

State Outlook: New Jersey

Demographics Trends

Recruitment Pool Set to Shrink in the Next Decade

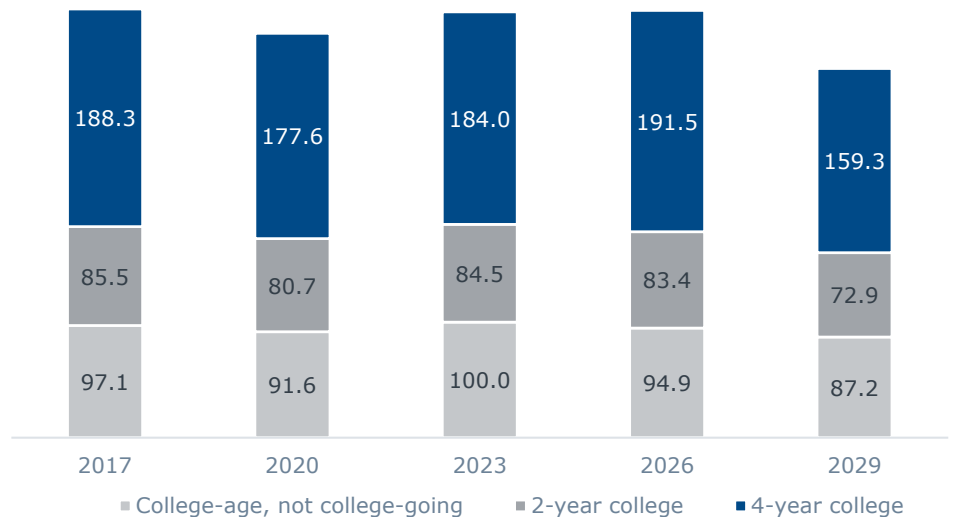
Small changes in enrollment patterns for four-year college-going students until 2026 will be followed by a sharp decline post-2026 (17% decline between 2026 and 2029).

Large Decline in White and Black Student Populations

The greatest decline in absolute numbers will be seen among the Non-Hispanic White students, with a loss of 21,000 students. The Non-Hispanic Black population will also decline significantly. The Asian American and Hispanic student segments will experience relatively small changes.

Forecasted Number of College-Aged and College-Going Students in New Jersey and New York¹ (Thousands), by Year of High School Graduation

-15% Decline in four-year college-going students between 2017 and 2029



Projected Number of Four-Year College-Going Students in New Jersey and New York¹ (Thousands), by Race/Ethnicity

Declining:

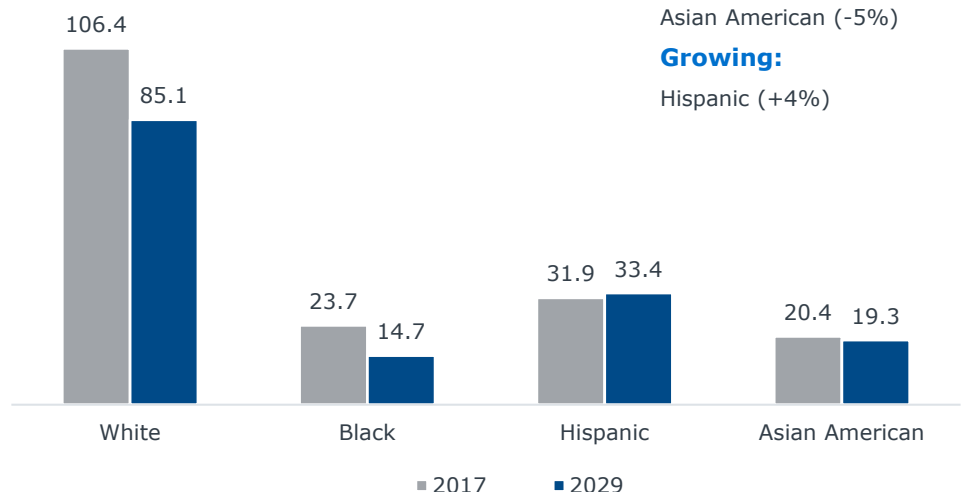
Black (-38%)

White (-20%)

Asian American (-5%)

Growing:

Hispanic (+4%)



1) The states of New York and New Jersey are grouped together in the enrollment projections in order to maintain sufficient sample size and maximize the predictive power of the forecasts.

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

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Affordability Trends

Smaller Proportion of Low-Income Households

35% of New Jersey's households make less than \$50,000 per year compared to 46% nationally in the same income category. Similarly, New Jersey has a higher proportion of wealthy households making \$100,000 to \$199,000 per annum.

NJ's Public Institutions More Affordable Than Most States'

The average net price at New Jersey's public institutions is 20% of the state's median household income, making it more economical than publics in the majority of US states.

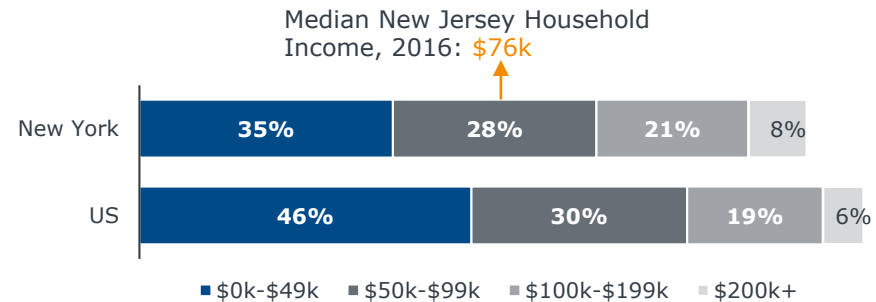
NJ's Private Institutions More Affordable Than Most States'

Similar to publics, private institutions in New Jersey are more budget-friendly than privates in the majority of states in the United States.

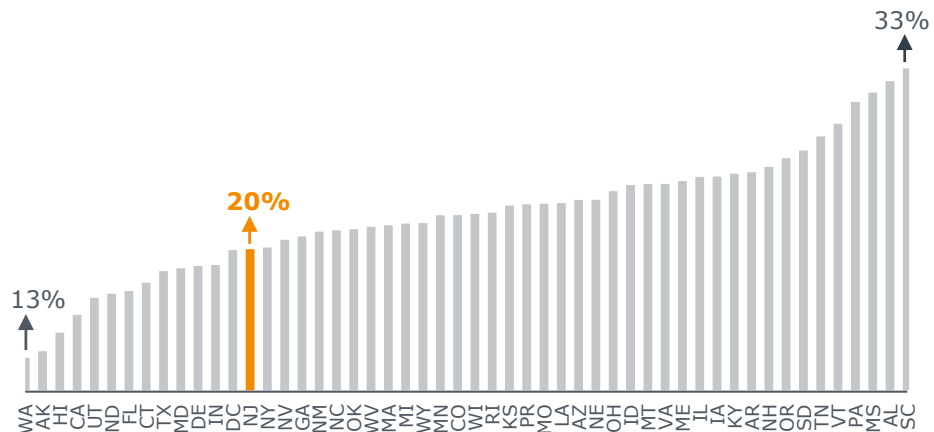
Average Debt Among Graduates

62% of college graduates in New Jersey have student debt, compared to 60% nationally. Average debt per borrower is also similar to the national average.

Number of Households by Income Segment (Thousands), 2016



Average Public Institution Net Price as % of Median Household Income



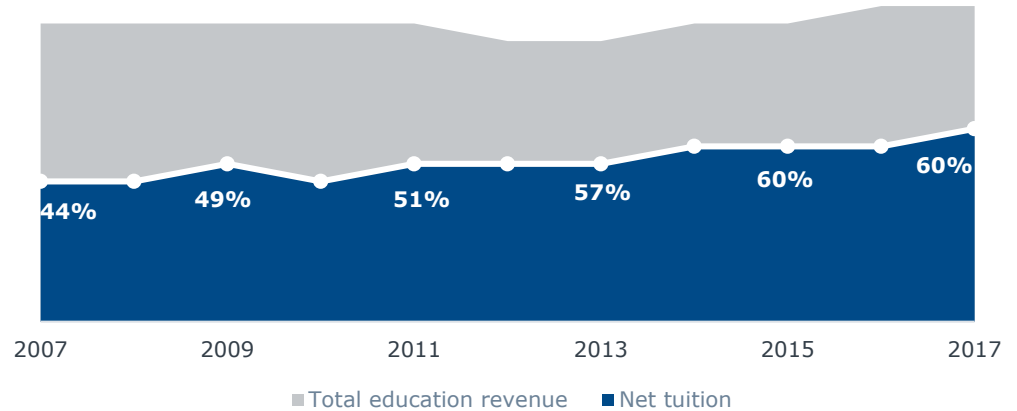
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Funding and Appropriations Trends

Reliance on Net Tuition Grew Post-Recession

Net tuition now comprises 60% of total education revenue, an increase of 16 percentage points since 2007.

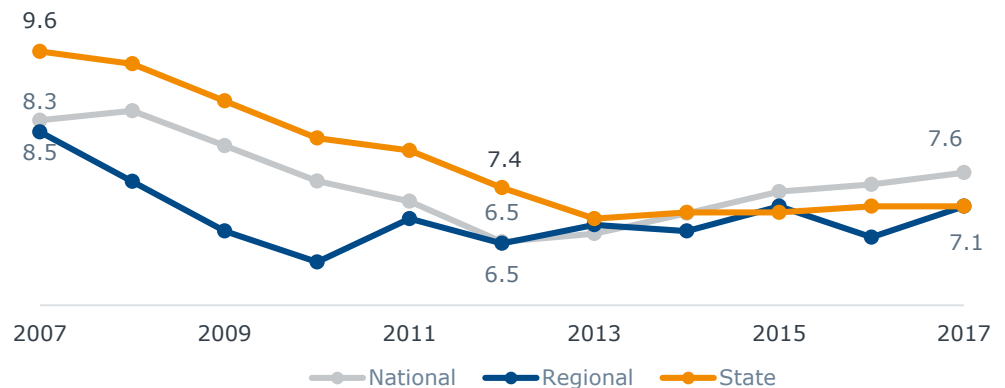
Net Tuition as a Portion of Total Education Revenues, per Student FTE



NJ's Educational Appropriations per Student Declined Post-Recession

New Jersey's educational appropriations have decreased significantly since 2007 and are now similar to the regional average.

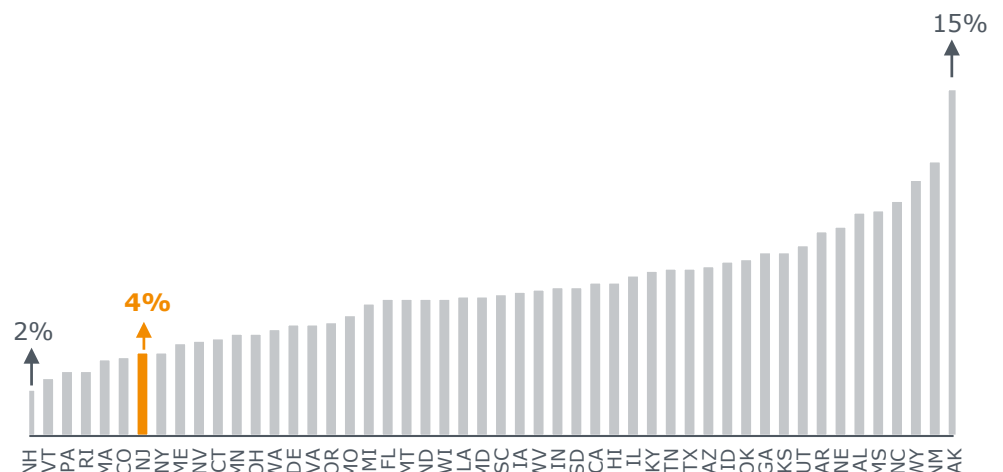
Educational Appropriations per Student FTE in NJ, Regionally¹ and Nationally, 2007-2017



Lower Proportion of Tax Revenues Allocated to Higher Education

New Jersey allocates 4% of its tax revenues allocated to higher education—a smaller proportion than allocations of most US states.

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



1) Refers to Mid Atlantic region, which includes New York, New Jersey, and Pennsylvania.

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