

State Outlook: Pennsylvania

Demographics Trends

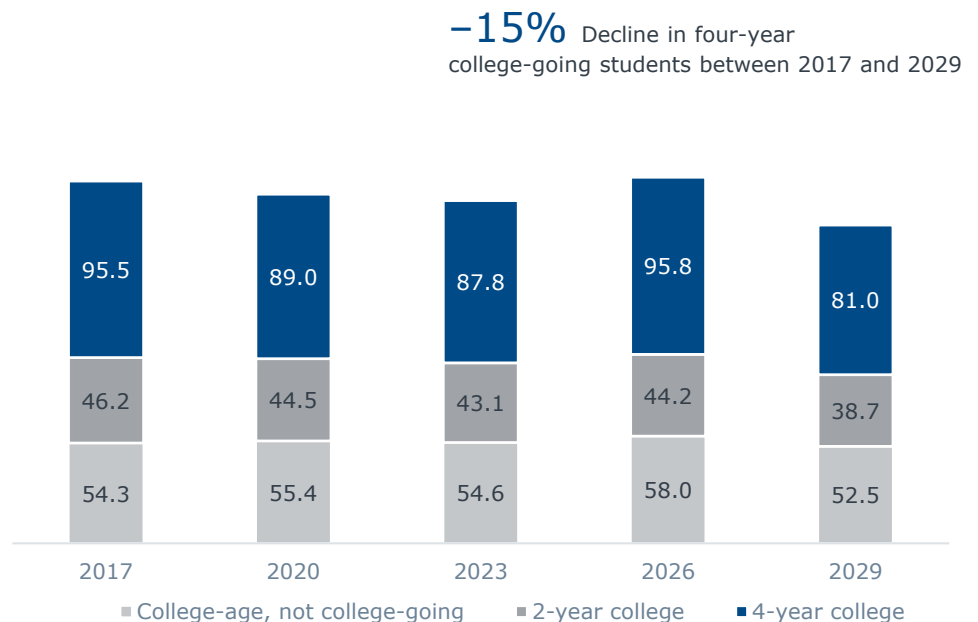
Recruitment Pool Set to Shrink in the Next Decade

Demand for four-year higher education institutions in Pennsylvania will contract by 15% between 2017 and 2029, with the steepest decline occurring post-2026.

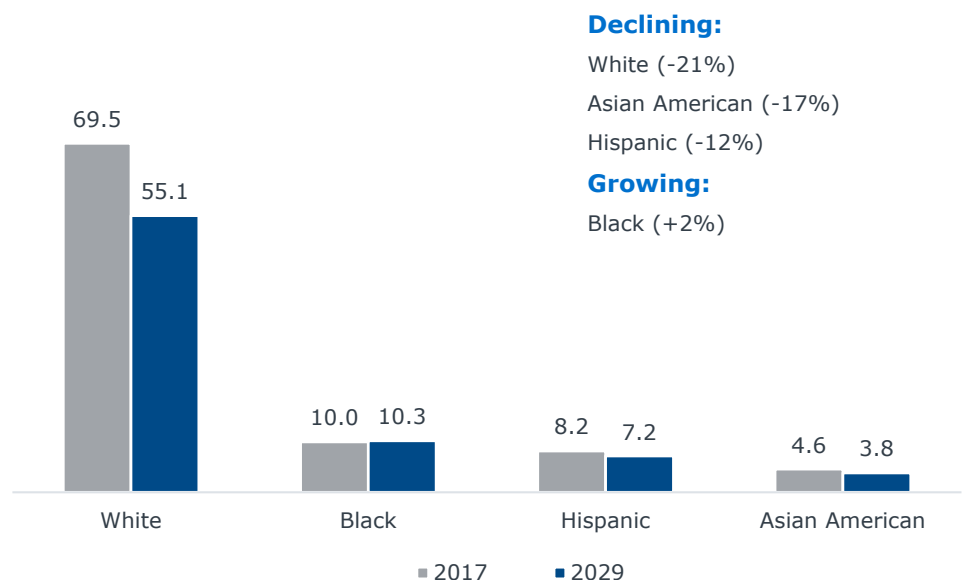
Large Decline in PA's White Student Population

The Non-Hispanic White student population will decrease by 21% over the next decade with a loss of about 14,000 students. The Hispanic and Asian American student segments will also decrease in size, while the Non-Hispanic Black population will grow minimally (by 2%).

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



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



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

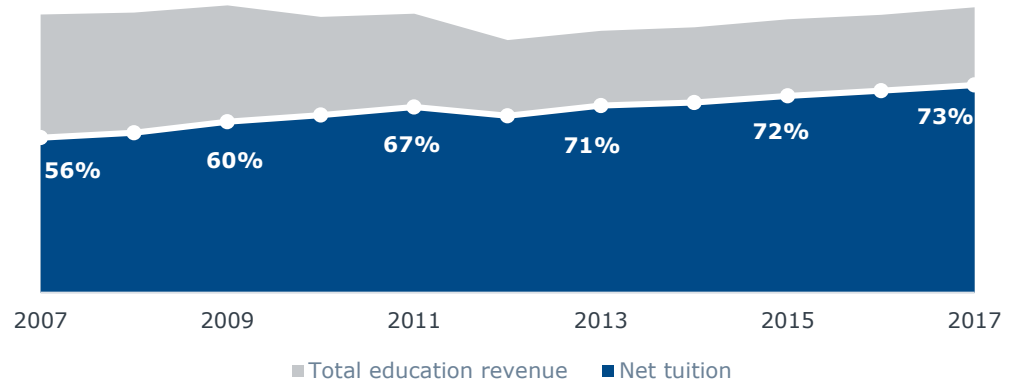
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Funding and Appropriations Trends

Reliance on Net Tuition Grew Post-Recession

Net tuition now comprises 73% of total education revenue in Pennsylvania, an increase of 17 percentage points since 2007.

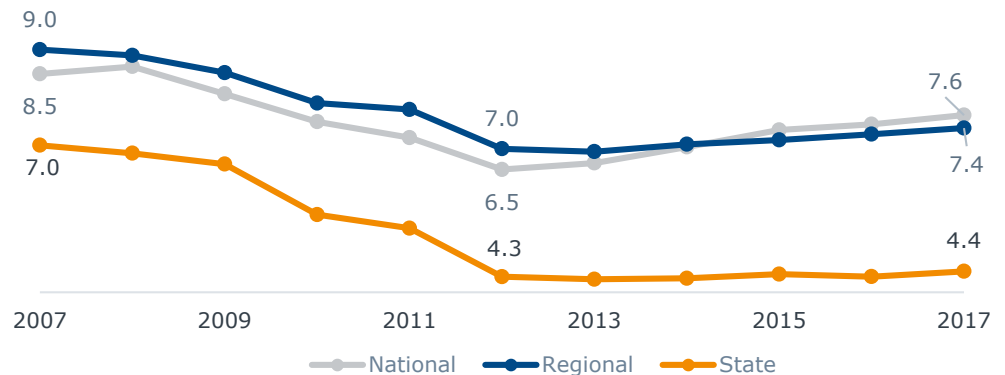
Net Tuition as a Portion of Total Education Revenues, per Student FTE



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

Pennsylvania's educational appropriations remain much lower than regional and national averages. Currently, appropriations per student FTE are about 3,000 USD lower in Pennsylvania vs. both regional and national figures.

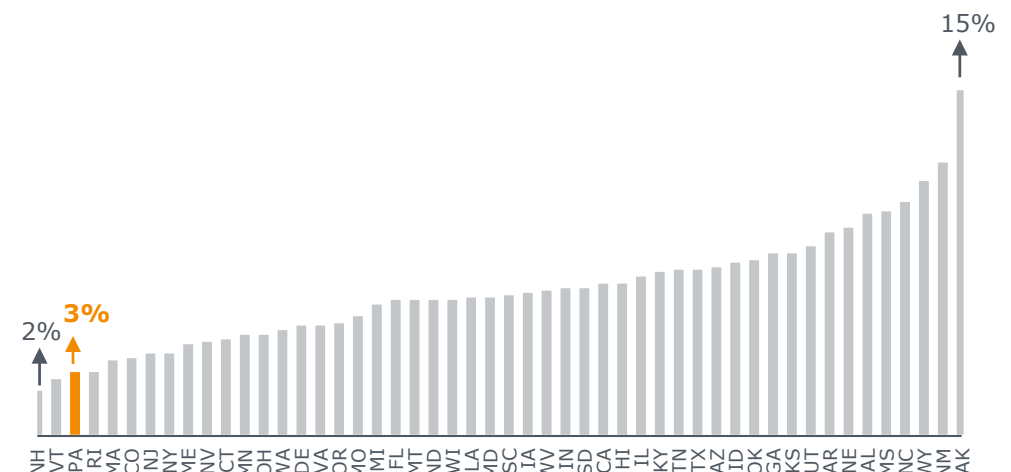
Educational Appropriations per Student FTE in PA, Regionally¹ and Nationally, 2007-2017



Smaller Proportion of Tax Revenues Allocated to Higher Education

Given the low levels of Pennsylvania's educational appropriations per student FTE, it is unsurprising that Pennsylvania allocates a smaller proportion of its tax revenues to higher education than most states. Pennsylvania allocates 3% of its tax revenues to higher education, one of the lowest proportions in the country.

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.