

HIGHER EDUCATION IN FOCUS

SELECTED PERFORMANCE INDICATORS FOR

Michigan



2014-2015



MIDWESTERN HIGHER EDUCATION COMPACT

About the Midwestern Higher Education Compact

The Midwestern Higher Education Compact is a nonprofit regional organization, established by compact statute, to assist Midwestern states in advancing higher education through interstate cooperation and resource sharing. Member states are: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. The Compact seeks to fulfill its interstate mission through programs that:

- Expand postsecondary opportunity and success;
- Promote innovative approaches to improving institutional and system productivity;
- Improve affordability to students and states; and
- Enhance connectivity between higher education and the workplace.

Compact Leadership, 2015-2016

Chair: The Honorable David Pearce, Missouri State Senate

Vice Chair: Mr. Richard Short, Kansas Governor's Designee

Treasurer: The Honorable Tim Flakoll, North Dakota Senate

Past Chair: Ms. Suzanne Morris, Illinois Community College Board

President: Mr. Larry Isaak

© Copyright 2015 Midwestern Higher Education Compact.
All rights reserved.

Correspondence concerning this brief should be sent to Aaron Horn, Associate Director for Policy Research, aaronh@mhec.org. Updates to this brief may be found in the online version at: <http://www.mhec.org/research>.

Selected Performance Indicators

PREPARATION	4
Public High School Graduation Rate Over Time	5
Percentage of High School Graduates Taking the ACT during 2009 and 2015	6
Percentage of ACT-Tested High School Graduates Who Met or Exceeded College Readiness Benchmark Scores	7
PARTICIPATION	8
Percentage of High School Graduates Going Directly to College	9
Percentage of Population Enrolled in College: Persons Aged 25-49 without an Associate Degree or Higher.....	10
AFFORDABILITY	11
Percentage of Family Income Needed to Pay for Full-Time Enrollment at Public Two- and Four-Year Institutions: Families with Median Incomes	12
Percentage of Family Income Needed to Pay for Full-Time Enrollment at Public Two- and Four-Year Institutions: Families in the Lowest Income Quintile.....	13
COMPLETION	14
Percentage of First-Time, Full-Time, Baccalaureate-Seeking Students who Graduated within Four Years at Public Four-Year Institutions	15
Percentage of First-Time, Full-Time, Baccalaureate-Seeking Students who Graduated within Four Years at Private Not-for-Profit Four-Year Institutions	16
Transfer-Adjusted Percentage of First-Time, Certificate/Degree-Seeking Students in the Fall 2008 Cohort who Completed a Certificate or Degree within Six Years by Starting Institution: Full- and Part-Time Students.....	17
Transfer-Adjusted Percentage of First-Time, Certificate/Degree-Seeking Students in the Fall 2008 Cohort who Completed a Certificate or Degree within Six Years by Starting Institution: Full-Time Students	18
EQUITY	19
Percentage of Low- and Higher-Income Students in Grade 8 Scoring At or Above Proficiency on the National Assessment of Educational Progress in Math, Reading, and Science.....	20
Percentage of Dependent 18-24 Year Olds who have Enrolled in College by Family Income, 2011-2015.....	21
Percentage of First-Time, Full-Time, Baccalaureate-Seeking Students in the Fall 2007 Cohort who Graduated within Six Years at Public Four-Year Institutions: Pell Grant Recipients vs. Non-Pell Recipients.....	22

FINANCE 23

State and Local Educational Appropriations for Higher Education per FTE Student 24

State and Local Educational Appropriations and Net Tuition Revenue as a Percentage
of Total Educational Revenue for Public Postsecondary Institutions 24

Public Research Universities: State and Local Appropriations Relative to Educational
Expenditures Per FTE Student during 2013-14..... 25

Public Master’s Universities: State and Local Appropriations Relative to Educational
Expenditures Per FTE Student during 2013-14..... 26

Public Associates Colleges: State and Local Appropriations Relative to Educational
Expenditures Per FTE Student during 2013-14..... 27

State Need-based Grant Aid per FTE Undergraduate Student and Percent of Aid Defined
as Need-Based 28

Increasing Educational Attainment in Michigan: An Imperative for Future Prosperity

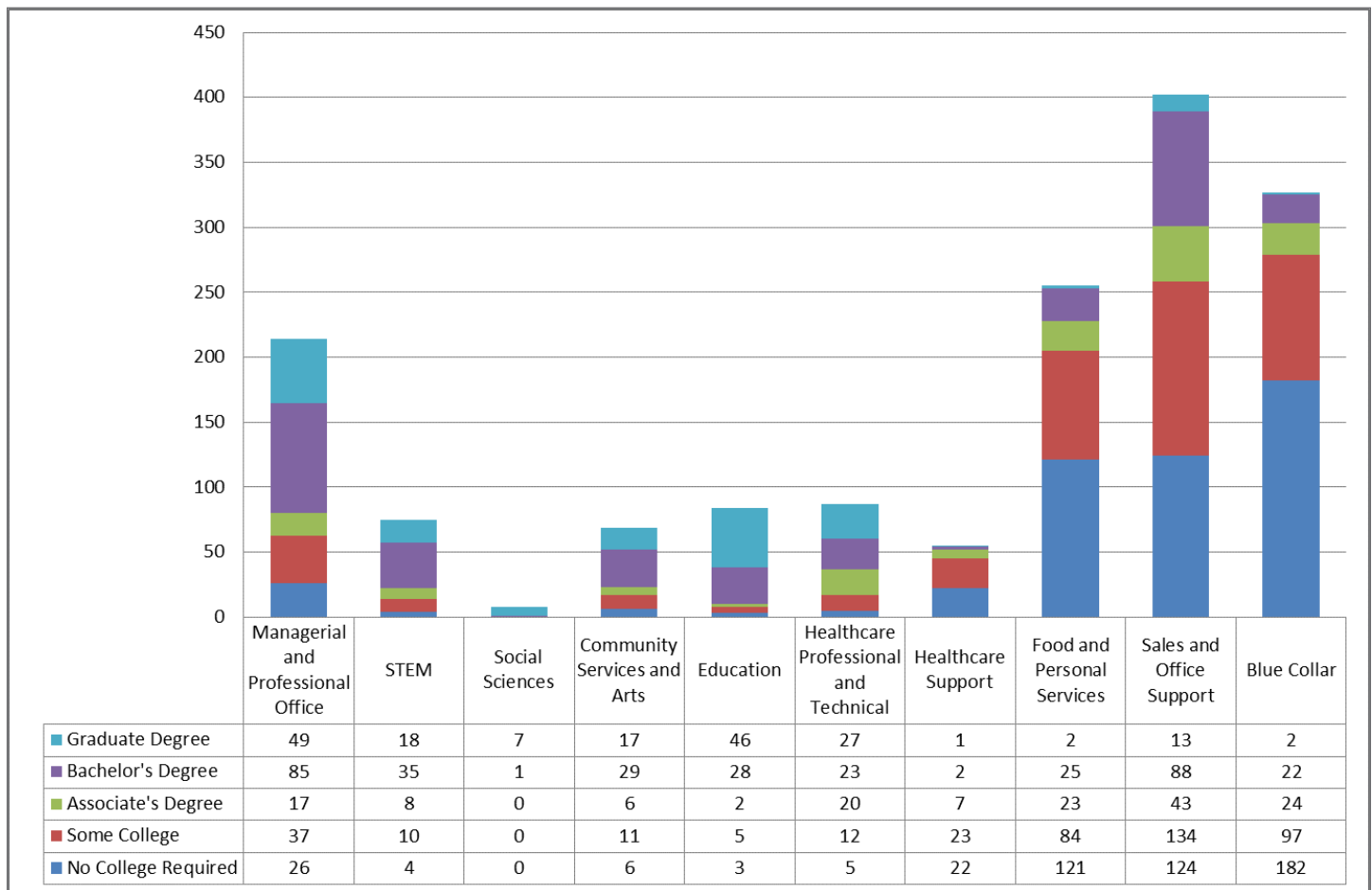
Technological advancement, global competition, and the emerging knowledge-innovation economy are driving an increasing demand for postsecondary education and training. In the United States, approximately 65 percent of all jobs in 2020 will require some level of postsecondary education, and the demand will reach 70 percent in Michigan.¹ The projected demand for postsecondary education in Michigan spans all occupational categories, including managerial, STEM, social sciences, community service, education, healthcare, and “blue collar” industries (see Figure 1).² However, the projected demand in Michigan exceeds the current supply of college-educated adults. Figure 2 indicates that 64 percent of adults in Michigan have completed some college coursework or a postsecondary credential.

In order to meet future workforce demands, many states have set ambitious goals to improve the educational attainment of their residents, such as a goal to raise the proportion of adults with a postsecondary certificate or degree to 60 percent by 2025.³ Figure 2 shows that progress has been made towards raising educational attainment in Michigan, as the percentage of adults with at least an associate degree increased from 27 percent in 1990 to 39 percent in 2014. (Data on postsecondary certificate attainment are currently unavailable.)

The ability of policymakers to reach a “60 percent” attainment goal carries significant implications for state revenue. If the current rate of degree production remains constant, state revenue in 2025 is projected to be \$120 million less than it is today. Conversely, projections suggest that if the attainment goal were fulfilled by 2025, over \$2 billion in additional revenue would be generated through income tax, sales tax, property tax, Medicaid savings, and corrections savings.⁴ Moreover, policies that effectively raise levels of educational attainment will yield important civic and health benefits, including higher rates of voting, volunteerism, and healthful prenatal care.⁵ For example, health risk factors such as smoking are less prevalent among individuals who have a bachelor’s degree or higher.⁶ Residents of Michigan also benefit from higher education in terms of higher earnings and lower unemployment, compared to those with only a high school diploma.⁷

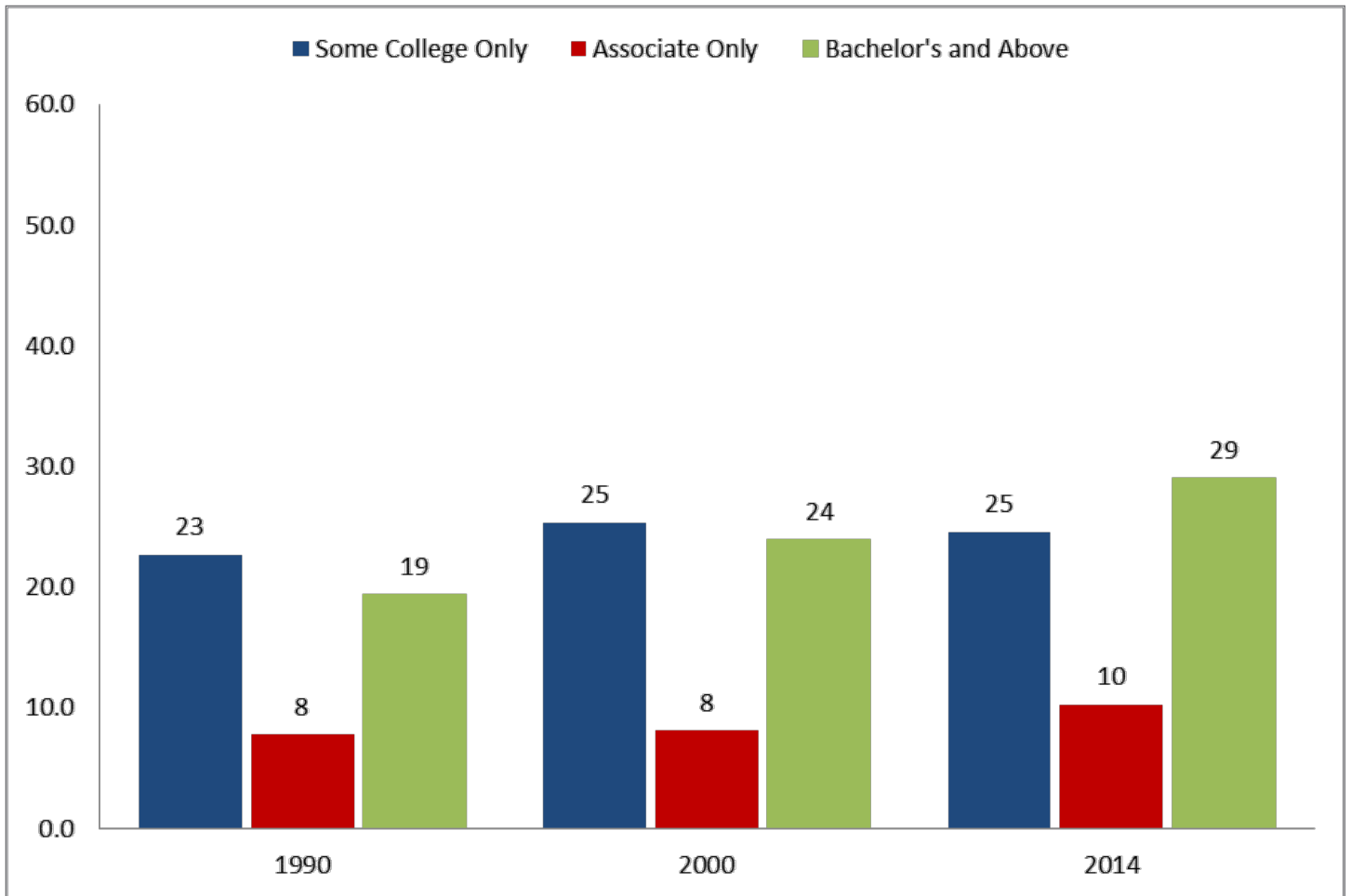
The brief seeks to inform public discourse on higher education by providing key performance indicators relevant to the goal of improving educational attainment in Michigan. Performance indicators are categorized within six dimensions: Preparation, Participation, Affordability, Completion, Equity, and Finance. Most indicators provide the MHEC regional and U.S. averages as lower performance benchmarks as well as the median of the top five states in the nation as an upper or aspirational benchmark.

Figure 1. Michigan Job Openings by Occupation and Education Level between 2010 and 2020



Source: The Georgetown University Center on Education and the Workforce. (2013). *Recovery: Job growth and education requirements through 2020*.

Figure 2. Percentage of Adults Aged 25-64 in Michigan who have Attained a Postsecondary Credential



Source: U.S. Census Bureau. 1990 Census, 2000 Census, 2014 American Community Survey; Table B15001.

About these Metrics

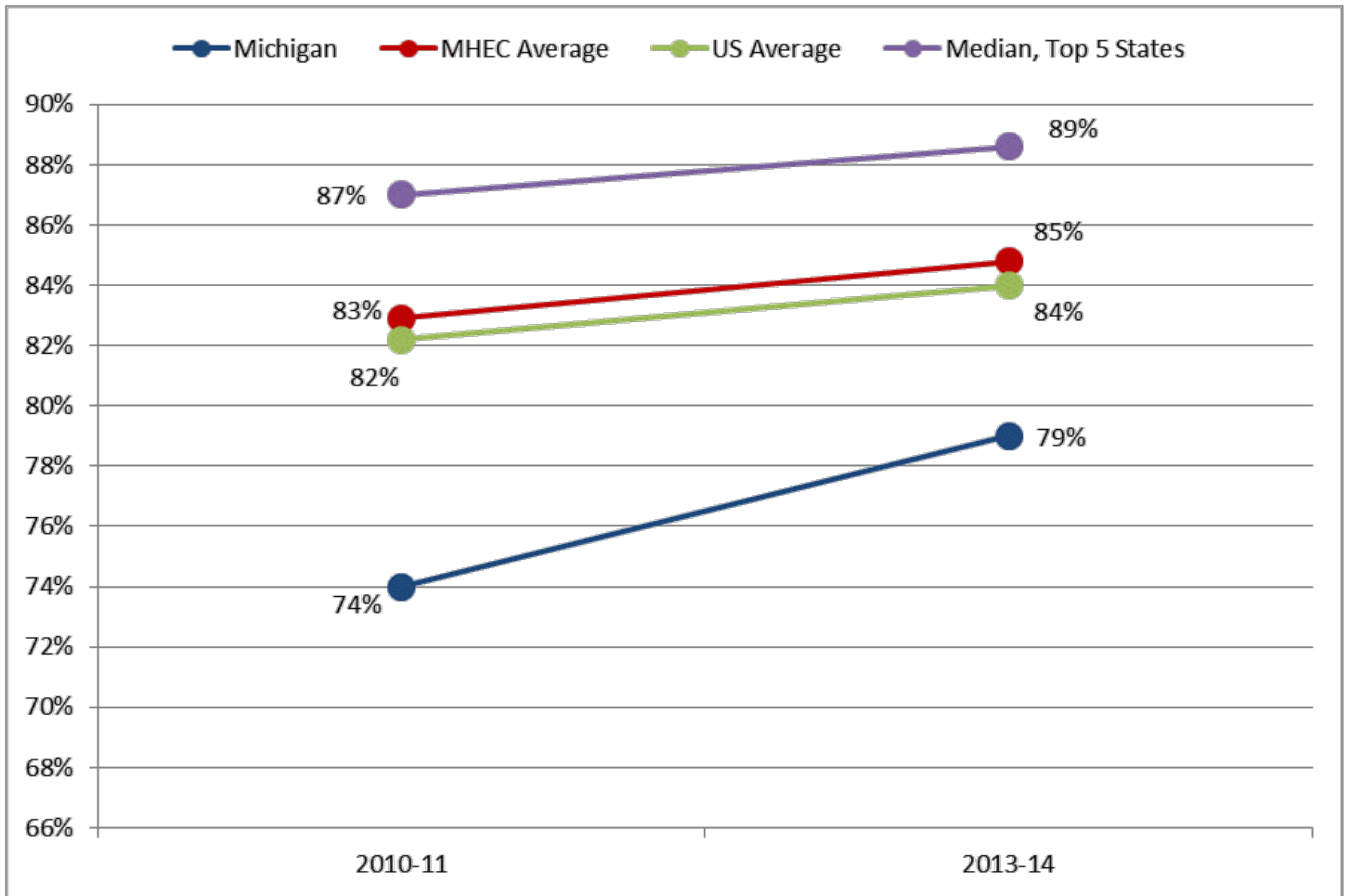
Academic preparedness is assessed by the high school graduation rate⁸ and the proportion of students taking the ACT who meet college readiness benchmarks. Benchmark scores in English, mathematics, reading, and science delineate a 75 percent likelihood of attaining at least a “C” in first-year college-level courses.⁹

Performance in Michigan

Figure 3 shows that the percentage of 9th grade students who graduate from high school four years later has increased since 2010-11, but the current rate is below the regional and national averages.

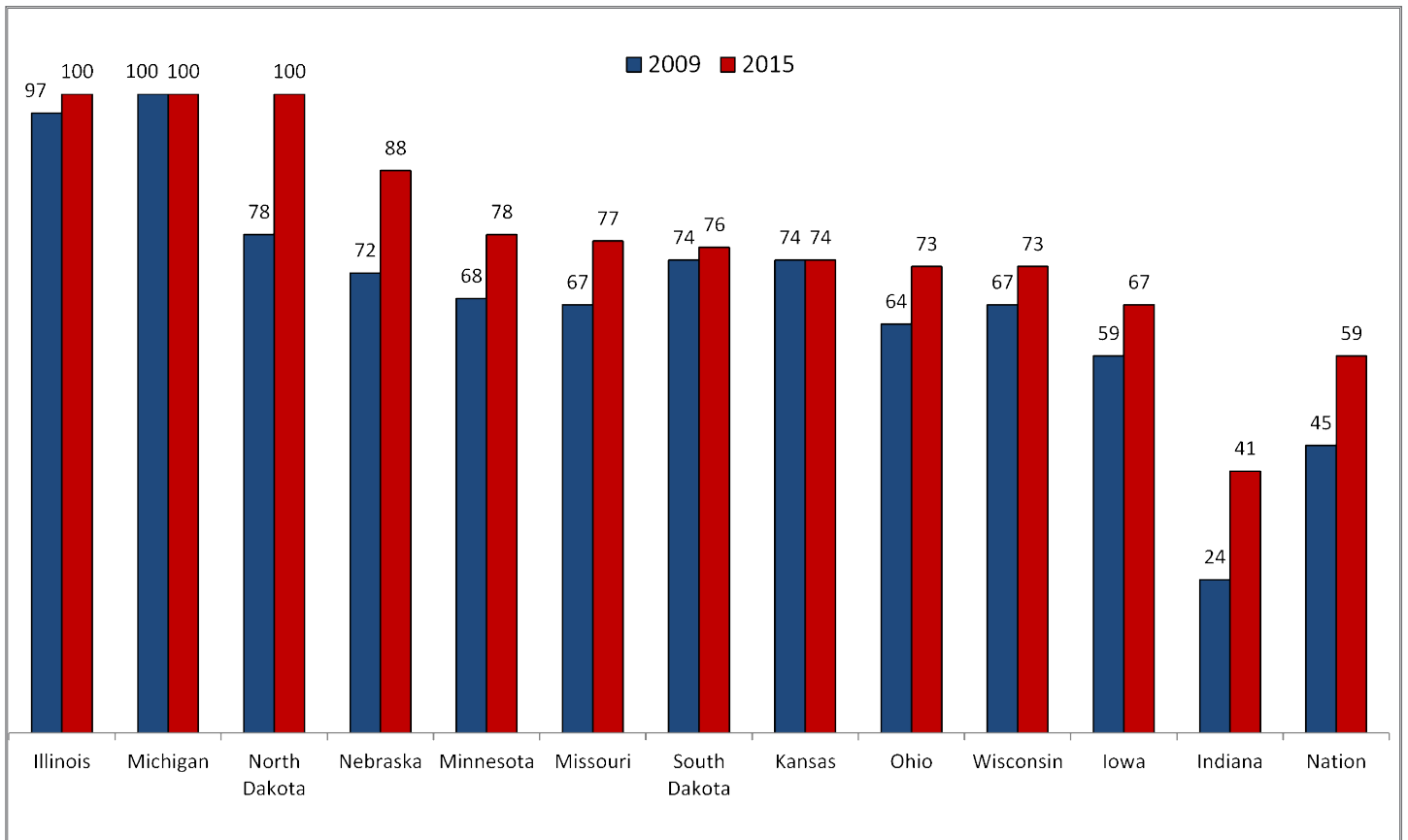
Figure 4a indicates that 100 percent of high school graduates in Michigan take the ACT. Figure 4b shows the percentage of ACT-tested high school graduates whose performance met or exceeded benchmark scores in English, mathematics, reading, and science. Performance was lower in Michigan relative to the regional average and performance levels in states that also require all high school students to take the ACT. Moreover, a large proportion of ACT-tested high school graduates did not meet the benchmark score in each subject.¹⁰

Figure 3. Public High School Graduation Rate Over Time



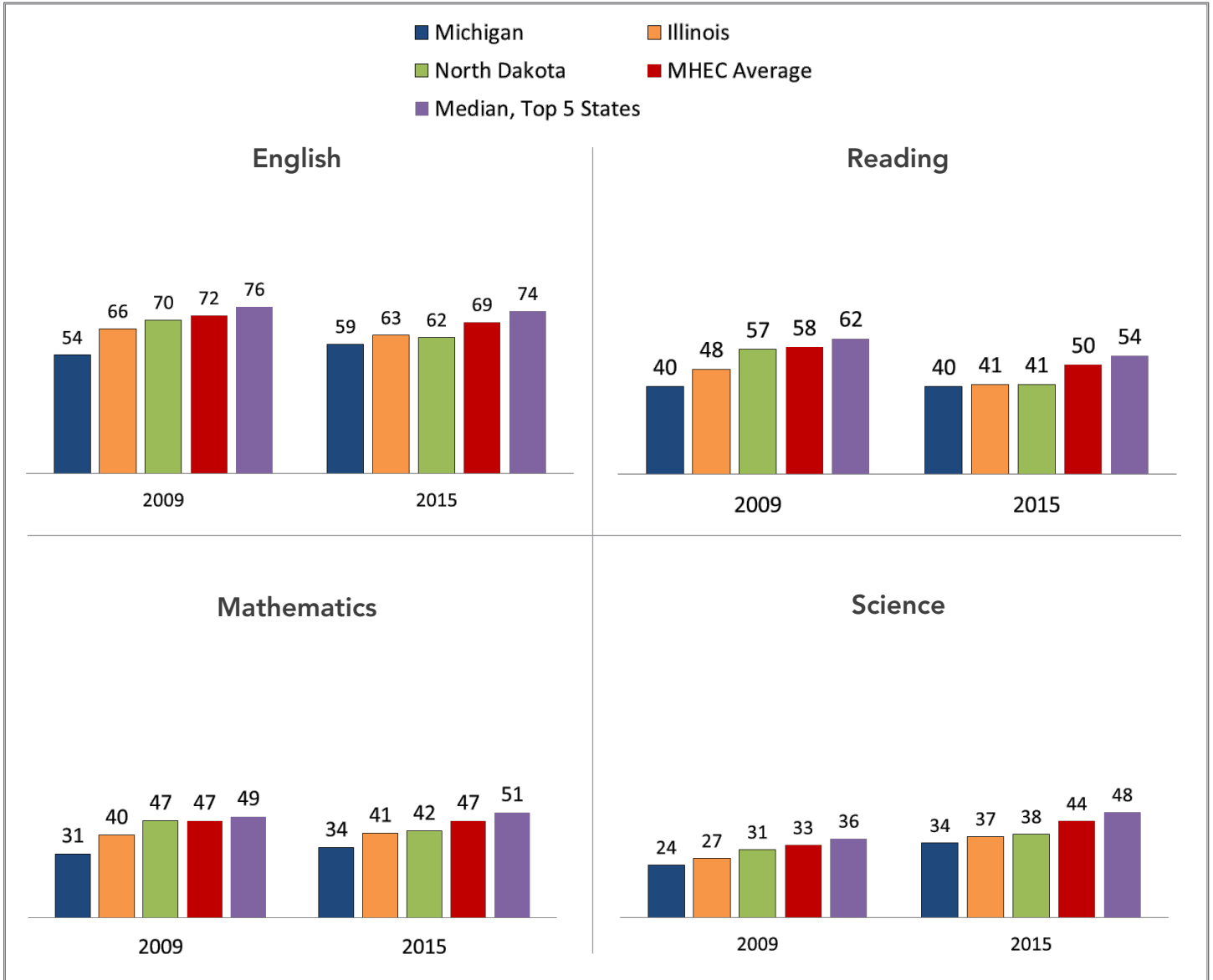
Source: U.S. Department of Education. (2015). *ED Data Express, ACGR*. Top 5 States 2013-14: IA, NE, NJ, TX, WI

Figure 4a. Percentage of High School Graduates Taking the ACT during 2009 and 2015



Source: ACT. (2015). *The Condition of College & Career Readiness, 2015*.

Figure 4b. Percentage of ACT-Tested High School Graduates Who Met or Exceeded College Readiness Benchmark Scores



Source: ACT. (2015). *The Condition of College & Career Readiness, 2015*. The median of the top 5 states includes only states that have a minimum of 65% of students taking the ACT. Top states (includes ties): 2015 English: IA, MN, WI, MO, KS; OH; 2015 Reading: MN, IA, OH, SD, WI, KS; 2015 Math: MN, WI, SD, OH, KS; 2015 Science: MN, WI, IA, SD, OH.

Participation

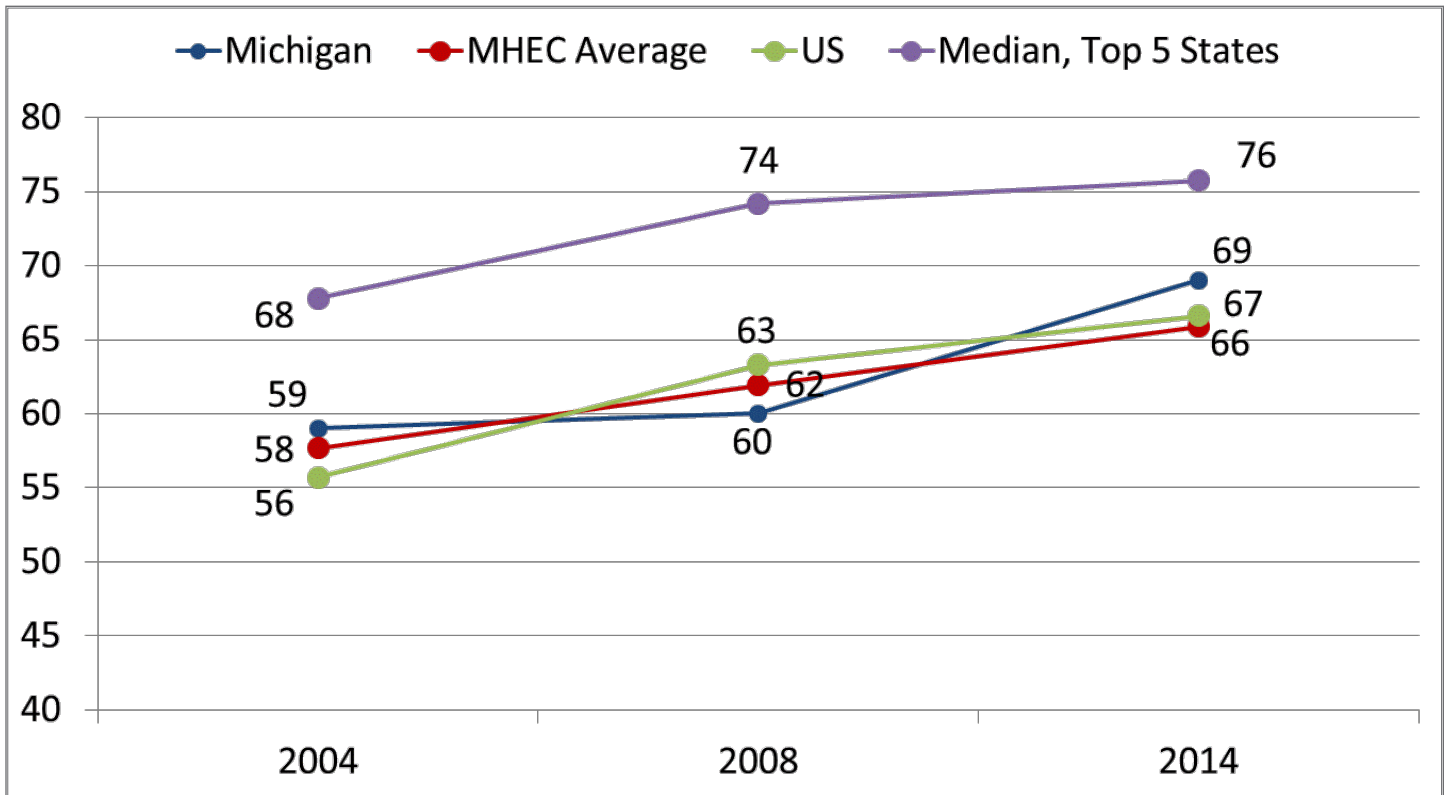
About these Metrics

Participation in postsecondary education is measured by (a) the direct enrollment rate, defined as the percentage of high school graduates who enroll in a postsecondary institution during the fall immediately following high school completion; and (b) the rate of enrollment among adults aged 25 to 49 who have not yet earned an associate degree.¹¹ The direct enrollment rate is of particular importance as research has indicated that the odds of obtaining a bachelor's degree decrease by 5 percent for every month that a student delays postsecondary enrollment after graduating from high school.¹²

Performance in Michigan

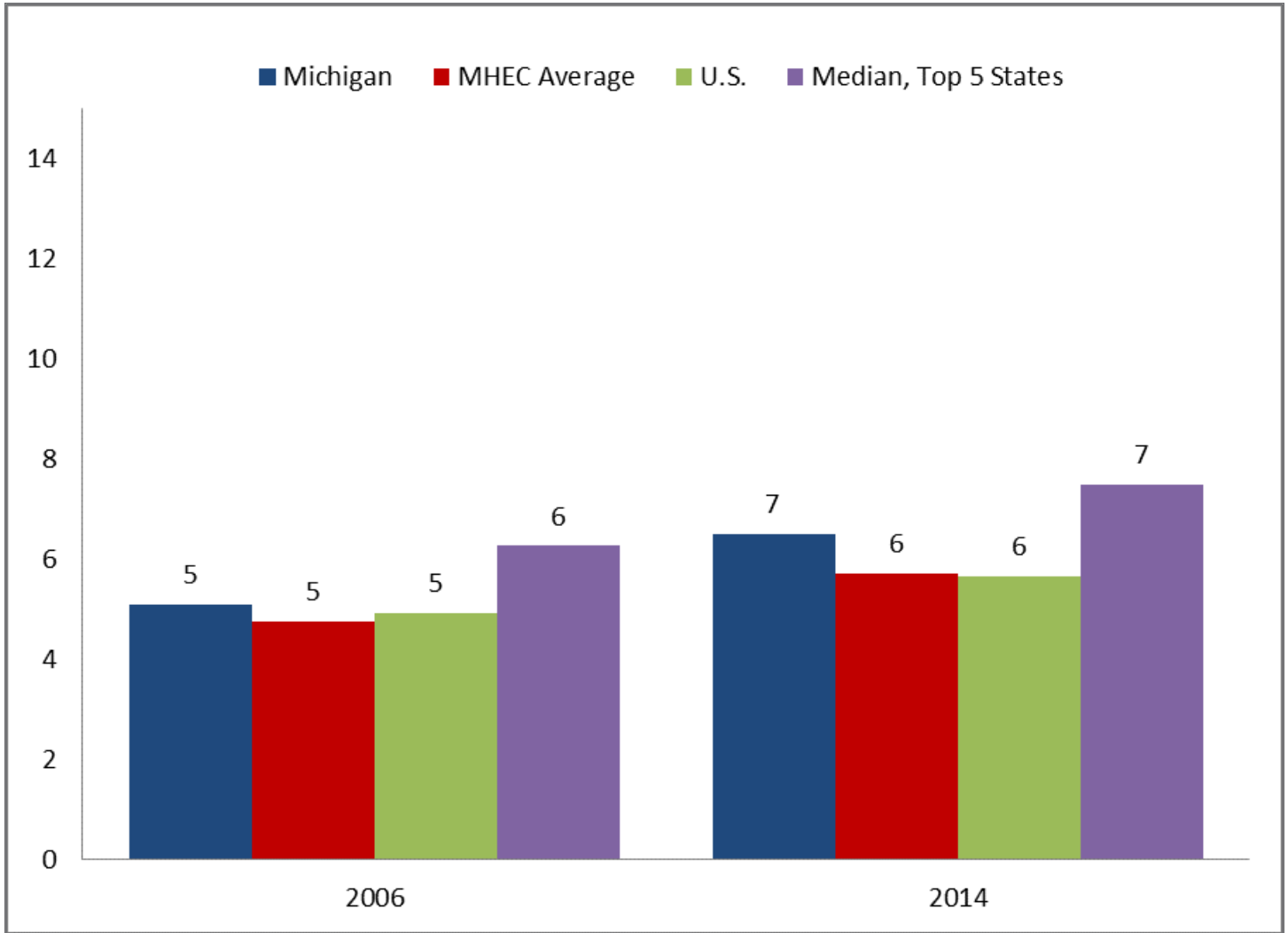
As indicated in Figure 5, approximately 69 percent of high school graduates in Michigan directly enroll in college, a rate that has increased over time and is above average. Figure 6 shows that the proportion of older residents enrolled in college approximates the median of the top five states.

Figure 5. Percentage of High School Graduates Going Directly to College



Source: Postsecondary Education Opportunity. (2012). *College Continuation Rates for Recent High School Graduates*. NCES IPEDS. (2015). *Fall Enrollment File; ef2014c*. U.S. Department of Education. (2015). ED Data Express, ACGR. NCES. (2013). *Private School Universe Survey*. WICHE. (2015). *Knocking at the College Door*. Top 5 States, Total: CT, MA, MN, MS, NY

Figure 6. Percentage of Population Enrolled in College: Persons Aged 25-49 without an Associate Degree or Higher



Source: U.S. Census Bureau. (2006, 2014). *American Community Survey One-Year Public Use Microdata Sample*.

Affordability

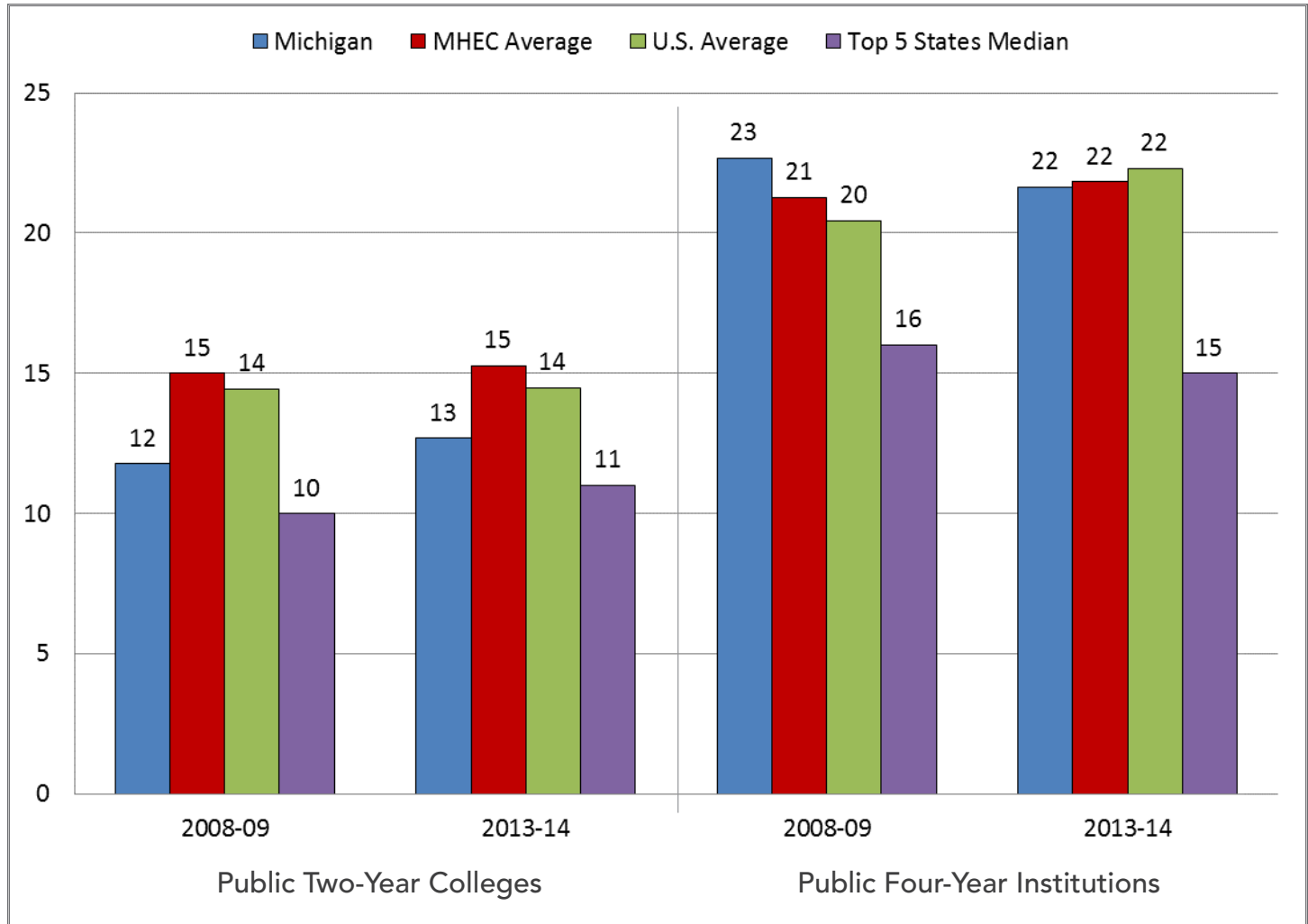
About these Metrics

College affordability is gauged by the net price as a percent of family income. A lower net price – the cost of tuition, room, and board after subtracting all forms of grant aid – has been associated with higher rates of college enrollment and completion, particularly among students from low-income families.¹³

Performance in Michigan

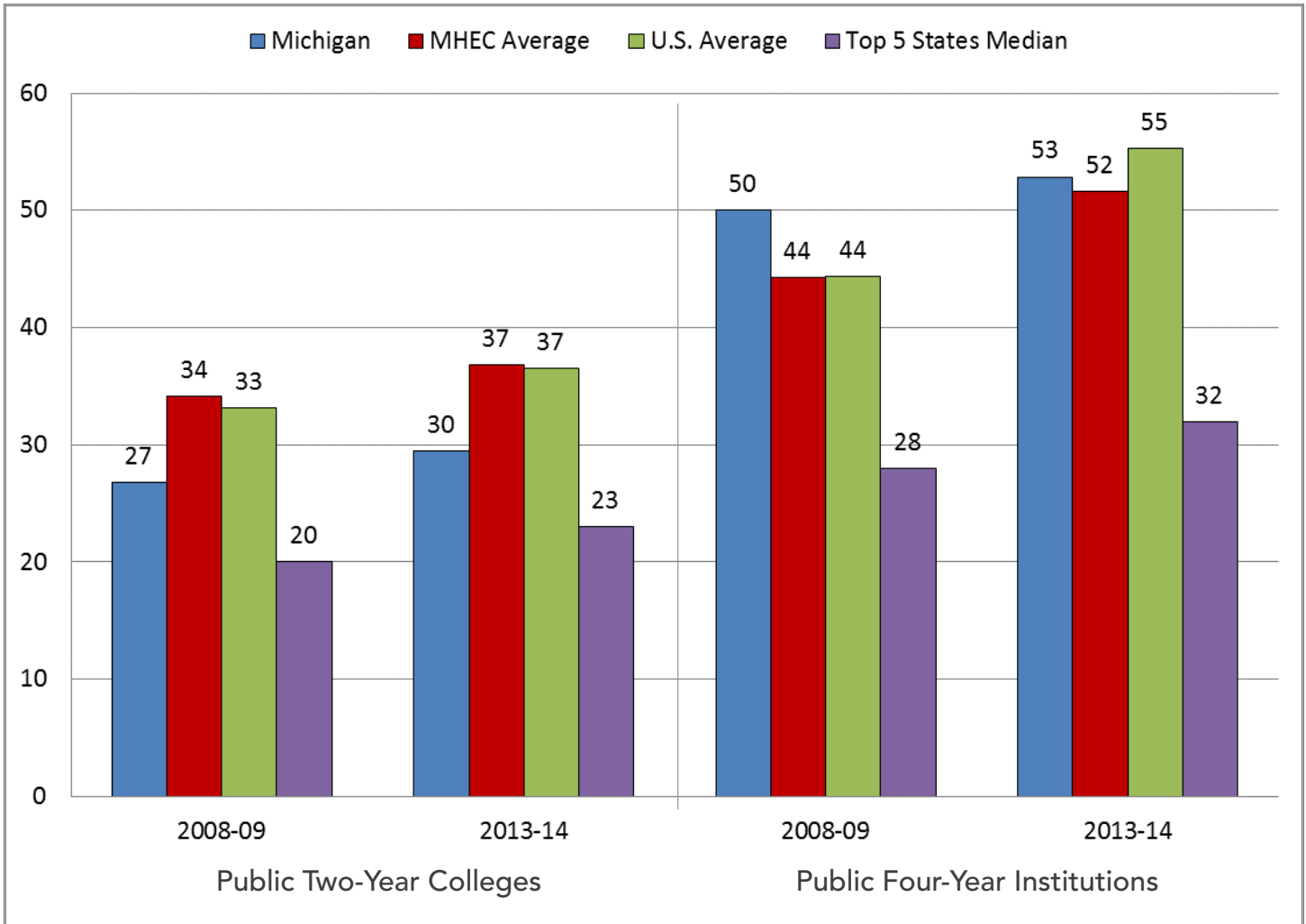
Figure 7a shows that the net price of college as a percentage of median family income has decreased over time for public four-year enrollment but increased for public two-year enrollment. Moreover, a comparison of Figures 7a and 7b indicates that college affordability in Michigan is highly contingent on family income. Families with median incomes in Michigan would need to allocate 22 percent of their incomes to pay for enrollment at a four-year college. In contrast, four-year college attendance for low-income students requires 53 percent of family income.

Figure 7a. Percentage of Family Income Needed to Pay for Full-Time Enrollment at Public Two- and Four-Year Institutions: Families with Median Incomes



NCES IPEDS. (2005, 2015). Net price. U.S. Census Bureau. (2005, 2013). *American Community Survey (ACS) One-Year Public Use Microdata Sample (PUMS) File*. Top 5 States Public 2 Year, 2013-14: CT, HI, IL, UT, WY; Top 5 States Public 4 Year, 2013-14: AK, HI, ND, WA, WY.

Figure 7b. Percentage of Family Income Needed to Pay for Full-Time Enrollment at Public Two- and Four-Year Institutions: Families in the Lowest Income Quintile



NCES IPEDS. (2005, 2015). *Net price*. U.S. Census Bureau. (2005, 2013). *American Community Survey (ACS) One-Year Public Use Microdata Sample (PUMS) File*. Top 5 States Public 2 Year, 2013-14: CT, HI, MD, UT, WY. Top 5 States Public 4 Year, 2013-14: AK, HI, ND, WA, WY.

About these Metrics

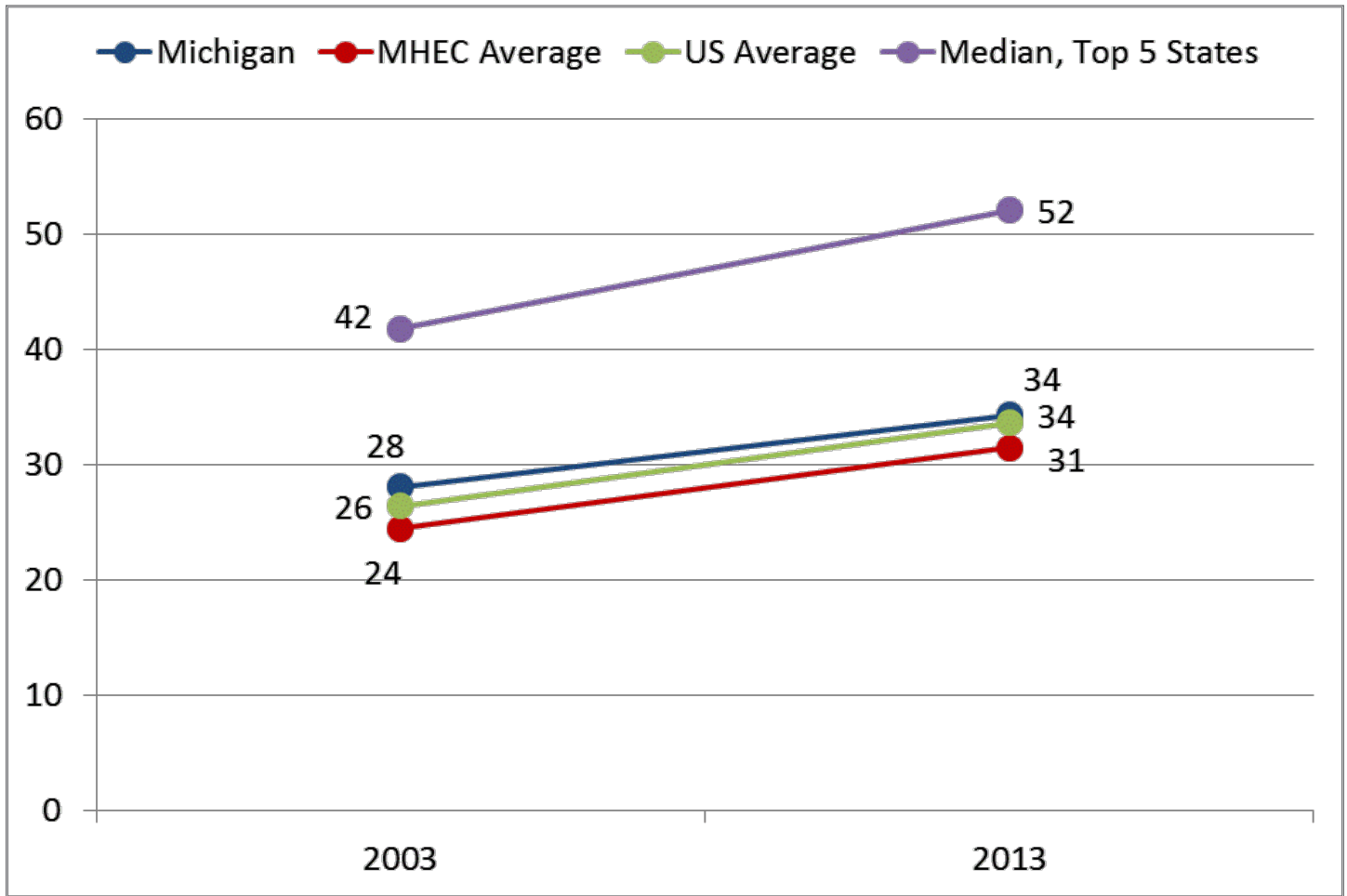
Performance in the completion dimension is measured by completion of a bachelor's degree within four years at four-year institutions and transfer-adjusted completion rates at both two- and four-year institutions. The traditional on-time graduation rate accounts for first-time, full-time, baccalaureate-seeking students who enter during the fall and graduate from their first institution. Transfer-adjusted completion rates are defined by the proportion of first-time, certificate/degree-seeking students in the fall 2008 cohort who completed a certificate or degree within six years, while accounting for students who enroll part- or full-time and graduate from their first institution or elsewhere.

It is noteworthy that graduation rates do not gauge the performance of particular postsecondary institutions but rather constitute an outcome of the totality of performances across the PK-16 educational system as well as the broader system of public policies that shape postsecondary opportunities.¹⁴

Performance in Michigan

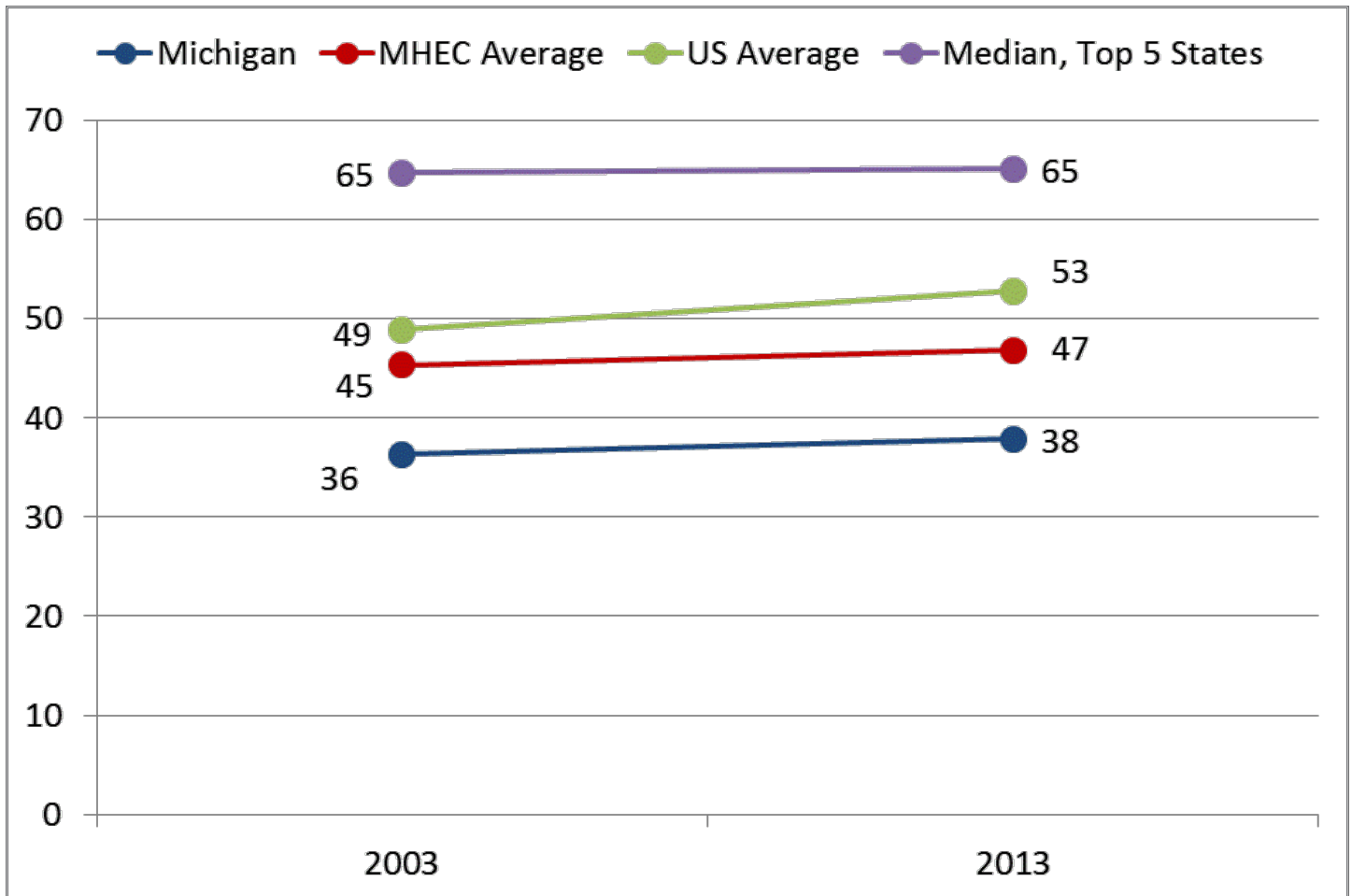
Figure 8a shows that 34 percent of first-time, full-time, baccalaureate-seeking students graduated within four years at public institutions in Michigan, which was higher than the regional average. Figure 8b demonstrates that the average four-year graduation rate among private not-for-profit colleges and universities was well below the regional and national averages. A much larger percentage of students complete a certificate or degree within six years after accounting for enrollment intensity and transfer to another institution. According to Figure 9a, 36 percent of all students who started at a public two-year institution in Michigan completed a certificate or degree within six years, which is below the regional and national averages. The transfer-adjusted completion rate for students at public four-year institutions was 70 percent, which is above the regional and national averages. A comparison of Figures 9a and 9b demonstrates that completion rates are highest among students who enroll full-time.

Figure 8a. Percentage of First-Time, Full-Time, Baccalaureate-Seeking Students who Graduated within Four Years at Public Four-Year Institutions



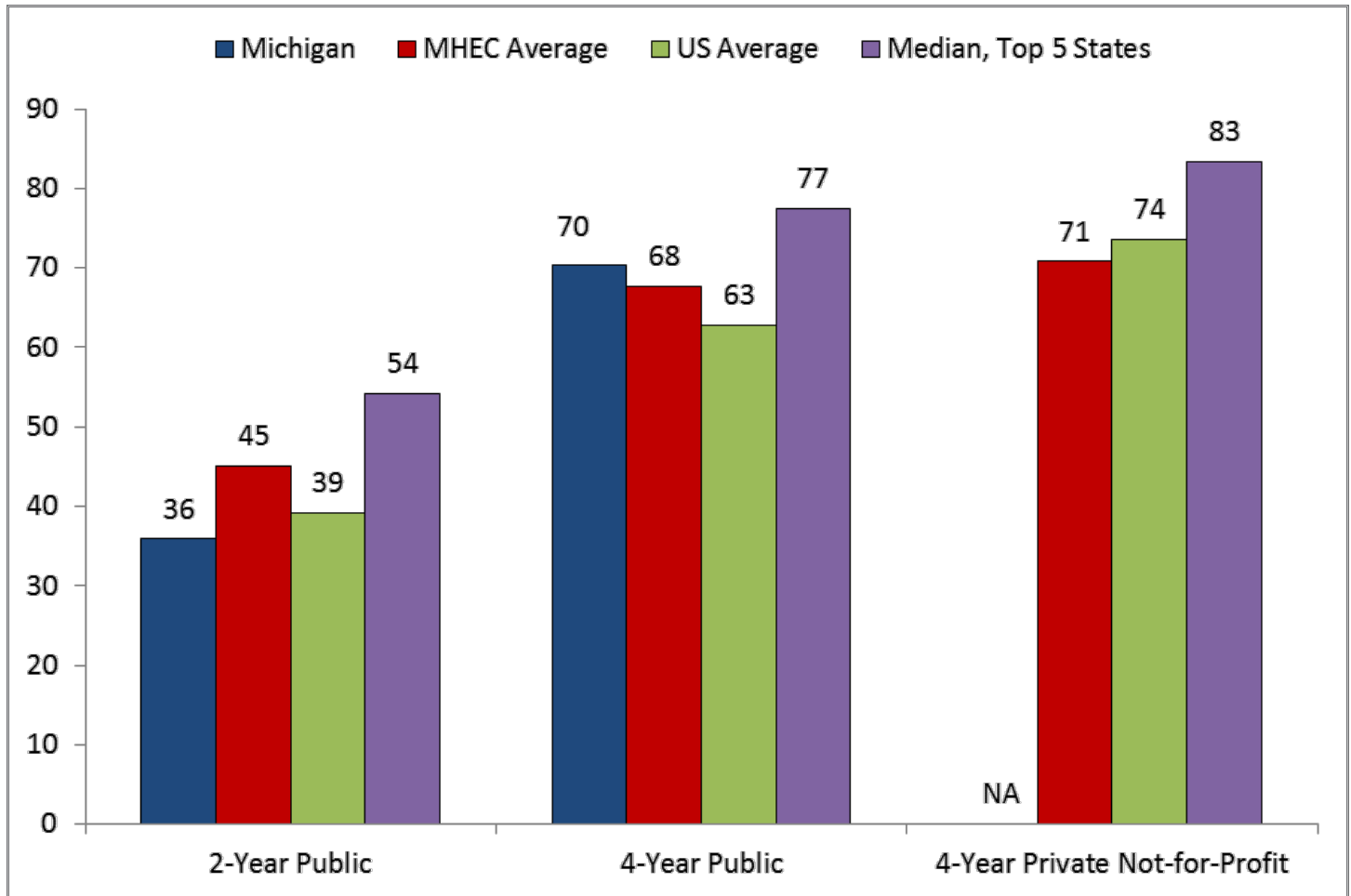
Source: NCES IPEDS. (2003, 2013). *Graduation Rate Files; gr2003 and gr2013*. Top 5 States, 2013: DE, NH, VT, VA, WA

Figure 8b. Percentage of First-Time, Full-Time, Baccalaureate-Seeking Students who Graduated within Four Years at Private Not-for-Profit Four-Year Institutions



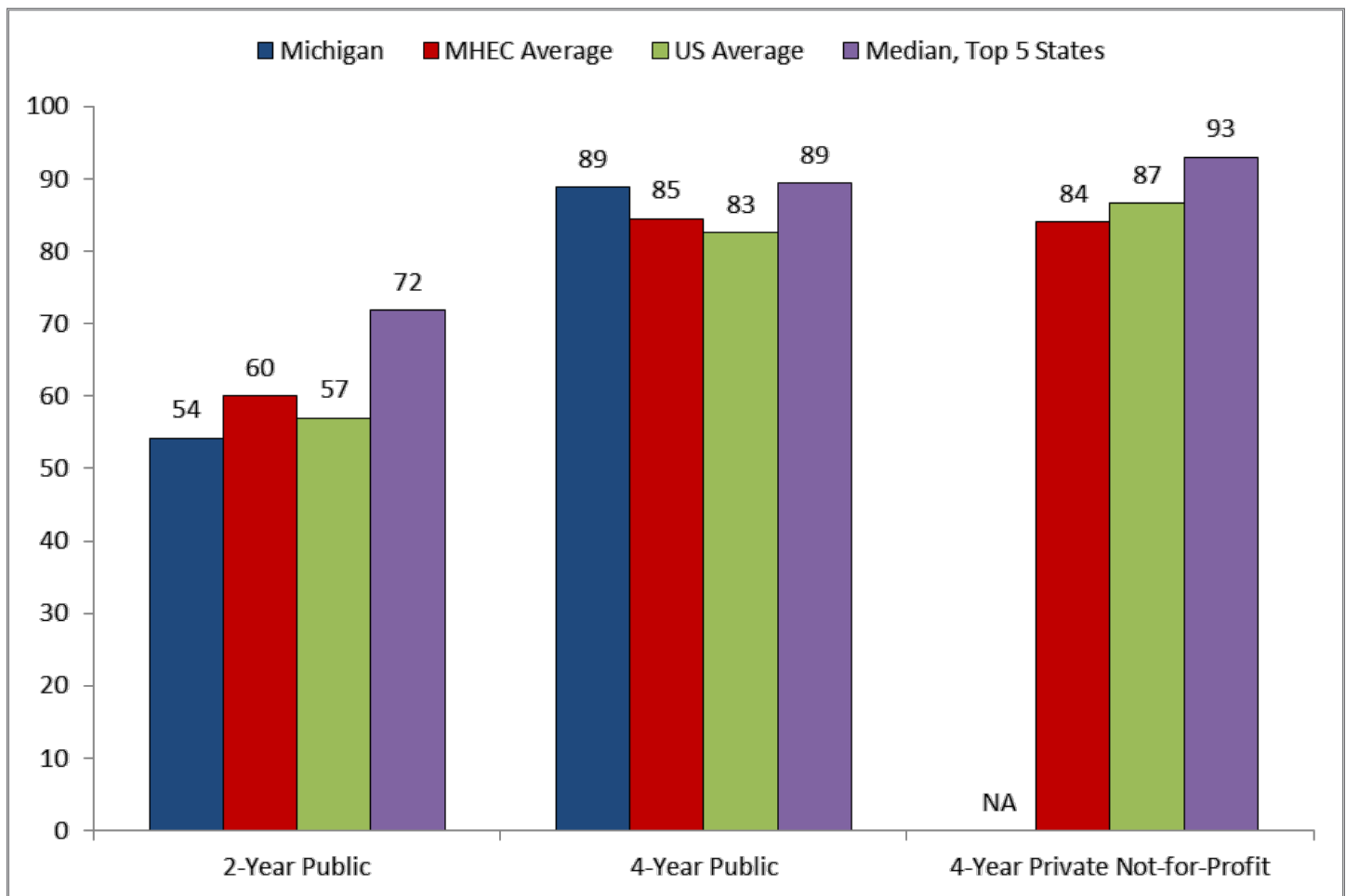
Source: NCES IPEDS. (2003, 2013). *Graduation Rate Files; gr2003 and gr2013*. Top 5 States, 2013: CT, MD, MA, MN, RI.

Figure 9a. Transfer-Adjusted Percentage of First-Time, Certificate/Degree-Seeking Students in the Fall 2008 Cohort who Completed a Certificate or Degree within Six Years by Starting Institution: Full- and Part-Time Students



Source: Shapiro, D., Dundar, A., Wakhungu, P., Yuan, X., & Harrell, A. (2015). *Completing College: A State-Level View of Student Attainment Rates* (Signature Report No. 8a). Herndon, VA: National Student Clearinghouse Research Center. Top 5 States, 2-Year Total: FL, MN, MT, ND, SD. Top 5 States, 4-Year Total: IA, NH, NJ, VT, VA. Top 5 States, 4-year Private Not-for-Profit: CT, MD, OR, RI, WA

Figure 9b. Transfer-Adjusted Percentage of First-Time, Certificate/Degree-Seeking Students in the Fall 2008 Cohort who Completed a Certificate or Degree within Six Years by Starting Institution: Full-Time Students



Source: Shapiro, D., Dundar, A., Wakhungu, P., Yuan, X., & Harrell, A. (2015). *Completing College: A State-Level View of Student Attainment Rates* (Signature Report No. 8a). Herndon, VA: National Student Clearinghouse Research Center. Top 5 States, 2-Year Total: FL, MN, MI, ND, SD. Top 5 States, 4-Year Total: IL, IA, MI, NH, VA. Top 5 States, 4-year Private Not-for-Profit: MD, MA, OR, RI, WA

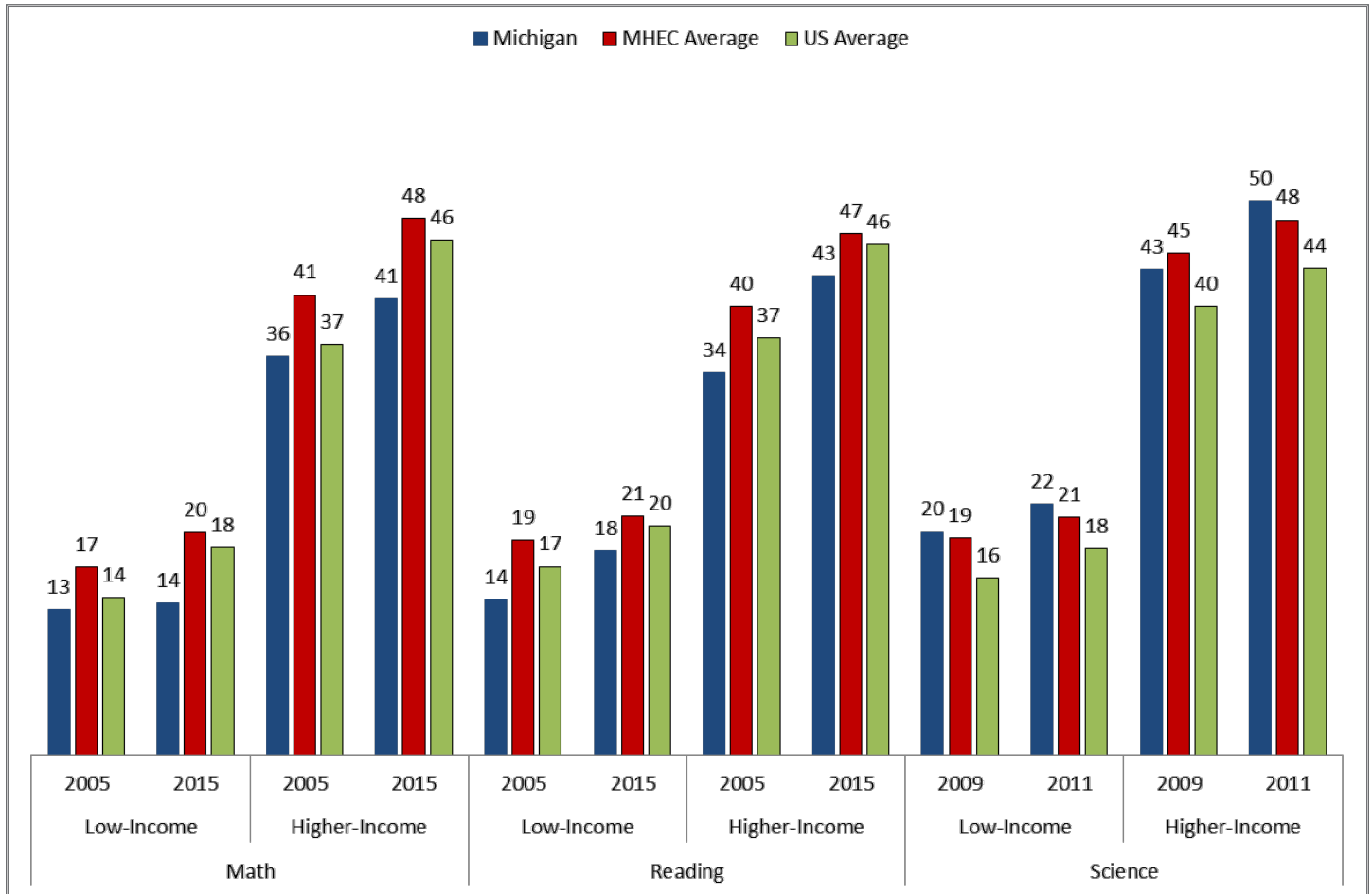
About these Metrics

Equity in postsecondary education is partly assessed by the extent to which academic preparedness, college enrollment, and completion are contingent on family income.¹⁵ The academic preparedness gap is measured by 8th grade proficiency levels in math, reading, and science on the National Assessment of Educational Progress (NAEP) among low-income students who qualified for free- or reduced-price lunch and “higher”-income students who were not eligible to participate in the National School Lunch Program.¹⁶ Eighth grade academic achievement has been found to be one of the most significant predictors of college readiness among 12th grade students.¹⁷ The postsecondary enrollment gap is gauged by comparing college enrollment rates among dependent 18 to 24 year olds by family income in Michigan.¹⁸ The completion gap is estimated by comparing six- year graduation rates among Pell grant recipients and non-Pell recipients at public four-year institutions.¹⁹ The six-year graduation rate accounts for first-time, full-time, bachelor’s degree- seeking students who entered during the fall of 2007 and graduated from their first institution within six years.

Performance in Michigan

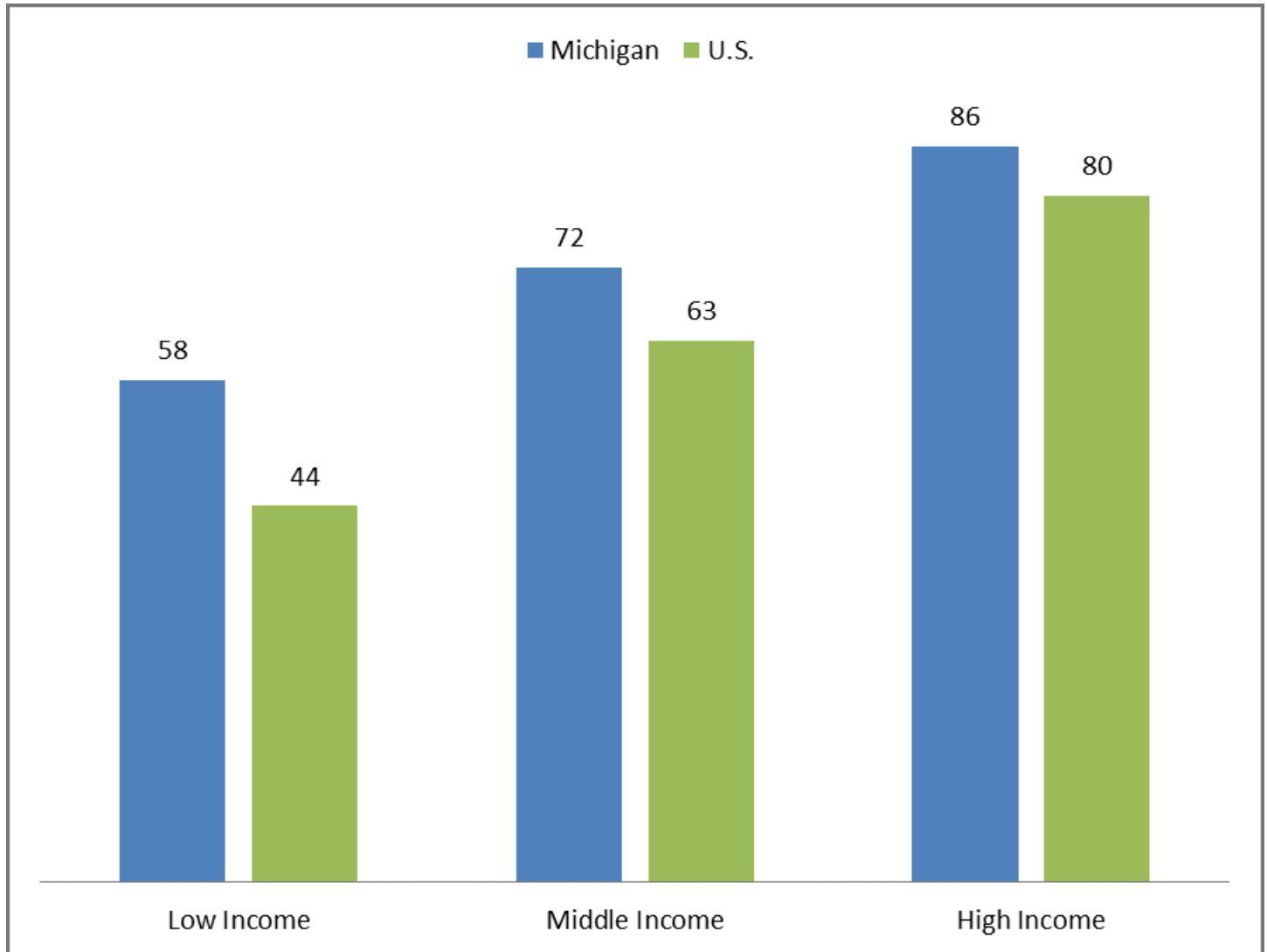
Figure 10 shows that fewer than 25 percent of low-income students in Michigan score at or above the proficiency level in math, reading, or science on the National Assessment of Educational Progress, which is well below the achievement levels of higher-income students.. According to Figure 11, the rate of college enrollment among low-income 18 to 24 year olds in Michigan is above the national rate but considerably lower than the enrollment rate for 18 to 24 year olds from high-income families. Similarly, the graduation rate of low-income students (i.e., Pell grant recipients) lags behind the graduation rate of higher-income students at public four-year institutions (see Figure 12).

Figure 10. Percentage of Low- and Higher-Income Students in Grade 8 Scoring At or Above Proficiency on the National Assessment of Educational Progress in Math, Reading, and Science



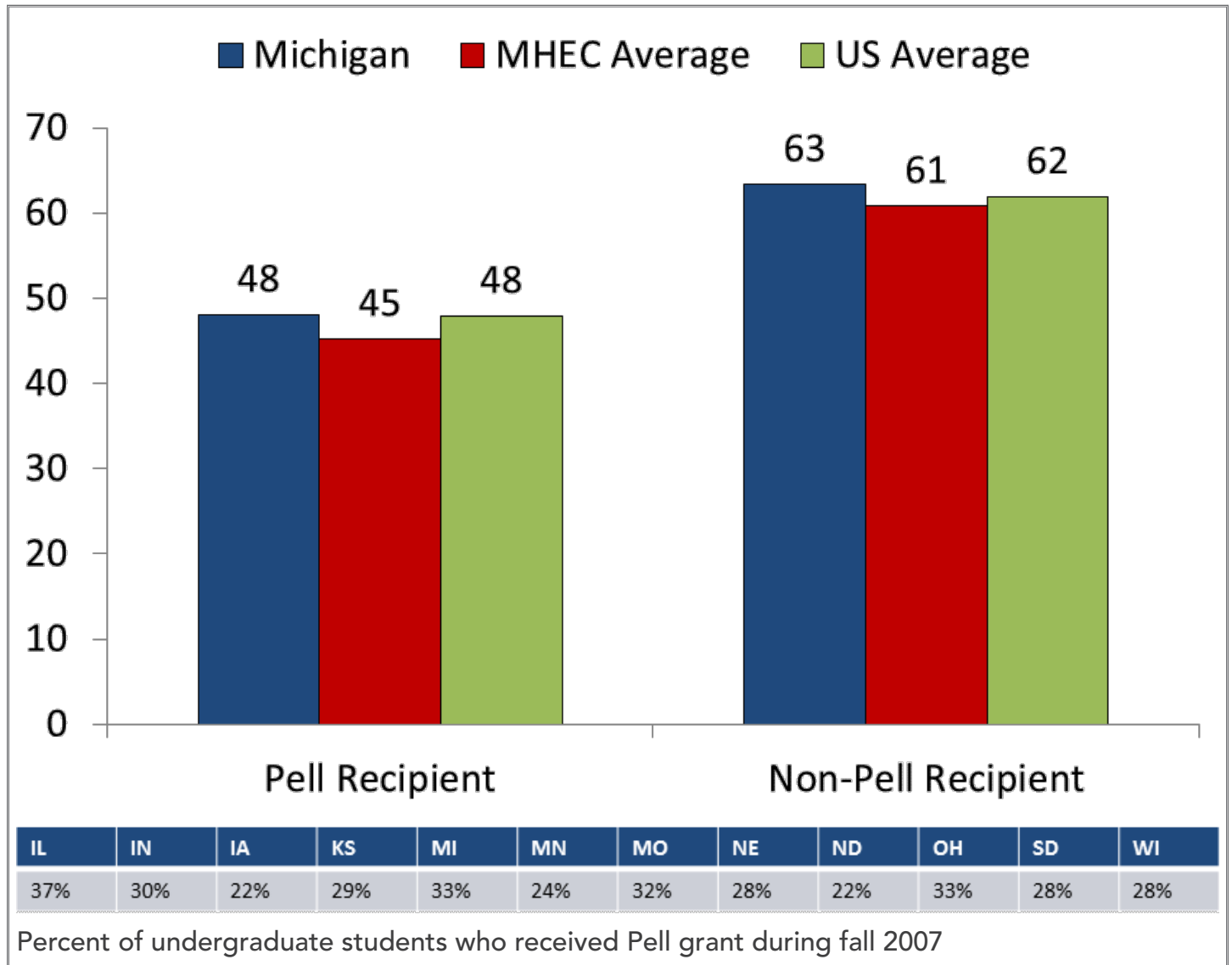
Source: National Center for Education Statistics. (2015). *National assessment of educational progress: 2015*. The NAEP in science was only administered in 2009 and 2011.

Figure 11. Percentage of Dependent 18-24 Year Olds who have Enrolled in College by Family Income, 2011-2015



Source: U.S. Census Bureau, 2011-2015 Current Population Survey.

Figure 12. Percentage of First-Time, Full-Time, Baccalaureate-Seeking Students in the Fall 2007 Cohort who Graduated within Six Years at Public Four-Year Institutions: Pell Grant Recipients vs. Non-Pell Recipients



Source: The Education Trust. (2015). *The Pell Partnership: Ensuring a Shared Responsibility for Low-Income Student Success*.

About these Metrics

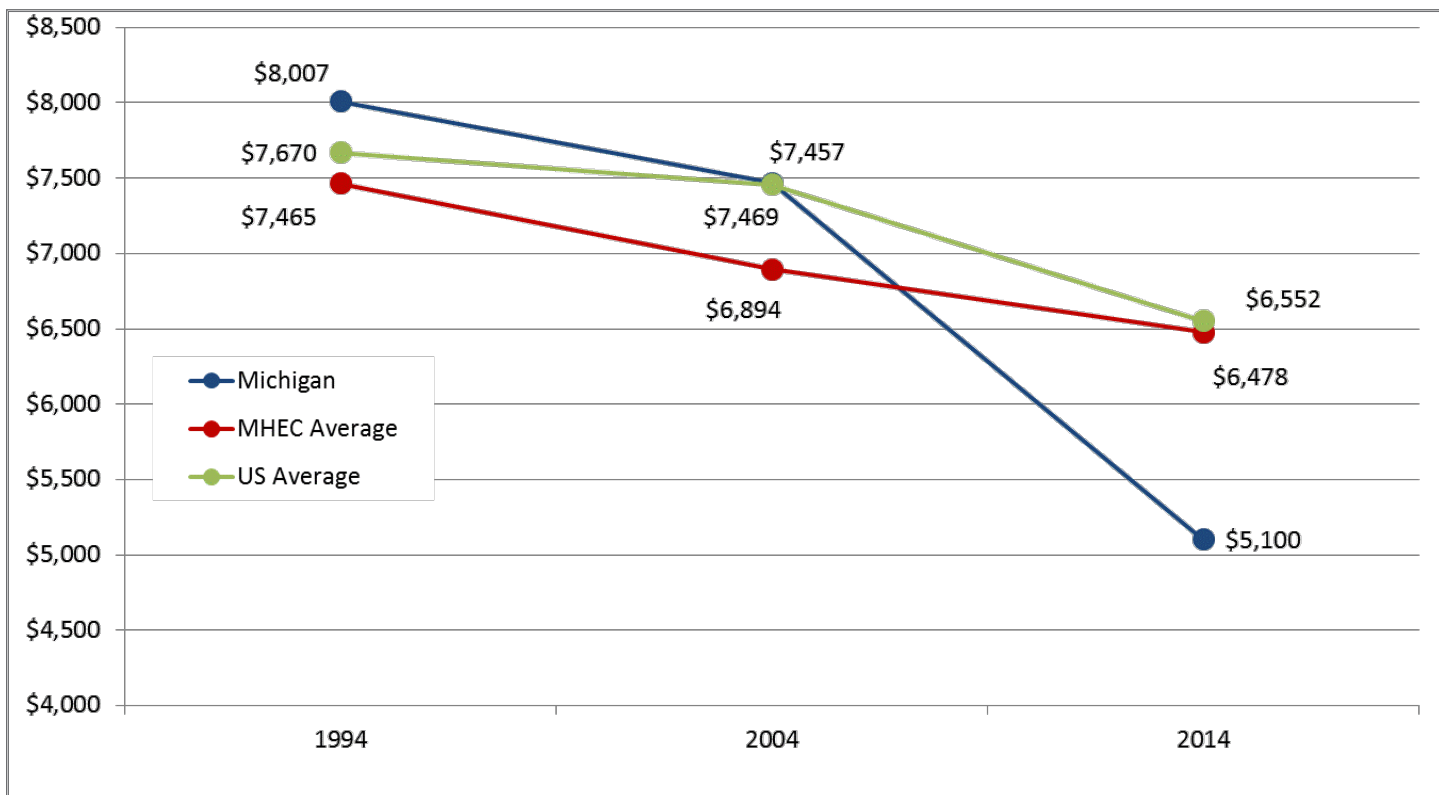
Several indicators portray the state's commitment to funding public higher education and supporting need-based aid programs. The state's financial commitment to higher education is examined in terms of (a) state and local educational appropriations for higher education per FTE student²⁰ and (b) state and local educational appropriations as a percent of total educational revenue for public postsecondary institutions. Another set of indicators focuses on state and local appropriations for public two- and four-year institutions in relation to education and related expenditures, which reflect the total amount spent on instruction, student services, and academic support. State appropriations may influence the effectiveness and competitiveness of institutions as well as tuition rates.²¹

Need-based aid funding is measured by (a) the amount of need-based grant aid per FTE student and (b) need-based aid as a percent of total grant aid allocations. The receipt of grant aid has been linked with higher rates of college enrollment and degree completion.²²

Performance in Michigan

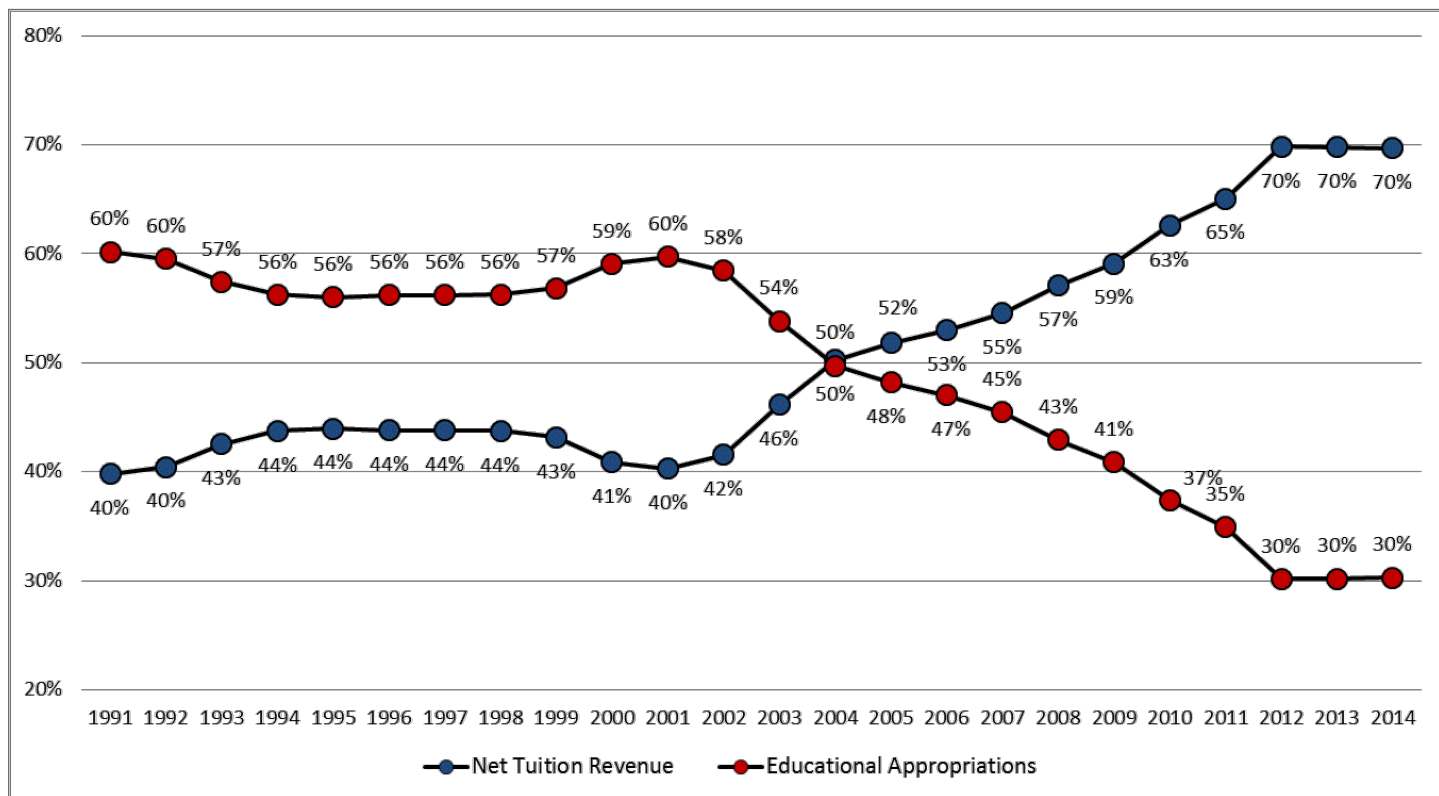
Figure 13 shows that public funding for higher education decreased in Michigan over the past 10 years, and funding is now below the regional and national averages. Moreover, the student's share of the cost of enrollment currently exceeds the state's share, as net tuition revenue constitutes a relatively larger proportion of revenue among public colleges and universities (see Figure 14). Figures 15a-c depict state and local appropriations relative to educational expenditures for each type of institution in the MHEC states. State and local appropriations in Michigan constitute 28 percent of education and related expenditures at public research universities, which is below the national average of 43 percent. At master's universities, state and local appropriations reflect 28 percent of educational expenditures, which is below the national average of 46 percent. At two-year colleges, state and local appropriations are equivalent to 61 percent of educational expenditures, which equals the national average of 61 percent. Finally, Figure 16 indicates that state need-based grant aid per FTE student in Michigan has decreased over the past decade and is below the regional and national averages. Michigan allocates 75 percent of its grant aid based on financial need, which is above the regional average.

Figure 13. State and Local Educational Appropriations for Higher Education per FTE Student



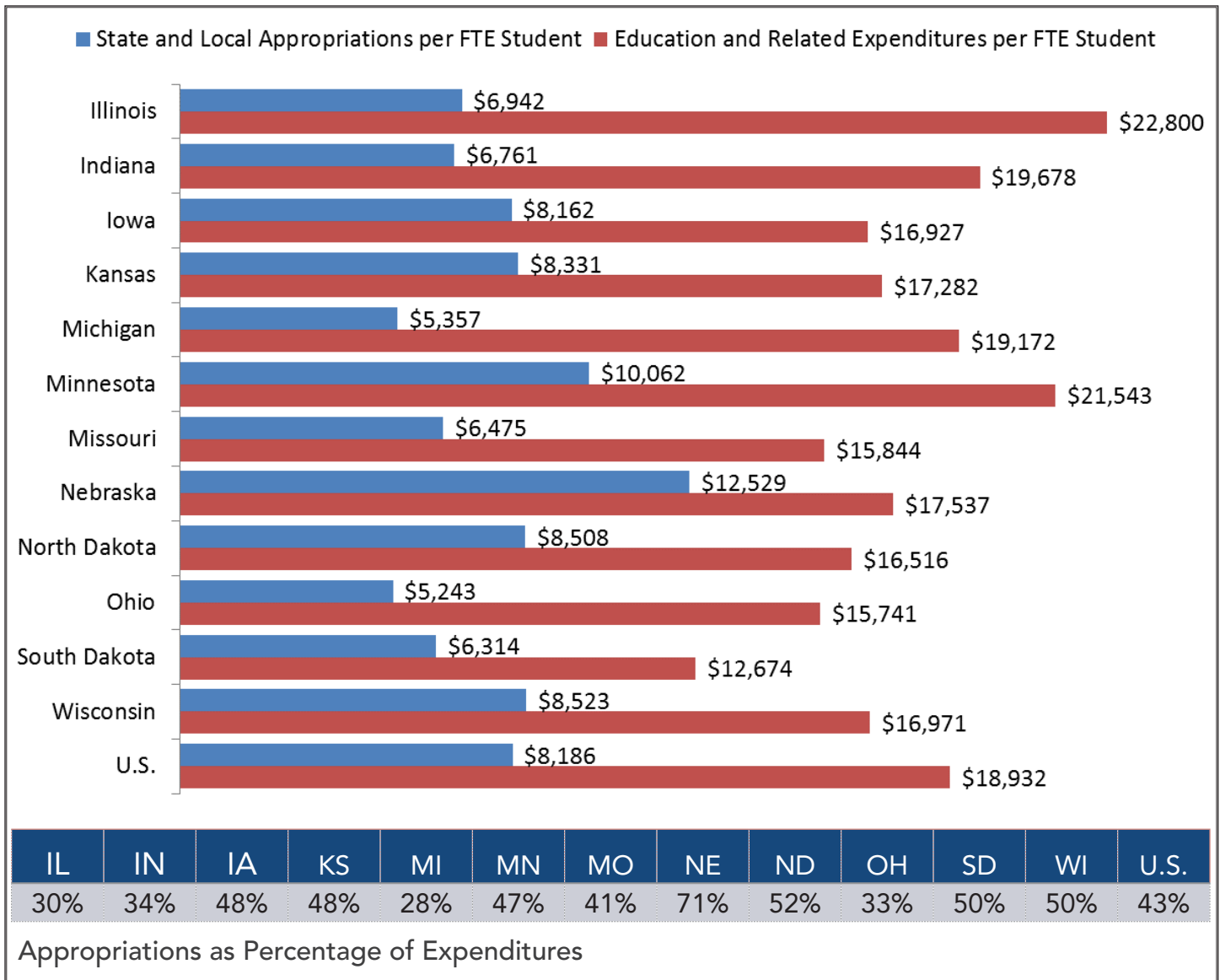
Source: SHEEO. (2015). SHEF FY 14. Estimates have been adjusted for inflation.

Figure 14. State and Local Educational Appropriations and Net Tuition Revenue as a Percentage of Total Educational Revenue for Public Postsecondary Institutions in Michigan (per FTE Student)



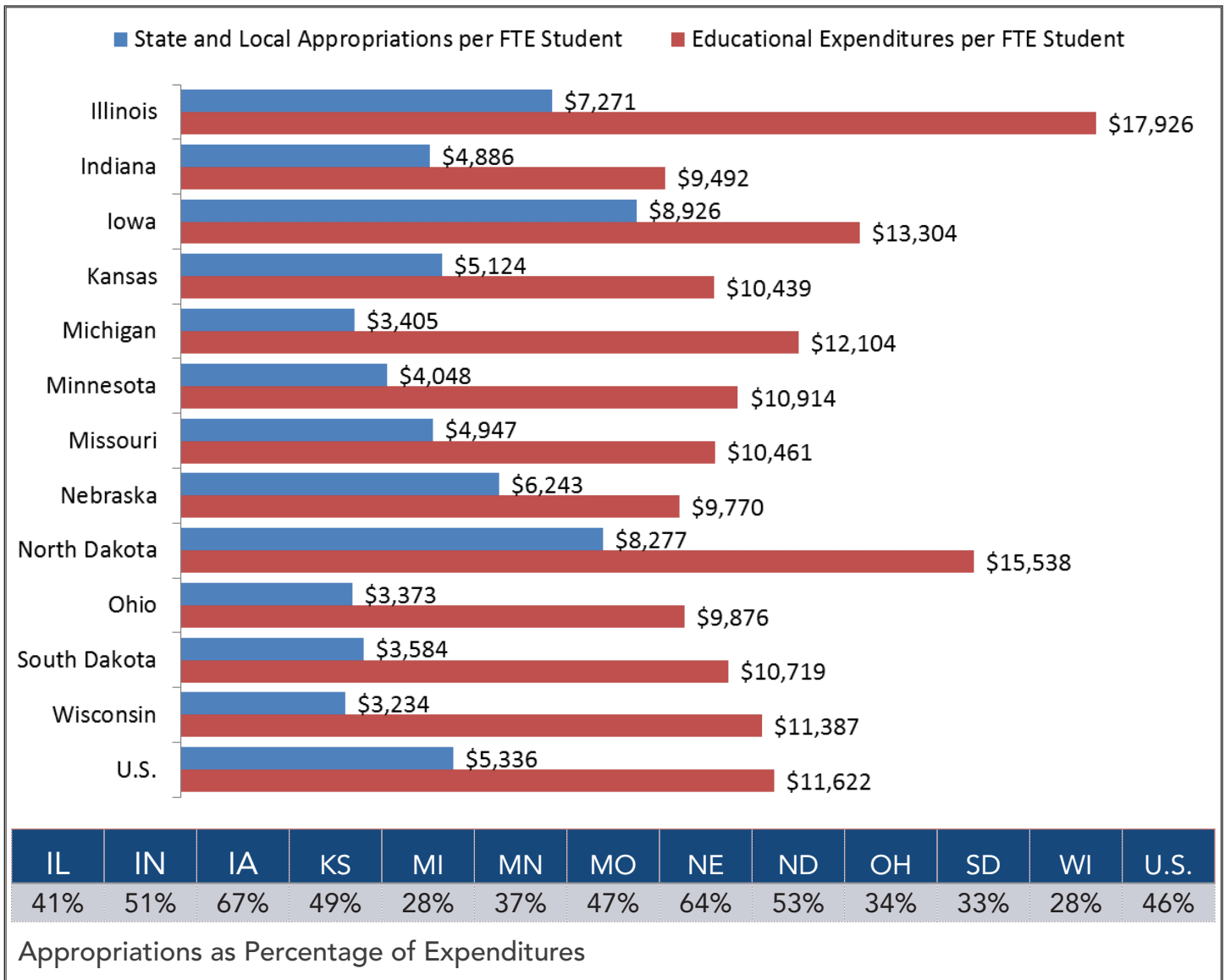
Source: SHEEO. (2015). SHEF FY 14.

Figure 15a. Public Research Universities: State and Local Appropriations Relative to Educational Expenditures Per FTE Student during 2013-14



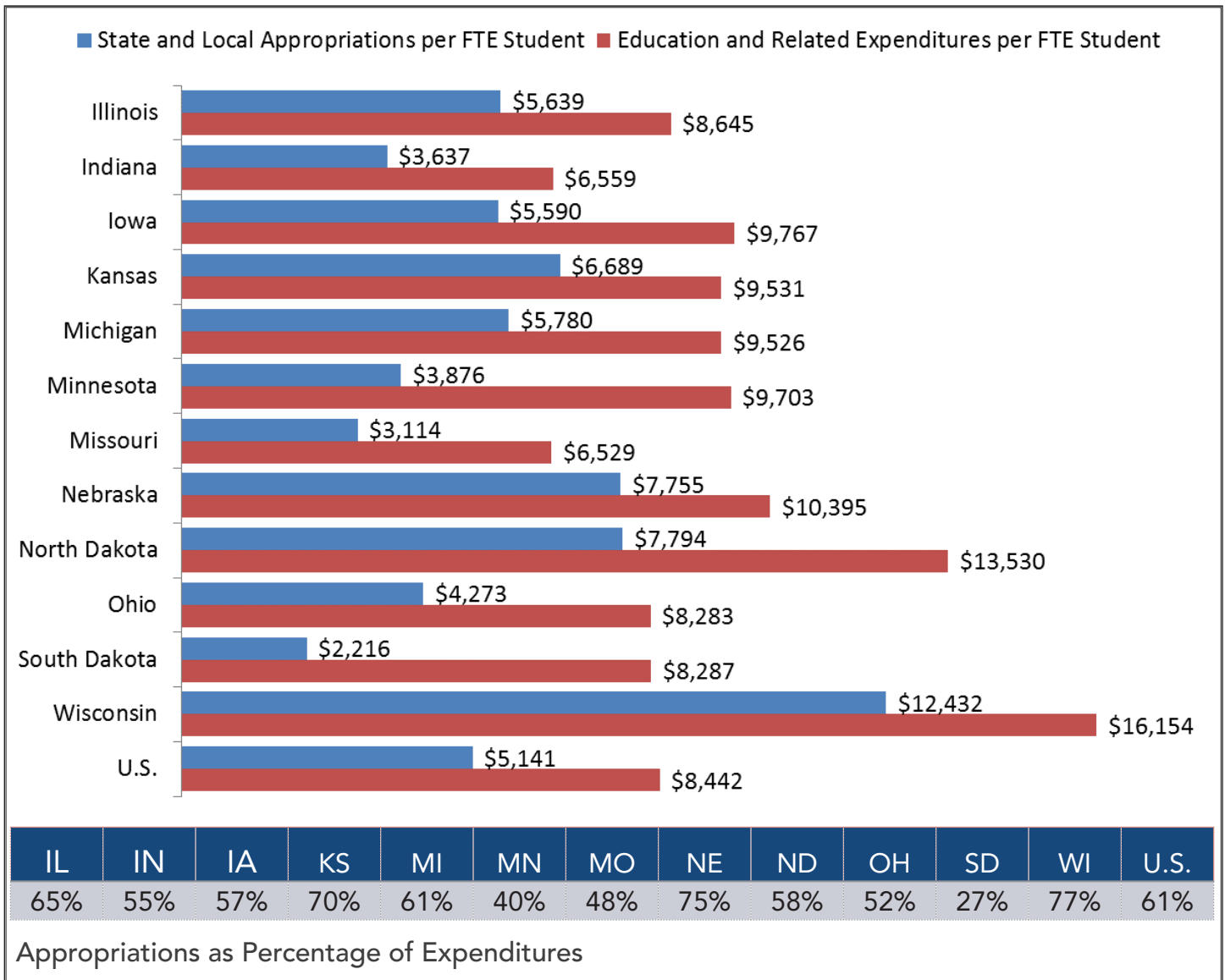
Source: NCES IPEDS. (2014). *Finance Files; f1314_f1a, f1314_f2.*

Figure 15b. Public Master’s Universities: State and Local Appropriations Relative to Educational Expenditures Per FTE Student during 2013-14



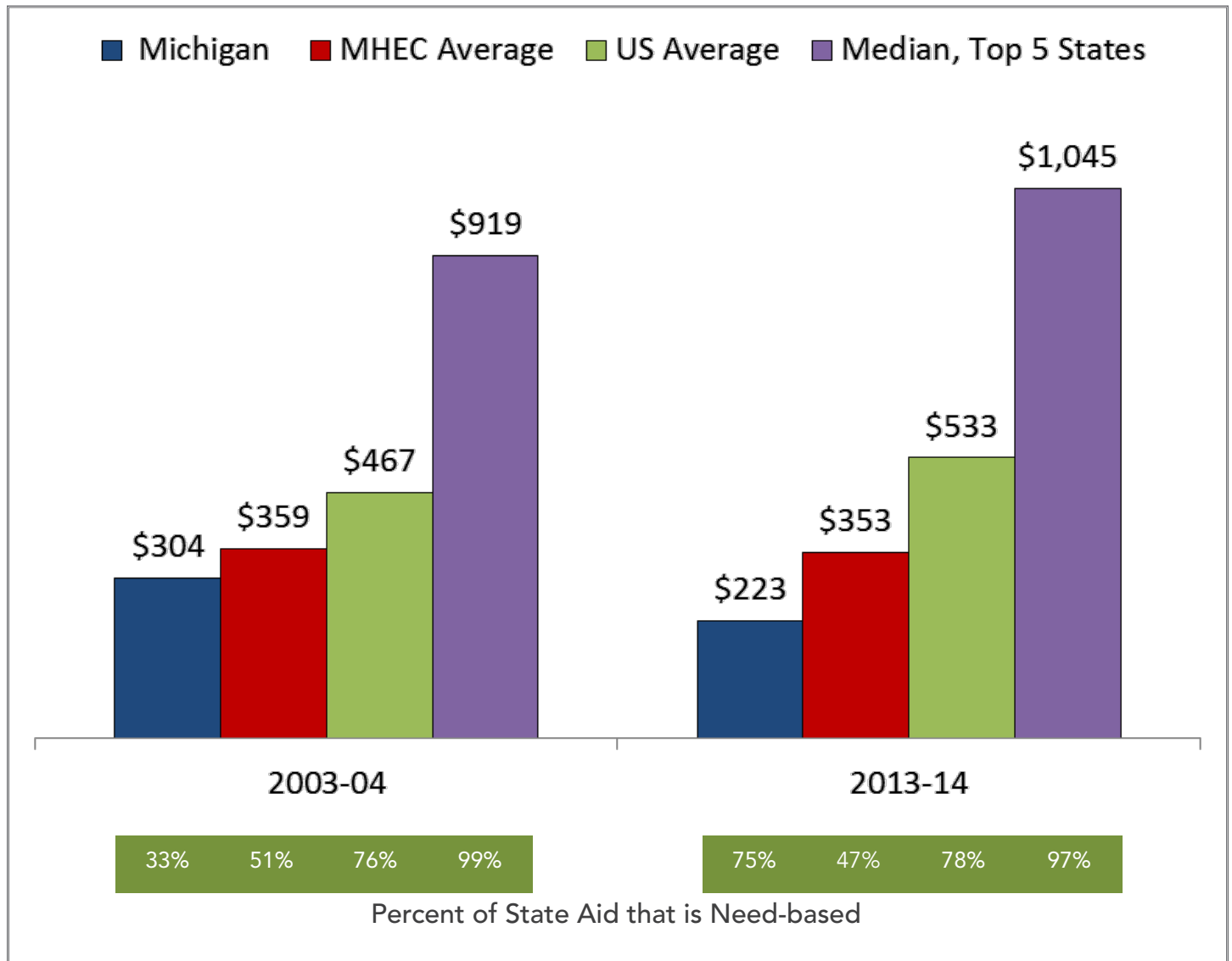
Source: NCES IPEDS. (2014). *Finance Files; f1314_f1a, f1314_f2.*

Figure 15c. Public Associates Colleges: State and Local Appropriations Relative to Educational Expenditures Per FTE Student during 2013-14



Source: NCES IPEDS. (2014). *Finance Files; f1314_f1a, f1314_f2.*

Figure 16. State Need-based Grant Aid per FTE Undergraduate Student and Percent of Aid Defined as Need-Based



Source: NASSGAP. (2014). 45th Annual Survey. NASSGAP. (2004). 35th Annual Survey. The 2004 estimates have been adjusted for inflation.

Endnotes

¹ The Georgetown University Center on Education and the Workforce. (2013). *Recovery: Job growth and education requirements through 2020*.

² Job categories were defined by the Georgetown University Center on Education and the Workforce: Managerial and Professional (e.g., management, business operations, finance, and legal); STEM (e.g., computer and mathematical science, architects and technicians, engineers and technicians, life and physical scientists); Social Sciences (psychologists, market research analysts, urban planners, survey researchers, economists, anthropologists, archeologists, sociologists, political scientists, historians, geographers); Community Service and Arts (e.g., social services, arts, design, sports, entertainment, media); Education; Healthcare (professionals and support); Food and Personal Services (e.g., protective services, food preparation and serving, personal care); Sales and Office Support; and Blue Collar (e.g., farming, fishing and forestry, construction and extraction, installation, maintenance and equipment repair, production, transportation and material moving). The Georgetown Center describes "Some College, No Degree" as an amorphous category in which some people with high school diplomas self-report their highest level of education in the "Some College" category. The U.S. Bureau of Labor Statistics defines "Some College, No Degree" as the "achievement of a high school diploma or equivalent plus the completion of one or more postsecondary courses that did not result in a degree or award." It is generally accepted that this category includes completion of 1- and 2-year certificates.

³ Lumina Foundation. (2014). *States with higher education attainment goals*. Retrieved from <http://strategylabs.luminafoundation.org/wp-content/uploads/2013/10/State-Attainment-Goals.pdf>

⁴ National Center for Higher Education Management Systems and CLASP. (2016). *Calculating the economic value of increasing college credentials by 2025*.

⁵ College Board. (2010). *Education pays 2010*. Retrieved from http://trends.collegeboard.org/downloads/Education_Pays_2010.pdf

⁶ U.S. Department of Health and Human Services. (2011). *Health, United States, 2010*. Retrieved from <http://www.cdc.gov/nchs/data/hus/hus10.pdf#010>

⁷ MHEC. (2013). *Advancing Postsecondary Opportunity, Completion, and Productivity*. Retrieved from <http://www.mhec.org/research>

⁸ This report uses the four-year adjusted cohort graduation rate, which is defined as "the number of students who graduate in four years with a regular high school diploma divided by the number of students who form the adjusted cohort for the graduating class. From the beginning of 9th grade (or the earliest high school grade), students who are entering that grade for the first time form a cohort that is "adjusted" by adding any students who subsequently transfer into the cohort and subtracting any students who subsequently transfer

out, emigrate to another country, or die” (U.S. Department of Education, 2012). Retrieved from <http://eddataexpress.ed.gov/dataelementoverlay.cfm/deid/127/states/XX/>

⁹ American College Testing. (2010). *What are ACT's college readiness benchmarks?* Retrieved from <http://www.act.org/research/policymakers/pdf/benchmarks.pdf>

¹⁰ Caution should be exercised when interpreting changes over time in the percentage of high school graduates who meet ACT college readiness benchmarks. In 2013, the performance benchmark in science was lowered from 24 to 23, and the benchmark in reading was raised from 21 to 22. See ACT. (2013). *Updating the ACT college readiness benchmarks*. Retrieved from https://www.act.org/research/researchers/reports/pdf/ACT_RR2013-6.pdf
In 2013, ACT also began including scores from both standard and extended time tests. See ACT (2014). *ACT profile reports*. Retrieved from <https://www.act.org/newsroom/data/2014/>

¹¹ The number of graduates from private high schools in 2014 was estimated as the average of 2011 graduates and the projected number of graduates estimated by WICHE. The Private School Universe Survey does not provide data beyond 2011.

¹² Bozick, R., & DeLuca, S. (2005). Better late than never? Delayed enrollment in the high school to college transition. *Social Forces*, 84(1), 527-550.

¹³ Hossler, D., Ziskin, M., Gross, J. P., Kim, S., & Cekic, O. (2009). Student aid and its role in encouraging persistence. In J. C. Smart (Ed.), *Higher education: Handbook of theory and research* (pp. 389-425). Netherlands: Springer Netherlands. Bowen, W. G., Chingos, M. M., & McPherson, M. S. (2009). *Crossing the finish line: Completing college at America's public universities*. Princeton, NY: Princeton University Press. Heller, D. E. (Ed.). (2001). *The effects of tuition prices and financial aid on enrollment in higher education: California and the nation*. Rancho Cordova, CA: EdFund. MHEC (2014). *Campus-based practices for promoting student success: Financial aid*. Retrieved from <http://www.mhec.org/research>

¹⁴ For a perspective on measures of institutional effectiveness and efficiency, see Horn, A. S. (2015). *The effectiveness and efficiency of postsecondary institutions in the United States: 2010-2012 baseline results*. Retrieved from <http://www.mhec.org/sites/mhec.org/files/201507EENational.pdf>

¹⁵ Additional equity indicators based on racial and ethnic backgrounds will be available online at <http://www.mhec.org/research>.

¹⁶ Higher income is defined as any level of income that did not qualify the student for free or reduced price lunch. Income thresholds for eligibility differ by household size. For example, the annual income limit to qualify for reduced-price meals for a household of four is \$44,863. See USDA. (2016). *Income eligibility guidelines*. Retrieved from www.fns.usda.gov/school-meals/income-eligibility-guidelines

¹⁷ American College Testing. (2008). *The forgotten middle*. Retrieved from <http://www.act.org/research/policymakers/pdf/ForgottenMiddle.pdf>

¹⁸ Dependent is defined as age less than 25, not married with spouse present, with the household role of sibling, child, step child, family other, foster child or grandchild. The sample excludes individuals currently enrolled in high school but includes individuals without a high school diploma or certificate who are not currently enrolled in high school. Family income quartiles are based on all households in the state: low income is delineated by the bottom quartile; middle income is delineated by the middle quartiles; and high income is delineated by the top quartile. College enrollment is defined as current postsecondary enrollment or any level of college attainment, including some college or a specific credential. Sample sizes are too small to produce single-year estimates. .

¹⁹ Not all institutions in all states are accounted for as many did not report Pell data, which affects the U.S. and MHEC averages. Coverage for MHEC states is as follows: IL (100%), IN (91%), IA (100%), KS (92%), MI (100%), MN (74%), MO (84%), NE (100%), ND (100%), OH (95%), SD (95%), and WI (100%). Graduation rates for private institutions were not calculated due to excessive missing data.

²⁰ State and local educational appropriations refer to “state and local support available for public higher education operating expenses, defined to exclude spending for research, agricultural extension, and medical education, as well as support for independent institutions or students attending them” (SHEEO, 2015, p. 11). State and local support refer to “state tax appropriations and local tax support plus additional nontax funds (e.g., lottery revenue) that support or benefit higher education, and funds appropriated to other state entities for specific higher education expenditures or benefits (e.g., employee fringe benefits disbursed by the state treasurer)” (SHEEO, 2015, p. 11).

²¹ Mumper, M., & Freeman, M. L. (2005). The causes and consequences of public college tuition inflation. In J.C. Smart (Ed.), *Higher Education: Handbook of Theory and Research*, Vol. XX, 307–361. Norwell, MA: Springer.

²² See endnote 13.



Midwestern Higher Education Compact
105 Fifth Avenue South, Suite 450
Minneapolis, MN 55401
Phone: 612-677-2777 Fax: 612-767-3353
E-mail: mhec@mhec.org

Visit MHEC's website at: www.mhec.org.

For cost savings purchases of computing hardware, software, and other technology products and services, go directly to www.mhectech.org.

For an interactive, searchable database of all institutions participating in the Midwest Student Exchange Program, please visit the MSEP Access Navigator at <http://msep.mhec.org>.