Fees at Selected Public Comprehensive Universities by Midwestern State, 2004-05 to 2009-10**

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	% Increase FY 08 to FY 09	% Increase FY 09 to FY 10	% Increase FY 05 to FY 10
Illinois (5)	\$5,968	\$6,780	\$7,511	\$8,335	\$9,165	\$9,933	10.0%	8.4%	66.4%
Indiana (2)	5,390	6,171	6,643	6,990	7,334	7,628	4.9%	4.0%	41.5%
Iowa (1)	5,387	5,602	6,112	6,190	6,379	6,636	3.1%	4.0%	23.2%
Kansas (4)	3,285	3,538	3,771	4,037	4,271	4,549	5.8%	6.5%	38.5%
Michigan (6)	5,584	6,256	6,687	7,328	7,981	8,700	8.9%	9.0%	55.8%
Minnesota (7)	5,098	5,251	5,656	5,894	6,083	6,295	3.2%	3.5%	23.5%
Missouri (5)	4,941	5,112	5,386	5,740	5,983	5,986	4.2%	0.1%	21.1%
Nebraska (2)	3,930	4,234	4,479	4,768	4,999	5,219	4.8%	4.4%	32.8%
North Dakota (4)	4,138	4,530	4,882	5,142	5,391	5,589	4.8%	3.7%	35.1%
Ohio (4)	7,139	7,567	8,162	8,167	8,254	8,387	1.1%	1.6%	17.5%
South Dakota (2)	4,566	4,793	5,351	5,743	6,187	6,550	7.7%	5.9%	43.5%
Wisconsin (4)	4,730	5,072	5,334	5,703	6,051	6,395	6.1%	5.7%	35.2%
<b>Midwest Average (Unweighted)</b>	<b>5,013</b>	<b>5,410</b>	<b>5,831</b>	<b>6,170</b>	<b>6,507</b>	<b>6,822</b>	<b>5.5%</b>	<b>4.9%</b>	<b>36.1%</b>
<b>Midwest Average (Weighted)</b>	<b>5,068</b>	<b>5,472</b>	<b>5,921</b>	<b>6,305</b>	<b>6,641</b>	<b>6,978</b>	<b>5.3%</b>	<b>5.1%</b>	<b>37.7%</b>
<b>National Average (Unweighted)</b>	<b>4,547</b>	<b>4,872</b>	<b>5,201</b>	<b>5,517</b>	<b>5,862</b>	<b>6,257</b>	<b>6.3%</b>	<b>6.7%</b>	<b>37.6%</b>

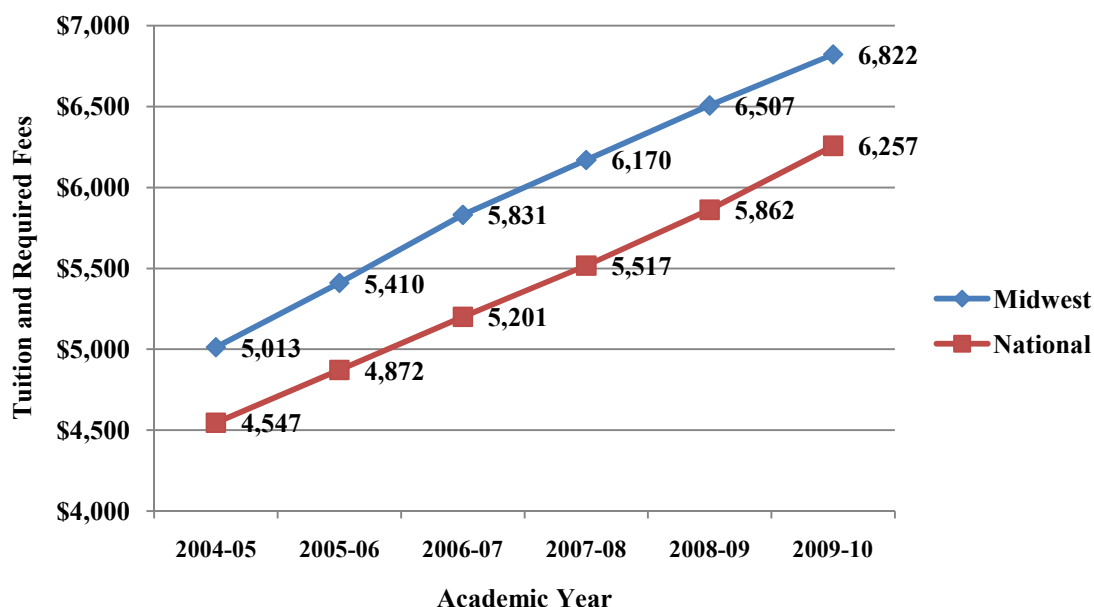
Source: Washington Higher Education Coordinating Board

Five-year increases in average tuition and fees were under 50% in all states except Illinois and Michigan. The largest five-year increase occurred in Illinois, where the average tuition and fees at the five institutions in the survey increased by 66.4% between FY 2005 and FY 2010. The largest one-year increase (FY 2009 to FY 2010) was seen in Michigan, at 9.0%; Ohio’s and Missouri’s averages remained essentially unchanged. In comparing states, the average tuition and fees at survey institutions in Illinois was the largest in FY 2010 at \$9,933. This figure was followed by Michigan at \$8,700. The average among Kansas institutions was lowest at \$4,549.

The average level of tuition and fees (weighted) in 2009-10 among Midwestern institutions included in the survey was \$6,978—above the national unweighted average of \$6,257. (This latter figure represents the unweighted mean of 46 state averages. Weighted means typically differ from unweighted means in the WHECB survey by 1.0 to 1.5%. State higher education systems in Alaska, Delaware, Nevada, and Wyoming do not include any four-year comprehensive universities.) The average five-year increase in tuition and fees among Midwestern states was 37.7%, very comparable to the national average of 37.6%. The Midwestern state figures increased by an average of 5.1% in one year—less than the national average increase of 6.7%.

As can be seen from the trend lines in Figure 3, tuition and fees at the Midwestern public comprehensive universities included in the WHECB survey have increased at a rate similar to the national average from FY 2005 to FY 2010. Whereas the Midwestern average was 10.2% greater than the national average in FY 2005, it was 9.0% greater in FY 2010.

**Figure 3: Trends in Resident Undergraduate Tuition and Fees at Selected Public Comprehensive Universities in the Midwest and the Nation, 2004-05 to 2009-10**



Data on undergraduate tuition and fees for out-of-state residents attending selected public comprehensive universities in the Midwest are presented in Table 6. As noted earlier in this report, a slightly different picture emerges from the data on non-resident tuition due to the strategy employed by a number of public institutions in the Midwest to reduce or minimize increases in tuition to non-residents.

These changes in tuition philosophy are reflected in Table 6. Non-resident tuition fell 15.8% at South Dakota’s public comprehensive universities between FY 2005 and FY 2010, and 5.5% in Wisconsin. However, both states show increases in tuition from FY 2009 to FY 2010. Non-resident tuition increased by 15.3% at Minnesota’s comprehensive universities between FY 2009 and FY 2010 and by 7.0% at Illinois institutions. Five-year rates of increase in non-resident tuition and fees were below 50% in all states but Illinois (56.2%).

In comparing states, the average tuition and fees at survey institutions in Michigan was the largest in FY 2010 at \$18,577, with Illinois and Indiana not far behind. The average among South Dakota institutions was lowest at \$7,922—over 16% below the next lowest state of Nebraska. The average unweighted tuition and fees in 2009-10 among all Midwestern institutions included in the survey was \$13,458—8.5% below the national average of \$14,707. The average five-year percentage increase for the region was 8.4 points lower than the national average (21.6% vs. 30.0%).

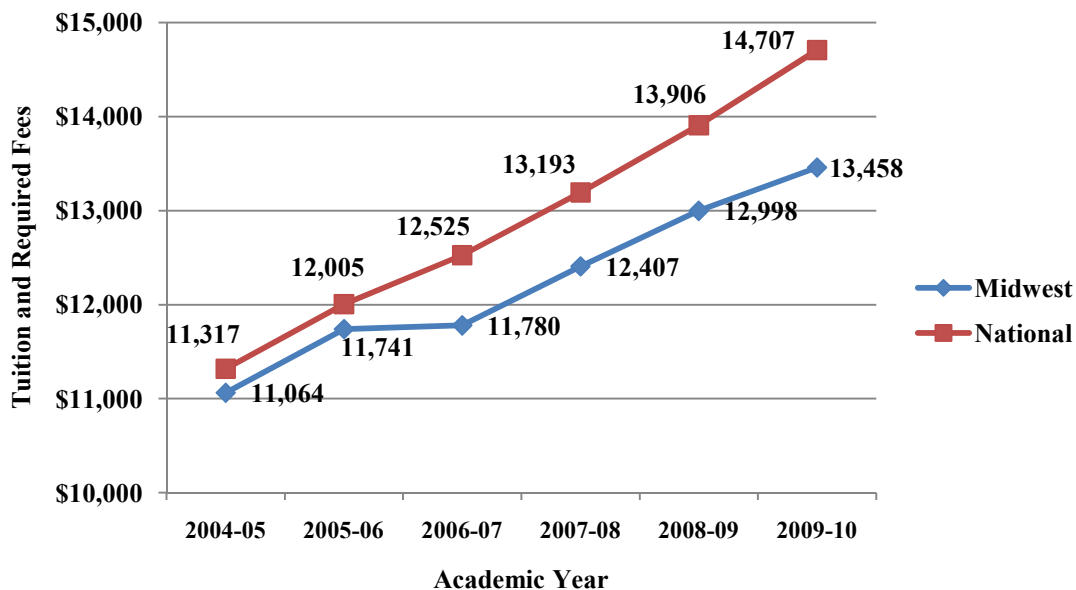
**Table 6: Average Non-Resident Undergraduate Tuition and Fees at Selected Public Comprehensive Universities by Midwestern State, 2004-05 to 2009-10**

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	% Increase FY 08 to FY 09	% Increase FY 09 to FY 10	% Increase FY 05 to FY 10
Illinois (5)	\$11,239	\$12,276	\$13,479	\$14,852	\$16,403	\$17,553	10.4%	7.0%	56.2%
Indiana (2)	13,334	14,549	15,539	16,451	17,363	18,198	5.5%	4.8%	36.5%
Iowa (1)	12,705	13,214	14,028	14,282	14,596	14,900	2.2%	2.1%	17.3%
Kansas (4)	9,949	10,591	10,990	11,634	12,278	13,028	5.5%	6.1%	30.9%
Michigan (6)	12,617	14,039	15,205	16,560	17,617	18,577	6.4%	5.4%	47.2%
Minnesota (7)	8,498	8,730	8,643	9,240	9,371	10,807	1.4%	15.3%	27.2%
Missouri (5)	9,156	9,434	9,887	10,318	10,864	10,987	5.3%	1.1%	20.0%
Nebraska (2)	7,061	7,620	8,053	8,578	9,034	9,438	5.3%	4.5%	33.7%
North Dakota (4)	9,292	10,173	10,004	10,521	11,039	9,628	4.9%	-12.8%	3.6%
Ohio (4)	14,731	15,372	16,185	16,191	16,277	16,495	0.5%	1.3%	12.0%
South Dakota (2)	9,410	9,780	6,542	6,980	7,507	7,922	7.6%	5.5%	-15.8%
Wisconsin (4)	14,776	15,119	12,809	13,276	13,624	13,968	2.6%	2.5%	-5.5%
<b>Midwest Average (Unweighted)</b>	<b>11,064</b>	<b>11,741</b>	<b>11,780</b>	<b>12,407</b>	<b>12,998</b>	<b>13,458</b>	<b>4.8%</b>	<b>3.5%</b>	<b>21.6%</b>
<b>Midwest Average (Weighted)</b>	<b>10,931</b>	<b>11,621</b>	<b>11,900</b>	<b>12,489</b>	<b>13,107</b>	<b>13,659</b>	<b>4.9%</b>	<b>4.2%</b>	<b>25.0%</b>
<b>National Average (Unweighted)</b>	<b>11,317</b>	<b>12,005</b>	<b>12,525</b>	<b>13,193</b>	<b>13,906</b>	<b>14,707</b>	<b>5.4%</b>	<b>5.8%</b>	<b>30.0%</b>

Source: Washington Higher Education Coordinating Board

As can be seen in Figure 4, tuition and fees at the Midwestern public comprehensive universities included in the WHECB survey increased at a rate that closely mirrored the national average between FY 2005 and FY 2009 and declined at a slower rate from FY 2009 to FY 2010. During FY 2005, the national average was only 2.3% greater than the Midwest average. However, by FY 2010 the national average was 9.3% greater. The aforementioned changes in tuition policy in some states contributed to a divergence in the trend line in FY 2007.

**Figure 4: Trends in Non-Resident Undergraduate Tuition and Fees at Public Comprehensive Universities in the Midwest and the Nation, 2004-05 to 2009-10**



Data on undergraduate tuition and fees for resident and non-resident students attending selected public comprehensive universities in the Midwest and neighboring states in 2010-11 are presented in Table 7. These data are presented in nominal terms (not adjusted for inflation) for the academic year 2010-11. As can be seen in the table, great variation exists in published tuition and fee levels among the institutions presented. Of the 20 universities in neighboring states selected for comparison purposes, the two institutions in Oklahoma—Northeastern State University and the University of Central Oklahoma—and Montana State University Northern have the lowest published tuition and fees at \$4,410, \$4,456, and \$4,477, respectively. Two universities in Pennsylvania—Edinboro and Slippery Rock—have the highest published tuition and fee levels of the institutions selected at \$7,730 and \$7,666, respectively.

Among the Midwestern universities in the table, the Kansas institutions—Fort Hays State and Emporia State Universities—are priced the lowest at \$3,943 and \$4,636, respectively. On the high end of pricing is Eastern Illinois University at \$9,987, followed by Ferris State University, Western Illinois University, and Kent State University. More significant variation exists in non-resident tuition, which ranges from \$5,637 at Minot State University in North Dakota to \$21,666 at Ball State and \$25,227 at Eastern Illinois. Bemidji State’s and Minot State’s non-resident tuition and fee rates are the same as their resident rates of \$7,497 and \$5,637, respectively. Chadron State College and Northern State University also maintained non-resident tuition and fee rates under \$10,000 in FY 2011. Among the 20 comparison institutions, Slippery Rock University in Pennsylvania has the lowest tuition for non-residents at \$10,568, followed by Edinboro University of Pennsylvania (\$10,632) and Northeastern State University in Oklahoma (\$10,747).

**Table 7: Undergraduate Tuition and Fees at Selected Comprehensive Universities in the Midwest and Surrounding States, 2010-11**

<b>Midwestern Institutions</b>	<b>Resident</b>	<b>Non-Resident</b>
Eastern Illinois University, Charleston	\$9,987	\$25,227
Western Illinois University, Macomb	9,490	13,099
Ball State University, Muncie (IN)	8,214	21,666
Indiana State University, Terre Haute	7,714	16,626
University of Northern Iowa, Cedar Falls	7,008	15,348
Emporia State University (KS)	4,636	14,346
Fort Hays State University, Hays (KS)	3,943	12,340
Ferris State University, Big Rapids (MI)	9,930	15,900
Saginaw Valley State University, University Center (MI)	7,308	17,157
Bemidji State University (MN)	7,497	7,497
Winona State University (MN)	8,193	13,279
Missouri Western State University, St. Joseph	5,560	10,173
Southeast Missouri State University, Cape Girardeau	6,255	11,190
Chadron State College (NE)	5,076	8,855
Minot State University (ND)	5,637	5,637
Kent State University (OH)	9,030	16,990
Wright State University, Dayton (OH)	7,797	15,213
Northern State University, Aberdeen (SD)	6,351	7,848
University of Wisconsin, Eau Claire	7,360	14,933
University of Wisconsin, Oshkosh	6,680	14,253

<b>Comparison Institutions</b>	<b>Resident</b>	<b>Non-Resident</b>
Arkansas State University, Jonesboro	\$6,640	\$14,860
University of Central Arkansas, Conway	6,908	12,143
University of Colorado, Colorado Springs	7,417	17,067
University of Northern Colorado, Greeley	5,655	16,821
Northern Kentucky University, Highland Heights	7,128	13,896
Western Kentucky University, Bowling Green	7,560	18,840
Frostburg State University (MD)	6,904	16,950
Montana State University, Billings	5,242	15,235
Montana State University Northern, Havre	4,477	15,122
State University of New York, Buffalo State College	6,053	14,463
State University of New York, College at Fredonia	6,333	14,743
Northeastern State University, Tahlequah (OK)	4,410	10,747
University of Central Oklahoma, Edmond	4,456	11,242
Edinboro University of Pennsylvania	7,730	10,632
Slippery Rock University of Pennsylvania	7,666	10,568
Austin Peay State University, Clarksville (TN)	6,228	19,224
University of Tennessee, Martin	6,190	18,600
Texas A&M University, Commerce	5,998	15,298
Fairmont State University (WV)	5,172	10,904
Marshall University, Huntington (WV)	5,285	12,896

Source: The College Board, Annual Survey of Colleges 2010



## Public Two-Year (Community) Colleges

Data on tuition and fees for in-state residents attending selected public two-year (community) colleges in the Midwest are presented in Table 8. The data are presented in nominal terms (not adjusted for inflation) for the academic years 2004-05 through 2009-10. Figures are estimated state averages taken from the Washington Higher Education Coordinating Board (WHECB) report described earlier. Data is missing from South Dakota due to the absence of a comparable community college system in that state. Indiana's data includes the Ivy Tech system beginning in 2003-04.

All of the public two-year colleges in MHEC states held cumulative increases in tuition and fees at public two-year colleges below 50% between FY 2005 and FY 2010. Wisconsin saw the lowest five-year increase in community college tuition and fees at 15.8%. Michigan saw the largest increase in two-year college tuition and fees at 41.5%, followed by Illinois at 33.8%. The largest one-year (FY 2009 to FY 2010) increase was seen in Ohio, at 7.9%. One-year changes in Missouri and Wisconsin were negligible.

**Table 8: Resident Undergraduate Tuition and Fees at Public Two-Year Colleges by Midwestern State, 2004-05 to 2009-10**

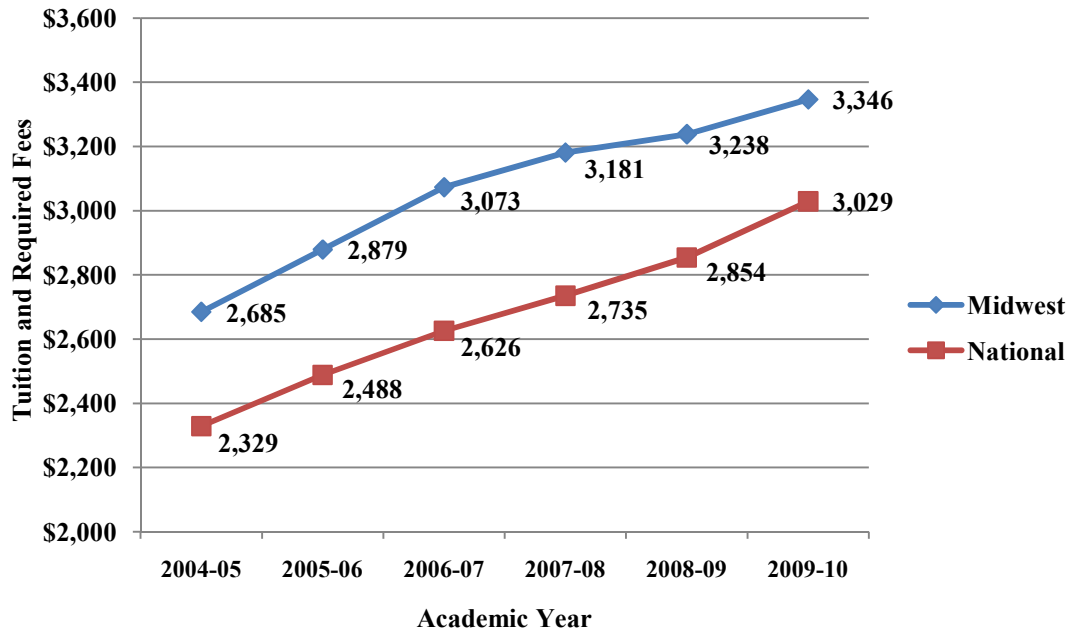
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	% Increase FY 08 to FY 09	% Increase FY 09 to FY 10	% Increase FY 05 to FY 10
Illinois	\$1,993	\$2,237	\$2,307	\$2,359	\$2,521	\$2,666	6.9%	5.8%	33.8%
Indiana	2,661	2,822	3,232	3,396	2,930	3,090	-13.7%	5.5%	16.1%
Iowa	2,920	3,056	3,467	3,491	3,649	3,842	4.5%	5.3%	31.6%
Kansas	1,819	1,939	1,988	2,011	2,156	2,199	7.2%	2.0%	20.9%
Michigan	1,873	2,185	2,311	2,434	2,527	2,651	3.8%	4.9%	41.5%
Minnesota	3,822	4,042	4,283	4,444	4,565	4,697	2.7%	2.9%	22.9%
Missouri	2,911	3,051	3,092	3,375	3,529	3,521	4.6%	-0.2%	21.0%
Nebraska	1,748	1,884	1,998	2,160	2,225	2,320	3.0%	4.3%	32.7%
North Dakota	2,969	3,202	3,442	3,624	3,779	3,808	4.3%	0.8%	28.3%
Ohio	2,876	3,011	3,169	3,179	3,187	3,440	0.3%	7.9%	19.6%
Wisconsin	3,945	4,237	4,511	4,520	4,555	4,567	0.8%	0.3%	15.8%
<b>Midwest Average (Unweighted)</b>	<b>2,685</b>	<b>2,879</b>	<b>3,073</b>	<b>3,181</b>	<b>3,238</b>	<b>3,346</b>	<b>1.8%</b>	<b>3.3%</b>	<b>24.6%</b>
<b>National Average (Unweighted)</b>	<b>2,329</b>	<b>2,488</b>	<b>2,626</b>	<b>2,735</b>	<b>2,854</b>	<b>3,029</b>	<b>4.4%</b>	<b>6.1%</b>	<b>30.1%</b>

Source: Washington Higher Education Coordinating Board

The highest estimated average public two-year tuition and fees in 2009-10 was in Minnesota at \$4,697, followed closely by Wisconsin at \$4,567. The lowest rates were in Kansas and Nebraska at \$2,199 and \$2,320, respectively. The unweighted Midwestern average of \$3,346 was 9.5% higher than the national average of \$3,029. The average five-year increase in tuition and fees among Midwestern states was 24.6%, 5.5 points less than the national average of 30.1%. The one-year average increase of 3.3% for the Midwest is just over half the national average of 6.1%.

As can be seen in Figure 5, tuition and fee increases at public two-year colleges in the Midwest closely mirrored the national average between FY 2005 to FY 2008 and then began to increase at a slower rate than the national average.

**Figure 5: Trends in Resident Tuition and Fees at Public Two-Year Colleges in the Midwest and the Nation, 2004-05 to 2009-10**





Averages of estimated tuition and fees for non-residents attending public two-year colleges in the Midwest are presented in Table 9. The variance in changes among MHEC states is much greater for non-resident than for resident tuition and fees. Five-year rates actually decreased in four states (ranging from decreases of 1.7% to 8.7%). The highest rate of increase was seen in Michigan, at 43.3%, followed by Nebraska at 29.8%.

**Table 9: Non-Resident Undergraduate Tuition and Fees at Public Two-Year Colleges by Midwestern State, 2004-05 to 2009-10**

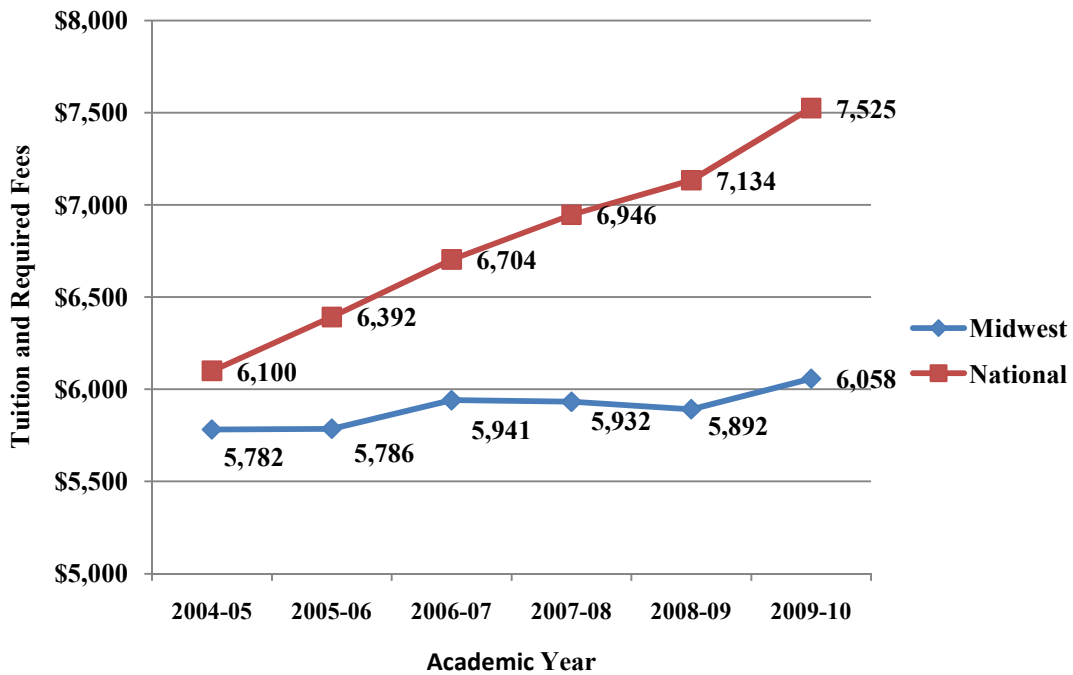
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	% Increase FY 08 to FY 09	% Increase FY 09 to FY 10	% Increase FY 05 to FY 10
Illinois	\$9,433	\$7,455	\$8,062	\$7,933	\$8,010	\$8,684	1.0%	8.4%	-7.9%
Indiana	6,416	6,705	6,973	7,516	5,879	6,306	-21.8%	7.3%	-1.7%
Iowa	4,206	4,379	4,893	4,821	4,971	4,858	3.1%	-2.3%	15.5%
Kansas	2,872	3,014	3,101	3,144	3,094	3,168	-1.6%	2.4%	10.3%
Michigan	3,810	4,300	4,609	4,910	5,295	5,461	7.8%	3.1%	43.3%
Minnesota	6,117	5,783	6,353	5,379	5,400	5,605	0.4%	3.8%	-8.4%
Missouri	3,959	4,151	4,202	4,524	4,723	4,688	4.4%	-0.7%	18.4%
Nebraska	2,295	2,445	2,589	2,786	2,870	2,979	3.0%	3.8%	29.8%
North Dakota	5,735	6,157	6,664	6,311	6,601	6,630	4.6%	0.4%	15.6%
Ohio	6,113	6,317	6,413	6,424	6,429	6,703	0.1%	4.3%	9.7%
Wisconsin	12,645	12,937	11,495	11,503	11,539	11,551	0.3%	0.1%	-8.7%
<b>Midwest Average</b>	<b>5,782</b>	<b>5,786</b>	<b>5,941</b>	<b>5,932</b>	<b>5,892</b>	<b>6,058</b>	<b>-0.7%</b>	<b>2.8%</b>	<b>4.8%</b>
<b>National Average</b>	<b>6,100</b>	<b>6,392</b>	<b>6,704</b>	<b>6,946</b>	<b>7,134</b>	<b>7,525</b>	<b>2.7%</b>	<b>5.5%</b>	<b>23.4%</b>

Source: Washington Higher Education Coordinating Board

Four of the MHEC states—Iowa, Missouri, North Dakota, and Wisconsin—saw a one-year decrease or a nominal increase in tuition and fees for non-residents from FY 2009 to FY 2010, led by Iowa at -2.3%. Illinois' one-year increase was the largest at 8.4%, followed by Indiana at 7.3%. Wisconsin's non-resident rates remained essentially unchanged from FY 2009 to FY 2010 (0.1%), but the rates are still the largest in the region by far at \$11,551, compared to the next highest state (Illinois) at \$8,684 and the Midwestern average of \$6,058. Estimated public two-year college non-resident tuition and fees are lowest in Nebraska at \$2,979, followed by Kansas at \$3,168. The Midwestern average is 24.2% below the national average of \$7,525. The average five-year rate of increase in non-resident tuition and fees in Midwestern states was substantially less than the national averages—4.8% vs. 23.4%.

As can be seen in Figure 6, the estimated Midwestern and national averages for public two-year college non-resident tuition and fees differed very little from each other in FY 2005. The national average grew at a slightly faster rate than the Midwestern average for the next two years and then continued to grow substantially faster than the Midwestern average. Declines in price, as well as near price freezes, in MHEC states during the past few years have brought the difference between the national average and the Midwestern average up to 24.2% in FY 2010.

**Figure 6: Trends in Non-Resident Tuition and Fees at Public Two-Year Colleges in the Midwest and the Nation, 2004-05 to 2009-10**



***State Higher Education Affordability Rankings, 1992 vs. 2008***

Tables 10 through 12 and Figures 7 through 9 illustrate how the relative affordability of both public and private colleges and universities has decreased since 1992. Changes in state appropriations, tuition and fee policies, financial aid programs, or some combination of the three have caused certain Midwestern states to rise or fall in relative affordability rankings between 1992 and 2008. Because states differ in their approach to tuition setting and financial aid (including the high/moderate/low models described earlier in this report), a more equitable manner of assessing the relative affordability of higher education is to determine the percentage of average family income required to support one-year of college attendance (tuition, fees, room/board or its equivalent, books, and miscellaneous expenses) after accounting for all available scholarship and grant aid (but not student loans, which do not decrease net price).

The figures in Tables 10 through 12 were taken from *Measuring Up 2008*, a report of the National Center for Public Policy and Higher Education. A number 1 ranking represents the state where institutions in the given institutional sector are most affordable.

**Table 10: Affordability of Public Two-Year Institutions in the Midwest, 1992 vs. 2008**  
***(Percentage of average annual family income required to support one year of attendance)***

	1992	2006	2008	1992 Rank	2006 Rank	2008 Rank
Illinois	20.5%	24.2%	24.2%	8	8	7
Indiana	24.2	24.3	23.9	11	9	6
Iowa	18.0	26.2	27.8	4	11	11
Kansas	15.4	19.9	19.4	2	1	1
Michigan	22.6	24.5	22.6	10	10	3
Minnesota	19.3	21.9	24.9	6	4	8
Missouri	21.1	22.5	22.9	9	5	4
Nebraska	15.1	20.8	21.2	1	2	2
North Dakota	20.2	24.0	26.8	7	7	9
Ohio	26.0	29.9	30.4	12	12	12
South Dakota	19.1	23.2	27.0	5	6	10
Wisconsin	17.1	20.9	23.0	3	3	5
<b>Midwest Average</b>	<b>19.9</b>	<b>23.5</b>	<b>24.5</b>			
<b>National Average</b>	<b>20.5</b>	<b>24.0</b>	<b>23.7</b>			

Source: National Center for Public Policy and Higher Education, *Measuring Up 2008*

As illustrated in Table 10, public two-year colleges in Kansas are the most affordable in the region, with one year of attendance requiring under 20% of average family income. Following closely behind is Nebraska at 21.2%. Conversely, the figure in Ohio is 30.4%. The largest decrease in affordability between 1992 and 2008 was in Iowa, where the proportion of average family income required increased from 18.0% to 27.8%. Iowa now ranks next-to-last among Midwestern states in the relative affordability of its community colleges—down from 4<sup>th</sup> place in 1992. Michigan’s and Missouri’s rankings among Midwestern states improved from 10<sup>th</sup> to 3<sup>rd</sup> and from 9<sup>th</sup> to 4<sup>th</sup>, respectively, during the same period, with the family contribution remaining flat in Michigan and increasing by 1.8 points in Missouri. The Midwestern average of 24.5% compares favorably to the national average of 23.7%.

Figure 7 illustrates how public two-year college affordability has changed from 1992 to 2008 while adding a third data point for 2006. Affordability actually improved or remained the same between 1992 and 2008 in Indiana and Michigan.

**Figure 7: Affordability of Public Two-Year Institutions in the Midwest, 1992, 2006, and 2008**

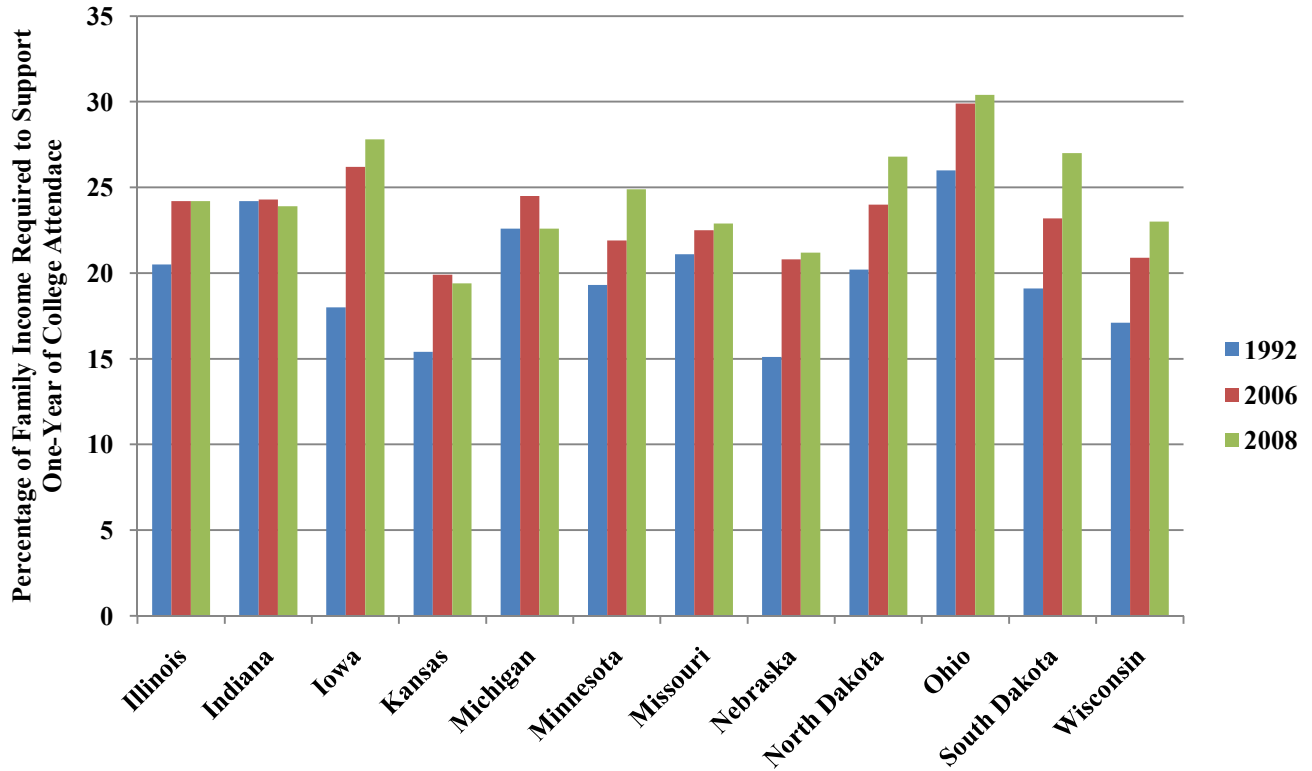


Table 11 illustrates that public four-year institutions (combining comprehensive and research universities) in the Midwest are the most affordable in South Dakota. South Dakota's figure of 22.4% of average family income is followed by Nebraska at 26.7%. In 2006, Minnesota's affordability ranking among Midwestern states was #1, but the state has since returned to its former ranking of 7<sup>th</sup>. Ohio's institutions are again the most expensive in the region, requiring 39% of average family income. The next least affordable state for four-year public institutions is Illinois at 35.4%.

North Dakota saw the largest decrease in affordability between 1992 and 2008, where the proportion of average family income required increased by 14.8%. North Dakota's ranking among Midwestern states fell from 6<sup>th</sup> to 10<sup>th</sup> due to an increase in average family income required from 19.4% to 34.2%. The largest increase in affordability between 1992 and 2008 was seen in Indiana, which brought the state's ranking in the Midwest from 10<sup>th</sup> to 5<sup>th</sup>, with Missouri following closely behind. The 2008 Midwestern average for public four-year affordability is slightly below the national average.

**Table 11: Affordability of Public Four-Year Institutions in the Midwest, 1992 vs. 2008**  
*(Percentage of average annual family income required to support one year of attendance)*

	1992	2006	2008	1992 Rank	2006 Rank	2008 Rank
Illinois	25.2%	35.4%	35.4%	9	10	11
Indiana	25.4	30.1	30.0	10	7	5
Iowa	17.8	30.3	32.6	5	8	8
Kansas	17.4	26.6	27.5	4	3	3
Michigan	28.3	35.7	33.7	12	11	9
Minnesota	19.4	25.6	30.3	7	1	7
Missouri	24.2	30.6	28.9	8	9	4
Nebraska	16.7	27.3	26.7	1	5	2
North Dakota	19.4	27.8	34.2	6	6	10
Ohio	28.1	42.4	39.0	11	12	12
South Dakota	16.9	26.9	22.4	2	4	1
Wisconsin	17.4	25.9	30.0	3	2	5
<b>Midwest Average</b>	<b>21.4</b>	<b>30.4</b>	<b>30.9</b>			
<b>National Average</b>	<b>23.9</b>	<b>30.7</b>	<b>27.8</b>			

Source: National Center for Public Policy and Higher Education, *Measuring Up 2008*

Figure 8 illustrates pictorially how public four-year college affordability has changed from 1992 to 2008 while adding a third data point for 2006. While affordability has declined in all states since 1992, five states have witnessed an increase in affordability since 2006 (Michigan, Missouri, Nebraska, Ohio, and South Dakota).

**Figure 8: Affordability of Public Four-Year Institutions in the Midwest, 1992, 2006, and 2008**

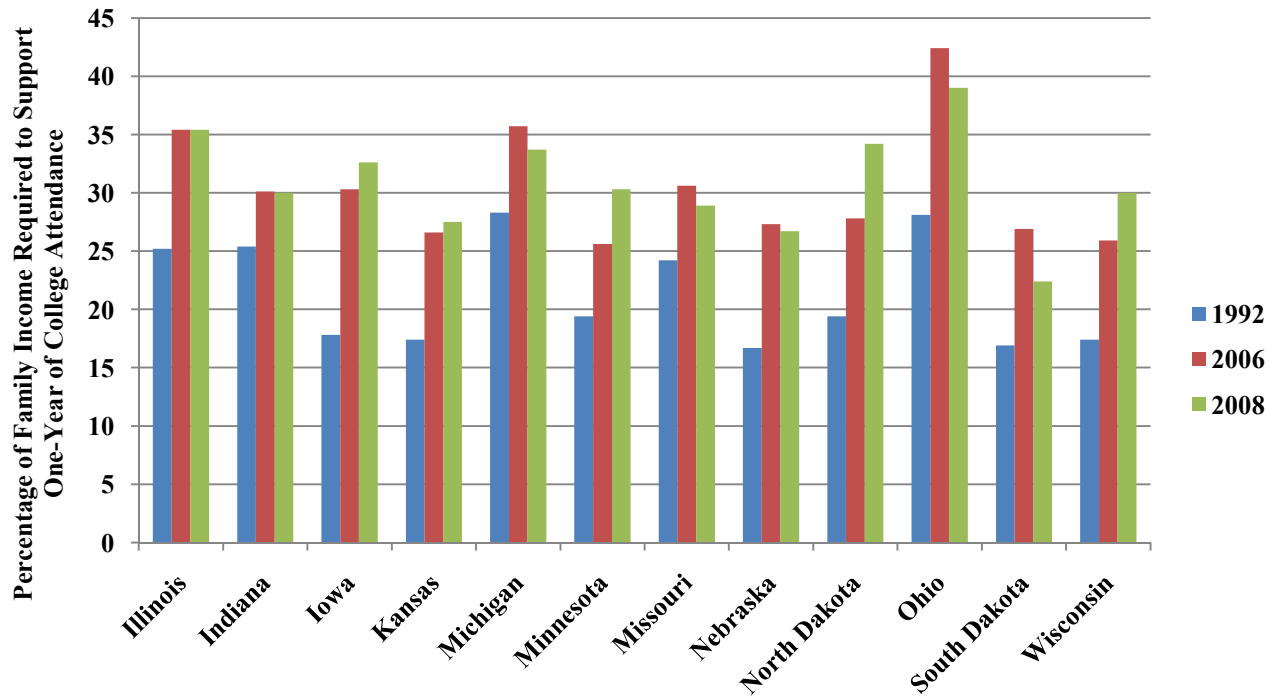


Table 12 illustrates that private four-year institutions in the Midwest are the most affordable in North Dakota (although the data are based on the average tuition and fees of only three institutions). Michigan and Kansas are next in the affordability rankings, with 44.6% and 47% of average family income, respectively, required to support one year of attendance at the states' private colleges. Michigan's performance is aided significantly by the availability of need-based grant aid for residents attending the state's private institutions, while Kansas's affordability ranking is due largely to the comparatively low sticker price of its private colleges.

In 2008, all states received a similar rank as in 1992. From 2006 to 2008, affordability improved in three states (Illinois, Iowa, and Michigan) by 0.7%, 2.2%, and 3.2%, respectively. Private colleges are the least affordable in Ohio, where one year of attendance requires 73.1% of average annual family income. Missouri, Illinois, and Indiana also require close to 70% of average annual family income to support one year of attendance at their private colleges. The largest decline in private college affordability between 1992 and 2008 occurred in Wisconsin, where the average family income required to support one year of attendance increased from 43.5% to 64.6%.

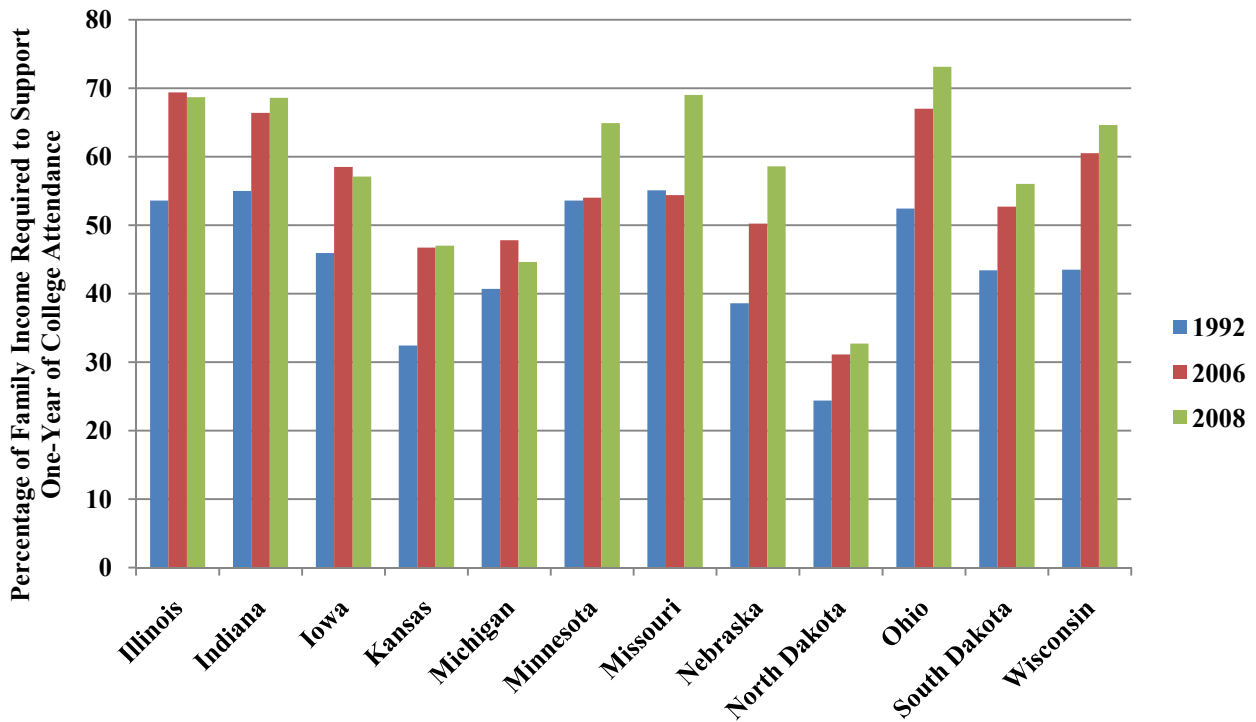
**Table 12: Affordability of Private Four-Year Institutions in the Midwest, 1992 vs. 2008**  
*(Percentage of average annual family income required to support one year of attendance)*

	1992	2006	2008	1992 Rank	2006 Rank	2008 Rank
Illinois	53.6%	69.4%	68.7%	9	12	10
Indiana	55.0	66.4	68.6	11	10	9
Iowa	45.9	58.5	57.1	7	8	5
Kansas	32.4	46.7	47.0	2	2	3
Michigan	40.7	47.8	44.6	4	3	2
Minnesota	53.6	54.0	64.9	9	6	8
Missouri	55.1	54.4	69.0	12	7	11
Nebraska	38.6	50.2	58.6	3	4	6
North Dakota	24.4	31.1	32.7	1	1	1
Ohio	52.4	67.0	73.1	8	11	12
South Dakota	43.4	52.7	56.0	5	5	4
Wisconsin	43.5	60.5	64.6	6	9	7
<b>Midwest Average</b>	<b>44.9</b>	<b>54.9</b>	<b>58.7</b>			
<b>National Average</b>	<b>59.5</b>	<b>71.7</b>	<b>75.7</b>			

Source: National Center for Public Policy and Higher Education, *Measuring Up 2008*

Collectively, private colleges are significantly more affordable to families in the Midwest than they are to families in the nation overall, at 58.7% vs. 75.7% of annual average family income. Figure 9 illustrates how private college affordability has changed from 1992 to 2008 while adding a third data point for 2006. As was the case with public two-year colleges, affordability declined from 1992, but three states, as mentioned before, saw an improvement in affordability since 2006 (Illinois, Iowa, and Michigan).

**Figure 9: Affordability of Private Four-Year Institutions in the Midwest, 1992 vs. 2008**



## Summary

Whether characterized by high, moderate, or low levels of tuition and financial aid, higher education finance models are generally based on a premise of shared responsibility among government, institutions, and students and families. Ideally, funding models results from an agreement on the relative proportions of educational benefits that accrue to participants and that spill over to society. Once an estimation of the balance of benefits has been achieved, tuition and subsidy levels can be set accordingly. Of course, a key obstacle to the development and implementation of such a model is the difficulty in arriving at a consensus about who benefits from higher education. More often than not, determination of the relative mix of private and public returns to higher education is achieved through the political process.

It is evident that college has become less affordable for families since 1992, as measured by the percentage of average family income that is required to pay for college after available scholarships and grants. However, “affordability” is a relative term. Prospective college students in the United States do not lack for options, with nearly 4,000 degree-granting institutions and many more vocational schools, career colleges, and other alternative education providers. The price for one year of higher education can vary from a few thousand dollars or less at a local community college to over \$50,000 at several institutions.

Wealthier families may be able to consider all available options without worrying about affordability while other families struggle to pay for even the least expensive institutions. However, the large majority of families fall somewhere in the middle—certain options are affordable to them, while others are not. As with any other type of consumer purchase or investment, prospective students and their families must assess their individual circumstances—including their willingness to borrow or forego purchasing alternatives—in making the decision if and where to go to college.

Related to the question of affordability is the issue of how much families *should be expected to pay*. In a landmark publication of 1973, the Carnegie Commission on Higher Education recommended that families pay for approximately one-third of the cost of higher education—in the process establishing a benchmark for state and federal policymakers to craft a system of institutional and family supports to make this happen. According to data collected by the State Higher Education Executive Officers, the family share of public higher education operating revenues in the United States in FY 2009 was 37.3%. While up substantially from 1982, when the figure was 22.1%, the cost-sharing burden upon families is not significantly greater than what the Carnegie Commission recommended 35 years ago.

Regardless, the perception exists that college is necessary, and that college is less accessible now than ever before due to cost. This perception prevents many qualified individuals from attending college. Altering these perceptions may require changes in published tuition and fees or simply a change in strategy in educating students how they can pay for college. Either way, labor market competitiveness increasingly requires a postsecondary credential. Published tuition and fees is only one piece of the puzzle to encourage and promote college access, but it is perhaps the most visible and most daunting piece for students.

It is the responsibility of policymakers to determine the proportion of educational costs that families should reasonably be expected to pay based on the private benefits of a college degree and the public good of an educated citizenry. Following this, policymakers must agree upon a working definition of affordability and consider systems of financing (including appropriations, tuition level, and financial aid programs) that make some form of higher education affordable and accessible to all, in the process changing the discouraging perception of access to a hopeful one.



## Appendix A

### Public Comprehensive Universities Participating in the Washington Higher Education Coordinating Board Annual Survey of Tuition and Fees

#### **Illinois**

Eastern Illinois University  
Illinois State University  
Northern Illinois University  
Northeastern Illinois University  
Western Illinois University

#### **Indiana**

Ball State University  
Indiana University

#### **Iowa**

University of Northern Iowa

#### **Kansas**

Fort Hays State University  
Pittsburg State University  
Emporia State University  
Wichita State University

#### **Michigan**

Central Michigan University  
Eastern Michigan University  
Grand Valley State University  
Northern Michigan University  
Oakland University  
Western Michigan University

#### **Minnesota**

Bemidji State University  
Metropolitan State University  
Minnesota State University Mankato  
Minnesota State University Moorhead  
St. Cloud State University  
Southwest State University  
Winona State University

#### **Missouri**

Missouri Southern State University  
Missouri State University  
Missouri Western State University  
Truman State University  
University of Central Missouri

#### **Nebraska**

University of Nebraska at Kearney  
Wayne State College

#### **North Dakota**

Dickinson State University  
Mayville State University  
Minot State University  
Valley City State University

#### **Ohio**

Bowling Green State University  
University of Akron  
University of Toledo  
Wright State University

#### **South Dakota**

Black Hills State University  
Dakota State University

#### **Wisconsin**

University of Wisconsin – Eau Claire  
University of Wisconsin – Oshkosh  
University of Wisconsin – River Falls  
University of Wisconsin – Stevens Point