



Midwestern Higher Education Compact

1300 South Second St.
Suite 130
Minneapolis, MN
55454-1079
Phone: (612) 626-8288
Fax: (612) 626-8290
www.mhec.org
mhec@mhec.org



Average Tuition and Required Fees: A Comparison of Public Colleges and Universities in the Midwest and Beyond¹

September 2008

Few issues in higher education are as contentious and as prominent in the public discourse as the cost of college. The cost of college—or more accurately, the *price* of college—has risen at a rate exceeding inflation for most of the past 25 years. The reasons for this are many, varied, and often passionately debated. Colleges and universities are expected to provide a **quality** education at an **affordable** price with **access** to an increasing number of students. As many policymakers and institutional leaders have discovered, meeting two of these three expectations is more or less doable; achieving all three is very difficult, if not nearly impossible.

The extent to which this is achievable is contingent upon the availability of resources (revenues), the particular portfolio of services delivered to meet market demand (expenditures), and the relative efficiency of institutional operations. Resources take the form of state and local government appropriations, gifts, grants, investment income, auxiliary enterprises, and tuition and fees. Expenditures include salaries and benefits for faculty, staff, and administrative personnel; maintenance and operation of campus facilities, including buildings, grounds, and utilities; academic and service related equipment and supplies; and financial aid in the form of scholarships, grants, and tuition waivers. A reduction in revenue usually requires a concomitant reduction in expenditures, improved efficiency of operations, or an increase in revenue from other sources.

This policy brief examines tuition and required fees charged to students and their families by public two-year and 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*², and 2) the annual survey of tuition and fees conducted by the state of Washington's Higher Education Coordinating Board (WHECB).³ In addition to Midwestern data, published tuition and fee rates are presented for selected public research universities and

¹ This report was written by Chris Rasmussen and Gina Johnson.

² See <http://chronicle.com/stats/tuition/>.

³ 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/2007-08TuitionandFee-NationalComparison3-08.pdf>.



comprehensive institutions in other states for comparison purposes. State averages are presented in nominal terms (not adjusted for inflation) for the academic years 2002-03 through 2007-08.

Tuition Setting Philosophy

States generally fall into one of three categories in their approach to higher education funding. “High tuition, high aid” states (Illinois, Michigan, Minnesota, and Ohio) set public college tuition levels relatively high, but balance sticker price with comparatively generous appropriations for need-based financial aid. In contrast, states that adopt a “low tuition, low aid” model (Kansas, Nebraska, North Dakota, and South Dakota) provide larger subsidies to institutions, set tuition levels lower than average, and operate comparatively small financial aid programs. Occupying the middle of the continuum are “moderate tuition, moderate aid” states (Indiana, Iowa, Missouri, and Wisconsin), which set tuition levels closer to national averages and operate financial aid programs that are generally neither very large nor comparatively small. For this reason, it is misleading to examine a state’s student financial aid effort independent of its institutional subsidy levels and measures of student and family affordability.

High Tuition/ High Aid	Moderate Tuition/ Moderate Aid	Low Tuition/ Low Aid
Illinois Michigan Minnesota Ohio	Iowa Missouri Wisconsin	Kansas Nebraska North Dakota South Dakota
←Indiana ⁴ →		

The relative merits of low, moderate, and high tuition approaches have been widely debated. Proponents of a 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 also 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. 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 significant 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.

⁴ Indiana actually falls somewhere between high and moderate on the continuum of tuition and financial aid. Indiana’s financial aid budget grew by 319% between 1996-97 and 2006-07 to \$332 million. Among Midwestern states, only Illinois awarded more financial aid in 2006-07. According to College Board figures, Indiana’s four-year public institutions ranked 17th highest and its two-year public institutions ranked 19th highest nationally in enrollment-weighted tuition and fees in 2007-08.

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 and fringe 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 14.5% between 2002 and 2007, HEPI increased by 21.1%. A significant portion of this increase can be attributed to two factors: 1) the dramatically increased cost of providing health care benefits to college and university employees; and 2) the spike in utility costs over the period, including increases of 37.5% in 2004 and 27.2% in 2006. (While utility costs decreased 7.6% from 2006 to 2007 the increase between 2007 and 2008 is expected to rival 2004 and 2006 in scale.) While health care and other fringe benefits costs have increased, faculty *salaries*, as a general rule, have remained relatively flat. According to the American Association of University Professors, when adjusted for inflation average salaries for full-time faculty increased by 1.0 percent from academic year 2006-07 to 2007-08. In its component regression analysis, HEPI shows an increase of 26.6% in administrative salaries from 2002 to 2007 as compared to 15.7% for faculty, 15.7% for clerical, and 12.7% for service employees. 2007 HEPI and CPI data were used in this analysis to enable a more accurate comparison to the economic climate in which 2007-08 tuition and fees were set. It is interesting to note, however, that for the first time since 1995, the yearly increase in CPI exceeded the increase in HEPI. It will be interesting to observe whether this change will become a trend.

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 2002-03 through 2007-08. 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, 12 raised tuition at a cumulative rate greater than 50% between fiscal years 2003 and 2008. The largest one-year (FY 2007 to 2008) increase in tuition and fees was seen at the University of Kansas, at 16.1%. Institutions in Kansas also experienced the largest percentage increase in tuition rates over the five-year period: 105.1% at the University of Kansas,



Table 1: Resident Undergraduate Tuition and Fees at Selected Public Research Universities in the Midwest, 2002-03 to 2007-08

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Increase FY 06 to FY 07	Increase FY 07 to FY 08	Increase FY 03 to FY 08
University of Illinois, Chicago	\$6,592	\$6,964	\$7,652	\$8,492	\$8,992	\$9,744	5.9%	8.4%	47.8%
University of Illinois, Urbana-Champaign	6,704	7,010	7,966	8,688	9,882	11,130	13.7%	12.6%	66.0%
Indiana University, Bloomington	5,315	6,515	6,777	7,112	7,460	7,837	4.9%	5.1%	47.5%
Iowa State University, Ames	4,110	5,028	5,426	5,634	5,860	6,161	4.0%	5.1%	49.9%
Kansas State University, Manhattan	3,436	4,060	4,665	5,124	5,779	6,235	12.8%	7.9%	81.5%
Michigan State University, East Lansing	n/a	6,703	7,000	8,237	8,793	9,640	6.8%	9.6%	n/a
Ohio State University, Columbus	5,691	6,651	7,542	8,082	8,667	8,676	7.2%	0.1%	52.5%
Purdue University, West Lafayette	5,580	5,860	6,092	6,458	7,096	7,416	9.9%	4.5%	32.9%
University of Cincinnati	6,939	7,623	8,379	8,883	9,381	9,399	5.6%	0.2%	35.5%
University of Iowa, Iowa City	4,191	4,993	5,396	5,612	5,935	6,293	5.8%	6.0%	50.2%
University of Kansas, Lawrence	3,484	4,101	4,737	5,413	6,153	7,146	13.7%	16.1%	105.1%
University of Michigan, Ann Arbor	7,411	7,975	8,202	9,213	9,723	10,447	5.5%	7.4%	41.0%
University of Minnesota, Twin Cities	6,280	7,116	8,029	8,822	9,373	9,885	6.2%	5.5%	57.4%
University of Missouri, Columbia	5,552	6,558	7,100	7,415	7,784	8,099	5.0%	4.0%	45.9%
University of Nebraska, Lincoln	4,125	4,711	5,341	5,540	5,867	6,216	5.9%	5.9%	50.7%
University of North Dakota, Grand Forks	3,646	4,156	4,828	5,327	5,792	6,130	8.7%	5.8%	68.1%
University of South Dakota, Vermillion	3,872	4,205	4,452	4,829	5,072	5,393	5.0%	6.3%	39.3%
University of Wisconsin, Madison	4,423	5,136	5,866	6,280	6,726	7,188	7.1%	6.9%	62.5%
University of Wisconsin, Milwaukee	4,353	5,104	5,831	6,220	6,626	6,958	6.5%	5.0%	59.8%
Wayne State University, Detroit	n/a	5,190	n/a	6,439	6,812	7,844	5.8%	15.1%	n/a
Average	5,095	5,783	6,383	6,891	7,389	7,892	7.2%	6.8%	54.9%
National Public Flagship Average	4,694	5,221	5,701	6,172	6,618	7,029	7.2%	6.2%	49.7%



Table 2: Resident Undergraduate Tuition and Fees at Selected Comparison Public Research Universities, 2002-03 to 2007-08

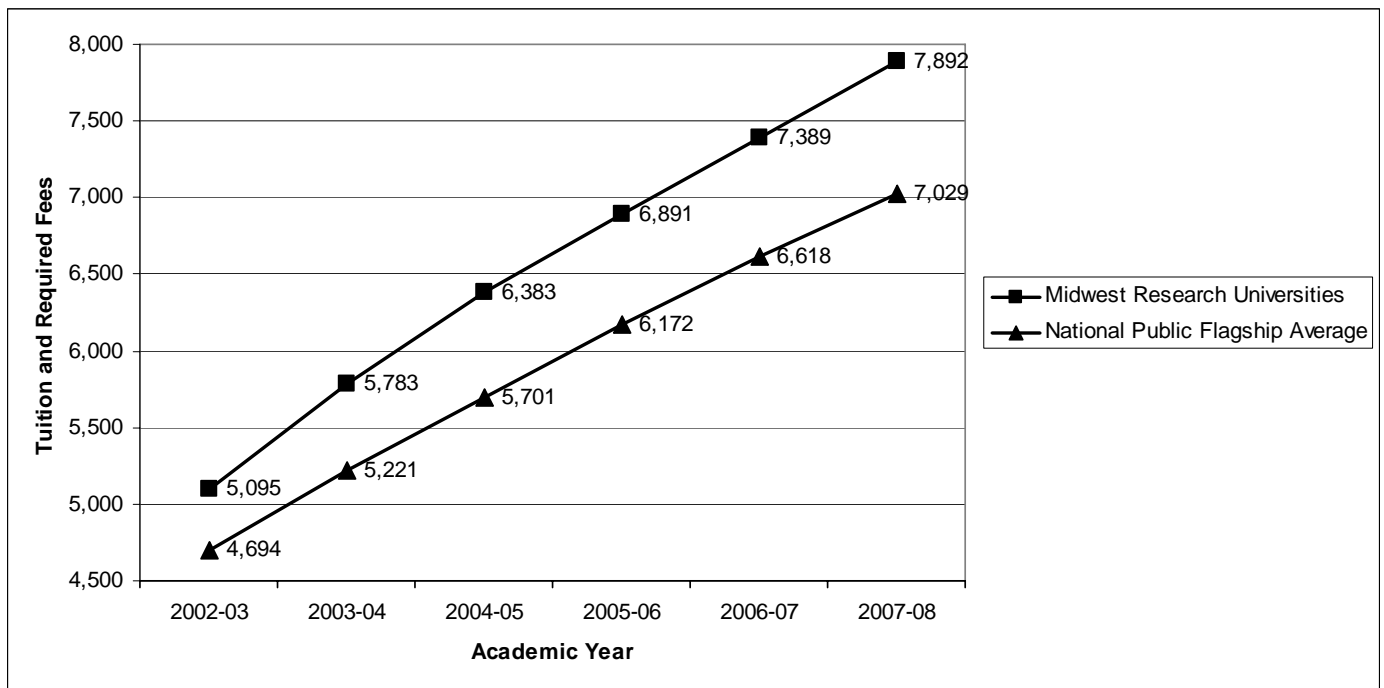
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Increase FY 06 to FY 07	Increase FY 07 to FY 08	Increase FY 03 to FY 08
Oklahoma State University, Stillwater	\$2,960	\$3,748	\$4,071	\$4,365	\$5,147	\$6,016	17.9%	16.9%	103.2%
Pennsylvania State University, University Park	8,382	9,706	10,856	11,508	12,164	12,844	5.7%	5.6%	53.2%
Rutgers University, New Brunswick (NJ)	7,308	7,927	8,564	9,108	9,958	10,686	9.3%	7.3%	46.2%
Texas A&M University, College Station	4,748	5,051	5,955	6,399	6,967	7,335	8.9%	5.3%	54.5%
University of Arizona, Tucson	2,594	3,603	4,097	4,487	4,754	5,037	6.0%	6.0%	94.2%
University of Arkansas, Fayetteville	4,228	4,768	5,179	5,495	5,808	6,038	5.7%	4.0%	42.8%
University of California, Berkeley	3,829	5,250	5,956	6,512	6,654	7,164	2.2%	7.7%	87.1%
University of Colorado, Boulder	3,566	4,020	4,341	5,372	5,643	6,635	5.0%	17.6%	86.1%
University of Florida, Gainesville	2,581	2,780	2,955	3,094	3,206	3,256	3.6%	1.6%	26.2%
University of Georgia, Athens	3,616	4,078	4,272	4,628	4,964	5,622	7.3%	13.3%	55.5%
University of Kentucky, Lexington	3,975	4,546	5,165	5,812	6,510	7,096	12.0%	9.0%	78.5%
University of Maryland, College Park	5,670	6,759	7,410	7,821	7,906	7,969	1.1%	0.8%	40.5%
University of North Carolina, Chapel Hill	n/a	3,993	4,450	4,515	5,034	5,340	11.5%	6.1%	n/a
University of Oklahoma, Norman	2,860	3,983	4,140	4,408	5,710	6,507	29.5%	14.0%	127.5%
University of Pittsburgh, main campus	8,528	9,274	10,830	11,436	12,138	12,876	6.1%	6.1%	51.0%
University of Texas, Austin	3,950	4,188	6,588	6,972	7,630	7,670	9.4%	0.5%	94.2%
University of Utah, Salt Lake City	3,324	3,646	4,000	4,299	4,663	4,987	8.5%	6.9%	50.0%
University of Virginia, Charlottesville	4,595	5,964	6,553	7,133	7,845	8,500	10.0%	8.3%	85.0%
University of Washington, Seattle	4,636	4,968	5,286	5,620	5,985	6,385	6.5%	6.7%	37.7%
University of Wyoming, Laramie	2,997	3,090	3,243	3,429	3,515	3,554	2.5%	1.1%	18.6%
Peer Comparison Average	4,439	5,067	5,696	6,121	6,610	7,076	8.0%	7.0%	59.4%
Average of 20 Selected Midwestern Institutions	5,095	5,783	6,383	6,891	7,389	7,892	7.2%	6.8%	54.9%

and 81.5% at Kansas State. The average five-year tuition increase among the 20 institutions of 54.9% exceeded the average increase of the 50 state flagship universities of 49.7%.

Tuition levels at these two institutions were the lowest of the 20 selected universities in the analysis in 2002-03, and remained in the lower half in 2007-08. The University of South Dakota is now the lowest priced institution among the group by a significant margin, with published tuition and fees for in-state residents of \$5,393. Iowa State, Kansas State, and the universities of Iowa, Nebraska, and North Dakota also remain below \$6,500 in tuition and fees. Tuition and fees now exceed \$9,000 at the University of Illinois campuses at Chicago and Urbana-Champaign, at the universities of Cincinnati, Michigan, and Minnesota and at Michigan State. Tuition and fees at Ohio State University and the University of Cincinnati barely budged in 2007-08 due to an agreement with the state legislature to freeze tuition for two years in exchange for a significant increase in appropriations to Ohio’s public universities.

As can be seen from the diverging trend lines in Figure 1, average tuition and fees at the 20 selected Midwestern public research institutions has increased at a faster rate than the average for all public flagship universities over the past five years. Whereas the Midwestern average was 8.5% greater than the national average in FY 2003, it was 12.3% greater in FY 2008.

Figure 1: Trends in Resident Undergraduate Tuition and Fees at Selected Public Research Universities in the Midwest and the Nation, 2002-03 to 2007-08



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 2002-03 through 2007-08. 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, 2002-03 to 2007-08

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Increase FY 06 to FY 07	Increase FY 07 to FY 08	Increase FY 03 to FY 08
University of Illinois, Chicago	\$13,920	\$17,080	\$18,900	\$20,692	\$22,132	\$22,134	7.0%	0.0%	59.0%
University of Illinois, Urbana-Champaign	15,308	18,046	20,886	22,774	23,968	25,216	5.2%	5.2%	64.7%
Indiana University, Bloomington	15,926	17,552	18,590	19,508	20,472	22,316	4.9%	9.0%	40.1%
Iowa State University, Ames	12,802	14,370	15,128	15,724	16,354	16,919	4.0%	3.5%	32.2%
Kansas State University, Manhattan	10,696	11,950	13,425	14,454	15,514	15,970	7.3%	2.9%	49.3%
Michigan State University, East Lansing	n/a	16,729	17,845	19,632	21,438	23,500	9.2%	9.6%	n/a
Ohio State University, Columbus	15,114	16,638	18,129	19,305	20,562	21,285	6.5%	3.5%	40.8%
Purdue University, West Lafayette	16,260	17,640	18,700	19,824	21,266	22,224	7.3%	4.5%	36.7%
University of Cincinnati	17,322	19,230	21,351	22,635	23,904	23,922	5.6%	0.1%	38.1%
University of Iowa, Iowa City	13,833	15,285	16,048	16,998	18,159	19,465	6.8%	7.2%	40.7%
University of Kansas, Lawrence	10,687	11,577	12,691	13,866	15,123	17,556	9.1%	16.1%	64.3%
University of Michigan, Ann Arbor	23,289	24,695	26,028	27,601	29,131	31,301	5.5%	7.4%	34.4%
University of Minnesota, Twin Cities	16,853	18,746	19,659	20,252	21,003	21,515	3.7%	2.4%	27.7%
University of Missouri, Columbia	14,705	16,005	16,547	17,522	18,050	18,755	3.0%	3.9%	27.5%
University of Nebraska, Lincoln	10,738	12,293	13,831	14,680	15,317	16,236	4.3%	6.0%	51.2%
University of North Dakota, Grand Forks	8,580	9,902	11,522	12,578	13,786	14,523	9.6%	5.3%	69.3%
University of South Dakota, Vermillion	8,122	8,917	9,296	9,816	6,263	6,631	-36.2%	5.9%	-18.4%
University of Wisconsin, Madison	18,424	19,136	19,866	20,280	20,726	21,438	2.2%	3.4%	16.4%
University of Wisconsin, Milwaukee	17,015	17,856	18,583	18,972	16,228	16,686	-14.5%	2.8%	-1.9%
Wayne State University, Detroit	n/a	11,211	n/a	13,721	14,570	16,595	6.2%	13.9%	n/a
Average	14,422	15,743	17,212	18,042	18,698	19,709	3.6%	5.4%	36.7%
National Public Flagship Average	13,278	14,498	15,572	16,720	17,736	18,811	6.1%	6.1%	41.7%



Table 4: Non-Resident Undergraduate Tuition and Fees at Selected Comparison Public Research Universities, 2002-03 to 2007-08

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Increase FY 06 to FY 07	Increase FY 07 to FY 08	Increase FY 03 to FY 08
Oklahoma State University, Stillwater	\$8,014	\$10,066	\$11,361	\$12,388	\$13,569	\$15,441	9.5%	13.8%	92.7%
Pennsylvania State University, University Park	17,610	19,328	20,784	21,744	22,712	23,712	4.5%	4.4%	34.7%
Rutgers University, New Brunswick (NJ)	13,284	14,441	15,599	16,706	18,463	19,854	10.5%	7.5%	49.5%
Texas A&M University, College Station	11,288	12,131	13,781	14,679	15,216	15,675	3.7%	3.0%	38.9%
University of Arizona, Tucson	11,114	12,373	13,077	13,671	14,960	16,271	9.4%	8.8%	46.4%
University of Arkansas, Fayetteville	10,600	11,276	12,469	13,222	13,942	14,492	5.4%	3.9%	36.7%
University of California, Berkeley	15,163	19,460	22,912	24,332	25,338	26,784	4.1%	5.7%	76.6%
University of Colorado, Boulder	18,945	20,336	21,462	22,826	23,539	24,797	3.1%	5.3%	30.9%
University of Florida, Gainesville	11,595	13,283	15,827	16,579	17,791	17,841	7.3%	0.3%	53.9%
University of Georgia, Athens	12,986	14,854	15,588	16,848	18,040	20,726	7.1%	14.9%	59.6%
University of Kentucky, Lexington	10,527	11,226	11,945	12,798	13,970	14,896	9.2%	6.6%	41.5%
University of Maryland, College Park	14,434	17,433	18,710	20,145	21,345	22,208	6.0%	4.0%	53.9%
University of North Carolina, Chapel Hill	n/a	15,841	17,548	18,313	19,682	20,988	7.5%	6.6%	n/a
University of Oklahoma, Norman	8,088	10,254	11,658	12,301	13,399	15,621	8.9%	16.6%	93.1%
University of Pittsburgh, main campus	17,336	18,586	20,200	20,784	21,456	22,386	3.2%	4.3%	29.1%
University of Texas, Austin	10,490	11,268	14,434	16,310	20,364	24,544	24.9%	20.5%	134.0%
University of Utah, Salt Lake City	10,182	11,292	12,410	13,372	14,593	15,662	9.1%	7.3%	53.8%
University of Virginia, Charlottesville	19,990	21,934	22,831	23,877	25,945	27,515	8.7%	6.1%	37.6%
University of Washington, Seattle	15,337	16,121	17,916	19,917	21,283	22,131	6.9%	4.0%	44.3%
University of Wyoming, Laramie	8,661	8,940	9,273	9,819	10,055	10,394	2.4%	3.4%	20.0%
Peer Comparison Average	12,929	14,522	15,989	17,032	18,283	19,597	7.3%	7.2%	51.6%
Average of 20 Selected Midwestern Institutions	14,422	15,743	17,212	18,042	18,698	19,709	3.6%	5.4%	36.7%

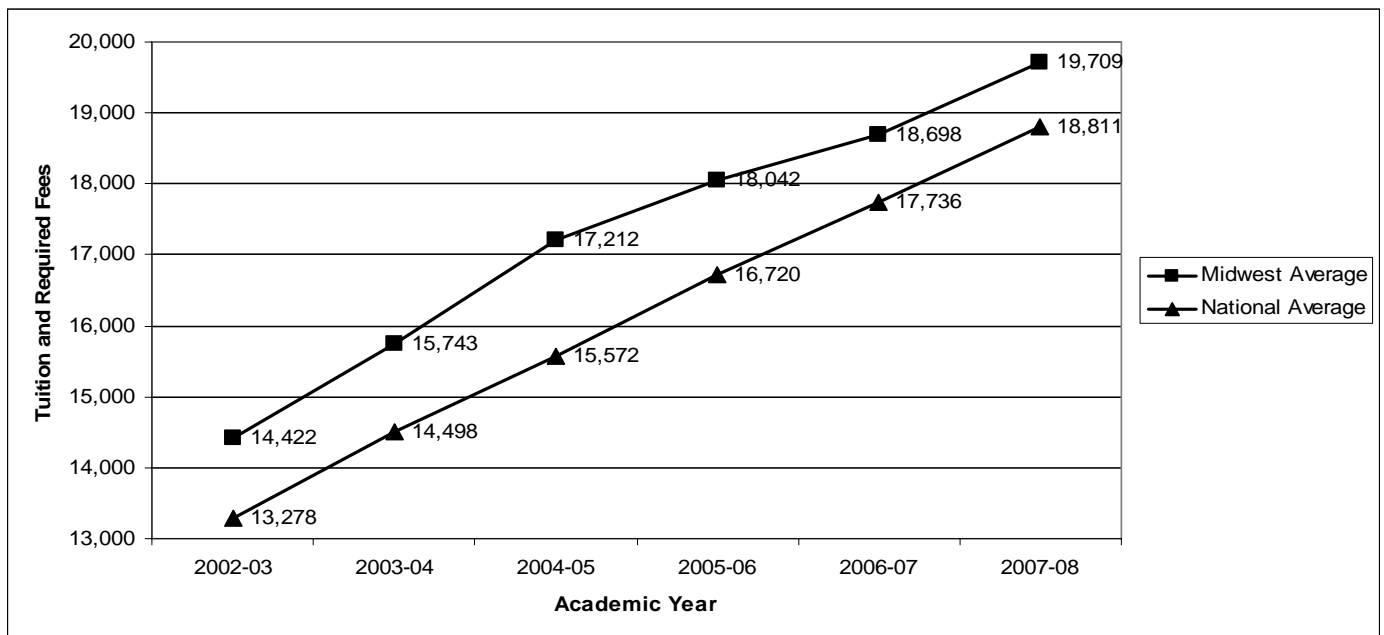
A slightly different picture emerges from the data on non-resident tuition due to the strategy employed recently by a number of public institutions to reduce tuition or minimize increases to non-residents in an attempt to expand enrollment of students from other states. In Minnesota, for example, selected universities began charging the same rate to all students as early as the year 2000. In 2006, all of South Dakota’s public institutions set non-resident tuition at no more than 150% of the resident rate. This is reflected in Table 3, with non-resident tuition and fees at the University of South Dakota decreasing from \$9,816 in 2005 to \$6,263 in 2006, a one-year decrease of 36.2%. A similar strategy was employed at the University of Wisconsin-Milwaukee, which decreased tuition and fees for non-residents by 14.5% from 2005 to 2006.

Relatively small recent increases—and actual decreases at two institutions, due to the factors mentioned above—contributed to 13 of the 20 public research institutions in the analysis holding cumulative increases in non-resident tuition and fees below 50% between FY 2003 and FY 2008. The largest one-year (FY 2007 to FY 2008) increase in tuition and fees was seen at the University of Kansas, at 16.1%. The University of North Dakota had the largest five-year increase at 69.3%.

The University of South Dakota is the lowest priced institution among the group by far, with published tuition and fees for non-residents in 2007-08 of \$6,631. The University of North Dakota is next at \$14,523. The University of Michigan has the highest published tuition and fees rates for non-residents by a significant margin at \$31,301. The next highest rate is found at the University of Illinois at Urbana-Champaign at \$25,216. The average five-year tuition increase among the 20 institutions of 36.7% was smaller than the average of the 50 state flagship universities of 41.7%. However, removing the universities of South Dakota and Wisconsin at Milwaukee from the calculation brings the Midwestern average to 42.9%.

As can be seen in Figure 2, tuition and fees for non-residents at the 20 selected Midwestern public research institutions increased at a faster rate than the national average between FY 2003 and 2005, but the gap between the two averages narrowed from FY 2005 to FY 2008. Whereas the Midwestern average was 10.5% greater than the national average in FY 2005, it was only 4.8% greater in FY 2008.

Figure 2: Trends in Non-Resident Undergraduate Tuition and Fees at Selected Public Research Universities in the Midwest and the Nation, 2002-03 to 2007-08



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 2002-03 through 2007-08. Figures were taken from the Washington Higher Education Coordinating Board (WHECB) report of its 39th annual survey of tuition and fee rates in the states, released in March 2008. 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, 2002-03 to 2007-08

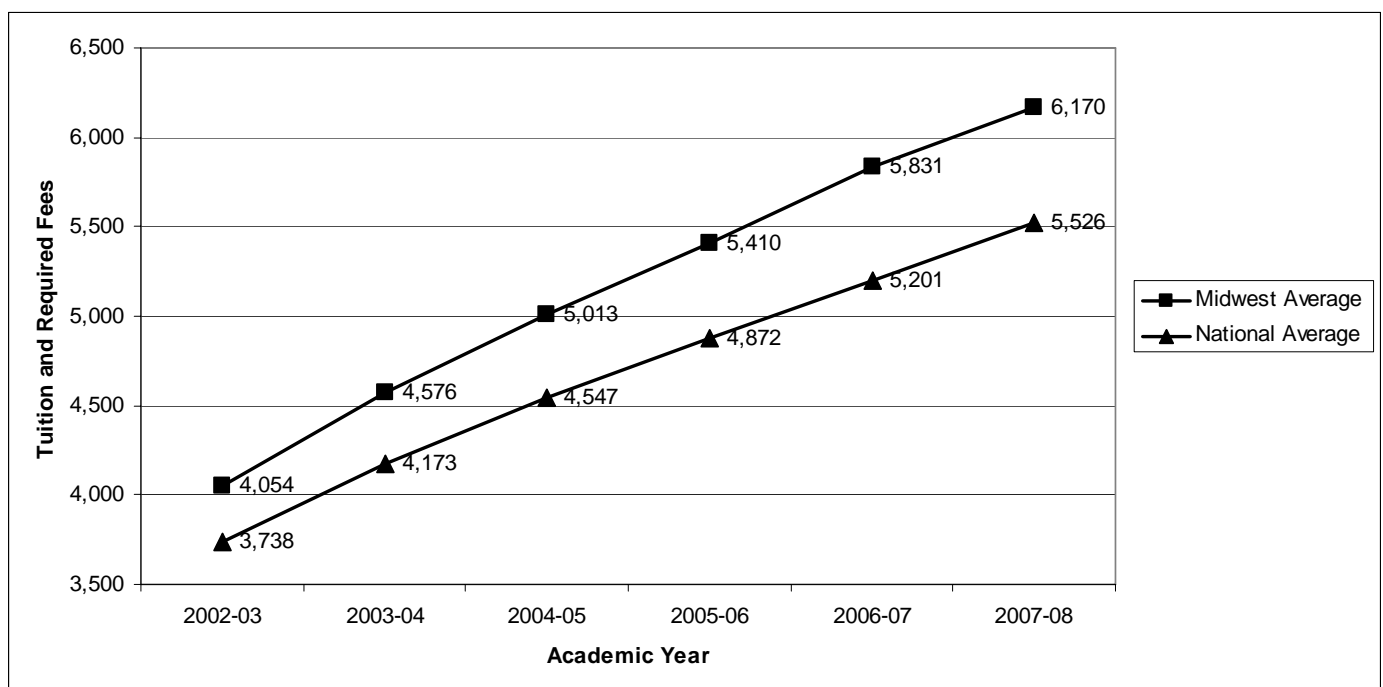
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	% Increase FY 06 to FY 07	% Increase FY 07 to FY 08	% Increase FY 03 to FY 08
Illinois (5)	\$4,606	\$5,238	\$5,968	\$6,780	\$7,511	\$8,335	10.8%	11.0%	81.0%
Indiana (2)	4,468	4,936	5,390	6,171	6,643	6,990	7.6%	5.2%	56.4%
Iowa (1)	4,118	4,916	5,387	5,602	6,112	6,190	9.1%	1.3%	50.3%
Kansas (4)	2,593	2,946	3,285	3,538	3,771	4,037	6.6%	7.1%	55.7%
Michigan (6)	4,943	5,423	5,584	6,268	6,687	7,328	6.7%	9.6%	48.3%
Minnesota (7)	3,970	4,517	5,098	5,251	5,656	5,894	7.7%	4.2%	48.5%
Missouri (5)	4,127	4,562	4,941	5,112	5,386	5,740	5.4%	6.6%	39.1%
Nebraska (2)	3,199	3,659	3,930	4,234	4,479	4,768	5.8%	6.5%	49.0%
North Dakota (4)	3,191	3,594	4,138	4,530	4,882	5,142	7.8%	5.3%	61.1%
Ohio (4)	5,920	6,620	7,139	7,567	8,162	8,167	7.9%	0.1%	38.0%
South Dakota (2)	3,987	4,322	4,566	4,793	5,351	5,743	11.6%	7.3%	44.0%
Wisconsin (4)	3,526	4,180	4,730	5,072	5,334	5,703	5.2%	6.9%	61.7%
Midwest Average (Unweighted)	4,054	4,576	5,013	5,410	5,831	6,170	7.8%	5.8%	52.2%
Midwest Average (Weighted)	4,099	4,614	5,068	5,472	5,921	6,305	8.2%	6.5%	53.8%
National Average (Unweighted)	3,738	4,173	4,547	4,872	5,201	5,526	6.8%	6.2%	47.8%

Five-year increases in average tuition and fees were under 50% in Michigan, Minnesota, Missouri, Nebraska, Ohio, and South Dakota. The largest five-year increase occurred in Illinois, where the average tuition and fees at the five institutions in the survey increased by 81.0% between FY 2003 and FY 2008. The largest one-year increase was also seen in Illinois, at 11.0%. Ohio's average remained essentially unchanged for reasons discussed earlier in this report. In comparing states, the average tuition and fees at survey institutions in Illinois was the largest in FY 2008 at \$8,335. This figure was followed by Ohio at \$8,167. The average among Kansas institutions was lowest at \$4,037.

The average level of tuition and fees in 2007-08 among Midwestern institutions included in the survey was \$6,305—above the national average of \$5,526. (This latter figure represents the unweighted mean of 46 state averages. Weighted means in the WHECB survey are typically 1.0 to 1.5% greater than unweighted means. 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 53.8%, compared to a national average of 47.8%. The Midwestern states increased an average of 6.5% in one year – similar to the national average increase of 6.2%

As can be seen from the diverging trend lines in Figure 3, tuition and fees at the Midwestern public comprehensive universities included in the WHECB survey have increased at a faster rate than the national average from FY 2003 to FY 2007. Whereas the Midwestern average was 8.5% greater than the national average in FY 2003, it was 12.1% greater in FY 2007. The FY 2008 rate of 11.7% represents at least a temporary departure from this trend.

Figure 3: Trends in Resident Undergraduate Tuition and Fees at Selected Public Comprehensive Universities in the Midwest and the Nation, 2002-03 to 2007-08



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 recently by a number of public institutions in the Midwest to reduce or minimize increases in tuition to non-residents. In addition to the previously cited examples, non-resident tuition at most campuses in the University of Wisconsin system was reduced in 2006 to the lowest levels since 2001.

These changes in tuition philosophy are reflected in Table 6. Non-resident tuition fell 33.1% at South Dakota’s public comprehensive universities between FY 2006 and FY 2007, and 15.3% in Wisconsin. Both



states show increases in tuition from FY 2007 to FY 2008. Non-resident tuition increased by 10.2% at Illinois’s comprehensive universities between FY 2007 and FY 2008 and by 8.9% at Michigan institutions. Five-year rates of increase in non-resident tuition and fees were below 50% in all but two of the Midwestern states: Illinois at 62.2% and North Dakota at 51.5%.

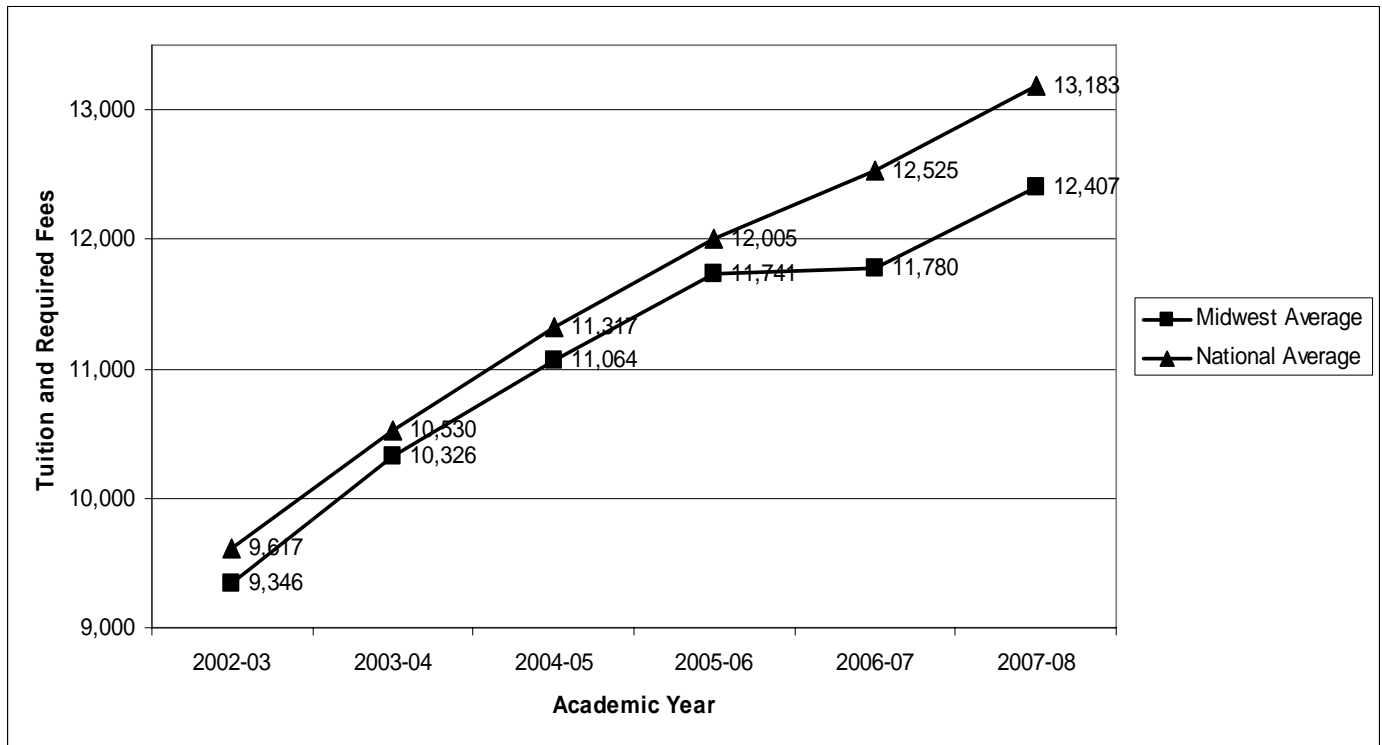
In comparing states, the average tuition and fees at survey institutions in Michigan was the largest in FY 2008 at \$16,560, with Indiana and Ohio not far behind. The average among South Dakota institutions was lowest at \$6,980—nearly 18.6% below the next lowest state of Nebraska. The average unweighted tuition and fees in 2007-08 among all Midwestern institutions included in the survey was \$12,489—5.3% below the national average of \$13,183. The average five-year percentage increase for the region was 1.5 points smaller than the national average (35.6% vs. 37.1%).

Table 6: Average Non-Resident Undergraduate Tuition and Fees at Selected Public Comprehensive Universities by Midwestern State, 2002-03 to 2007-08

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	% Increase FY 06 to FY 07	% Increase FY 07 to FY 08	% Increase FY 03 to FY 08
Illinois (5)	\$9,158	\$10,159	\$11,239	\$12,276	\$13,479	\$14,852	9.8%	10.2%	62.2%
Indiana (2)	11,438	12,379	13,334	14,549	15,539	16,451	6.8%	5.9%	43.8%
Iowa (1)	10,426	11,874	12,705	13,214	14,028	14,282	6.2%	1.8%	37.0%
Kansas (4)	8,253	9,206	9,949	10,591	10,990	11,634	3.8%	5.9%	41.0%
Michigan (6)	11,164	12,205	12,617	14,039	15,205	16,560	8.3%	8.9%	48.3%
Minnesota (7)	6,781	7,939	8,498	8,730	8,643	9,240	-1.0%	6.9%	36.3%
Missouri (5)	7,732	8,552	9,156	9,434	9,887	10,318	4.8%	4.4%	33.4%
Nebraska (2)	5,760	6,595	7,061	7,620	8,053	8,578	5.7%	6.5%	48.9%
North Dakota (4)	6,944	7,983	9,292	10,173	10,004	10,521	-1.7%	5.2%	51.5%
Ohio (4)	12,685	13,759	14,731	15,372	16,185	16,191	5.3%	0.0%	27.6%
South Dakota (2)	8,236	9,033	9,410	9,780	6,542	6,980	-33.1%	6.7%	-15.3%
Wisconsin (4)	13,572	14,226	14,776	15,119	12,809	13,276	-15.3%	3.6%	-2.2%
Midwest Average (Unweighted)	9,346	10,326	11,064	11,741	11,780	12,407	0.3%	5.3%	32.8%
Midwest Average (Weighted)	9,212	10,190	10,931	11,621	11,900	12,489	2.4%	5.0%	35.6%
National Average (Unweighted)	9,617	10,530	11,317	12,005	12,525	13,183	4.3%	5.3%	37.1%

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 2003 and FY 2007. The aforementioned changes in tuition policy in some states led 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, 2002-03 to 2007-08



Data on undergraduate tuition and fees for resident and non-resident students attending selected public comprehensive universities in the Midwest and neighboring states in 2006-07 are presented in Table 7. These data are presented in nominal terms (not adjusted for inflation) for the academic year 2007-08. 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—have the lowest published tuition and fees at \$3,798 and \$3,857, respectively. The three universities in Maryland and Pennsylvania have the highest published tuition and fee levels of the institutions selected, ranging from \$6,550 to \$6,767.

Among the Midwestern universities in the table, the Kansas institutions—Fort Hays State and Emporia State Universities—are priced the lowest at \$3,355 and \$3,926, respectively. Chadron State College in Nebraska is next at \$4,212. On the high end of pricing is Ferris State University at \$8,862, followed by Kent State and Western Illinois University. More significant variation exists in non-resident tuition, which ranges from \$6,518 at Northern State University in South Dakota to \$19,654 at Eastern Illinois and \$18,216 at Ball State. Bemidji State’s non-resident tuition and fee rate is the same as its resident rate of \$6,740. Chadron State College, Missouri Western State University, and Northern State University also maintained non-resident tuition and fee rates under \$10,000 in FY 2008. Among the 20 comparison institutions, Slippery Rock University in Pennsylvania has the lowest tuition for non-residents at \$9,260, followed by Northeastern State University in Oklahoma (\$9,318), and Edinboro University of Pennsylvania (\$9,356).



Table 7: Undergraduate Tuition and Fees at Selected Comprehensive Universities in the Midwest and Surrounding States, 2007-08

Midwestern Institutions	Resident	Non-Resident
Eastern Illinois University, Charleston	\$7,990	\$19,654
Western Illinois University, Macomb	8,079	11,027
Ball State University, Muncie (IN)	7,148	18,216
Indiana State University, Terre Haute	6,789	14,651
University of Northern Iowa, Cedar Falls	6,190	14,282
Emporia State University (KS)	3,926	11,976
Fort Hays State University, Hays (KS)	3,355	10,543
Ferris State University, Big Rapids (MI)	8,862	16,062
Saginaw Valley State University, University Center (MI)	6,258	14,283
Bemidji State University (MN)	6,740	6,740
Winona State University (MN)	6,336	10,798
Missouri Western State University, St. Joseph	5,330	9,290
Southeast Missouri State University, Cape Girardeau	5,925	10,320
Chadron State College (NE)	4,212	7,512
Minot State University (ND)	4,773	11,415
Kent State University (OH)	8,430	15,862
Wright State University, Dayton (OH)	7,278	14,004
Northern State University, Aberdeen (SD)	5,280	6,518
University of Wisconsin, Eau Claire	5,841	13,414
University of Wisconsin, Oshkosh	5,689	13,262

Comparison Institutions	Resident	Non-Resident
Arkansas State University, Jonesboro	\$6,010	\$13,390
University of Central Arkansas, Conway	6,062	10,892
University of Colorado, Colorado Springs	5,341	16,381
University of Northern Colorado, Greeley	4,313	12,893
Northern Kentucky University, Highland Heights	5,952	10,776
Western Kentucky University, Bowling Green	6,416	15,470
Frostburg State University (MD)	6,550	16,162
Montana State University, Billings	5,132	13,707
Montana State University Northern, Havre	4,357	14,493
State University of New York, College at Buffalo	5,375	11,635
State University of New York, College at Fredonia	5,544	11,802
Northeastern State University, Tahlequah (OK)	3,798	9,318
University of Central Oklahoma, Edmond	3,857	9,729
Edinboro University of Pennsylvania	6,767	9,356
Slippery Rock University of Pennsylvania	6,671	9,260
Austin Peay State University, Clarksville (TN)	5,238	15,514
University of Tennessee, Martin	5,005	15,045
Texas A&M University, Commerce	5,190	13,440
Fairmont State University (WV)	4,614	9,960
Marshall University, Huntington (WV)	4,360	11,264



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 2002-03 through 2007-08. 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.

The majority of public two-year colleges in MHEC states held cumulative increases in tuition and fees at public two-year colleges below 50% between FY 2003 and FY 2008. Taking Indiana out of the analysis, Kansas saw the lowest five-year increase in community college tuition and fees at 29.4%. North Dakota saw the largest increase in two-year college tuition and fees at 60.1%, followed by Wisconsin at 55.8%. The largest one-year (FY 2007 to FY 2008) increase was seen in Missouri, at 9.2%. Increases in Wisconsin and Ohio were negligible.

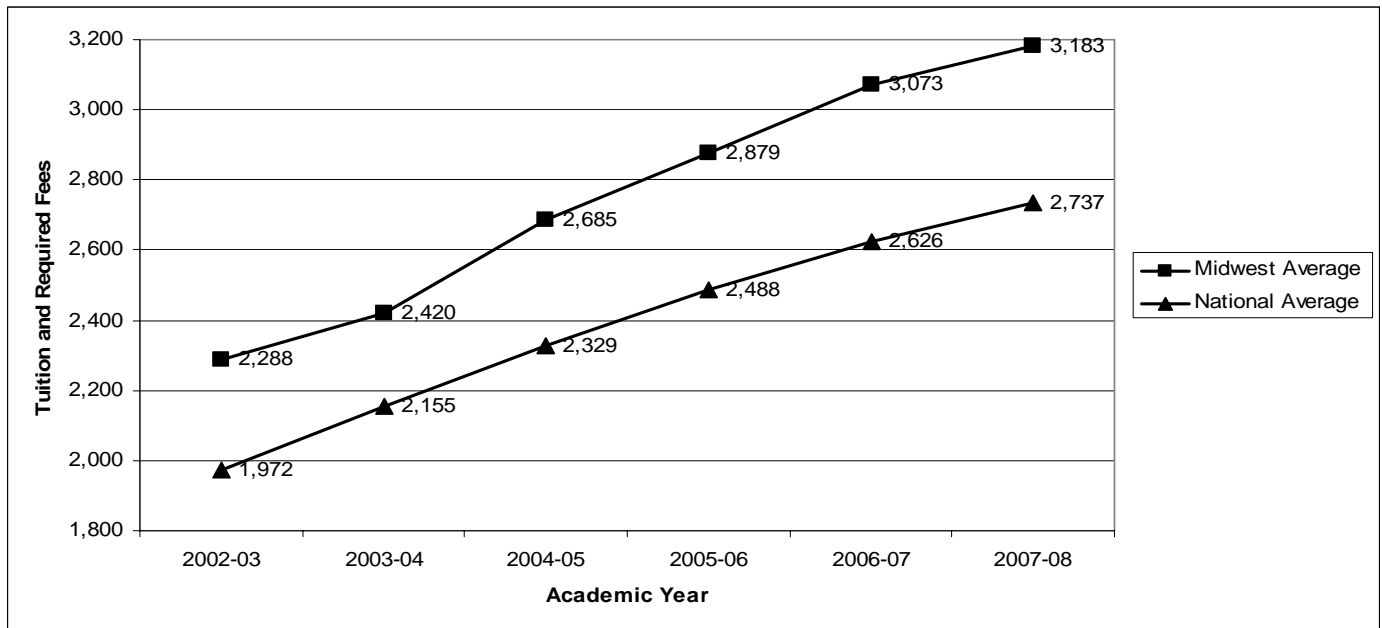
Table 8: Resident Undergraduate Tuition and Fees at Public Two-Year Colleges by Midwestern State, 2002-03 to 2007-08

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	% Increase FY 06 to FY 07	% Increase FY 07 to FY 08	% Increase FY 03 to FY 08
Illinois	\$1,705	\$1,807	\$1,993	\$2,237	\$2,307	\$2,359	3.1%	2.3%	38.4%
Indiana	2,957	2,524	2,661	2,822	3,232	3,396	14.5%	5.1%	14.8%
Iowa	2,670	2,757	2,920	3,056	3,467	3,491	13.4%	0.7%	30.7%
Kansas	1,554	1,765	1,819	1,939	1,988	2,011	2.5%	1.2%	29.4%
Michigan	1,800	1,920	1,873	2,185	2,311	2,459	5.8%	6.4%	36.6%
Minnesota	3,049	3,149	3,822	4,042	4,283	4,444	6.0%	3.8%	45.8%
Missouri	2,437	2,471	2,911	3,051	3,092	3,375	1.3%	9.2%	38.5%
Nebraska	1,536	1,578	1,748	1,884	1,998	2,160	6.1%	8.1%	40.6%
North Dakota	2,263	2,503	2,969	3,202	3,442	3,624	7.5%	5.3%	60.1%
Ohio	2,300	2,717	2,876	3,011	3,169	3,179	5.2%	0.3%	38.2%
Wisconsin	2,902	3,433	3,945	4,237	4,511	4,520	6.5%	0.2%	55.8%
Midwest Average	2,288	2,420	2,685	2,879	3,073	3,183	6.7%	3.6%	39.1%
National Average	1,972	2,155	2,329	2,488	2,626	2,737	5.5%	4.2%	38.8%

The highest estimated average total of public two-year tuition and fees in 2007-08 was in Wisconsin at \$4,520, followed closely by Minnesota at \$4,444. The lowest rates were in Kansas and Nebraska at \$2,011 and \$2,160, respectively. The unweighted Midwestern average of \$3,183 was 16.3% higher than the national average of \$2,737. The average five-year increase in tuition and fees among Midwestern states was 39.1%, comparable to a national average of 38.8%. The one-year figure of 3.6% for the Midwest was lower than the national average of 4.2%.

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 2003 and FY 2008.

Figure 5: Trends in Resident Tuition and Fees at Public Two-Year Colleges in the Midwest and the Nation, 2002-03 to 2007-08



Average 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 by an estimated 12.9% in Illinois due to a cut of nearly \$2,000 (21%) in non-resident tuition and fees in FY 2006. Wisconsin saw a decrease of 0.9% while Minnesota had an increase of just 2.4%. The highest rate of increase was seen in Nebraska, at 51.4%, followed by Michigan at 43.0%.

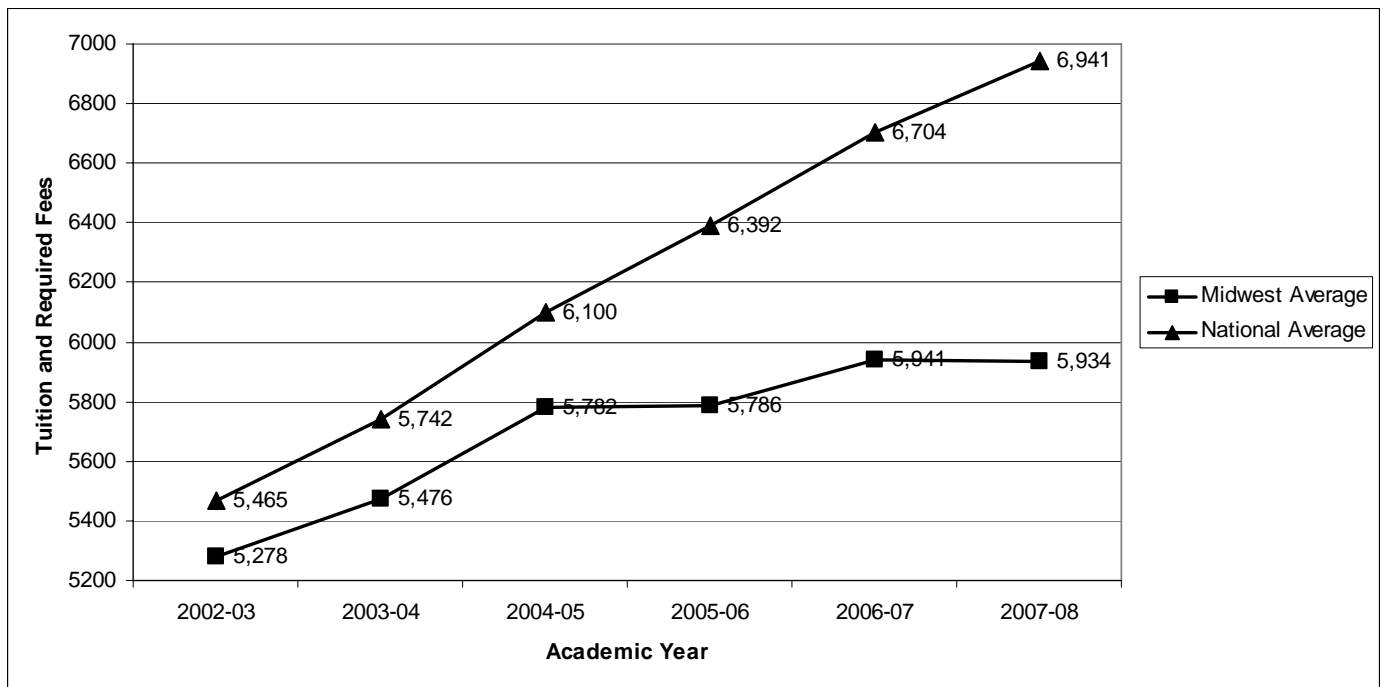
Table 9: Non-Resident Undergraduate Tuition and Fees at Public Two-Year Colleges by Midwestern State, 2002-03 to 2007-08

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Increase FY 06 to FY 07	Increase FY 07 to FY 08	Increase FY 03 to FY 08
Illinois	\$9,113	\$9,596	\$9,433	\$7,455	\$8,062	\$7,933	8.1%	-1.6%	-12.9%
Indiana	7,065	6,104	6,416	6,705	6,973	7,516	4.0%	7.8%	6.4%
Iowa	3,999	3,825	4,206	4,379	4,893	4,821	11.7%	-1.5%	20.6%
Kansas	2,624	2,851	2,872	3,014	3,101	3,144	2.9%	1.4%	19.8%
Michigan	3,450	3,668	3,810	4,300	4,609	4,935	7.2%	7.1%	43.0%
Minnesota	5,253	5,970	6,117	5,783	6,353	5,379	9.9%	-15.3%	2.4%
Missouri	3,500	3,796	3,959	4,151	4,202	4,524	1.2%	7.7%	29.3%
Nebraska	1,840	1,978	2,295	2,445	2,589	2,786	5.9%	7.6%	51.4%
North Dakota	4,825	4,736	5,735	6,157	6,664	6,311	8.2%	-5.3%	30.8%
Ohio	4,782	5,578	6,113	6,317	6,413	6,424	1.5%	0.2%	34.3%
Wisconsin	11,602	12,133	12,645	12,937	11,495	11,503	-11.1%	0.1%	-0.9%
Midwest Average	5,278	5,476	5,782	5,786	5,941	5,934	2.7%	-0.1%	12.4%
National Average	5,465	5,742	6,100	6,392	6,704	6,941	4.9%	3.5%	27.0%

Four of the MHEC states, including Illinois, Iowa, Minnesota and North Dakota saw a one-year decrease in tuition and fees for non-residents from FY 2007 to FY 2008, led by Minnesota at -15.3%. Indiana’s one-year increase was the largest at 7.8%, followed by Missouri at 7.7%. Wisconsin’s non-resident rates remained essentially unchanged from FY 2007 to FY 2008, but are still the largest in the region by far at \$11,503, compared to the next highest state (Illinois) at \$7,933 and the Midwestern average of \$5,934. Estimated public two-year college tuition and fees are lowest in Nebraska at \$2,786, followed by Kansas at \$3,144. The Midwestern average is 14.5% below the national average of \$6,941. The average one-year and five-year rates of increase in tuition and fees in Midwestern states were also smaller than the national averages.

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 2003. The national average grew at a slightly faster rate than the Midwestern average for the next two years, with the difference increasing from approximately 3.5% to 5.5% during this period. Declines in price in Illinois, Iowa, Minnesota, North Dakota, and Wisconsin in the past few years as well as near price freezes in other MHEC states have brought the difference up to 17% in FY 2008.

Figure 6: Trends in Non-Resident Tuition and Fees at Public Two-Year Colleges in the Midwest and the Nation, 2002-03 to 2007-08



State Higher Education Affordability Rankings, 1992 vs. 2006

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 2006. Because states differ in their approach to tuition setting and financial aid (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 2006*, 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. 2006
(Percentage of average annual family income required to support one year of attendance)

	1992	2004	2006	1992 Rank	2006 Rank
Illinois	20.5%	21.4%	24.2%	8	8
Indiana	24.2	23.8	24.3	11	9
Iowa	18.0	23.7	26.2	4	11
Kansas	15.4	18.9	19.9	2	1
Michigan	22.6	22.2	24.5	10	10
Minnesota	19.3	19.2	21.9	6	4
Missouri	21.1	19.5	22.5	9	5
Nebraska	15.1	17.9	20.8	1	2
North Dakota	20.2	21.9	24.0	7	7
Ohio	26.0	27.1	29.9	12	12
South Dakota	19.1	19.7	23.2	5	6
Wisconsin	17.1	18.0	20.9	3	3
Midwest Average	19.9	21.1	23.5		
National Average	20.5	22.3	24.0		

As illustrated in Table 10, public two-year colleges in Kansas are the most affordable in the region, with one year of attendance requiring just under 20% of average family income. Following closely behind are Nebraska at 20.8% and Wisconsin at 20.9%. Conversely, the figure in Ohio is 30%. The largest decrease in affordability between 1992 and 2006 was in Iowa, where the proportion of average family income required increased from 18.0% to 26.2%. Iowa now ranks next-to-last among Midwestern states in the relative affordability of its community colleges—down from 4th in 1992. Missouri’s ranking among Midwestern states improved from 9th to 5th during the same period, with the family contribution increasing only 1.4 points from 21.1% to 22.5%. The Midwestern average of 23.5% compares favorably to the national average of 24.0%.

Figure 7 illustrates how public two-year college affordability has changed from 1992 to 2006 while adding a third data point for 2004. Affordability actually improved between 1992 and 2004 in Indiana, Michigan, Minnesota, and Missouri, only to rise above 1992 levels in 2006.

Figure 7: Affordability of Public Two-Year Institutions in the Midwest, 1992, 2004, and 2006

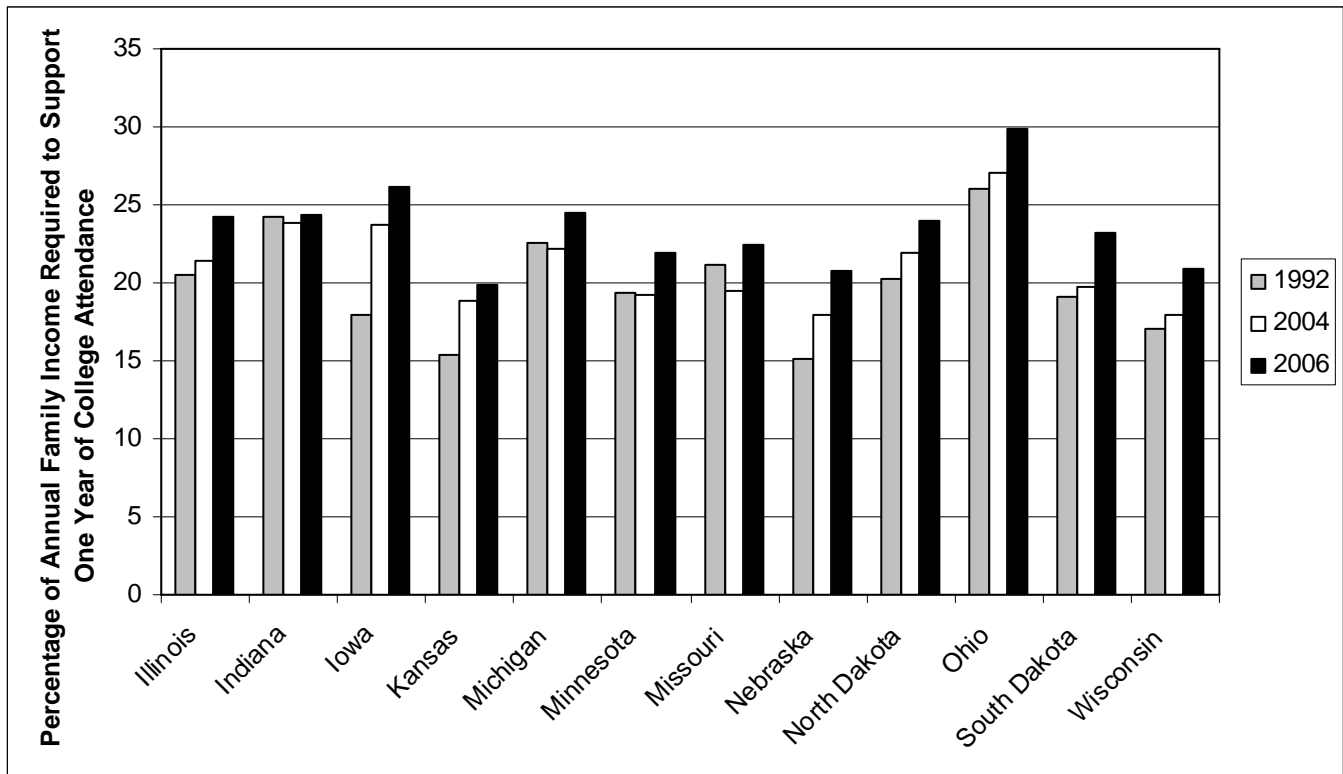


Table 11 illustrates that public four-year institutions (combining comprehensive and research universities) in the Midwest are the most affordable in Minnesota, where higher than average published tuition is offset by relatively generous need-based financial aid. Minnesota's figure of 25.6% of average family income is followed closely by Wisconsin at 25.9%. Minnesota's affordability ranking among Midwestern states went from 7th in 1992 to 1st in 2006. Ohio's institutions are again the most expensive in the region, requiring 42.4% of average family income. The next least affordable state for four-year public institutions is Michigan at 35.7%. Ohio also saw the largest decrease in affordability between 1992 and 2006, where the proportion of average family income required increased from 28.1%. Iowa's ranking among Midwestern states fell from 5th to 8th due to an increase in average family income required from 17.8% to 30.3%. Nebraska lost its 1st place ranking, and is now 5th among Midwestern states. The smallest decrease in affordability between 1992 and 2006 was seen in Indiana, which brought the state's ranking in the Midwest from 10th to 7th. The Midwest average for public four-year affordability is close to the national average.

Table 11: Affordability of Public Four-Year Institutions in the Midwest, 1992 vs. 2006
(Percentage of average annual family income required to support one year of attendance)

	1992	2004	2006	1992 Rank	2006 Rank
Illinois	25.2%	29.9%	35.4%	9	10
Indiana	25.4	28.9	30.1	10	7
Iowa	17.8	28.2	30.3	5	8
Kansas	17.4	22.8	26.6	4	3
Michigan	28.3	31.7	35.7	12	11
Minnesota	19.4	22.6	25.6	7	1
Missouri	24.2	27.5	30.6	8	9
Nebraska	16.7	24.0	27.3	1	5
North Dakota	19.4	24.7	27.8	6	6
Ohio	28.1	35.6	42.4	11	12
South Dakota	16.9	22.8	26.9	2	4
Wisconsin	17.4	21.9	25.9	3	2
Midwest Average	21.4	26.7	30.4		
National Average	23.9	28.5	30.7		

Figure 8 illustrates pictorially how public four-year college affordability has changed from 1992 to 2006 while adding a third data point for 2004.

Figure 8: Affordability of Public Four-Year Institutions in the Midwest, 1992, 2004, and 2006

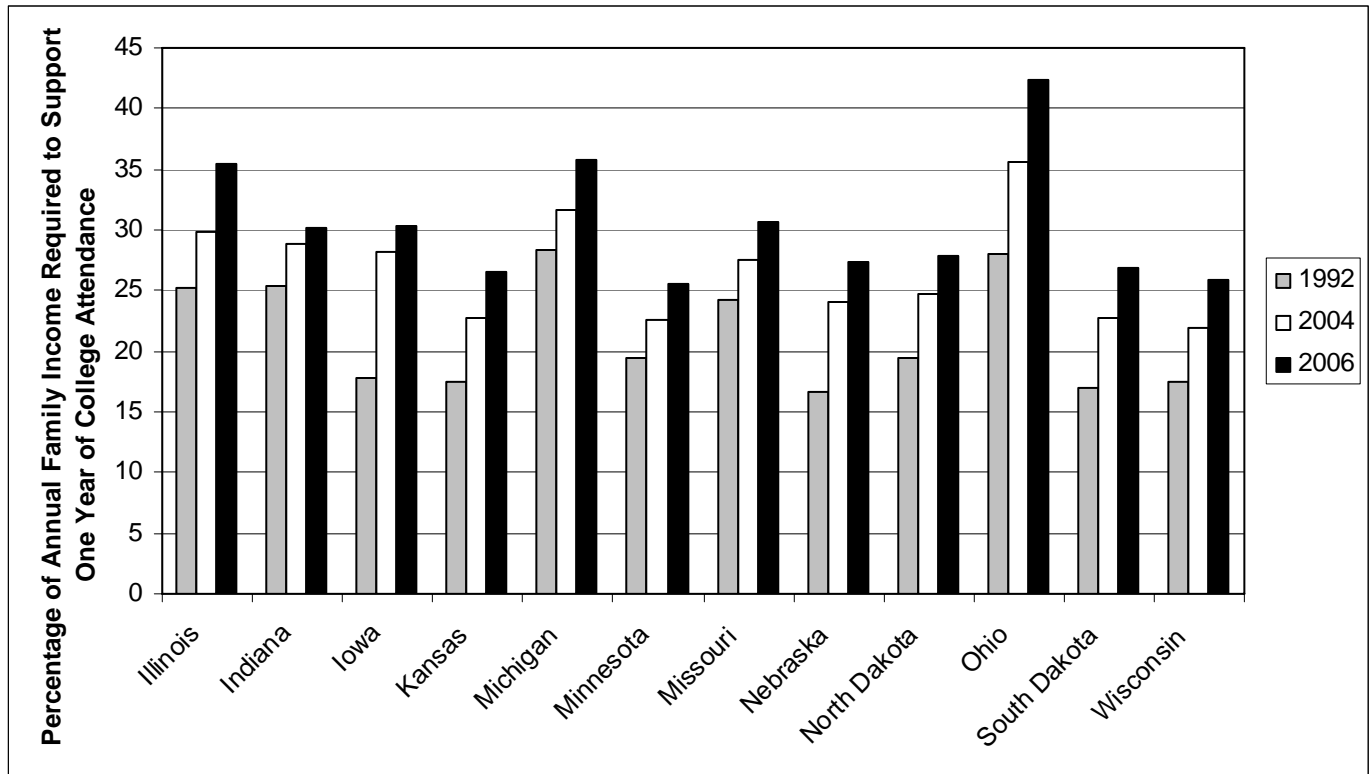


Table 12 illustrates that private four-year institutions in the Midwest are most affordable in North Dakota (although the data are based on the average tuition and fees of only three private colleges in the state). Kansas and Michigan are next in the affordability rankings, with 46.7% and 47.8% of average family income, respectively, required to support one year of attendance at the states' private colleges. Kansas's affordability ranking is due largely to the relatively low sticker price of its private colleges, while Michigan's performance is aided significantly by the availability of need-based grant aid for residents attending the state's private institutions.

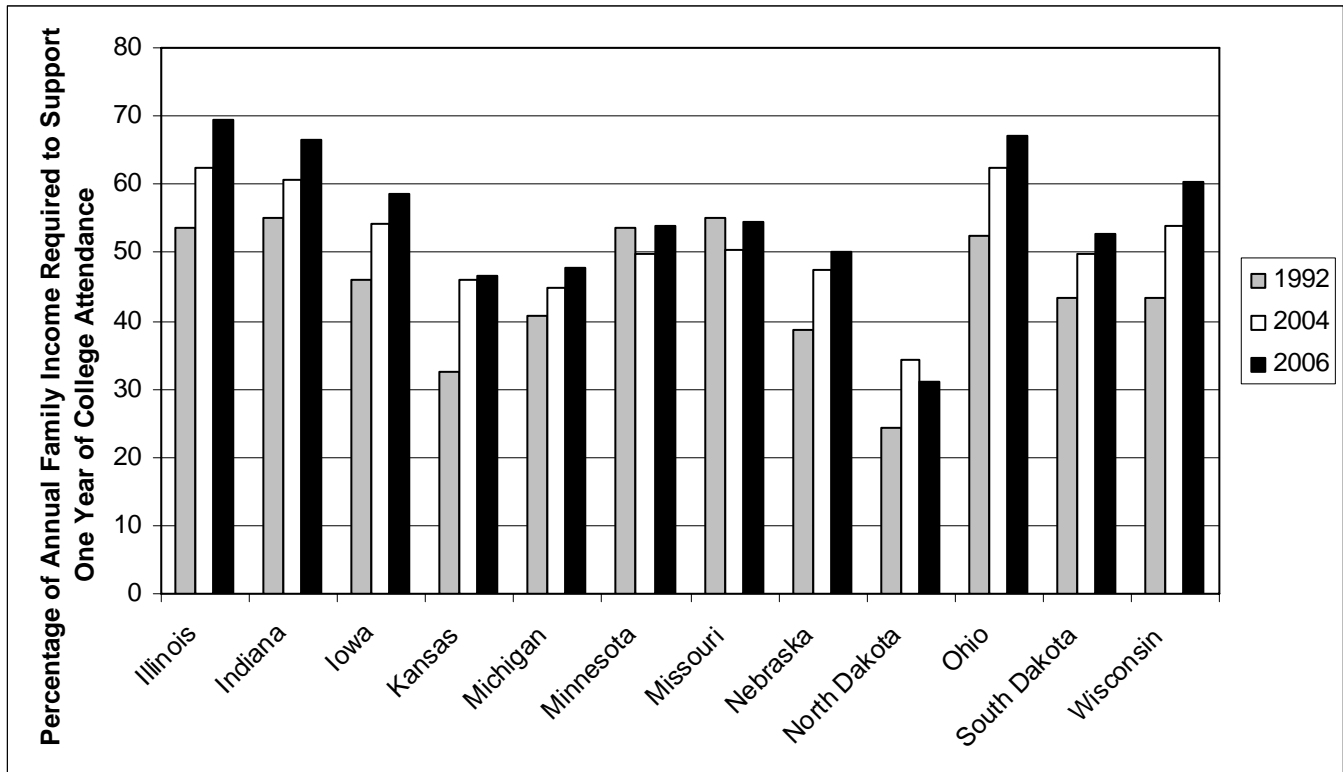
Missouri made the largest improvement in affordability rankings among Midwestern states from 1992 to 2006, jumping from 12th (last) to 7th. During this time, the net price of Missouri's private colleges actually fell from 55.1% to 54.4% of average annual family income. Minnesota's net price increased the least among the other Midwestern states at less than one percentage point. Private colleges are the least affordable in Illinois, where one year of attendance requires nearly 70% of average annual family income. Ohio and Indiana also require close to two-thirds 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 2006 occurred in Wisconsin, where the average family income required to support one year of attendance increased from 43.5% to 60.5%.

Table 12: Affordability of Private Four-Year Institutions in the Midwest, 1992 vs. 2006
(Percentage of average annual family income required to support one year of attendance)

	1992	2004	2006	1992 Rank	2006 Rank
Illinois	53.6%	62.3%	69.4%	9	12
Indiana	55.0	60.6	66.4	11	10
Iowa	45.9	54.2	58.5	7	8
Kansas	32.4	45.9	46.7	2	2
Michigan	40.7	44.9	47.8	4	3
Minnesota	53.6	49.7	54.0	9	6
Missouri	55.1	50.3	54.4	12	7
Nebraska	38.6	47.6	50.2	3	4
North Dakota	24.4	34.2	31.1	1	1
Ohio	52.4	62.3	67.0	8	11
South Dakota	43.4	49.9	52.7	5	5
Wisconsin	43.5	53.9	60.5	6	9
Midwest Average	44.9	51.3	54.9		
National Average	59.5	67.5	71.7		

Collectively, private colleges are significantly more affordable to families in the Midwest than they are to families in the nation overall, at 54.9% vs. 71.7% of annual average family income. Figure 9 illustrates how private college affordability has changed from 1992 to 2006 while adding a third data point for 2004. As was the case with public two-year colleges, affordability actually improved between 1992 and 2004 in Minnesota, but dipped back to slightly below 1992 levels in 2006.

Figure 9: Affordability of Private Four-Year Institutions in the Midwest, 1992 vs. 2006



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 are also rooted in a shared agreement of the relative proportions of educational benefits that accrue to participants and that spill over to society. Once an estimation of the balance of individual and collective 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 from the available data that college has become less affordable for families since 1992, as measured by the percentage of average family income that is required for tuition, fees, and related expenses after accounting for available scholarships and grants. However, the assessment and discussion of affordability begs the question of what exactly is considered “affordable.” Clearly “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 nearly \$50,000 at selected private 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*, separate from their *ability to pay*, for college. In a landmark publication of 1973, the Carnegie Commission on Higher Education recommended that families be responsible 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 FY07 was 36.2%. 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.

In sum, the answer to the question of what is affordable depends on who is asking. Noting that higher education is less affordable now than it was in 1992 begs the question of how affordability is defined. *Less* affordable does not necessarily equate to *unaffordable*—or at least not universally so. 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.



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