

# UTAH FOUNDATION

## Research Report

Report Number 645

November 2001

### Setting the Price of Higher Education in Utah

#### Highlights

- Access to higher education is a determining factor in ensuring the economic vitality of Utah. The price of higher education is increasing. This report will analyze the trends facing both students and policymakers as they attempt to balance access to and quality of higher education.
- When Utah's institutions are compared to the national and regional costs of education the total cost of education at a Utah four-year public school is relatively low. The cost of education at a Utah two-year public school is almost identical to the national average.
- Tuition has been rising significantly faster than the Consumer Price Index (CPI); however, some indicators of a person's ability to pay tuition have been rising faster than the CPI. In order to capture this, Utah Foundation compared the rise in the cost of tuition to both the median family income and the value of the minimum wage. Both of these indicate that while the gap is not as large as when compared to the CPI, the ability of students to pay for education is decreasing. This is particularly true of low-income students.
- Costs of inputs for higher education have been rising faster than the CPI as well. This is due to increases in costs such as faculty, library acquisitions, and utilities. The Higher Education Price Index (HEPI), which is published by Research Associates of Washington, attempts to measure these increases. The HEPI has risen 154.1% from 1980-2000, while the CPI has risen 109% in the same time period.

- While state appropriations to institutions of higher education have increased 73.2% in absolute terms between 1976 and 1999, these increases have not kept up with enrollment growth. When these figures are adjusted for enrollment and inflation state appropriations have actually decreased 21.9%

- Utah policymakers are faced with educating more students with less tax dollars than other states due to Utah's unique demographics. The indicators used to measure a state's contribution to higher education suggest that the state's contribution to higher education in Utah is quite high, while tuition and fees are relatively low.

**“Postsecondary education and training are the ticket to success; the turnstile to an economy's power and primacy. That has always been the case. It is even more certain today. In today's global economy, the skills of the workforce will determine the ability to compete.”**

— 2000 State of the State Address  
Governor Michael O. Leavitt, January 17, 2000

During the twentieth century, access to higher education has increasingly determined economic prosperity, both collectively and individually. Recognizing this, state policymakers have repeatedly stressed that ensuring access to quality higher education opportunities is critical to the state's economic future. Yet, during the past decade, the price of higher education has become a growing concern for Utah families, policymakers and institutions of higher education. Students and their families are expressing concern over their ability to pay for higher

**Utah Foundation is a nonprofit, non-advocacy research organization. Our mission is to encourage informed public policy making and to serve as Utah's trusted source for independent, objective research on crucial public policy issues.**

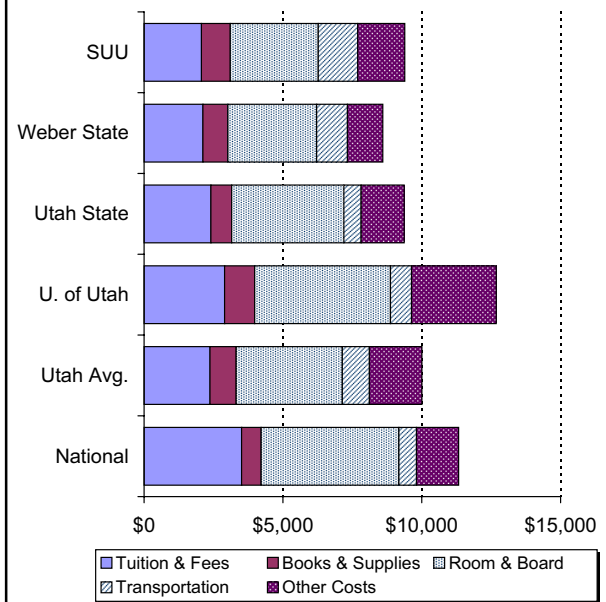
education. Higher education officials recognize that tuition increases are necessary to accommodate the rising cost of providing an education and a decrease in the proportion of institution funding coming from state budget contributions. Utah policymakers are continually faced with providing an education to more students with less money compared to other states. Setting the price of higher education in Utah is fundamental to ensuring access to the educational opportunities that are essential to Utah's future. This report provides a context in which to understand the current trends and pressures that are driving higher education price policy.

### National and Regional Perspectives

It is useful to evaluate current higher education pricing policy within both national and regional contexts. The issues behind the rising cost of education are not unique to Utah. A brief analysis of national and regional costs will provide a more complete picture of issues facing state policy makers as they work to attract high-caliber students and offer an education that is competitive both nationally and regionally.

Nationally, tuition prices at four-year public universities for a resident living on campus

**Figure 2**  
**Annual Total Costs of Attendance**  
*Utah Four-Year Public Institutions*

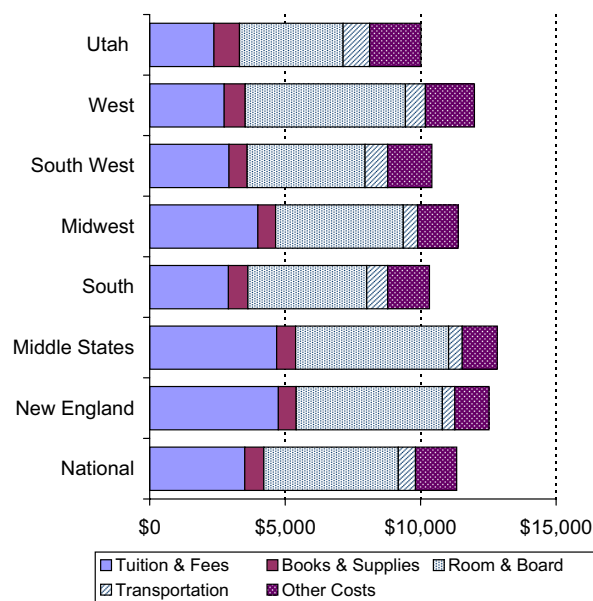


Source: "Trends in College Pricing," The College Board, 2000.

average \$3,705 per year.<sup>1</sup> The highest-cost region is New England, with tuition averaging \$4,748, while the cost in the West is the lowest at \$2,747. Factoring room and board, transportation costs, and books into that equation, the national average price per year for a four-year public institution is \$11,329. The highest costs can be found in the Middle States, which average \$12,829 and the lowest costs can be found in the South at \$10,324.

At two-year public institutions, the average tuition price nationally is \$1,705. The highest priced two-year schools can be found in the Middle States at \$2,635 and the lowest tuition costs are in the Southwest at \$1,133. A complete comparison of costs for two-year schools, including books, room and board, and transportation, is not feasible for this report, because schools in the Western region did not submit sufficient data in 2000 to the College

**Figure 1**  
**Annual Total Costs of Attendance**  
*Four-Year Public Institutions*

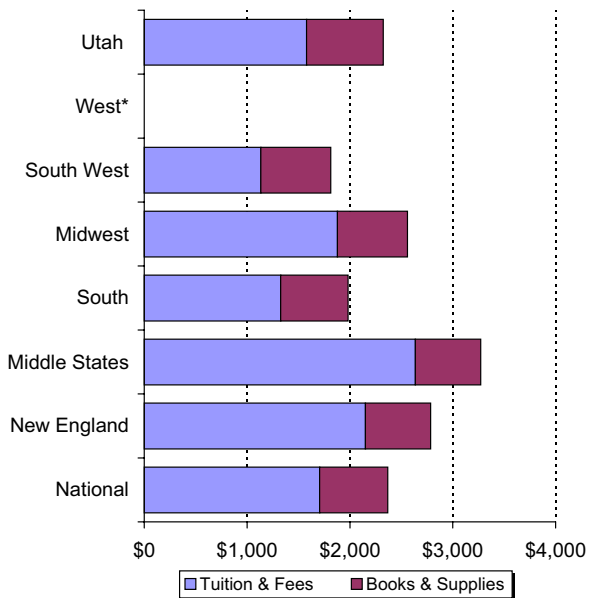


Source: "Trends in College Pricing," The College Board, 2000.

<sup>1</sup> "Trends in College Pricing," The College Board, Washington DC, 2000. The regions break down as follows: New England: VT, NH, RI, CT, ME, MA. Middle States: NY, PA, NJ, DE, MD, DC; South: VA, KY, TN, NC, GA, FL, SC, LA, MS, AL; Southwest: AR, NM, OK, TX, HI, AK; Midwest: WV, OH, MI, IN, IL, WI, MO, IA, MN, ND, SD, NE, KS; West: WA, OR, CA, NV, AZ, UT, ID, MT, WY, CO

**Figure 3**

**Annual Costs of Attendance**  
*Two-Year Public Institutions*



\* West region average was not available for 2000  
Source: "Trends in College Pricing," The College Board, 2000.

Board, which was the source for this report's data on out-of-state schools.

**Utah within the National and Regional Perspective**

The Western region traditionally has been a low-cost region. It has already been noted that the West has the lowest tuition rates for four-year public universities. This is evident in Utah, which not only offers tuition costs that are lower than the Western average, but also boasts a lower total cost of attendance than the West and the Nation. Because of the lack of complete data on two-year public institutions within the West, making a comparison between Utah's two-year public schools and two-year public schools in the West is impossible; however, a comparison of the average cost of Utah's two-year public colleges with the nation indicates that annual costs for tuition, books and supplies at two-year public institutions are roughly the same as the national average (\$2,325 in Utah and \$2,368 nationally).

Utah's standing relative to national average costs differs greatly between two-year and four-year public schools. The average price of tuition and fees for Utah's two-year public schools is \$1,578, which is 92.5% of the \$1,705 national average.

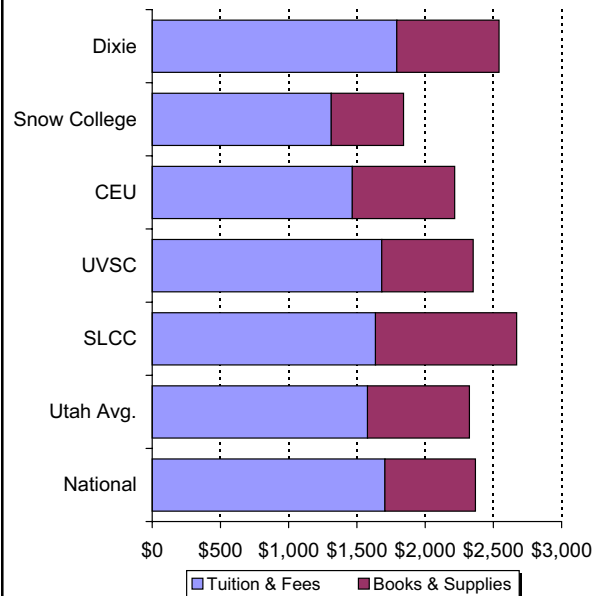
The average cost of \$2,371 for tuition and fees at Utah's four-year schools is 67.5% of the national average of \$3,510. All five of Utah's public two-year schools have exceeded the western region average throughout the decade of the 1990s. Among Utah's four-year universities, only the University of Utah has exceeded the public four year regional average, and has done so only in the last couple of years. During the 1980s and 1990s, the average price of public education tuition and fees nationally rose 316.8%, outpacing the rise in tuition and fees in Utah by 100%.

**The Rising Price of Higher Education**

Prior to the last national election cycle, a poll of the American electorate conducted by the Washington Post found that 53% of those polled worried "a great deal" that "a good college education is becoming too expensive." This placed concern about paying for higher education among the top ten concerns of those surveyed. Despite the low cost of education in the West and in Utah, there are signs that Utahns share those concerns. In January 2001, when institutional presidents proposed tuition increases above those already approved by the board of Regents, a poll by the Deseret News/KSL-TV of Utah residents showed that 69% opposed the increases. A month later, students gathered at the state capitol

**Figure 4**

**Annual Costs of Attendance**  
*Utah Two-Year Public Institutions*

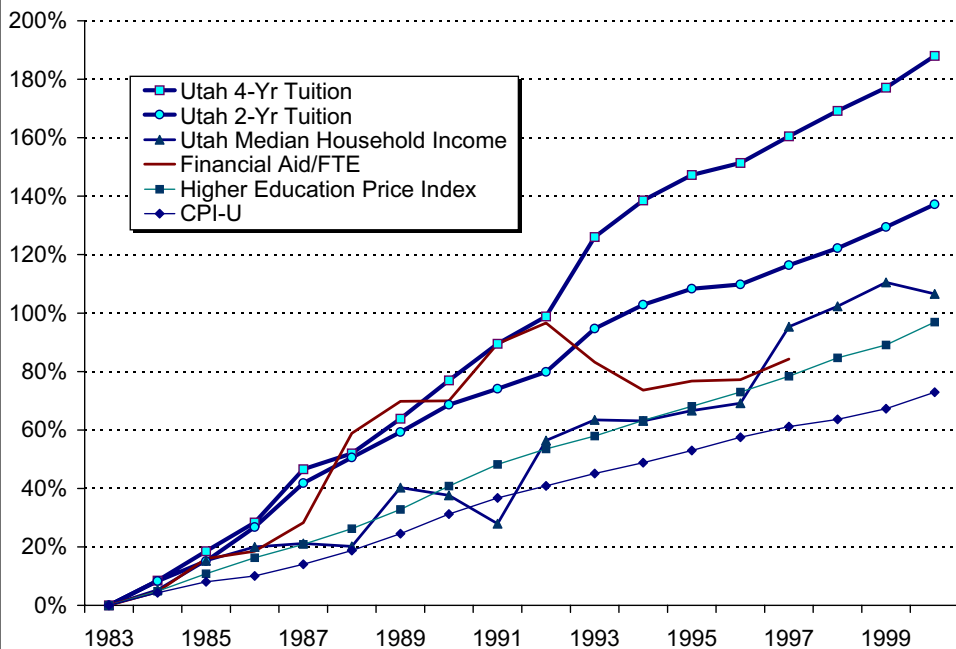


Source: "Trends in College Pricing," The College Board, 2000.

**Figure 5**

### Growth of Utah Tuition and Indices of Affordability

*Cumulative Percent Growth, 1983-2000*



Sources: Utah System of Higher Education (Tuition and Financial Aid); Research Associates of Washington (Higher Education Price Index); U.S. Department of Commerce, Bureau of the Census (CPI and Income).

opposing the “two-tiered” tuition process and supporting Senate Bill 210. This bill, sponsored by Senator Carlene Walker, requires that institutions hold public hearings before tuition can be increased. It passed overwhelmingly in both the Senate and the House and was signed into law by Governor Leavitt in March 2001. During this debate, students expressed concerns about rising tuition prices, wages that are losing value in relative terms, and stagnant levels of financial aid. They worried that some students are being forced to prolong their undergraduate degrees and that others, especially low income students, are being priced out of postsecondary education altogether.

Since the 1980s, tuition in Utah has been rising faster than other consumer prices. The average price of tuition and fees per year for the state’s four-year institutions of higher education has risen from \$822 in 1983 to \$2,367 in 2000, a 188% increase. In the same timeframe, the Consumer Price Index (CPI) has increased 73%. Adjusting for inflation as measured by the CPI, Utah tuition and fees at four-year schools have risen 67% from \$1,421 to \$2,367 (in 2000 dollars). Students argue that this comparison demonstrates that their ability

to pay tuition is eroding. However, limiting one’s analysis of increasing tuition prices to a comparison against the CPI is incomplete, because other indicators of one’s ability to pay tuition are fluctuating at different rates than the CPI. Two of these indicators are particularly important: median household income and the relative value of the minimum wage.

The costs most students face are at least partially assisted by their families; therefore, median household income may serve as a reasonable indicator for tracking the ability of a family to pay tuition over time.

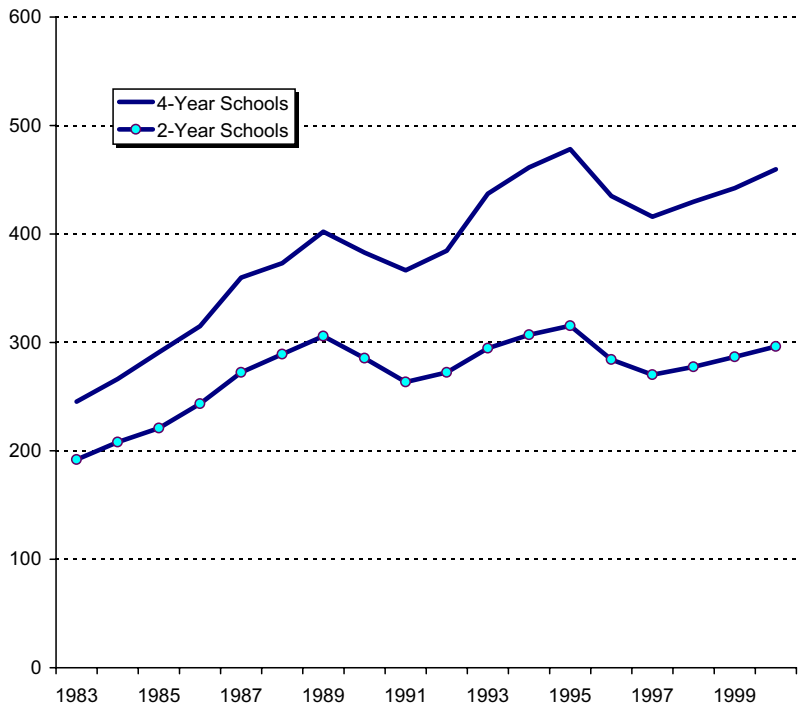
Analyzing tuition increases in terms of median household income, which has also been rising faster than the CPI, offers a slightly different view of the cost of higher education. The average price of tuition is still rising faster than Utah’s median household income, but the difference is smaller and has narrowed significantly in recent years. While this calculation offers a different assessment of ability to pay than an analysis that focuses solely on the CPI, the gap between median household income and the average price of tuition still represents an increasing burden to the families of Utah students over time, and this is especially true for students who come from low-income families.

An examination of the earning power of the minimum wage relative to tuition also seems to support that conclusion. In 2000, a student would need to work 460 hours at minimum wage in order to pay the average price of tuition and fees at a Utah four-year public university, 87% higher than the hours required in 1983. For Utah’s two-year public colleges, a student would need to work 296 hours to pay the average tuition and fees in 2000, 54% higher than the hours required in 1983. For a person who worked 40 hours a week, year round,

**Figure 6**

### Hours of Work Required at Minimum Wage to Pay for Tuition and Fees

At Utah Public Institutions



Sources: Utah System of Higher Education; U.S. Department of Labor.

at minimum wage in 2000, the average price of Utah four-year university tuition and fees represents 22% of his yearly income before taxes, up from 11% in 1983. These statistics have limited application, since the actual wages earned by college students depend on numerous variables, including the location of the school and the health of the economy. These variables are very difficult to track, and are not taken into consideration here. The relative value of the minimum wage does, however, represent a benchmark for consideration by policy makers, in that it shows a marked increase in the burden faced by the students in Utah who are worst off.

The price of tuition and fees is not the only variable that determines the affordability of postsecondary education for Utah's families. The net price paid by the student is the price paid after all financial aid awards have been received. According to the National Center of Education Statistics, financial aid awards in Utah have not kept up with the rise in tuition prices. In the late 1980s and early 1990s, the rates of increase in financial aid per full time equivalent (FTE) student

were consistent with the increases in the price of tuition and fees. However, aid began to fall behind in the middle and late 1990s. In 1997, financial aid per FTE was 14.0% higher than it had been in 1984 (in constant 1997 dollars), less than half of the 36.6% increase in constant dollar tuition and fees per FTE over the same period. Moreover, that aid is increasingly shifting from grant aid, which does not have to be paid back, to loan aid, which does.

### The Rising Cost of Providing Education

While it is clear that the price of a postsecondary education is rising, it is equally clear that the cost of providing that education is rising as well. In fact, the tuition and fees collected from Utah students pay for only 27% of that cost. Institutions of higher education in Utah are facing a number of difficult developments including: escalating prices on inputs to higher education, inflationary pressures in the national market in which they compete, and reduced constant dollar contributions per student from the state. According to institution officials, these pressures are combining to drive tuition and fee prices higher.

Institution officials argue that it is unfair to compare tuition prices to the Consumer Price Index, because the prices of inputs to higher education are rising faster than consumer prices in general. In order to measure this difference each year Research Associates of Washington publish the Higher Education Price Index (HEPI). The HEPI was first published in 1975 by the United States Office of Education. Like the CPI, it measures the change in the prices that colleges and universities pay for a "fixed" basket of goods including things like professional and non-professional salaries, benefits, and wages, contracted services, supplies and materials, equipment, library acquisitions, and utilities. Between 1980 and 2000, the HEPI rose 154.1% compared to a 109% increase in the CPI. The HEPI averaged an increase of 4.8% per year. Comparatively, the average increase of the CPI was 3.5% per year. Three components of the HEPI grew particularly fast, namely: library



acquisitions, growing 283.8% between 1980 and 2000, employee benefits at 251% and professional compensation at 162.5%.

One of the reasons higher education prices have risen faster than prices in the economy at large is the difference between productivity gains in higher education and other economic sectors. During the recent economic expansion, productivity for many sectors increased dramatically, as advances in technology made it faster and cheaper to deliver many goods and services to more people. In contrast, increasing productivity in the delivery of higher education services has proven to be much more difficult. In fact, the method of delivering higher education has changed very little since its inception. A group of students meet with a professor who teaches them and answers their questions. There are various options to increase productivity in this model including increasing the number of students per class and/or the number of classes per teacher. Each of these variables have been considered and manipulated in the Utah System of Higher Education, but they cannot be considered independently from quality and accessibility considerations. It is possible that technology will provide a means by which the model may be adjusted to decrease the price of delivery. There have been experiments with various options including telecourses and the Western Governor's University, which are delivered via the internet. However, the future of these technologies and their acceptance by mainstream higher education consumers is unclear.

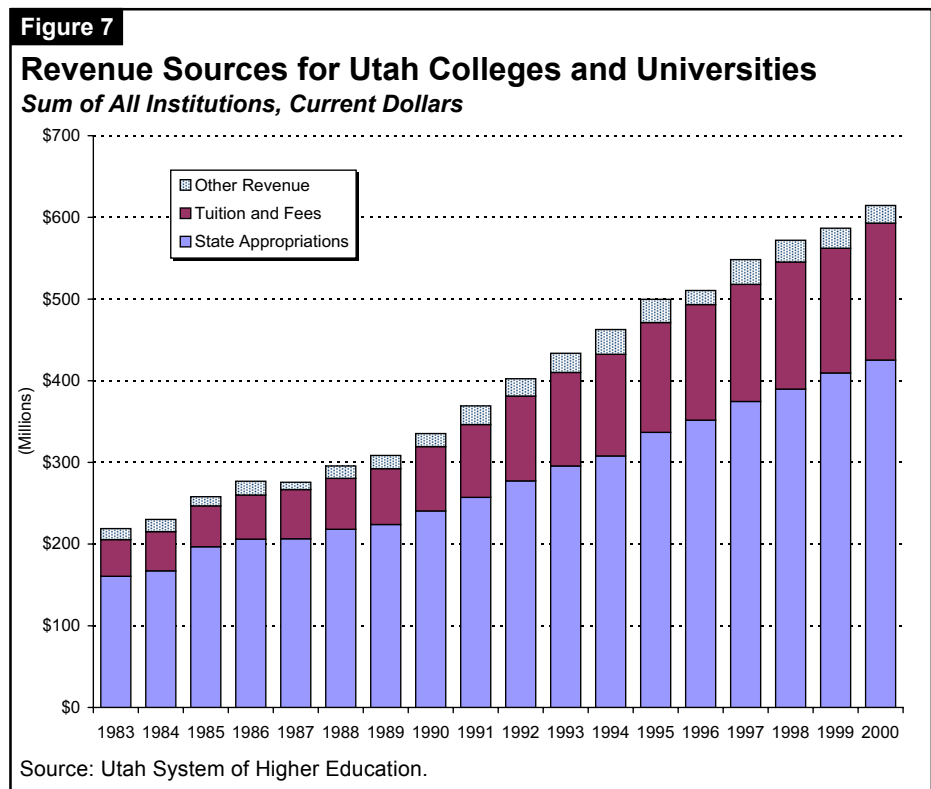
The most obvious alternative to raising tuition and fees under these market pressures is an increase in state funding. Student and institutional representatives alike have been calling for such an increase in order to raise faculty salaries in Utah's schools and relieve some of the burden on students. While state appropriations increased 73.2% between the 1976 and 1999 academic years, they have not kept up with

enrollment growth. Instead, state appropriations per FTE in constant dollars have fallen 21.9% during that time period. In the March 2001 meeting of the Utah Board of Regents, it was reported that only 78.8% of enrollment growth had been funded by the legislature, despite a 12.8% increase in total funding. Because state appropriations and tuition and fees make up the overwhelming majority of institutional discretionary revenue, it is not surprising to see the institutions compensate by asking for higher tuition and fee costs.

### State Financial Constraints

In Utah, higher education policy decisions regarding tuition increases are made by the state Board of Regents. The Board of Regents was created under the presumption that a central board of education experts is in a better position to allocate the efficient use of public higher education funds. Despite the independent nature of this body, its work is strongly influenced by the Legislature, which appropriates state funding.

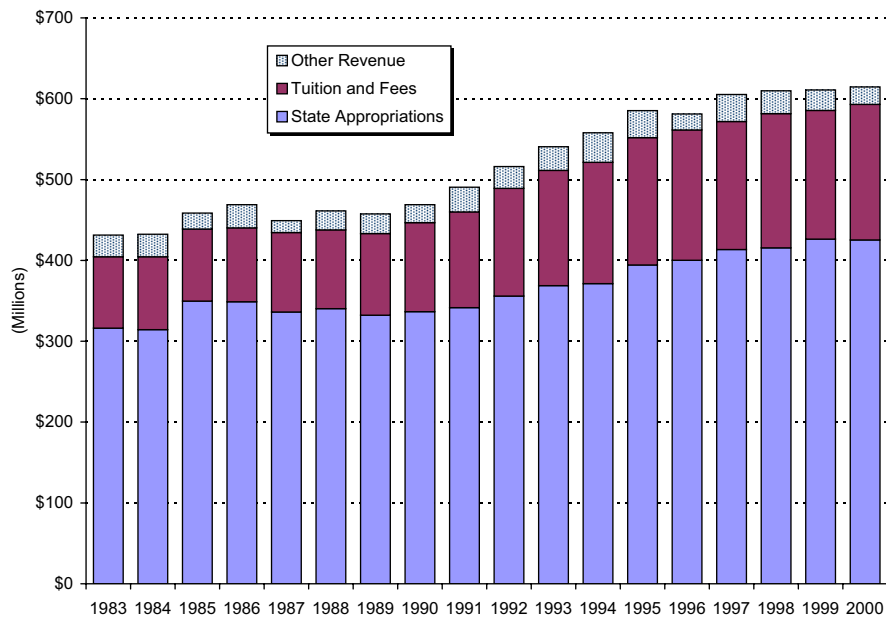
In the last twenty-five years, state appropriations for higher education have decreased both per student and as a percent of total institutional revenue. Judging strictly by these statistics, some blame the state for the increasing price of higher



**Figure 8**

### Revenue Sources for Utah Colleges and Universities

*Sum of All Institutions, Constant 2000 Dollars  
Adjusted by Higher Education Price Index*



Sources: Utah System of Higher Education; Research Associates of Washington.

education. But that is too simplistic. Just like students and institutions, the state government is also facing difficult and contradictory trends and pressures, some of which come from the students and institutions themselves. Because of Utah's unique demographic characteristics, state policy makers are forced to find a way to pay for more students with less money compared to other states, while at the same time facing pressure from constituents and institutions for closer, more diversified education opportunities.

Most people in Utah know that the average family size in the state is larger than anywhere else in the nation, but the impact that has on the collection and distribution of state funds is less commonly known. Utah's population is younger than the rest of the country, having the largest number of people under the age of 18 (32.2% of the population). Nationally, this age group makes up 25.7%. Utah also has the largest number of individuals between the ages of 18 and 24, which is the segment most likely to be enrolled in college. They make up 14.2% of the total population in Utah compared to 9.7% nationally. In contrast, Utah has the fourth lowest working-age population. Individuals between the ages of 18 and 62 make up 57.7% of the population, and the

distribution within that population tends to be younger than other states, as well. For example, a breakdown of Utah's population between the ages of 18 and 64 shows that in Utah 18-24 year-olds make up 24% of that group, compared with 16% nationally.

Because of these unique demographic characteristics, the state of Utah must attempt to educate more students with less tax revenue than other states. The indicators used to measure state contribution seem to contradict those who believe the state is not making enough of an effort to support higher education. For example, Utah's state appropriations for higher education (not counting tuition and fee revenue) rank second highest in the nation, both per capita, and per \$1,000

personal income. Utah also ranks second in higher education appropriations as a percentage of total state and local direct expenditures. In other words, the investment that the state of Utah is making in higher education is quite high compared to other states, while the price of tuition and fees is still comparatively low. In addition, policymakers point out that college graduates make nearly twice as much on average, compared to those who only graduate from high school. In setting the amount of state support for higher education, policymakers are also keenly aware that this is a conservative state that already has the fourteenth highest tax burden in the country compared to total personal income.

Moreover, at the same time that state policy makers are facing these demographic and fiscal pressures, they are also facing pressure from constituents and institutions alike, to bring more diversified opportunities for higher education closer to home. Since families are often contributing to the cost of living and education for students, it is less expensive for students to live at home while they are attending school. Therefore, both students and parents would like their local institutions to provide a full range of

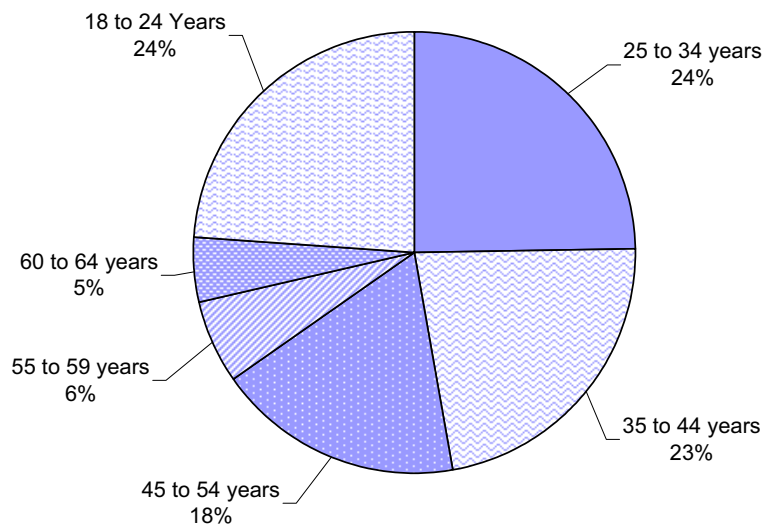
academic opportunities. For institutions, increasing academic offerings is a means of boosting enrollment, enhancing prestige and attracting faculty talent that is becoming increasingly specialized. In many cases, however, it also means duplicating faculty and infrastructure, thereby increasing costs to the state, the student, or both.

### Conclusion

This report attempts to provide a broad, manageable overview of the trends in higher education finance in the state of Utah and to achieve this it was necessary to limit the scope of data analysis. The state averages discussed represent statistical averages of data from nine diverse institutions with diverse missions and roles. The effects of the trends that have been discussed are unique for each of these institutions and it is not possible in a report of this length to capture those important differences. It is also important to recognize the many issues involved in this discussion for which there are no quantitative data. Cultural and historical values continue to play a significant role in determining regional differences in the price levels of higher education. For example, the attitudes of a population toward

**Figure 10**

### Utah Working Population 18-64 Years Old, by Age Group



Source: U.S. Department of Commerce, Bureau of the Census

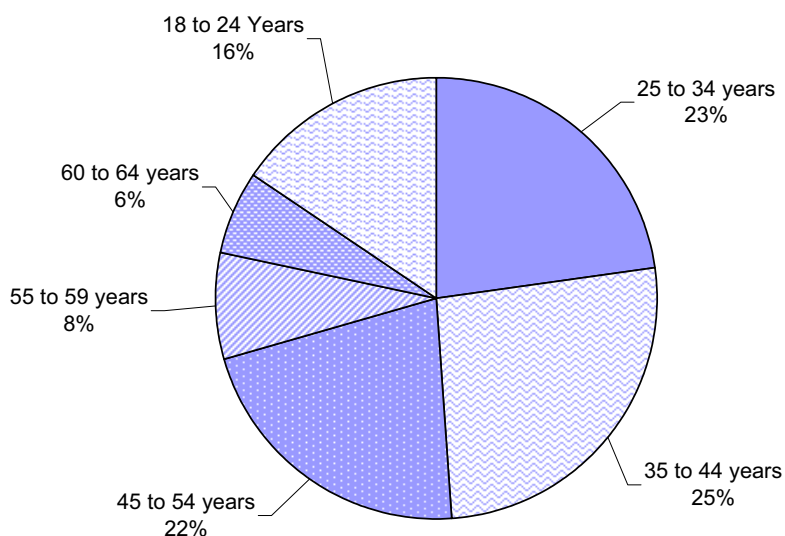
indebtedness, taxation, redistribution of wealth, and social equality will all have a considerable bearing on this discussion. But speculation on issues such as these is better left to elected officials.

Still, it is clear that as Utah prepares for the future, we will continue to require a well-educated, skilled workforce to fuel future economic prosperity. In order to produce that workforce, it is essential to ensure that Utah students have access to quality postsecondary educational opportunities. The price paid by students in tuition and fees is fundamental to ensuring that access. If the price of tuition and fees continues to grow faster than family income, the educational opportunities of low- and medium-income students will increasingly depend on the availability and makeup of financial aid resources.

Students and their families must understand the market pressures faced by the institutions and the fiscal constraints faced by state government. There is no easy source of funding to offset those pressures. It is critical, therefore that families recognize the importance of planning early for postsecondary education. If recent trends continue, medium and high-

**Figure 9**

### United States Working Population 18-64 Years Old, by Age Group



Source: U.S. Department of Commerce, Bureau of the Census



**Table 1**

**Historical Higher Education Data**

Calendar Year	CPI-U (1)	School Year	Utah Resident Tuition & Fees (2)			
			Four-Year Public Colleges		Two-Year Public Colleges	
			Current Dollars	Constant Dollars (2000)	Current Dollars	Constant Dollars (2000)
1983	99.6	1982-83	\$822	\$1,421	\$643	\$1,112
1984	103.9	1983-84	892	1,478	697	1,155
1985	107.6	1984-85	974	1,559	740	1,185
1986	109.6	1985-86	1,055	1,657	815	1,281
1987	113.6	1986-87	1,205	1,826	912	1,383
1988	118.3	1987-88	1,250	1,819	968	1,410
1989	124.0	1988-89	1,347	1,871	1,024	1,423
1990	130.7	1989-90	1,455	1,916	1,085	1,429
1991	136.2	1990-91	1,558	1,969	1,120	1,416
1992	140.3	1991-92	1,635	2,006	1,157	1,420
1993	144.5	1992-93	1,858	2,214	1,252	1,492
1994	148.2	1993-94	1,961	2,278	1,305	1,516
1995	152.4	1994-95	2,033	2,297	1,340	1,514
1996	156.9	1995-96	2,066	2,268	1,349	1,481
1997	160.5	1996-97	2,141	2,297	1,392	1,493
1998	163.0	1997-98	2,213	2,338	1,429	1,510
1999	166.6	1998-99	2,278	2,354	1,476	1,525
2000	172.2	1999-00	2,367	2,367	1,526	1,526

Year	CPI-U (1)	Utah Median Household Income (3)		School Year	Average Financial Aid per FTE (2)	
		Current Dollars	Constant Dollars (2000)		Current Dollars	Constant Dollars (1997)
		1983	99.6		\$21,897	\$37,858
1984	103.9	23,057	38,214	1983-84	572	884
1985	107.6	25,238	40,390	1984-85	634	946
1986	109.6	26,281	41,292	1985-86	648	948
1987	113.6	26,529	40,214	1986-87	701	991
1988	118.3	26,313	38,302	1987-88	868	1,178
1989	124.0	30,717	42,657	1988-89	928	1,201
1990	130.7	30,142	39,713	1989-90	929	1,141
1991	136.2	28,016	35,421	1990-91	1,036	1,220
1992	140.3	34,251	42,039	1991-92	1,075	1,229
1993	144.5	35,786	42,646	1992-93	1,001	1,112
1994	148.2	35,716	41,500	1993-94	949	1,028
1995	152.4	36,480	41,220	1994-95	966	1,017
1996	156.9	37,038	40,650	1995-96	969	991
1997	160.5	42,775	45,893	1996-97	1,007	1,007
1998	163.0	44,299	46,799	1997-98	N/A	N/A
1999	166.6	46,094	47,643	1998-99	N/A	N/A
2000	172.2	45,230	45,230	1999-00	N/A	N/A

**Sources:**

(1) Bureau of Labor Statistics, U.S. Department of Labor; (1982-84 = 100)

(2) Utah System of Higher Education; constant dollar calculations by Utah Foundation

(3) U.S. Census Bureau data; constant dollar calculations by Utah Foundation

Note: The Higher Education Price Index is a proprietary measure, published by Research Associates of Washington, who has requested that the index not be reproduced here.

Table 2

## State Higher Education Effort Indicators

	2000 Population (1)				FY 1997-98	
	18-24 yrs old (College Age)	Total Population	College Age as % of Total	% Rank	Tax Burden (2)	Rank
United States Total	27,143,454	281,421,906	9.65%		\$108.19	
<b>Utah</b>	<b>317,431</b>	<b>2,233,169</b>	<b>14.21%</b>	<b>1</b>	<b>\$114.09</b>	<b>14</b>
Alabama	439,612	4,447,100	9.89%	23	\$89.00	49
Alaska	57,292	626,932	9.14%	42	119.42	10
Arizona	514,101	5,130,632	10.02%	19	102.52	37
Arkansas	261,738	2,673,400	9.79%	24	103.61	35
California	3,366,030	33,871,648	9.94%	22	110.68	19
Colorado	430,111	4,301,261	10.00%	20	96.34	46
Connecticut	271,585	3,405,565	7.97%	51	120.66	9
Delaware	75,328	783,600	9.61%	29	114.00	15
District of Columbia	72,637	572,059	12.70%	2	149.80	1
Florida	1,330,602	15,982,378	8.33%	48	97.35	44
Georgia	837,732	8,186,453	10.23%	11	102.07	38
Hawaii	114,893	1,211,537	9.48%	37	124.65	6
Idaho	138,829	1,293,953	10.73%	5	109.96	22
Illinois	1,210,898	12,419,293	9.75%	26	101.36	39
Indiana	614,721	6,080,485	10.11%	17	102.59	36
Iowa	298,008	2,926,324	10.18%	13	107.68	27
Kansas	275,592	2,688,418	10.25%	10	112.47	16
Kentucky	401,858	4,041,769	9.94%	21	109.63	25
Louisiana	473,801	4,468,976	10.60%	6	105.90	30
Maine	103,903	1,274,923	8.15%	49	140.98	2
Maryland	450,922	5,296,486	8.51%	46	104.78	31
Massachusetts	579,328	6,349,097	9.12%	43	109.61	26
Michigan	932,137	9,938,444	9.38%	38	109.77	23
Minnesota	470,434	4,919,479	9.56%	33	122.80	7
Mississippi	310,974	2,844,658	10.93%	4	106.38	29
Missouri	535,978	5,595,211	9.58%	32	98.97	41
Montana	85,757	902,195	9.51%	35	110.44	20
Nebraska	174,425	1,711,263	10.19%	12	109.76	24
Nevada	179,708	1,998,257	8.99%	44	96.36	45
New Hampshire	103,369	1,235,786	8.36%	47	85.06	51
New Jersey	676,628	8,414,350	8.04%	50	111.76	17
New Mexico	177,576	1,819,046	9.76%	25	127.93	4
New York	1,765,453	18,976,457	9.30%	40	137.59	3
North Carolina	806,821	8,049,313	10.02%	18	103.94	34
North Dakota	73,118	642,200	11.39%	3	117.01	12
Ohio	1,056,544	11,353,140	9.31%	39	107.50	28
Oklahoma	357,085	3,450,654	10.35%	8	103.97	33
Oregon	327,884	3,421,399	9.58%	31	97.90	42
Pennsylvania	1,094,449	12,281,054	8.91%	45	104.74	32
Rhode Island	106,607	1,048,319	10.17%	14	114.30	13
South Carolina	407,851	4,012,012	10.17%	15	100.47	40
South Dakota	77,634	754,844	10.28%	9	94.67	47
Tennessee	548,856	5,689,283	9.65%	28	87.24	50
Texas	2,198,881	20,851,820	10.55%	7	94.62	48
Vermont	56,586	608,827	9.29%	41	121.13	8
Virginia	679,398	7,078,515	9.60%	30	97.76	43
Washington	559,361	5,894,121	9.49%	36	110.68	18
West Virginia	172,431	1,808,344	9.54%	34	110.19	21
Wisconsin	520,629	5,363,675	9.71%	27	125.29	5
Wyoming	49,928	493,782	10.11%	16	119.26	11

**Sources:**

(1) U.S. Department of Commerce, Bureau of the Census, 2000 Census.

(2) U.S. Department of Commerce, Bureau of the Census, State and Local Government Finances.

The tax burden used is total state and local tax collections per \$1,000 of personal income.

**Table 2 (Continued)****State Higher Education Effort Indicators**

	<b>FY 1997-98 Higher Education General Appropriations (3)</b>						
	<b>Appropriations</b>	<b>Per Capita</b>	<b>Rank</b>	<b>Per \$1000 Personal Income</b>	<b>Rank</b>	<b>% of Total Direct Expenditures</b>	<b>Rank</b>
United States Total	\$65,370,084	\$241.84		\$9.14		4.28%	
<b>Utah</b>	<b>\$857,334</b>	<b>\$408.25</b>	<b>2</b>	<b>\$18.95</b>	<b>2</b>	<b>7.36%</b>	<b>2</b>
Alabama	\$1,183,131	\$271.86	18	\$12.63	14	5.46%	13
Alaska	221,972	361.52	5	13.17	11	2.90%	46
Arizona	1,096,913	234.94	28	10.16	26	4.95%	20
Arkansas	672,542	264.99	20	12.81	12	6.06%	9
California	8,618,875	263.84	21	9.66	30	4.26%	32
Colorado	1,022,376	257.46	22	8.98	33	4.77%	24
Connecticut	603,800	184.42	43	5.03	48	2.90%	45
Delaware	208,511	280.26	17	9.93	27	4.70%	26
District of Columbia	51,197	97.89	51	2.65	51	0.83%	51
Florida	2,778,391	186.27	42	7.13	41	3.72%	38
Georgia	1,881,302	246.18	26	9.84	28	4.87%	21
Hawaii	465,958	390.58	3	14.78	6	6.25%	7
Idaho	332,771	270.77	19	12.75	13	5.81%	11
Illinois	2,360,972	196.01	38	6.72	43	3.63%	39
Indiana	1,393,770	236.27	27	9.70	29	5.19%	18
Iowa	981,780	343.04	7	14.17	7	6.50%	4
Kansas	820,555	312.12	12	12.51	15	6.46%	5
Kentucky	899,620	228.56	31	10.54	22	4.79%	23
Louisiana	881,145	201.68	36	9.27	31	3.95%	35
Maine	222,182	178.60	45	7.81	37	3.34%	41
Maryland	1,195,528	232.82	30	7.80	38	4.52%	29
Massachusetts	942,071	153.26	48	4.76	49	2.38%	48
Michigan	2,781,527	283.34	16	10.82	18	5.11%	19
Minnesota	1,388,870	293.94	14	10.34	25	4.56%	27
Mississippi	877,412	318.83	11	16.49	3	6.64%	3
Missouri	1,084,142	199.33	37	8.06	36	4.42%	30
Montana	165,679	188.27	41	9.08	32	3.73%	37
Nebraska	574,827	345.66	6	13.79	8	6.05%	10
Nevada	378,443	216.62	34	7.65	39	3.87%	36
New Hampshire	125,641	106.03	50	3.73	50	2.23%	50
New Jersey	1,558,997	192.11	40	5.81	46	3.07%	43
New Mexico	778,229	448.03	1	21.74	1	7.95%	1
New York	4,050,324	222.85	32	7.10	42	2.65%	47
North Carolina	2,506,634	332.18	10	13.50	9	6.43%	6
North Dakota	216,329	339.07	8	15.56	4	6.07%	8
Ohio	2,182,341	194.70	39	7.61	40	3.63%	40
Oklahoma	779,919	233.02	29	10.82	20	5.31%	15
Oregon	1,094,761	333.57	9	13.17	10	5.26%	17
Pennsylvania	2,028,152	169.00	46	6.32	44	3.08%	42
Rhode Island	165,857	167.87	47	6.16	45	2.94%	44
South Carolina	955,666	249.13	25	11.45	17	4.81%	22
South Dakota	135,803	184.01	44	8.07	34	3.98%	34
Tennessee	1,361,296	250.65	24	10.52	23	4.75%	25
Texas	5,072,044	256.68	23	10.36	24	5.44%	14
Vermont	78,374	132.61	49	5.52	47	2.38%	49
Virginia	1,499,267	220.77	33	8.07	35	4.53%	28
Washington	1,661,756	292.10	15	10.64	21	4.39%	31
West Virginia	388,124	214.31	35	10.82	19	4.25%	33
Wisconsin	1,609,503	308.10	13	12.12	16	5.49%	12
Wyoming	177,471	368.96	4	15.17	5	5.30%	16

**Source:**

(3) U.S. Department of Commerce, Bureau of the Census, State and Local Government Finances.

income families will likely bear an increasing burden of paying, not only for their students' cost of attendance, but also for financial aid programs to insure access to the poor.

Ensuring access to higher education will require considerable planning and a considerable investment both individually and collectively. The good news, of course, is that the returns on that investment continue to be quite high.

This Research Report was prepared by Utah Foundation interns Matt Romney and Sara Sanchez, with assistance from Executive Director Stephen Kroes.



5242 College Drive, Suite 390  
Salt Lake City, UT 84123

