

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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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 Midwest 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. Additional indicators are available through the online [interactive dashboard](#).

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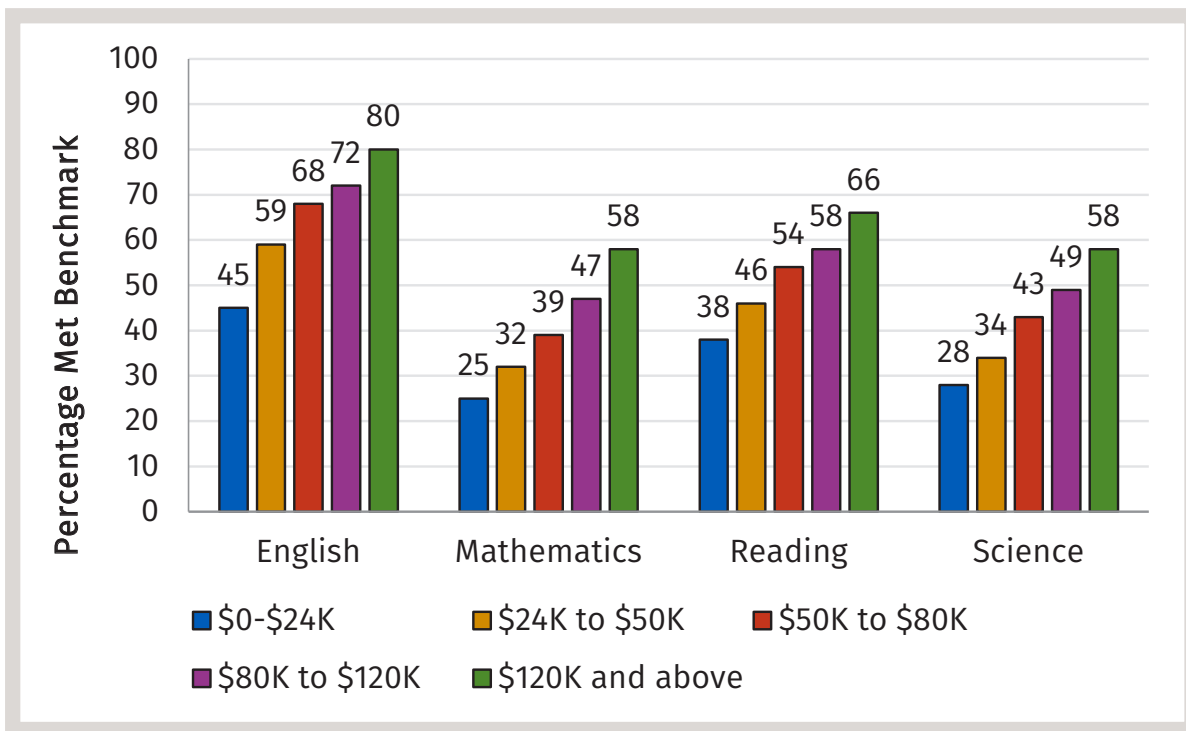
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Preparation

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 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 in Iowa Who Met or Exceeded College Readiness Benchmark Scores by Family Income



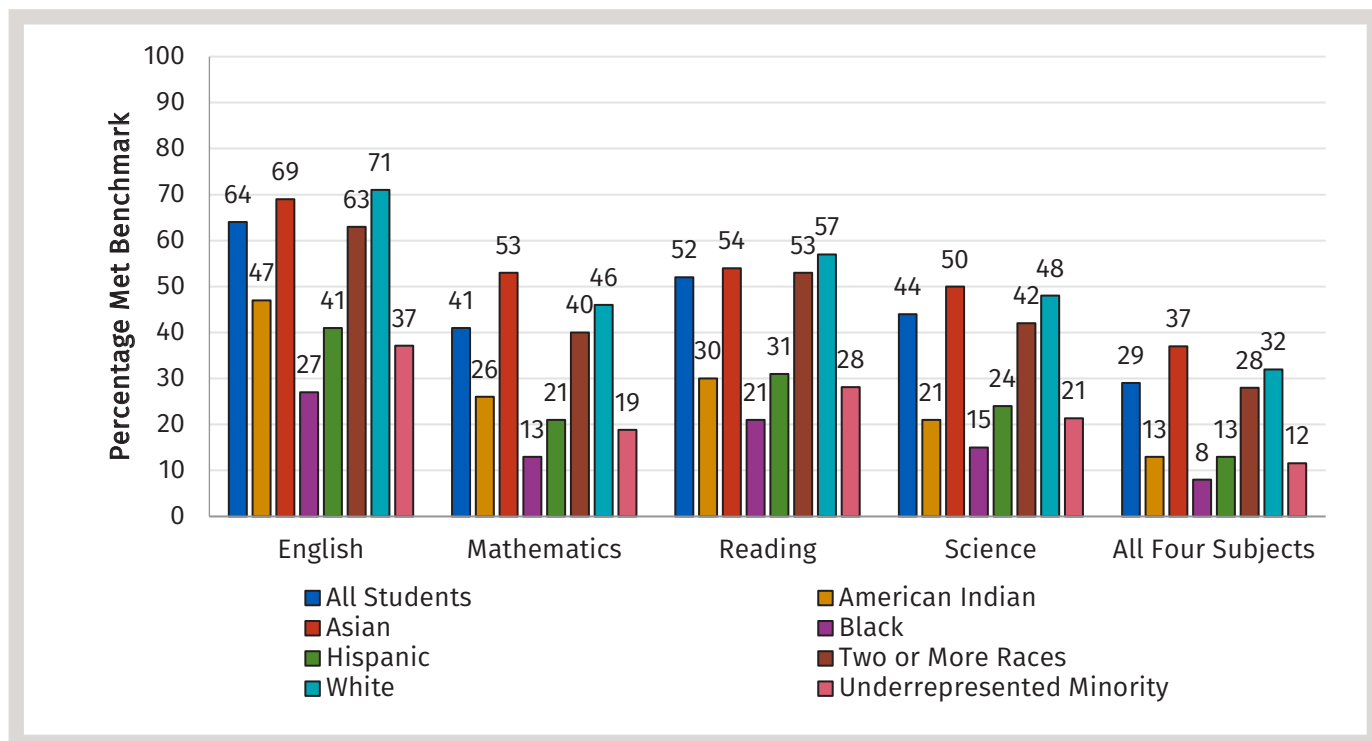
Source: ACT. (2021). U.S. high school graduating class trends.



Over half of tested graduates across nearly all income groups in Iowa met the college readiness benchmark in English. However, academic preparation is strongly correlated with family income, as a much larger percentage of tested high school graduates from higher-income families met or exceeded college readiness benchmarks than graduates from lower-income families.

Preparation

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



Source: ACT. (2021). U.S. high school graduating class trends. Note: The underrepresented minority category comprises American Indian, Black, and Hispanic graduates. Some Asian subgroups are underrepresented in higher education (e.g., Hmong) but cannot be separated from the Asian category. Estimates for Native Hawaiian/Other Pacific Islander graduates are unavailable due to small sample sizes.



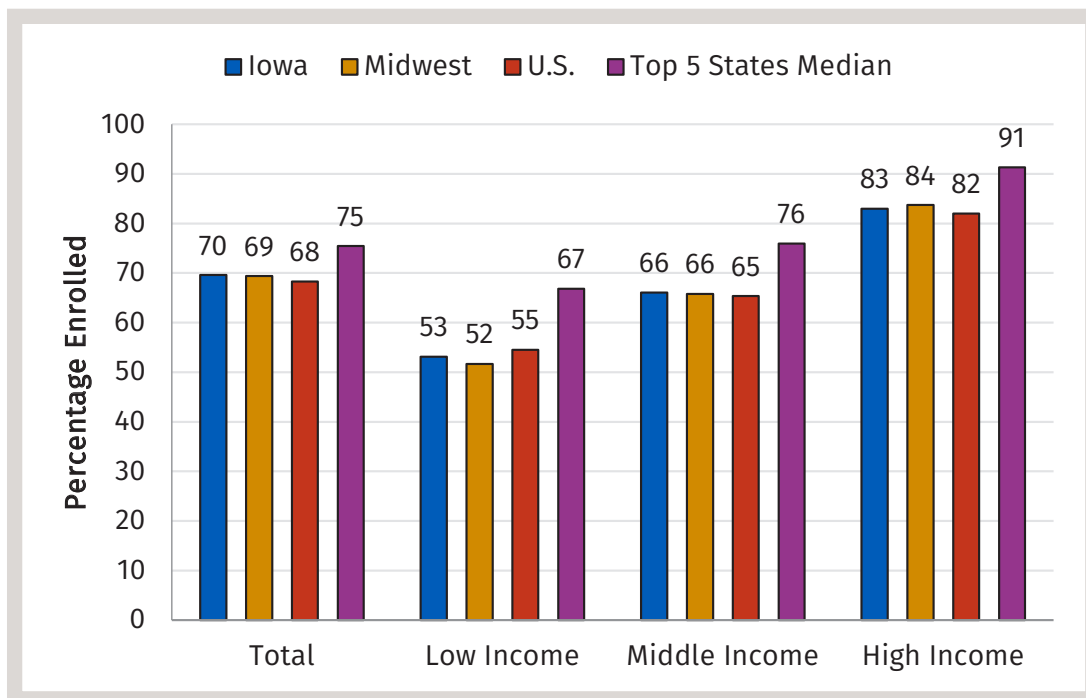
About 37 percent of tested Asian graduates in Iowa met or exceeded college readiness benchmarks in all four tested subjects, compared to 32 percent of White graduates and 12 percent of underrepresented minority graduates.

Participation

Young adult enrollment. The participation of young adults in college 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 coursework/credit 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 or Higher by Family Income



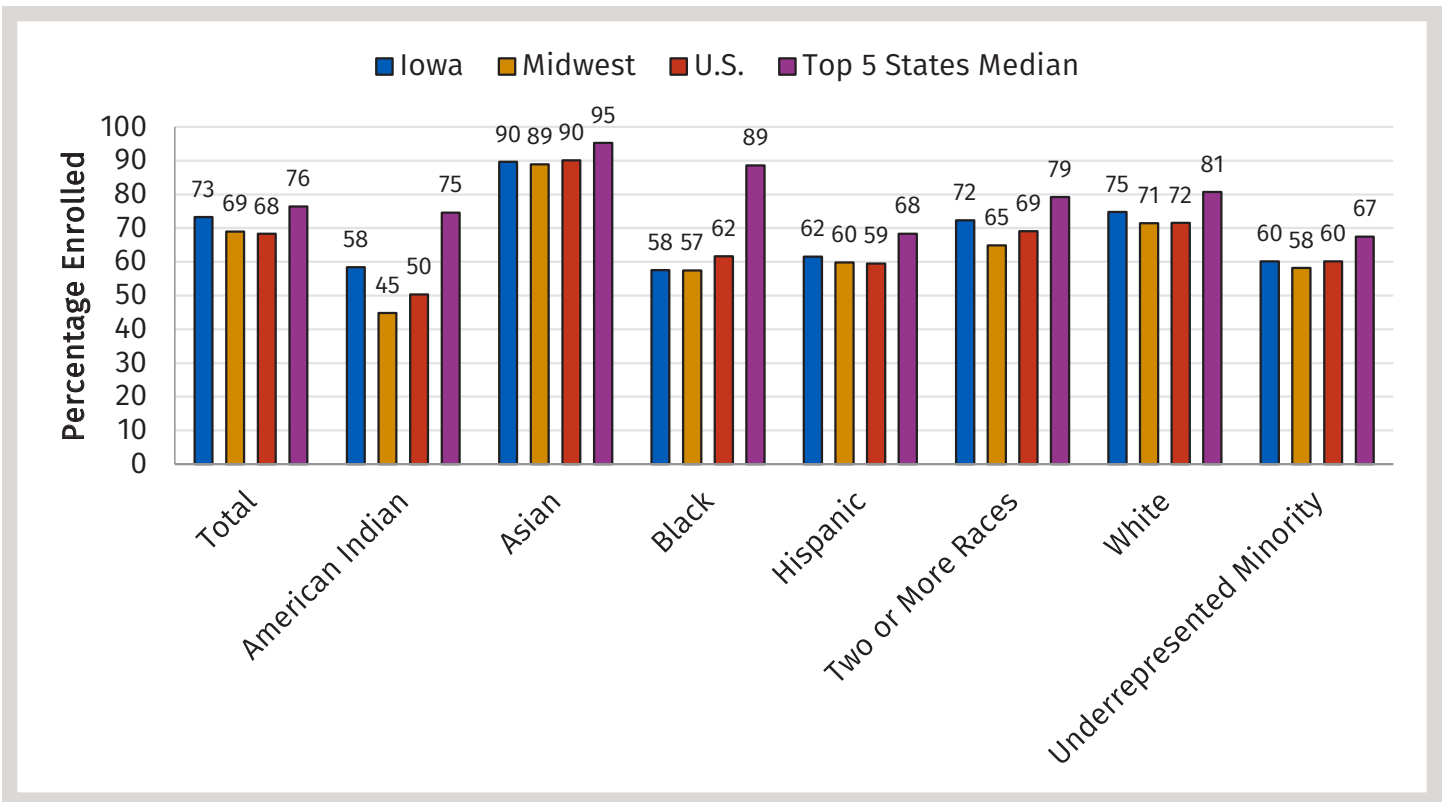
Source: U.S. Census Bureau. (2015, 2016, 2017, 2018, 2019). Current population survey. Five-year estimates. Top 5 States, 2015-2019: Total Population: NJ, IL, NY, RI, CT; Low Income: RI, NJ, MA, IL, NY; Middle Income: IL, NJ, CT, NH, NY; High Income: IL, NJ, KY, MD, MN.



The total college enrollment rate of 18- to 24-year-olds in Iowa is higher than the Midwest and national benchmarks. However, the enrollment rates of young adults from low-income families and middle-income families are considerably lower than the enrollment rate of 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 or Higher 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: MA, RI, NY, NJ, CT. Note. The underrepresented minority category comprises American Indian, Black, Hispanic, and Native Hawaiian/Other Pacific Islander persons. Some estimates are unavailable due to small sample sizes. Some Asian subgroups are underrepresented in higher education (e.g., Hmong) but cannot be separated from the Asian category.



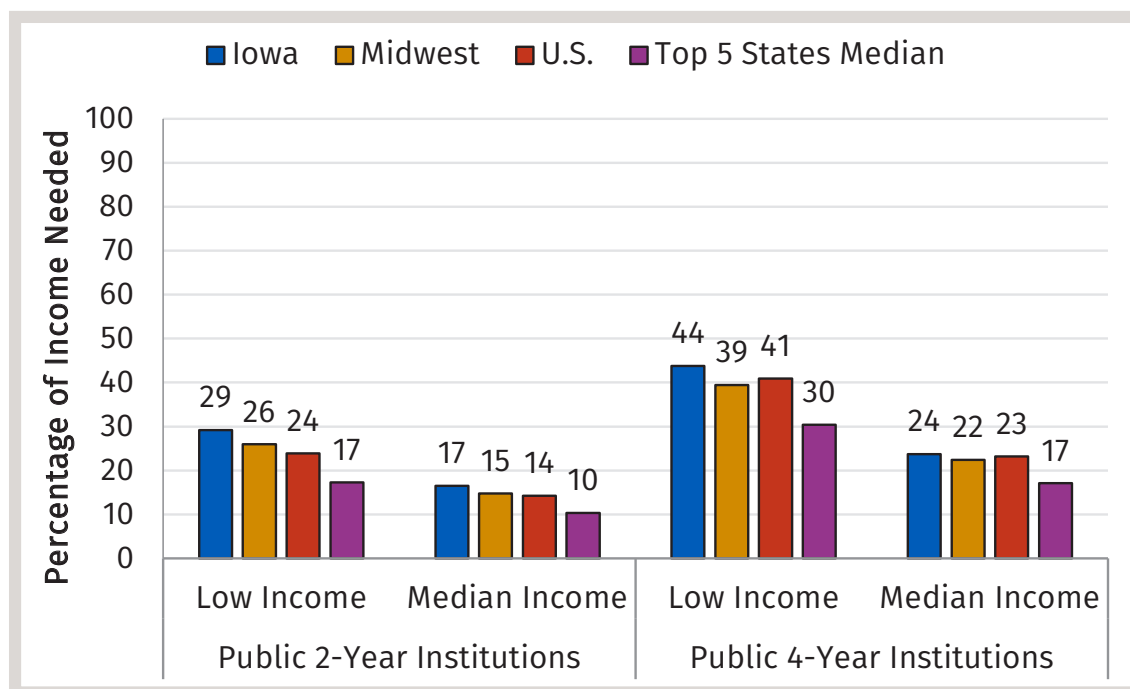
The college enrollment rates of Hispanic and White young adults (ages 18-24) in Iowa are higher than the Midwest and national benchmarks. About 60 percent of underrepresented minority young adults are currently enrolled or have completed some college, compared to 75 percent of White young adults. A similar 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 (\$77,936 for Iowa in 2019) and families with low income, which is defined as an income equal to the federal poverty level for a family of four (\$25,750 in 2019). 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



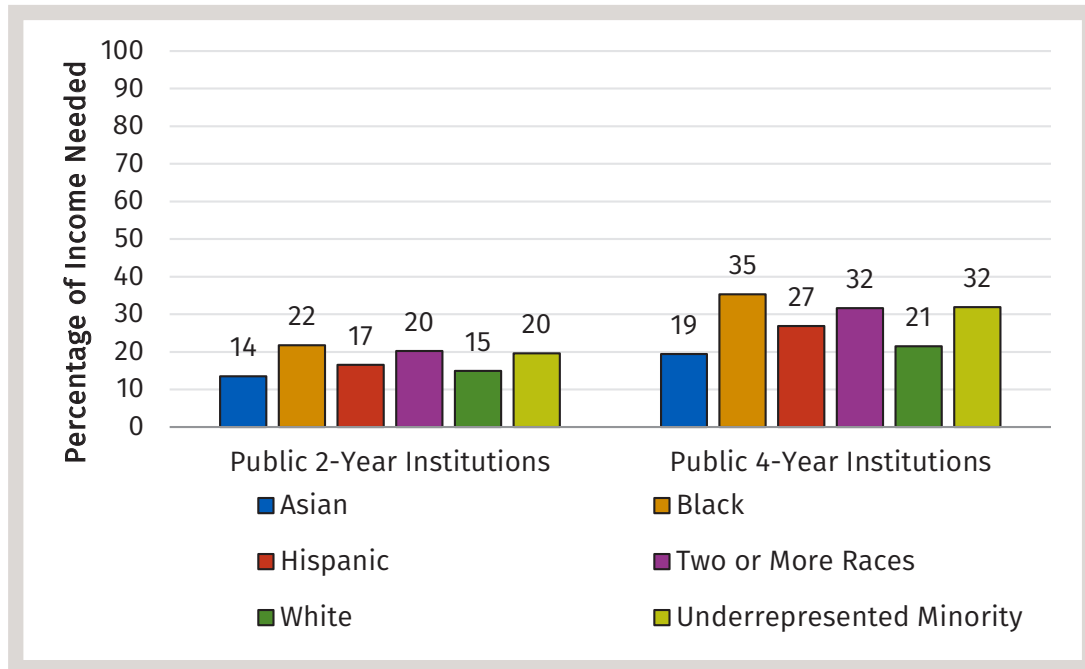
Source: NCES IPEDS. (2019). Net price. U.S. Census Bureau. (2019). American community survey one-year public use microdata sample. Top 5 States, 2018-19: Public two-year institutions: (Low-income students: GA, KY, MS, MI, IL) (Median-income students: GA, CT, MI, KY, VA); Public four-year institutions: (Low-income students: FL, IN, NY, NC, CA) (Median-income students: FL, MO, IN, UT, ND).



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 24 percent of family income, compared to 44 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 in Iowa by Race and Ethnicity



Source: NCES IPEDS. (2019). Net price. U.S. Census Bureau. (2019). American community survey one-year public use microdata. Note. The underrepresented minority category consists of American Indian, Black, Hispanic, and Native Hawaiian/Other Pacific Islander families. Some estimates are unavailable due to small sample sizes. Some Asian subgroups are underrepresented in higher education (e.g., Hmong) but cannot be separated from the Asian category.



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.

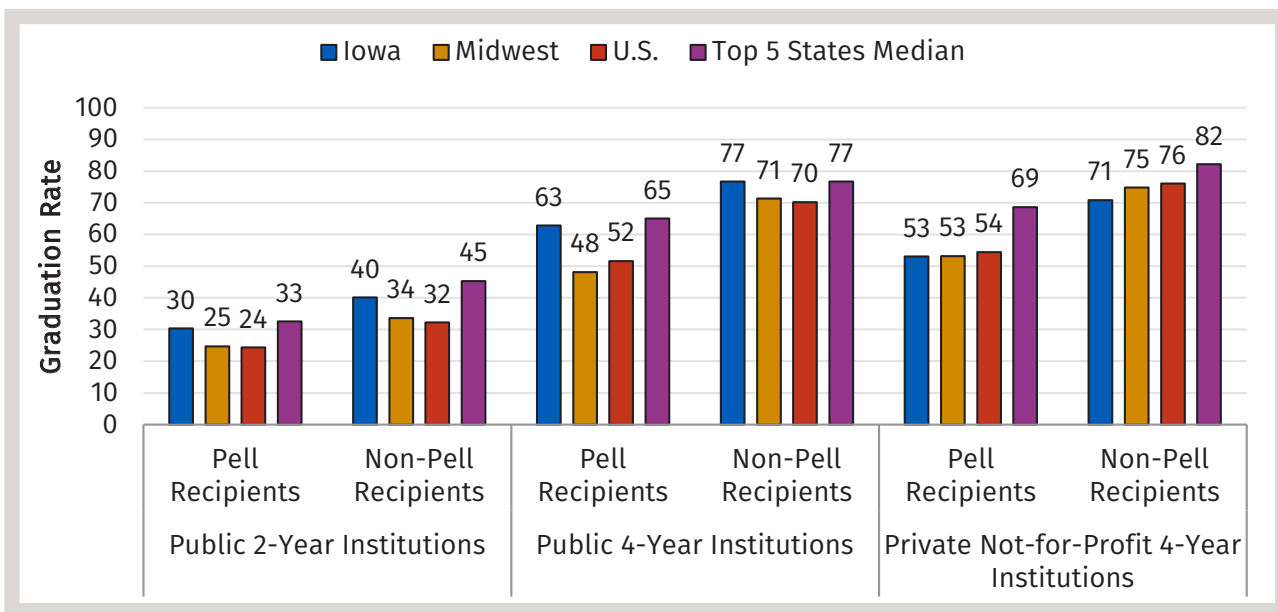
Completion

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 2016 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 2013 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



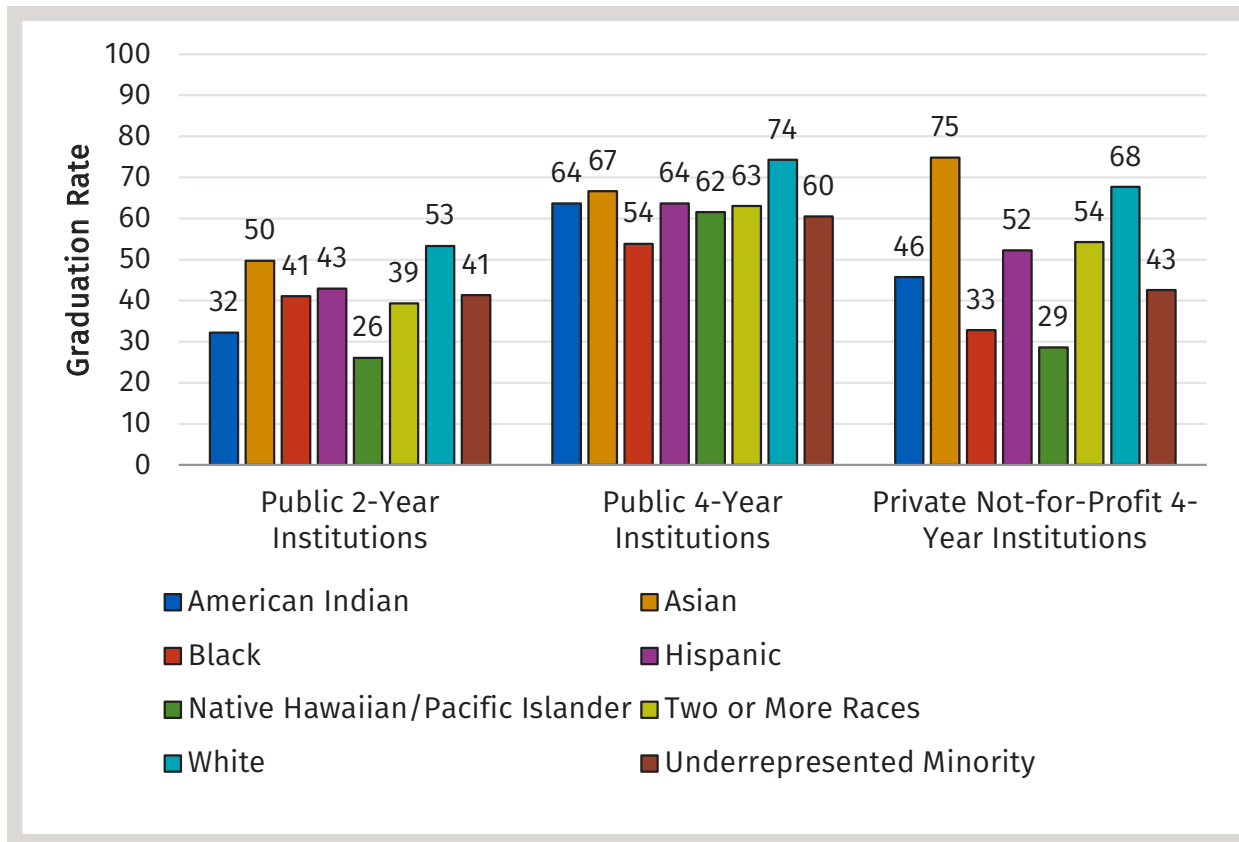
Source: NCES IPEDS. (2019). Graduation rate. Top 5 States, 2019 Public two-year: (Pell recipients: SD, ND, MS, KS, KY) (Non-Pell recipients: SD, ND, MS, WY, FL); Public four-year: (Pell recipients: FL, CA, NJ, IA, NH) (Non-Pell recipients: DE, VA, CA, IA, NJ); Private not-for-profit four-year: (Pell recipients: RI, MA, CA, MD, VT) (Non-Pell recipients: MA, ME, RI, VT, CA).



Iowa ranks among the top five states in the nation in the graduation rates of both Pell and non-Pell recipients at public four-year institutions. However, the graduation rates of low-income students (i.e., Pell Grant recipients) in Iowa lags 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.

Completion

Figure 8. Percentage of First-Time, Full-Time, Degree/Certificate-Seeking Students in Iowa 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



Source: NCES IPEDS. (2019). Graduation rate. Note. The underrepresented minority category comprises American Indian, Black, Hispanic, and Native Hawaiian/Other Pacific Islander students. Some Asian subgroups are underrepresented in higher education (e.g., Hmong) but cannot be separated from the Asian category.



The graduation rates of American Indian, Black, and Hispanic students in Iowa were lower than the graduation rates of White and Asian students across all types of institutions. However, data available in [MHEC's Interactive Dashboard](#) show that the graduation rates for Black, Hispanic, and White students met or exceeded the Midwest benchmarks at public two-year colleges, and the graduation rates for American Indian, Black, Hispanic, Pacific Islander, and White students at public four-year institutions exceeded the Midwest and national benchmarks.

Finance

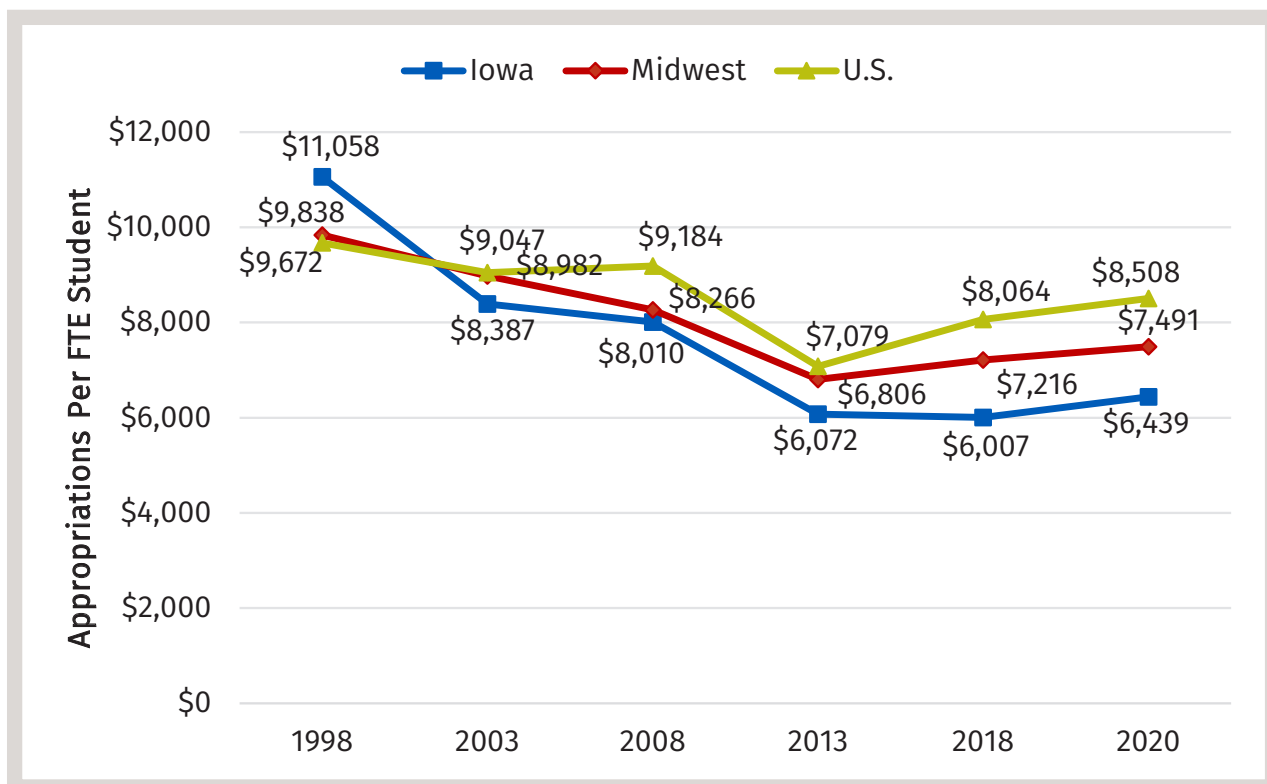
Educational appropriations. State and local educational appropriations for higher education include funds used for public institutional operating expenses and public student financial aid. These appropriations exclude spending for research, agriculture-related programs, and medical education, as well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

State funding effort. The state's overall effort to fund higher education is portrayed as state fiscal support for higher education per \$1,000 of personal income. This is one measure for assessing the level of funding for higher education relative to available resources. State fiscal support consists of state tax appropriations, local tax support, additional non-tax funds such as lottery revenue that support higher education, and funds appropriated to other

state entities for specific higher education expenditures or benefits. State and local appropriations in this indicator are used for general operations, agriculture-related programs, public student aid, medical education, and support for independent institutions or students attending them.

Need-based aid. Two types of indicators 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



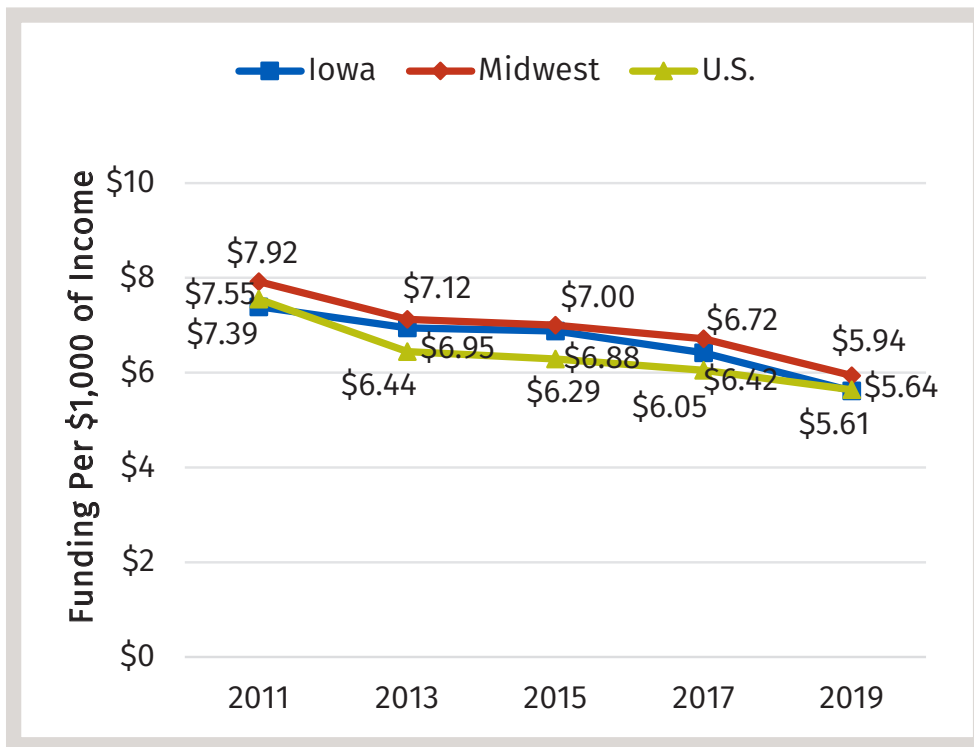
Source. SHEEO. (2021). State higher education finance: FY 20. Estimates have been adjusted for inflation to 2020 dollars using the Higher Education Cost Adjustment.



Consistent with the overall trend in the Midwest, state and local funding for higher education per FTE in Iowa increased since 2018 but remains below the regional and national levels.

Finance

Figure 10. State Fiscal Support for Higher Education Per \$1,000 of Personal Income

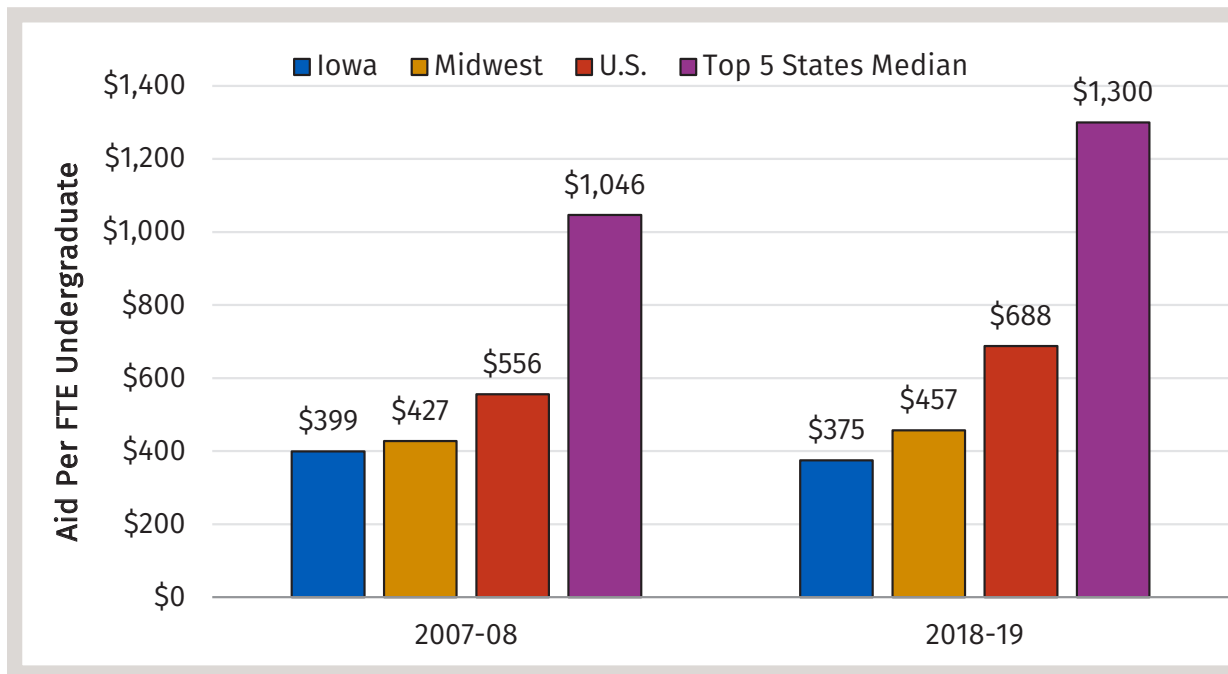


Source: SHEEO. (2021). State higher education finance: FY 20. Estimates have been adjusted for inflation to 2019 dollars using the Consumer Price Index.



Funding per \$1,000 of personal income in Iowa was close to the national level in 2019.

Figure 11a. State Need-Based Grant Aid Per FTE Undergraduate Student



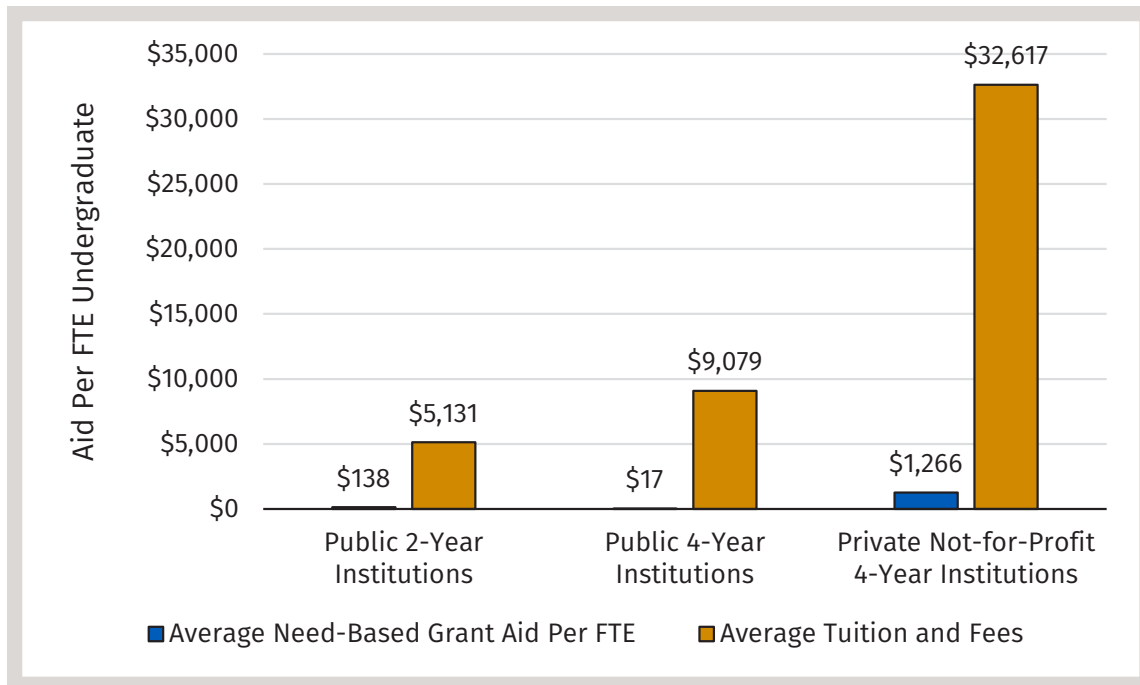
Source. National Association of State Student Grant and Aid Programs. (2008, 2019). Annual survey report on state-sponsored student financial aid. Estimates have been adjusted for inflation to 2019 dollars using the Consumer Price Index. Top 5 States, 2018-19: NJ, WA, CA, IN, VA.



State need-based grant aid in Iowa decreased over the past decade and was below the regional and national benchmarks in 2018-19.

Finance

Figure 11b. Distribution of State Need-Based Grant Aid Per FTE Undergraduate Student by Institutional Sector in Iowa

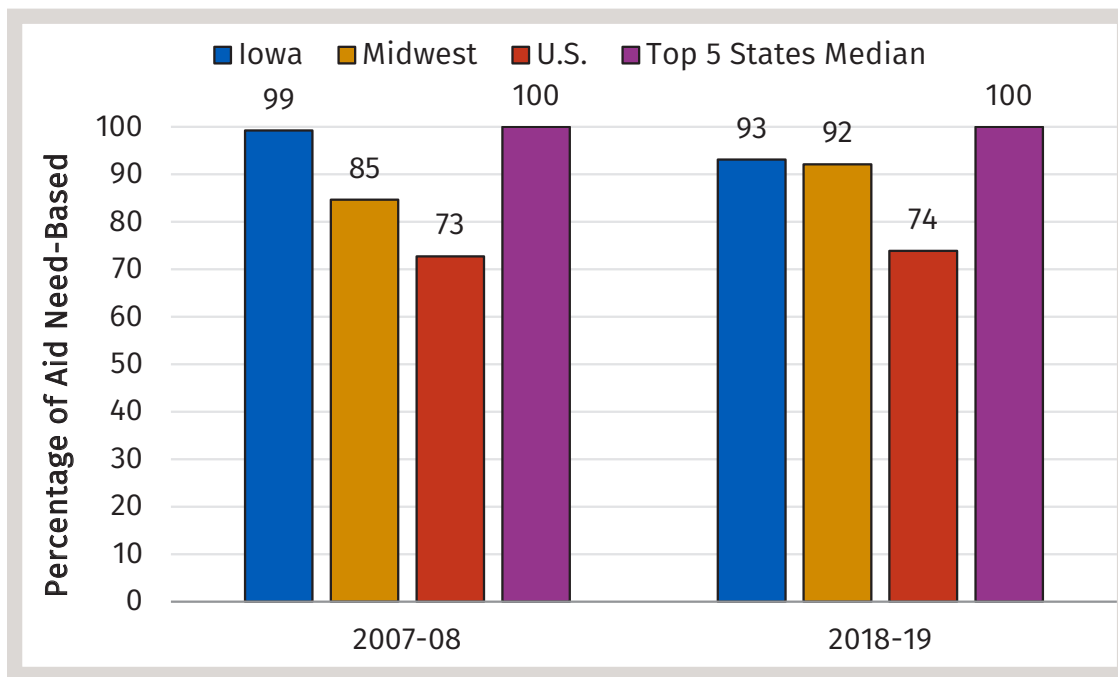


Source: NCES IPEDS. (2019). Student financial aid. National Association of State Student Grant and Aid Programs. (2019). Annual survey report on state-sponsored student financial aid. Tuition estimates are weighted by the number of Pell Grant recipients.



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

Figure 12. Percentage of State Aid Defined as Need-Based



Source. National Association of State Student Grant and Aid Programs. (2008, 2019). Annual survey report on state-sponsored student financial aid. Top 5 States, 2018-19 (includes ties): AZ, HI, ME, MT, RI, TX, KS, CA, IL, NE.



Iowa allocates 93 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 periodic basis. The 2021 supplement supports Higher Education in Focus 2019. As MHEC prepares for the next version of Higher Education in Focus, feedback and ideas are welcomed on the content that will help support your state's work.



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