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Affordability of UNCF-Member Institutions

2006-2008

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Executive Summary

In 2009, a college education is what a high school education used to be: a necessary starting point for economic and social mobility. However, drastic annual increases in tuition and fees have far outpaced increases in household incomes of many American families, making higher education harder to afford. Especially in the current economic downturn, these developments threaten the advancement aspirations of many Americans, especially those from minority and low-income families, and would seem to threaten the country's ability to achieve the goal announced by President Obama of making the United States the world leader in citizens with college degrees.

Using data from the National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS), this statistical brief compares total charges (which includes tuition, fees, room and board) at the 39 historically black colleges and universities (HBCUs) that are members of UNCF—the United Negro College Fund—with comparable institutions for two academic years. This brief focuses on the affordability of UNCF-member institutions in order to inform broader policy discussions about college affordability.

Our analysis revealed that on average, UNCF-member institutions charge less and increase charges by smaller amounts than comparable institutions. Specifically:

- UNCF-member colleges and universities' total charges were on average 28 percent lower—\$5,803—in 2006-2007 than the comparable institutions.
- UNCF-member colleges and universities' total charges were on average 31 percent lower—\$6,625 in 2007-2008 than the comparable institutions.
- UNCF-member institutions increased total charges by an average of \$870 in 2006-2007; in 2007-2008 comparable institutions increased charges on average almost twice as much—slightly more than \$1,700.
- Nine UNCF-member institutions did not raise their total charges at all during the two years, while one UNCF-member institution reduced its total charges by \$500 in 2007-2008.
- All of the comparable institutions increased their total charges over the two-year period—in a range from \$1,235 to \$2,184.



Introduction

More students than ever before, and greater proportions of minority students than ever before, are enrolling in colleges and universities. However, rapid tuition escalation over the last few decades has made institutions of higher learning much less affordable than they once were.¹

In 1998, the U.S. Congress recognized that college affordability was a national concern and thus created the National Commission on the Cost of Higher Education. The commission's objective was to generate data and research on college affordability that could inform national policy.² The commission reported several key findings, including:

- Costs are increasing. The commission distinguished among the concepts of cost (to the institution), tuition (the "advertised price") and price (what the student and family actually pay).
- The concerns about rising college prices are real.
- College tuition is increasing faster than costs.
- The rising costs are as troubling a policy issue as the rising prices charged to students.
- The public and its leaders are concerned about where higher education places its priorities and how these priorities lead to price increases.

The College Board's 2008 publication, *Trends in College Pricing*, confirms continued increases in college tuition. The average published tuition and fees at private four-year colleges and universities in 2007-08 were \$23,712—\$1,400 (over 6 percent) higher than in 2006-2007. Average total charges (which include room and board, tuition and fees) were \$32,307, or 5.9 percent higher, than a year earlier. For academic year 2008-2009, the tuition and fees were \$25,143—\$1,398 (5.9 percent) higher than in 2007-2008, and average total charges were \$34,132, or 5.6 percent higher than a year earlier.





What Makes HBCUs Unique?



For over a century, HBCUs have served an important role in promoting access to higher education for African Americans. Currently, over 300,000 students attend the nation's 105 HBCUs, 39 of which are UNCF-supported. UNCF plays a critical role in enabling more than 60,000 students to attend college each year. Since their inception, HBCUs were far from equal in terms of infrastructure, resources and operating budgets.³ Despite the lack of resources, HBCUs have a rich legacy of producing prominent graduates (W.E.B. DuBois, historian John Hope Franklin and poet Nikki Giovanni are a few examples), while also providing strong social networks and a sense of empowerment.⁴

African American students' experiences at HBCUs are unique and differ in many important ways from their counterparts attending predominantly white institutions (PWIs). HBCU students tend to be more satisfied and confident and attain higher levels of academic and personal development.⁵ They are more likely to be open to racial and cultural awareness and diversity,⁶ devote more time and effort to academic activities and report significant gains in intellectual development and critical thinking.⁷ Research has shown that HBCUs provide an environment to students that promotes retention and degree completion.⁸ Indeed, studies have suggested that compared to students at PWIs, HBCU students report more positive interactions and relationships with their faculty.⁹ These interactions foster an atmosphere of belonging, openness, awareness and acceptance that further enhance the students' pluralistic view of the world.

Graduates of HBCUs pursue advanced degrees more often than their counterparts at PWIs. Thirteen percent of African American college students attend HBCUs, but these institutions educate the majority of our nation's African American professionals including judges, lawyers, doctors and teachers.¹⁰ By making high-quality postsecondary educational experiences accessible and affordable, our colleges and universities develop students' human and social capital.¹¹ This brings us back to the college affordability question—how affordable are UNCF-member colleges and universities?



Methodology

In order to better understand the affordability of UNCF-member institutions in 2006-2007 and 2007-2008, we analyzed data using the National Center for Education Statistics (NCES) Integrated Postsecondary Education Data System (IPEDS) to compare total charges for each member institution (excluding the Interdenominational Theological Center whose data was not available) to a set of comparable institutions. The comparable institutions were automatically generated by IPEDS when components such as Carnegie Classification, type of control (e.g. private not-for-profit vs. public), level of institution (two-year vs. four-year), degree-granting status (associate, graduate/post-graduate), federal aid (Title IV status), state and region codes and sub-component living on campus were selected. Some of these terms are briefly defined in the appendix.

Data Findings

The number of institutions comparable to UNCF-member institutions (generated by the IPEDS) that were similar at institutional level (two-year vs. four-year), control (e.g. private not-for-profit vs. public) and enrollment profile characteristics ranged from 11 (for Wiley College) to 84 (for Talladega College). Overall, total charges for the comparable colleges and universities are outpacing UNCF-member institutions both in average total charges and average cost increase (refer to Table 1).

Data analysis suggested that in 2006-2007 and 2007-2008, on average, total charges at UNCF colleges and universities were 28 and 31 percent lower respectively than the comparable institutions—\$5,803 in 2006-2007 and \$6,625 in 2007-2008. More interestingly, the average increase in total charges for UNCF-member institutions in 2006-2007 and 2007-2008 was \$870 whereas that of comparable institutions was close to double, at \$1,706.

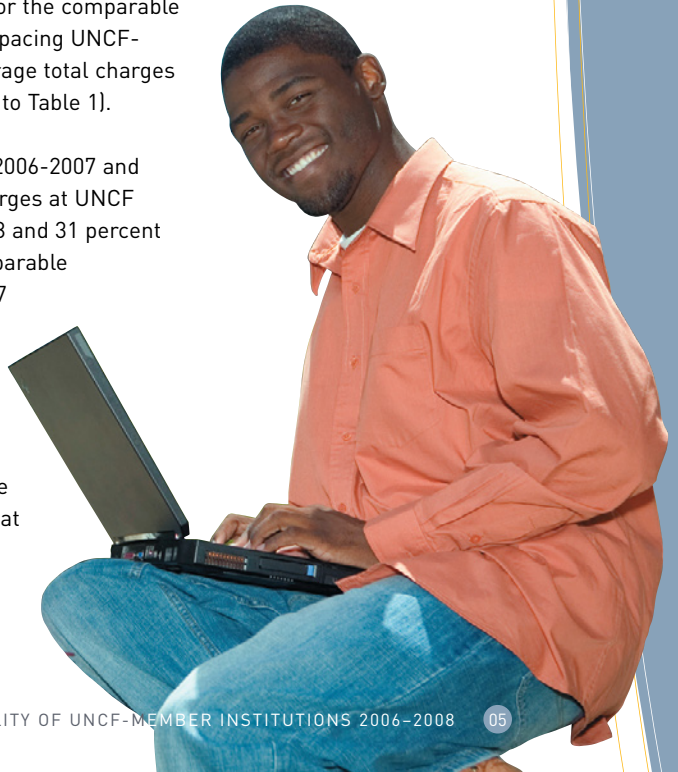




Table 1:
Total Charges* at Member and Comparable Institutions, 2006-2007 and 2007-2008

Name of College/University	Total Charges for Member Institutions 2006-2007(\$)	Total Charges for Member Institutions 2007-2008(\$)	Year-to-Year Increase in Charges (Member Institutions)	Average Total Charges for Comparable Institutions 2006-2007(\$)	Average Total Charges for Comparable Institutions 2007-2008(\$)	Year-to-Year Increase in Charges (Comparable Institutions)
Allen University	17477	17477	0	24063	25566	1503
Benedict College	23193	24054	861	24014	25566	1552
Bennett College	24608	25326	718	30832	32844	2012
Bethune-Cookman University	23478	24410	932	30831	33015	2184
Claflin University	22686	23598	912	24014	25484	1470
Clark-Atlanta University	26526	27560	1034	30164	31489	1325
Dillard University	24081	24467	386	23729	25566	1837
Edward Waters College	20814	20814	0	24014	25566	1552
Fisk University	25732	27800	2068	30832	32768	1936
Florida Memorial University	22294	22294	0	24014	25520	1506
Huston-Tillotson University	18384	19864	1480	22558	24499	1941
Jarvis Christian College	15230	15712	482	22558	24499	1941
Johnson C. Smith University	27444	28536	1092	24014	25569	1555
Lane College	14200	15045	845	30832	32767	1935
LeMoyne-Owen College	17100	17100	0	24014	25567	1553
Livingstone College	21115	21115	0	24014	25497	1483
Miles College	14596	15404	808	24014	25566	1552
Morehouse College	31640	33956	2316	30832	33002	2170
Morris College	16794	17834	1040	24014	25252	1238

*Some numbers have been rounded.



Name of College/University	Total Charges for Member Institutions 2006-2007(\$)	Total Charges for Member Institutions 2007-2008(\$)	Year-to-Year Increase in Charges (Member Institutions)	Average Total Charges for Comparable Institutions 2006-2007(\$)	Average Total Charges for Comparable Institutions 2007-2008(\$)	Year-to-Year Increase in Charges (Comparable Institutions)
Oakwood University	26994	28338	1344	24014	25556	1542
Paine College	20032	19530	-502	30832	32770	1938
Paul Quinn College	13830	15420	1590	22558	24499	1941
Philander Smith College	18480	18538	58	24054	25566	1512
Rust College	12850	12950	100	24014	25566	1552
Saint Augustine's College	21868	24256	2388	30832	32768	1936
Saint Paul's College	21690	22510	820	24014	25567	1552
Shaw University	18630	21290	2660	24046	25566	1520
Spelman College	30955	33115	2160	30832	32767	1935
Stillman College	20005	20965	960	24014	25566	1552
Talladega College	15613	15613	0	30931	32768	1837
Texas College	17296	17296	0	22662	24499	1837
Tougaloo College	19880	20240	360	30832	32768	1936
Tuskegee University	23791	25854	2063	30832	32760	1928
Virginia Union University	21767	23279	1512	30730	32755	2025
Voorhees College	14412	14412	0	24014	25566	1552
Wilberforce University	21480	21480	0	28444	29679	1235
Wiley College	15644	16646	1002	23296	24600	1304
Xavier University	22031	23592	1561	30819	32755	1936
Average	20648	21518	870	26451	28156	1706



Additionally, total charges at nine member institutions (Allen University, Edward Waters College, Florida Memorial University, LeMoyné-Owen College, Livingstone College, Talladega College, Texas College, Voorhees College and Wilberforce University) remained unchanged during the two years, while one institution (Paine College) reduced its total charges by \$500 in 2007-2008.

All comparable institutions increased their total charges over the two-year period from \$1,235 to \$2,184 (2006-2008). The largest difference was observed when comparing data from Lane College with similar institutions. Essentially comparable institutions exceeded total charges by \$16,632 in 2006-2007 and \$17,722 in 2007-2008. For individual cost details for UNCF-member and comparable institutions, refer to Table 1.

Conclusion

Data analysis using IPEDS suggests that in 2006-2007 and 2007-2008, on average, UNCF-member colleges and universities' total charges were 28 and 31 percent lower respectively than comparable institutions. In addition, the average increase in total charges for UNCF-member institutions in 2006-2007 and 2007-2008 was \$870 while that of comparable institutions was double, at a little over \$1,706. Within the context of steady price increases at majority institutions, and the economic downturn, the ability of UNCF-member HBCUs to offer significantly lower total charges than comparable institutions is critical to the nation's ability to deliver on President Obama's promise to increase the number of Americans with college degrees by 2020. Additionally, UNCF-member institutions offer cultural continuity and encouragement that are as vital to personal and professional success as rigorous academics.¹²





APPENDIX



Terms Used in the Brief

Carnegie Classification: An institutional classification coding structure developed by the Andrew W. Carnegie Foundation for the Advancement of Teaching. The basic classification is an update of the traditional classification framework developed by the Carnegie Commission

on Higher Education in 1970 to support its research program and later published in 1973 for use by other researchers. Although this classification has undergone modest changes over the years, the current release involves significant changes from previous editions. The 2000 Carnegie Classification categorizes selected institutions as:

Doctoral/Research Universities—Extensive
Doctoral/Research Universities—Intensive
Master's Colleges and Universities I
Master's Colleges and Universities II
Baccalaureate Colleges—Liberal Arts
Baccalaureate Colleges—General
Baccalaureate/Associate's Colleges
Associate's Colleges

Specialized Institutions:

- Theological seminaries and other specialized faith-related institutions
- Medical schools and medical centers
- Other separate health profession schools
- Schools of engineering and technology
- Schools of business and management
- Schools of art, music and design
- Schools of law
- Teachers colleges
- Other specialized institutions
- Tribal colleges and universities

For a complete description and technical details, visit the Carnegie Foundation Web site at <http://www.carnegiefoundation.org/classifications>



Control: A classification of whether an institution is operated by publicly elected or appointed officials (public control) or by privately elected or appointed officials and derives its major source of funds from private sources (private control).

Degree granting status: An award conferred by a college, university or other postsecondary education institution as official recognition for the successful completion of a program of studies.

IPEDS: A core post-secondary education data collection program for NCES. Data are collected from all primary providers of post-secondary education in the country in areas including enrollments, program completions, graduation rates, faculty, staff, finances, institutional prices and student financial aid. These data are made available on the IPEDS (www.nces.ed.gov/ipeds) Web site to students, researchers and others.



Level: A classification of whether an institution's programs are four-year or higher (four-year), two-but-less-than-four-year (two-year), or less than two-year.

Title IV: An institution that has a written agreement with the U.S. Secretary of Education that allows the institution to participate in any of the Title IV federal student financial assistance programs (other than the State Student Incentive Grant [SSIG] and the National Early Intervention Scholarship and Partnership [NEISP] programs).

Tuition and fees: The amount of tuition and required fees covering a full academic year most frequently charged to students. These values represent what a typical student would be charged and may not be the same for all students at an institution. If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an entire academic year is used to estimate average tuition. Required fees include all fixed sum charges that are required of such a large proportion of all students that the student who does not pay the charges is an exception.



Source: IPEDS glossary available at <http://nces.ed.gov/ipeds/glossary/>



ENDNOTES

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- ⁴ R. Palmer and M. Gasman, "It Takes a Village To Raise a Child": The Role of Social Capital In Promoting Academic Success for African-Americans at Black Colleges." *Journal of College Student Development* 49 (2008): 52-70.
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- ⁷ G.D. Kuh and P.D. Umbach. "Experiencing Diversity: What Can We Learn From Liberal Arts Colleges?" *Liberal Education* 91 (2005): 14-21.
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- ¹⁰ American Association of University Professors. "Historically Black Colleges and Universities: A Future in the Balance." *Academe* (January-February): 1995.
- ¹¹ Palmer and Gasman, 52-70.
- ¹² Palmer and Gasman, 52-70.



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