

State Outlook: Pennsylvania

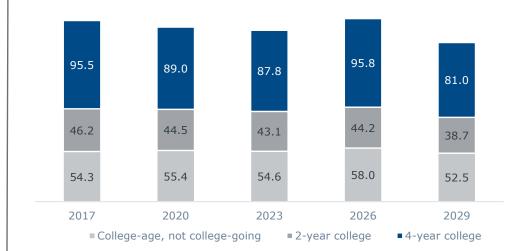
Demographics Trends

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.

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

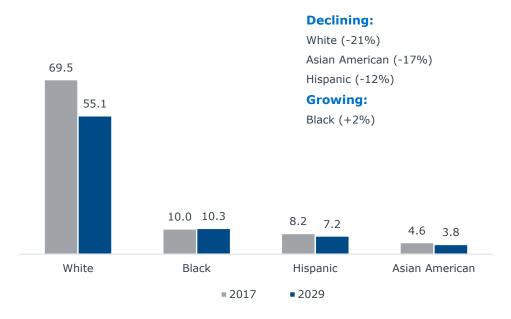
-15% Decline in four-year college-going students between 2017 and 2029



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%).

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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Affordability Trends

PA's Income Distribution Mimics National Figures

46% of Pennsylvania's households make less than \$50,000 per year, equivalent to the national average in the same income category.

PA's Public Institutions Less Affordable Than Other States'

The average net price at Pennsylvania's public institutions is 31% of the state's median household income, making it less affordable than 92% of public institutions among other states in the United States.

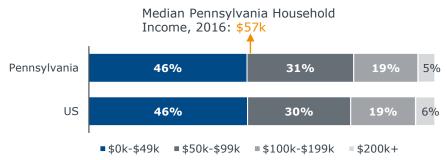
PA's Private Institutions Less Affordable Than Most States'

Similarly, Pennsylvania's private institutions are also less affordable than private colleges in the majority of other states—the average net price is 43% of PA's median household income.

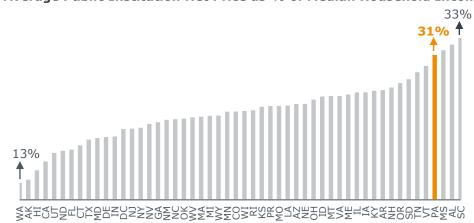
More Debt Among Graduates

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

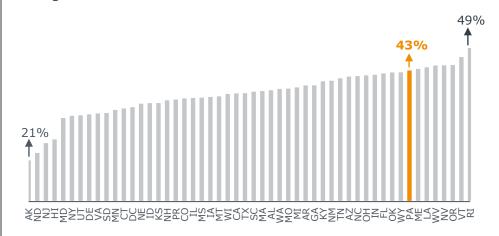
Number of Households by Income Segment (Thousands), 2016



Average Public Institution Net Price as % of Median Household Income



Average Private Institution Net Price as % of Median Household Income



Student Loan Statistics, 2016

Percentage of College Graduates with Student Debt	Pennsylvania	US
	69%	60%

Average Debt \$35,185 \$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.



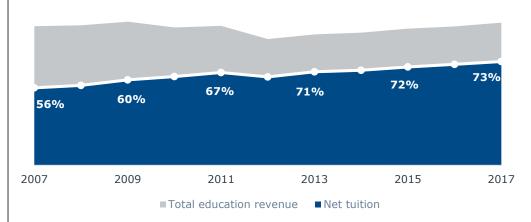
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Funding and Appropriations Trends

Reliance on Net Tuition Grew Post-Recession

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

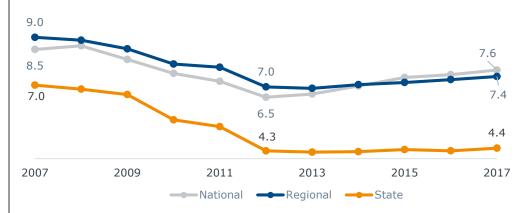
Net Tuition as a Portion of Total Education Revenues, per Student FTE



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.

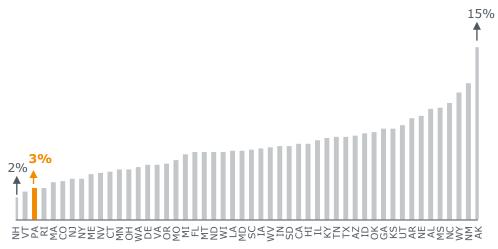
Educational Appropriations per Student FTE in PA, Regionally $^{\rm 1}$ and Nationally, 2007-2017



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



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.



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