

# Status of Texas Higher Education

## Demographics

### Age Distribution

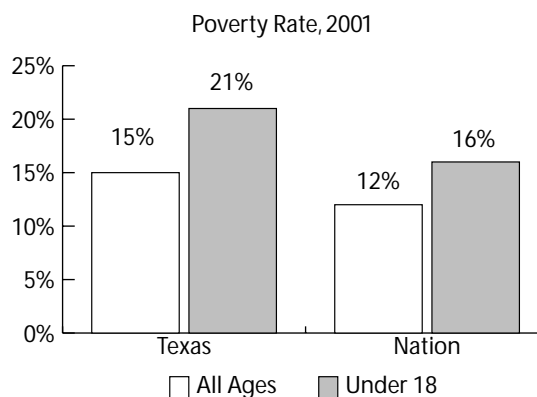
A greater percentage of the Texas population is under the age of 18 than in the nation as a whole. The 2000 Census indicates that 28 percent of the Texas population is under 18 compared to 26 percent nationwide.

	TEXAS	NATION
Under 18	28%	26%
18 to 64	62%	62%
65 and older	10%	12%

Source: Census Bureau, 2000

### Poverty Rate

A greater percentage of the Texas population lives in poverty than in the rest of the nation. Some 15 percent of all Texans, and 21 percent of Texas children, lived in poverty in 2001, versus 12 and 16 percent respectively nationwide. The poverty threshold in 2001 was an annual income of \$17,960 or less for a family of four with two children, and \$9,039 for an individual.



Source: Census Bureau, 2001

### Racial and Ethnic Mix

Texas is a diverse state. Almost one-third of Texans are Hispanic, more than twice as many as in the nation as a whole. Smaller percentages of the Texas population are Asian-American, African-American, or White than in the nation overall; however, a greater percentage define themselves as belonging to another race or to more than one race.

	TEXAS	NATION
Native-American	1%	1%
Asian-American	3%	4%
African-American	11%	12%
White	71%	75%
Other or more than 1 race	14%	8%
Hispanic (may be any race)	32%	13%

Source: Census Bureau, 2000

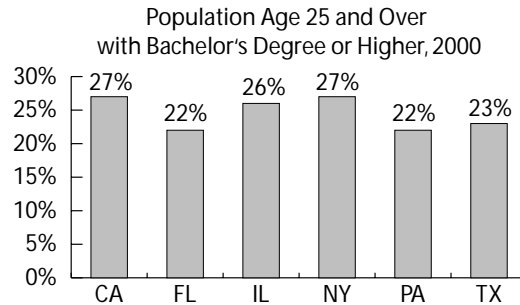
# Educational Attainment

## Educational Attainment

Texas educational attainment is lower than in most large states and than in the nation as a whole. One out of four people age 25 and over in Texas have not finished high school, compared to one out of five nationwide. About 23 percent of Texans 25 and over have obtained a Bachelor's degree or higher, ranking Texas fourth among the six largest states.

Source: Census Bureau, 2000

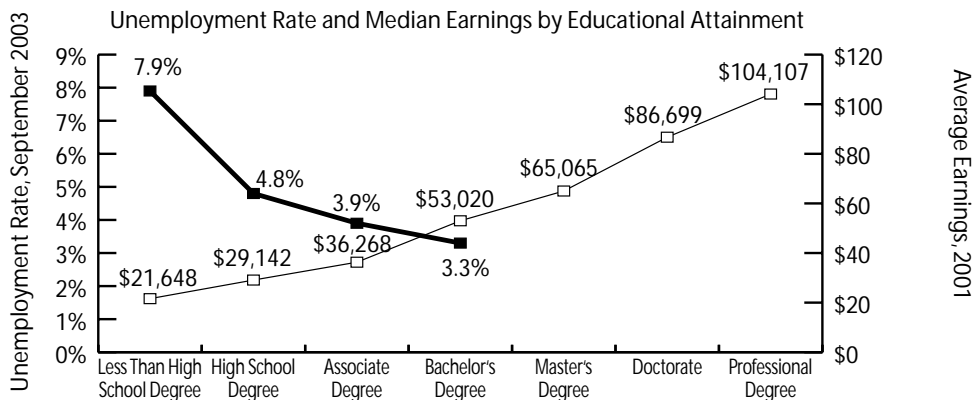
	TEXAS	NATION
Without high school diploma	24%	20%
High school diploma	25%	29%
Some college, no B.A.	28%	27%
Bachelor's degree	15%	15%
Graduate or professional	8%	9%



## Earnings and Unemployment

The U.S. Census reports that higher levels of education are closely associated with higher earnings. In 2001, average earnings for workers age 25 to 64 with less than a high school diploma were \$21,648, or \$7,500 less than the \$29,142 earned by workers with a high school diploma. A college degree has an even greater impact on earnings. Graduates with a four-year degree earned \$53,020 in 2001, and those with a professional degree earned over \$100,000.

More evidence for the economic strength of education comes from the U.S. Bureau of Labor Statistics. In September 2003, the Bureau's data showed that unemployment rates stood at 7.9 percent for workers who had not completed high school, but at 4.8 percent for those who had, and at 3.3 percent for workers who had completed a Bachelor's degree.



Sources: The U.S. Census Bureau, 2002; the Bureau of Labor Statistics, 2003 [unemployment rate for Master's Degree and higher unavailable]

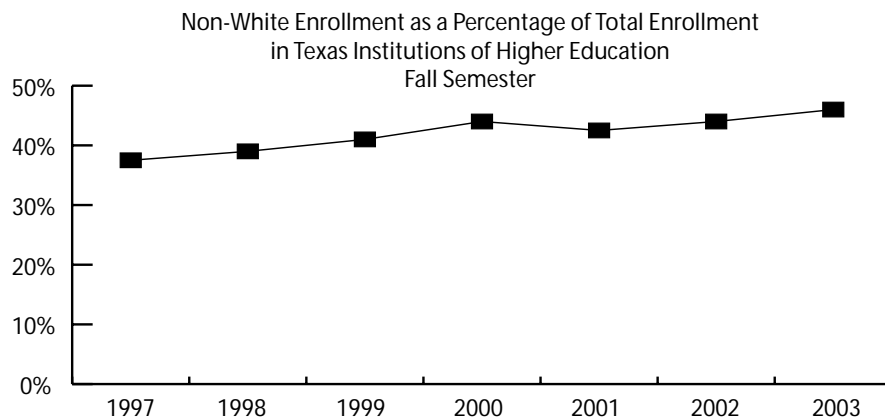
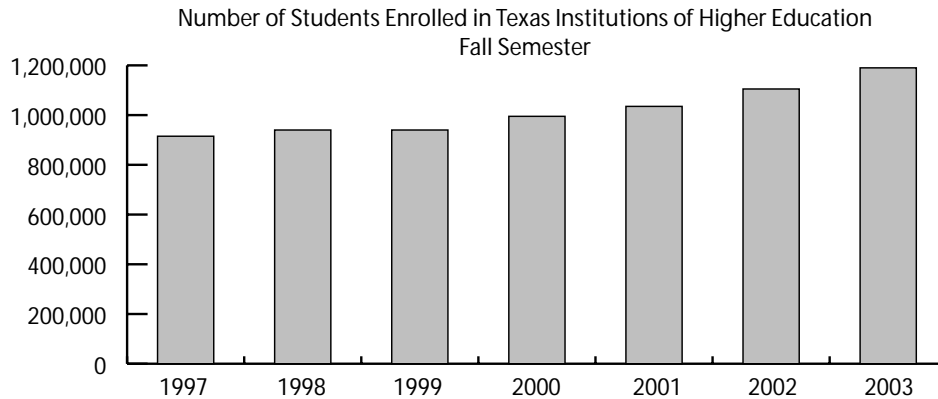
# Enrollment

## Enrollment Increase

Enrollment in Texas colleges and universities is increasing. Preliminary figures show total enrollment in the fall of 2003 at 1,148,000, an increase of over 113,000 since 2001, which is equivalent to the entire student population of Sam Houston State University, Texas A&M University, and the University of Texas at Austin combined. Non-White enrollment as a percentage of total enrollment has also increased, from 39 percent in 1997 to 45 percent in 2003.

Enrollment has been increasing at a higher rate each year for some time, but in 2003 the rate growth slowed. Enrollment increased 3 percent in 2000, 4 percent in 2001, and 7 percent in 2002, but in 2003 the rate of growth fell back to 4 percent. Despite the rising numbers of students, enrollment as a proportion of population actually falls behind the national average and behind other large states.

According to the U.S. Census Bureau, 5.7 percent of Texans were enrolled in higher education in 2000, compared to 7.5 percent in California, 6.9 percent in New York, and 6.2 percent nationally.



Source: Texas Higher Education Coordinating Board; U.S. Census Bureau

# College Costs

## Average Four-Year Public School Costs

Resident tuition and fees at four-year public schools are lower in Texas than in the rest of the nation, but other expenses are higher. In Texas, room, board, and transportation combined cost over \$3,500 more than tuition and fees, accounting for 53 percent of the total cost of a four-year public education for a student living off-campus versus 48 percent nationwide. By contrast, tuition and fees account for 28 percent of total cost in Texas versus 33 percent in the nation. When weighted for enrollment, nine months of room, board, and transportation for students living off-campus cost \$7,686 in Texas and tuition and fees for two semesters cost \$4,119 with total costs averaging \$14,493, some \$234 higher than in the nation overall.

2003–2004 AVERAGE FOUR-YEAR PUBLIC SCHOOL COSTS  
(Weighted for Enrollment)

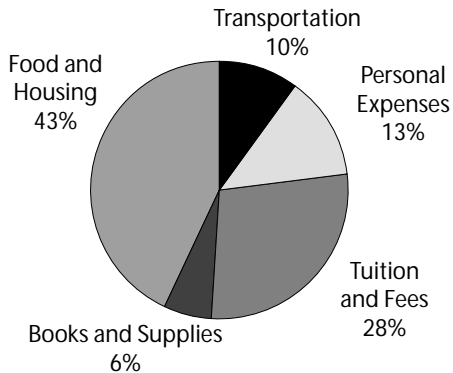
	TEXAS	NATION
*Tuition and fees (resident)	\$ 4,119	\$ 4,694
Books and supplies	860	817
Room and board	6,203	5,796
Transportation	1,483	1,052
Other expenses	1,828	1,900
<b>Total expenses</b>	<b>\$14,493</b>	<b>\$14,259</b>

\*Tuition rates are subject to change in spring 2004.

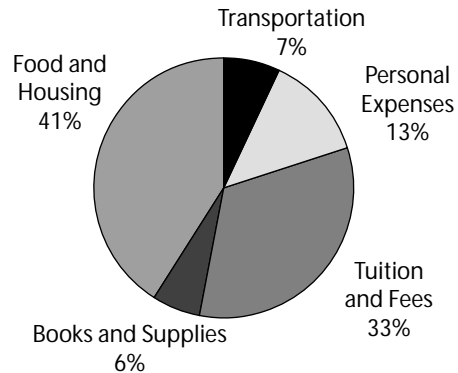
As with the rest of the nation, costs in Texas are rising. Since 2002-2003, tuition and fees in Texas have risen by \$501 and room, board, and transportation have risen by \$302. Total costs have risen by \$972. Although the Texas Legislature deregulated tuition in spring 2003, tuition and fees did not rise faster in fall 2003 than a year earlier: tuition and fees increased 16 percent in fall 2002, the year before deregulation, and 14 percent, respectively, in those years. However, it should be noted that Texas tuition rates for 2003-2004 are subject to change in the spring.

For students who receive grant aid, the actual price of college is lower than the published price. After accounting for average grant aid per enrolled student from federal, state, and institutional sources, net tuition and fees at public four-year institutions in the U.S. averaged about \$1,700 in 2002-2003 compared to the published price that year of \$4,115. Comparable figures are not available for Texas.

Percent of Total Cost for Texas Schools  
2003–2004



Percent of Total Cost for National Schools  
2003–2004



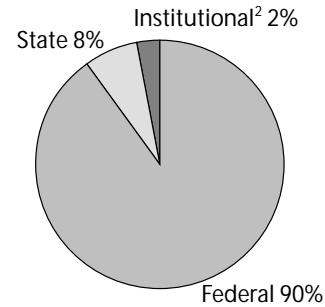
Sources: *The College Board, 2003; Texas Higher Education Coordinating Board, 2003*

# Financial Aid

## Source of Student Aid, 2001–2002

Most higher education students depend on financial aid in order to go to school. In 2001–2002, financial aid for Texas students totaled \$3.4<sup>1</sup> billion dollars, 90 percent of which came from the federal government, 8 percent from the state, and 8 percent from institutions.<sup>2</sup>

Source of Student Aid in Texas<sup>1</sup>  
2001–2002



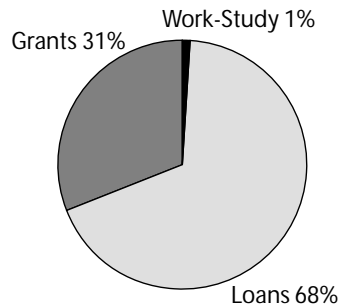
<sup>1</sup> Excludes private grant aid, exemptions, waivers, and loan repayments.

<sup>2</sup> Institutional grants include the Texas Public Education Grant (TPEG) reported by the Texas Higher Education Coordinating Board (THECB) in the Bentson Report. TPEG is not the only source of institutional grant aid; however, it is the only one reported in the Bentson Report. THECB's financial aid database lists institutional grants, but only if the grant is need-based.

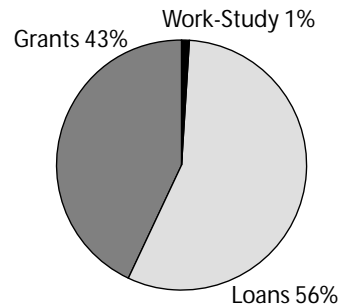
## Mixture of Grants and Loans, 2001–2002

Texas students receive a smaller percentage of aid in grants than do students in the nation as a whole. In 2001–2002, 31 percent of aid in Texas came from grants and 68 percent from loans, compared to 43 percent and 56 percent nationwide.

Texas Mixture of Grants and Loans<sup>3</sup>  
2001–2002



National Mixture of Grants and Loans<sup>4</sup>  
2001–2002



<sup>3</sup> Excludes private grant aid, waivers, exemptions, and loan repayments.

<sup>4</sup> Excludes tax credits.

## Mixture of Grants and Loans, 2000–2001 *(continued)*

The largest loan program in the U.S. is the Federal Family Education Loan Program, or FFELP, and the largest need-based grant program is the Pell Grant.

	FFELP LOAN VOLUME <i>(Gross in Millions)</i>	
	TG	NATION
FY 2002	\$2,131	\$32,557
FY 2001	\$1,808	\$28,135
FY 2000	\$1,711	\$25,656

*Sources: U.S. Department of Education, 2003;  
TG; The College Board; Texas Higher  
Education Coordinating Board*

	NUMBER OF LOANS <i>(Gross in Thousands)</i>	
	TG	NATION
FY 2002	554	7,902
FY 2001	476	6,912
FY 2000	457	6,333

	AVERAGE FFELP AMOUNT	
	TG	NATION
FY 2002	\$3,843	\$4,120
FY 2001	\$3,794	\$4,071
FY 2000	\$3,745	\$4,051

	DISTRIBUTION OF PELL GRANTS BY SECTOR ACADEMIC YEAR 2001–2002	
	TEXAS	NATION
Public	78%	68%
Private	8%	18%
Proprietary	14%	14%

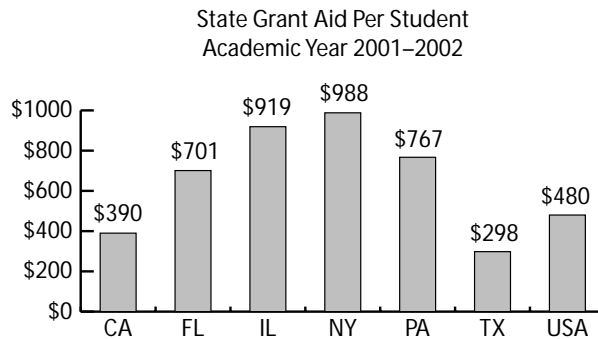
# State Grant Aid

## State Grant Aid Per Student

In 2001–2002, Texas appropriated \$298 in state grant aid per full-time equivalent undergraduate student, or \$1.10 per day for a nine month academic year. This amounts to slightly less than two-thirds (62 percent) of the national state grant average of \$480. Among the largest states Texas awards the least amount of aid per student.

The \$298 per student is a 75 percent increase over the \$170 awarded the previous year, but the gaps between Texas and other populous states still remain large. New York awards 3.3 times as much to its undergraduates as does Texas. Below are comparable statistics for the other largest states are:

- Florida: 2.4 times more than Texas
- Pennsylvania: 2.6 times more than Texas
- Illinois: 3.1 times more than Texas
- California: 1.3 times more than Texas

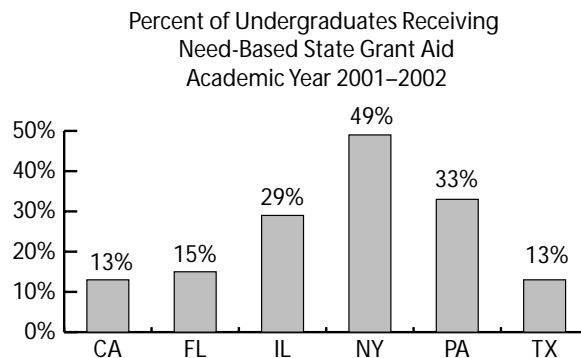


Source: National Association of State Student Grant and Aid Programs [use of full-time equivalent student may make dollar comparisons with prior years inappropriate].

## Texas Undergraduates Receiving Need-Based State Grants

Only 13 percent of full-time equivalent Texas undergraduates received need-based state grants in 2001–2002.

Although this was more than the 8 percent who received such aid the previous year, it was, with the exception of California, still below the percent receiving aid in other large states. Illinois, New York, and Pennsylvania all provided aid to double, or more than double, the percentage of their needy student population than Texas.

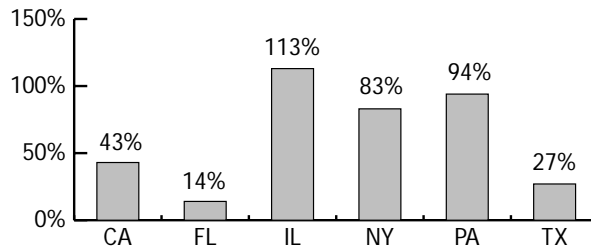


Source: National Association of State Student Grant and Aid Programs [use of full-time equivalent student may make dollar comparisons with prior years inappropriate].

## State Grant Aid for Needy Students as a Percent of the Federal Pell Grant

Texas students come up short in the percent of need-based state grant aid allocated as a percent of the main federal need-based program, the Pell Grant. For every \$1.00 that needy Texas students receive in Pell aid, they receive only 27 cents in state aid. Although this is higher than the 19 cents received a year earlier, needy students in New York receive 83 cents in state grant aid for each \$1.00 received in Pell, needy students in Pennsylvania receive 94 cents, and needy students in Illinois receive well over \$1.00. Of the six largest states, only Florida allocates less need-based aid as a percent of the Pell.

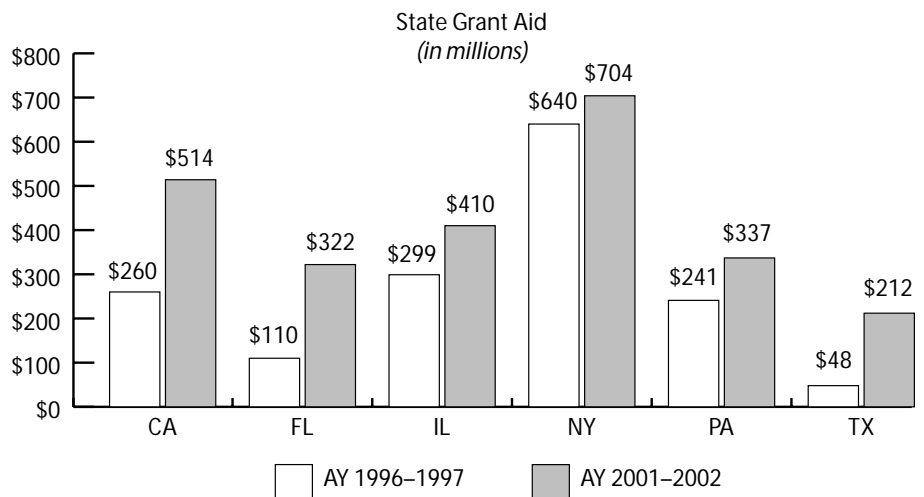
State Grant Aid Targeted to the Low-Income as a Percent of Federal Pell Grant Aid to the Low-Income, 2001–2002



Source: National Association of State Student Grant and Aid Programs; U.S. Department of Education

## Total State Grant Aid in Texas

State grant aid has more than quadrupled in Texas since the mid-1990s, primarily as a result of the establishment of the TEXAS (Towards EXcellence, Access, and Success) Grant program in 1999, total state grant aid continues to lag behind that of other large states. This is because Texas started from a lower threshold. In 1996–1997 Texas spent \$48 million in need-based and non-need-based grants, less than half the \$110 million spent by the next lowest state, Florida. By 2001–2002 Texas was spending \$212 million. But even with this increase, Texas was spending just 66 percent of the amount spent by Florida, and only 30 percent of the amount spent by New York.



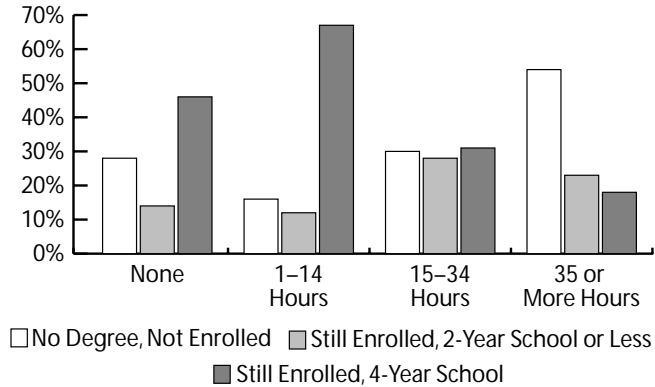
Source: National Association of State Student Grant and Aid Programs [use of full-time equivalent student may make dollar comparisons with prior years inappropriate].

# Unmet Need, Work, and Student Success

## Work and Persistence

Most students work while in school, in part to compensate for unmet financial need, which in 2001–2002 averaged \$2,529 for students in Texas public universities and \$3,141 for students in Texas private universities. Nationally, 41 percent of undergraduates worked part-time in 1999–2000 and 39 percent worked full-time, with an average of 32 hours worked per week among those who worked.

Status in 1998 of Freshmen Who Entered College in 1995, by Hours Worked Per Week While in School (Nation)



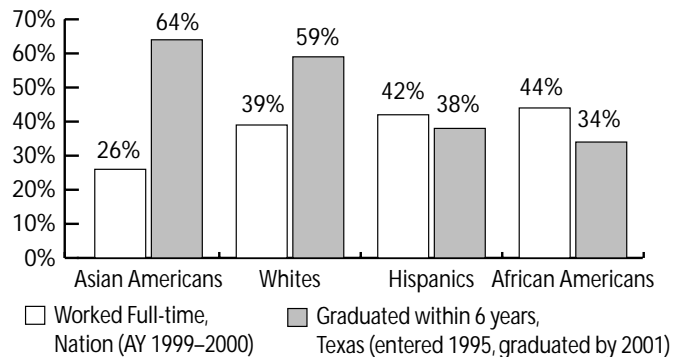
While working can have benefits, too much work can negatively affect persistence and academic success. A study on the effect of student financial decisions on student success revealed that while two-thirds of freshmen who entered college in 1995 were still enrolled in 1998, fewer than half of those who worked full-time were still enrolled. In fact, students who work modest hours are the most likely to be on their way to earning a 4-year degree, while students who work full-time are the least likely: 64 percent of incoming 1995 freshmen who worked 1–14 hours per week were still enrolled in a four-year school in 1998, versus just 15 percent of those who worked 35 hours or more.

Sources: American Council on Education, 2002; National Center for Education Statistics, 2002; Texas Higher Education Coordinating Board

## Work and Graduation

Of ethnic groups, African-Americans are the most likely to work full-time, while in college, followed by Hispanics, Whites, and Asian-Americans. Although other factors affect success as well, the graduation rate at Texas public universities is a virtual mirror image of these figures, but in reverse, with African-Americans and Hispanics the least likely to graduate within six years, and Whites and Asian-Americans the most likely.

Work and Completion by Ethnicity



Sources: National Center for Education Statistics, U.S. Department of Education; Texas Higher Education Coordinating Board, 2002