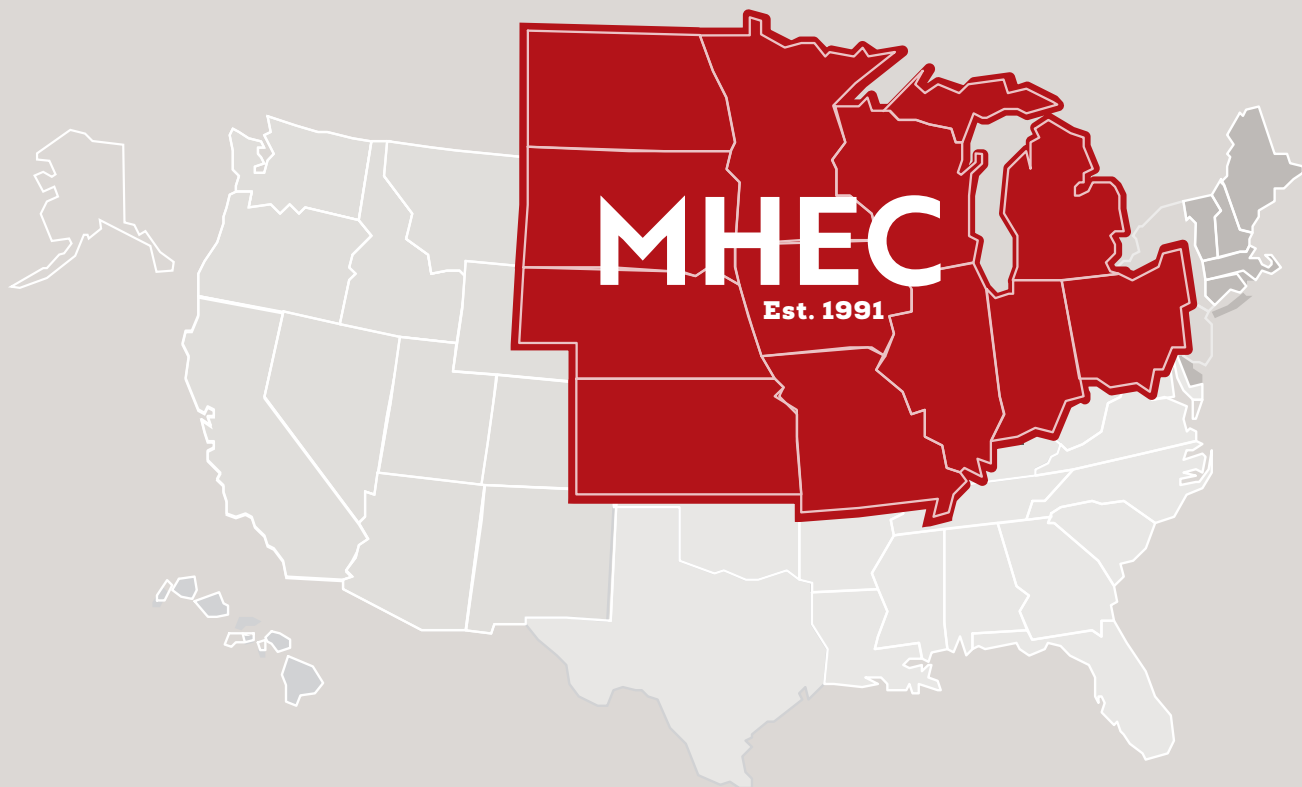




2020 State Performance Update

Supplement to Higher Education in Focus 2019





ABOUT THE MIDWESTERN HIGHER EDUCATION COMPACT

As an interstate compact, the Midwestern Higher Education Compact (MHEC) brings together midwestern states to develop and support best practices, collaborative efforts, and cost-sharing opportunities. Through these efforts it works to ensure strong, equitable postsecondary educational opportunities and outcomes for all.

Member states of MHEC are Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

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Data analyses were conducted by Shaun Williams-Wyche, Associate Director of Research and Data Analysis.

MHEC would like to acknowledge the helpful feedback of members of the Review Panel for State Policy and Performance Data.

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Additional indicators are available in the MHEC Interactive Dashboard: <https://www.mhec.org/dashboard>.

Updates to this report may be found at: <https://www.mhec.org/policy-research>.

About this Report

This supplement to *Higher Education in Focus 2019* provides the latest data on a subset of indicators relevant to the goal of improving educational attainment in Iowa. Performance indicators are categorized within five areas: Preparation, Participation, Affordability, Completion, and Finance. Most indicators provide the national and MHEC regional values as well as the median of the top five states in the nation as possible benchmarks. Most performance

indicators are disaggregated by family income and race/ethnicity to assess critical opportunity and achievement gaps.

For additional background, sources, and technical notes, see MHEC.ORG/policy-research for the full report.

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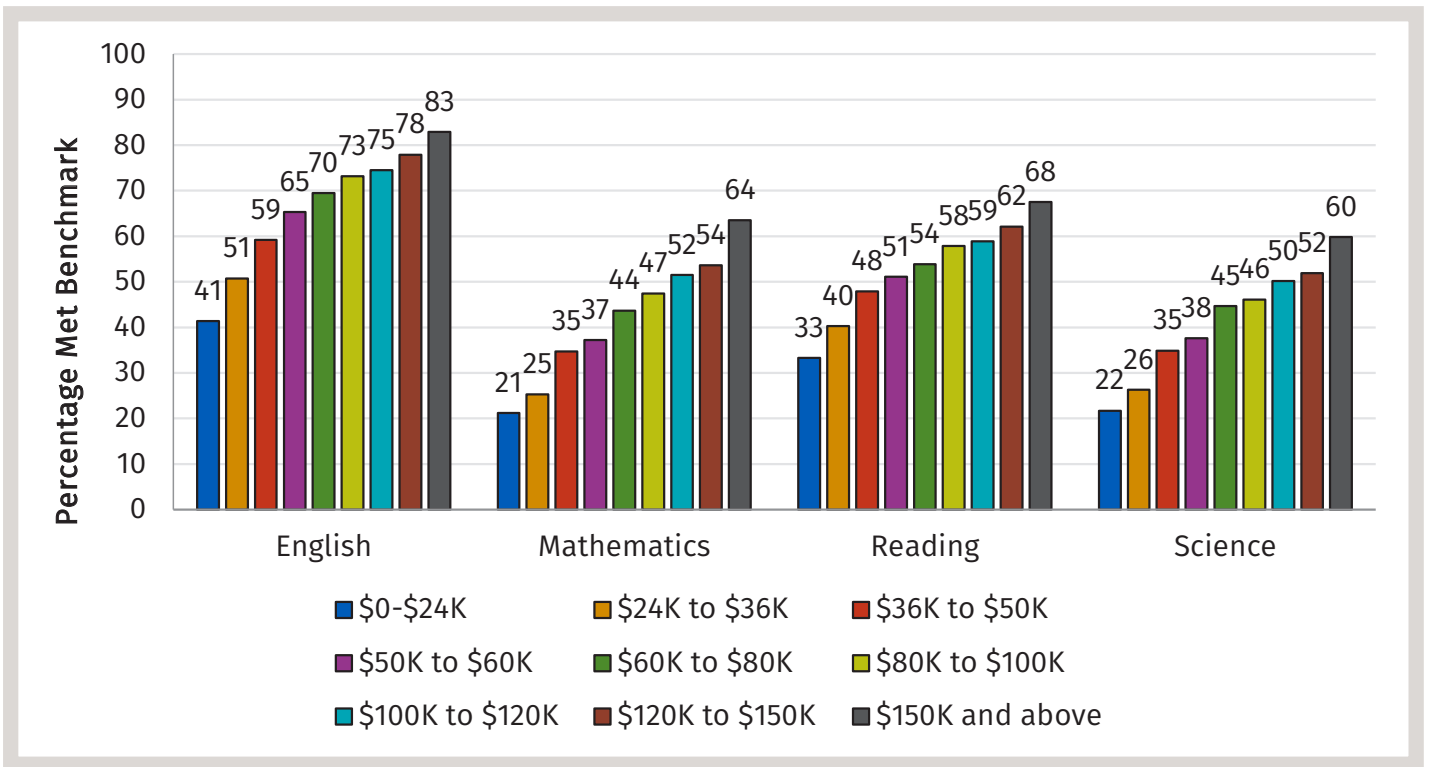
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Preparation

Academic proficiency of high school graduates. The proportion of high school graduates taking the ACT who meet college readiness benchmarks provides one measure of the academic preparation of college-bound students. Benchmark scores in English (18), mathematics

(22), reading (22), and science (23) delineate a 75 percent likelihood of attaining at least a grade of “C” or higher in first-year college-level courses. Benchmark scores are provided by family income intervals and racial/ethnic groups.

Figure 1: Percentage of ACT-Tested High School Graduates Who Met or Exceeded College Readiness Benchmark Scores by Family Income in Iowa



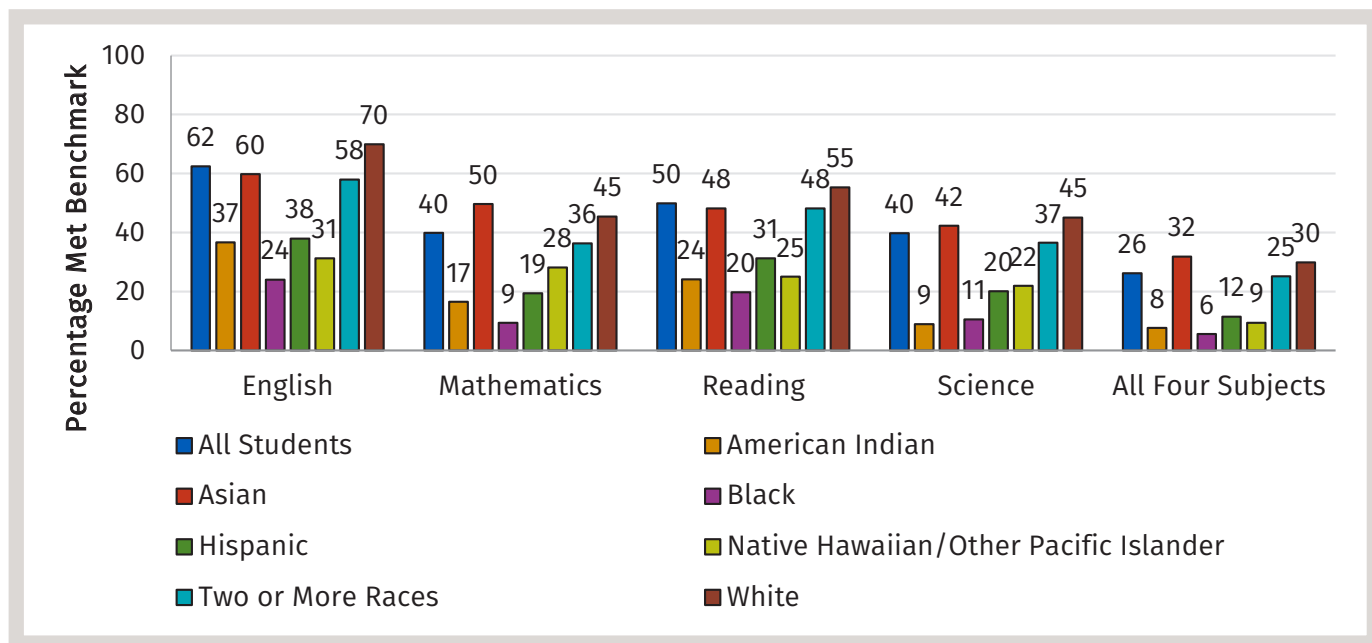
Source. ACT. (2020). The Condition of College & Career Readiness, 2020.



Academic preparation is strongly correlated with family income, as a larger percentage of tested high school graduates from higher-income families met or exceeded college readiness benchmarks than graduates from lower-income families in Iowa.

Preparation

Figure 2. Percentage of ACT-Tested High School Graduates Who Met or Exceeded College Readiness Benchmark Scores by Race and Ethnicity in Iowa



Source: ACT. (2020). The Condition of College & Career Readiness, 2020.



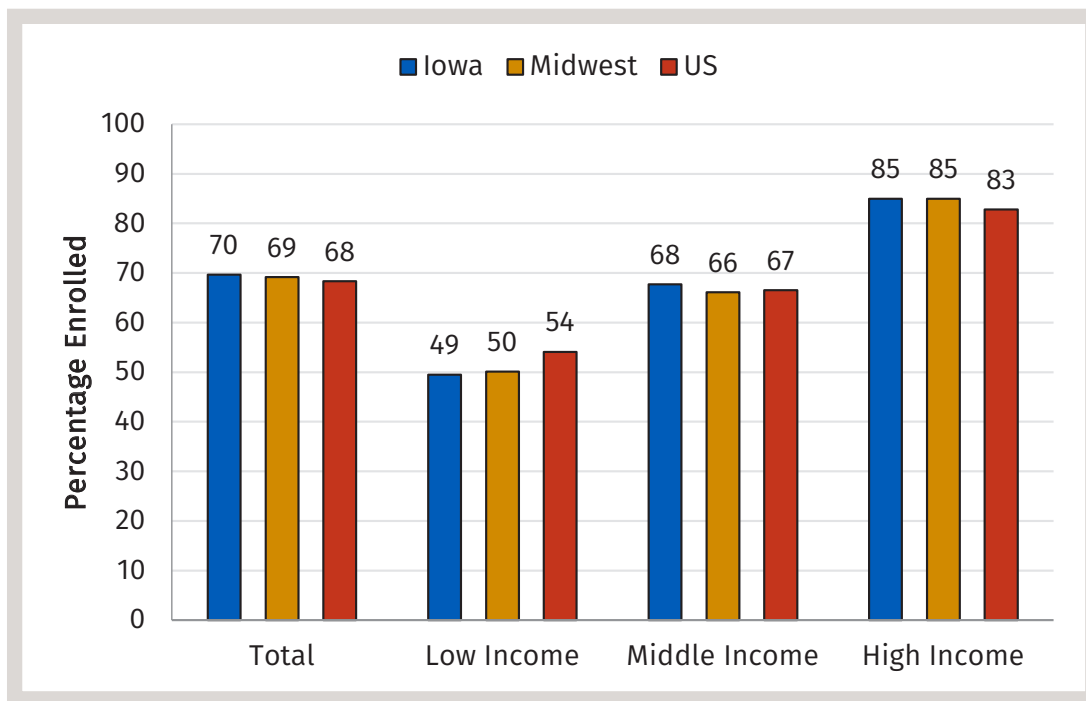
About one-fourth of tested graduates in Iowa met or exceeded college readiness benchmarks in all four tested subjects. College readiness was lower among American Indians, Blacks, and Hispanics relative to Whites and Asians.

Participation

Traditional-age enrollment. Participation among traditional-age students is defined as the percentage of all 18- to 24-year-old adults in the state who are currently enrolled in college or have completed some college or a credential. Enrollment rates are provided for family income and racial/ethnic groups. The enrollment gap by

income is gauged by comparing college enrollment rates among dependent 18- to 24-year-old residents by the family income quartiles of all households in the state. Low income is delineated by the bottom quartile, middle income by the second and third quartiles, and high income by the top quartile.

Figure 3. Percentage of Dependent 18- to 24-Year-Old Residents who are Currently Enrolled or Have Completed Some College by Family Income



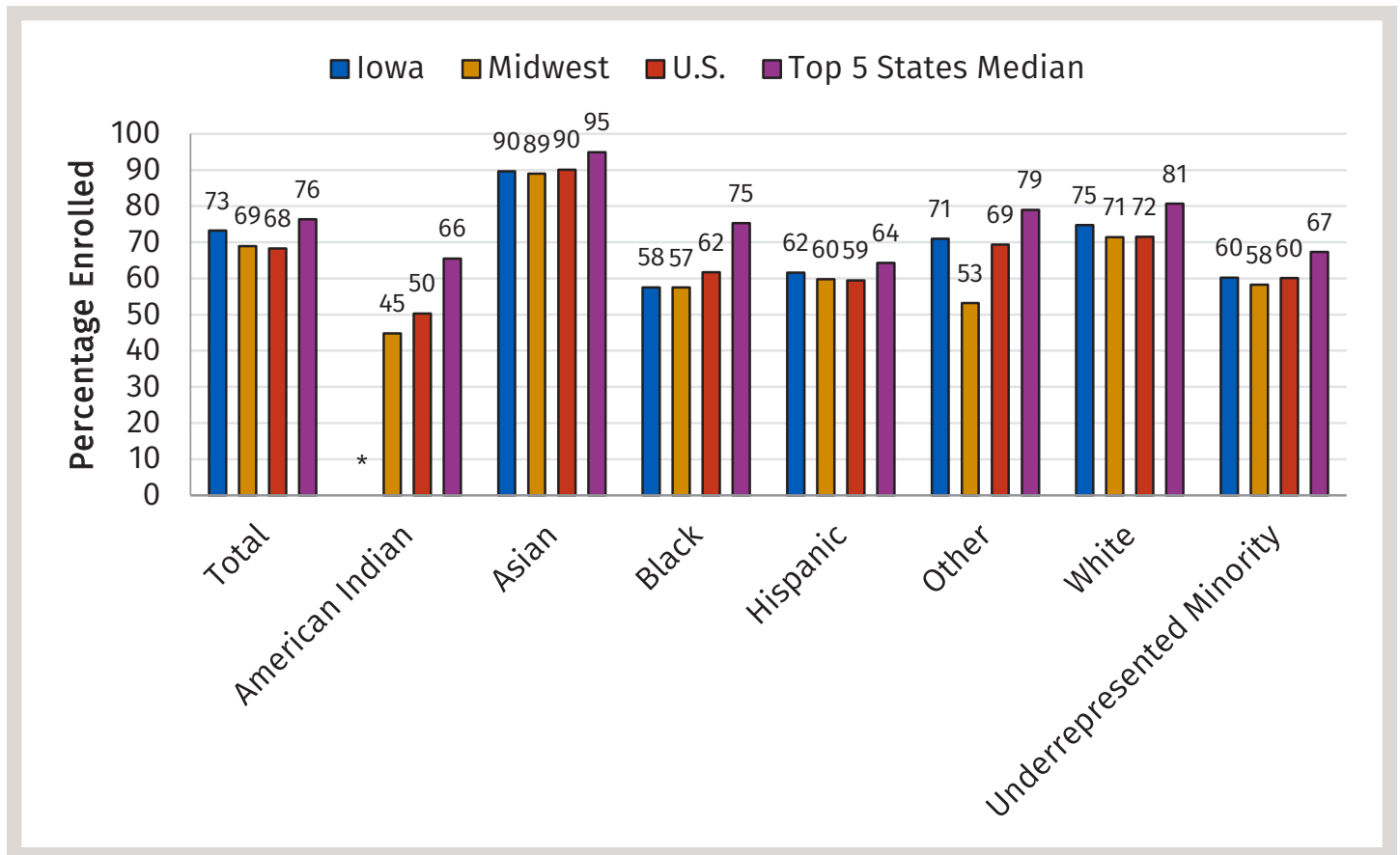
Source: U.S. Census Bureau. (2014, 2015, 2016, 2017, 2018). Current Population Survey. Five-year estimates.



The college enrollment rates of 18-to-24-year-olds in Iowa from low-income families and middle-income families are lower than the enrollment rate for 18- to 24-year-olds from high-income families. Similar disparities in college enrollment are seen across the Midwest and the nation.

Participation

Figure 4. Percentage of Persons Aged 18-24 who are Currently Enrolled or Have Completed Some College by Race and Ethnicity



Source. U.S. Census Bureau. (2017, 2018, 2019). American Community Survey Single-Year Public Use Microdata Sample. Top 5 States, 2017-2019 (includes ties): MA, RI, NY, CT, ND. Note. The underrepresented minority category comprises American Indians, Blacks, and Hispanics. The other category includes respondents who reported their race as "Other" or "Two or More Races" and ethnicity as non-Hispanic. *Estimates are unavailable due to small sample sizes.



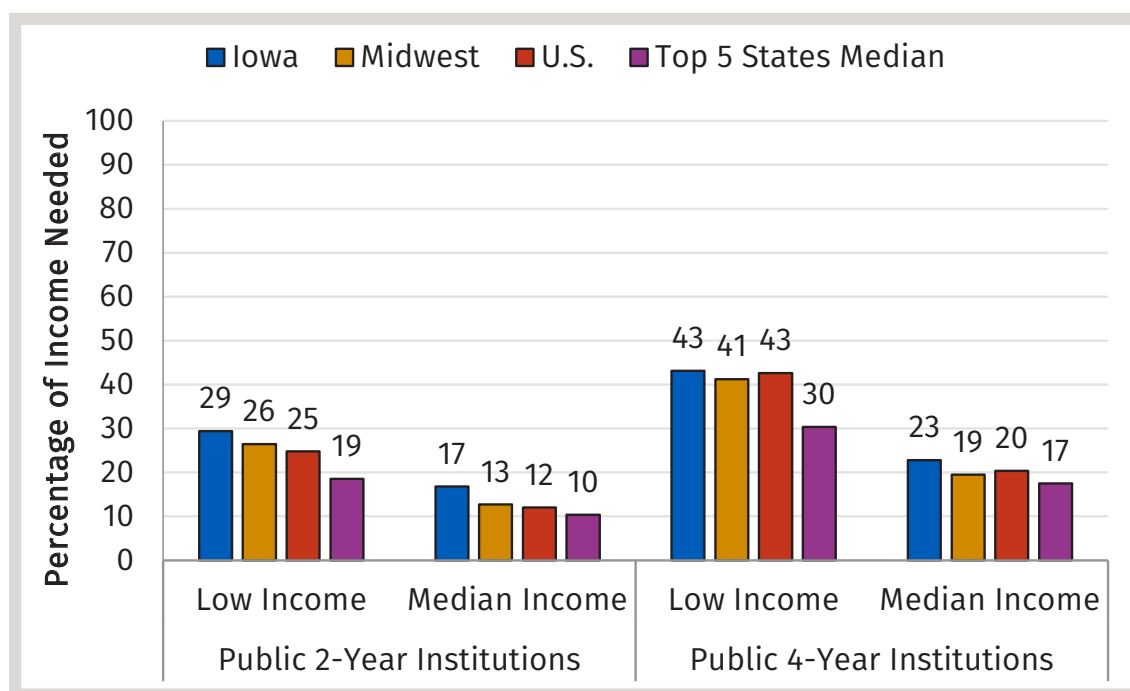
About 60 percent of underrepresented minorities in Iowa (ages 18-24) are currently enrolled or have completed some college, compared to 75 percent of Whites. A similar gap in college enrollment is seen across the Midwest and the nation.

Affordability

Ability to pay. The ability to pay for college is measured by the percentage of family income needed to pay the net price of full-time enrollment at public two- and four-year institutions. The average net price is calculated as the total cost of attendance (tuition and fees, books, supplies, and room and board) minus the average institutional, local, state, and federal grant aid. In order to assess the

degree of affordability for students of different income levels, this indicator is presented for families with median income (\$76,674 for Iowa in 2018) and families with low income, which is defined as an income equal to the federal poverty level for a family of four (\$25,100 in 2018). The indicator is also presented by the median income for families in each racial and ethnic group.

Figure 5. Percentage of Family Income Needed to Pay for Full-Time Enrollment at Public Institutions for Low- and Median-Income Households



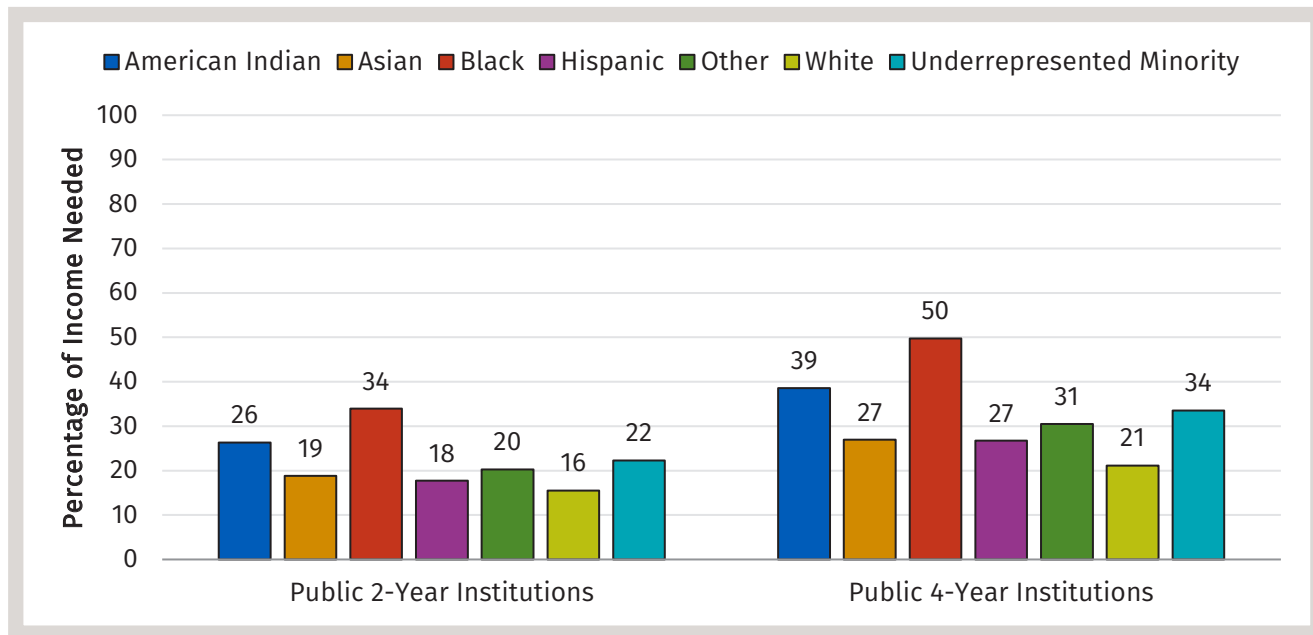
Source: NCES IPEDS. (2018). Net price. U.S. Census Bureau. (2018). American Community Survey One-Year Public Use Microdata Sample. Top 5 States, 2017-18: Public two-year institutions: (Low-income students: GA, KY, IL, MI, MS) (Median-income students: CT, RI, GA, KY, MI) Public four-year institutions: (Low-income students: IN, FL, NY, AK, CA) (Median-income students: AK, ND, IN, FL, UT).



Two-year college attendance in Iowa for students from median-income families requires 17 percent of family income, compared to 29 percent of income for students from low-income families. Four-year college attendance in Iowa for students from median-income families requires 23 percent of family income, compared to 43 percent of income for students from low-income families. Similar differences in college affordability are seen across the Midwest and the nation.

Affordability

Figure 6. Percentage of Family Income Needed to Pay for Full-Time Enrollment at Public Two- and Four-Year Institutions by Race and Ethnicity in Iowa



Source: NCES IPEDS. (2018). Net price. U.S. Census Bureau. (2018). American Community Survey One-Year Public Use Microdata. Note. The underrepresented minority category consists of American Indians, Blacks, and Hispanics. The other category includes respondents who reported their race as “Other” or “Two or More Races” and ethnicity as non-Hispanic.



College attendance in Iowa requires a greater share of family income for underrepresented students than for White students. Underrepresented students are disproportionately represented among lower-income students.

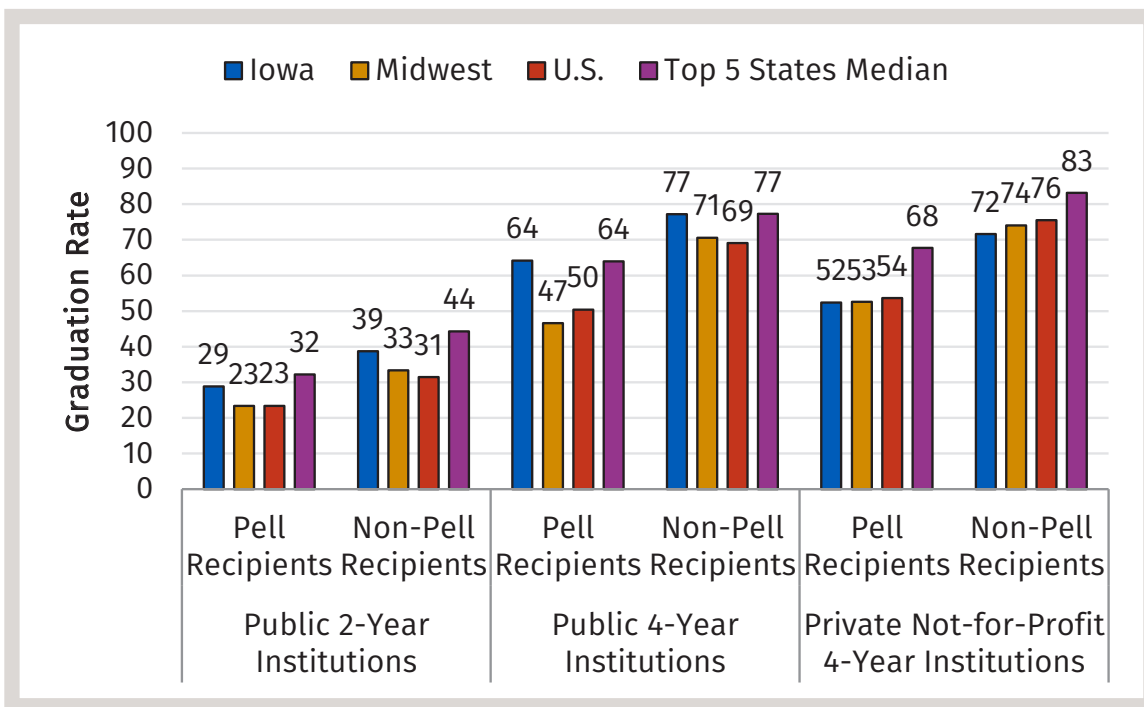
Completion

Institutional graduation rates. Institutional graduation rates are defined by the proportion of first-time, full-time students who graduate at their beginning institution. Specifically, graduation rates at two-year colleges are measured by the proportion of first-time, full-time certificate/degree-seeking students in the fall 2015 cohort who completed an associate degree or certificate at the first public two-year college within three years (Figure 8 also counts students who transferred to another institution). Graduation rates at four-year institutions are defined by first-time, full-time, bachelor’s degree-seeking students in the fall 2012 cohort who completed a

bachelor’s degree at the first four-year institution within six years (without accounting for transfer to another institution).

These indicators are provided for family income and racial/ethnic groups. The completion gap by income is estimated by comparing graduation rates among federal Pell Grant recipients and non-Pell recipients. In 2018-19, a dependent student from a family with a household size of four (two parents and two children) and an adjusted gross income of \$60,000 or less would be eligible for a Pell Grant.

Figure 7. Percentage of First-Time, Full-Time Degree/Certificate-Seeking Students who Graduated within Three Years at First Public Two-Year Institution and Graduated within Six Years at First Four-Year Institution by Pell Grant Recipient Status



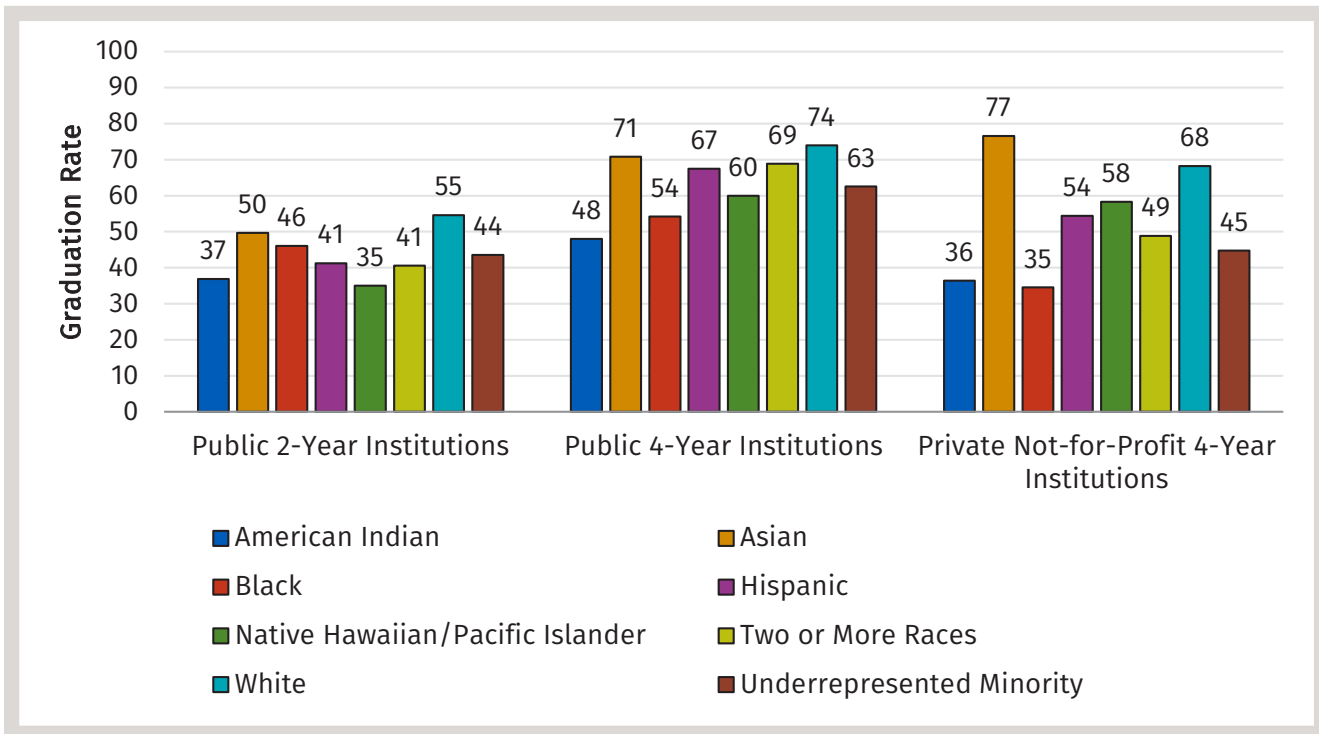
Source: NCES IPEDS. (2018). Graduation rate. Top 5 States, 2018 Public two-year: (Pell recipients: SD, ND, MS, WI, FL) (Non-Pell recipients: SD, ND, FL, UT, WY) Public four-year: (Pell recipients: CA, IA, NJ, FL, NH) (Non-Pell recipients: DE, VA, IA, MI, CA) Private not-for-profit four-year: (Pell recipients: MA, RI, CA, MN, MD) (Non-Pell recipients: ME, MA, RI, CT, MN).



The graduation rates of low-income students (i.e., Pell Grant recipients) in Iowa lag behind the graduation rates of higher-income students at both two- and four-year institutions. Similar disparities in college graduation rates are seen across the Midwest and the nation. The graduation rate at public four-year institutions places Iowa among the top five states in the nation for both Pell and non-Pell recipients.

Completion

Figure 8. Percentage of First-Time, Full-Time, Degree/Certificate-Seeking Students who Transferred or Graduated within Three Years at First Public Two-Year Institution and Graduated within Six Years at First Four-Year Institution by Race and Ethnicity in Iowa



Source: NCES IPEDS. (2018). Graduation rate.



The graduation rates of American Indians, Blacks, and Hispanics in Iowa were lower than the graduation rates of Whites and Asians across all types of institutions.

Finance

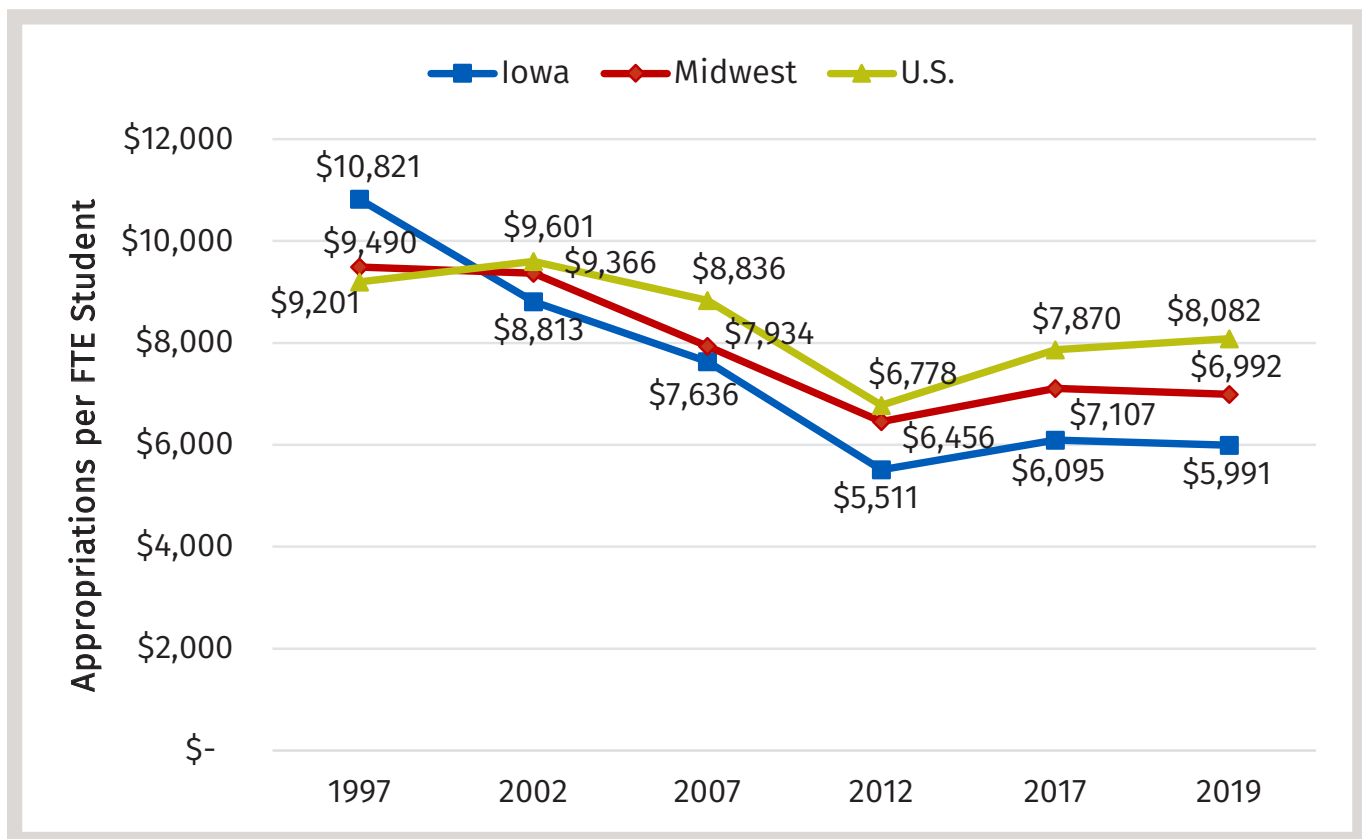
Educational appropriations and need-based aid.

State and local educational appropriations for higher education include funds used for public institutional operating expenses and public student financial aid. These appropriations exclude spending for research, agriculture-related programs, and medical education, as well as support for independent institutions or students attending them.

Data updates are also provided for two indicators that

reflect state investments in student grant aid. First, the level of state funding for grant aid based on financial need (relative to solely merit or other criteria) is measured by (a) the amount of need-based grant aid per full-time equivalent (FTE) student and (b) the distribution of state need-based grant aid per FTE undergraduate student by institutional sector. Second, the state's commitment to providing need-based aid is measured by need-based aid as a percent of total grant aid allocations.

Figure 9. State and Local Educational Appropriations for Higher Education per FTE Student

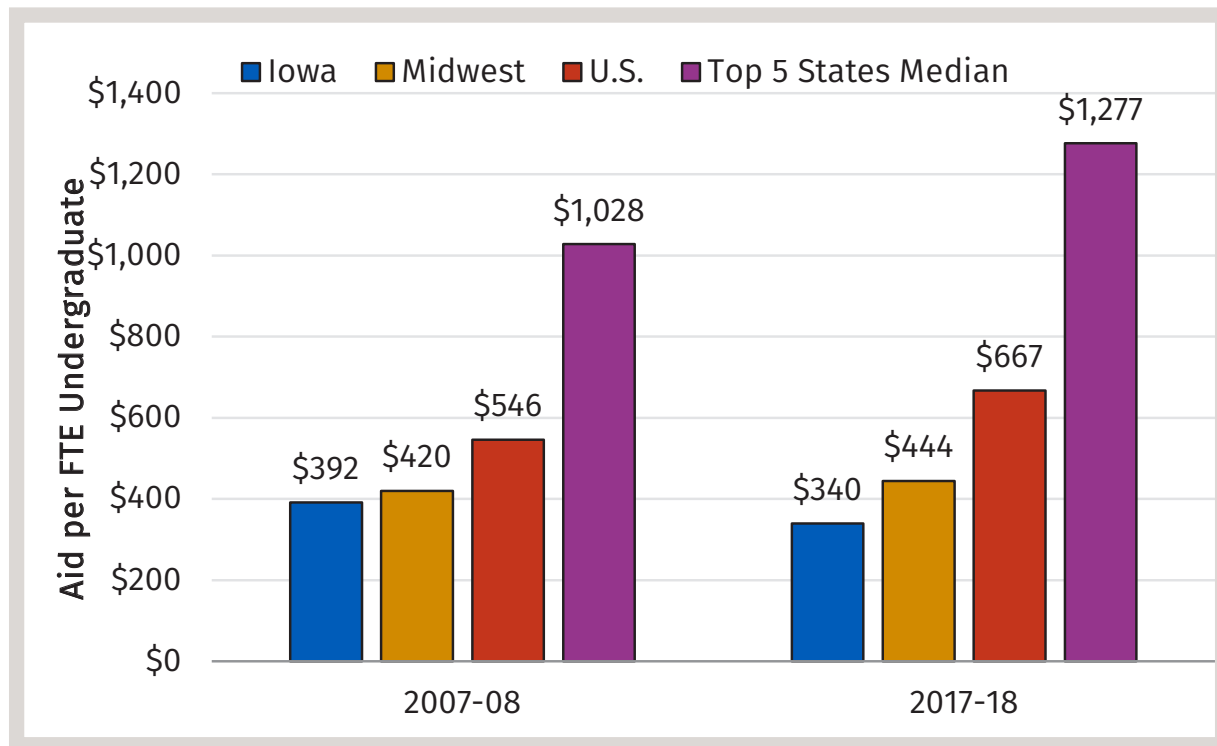


Source. SHEEO. (2020). State higher education finance: FY 19. Estimates have been adjusted for inflation.



Consistent with the overall trend in the Midwest, state and local funding for higher education in Iowa decreased since 2017, but funding and remains below the regional and national levels.

Figure 10a. State Need-based Grant Aid per FTE Undergraduate Student



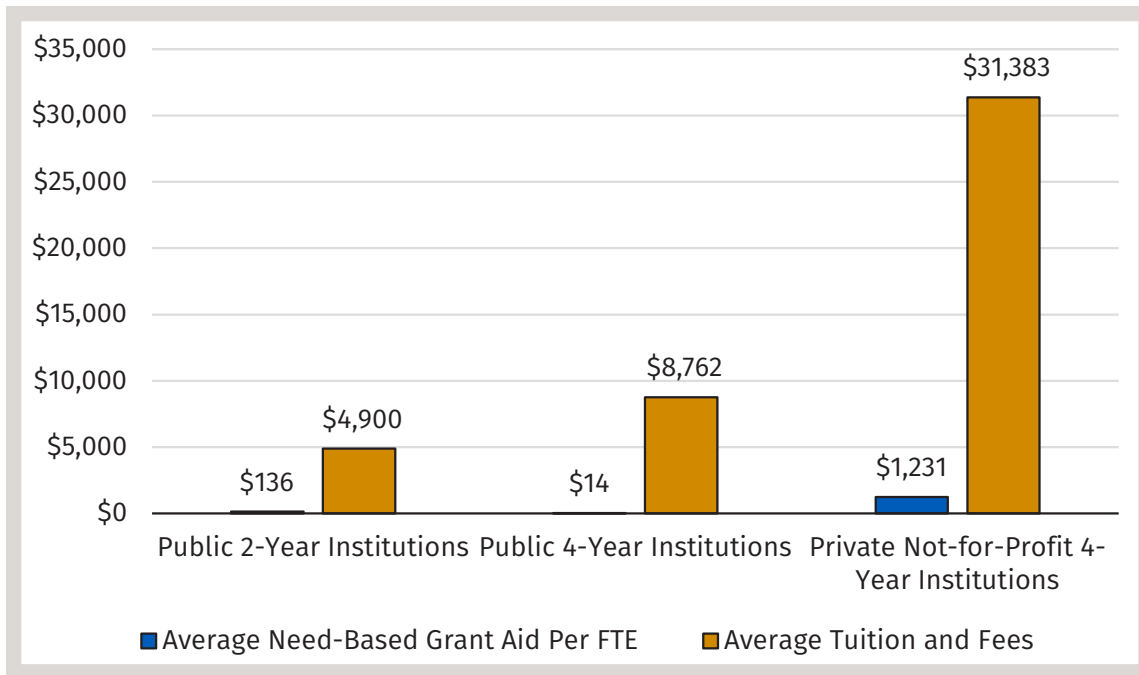
Source. National Association of State Student Grant and Aid Programs (2008, 2018). Annual survey report on state-sponsored student financial aid. Estimates have been adjusted for inflation. Top 5 States, 2017-18: NJ, CA, WA, IN, NY.



State need-based grant aid in Iowa decreased over the past decade and was below the regional and national benchmarks in 2017-18.

Finance

Figure 10b. Distribution of State Need-based Grant Aid per FTE Undergraduate Student by Institutional Sector in Iowa

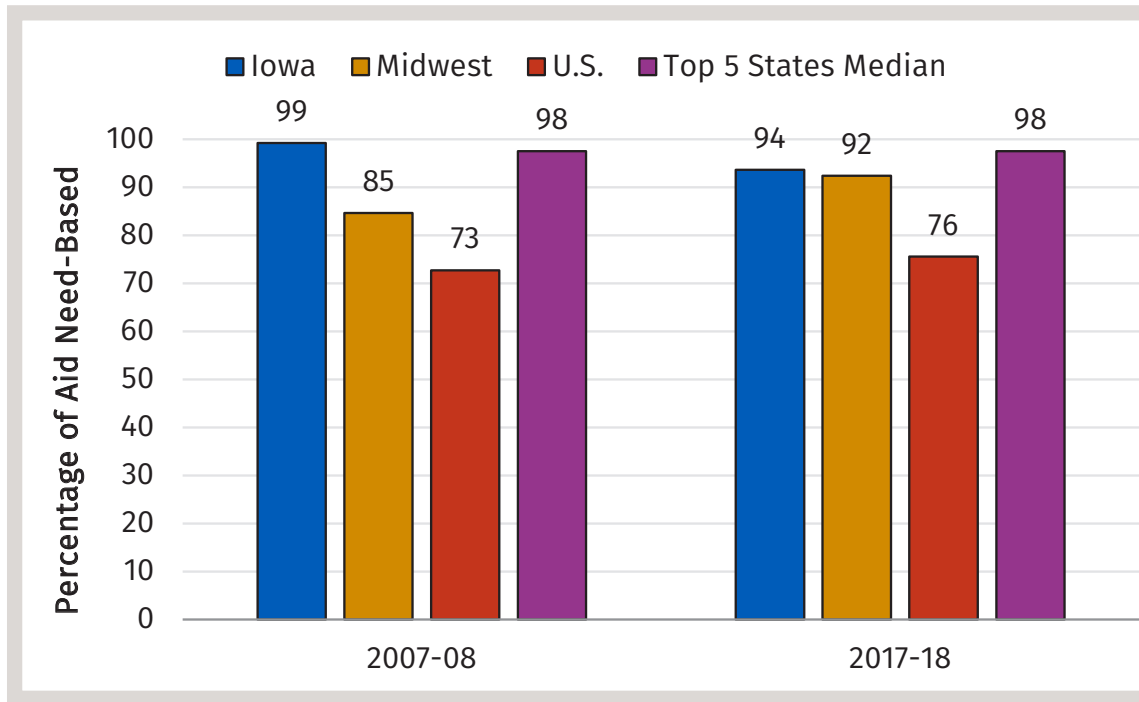


Source: NCES IPEDS. (2018). Student Financial Aid. National Association of State Student Grant and Aid Programs. (2018). Annual survey report on state-sponsored student financial aid. Estimates have been adjusted for inflation. Tuition estimates are weighted by the number of Pell Grant recipients.



The extent to which state need-based grant aid can help reduce the net price of college differs by institutional sector. State grant aid per FTE student is equivalent to 3% of tuition and fees at public 2-year colleges, less than 1% at public four-year universities, and 4% at private not-for-profit four-year institutions.

Figure 11. Percentage of State Aid Defined as Need-Based



Source. National Association of State Student Grant and Aid Programs (2008, 2018). Annual survey report on state-sponsored student financial aid. Top 5 States, 2017-18 (includes ties): AZ, HI, KS, ME, MT, OR, RI, TX, CA, IL, MN, VT, PA, MD, CT, MI, NJ, NC, ID, IN, MA.



Iowa allocates 94 percent of its grant aid based on financial need (rather than solely merit or other criteria), which is above the regional and national benchmarks.

Higher Education in Focus is produced on a biennial basis. The 2020 supplement supports *Higher Education in Focus 2019*. As MHEC prepares *Higher Education in Focus 2021* feedback and ideas are welcomed on the content that will help support your state's work.



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