

CONDITION  
OF HIGHER  
EDUCATION  
IN IOWA

2020





## **OUR MISSION**

We advocate for and support Iowans as they explore, finance, and complete educational opportunities beyond high school to increase family and community success.

## **OUR MOTTO**

Because college changes everything.

## **OUR VISION**

All Iowans can achieve an education beyond high school.

# FROM THE DIRECTOR

All of us at Iowa College Aid believe in our agency motto: “Because College Changes Everything.” Chapter 1 of this report outlines some specific ways this statement is true for individual Iowans and for our entire state: Individuals with a college education earn higher wages, are more likely to hold jobs, and report better health. From a wider perspective, these individuals pay more in taxes while relying less on social services, and they are more likely to give back to their communities. These varied benefits drive Iowa College Aid’s mission to advocate for and support Iowans as they explore, finance, and complete postsecondary education.

This sixth “Condition of Higher Education in Iowa” report provides a summary of college attainment, readiness, and success in Iowa, as well as a look at the true price of college. Some news is encouraging. Iowa continues to hold the No. 1 spot in the United States for high school graduation rates and ACT scores. The share of Iowans who hold an associate’s degree or higher is growing. The percentage of Iowa high school seniors who file the FAFSA is rising. The net price of college as a share of Iowans’ median income is falling.

At the same time, we are losing ground in high school graduation rates for Hispanic students, economically disadvantaged students, and students with disabilities. Overall college enrollment and college-going rates are falling. The average ACT score in Iowa is also falling. Significant racial and socioeconomic gaps in the college-going pipeline remain—gaps we must address to meet the state’s education goals.

As I write this, our state and our world are facing great uncertainty because of the COVID-19 pandemic. High schools, colleges, and universities have shifted to online-only models at unprecedented speed. We do not yet know what the long-term impact on students or the higher education sector might be. One thing that is unlikely to change, however, is the value of education. Iowa College Aid remains committed to making higher education a possibility for every Iowan.



*Mark WIEDERSPAN*

Mark Wiederspan  
Executive Director  
Iowa College Aid

# TABLE OF CONTENTS



## 1. COLLEGE ATTAINMENT

- 5 College Attainment in Iowa
- 8 The Future Ready Iowa Goal
- 10 Benefits of Higher Education



## 2. COLLEGE READINESS

- 16 High School Graduation Rates
- 18 ACT Benchmarks
- 21 Concurrent Enrollment
- 22 College-Going Rates



## 3. COLLEGE ACCESS & SUCCESS

- 24 College Enrollment Rates
- 29 Retention Rates
- 30 Persistence Rates
- 31 College Graduation Rates

## 4. COLLEGE PRICE

33 Cost of Attendance

36 Net Price



## 5. FINANCIAL AID

38 FAFSA Filing

41 Expected Family Contribution

42 State Aid

46 Institutional Aid

47 Private Aid

48 Student Loans



## 6. PROJECTIONS

52 Effects of the Great Recession

53 High School Graduates

54 College Enrollment

56 What Iowa Is Doing



# CHAPTER 1 COLLEGE ATTAINMENT

In this chapter, we report **current levels** of college attainment in Iowa and **projected levels** that the workplace will require, as well as the **benefits of higher education** for both individual Iowans and Iowa as a whole.

**43%**

of Iowans have an associate's degree or higher

**68%**

of Iowa's workforce will need education or training beyond high school by 2025

Iowans with bachelor's degrees earn

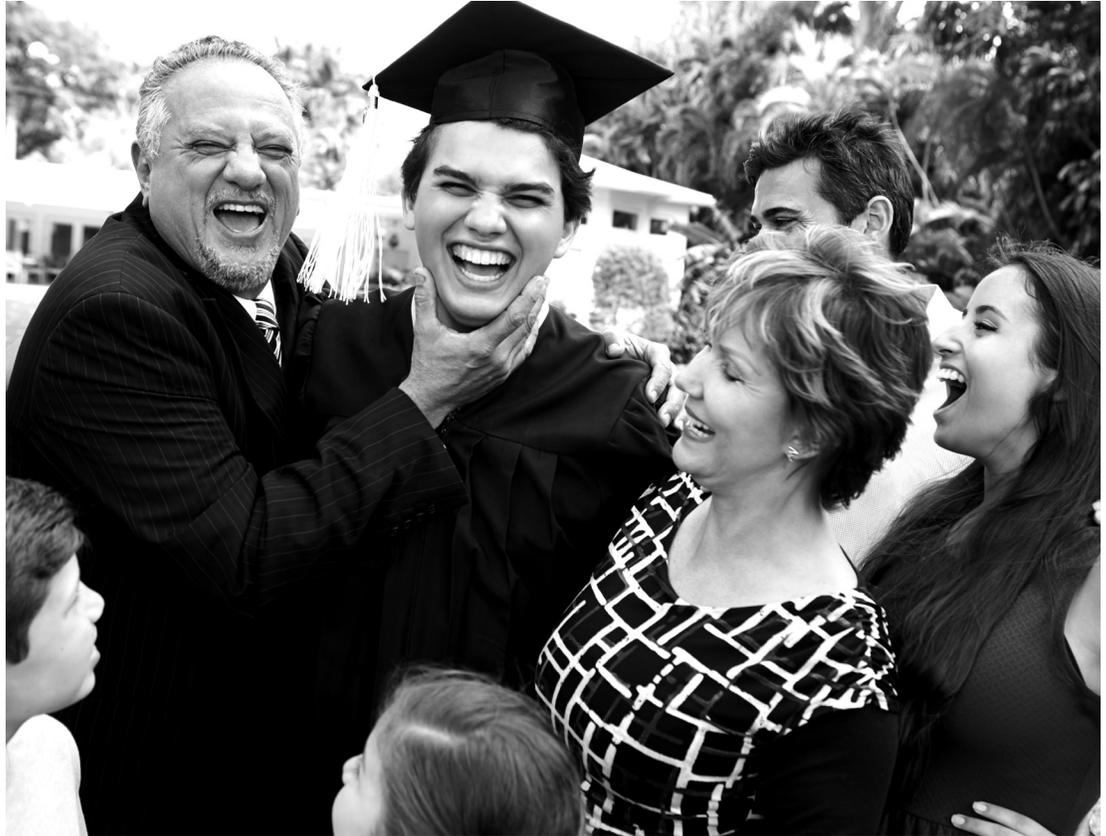
**58%**

more than high school graduates

Iowans with bachelor's degrees pay

**\$10K**

more in annual taxes than high school graduates

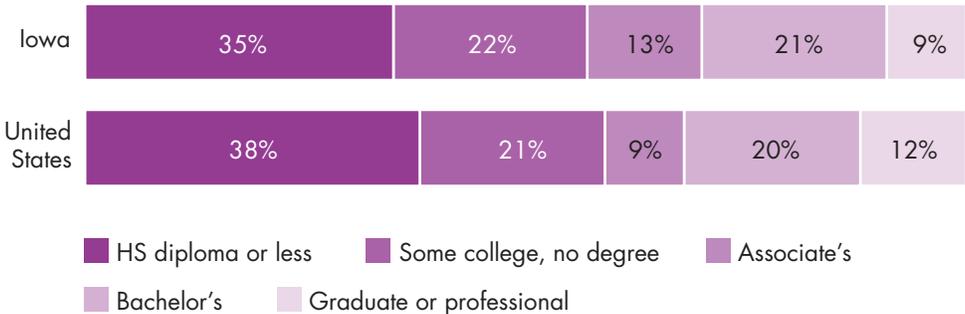




## COLLEGE ATTAINMENT IN IOWA

As of 2017, Iowa has a higher proportion of residents with at least an associate’s degree than the national average (43 percent versus 41 percent), as shown in Figure 1. This proportion is driven by a larger share of Iowa residents earning an associate’s or bachelor’s degree. A lower percentage of Iowa residents have a graduate or professional degree than the national average (9 percent versus 12 percent).

Figure 1. Education Levels in Iowa



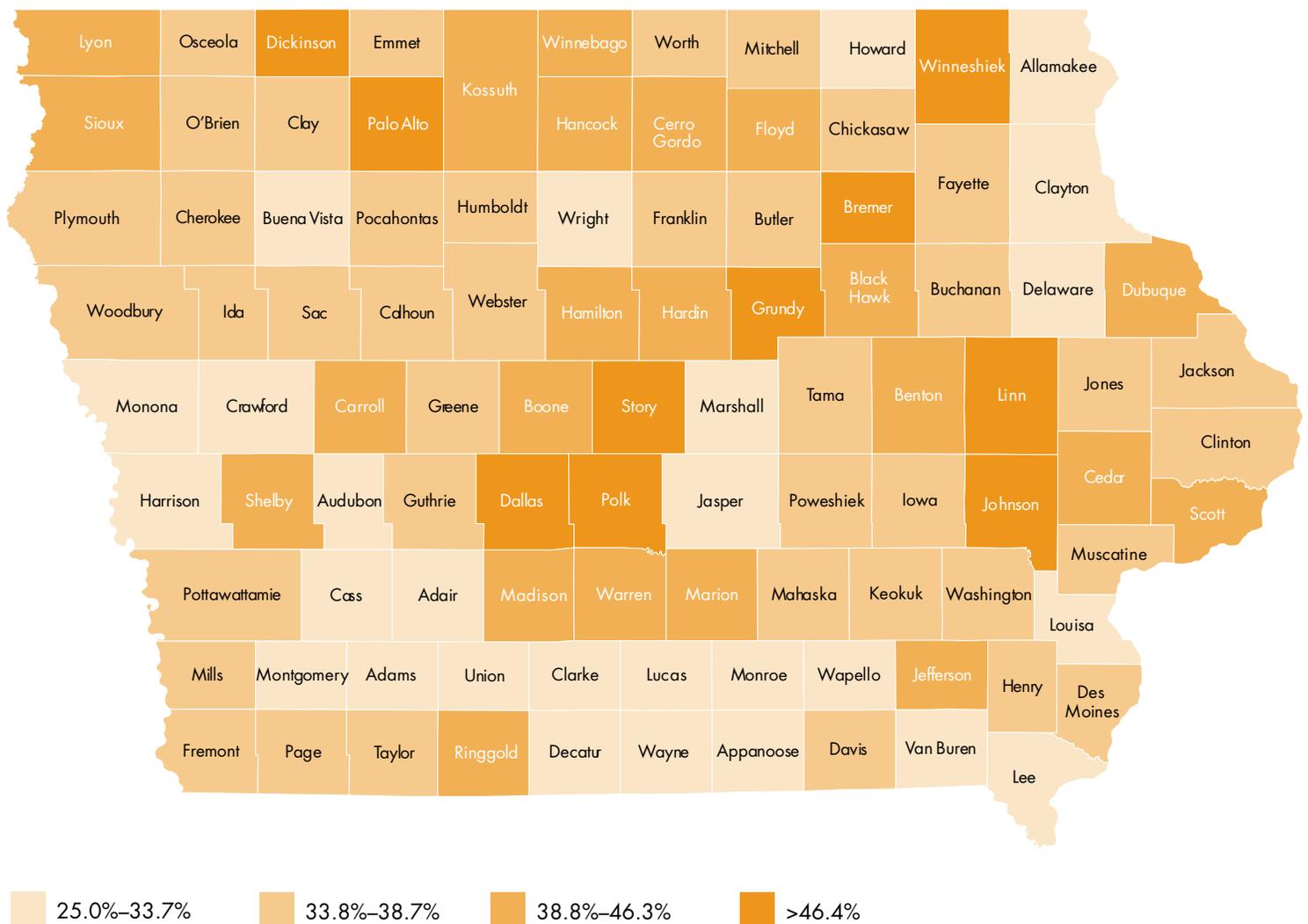
Sample consists of individuals between the ages of 25 and 64. Percentages may not add up to 100 due to rounding.  
 Source: U.S. Census, 2017 ACS 5-year estimates

In Iowa, educational attainment has increased over time. The proportion of Iowa residents with an associate’s degree or higher has increased from 41 percent in 2013 to 43 percent in 2017 (U.S. Census). This increase is shared evenly across each degree category.

Also important to Iowa’s educational goals are sub-baccalaureate certificates and technical degrees. The U.S. Census does not provide data on these types of credentials. However, Iowa’s annual Laborshed Survey, using different methodology and considering sub-baccalaureate credentials, found that in 2019, 60.2 percent of Iowans held some form of postsecondary credential or degree (Iowa Workforce Development, 2019).

Typically, Iowa counties with large colleges and universities, such as Johnson and Story (University of Iowa and Iowa State University), have higher attainment levels than rural areas and areas without a substantial higher education institution presence. Figure 2 shows that the southern part of Iowa is less educated than the middle and the northern parts of the state. Three counties (Story, Dallas, and Johnson) have attainment levels for associate’s degrees or above that fall between 60 percent and 70 percent.

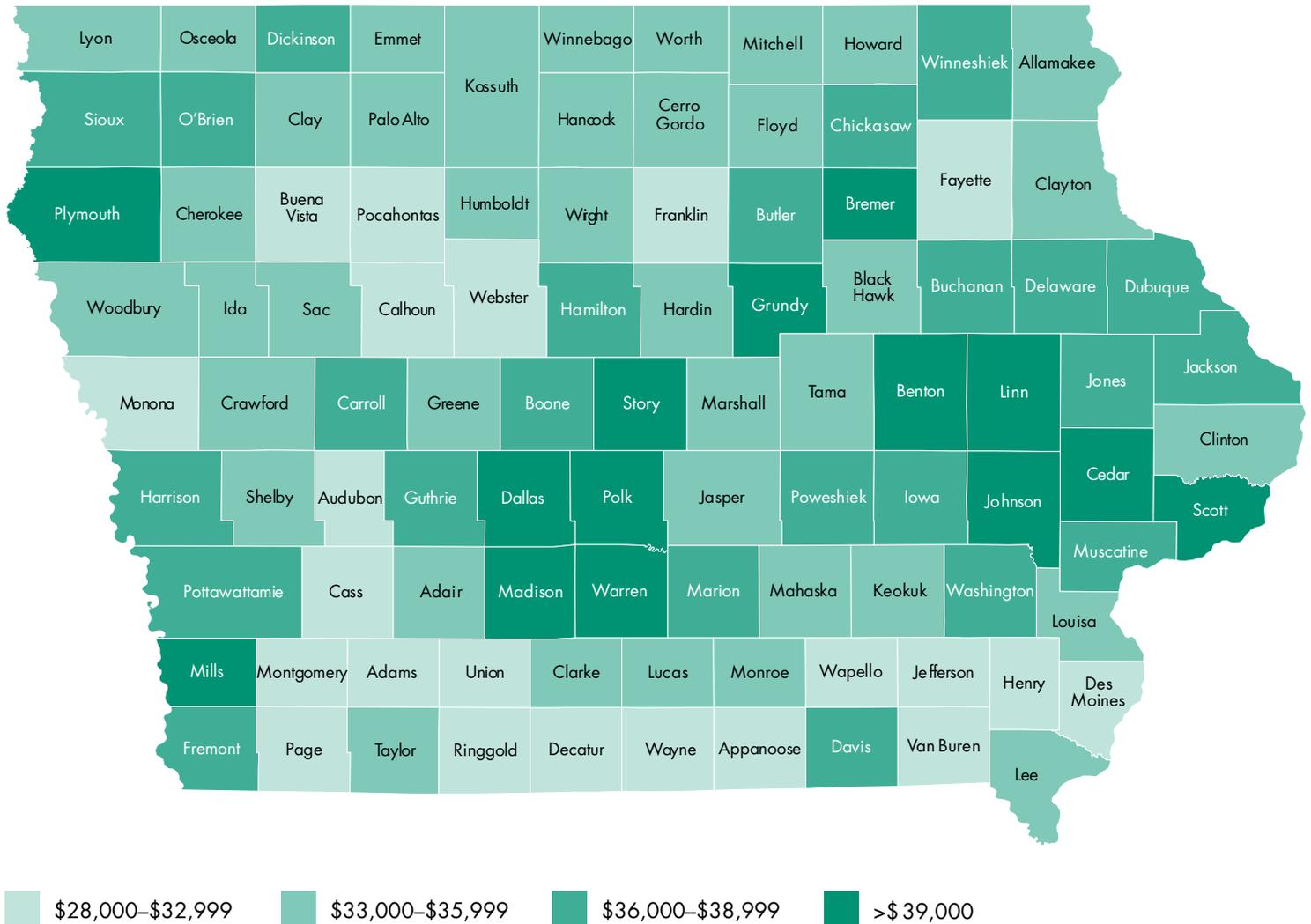
Figure 2. Percentage of Residents with an Associate’s Degree or Higher in Iowa by County



Source: U.S. Census, 2017 ACS 5-year estimates

Figure 3 shows the median earnings in Iowa by county. Higher-paying jobs tend to be located in counties with higher levels of education; counties with major cities, such as Polk, Linn, and Scott (Des Moines, Cedar Rapids, and Davenport); and counties with large universities.

Figure 3. Median Earnings in Iowa by County



Source: U.S. Census, 2017 ACS 5-year estimates

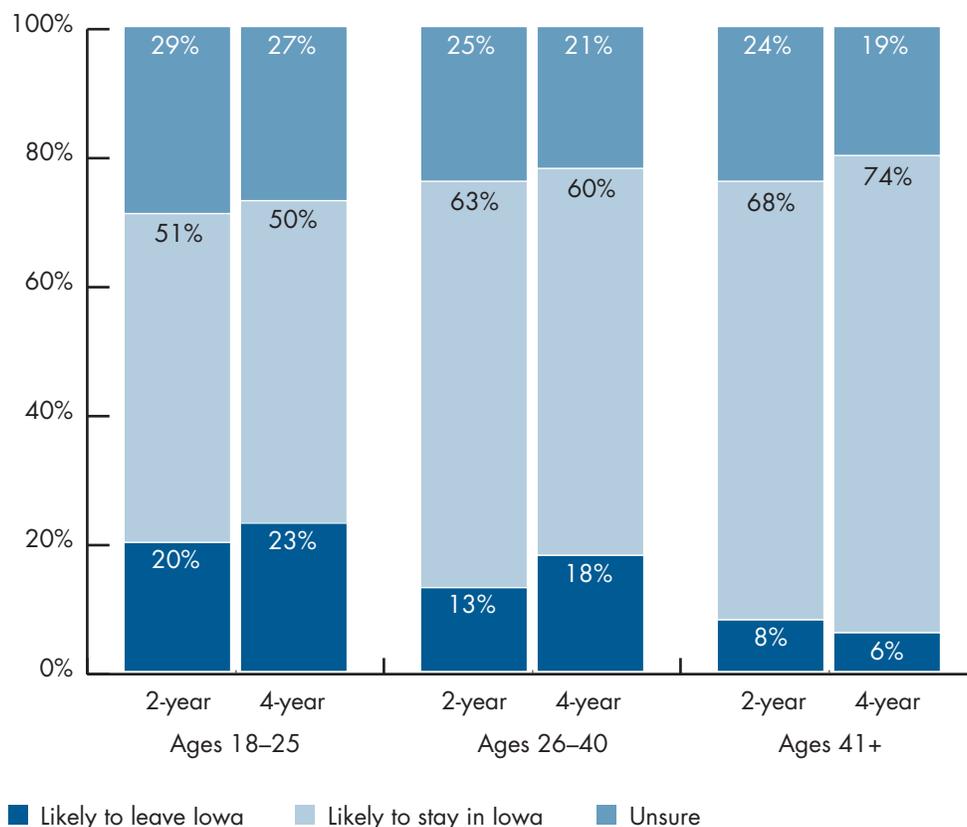
## THE FUTURE READY IOWA GOAL

College attainment, from trade certifications to postgraduate degrees, is at the center of the Future Ready Iowa initiative. To fulfill labor force needs, it is estimated that 68 percent of the Iowa workforce aged 25 to 64 will need a credential of some kind by 2025 (Georgetown University Center on Education and the Workforce, 2015). To meet this need, Iowa’s goal is for 70 percent of the workforce to have some type of postsecondary education by that time.

This goal requires both individuals with postsecondary education staying in Iowa and college-educated non-residents relocating to our state. In 2017, about 50 percent of Iowans aged 18 to 25 who were enrolled in two-year institutions planned to stay in Iowa, while 20 percent planned to leave (see Figure 4). Almost 1 in 3 were unsure about their location preference.

About half of 18- to 25-year-old Iowa residents enrolled at four-year institutions indicated that they were likely to stay in Iowa. About a quarter planned to leave, and another quarter were unsure. As age increases, students at four-year institutions become more likely to stay in Iowa and less likely to indicate that they plan to leave. Of Iowa students enrolled at four-year institutions, about 1 in 4 were unsure of their future location and could potentially be incentivized to stay in the state. If Iowa incentivized additional residents to stay in the state, Future Ready Iowa goals would be easier to achieve as we would not be losing educated and employable individuals to other states.

Figure 4. Iowa Resident Location Preferences by Institution Type

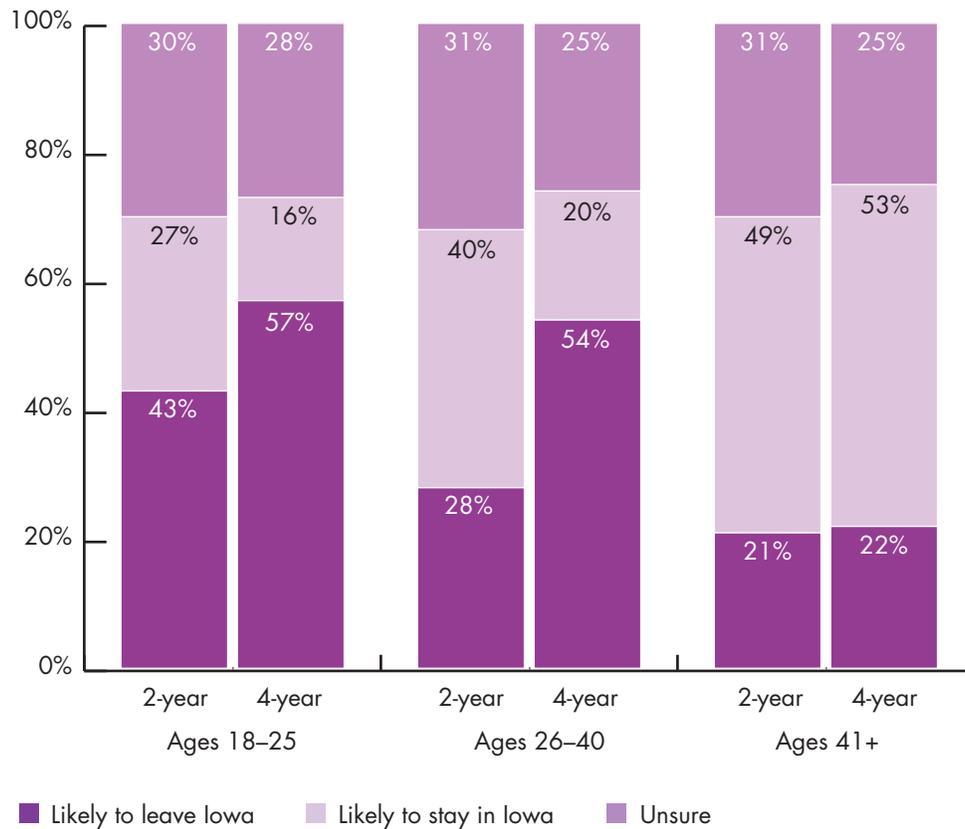


Source: Iowa Workforce Development

Out-of-state students enrolled at two-year institutions were much less likely to indicate that they plan to stay in the state (see Figure 5). Of 18- to 25-year-olds and 26- to 40-year-olds, 43 percent and 28 percent, respectively, indicated they were likely to leave. Regardless of age, about 30 percent of out-of-state residents enrolled at two-year institutions indicated that they were unsure about their location plans after graduating.

Out-of-state students at four-year institutions were much more likely to indicate that they plan to leave Iowa. Over 50 percent of 18- to 25-year-olds and 26- to 40-year-olds said they plan to leave the state. However, about a quarter of each age group were unsure of their location plans. If Iowa enacted policies to incentivize out-of-state students to stay in Iowa, such as broad student loan forgiveness, these students might stay in the state to help us reach our Future Ready Iowa goals.

Figure 5. Out-of-State Resident Location Preferences by Institution Type



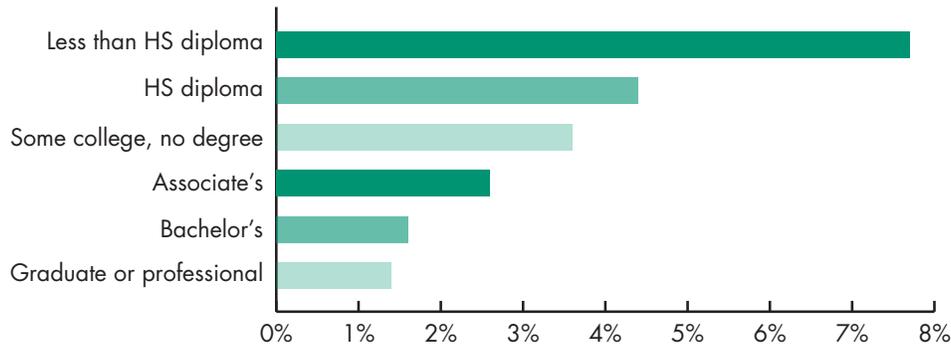
Source: Iowa Workforce Development

# BENEFITS OF HIGHER EDUCATION

## Employment Benefits

Iowa has one of the lowest unemployment rates in the United States. For 2018, the rate was 2.6 percent, 1.4 percentage points lower than the national average. However, across education levels, there were important differences. As Figure 6 demonstrates, the unemployment rate for Iowa residents with only a high school diploma was 4.5 percent, while it was 2.6 and 1.6 percent for those with an associate's or bachelor's degree, respectively. Those Iowans with less than a high school diploma were 4 times more likely to be unemployed than bachelor's degree recipients.

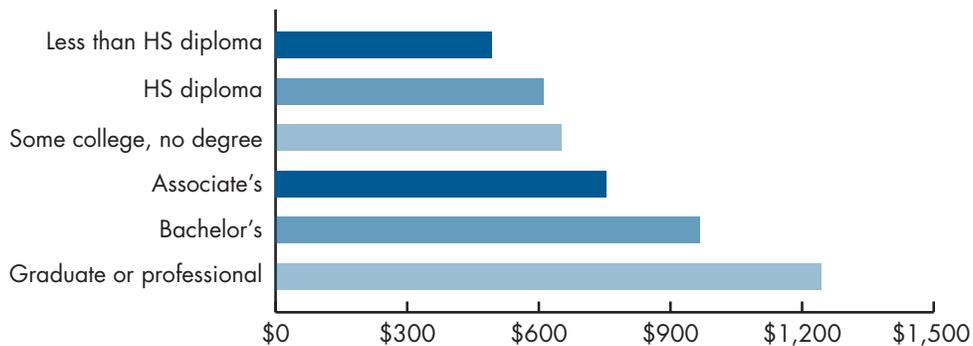
Figure 6. Unemployment Rates in Iowa



Sample consists of Iowans between the ages of 25 and 64.  
Source: U.S. Census, 2017 ACS 5-year estimates

Iowans who go to college also earn more. Figure 7 shows that median weekly earnings for Iowans with an associate's degree were \$139, or 23 percent, higher than for high school graduates. For bachelor's degree recipients, earnings were \$355, or 58 percent, higher than high school graduates and almost twice as much as individuals with less than a high school diploma.

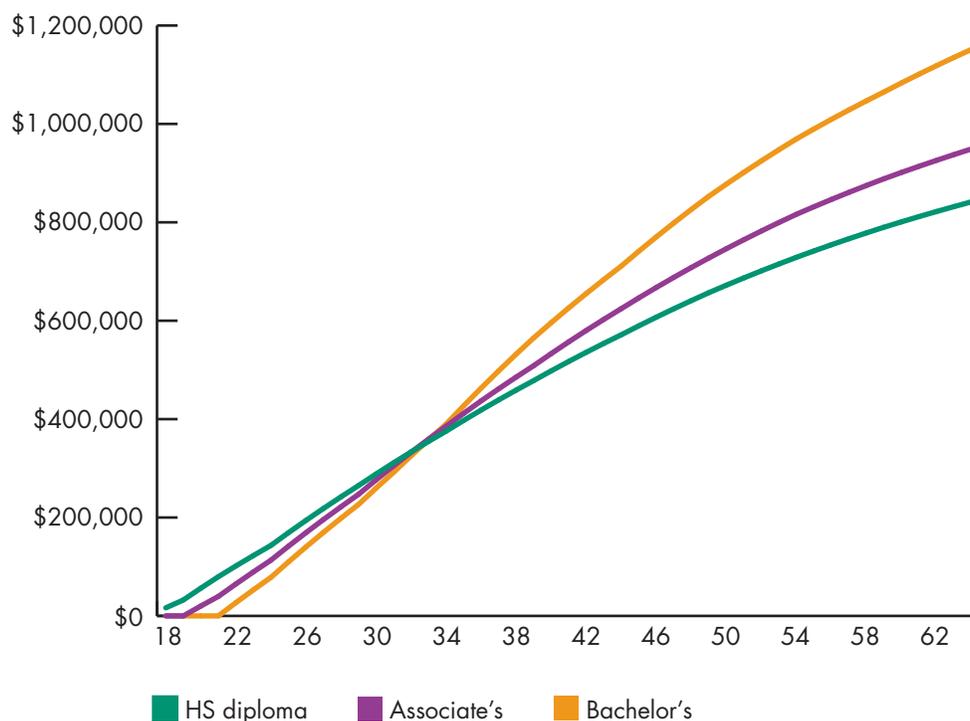
Figure 7. Median Weekly Earnings in Iowa



Sample consists of Iowans who are in the labor force between the ages of 25 and 64.  
Source: U.S. Census, 2017 ACS 5-year estimates

Despite growing concern about student debt, evidence suggests a high return on investment in higher education. Figure 8 displays cumulative full-time earnings, accounting for both forgone earnings and student loan payments over a 10-year period (Iowa College Aid, 2018). Iowans who enroll at age 18 and graduate from a four-year or two-year institution can expect their cumulative earnings to surpass a high school graduate’s cumulative earnings by their early 30s.

Figure 8. Cumulative Earnings Net of Forgone Earnings and Student Loan Repayment in Iowa



Adapted from College Board’s (2016) Education Pays. Figure uses median earnings for Iowans who are employed full-time for the full year and excludes individuals who earned graduate or professional degrees. Student loan payments are calculated on a 10-year repayment schedule with a 5% interest rate. Earnings and loan payments are discounted at a 3% annual rate beginning at age 18. Sources: U.S. Census, 2017 ACS 5-year estimates; Iowa College Aid, 2018 Annual Survey of Financial Aid

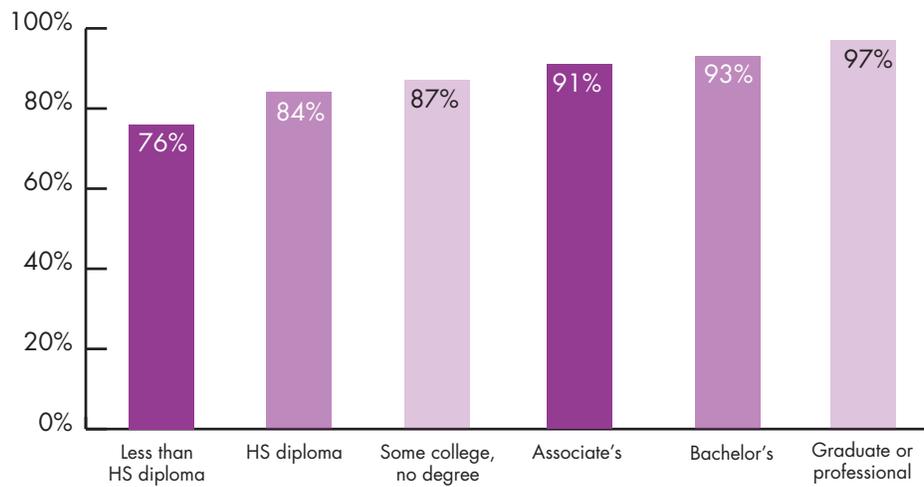
Beyond earnings, employment brings a wide range of benefits such as health insurance and employer-provided retirement programs. Among individuals in the Iowa labor force with a high school diploma, 71 percent had health coverage through their employer. Among individuals with an associate’s degree or higher, the share increased to over 80 percent (U.S. Census, 2017).

Iowans with a postsecondary degree were also more likely to invest and to see a return on investments. The average annual income from assets (such as interest income and dividends) was roughly 1.4 times greater for Iowans with an associate’s degree and over 2 times greater for bachelor’s degree recipients than for high school graduates without a college degree (U.S. Census, 2017).

## Individual Benefits

One measurable indicator of private social benefits is individual health (see Figure 9). Among Iowans who never attended college, less than 85 percent self-reported their health as good, very good, or excellent, compared to 87 percent for some college but no degree, 91 percent for associate’s degrees, 93 percent for bachelor’s degrees, and 97 percent for graduate or professional degrees.

Figure 9. Share of Iowans Reporting Health as Good, Very Good, or Excellent



Sample consists of Iowans who are 25 years of age and older.  
 Source: BLS, 2015, 2016, 2017 & 2018 Annual Social and Economic Supplement

Attending college is also correlated with more hobbies and leisure-related activities. As Table 1 demonstrates, college-educated Iowans read books (outside work or school), attended movies, and visited historical sites or museums more frequently than high school graduates or those with less than a high school degree.

Table 1. Participation in Hobby and Leisure Activities

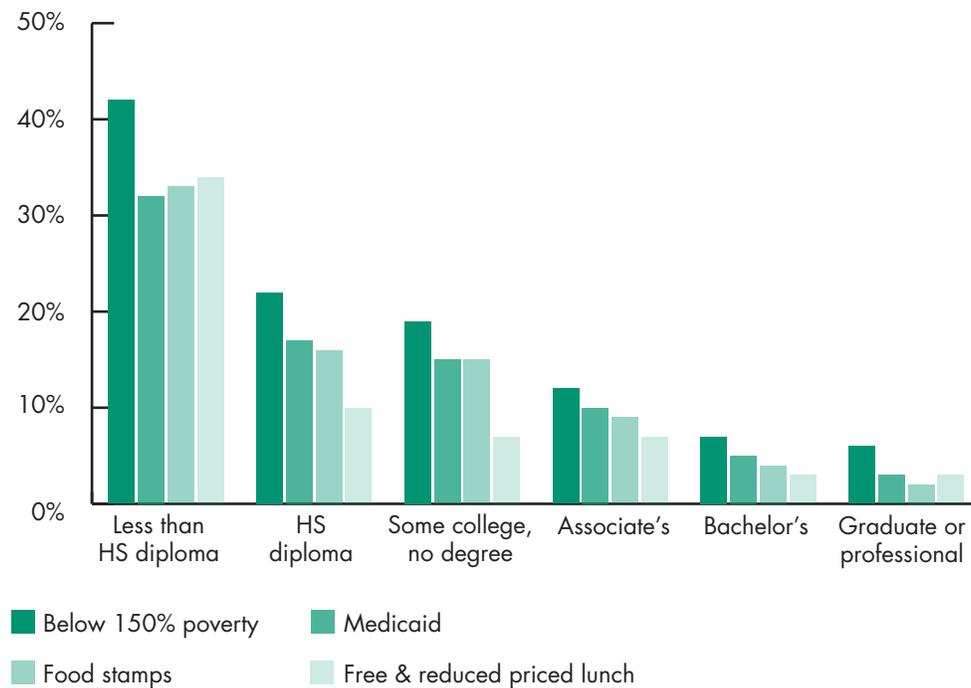
	Less than HS diploma	HS diploma	Some college, no degree	College graduate
Read books	19%	33%	46%	61%
Visited historical sites or museums	9%	20%	28%	42%
Went to the movies	23%	44%	60%	69%

Sample consists of Iowans who are 25 years of age and older. College graduates consist of Iowans whose highest education level is either an associate’s, bachelor’s, or graduate/professional degree.  
 Source: BLS, 2012, 2013, and 2015 Public Arts Supplement

## Public Benefits

A skilled workforce and educated citizenry place fewer demands on government-sponsored, tax-funded programs. As presented in Figure 10, Iowans with higher education attainment levels were less likely to live in poverty. Among Iowans 25 to 64 years old, 42 percent of those who did not graduate from high school and 22 percent of high school graduates were below the 150 percent poverty line, compared to 7 percent with a bachelor's degree.

Figure 10. Share of Iowans Below Poverty Threshold and Use of Public Social Welfare Programs



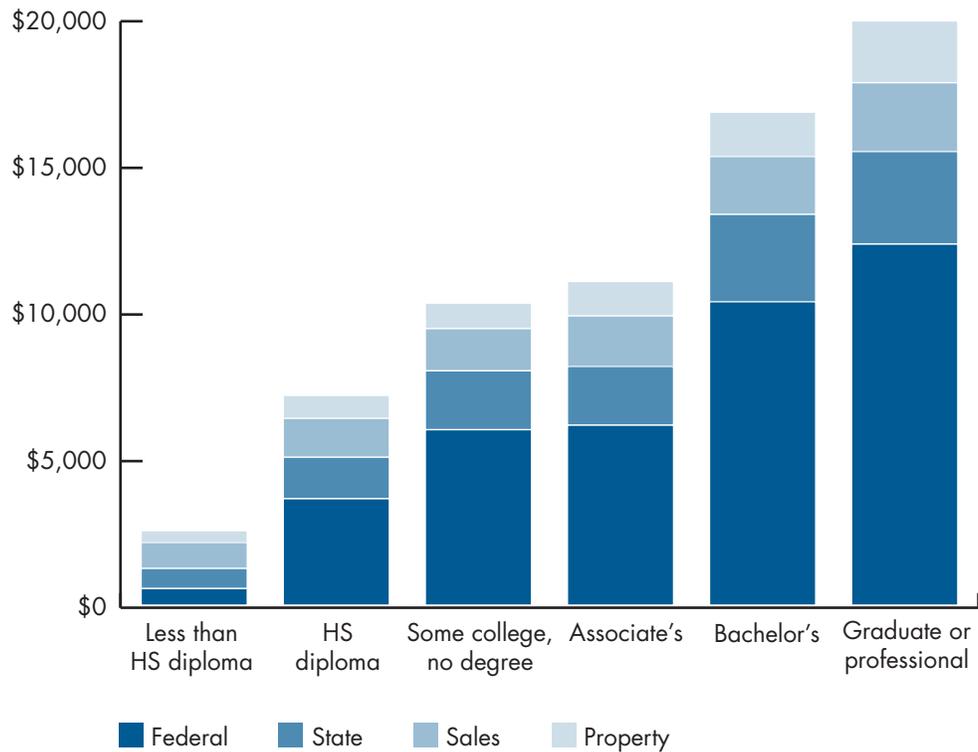
Sample consists of Iowans between the ages of 25 and 64.

Sources: U.S. Census, 2017 ACS 5-year estimates; BLS, 2015, 2016, 2017 & 2018 Annual Social and Economic Supplement

There is a similar negative correlation between education and use of public assistance programs. Figure 10 further demonstrates that Iowans with a high school diploma or less were more likely to use Medicaid, food stamps, and free and reduced priced lunch programs. For example, roughly 17 percent of high school graduates had health insurance through the Medicaid program. In comparison, 10 percent of associate's degree holders and 5 percent of bachelor's degree recipients participated in Medicaid. Given that health problems decline with college attainment (see Figure 9), Medicaid costs should decrease as education level increases.

In Figure 7, we demonstrated that college-educated individuals earn more. With the increase in earnings, educated workers contribute more to local, state, and federal taxes. The average taxes paid for 2017 are displayed in Figure 11. An Iowan whose highest educational attainment is a high school diploma paid an average of roughly \$7,000 in total taxes. Those with some college but no degree paid about \$3,000 more. The average total tax amount was approximately \$11,000 for associate degrees and almost \$17,000 for bachelor's degrees.

Figure 11. Estimated Taxes Paid by Iowans

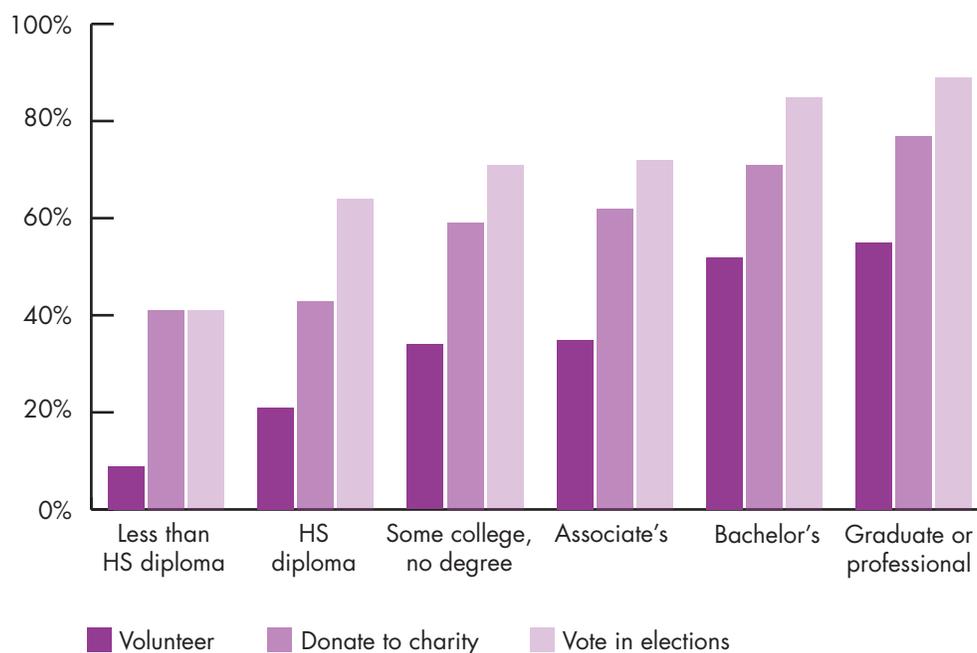


Sample consists of Iowans between the ages of 25 and 64.  
 Source: U.S. Census, 2017 ACS 5-year estimates; Wiehe, et al. (2018)

College-educated individuals are more engaged in their communities. The first column in Figure 12 on the next page displays the share of Iowans who reported having volunteered within the past year. The share increased from just over 21 percent for high school graduates to 35 percent for those with an associate's degree to 52 percent for those with a bachelor's degree.

Figure 12 further inspects Iowans' community engagement through their likelihood to donate to a charity or religious organization. A little over 40 percent of high school graduates without a college degree reported making a donation. The rate was 59 percent for Iowans with some college, no degree; 62 percent for an associate's; and 71 percent for a bachelor's.

Figure 12. Share of Iowans Volunteering, Donating to Charity, and Voting



Sample consists of Iowans who are 25 years of age and older.  
 Sources: BLS, 2013, 2014, and 2015 Volunteer Supplement; BLS, 2012, 2014, and 2016 Voting Supplement.

A thriving democratic society relies on citizens' political participation. During the 2012, 2014, and 2016 November elections, voting was strongly associated with educational attainment. About 65 percent of high school graduates without a college education reported having voted. In comparison, the rate was 71 percent for Iowans with some college, no degree; 72 percent for an associate's; and 85 percent for a bachelor's (Bureau of Labor Statistics).



# CHAPTER 2 COLLEGE READINESS

In this chapter, we highlight **key indicators** of college readiness in Iowa. These metrics track whether high school students are **academically prepared** for college.

**91%**

of high school freshmen in Iowa graduate in four years

**66%**

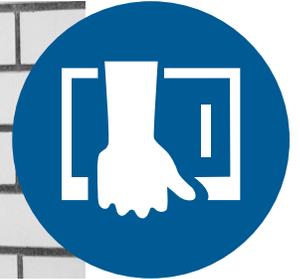
of 2019 high school graduates in Iowa took the ACT

**33%**

of ACT test takers met readiness benchmarks in all four subjects

**65%**

of Iowa high school students went directly to college in 2017-18



## HIGH SCHOOL GRADUATION RATES

In 2016-17, Iowa remained first in the nation in high school graduation rates, based on the proportion of ninth-graders who earned a high school diploma within four years. However, compared to 2014-15, Iowa moved down for several race/ethnicity groups and other subgroups, as shown in Table 1. Specifically, Iowa moved down six spots for Hispanics, Asian/Pacific Islanders, economically disadvantaged students, and students with disabilities.

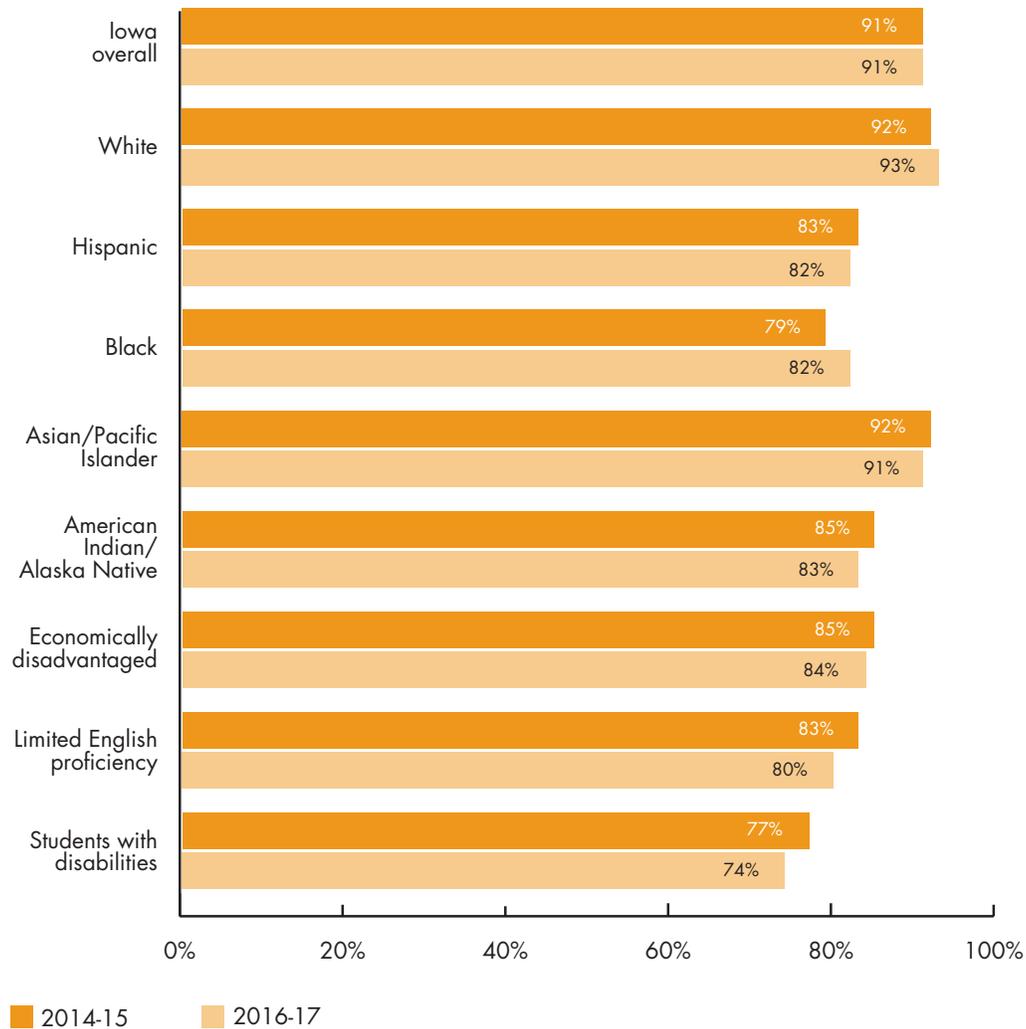
Table 1. Iowa High School Graduation National Rankings

Student group	2014-15 rank	2016-17 rank
Iowa overall	1st	1st
White	6th (tie)	4th (tie)
Hispanic	6th (tie)	12th
Black	14th (tie)	13th
Asian/Pacific Islander	15th (tie)	21st (tie)
American Indian/Alaska Native	7th (tie)	9th (tie)
Economically disadvantaged	2nd	8th
Limited English proficiency	3rd	4th
Students with disabilities	5th	11th

Sources: National Center for Education Statistics Digest 2018 Table 2918.46; Iowa College Aid calculation

From 2014-2015 to 2016-2017, Iowa’s overall high school graduation rate stayed the same at approximately 91 percent. During this time period, the high school graduation rate for white and Black students increased, while all other groups declined.

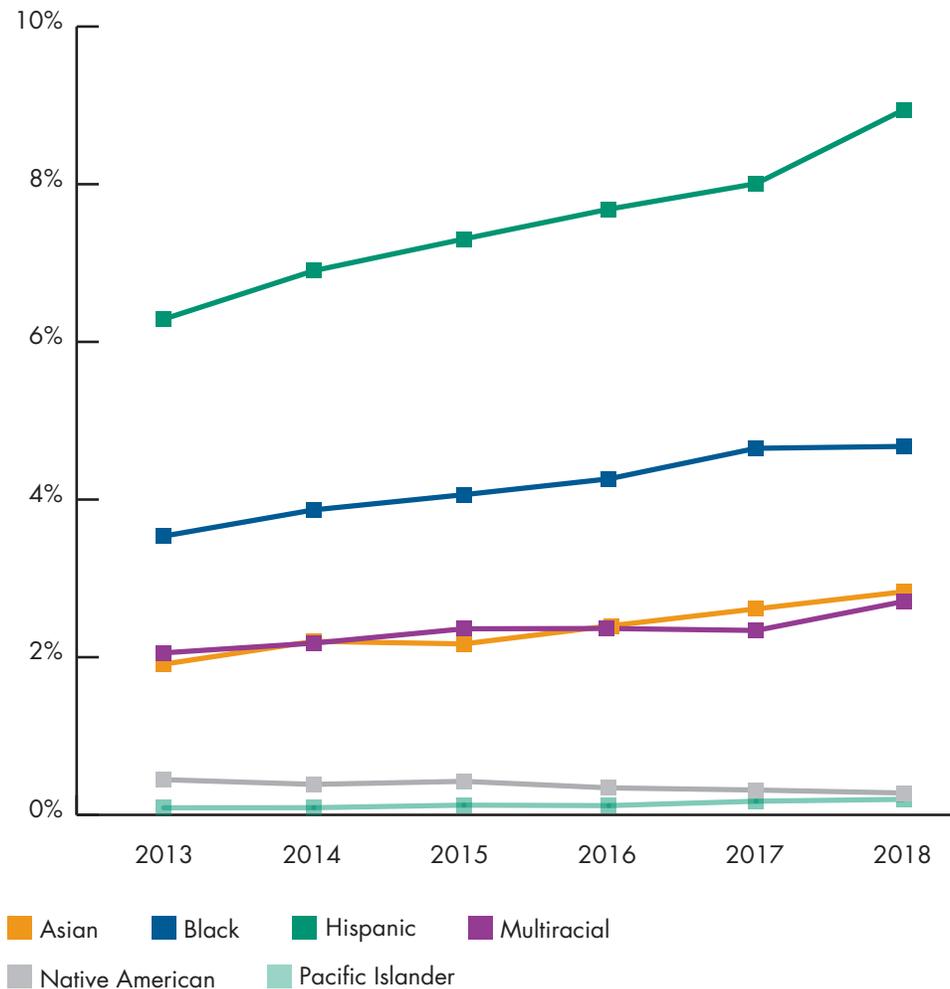
Figure 1. Iowa High School Graduation Rates



Sources: National Center for Education Statistics Digest 2018 Table 2918.46

The demographics of Iowa’s high school graduates have changed over time. Figure 2 on the next page shows that the proportions of Asian, Black, Hispanic, and multiracial students have increased, while the proportion of white students has declined. These changing demographics could affect Iowa’s college-going rates as student groups with lower college-going rates increase in proportion while white students decrease.

Figure 2. Minority Students as a Percentage of Iowa High School Graduates



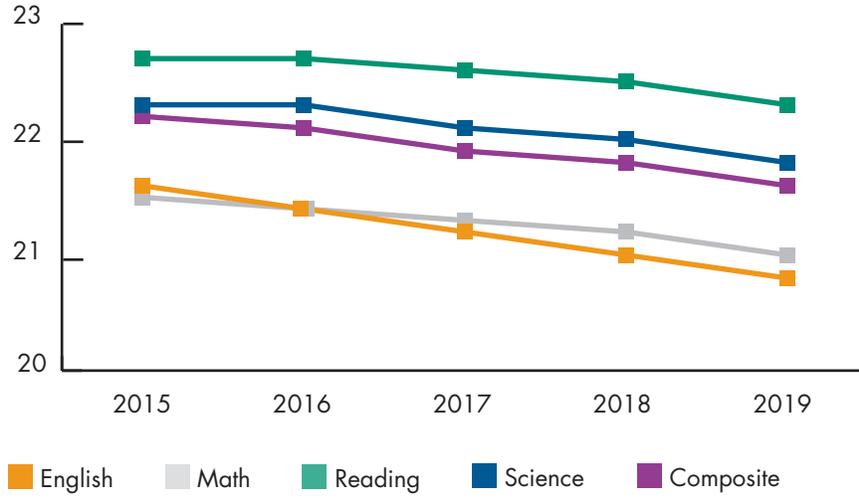
Source: Iowa Department of Education, Bureau of Information and Analysis, Student Reporting in Iowa (SRI) Files

## ACT BENCHMARKS

The number of students completing the ACT rose and fell between 2015 and 2019, with 2019 numbers approximately equal to 2015. In 2019, 66 percent of Iowa high school graduates took the ACT, a decrease from the three previous years when 68 percent took the test. While Iowa’s average composite score in 2019 was 21.6, tied for first in the nation, Figure 3 shows that all average subscores fell between 2015 and 2019, which led to an approximate half-point decline in average composite score. Figure 4 shows that the percentage of students meeting ACT College Readiness Benchmarks declined for all four subjects from 2015 to 2019. The percent of students meeting three or more benchmarks declined 4 percentage points (48 percent to 44 percent) from 2015 to 2019. Figure 5 on page 20 shows the breakdown of students who met benchmarks by race/ethnicity. Of black students who took the ACT, 12 percent met three or more benchmarks, compared to 50 percent of Asian and white students. These metrics suggest that, on average, current Iowa high school graduates are less prepared for college than previous high school graduates.

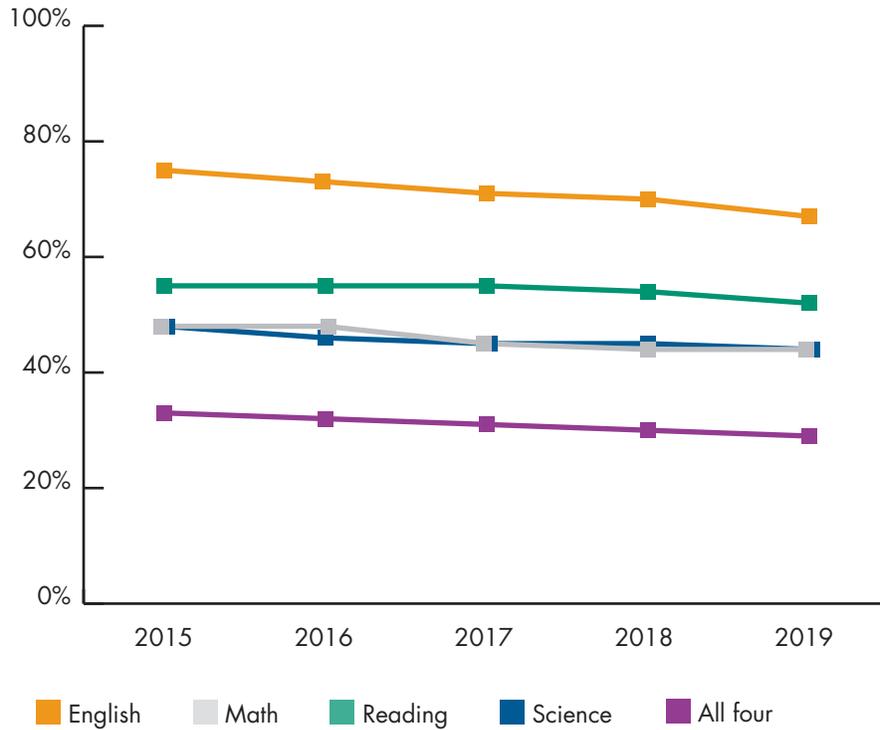
\* ACT calculates benchmarks based on the scores that correlate to a student’s chance of success in college-level courses in that subject area.

Figure 3. Average ACT Scores in Iowa



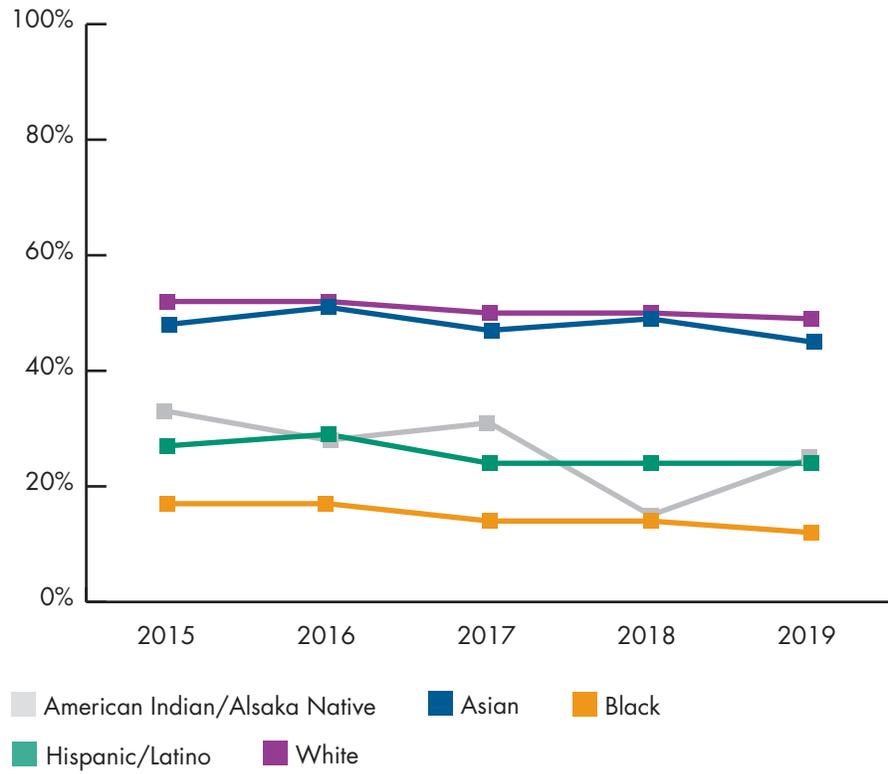
Source: The Condition of College and Career Readiness 2019: Iowa State Briefing, ACT

Figure 4. Percentage of Students Who Met College Readiness Benchmarks



Source: The Condition of College and Career Readiness 2019: Iowa State Briefing, ACT

Figure 5. Percentage of Students Who Met Three or More Benchmarks by Race/Ethnicity



Source: The Condition of College and Career Readiness 2019: Iowa State Briefing, ACT

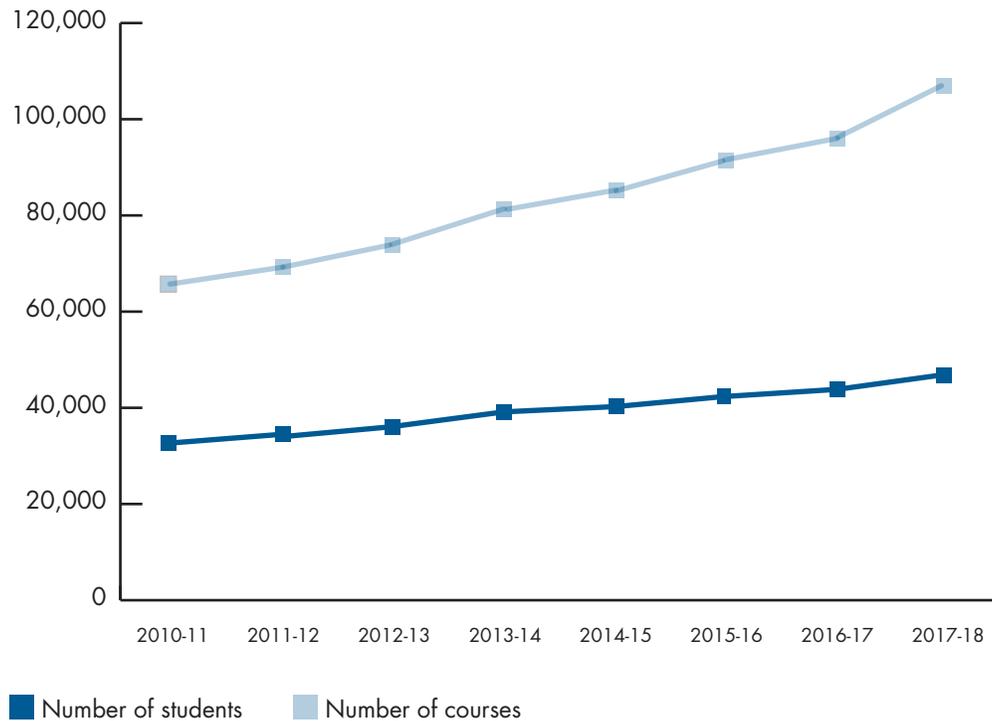


## CONCURRENT ENROLLMENT

Figure 6 shows the number of high school students taking college-level courses and the number of courses taken, as reported by the high schools. Since the 2010-11 academic year, the number of high school students taking college-level courses has increased from about 33,000 to 47,000, a 43 percent increase. The number of courses has increased from roughly 66,000 to 107,000, a 63 percent increase.

In 2010-11, high school students who enrolled in college-level courses took about two courses. By 2017-18, that average increased to approximately 2.25 courses (Iowa Department of Education, 2019).\*

Figure 6. Iowa High Schoolers in College-Level Courses



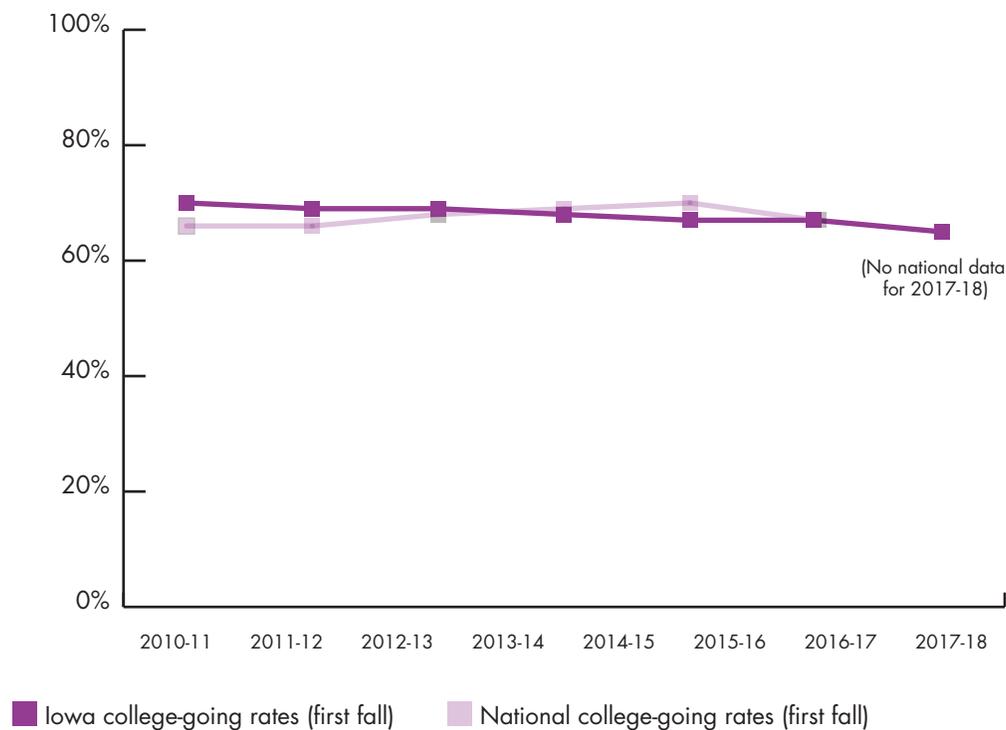
Source: The Annual Condition of Education Report: 2019, Iowa Department of Education

\* Note that these data come from the Iowa Department of Education Annual Condition of Education 2019 report. There is some discrepancy on concurrent enrollment figures depending on the data source.

## COLLEGE-GOING RATES

Overall, statewide college-going has declined, as shown in Figure 7. The rate at which on-time high school graduates immediately enroll in college in the following fall decreased from 70 percent in 2011-12 to 65 percent in 2017-18. Iowa's college-going rates do not follow the national trend. The national college-going rate for high school graduates enrolling immediately in college climbed from 2011-12 through 2015-16, then declined 3 percentage points in 2016-17 to match Iowa's rate.

Figure 7. College-Going Rates



Source: Postsecondary Readiness Reports, Iowa Department of Education; National Center for Education Statistics Digest Table 302.10

Figure 8 breaks down the three-year rolling average for student subgroups. Black students experienced the sharpest decline—7 percentage—points from 2011/12-13/14 to 2014/15-16/17. Students who qualify for free or reduced priced lunch also saw their college-going rate decline to less than 50 percent (48 percent in 2014/15-16/17). If the Future Ready Iowa goal (70 percent of the workforce earning a post high school credential) is to be attained, college-going gaps for minority and low-income students will likely need to be closed.

Figure 8. College-Going Rates by Subcategories

Category	Percentage of high school graduates who enrolled in college (three-year rolling average)		
	2011-12 to 2013-14	2014-15 to 2016-17	Percentage point difference
All Students	71.1	67.6	-3.5
Free and reduced price lunch	52.9	48.3	-4.6
Not free and reduced price lunch	80.8	76.0	-4.8
Asian	75.7	75.3	-0.4
Black	61.7	55.1	-6.6
Hispanic	55.9	53.7	-2.2
White/Non-Hispanic	72.8	69.8	-3.0

Sources: State of Iowa Postsecondary Readiness Reports, 2017 and 2019; Iowa Department of Education, Iowa Workforce Development, and Iowa Board of Regents



# CHAPTER 3 COLLEGE ACCESS & SUCCESS

In this chapter, we examine college access and success at institutions in Iowa. We measure access by **enrollment**, and success by **retention**, **persistence**, and **graduation** rates.

**195K**

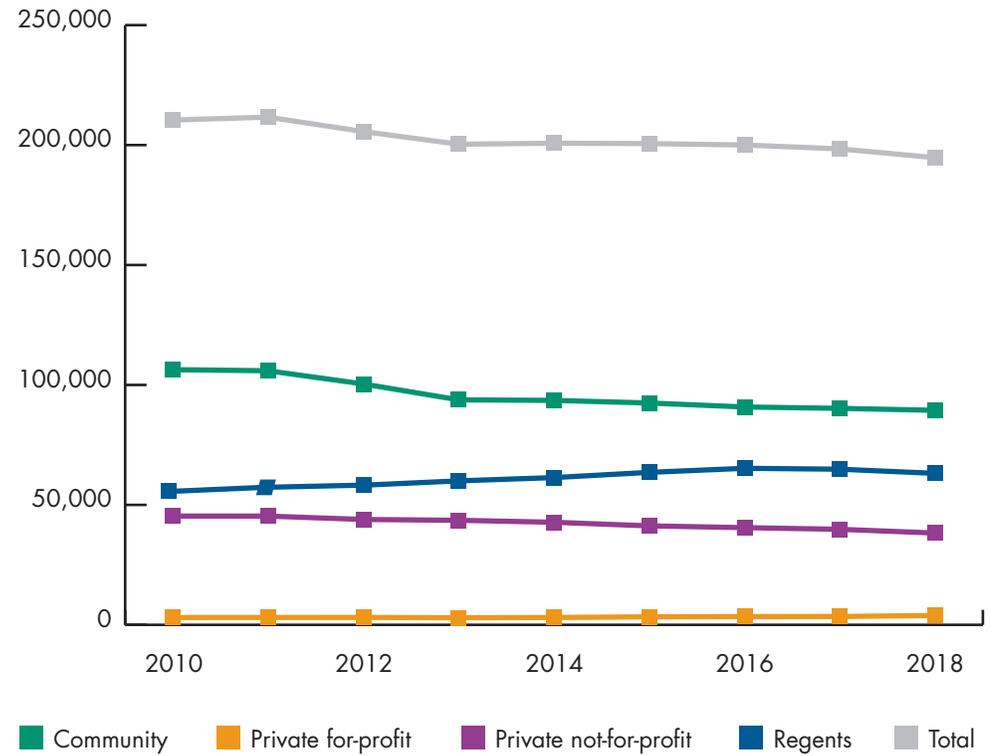
undergraduates were enrolled in Iowa colleges and universities in 2018



## COLLEGE ENROLLMENT RATES

Overall, undergraduate enrollment in Iowa has declined from approximately 210,000 total students in 2010 to about 195,000 in 2018 (a 7.5 percent decrease). Figure 1 includes only institutions that had enrollments in every year reported. In other words, institutions that closed during this time, namely several large for-profit institutions, are not included.

Figure 1. College Enrollment by Sector and Year



Source: Integrated Postsecondary Education Data System

**76%**

of Iowa college freshmen remain enrolled the following fall

**71%**

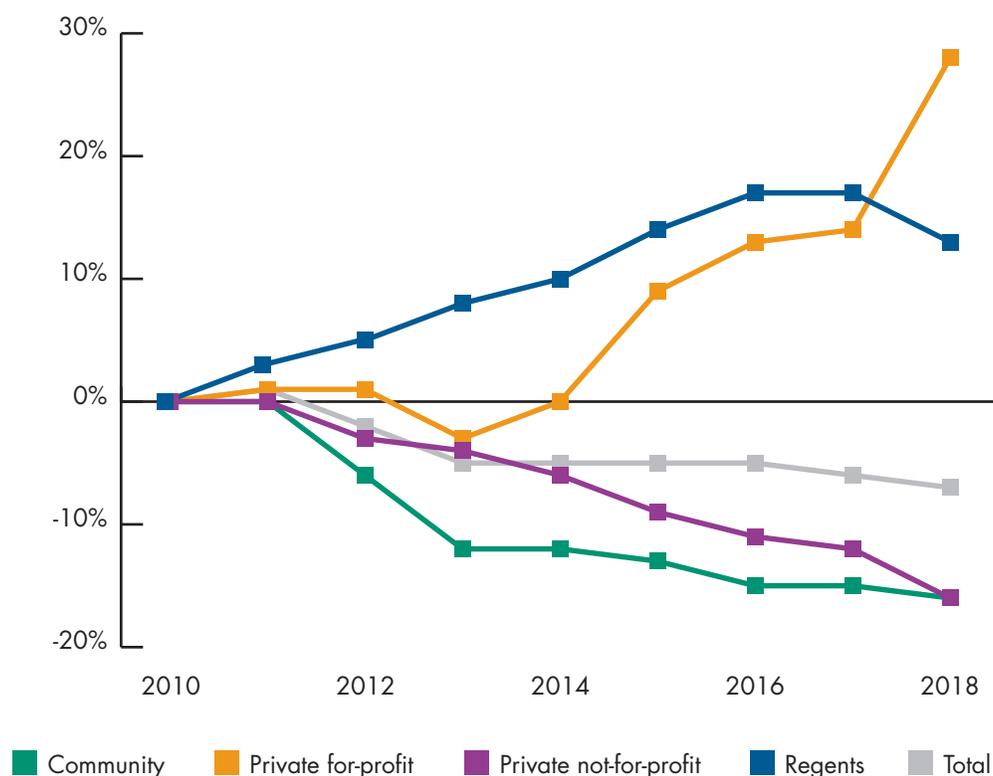
of students at Iowa Regent universities graduate within 6 years

**31%**

of students at Iowa community colleges graduate within 3 years

The decline in overall undergraduate enrollment, shown in Figure 2, is driven by 16 percent decreases at both private not-for-profit institutions and community colleges. Enrollment at private not-for-profit institutions dropped from about 45,000 to 38,000, while enrollment at community colleges decreased from roughly 106,380 to 89,000. Private for-profit and Regent institutions experienced increases in enrollment during this period. Specifically, private for-profits increased from about 3,000 to 4,000 enrollments, while Regent institutions grew from 56,000 to 63,000.

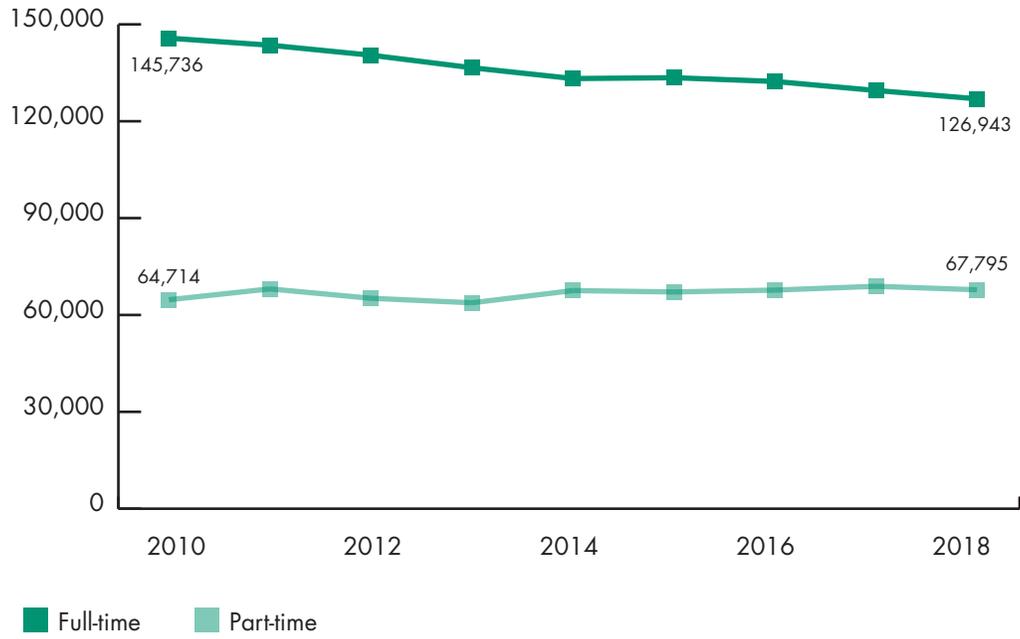
Figure 2. Change in College Enrollment by Sector and Year Relative to 2010



Source: Integrated Postsecondary Education Data System

To pinpoint where undergraduate enrollment is changing, Figure 3 on the next page examines enrollment by full- and part-time status. From 2010 to 2018, overall full-time enrollment declined from about 146,000 to 127,000, a drop of 13 percent. Part-time enrollment rose from approximately 65,000 to 68,000, an increase of about 5 percent. Given that the majority of college students in Iowa are enrolled full-time and students enrolled full-time decreased dramatically, we examine full-time enrollment in depth.

Figure 3. College Enrollment by Enrollment Status and Year



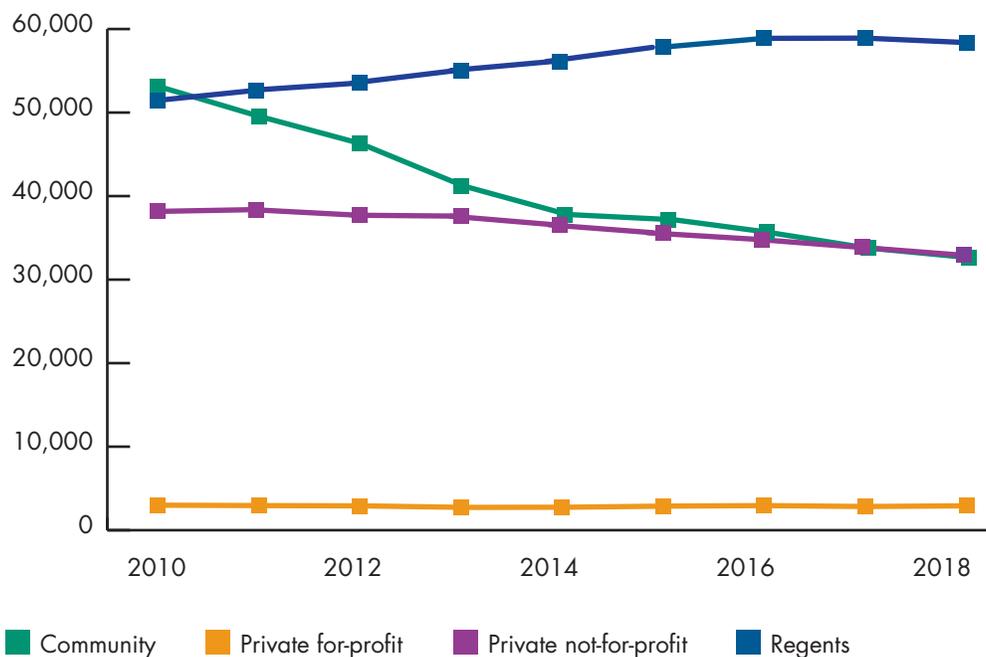
Source: Integrated Postsecondary Education Data System





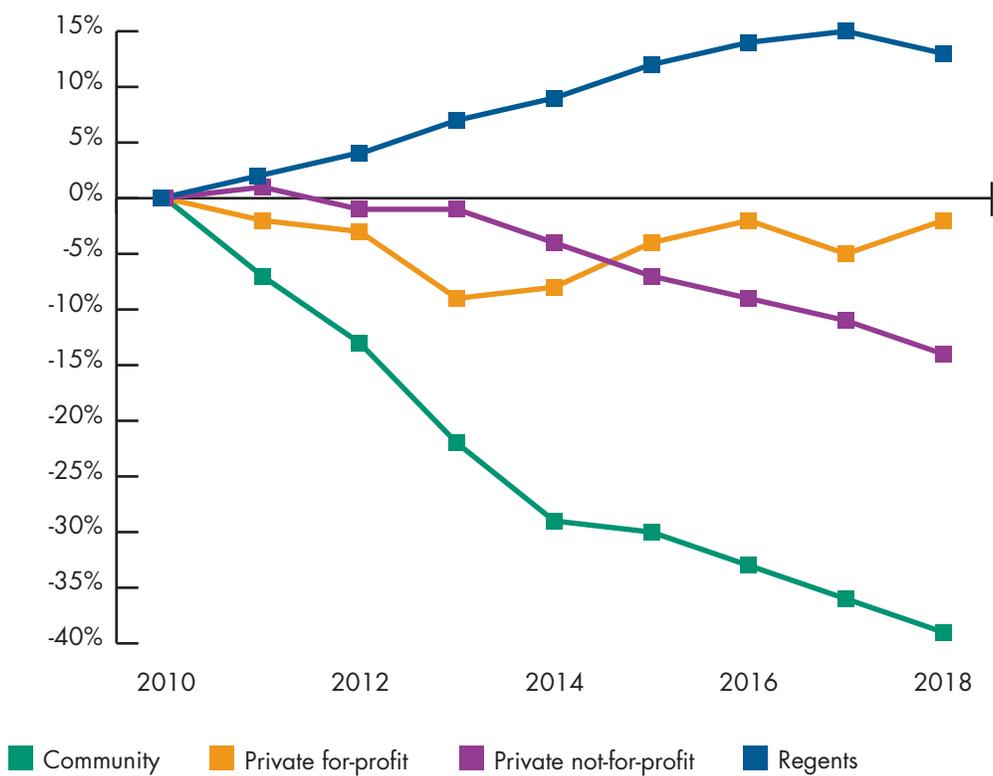
Figures 4 and 5 on this page and the next show full-time undergraduate enrollment by both yearly totals and percent change from 2010. Full-time enrollment declined most dramatically at community colleges. Specifically, about 53,000 students were enrolled full-time in 2010 at community colleges. By 2018, full-time enrollment declined to about 33,000, a 39 percent drop. Full-time enrollment also declined at private not-for-profit institutions. In 2010, full-time enrollment was about 38,000, and by 2018 that number declined to about 33,000 (a 14 percent drop). Full-time enrollment at for-profit institutions remained relatively constant at about 3,000 students. Full-time enrollment at Regent institutions climbed from about 51,000 in 2010 to 58,000 in 2018, a 13 percent increase.

Figure 4. Full-Time College Enrollment by Sector and Year



Source: Integrated Postsecondary Education Data System

Figure 5. Change in Full-Time Enrollment by Sector and Year Relative to 2010



Source: Integrated Postsecondary Education Data System

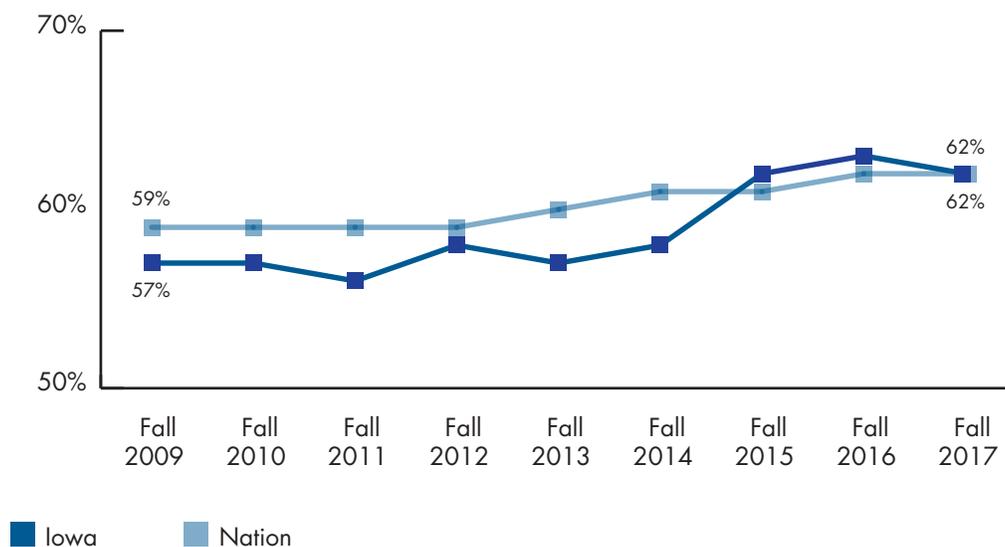




## RETENTION RATES

Retention measures whether a student stays enrolled at the same institution from the previous fall to the current fall. Figure 6 shows that overall, fall-to-fall retention at Iowa institutions for both full-time and part-time students increased from fall 2009 to fall 2017, with Iowa’s average 2017 retention rate slightly higher than the national average (62.2 percent versus 61.7 percent). The most dramatic increase was from fall 2014 to fall 2015.

Figure 6. Fall-to-Fall Retention Rate by Entering Cohort Year

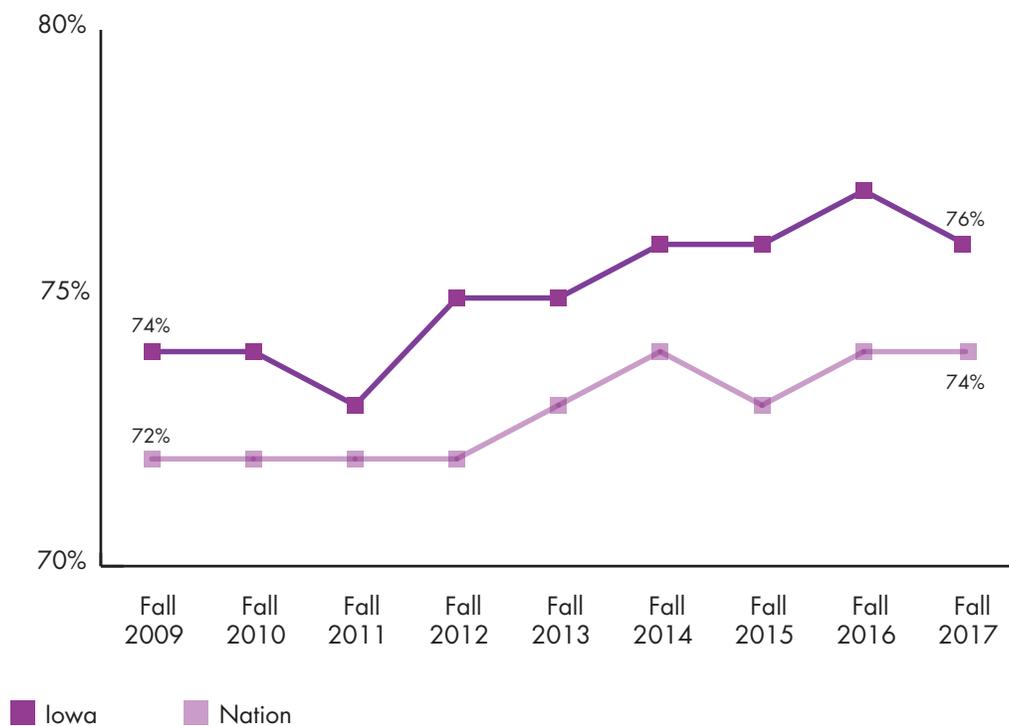


Source: National Student Clearinghouse Resource Center

## PERSISTENCE RATES

Persistence differs slightly from retention: Persistence rates show whether students remained enrolled in any postsecondary institution, regardless of where they began their enrollment. In other words, persistence rates account for students transferring between institutions. Figure 7 shows that overall, Iowa's persistence rate for both full-time and part-time students increased from 74 percent for the fall 2009 cohort to 76 percent for the fall 2017 cohort. Over the time period examined, Iowa institutions' average persistence rate was higher than the national average.

Figure 7. Fall-to-Fall Persistence Rate by Entering Cohort Year



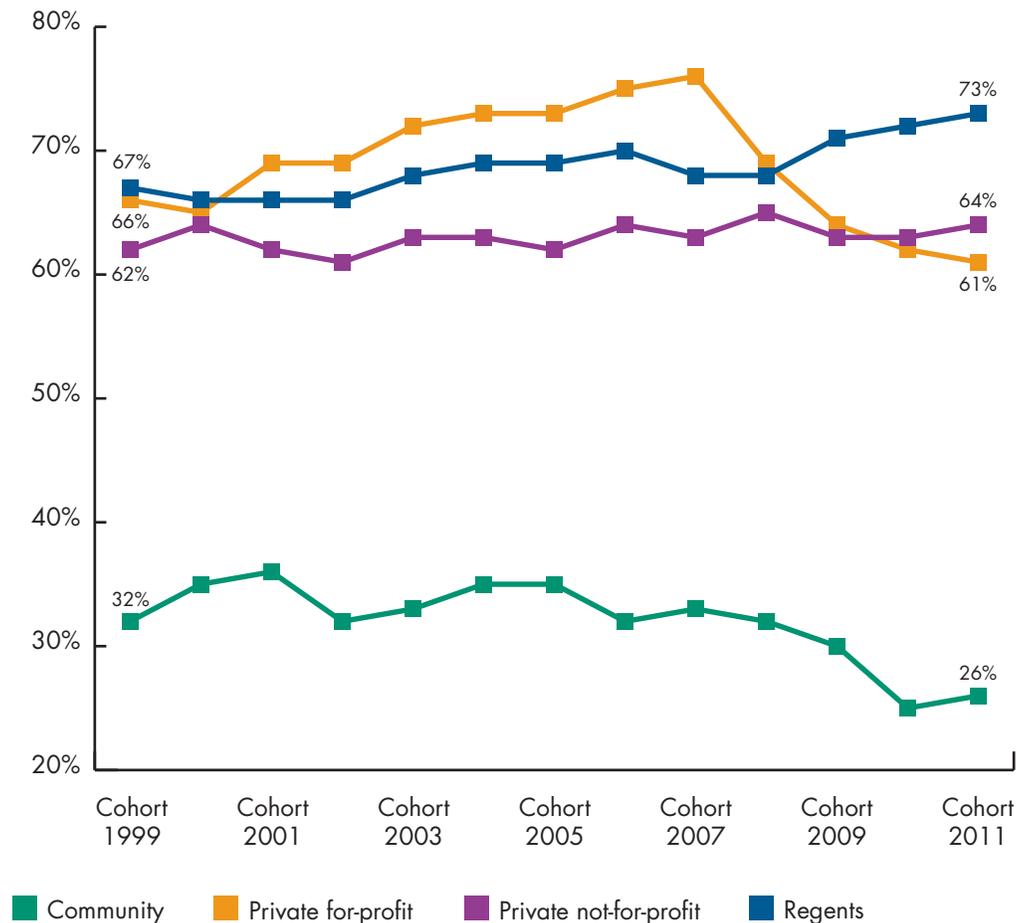
Source: National Student Clearinghouse Resource Center



## COLLEGE GRADUATION RATES

Graduation rates show the percentage of students who earned a degree within a given amount of time. Figure 8 shows 150 percent graduation rates (i.e., three years for two-year institutions and six years for four-year institutions). Overall, graduation rates by sector fluctuated from the 1999 cohort to the 2011 cohort, revealing that Regent and private not-for-profit four-year institutions increased their graduation rates, while community colleges and private for-profit institutions experienced declines during this time period. While Regent and private not-for-profit institutions have increased their graduation rates by 6 and 2 percentage points, respectively, community colleges and private for-profits have seen declines of 6 and 5 percentage points, respectively. From the 2001 through 2008 cohorts, graduation rates were highest at private for-profit institutions. Beginning with the 2009 cohort, Regent university graduation rates regained the top spot.

Figure 8. 150% Graduation Rates by Sector



Source: Integrated Postsecondary Education Data System

# CHAPTER 4 COLLEGE PRICE

In this chapter, we explore cost of attendance and net price. **Cost of attendance** is tuition (the “sticker price”) plus fees, room, and board. **Net price** is actual cost after financial aid.

---

## \$42K

is the average cost of attendance at private not-for-profit colleges and universities in Iowa

## \$18K

is the average cost of attendance at Regent universities in Iowa

## \$12K

is the average cost of attendance at community colleges in Iowa

Financial aid can reduce the average price by up to

## 47%

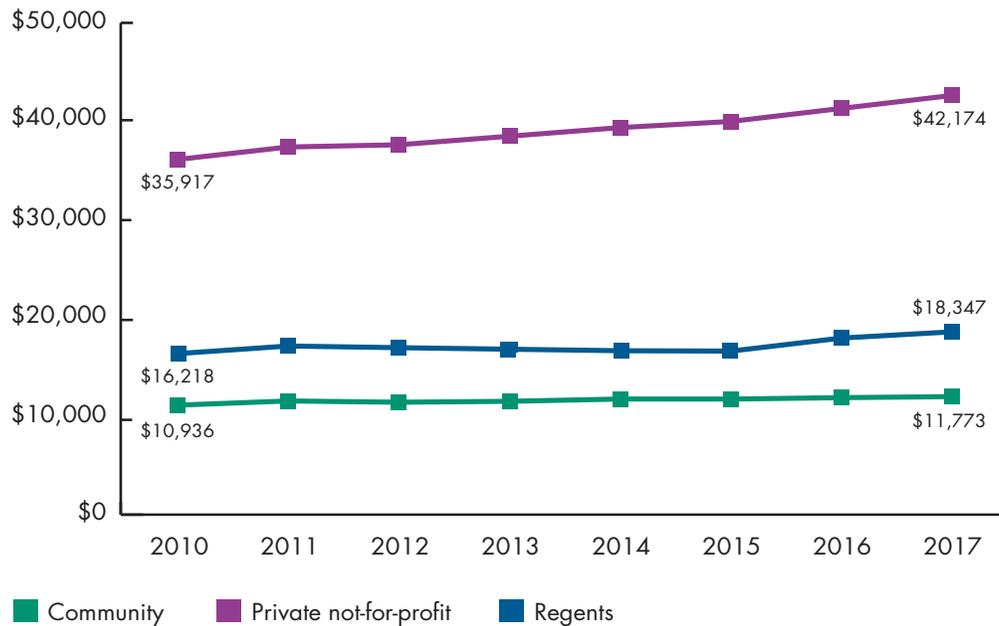




## COST OF ATTENDANCE

Figure 1 shows the average cost of attendance in Iowa: in-state tuition, required fees, room, and board. Since 2010, the cost of attendance at private not-for-profit institutions has increased from about \$36,000 to \$42,000, or 17 percent. At Regent institutions it increased from roughly \$16,000 to \$18,000, or 13 percent. Community college cost also grew, from about \$11,000 to \$12,000, or 8 percent. (Cost of attendance was not calculated for private for-profit institutions because they did not report room figures in 2010 or board figures from 2010 through 2017.)

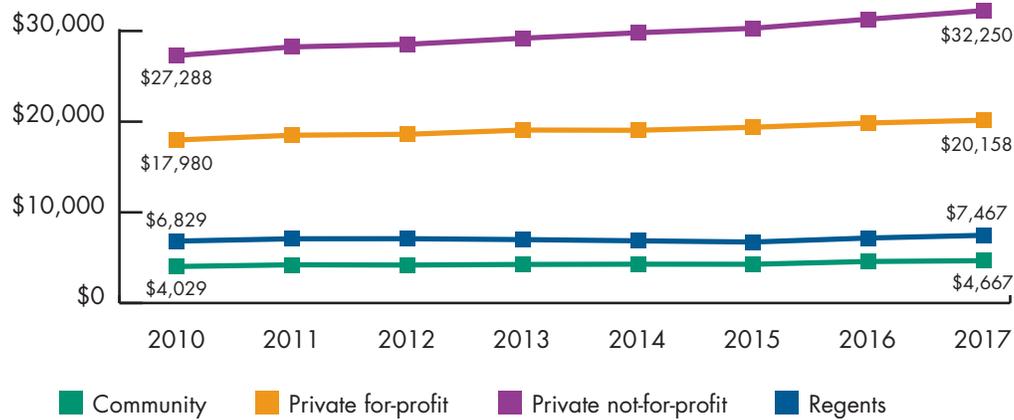
Figure 1. Average Cost of Attendance



Source: Integrated Postsecondary Education Data System  
Adjusted to 2017 dollars and weighted by undergraduate enrollment.

Figures 2, 3, and 4 break down cost of attendance by tuition, required fees, and room and board. From 2010 to 2017, private not-for-profit institutions, community colleges, and private for-profit institutions experienced double-digit increases in tuition (18 percent, 16 percent, and 12 percent, respectively), as shown in Figure 2. At the same time, Regent universities saw an increase of about 9 percent.

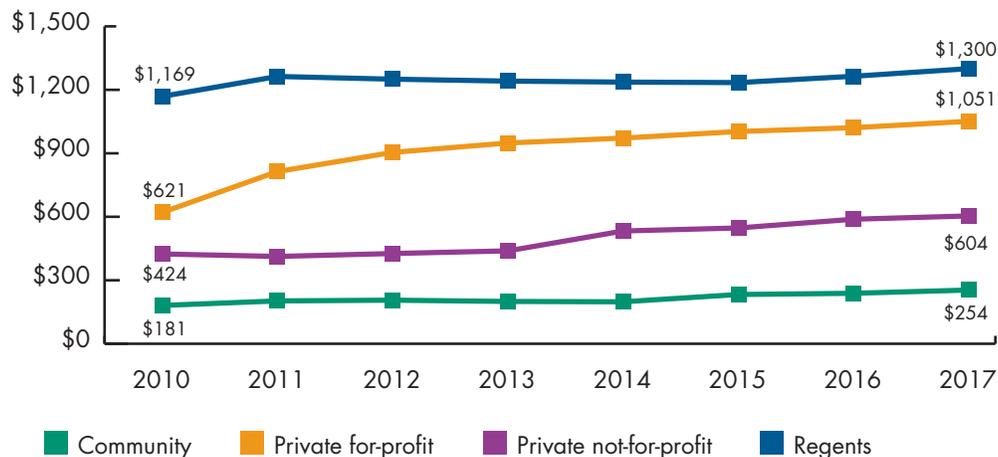
Figure 2. Average In-State Tuition



Source: Integrated Postsecondary Education Data System  
Adjusted to 2017 dollars and weighted by undergraduate enrollment.

Required fees at institutions typically cover additional experiences, such as access to sports and recreation, student government, the health center, printing, etc. Figure 3 shows that required fees vary considerably across institution types. In 2017, required fees at community colleges were about \$250, whereas they were \$1,300 at Regent institutions. From 2010 to 2017, required fees experienced large increases at all institution types. Regent institutions had the smallest increase of 11 percent, while private for-profit institutions experienced a 69 percent increase.

Figure 3. Average In-State Required Fees

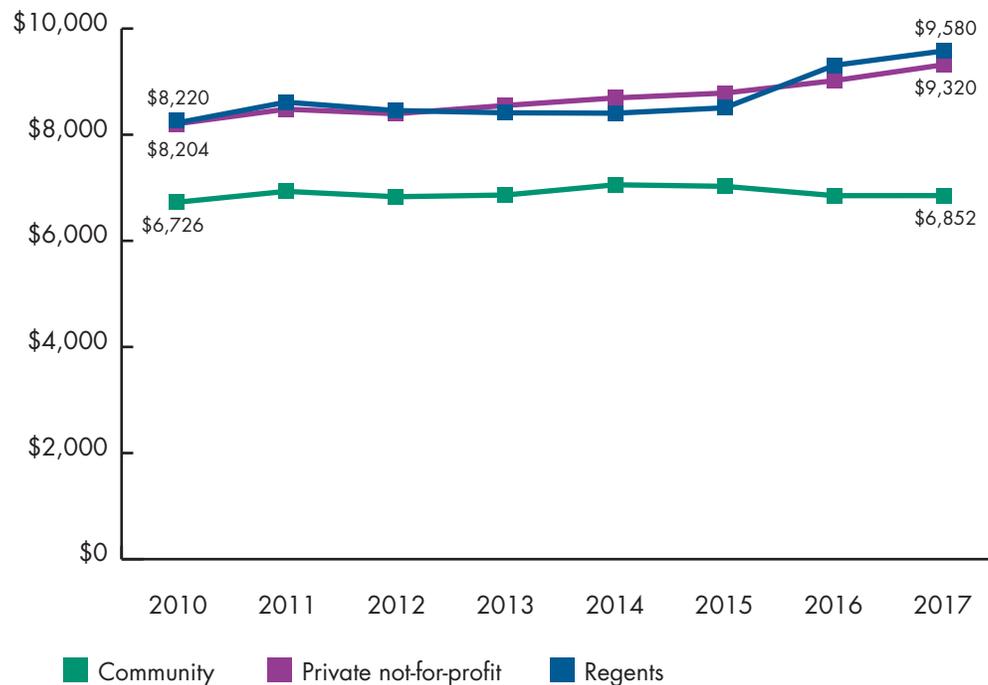


Source: Integrated Postsecondary Education Data System  
Adjusted to 2017 dollars and weighted by undergraduate enrollment.

Room expenses cover the amount it would take to provide a dorm room for a student at an institution. While some institutions require that students live on campus, most do not. In fact, community colleges typically do not provide dorm rooms. Board expenses typically cover meal plans or other lodging expenses at colleges and universities.

From 2010 to 2017 room and board at Regent universities and private not-for-profit institutions increased from about \$8,200 to about \$9,600 and \$9,300, respectively. At community colleges, room and board remained relatively flat, changing from about \$6,700 to about \$6,900. (As in Figure 1, price was not calculated for private for-profit institutions because they did not report room figures in 2010 or board figures from 2010 through 2017.)

Figure 4. Average In-State Room and Board



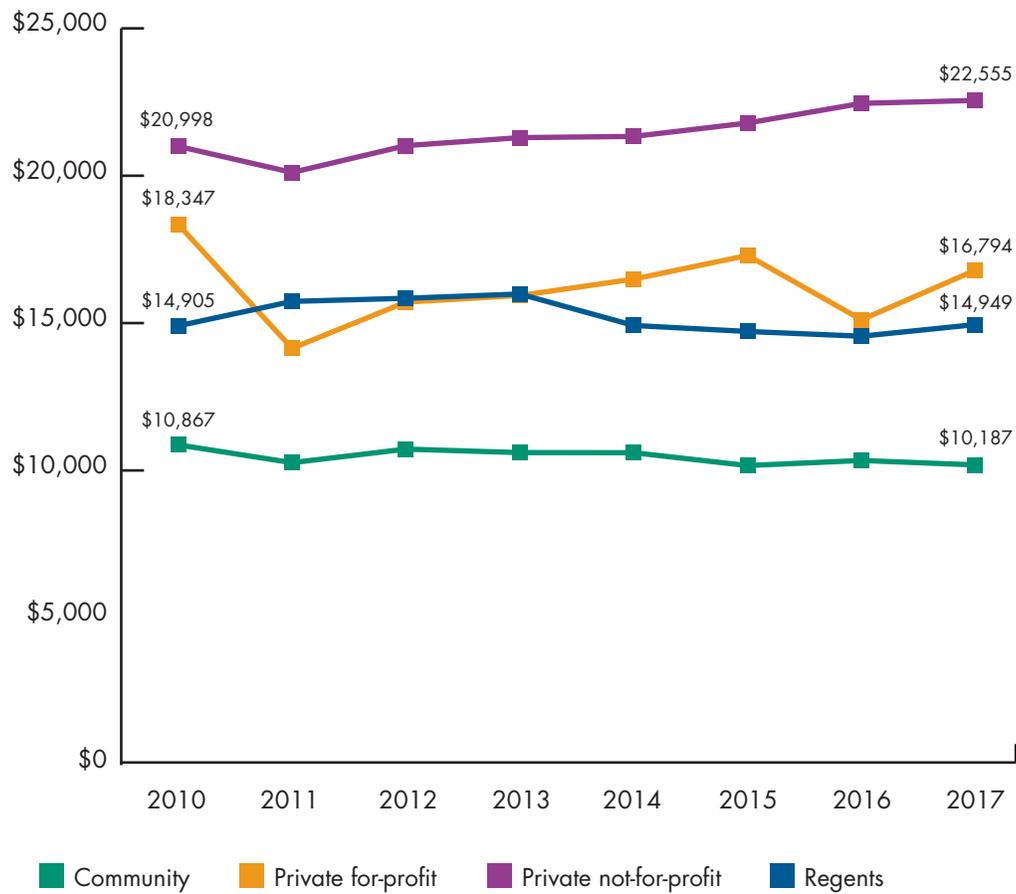
Source: Integrated Postsecondary Education Data System  
Adjusted to 2017 dollars and weighted by undergraduate enrollment.

Of these components of the cost of attendance, Regent institutions experienced the largest increase in room and board, while private not-for-profits, private for-profits, and community colleges grew their fees the most. When students are considering the price of higher education, it is important to consider all these elements of cost of attendance. However, it is also critical to understand that institutions discount these prices through financial aid. Next, we explore how net price has changed over time.

## NET PRICE

Net price is the cost of attendance minus financial aid (such as grants, scholarships, and Work-Study). Overall, the average net price for Regent, private for-profit, and community colleges has decreased since 2009, as shown in Figure 5. Private for-profit institutions experienced the largest decline in average net price from 2010 to 2017, from \$18,347 to \$16,794, a drop of 8 percent. Community colleges experienced a smaller decline of about 6 percent, from about \$11,000 in 2010 to about \$10,000 in 2017. Average net price at Regent institutions remained flat during this time period at approximately \$15,000. Private not-for-profit institutions experienced an increase of about 7 percent from \$21,000 in 2010 to \$23,000 in 2017.

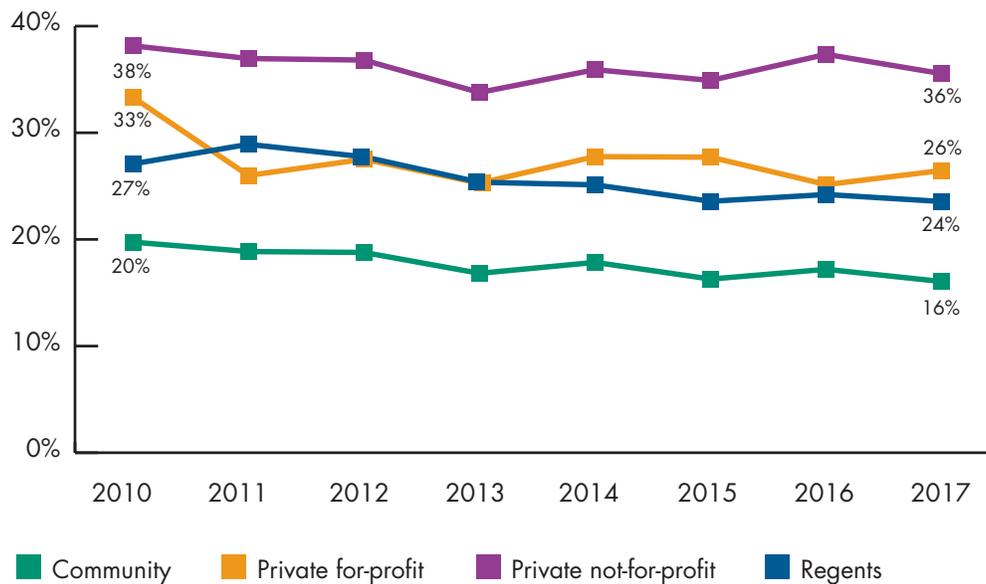
Figure 5. Average Net Price



Source: College Scorecard  
Adjusted to 2017 dollars and weighted by undergraduate enrollment.

Figure 6 shows average net price as a percentage of median income in Iowa. These figures show how much income it would take to cover the average net price. For example, in 2017, it would take about a quarter of the median income to cover the average net price at a Regent institution. Across institutions, the proportion of income needed to cover the average net price has declined from 2010 to 2017. This finding suggests that postsecondary education is becoming less expensive for Iowa residents over time. In 2010, 20 percent of the median income in Iowa covered the average net price at community colleges. In 2017, that number had declined to 16 percent.

Figure 6. Average Net Price as a Percentage of Median Income



Sources: College Scorecard, U.S. Census Bureau  
Adjusted to 2017 dollars and weighted by undergraduate enrollment.

Overall, we find that the average net price of college is declining, as is the share of income needed to cover the net price. However, tuition (i.e., sticker price) is increasing. In essence, colleges are marking up their published prices, but “discounts” in the form of financial aid are more than offsetting those mark-ups.

While these numbers might seem to be good news for students, the disconnect between published tuition and net price can pose a barrier to college attainment. Research shows that published tuition prices can dissuade students, typically low-income, from considering an institution (Heller, 1997).

# CHAPTER 5 FINANCIAL AID

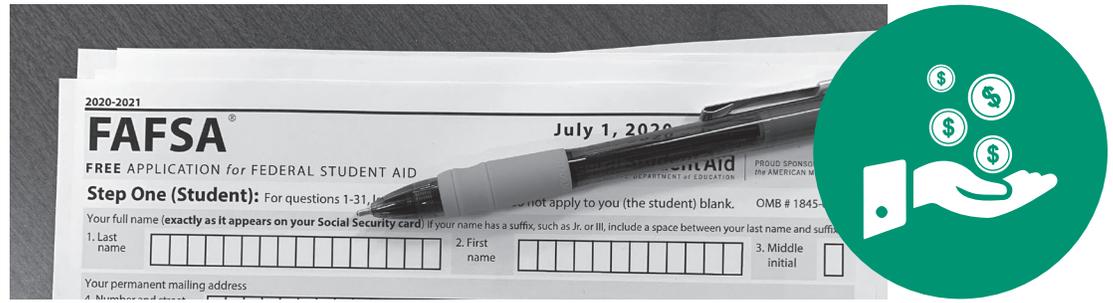
Financial aid is critical to postsecondary education. In this chapter, we detail **metrics** of the financial aid process, from filing the **FAFSA** to paying back **student loans**.

**59%**  
of high school seniors in Iowa completed the FAFSA in 2018-19

**79%**  
of state financial aid in Iowa goes to students at private colleges and universities

**\$9K+**  
was the average institutional aid given by private not-for-profit colleges and universities in 2018-19

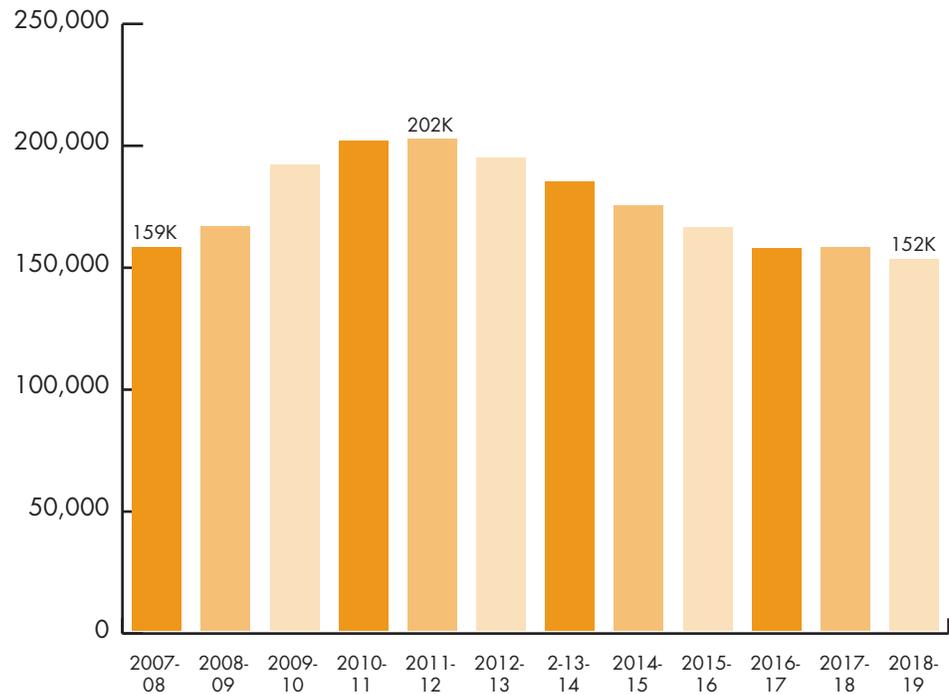
**\$5K+**  
was the average student loan debt per capita in Iowa in 2018



## FAFSA FILING

The Free Application for Federal Student Aid (FAFSA) is required for federal student aid (e.g., Pell Grant, Work-Study, federal loans) and typically necessary for state and institutional financial aid as well. From 2007-08 to 2018-19, the number of FAFSAs filed in Iowa declined from about 158,580 to 152,497, a drop of about 4 percent, as shown in Figure 1.

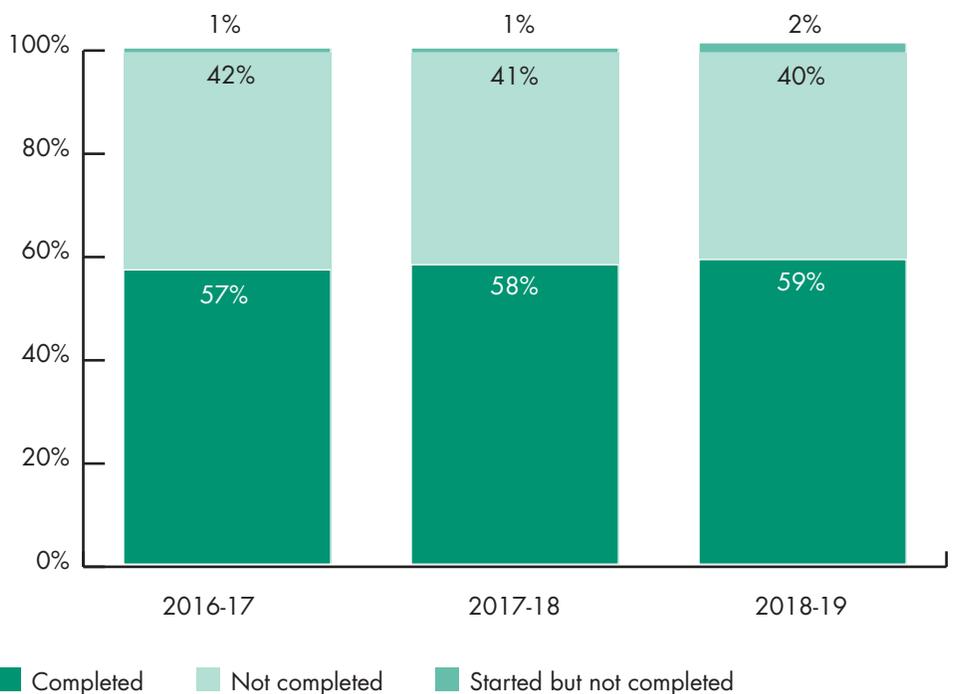
Figure 1. Number of FAFSAs Filed



Source: Iowa College Aid

While FAFSA filing has declined overall, Figure 2 shows that the proportion of high school seniors completing the form increased from 2016-17 to 2018-19. In 2016-17, 57 percent of high school seniors completed the form. In 2018-19, the FAFSA completion rate increased to 59 percent, a 2 percentage point increase.

Figure 2. High School Filing Rate



Source: Iowa College Aid

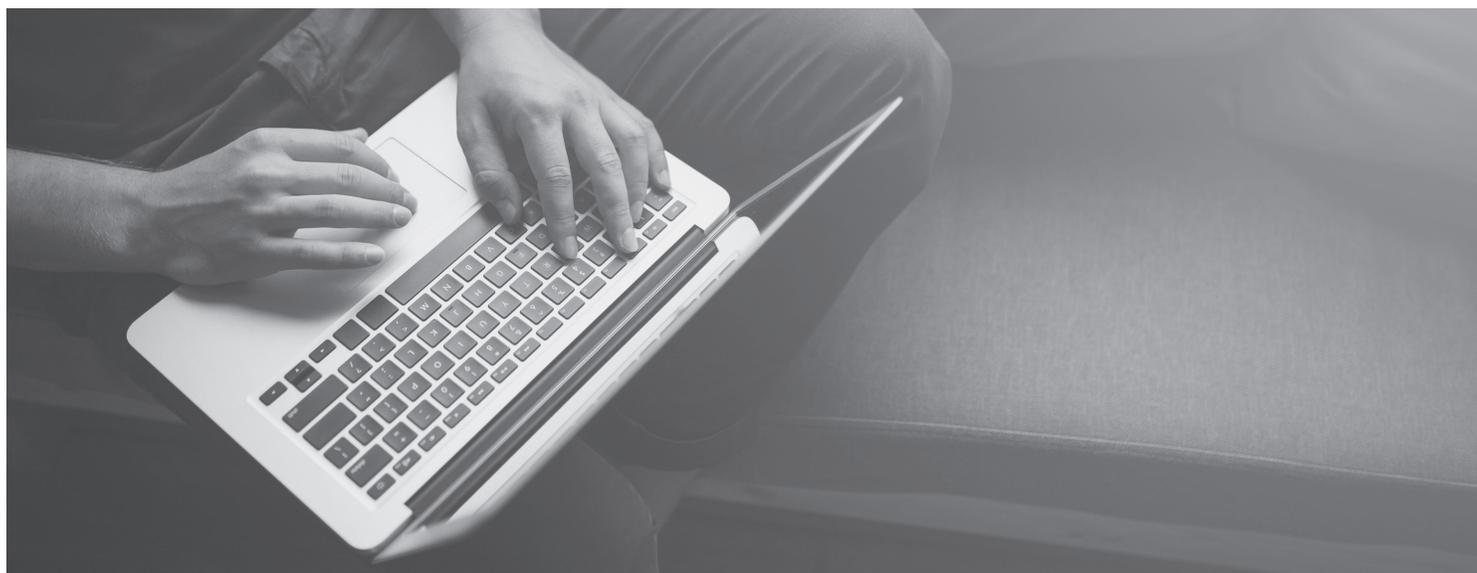
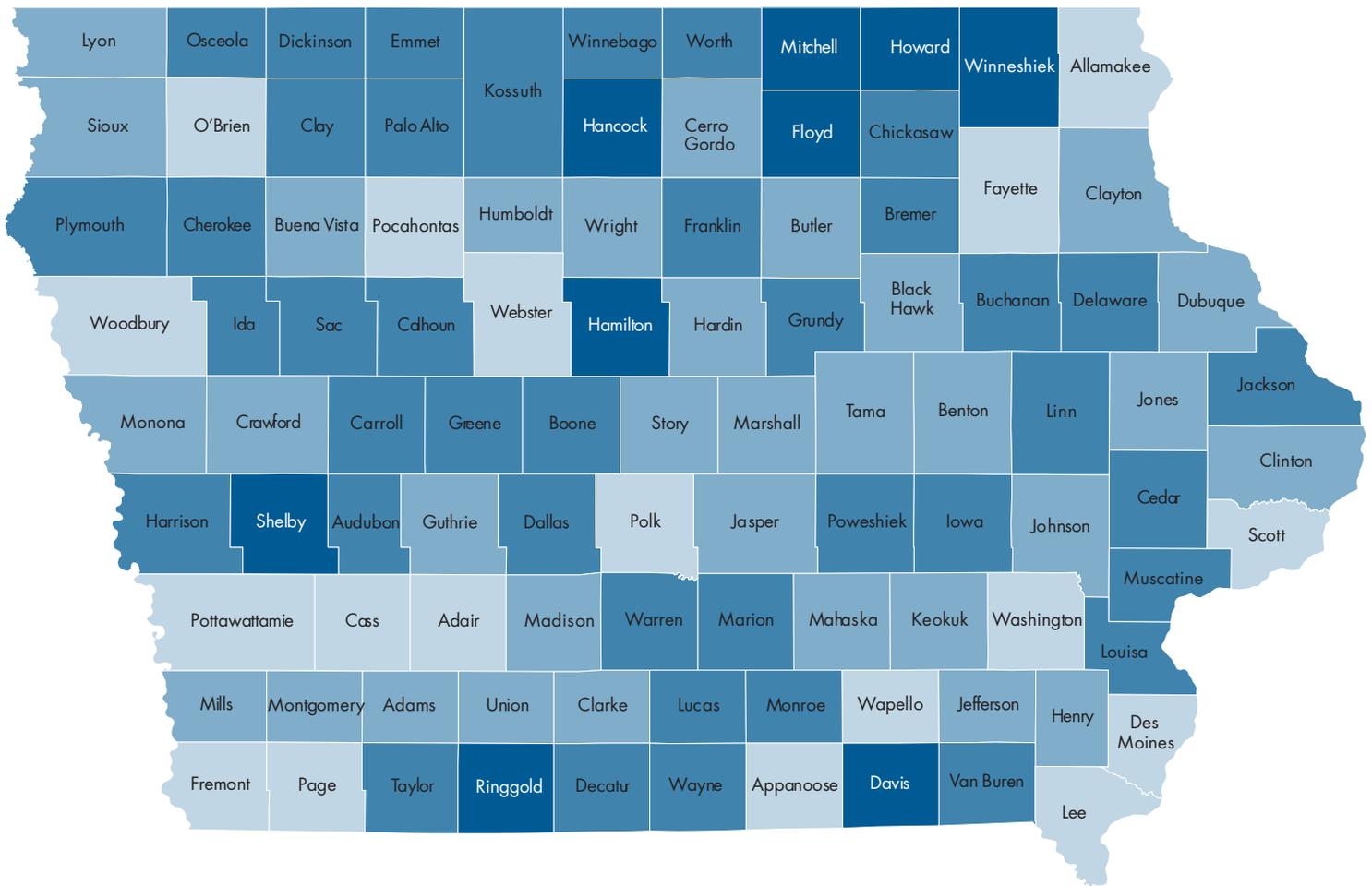


Figure 3 shows FAFSA completion rates in Iowa broken down by county. Generally, schools in urban areas have lower completion rates than rural schools. For example, for the 2019 graduating class, the median completion rate among rural schools was 58 percent, compared to 52 percent at urban schools. However, the difference in completion rates between urban and rural areas can be attributed to the lower numbers of enrolled high school seniors in rural areas.

Figure 3. FAFSA Filing by County, High School Graduating Class of 2019



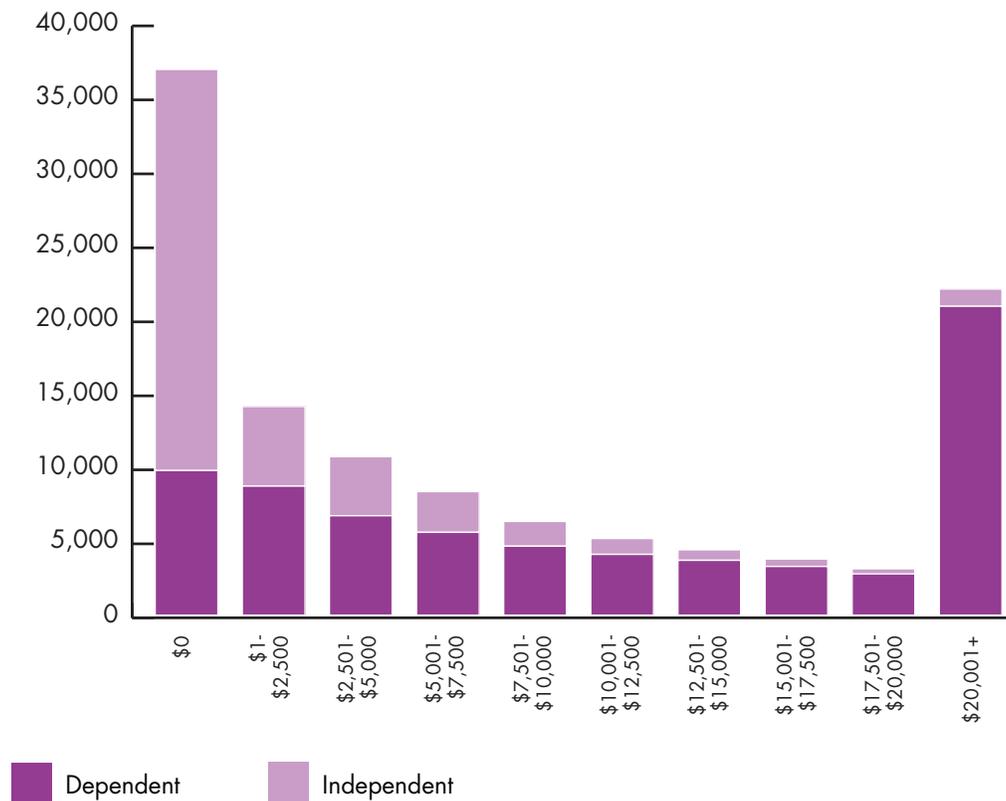
Less than 56%    56% to 61%    62% to 68%    Greater than 69%

Source: Iowa College Aid

## EXPECTED FAMILY CONTRIBUTION

Expected family contribution (EFC) is the amount of money a family is expected to contribute to a student’s postsecondary education cost. Figure 4 shows the number of FAFSA filers in Iowa by dependency status and EFC. Overall, independent students are overrepresented within individuals who have a zero EFC (i.e., students who are expected to contribute nothing to their postsecondary education based on their income). Dependent students make up a disproportionate share of individuals who have an EFC of \$20,000 or greater, suggesting that their families have the financial means to pay for at least some portion of their college education.

Figure 4. Expected Family Contribution by Dependency Status 2018-19

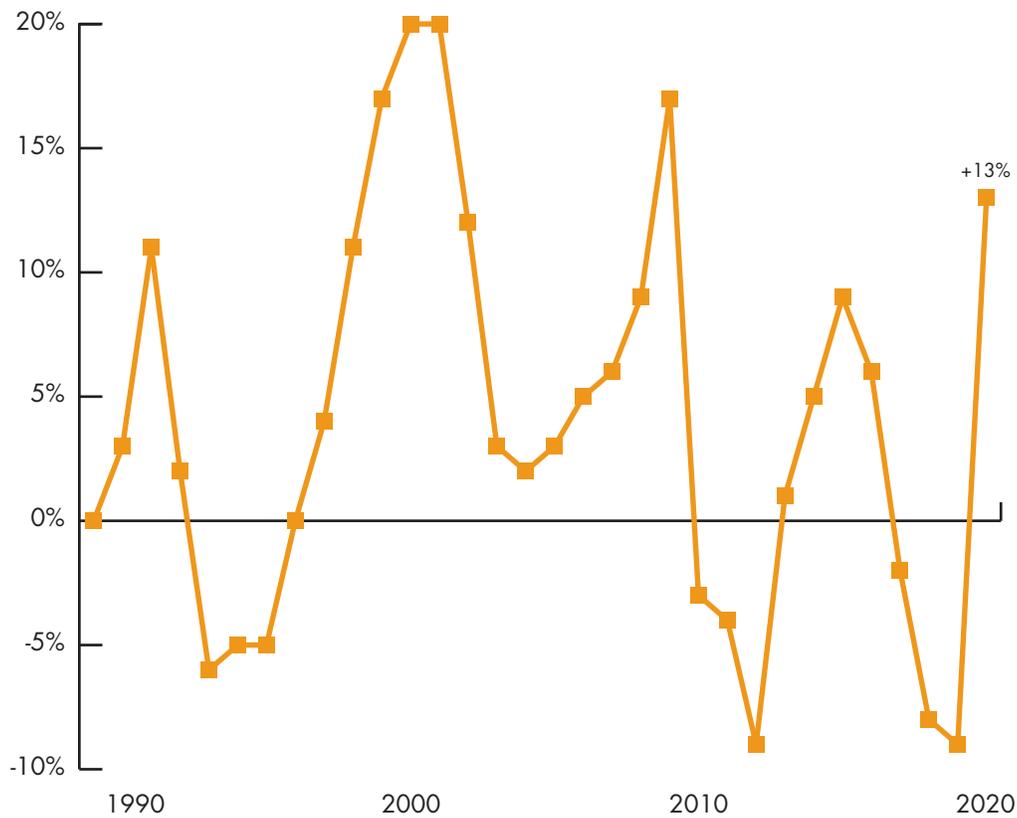


Source: Iowa College Aid

## STATE AID

State government provides financial aid through state aid to both individuals and institutions. Figure 5 shows the percent change in state aid from 1989 to 2020 adjusted for inflation to 2019 dollars. State funding for financial aid has fluctuated during this time period. Since 2010, state aid has decreased and increased by 10 percent about every five years. More recently, state financial aid has increased because of the implementation of the Future Ready Iowa Last-Dollar Scholarship and Future Ready Iowa Grant.

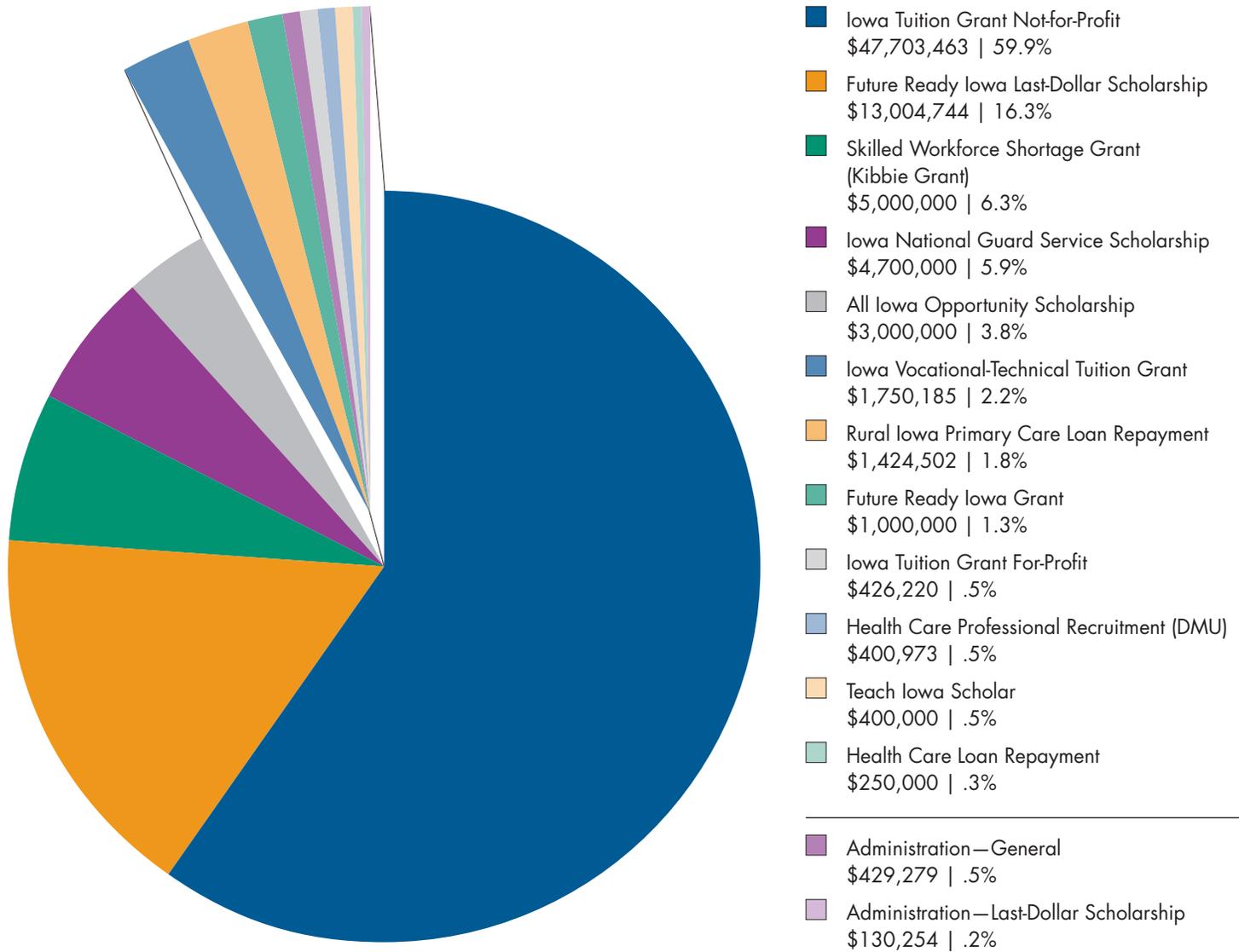
Figure 5. Percent Change in Financial Aid Appropriations Relative to 1989



Source: Iowa College Aid  
Adjusted to 2019 dollars.

Figure 6 shows state awards by program. In Fiscal Year 2020, the Iowa Tuition Grant remained the state's largest financial aid program. The new Future Ready Iowa Last-Dollar Scholarship received about 16 percent of the total state financial aid appropriation to become the state's second-largest program.

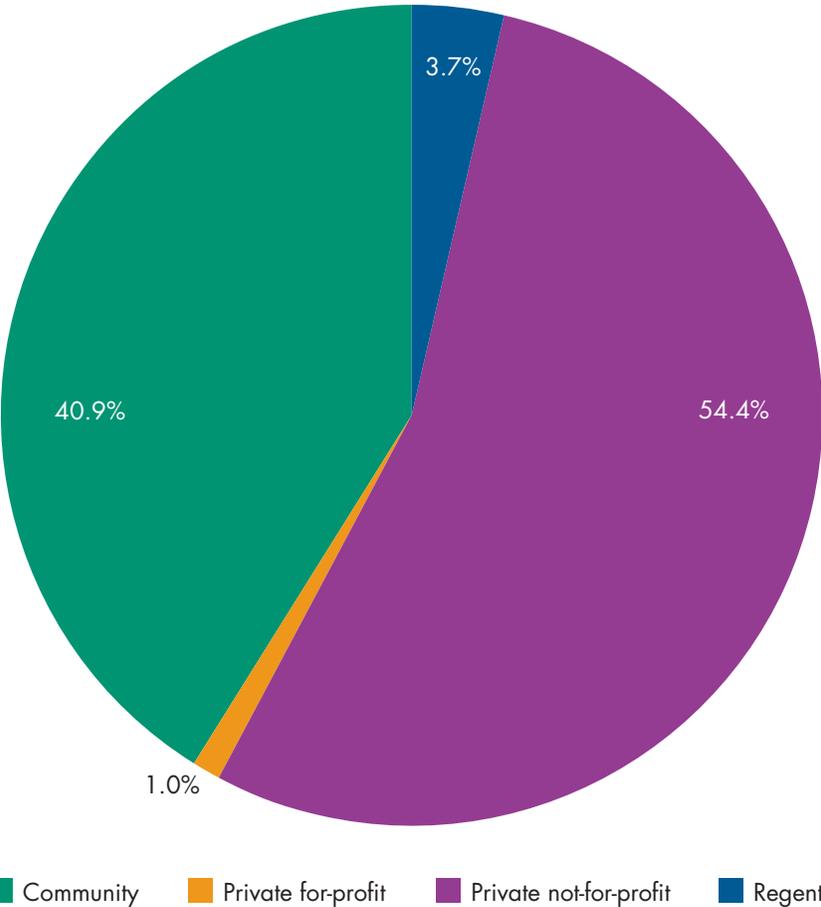
Figure 6. FY20 State Awards by Program



Source: Iowa College Aid

Figure 7 shows the proportion of awards by sector. Overall, students who attended private not-for-profit colleges and universities received over half of the state awards in 2019-20. While this figure does not align with enrollment trends for the sectors, students at private not-for-profit colleges and universities typically receive a state grant called the Iowa Tuition Grant that is intended to equalize the cost of attendance between public and private institutions.

Figure 7. Proportion of Awards by Institutional Sector 2019-20



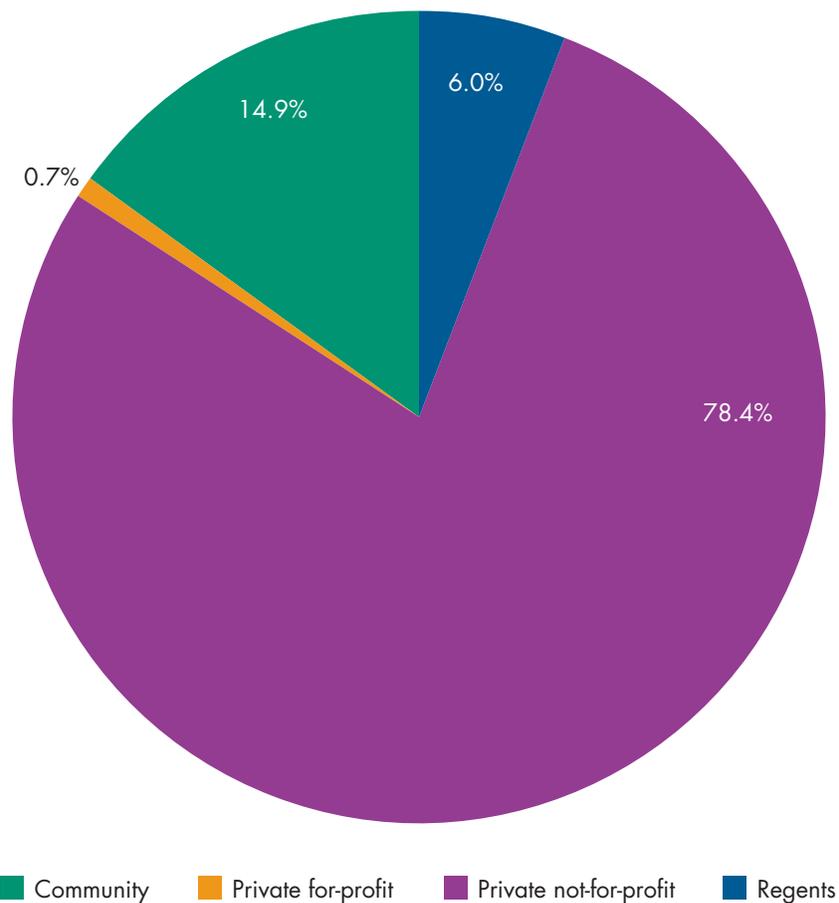
Source: Iowa College Aid





Figure 8 shows that students at private not-for-profit colleges and universities receive over three-fourths of state financial aid dollars. Figures 7 and 8 illustrate that the majority of state financial aid goes to these students as a result of the Iowa Tuition Grant.

Figure 8. Proportion of Dollars by Institutional Sector 2019-20

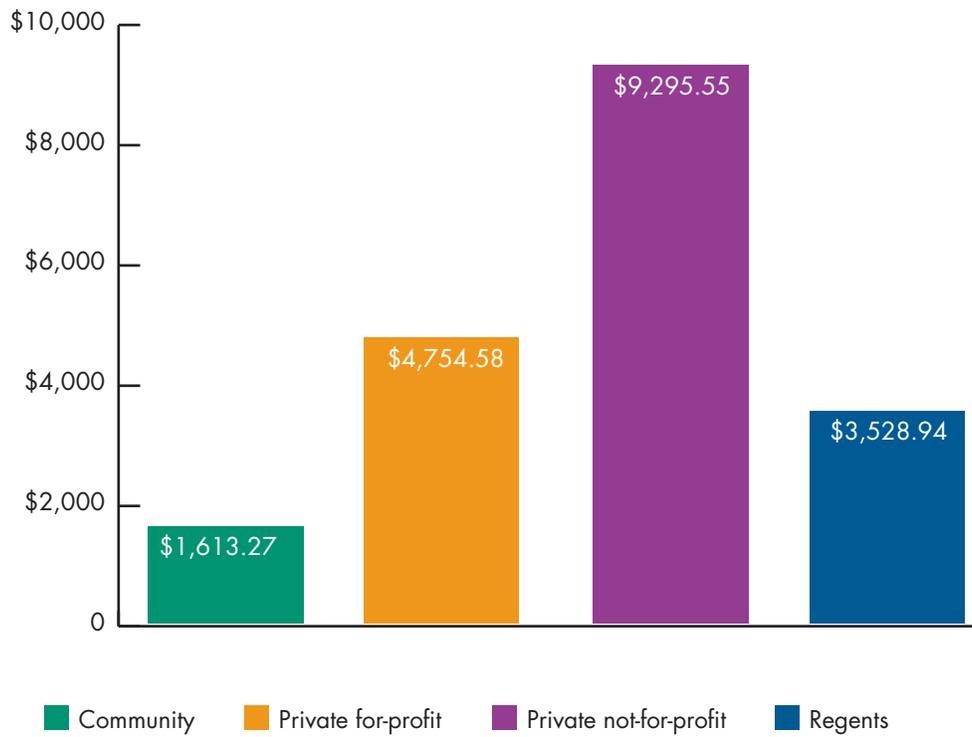


Source: Iowa College Aid

# INSTITUTIONAL AID

Figure 9 shows the average institutional aid award amount in 2018-19. Institutional aid comprises grants and scholarships provided to individual students from the colleges they attend. Note that students could receive multiple awards from an institution. Overall, private not-for-profit institutions had the highest average institutional aid amount (about \$9,000), while community colleges had the smallest (roughly \$1,600). This difference in institutional aid per award reflects differences in overall tuition rates at these institutions.

Figure 9. Institutional Aid per Award at Iowa Institutions in 2018-19



Source: Iowa College Aid





## PRIVATE AID

Funding from all other sources that are not federal, state, or institutional aid is considered private aid. Sources of private financial aid include community, religious, and workplace scholarships. In 2018-19, the average private aid award amount for students enrolled at private not-for-profit institutions was about \$3,000, the highest average among the sectors. The average award at community colleges was about half that amount, at \$1,600, the lowest average among the sectors.

Figure 10. Private Aid per Award at Iowa Institutions in 2018-19

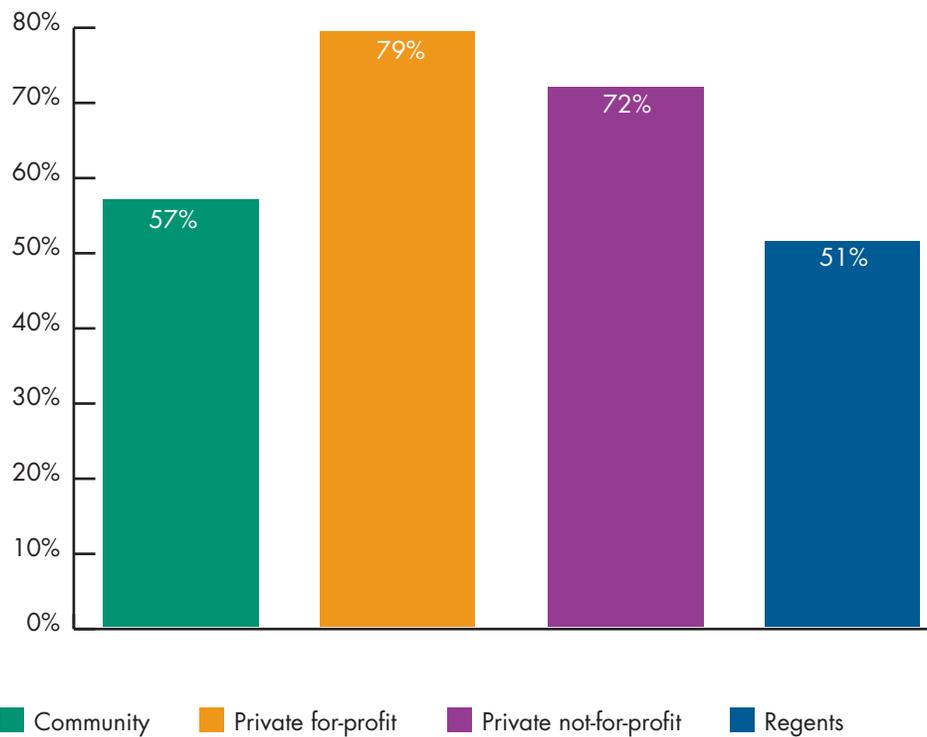


Source: Iowa College Aid

## STUDENT LOANS

Student loans are a critical component of financing a postsecondary degree. Figure 11 shows that in 2017-18, over 50 percent of first-time, full-time undergraduates at Iowa institutions received a federal loan. This figure was highest at private for-profit institutions and lowest at the Regent institutions.

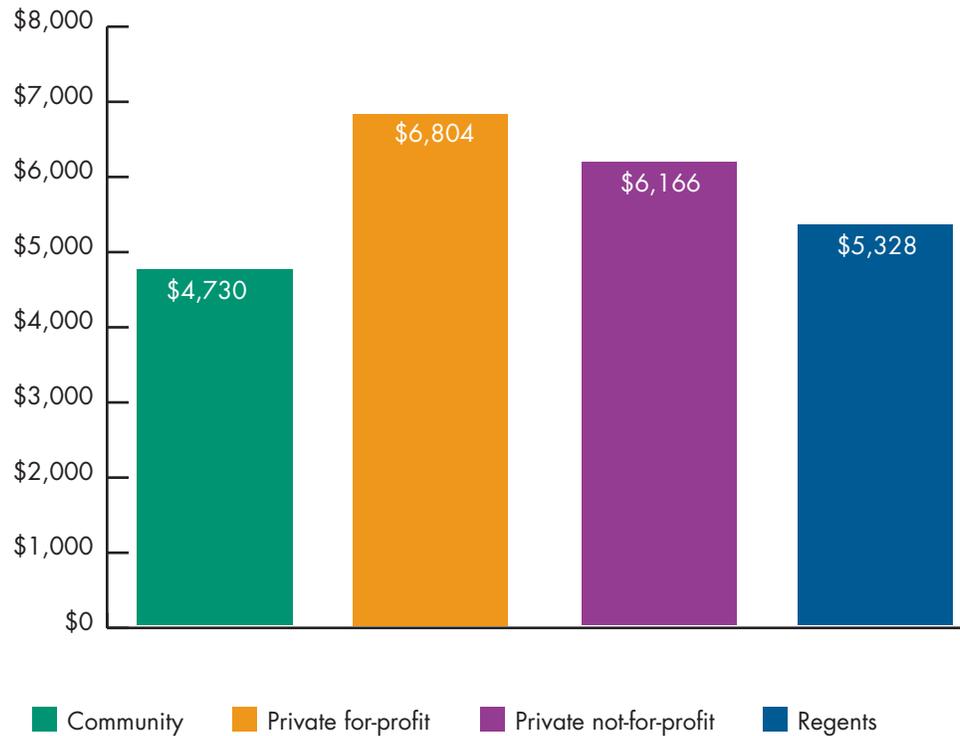
Figure 11. Percent of First-Time, Full-Time Undergraduate Students Receiving Federal Student Loans at Iowa Institutions in 2017-18



Source: Integrated Postsecondary Education Data System

Figure 12 on the next page shows the average federal student loan amount for first-time, full-time undergraduate students receiving a federal loan at Iowa institutions in 2017-18. On average, students at private for-profit institutions receive about \$7,000 in student loans, whereas students at community colleges receive \$5,000.

Figure 12. Average Federal Loan Amount for First-Time, Full-Time Undergraduate Students Who Received Federal Student Loans at Iowa Institutions: 2017-18

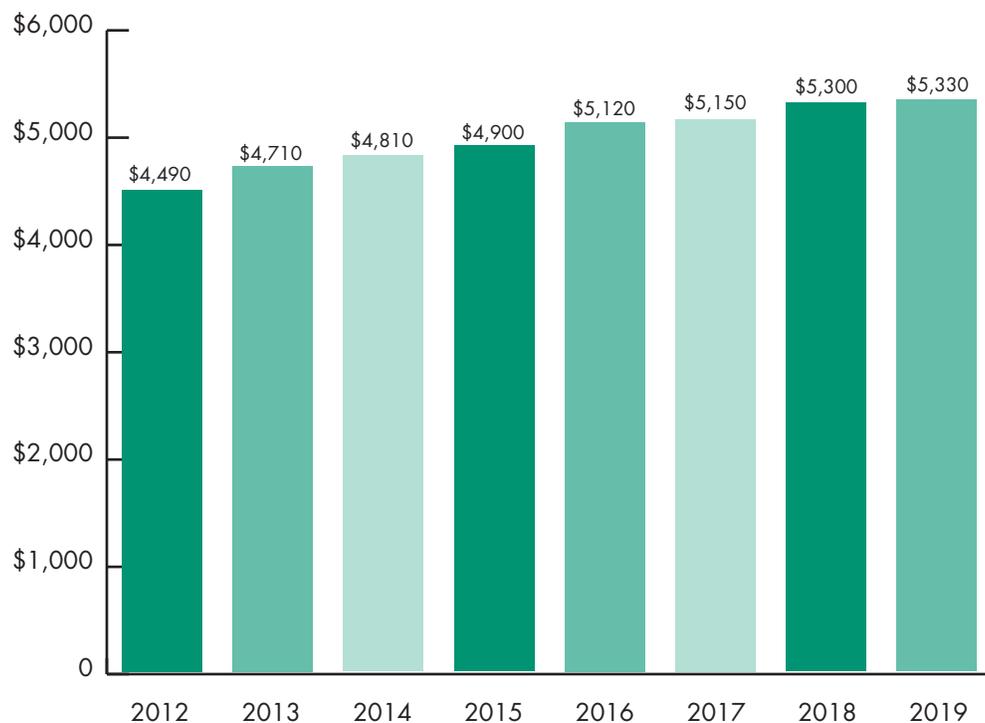


Source: Integrated Postsecondary Education Data System

How much debt Iowans hold illustrates postsecondary education affordability. Figure 13 shows Iowa's student loan debt per capita (i.e., per person) over time. Since 2012, average student loan debt per person has increased from about \$4,490 to \$5,330, a 19 percent increase.



Figure 13. Average Student Loan Debt per Capita in Iowa



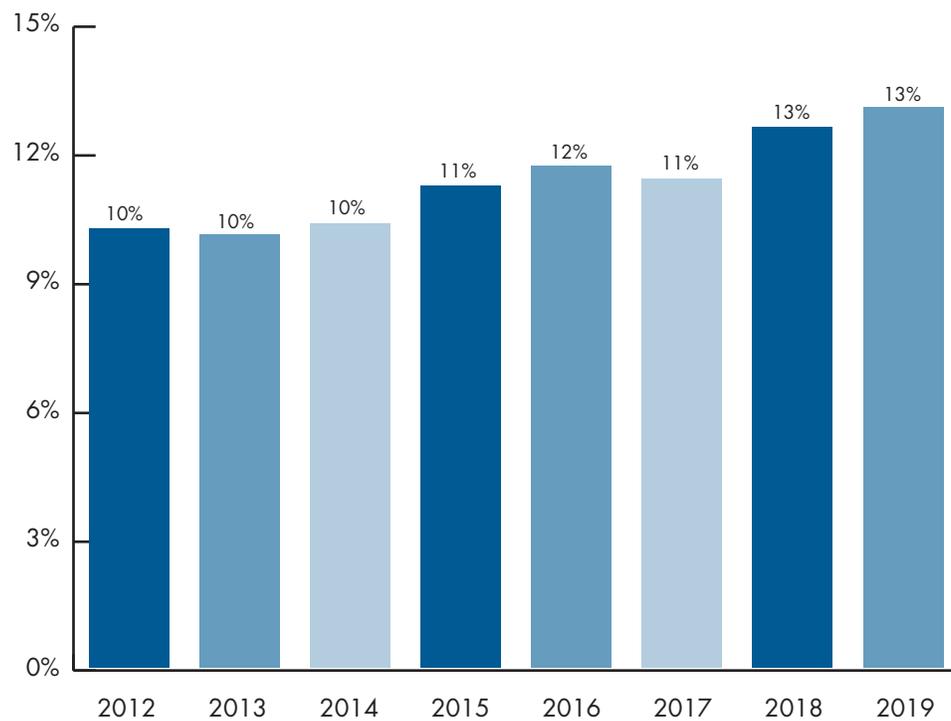
Source: State Level Household Debt Statistics 2003-18, Federal Reserve Bank of New York, February, 2020

In addition to an increase in the average amount of student loan debt, the proportion of Iowa residents with delinquent student loans has grown. Figure 14 on the next page shows the percentage of Iowans with student loan balances that are 90-plus days delinquent and in default. In 2012, about 10 percent of Iowans with student loans were delinquent and in default. In 2019, that figure increased to 13 percent.





Figure 14. Percent of Student Loan Debt Balances 90+ Days Delinquent and in Default in Iowa



Source: State Level Household Debt Statistics 2003-18, Federal Reserve Bank of New York, February, 2020

# CHAPTER 6 PROJECTIONS

In this final chapter, we examine a recent dip in **Iowa births** and how it might soon affect the numbers of **high school graduates** and **college students**. These numbers are only projections; we also outline how we can still increase college-going in Iowa.

College enrollment in Iowa grew during the Great Recession by

**22%**

Iowa's fertility rates during the Great Recession dropped

**5%**

The number of Iowa high school graduates is expected to decline from 2023-24 to 2028-29 by

**5%**

The number of college students in Iowa is expected to decline from 2023-24 to 2028-29 by

**6%**



## EFFECTS OF THE GREAT RECESSION

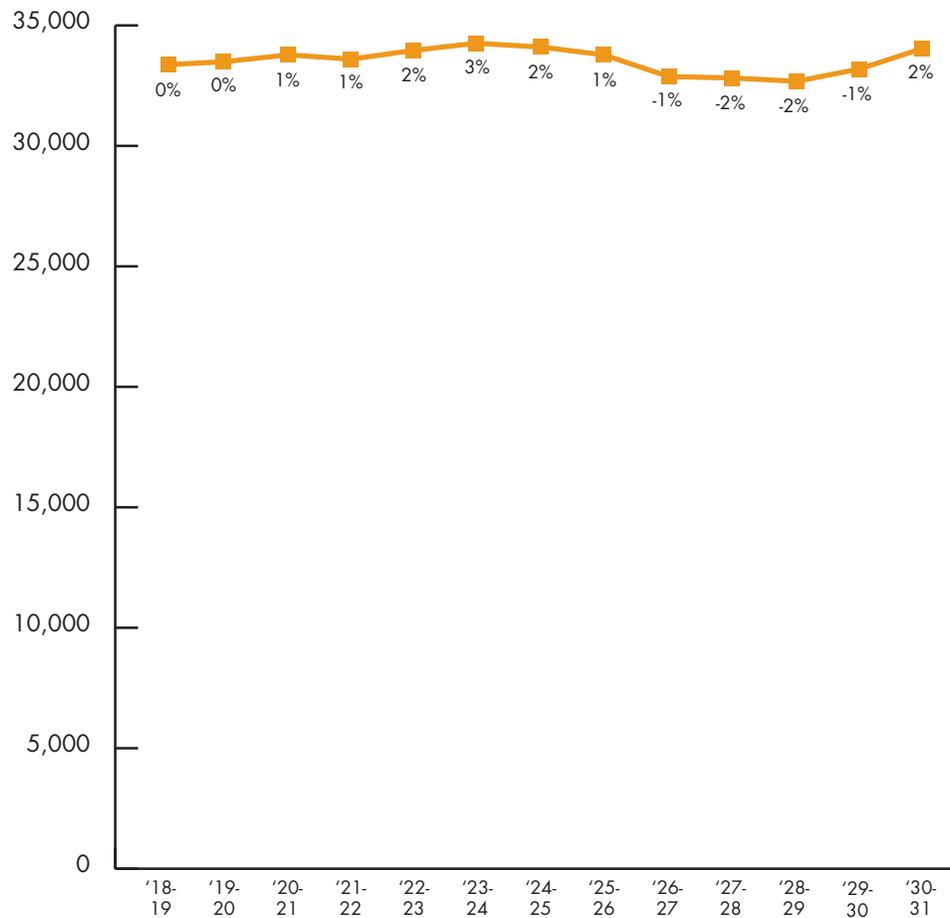
As discussed in Chapter 3, Iowa's college enrollment has experienced an overall decline in the past decade. Part of this decrease reflects Iowa's recovery from the Great Recession. During the recession, Iowans, like others across the nation, left the labor market and enrolled in college due to a scarcity of jobs. Between 2007-08 and 2009-10, total enrollment in Iowa grew 22 percent. During the recovery, the opposite was true: More Iowans entered the labor market because jobs were available. As the labor market improved with declining unemployment, Iowa's college enrollment decreased.

The effects of the Great Recession were not limited to college enrollment. With rising unemployment and financial constraints, the United States and Iowa experienced a decline in fertility rates. From 2008 to 2011, Iowa's rates dropped roughly 5 percent (March of Dimes, 2014). This trend has continued as rates are still below pre-recession levels.

# HIGH SCHOOL GRADUATES

The decline in fertility rates will result in a smaller pool of high school graduates. Figure 1 displays projections from Iowa College Aid and the Iowa Board of Regents of high school graduates, which suggest a decline in the high school graduate population after the 2023-24 academic year. The figure shows the overall number of projected high school graduates and the projected percent change from 2018-19. From a peak in 2023-24 to a low point in 2028-29, the number of high school graduates is expected to drop 4.6 percent.

Figure 1. Projected Iowa High School Graduates Relative to 2018-19

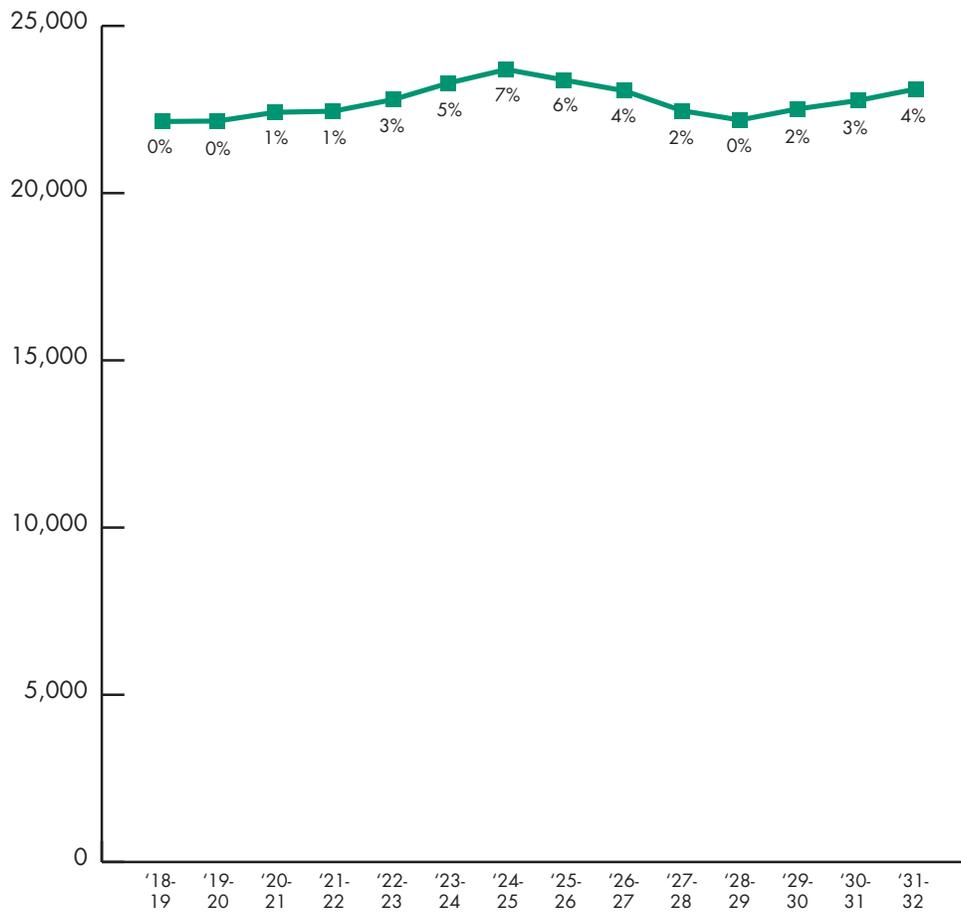


Source: Iowa Board of Regents and Iowa College Aid high school graduate predictions

## COLLEGE ENROLLMENT

Taking into account these trends from the Great Recession, a decline in Iowa’s college enrollment is also projected. According to analyses from Iowa College Aid and the Iowa Board of Regents, college enrollment in Iowa will slowly increase from 2018-19 to 2024-25. However, over time, this increase will be offset by an enrollment decline that is projected after 2024-25, a period that coincides with the decline in the high school graduate population. From a high of 2024-25 to a low in 2028-29, the number of college students is expected to drop 6.4 percent.

Figure 2. Projected Iowa College Enrollment for New High School Graduates Relative to 2018-19



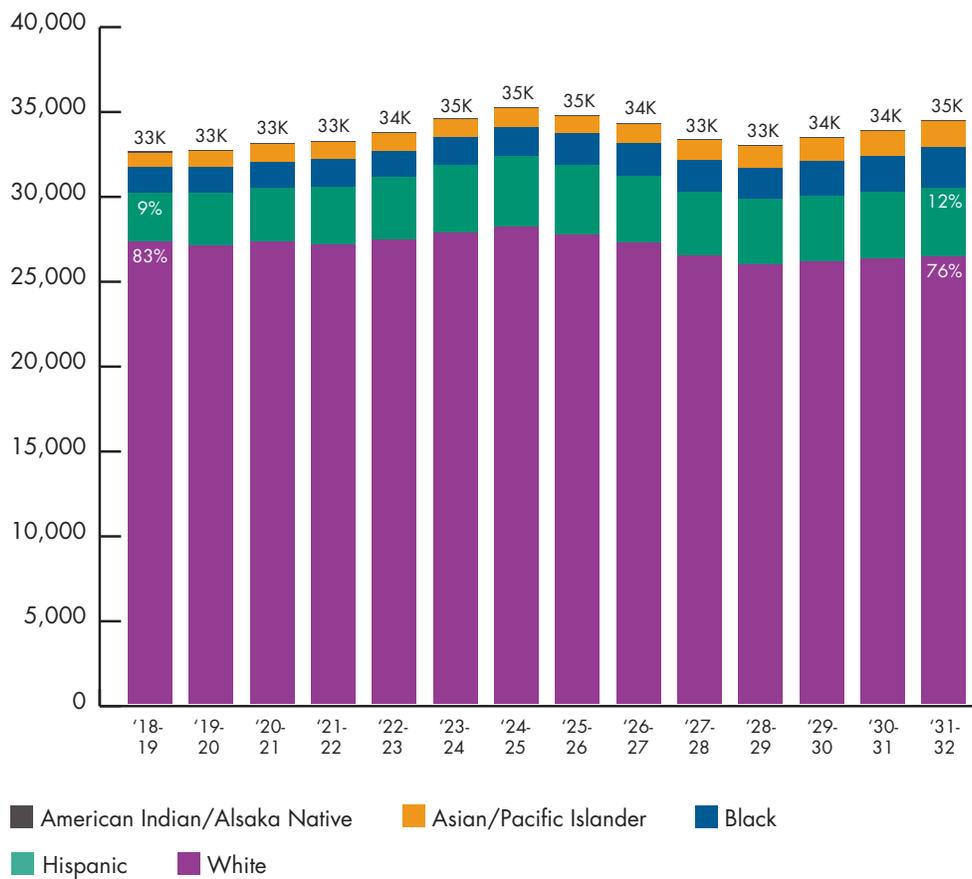
Source: Iowa Postsecondary Readiness Reports, three-year average of high school graduates, and college enrollment rates based on one-year after high school graduation; Iowa College Aid and Iowa Board of Regents’ calculations

Figure 2 shows the overall number of projected college student enrollment for new high school graduates and the projected percent change from 2018-19. This projection does not consider the potential differences across higher education sectors.

The enrollment decline after 2024-25 could be greater when taking into account significant gaps in who enrolls in college. As mentioned in Chapter 2, there was a roughly 28-percentage-point difference in college enrollment between non-recipients of free and reduced price lunch (76 percent) and recipients (48 percent). Regarding race and ethnicity, roughly 70 percent of whites attended college immediately after high school graduation, compared to 55 and 54 percent for Hispanic and black students, respectively.

According to projections from the Western Interstate Commission for Higher Education, the demographics of Iowa high school graduates will change over time (see Figure 3). While the proportion of white students is expected to decline, there is an expected increase in the proportion of racial/ethnic minorities. As indicated above, these underrepresented students are currently less likely to enroll in college than white students. While a decline in enrollment is likely, the extent depends on the college enrollment trends of these underrepresented students.

Figure 3. Projected Iowa High School Graduates by Race/Ethnicity



Source: Western Interstate Commission for Higher Education, Knocking at the College Door: Projections of High School Graduates, 2016

## WHAT IOWA IS DOING

Policymakers, higher education advocates, and practitioners can implement strategies to mitigate the projected college enrollment decline. The Future Ready Iowa Last-Dollar scholarship is an example.

The Last-Dollar Scholarship began in the 2019-20 academic year and covers any remaining cost, after federal and state financial aid, for high-demand credentials up to associate’s degrees. Degrees in high demand include health care and bioscience, information technology, advanced manufacturing production, installation and maintenance, and construction and engineering. In the fall and spring terms of 2019-20, nearly 6,500 Last-Dollar Scholars received a total of \$12.6 million. This scholarship illustrates how the state can target policies to assist students in earning a degree while also serving the state by incentivizing specific degrees. Future higher education policies can follow a similar tactic—directly helping students while supporting the goals of the state.

In addition to financial aid, the Last-Dollar Scholarship supports students through a success coach program. Students receive direct coaching from AmeriCorps members on campus, as well as virtual assistance via text messages. Students who opt in receive reminders of deadlines, personalized responses to questions, and direct connections to services at the institutions where they enroll. The success coach program launched in fall 2019 with texting added in January 2020. In just over three months, the texting program surpassed 12,600 outbound messages to students.

The Last-Dollar Scholarship mirrors Iowa College Aid’s ongoing strategy of synthesizing financial aid with other student supports. The agency administers 12 state-funded grant, scholarship, and loan forgiveness programs, as well as federally funded GEAR UP and AmeriCorps grants to promote college access and success. Iowa College Aid also coordinates the statewide school-based Course to College program, 13 community-based Local College Access Networks, and the online Iowa College and Career Readiness Academy for school counselors and other college access professionals.

Programs like these, which integrate policy and practice, will be key to closing Iowa’s college access and achievement gaps and continuing to move the state toward its Future Ready Iowa Goal.

.....

## REFERENCES

Bureau of Labor Statistics Volunteer Supplement. (2013, 2014, 2015). Bureau of Labor Statistics Voting Supplement. (2013, 2014, 2015).  
Georgetown University Center on Education and the Workforce. (2015). Iowa: Education and Workforce Trends through 2025. Washington, DC.  
Heller, D. E. (1997). Student price response in higher education: An update to Leslie and Brinkman. *The Journal of Higher Education*, 68, 624-659.  
Iowa College Aid. (2018). Annual Survey of Financial Aid. Des Moines, IA.  
Iowa Department of Education. (2019). 2019 Annual Report: Condition of Education. Des Moines, IA.  
Iowa Workforce Development. (2017). Iowa College Student Retention. Retrieved from [iowaworkforcedevelopment.gov/iowa-college-student-retention](http://iowaworkforcedevelopment.gov/iowa-college-student-retention)  
Iowa Workforce Development. (2019). State of Iowa Laborshed Analysis. Retrieved from [iowaworkforcedevelopment.gov/sites/search-iowaworkforcedevelopment.gov/files/documents/2018/statewidelaborshed\\_fullreport\\_2018.pdf](http://iowaworkforcedevelopment.gov/sites/search-iowaworkforcedevelopment.gov/files/documents/2018/statewidelaborshed_fullreport_2018.pdf)  
March of Dimes. (2014). Peristats. Retrieved from [marchofdimes.org/peristats/Peristats.aspx](http://marchofdimes.org/peristats/Peristats.aspx)  
U.S. Census. (2013, 2017). ACS 5-year estimates.



## **EXECUTIVE DIRECTOR**

Dr. Mark Wiederspan

## **DIVISION ADMINISTRATORS**

Todd Brown, Financial Aid Program Administration

Julie Ntem, Fiscal, IT & State Authorization

Christina Sibaouih, Community Engagement

## **RESEARCH**

Meghan Oster

Joe Dullard

Dr. Laura Ingleby

## **COMMUNICATIONS**

Elizabeth Keest Sedrel

Jamie Fisher

Tressa Schultz



## **IOWA COLLEGE AID**

475 SW Fifth St., Suite D • Des Moines, IA 50309-4608  
877-272-4456 • [Info@IowaCollegeAid.gov](mailto:Info@IowaCollegeAid.gov)