Progress in higher education is essential to building a productive and innovative economy, an informed and empowered citizenry, and a higher quality of life amongst families and communities. However, the affordability of higher education is a growing challenge for Kentucky families. This fact sheet highlights the key information on higher education affordability in the Commonwealth.

Postsecondary Education Attainment:

- By 2018, nearly half of Kentucky jobs will require some form of postsecondary education.
- Only 28 percent of Kentuckians ages 18-64 have an associate’s degree or higher, ranking the state 6th from the bottom.
- Less than half of students who enroll in four-year universities graduate in six years, while less than a third of those who enroll in community colleges graduate within three years.
- 34 percent of whites in Kentucky had an associate’s degree or higher in 2009, compared to 22 percent of minorities—a gap that has grown since 2000.
- Attainment varies by geography—30 percent of Oldham County residents ages 25 and older have a two-year degree or higher compared to 5 percent of Knox County residents.

Financial Burden on Kentucky Families:

- Adjusted for inflation, institutional tuition revenues have grown 66 percent since 2004, compared to 15 percent for state financial aid spending.
- While Pell Grants once covered 80 percent of college related expenses, they now only cover 34 percent.
- Kentucky students took out $1.1 billion in loans at state colleges and universities in 2010, an increase of 238 percent since 2001 compared to a 35 percent increase in enrollment over that period.
- State appropriations for public universities and community colleges, adjusted for inflation, was 14 percent lower in 2010 than it was in 2000.

Merit Aid v. Need-Based Aid:

- 62 percent of eligible applicants for need based state aid programs were denied assistance in 2011.
- Only 11 percent of Kentucky Educational Excellence Scholarship (KEES) funding, the largest source of merit based funding in Kentucky, went to the poorest quintile of students in 2011 while 33 percent went to the richest quintile of students whose median family income was over $100,000.
- Over $36.5 million of state financial aid in 2011 was in the form of tax expenditures that largely bypass low-income students.

Recommendations:

- Limit tuition increases by providing adequate state funding for postsecondary education.
- Increase financial aid support for low-income Kentuckians by:
  - Fully funding CAP.
  - Re-directing the funding from the Postsecondary Tuition Tax Credit to need-based aid as recommended by the Governor’s Higher Education Work Group.
  - Examining the relative priority of CAP, KTG and KEES funding in the budget process in order to prioritize aid to those least able to afford higher education.
  - Looking beyond lottery funding for sources of financial aid dollars.
- Increase financial aid for part-time, adult students.

For more information, see: http://www.kypolicy.us/sites/kcep/files/College%20Affordability_0.pdf