

State Outlook: Michigan

Demographics Trends

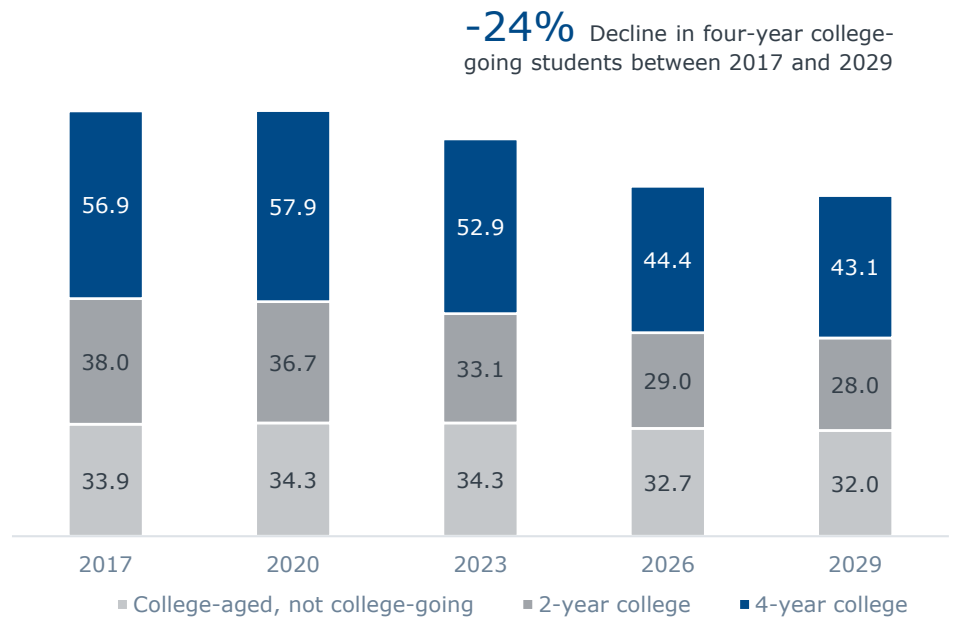
Recruitment Pool Set to Shrink Substantially in the Next Decade

A small increase in four-year college enrollments until 2020 will be followed by a significant decline in the next decade.

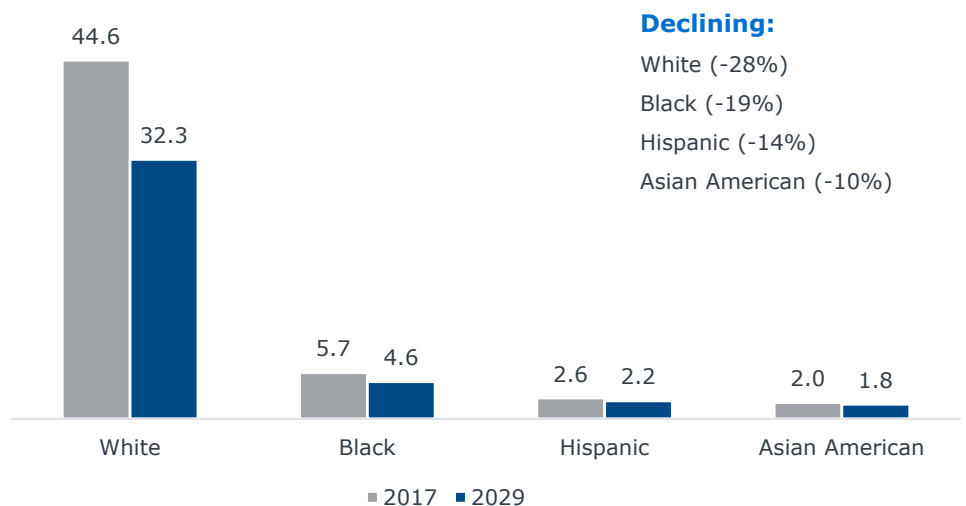
Large Decline in White Student Population

The Non-Hispanic White student population will decrease by 28% over the next decade with a loss of more than 12,000 students. All other student segments will also decrease in size.

Forecasted Number of College-Aged and College-Going Students (Thousands), by Year of High School Graduation



Projected Number of Four-Year College-Going Students (Thousands), by Race/Ethnicity



Source: Grawe, Nathan D., *Demographics and the Demand for Higher Education*, 2017; EAB analysis.

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Affordability Trends

Higher Proportion of Low-Income Households

49% of Michigan households make less than \$50,000 per year compared to 46% nationally in the same income category. Similarly, Michigan has a smaller proportion of wealthy households making over \$100,000 per annum.

MI's Public Institutions Slightly More Affordable Than Median States'

The average net price at Michigan's public institutions is 22% of the state's median household income, making it more affordable than the cost of public institutions at 55% of states in the United States.

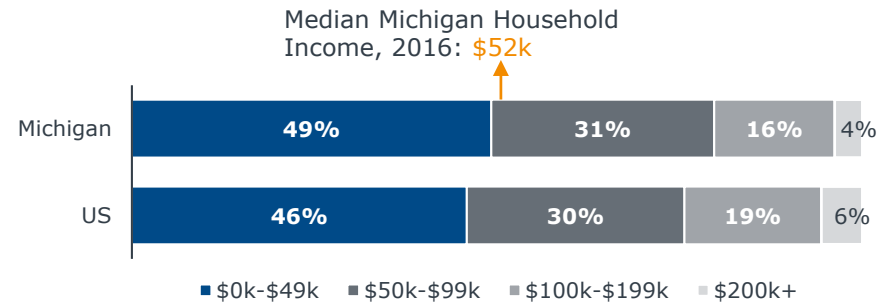
MI's Private Institutions Slightly Less Affordable Than Median States'

Unsurprisingly, Michigan's private institutions are much more expensive than their public counterparts (net price is 39% of median household income for privates vs. 22% for publics). Michigan's private institutions are also less affordable than private schools in 60% of states in the United States.

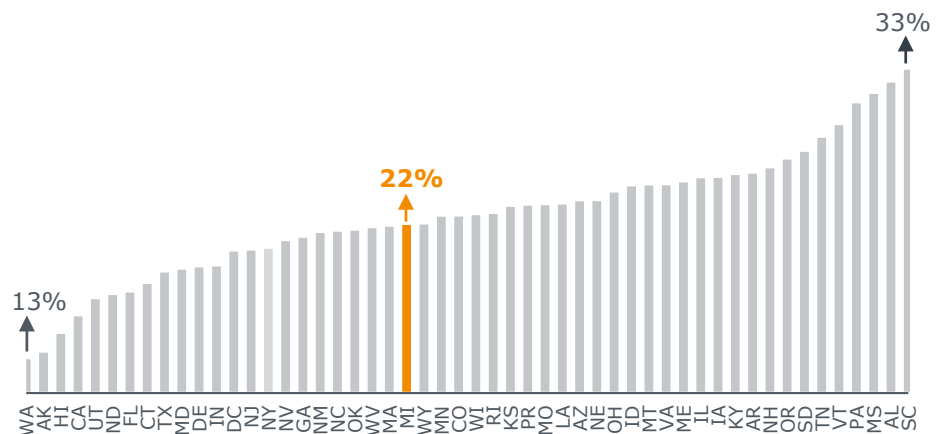
More Debt Among Graduates

More college graduates are in debt in Michigan than in the rest of the country. Average debt per borrower is also higher than that of the average US borrower.

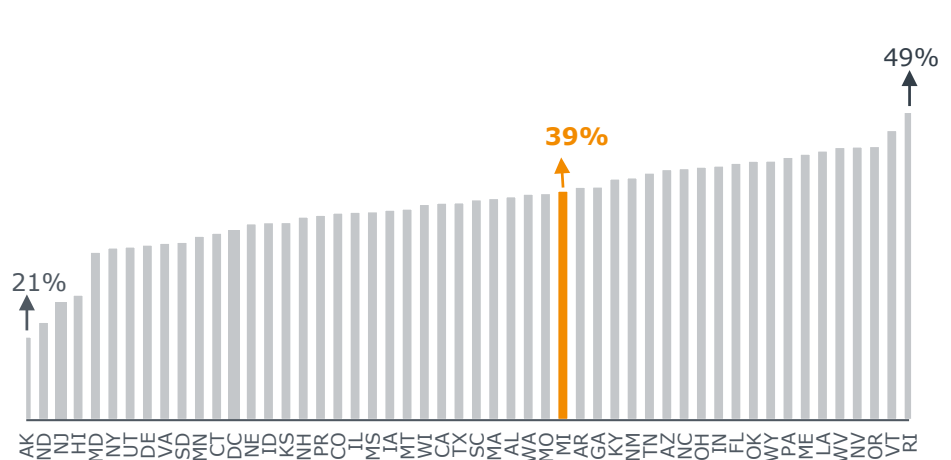
Number of Households by Income Segment (Thousands), 2016



Average Public College Net Price as % of Median Household Income



Average Private College Net Price as % of Median Household Income



Student Loan Statistics, 2016

	Michigan	US
Percentage of College Graduates with Student Debt	64%	60%
Average Debt per Borrower	\$30,327	\$27,975

Source: IPEDS, National Center for Education Statistics; 2016 American Community Survey (ACS), U.S. Census Bureau; 2017 Student Loan Debt by School by State Report, LendEDU, 2018, <https://lendedu.com/blog/student-loan-debt-statistics-by-school-by-state-2017>; EAB analysis.

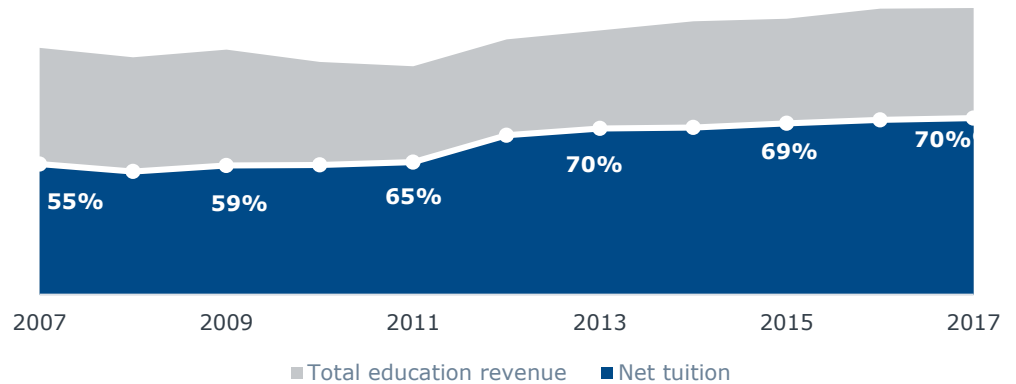
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Funding and Appropriations Trends

Reliance on Net Tuition Increased Post-Recession

Net tuition now comprises 70% of total education revenue, an increase of 25 percentage points since 2007.

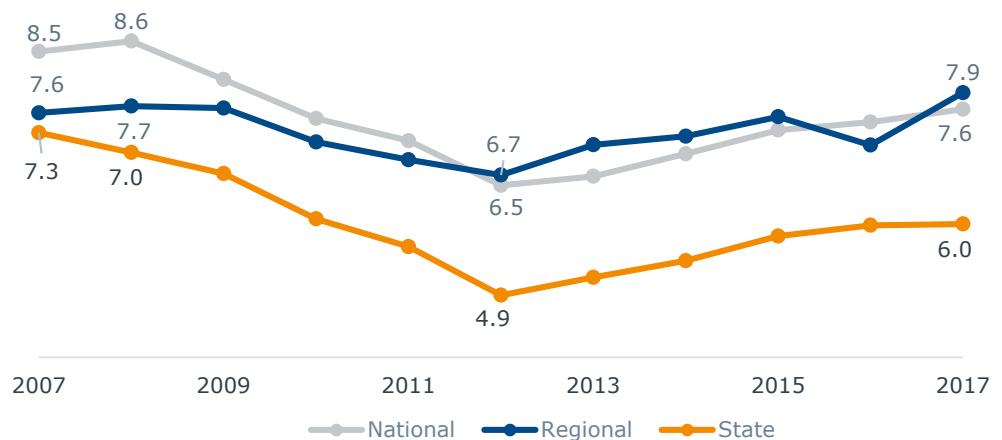
Net Tuition as a Proportion of Total Education Revenues, per Student FTE



MI's Educational Appropriations per Student Well Below Regional and National Levels

Despite an uptick in appropriations per student since 2012, Michigan's educational appropriations are much lower than those found in the rest of the country.

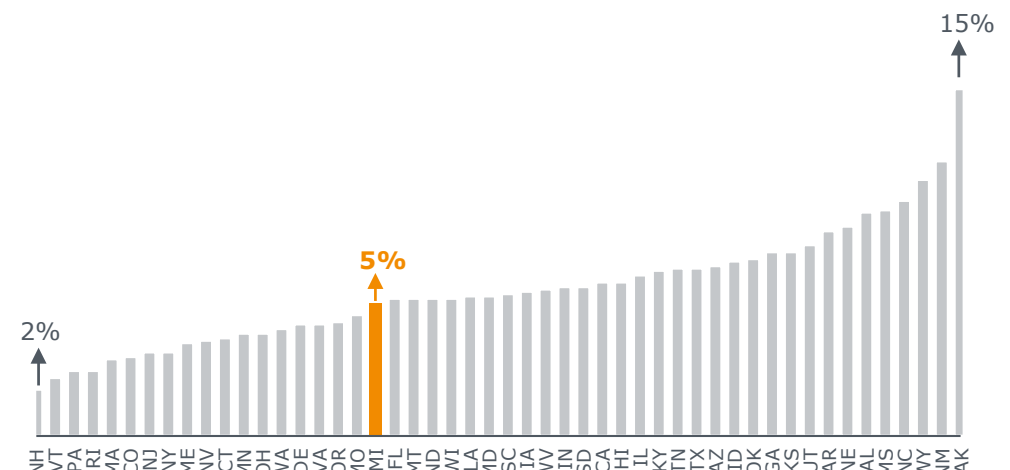
Educational Appropriations per Student FTE in MI, Regionally¹ and Nationally (Thousands), 2007-2017



Smaller Proportion of Tax Revenues Allocated to Higher Education

Michigan allocates 5% of its tax revenues to higher education—a lower proportion than the percentage allocated by 62% of states in the United States.

Percentage of Tax Revenues Allocated to Higher Education by State, 2015



1) Refers to East North Central region, which includes Illinois, Indiana, Michigan, Ohio, and Wisconsin.

Source: "2016 State Higher Education Finance (SHEF) Report," State Higher Education Executive Officers, <http://www.sheeo.org/projects/shef-fy16>; EAB analysis.