

12

Twelve Facts THAT MAY SURPRISE YOU ABOUT
AMERICA'S PRIVATE COLLEGES AND UNIVERSITIES



INDEPENDENT (ALSO KNOWN AS PRIVATE) HIGHER EDUCATION IS AS OLD AS OUR NATION ITSELF. INDEPENDENT COLLEGES AND UNIVERSITIES ARE NOT ONLY VEHICLES OF TRADITION, BUT CENTERS OF LEARNING THAT REFLECT THE EVER-EVOLVING DIVERSITY AND NEEDS OF AMERICAN LIFE. THEIR WIDE VARIETY OF SIZES, LOCATIONS, ACADEMIC PROGRAMS AND INSTITUTIONAL MISSIONS PROVIDES NOT ONLY AFFORDABLE ACCESS TO HIGHER EDUCATION, BUT A CHOICE IN HOW STUDENTS CAN ACHIEVE THEIR DREAMS.



INEXTRICABLY WOVEN INTO THE FABRIC OF AMERICAN LIFE, INDEPENDENT COLLEGES AND UNIVERSITIES ALWAYS HAVE BEEN ACCOUNTABLE TO A HOST OF AUDIENCES — GOVERNMENT, INDEPENDENT TRUSTEES, AND, PERHAPS MOST IMPORTANTLY, TO STUDENTS AND THEIR FAMILIES. HOWEVER, THE ROLE THAT INDEPENDENT COLLEGES AND UNIVERSITIES PLAY IN MEETING THE VITAL NATIONAL INTEREST OF PROVIDING EDUCATIONAL OPPORTUNITY IS NOT ALWAYS RECOGNIZED. THE INFORMATION IN THE FOLLOWING PAGES DEMONSTRATES HOW INDEPENDENT COLLEGES AND UNIVERSITIES NOT ONLY PROVIDE AFFORDABLE ACCESS TO STUDENTS FROM A DIVERSE ARRAY OF BACKGROUNDS, BUT ALSO THAT THE STUDENTS WHO ATTEND PRIVATE COLLEGES SUCCEED IN REACHING THEIR EDUCATIONAL GOALS.



MOST OF THE INFORMATION IN THIS REPORT IS BASED ON DATA FROM THE NATIONAL CENTER FOR EDUCATION STATISTICS OF THE U.S. DEPARTMENT OF EDUCATION. THE FACTS ARE CLEAR THAT INDEPENDENT COLLEGES AND UNIVERSITIES ARE RESPONDING EFFECTIVELY TO THE GROWING NEEDS OF THE UNITED STATES IN A NEW CENTURY.





AFFORDABLE

Fact One

Thanks to grants and scholarships, most students pay less than the published tuition at private colleges and universities.

Fact Two

Even the full tuition at private colleges and universities doesn't fully cover the instructional and other costs to the institution.

Fact Three

Grant aid now covers a greater proportion of students' tuition than it did a decade ago.

Fact Four

Most of the financial aid undergraduates receive at private colleges and universities is based on financial need.

DIVERSE

Fact Five

The proportion of students from racial and ethnic minorities at private colleges and universities is almost the same as at four-year state institutions.

Fact Six

The proportion of low- and middle-income students at private colleges and universities is almost the same as at four-year state institutions.

Fact Seven

Many older, working, and part-time students attend private colleges and universities, along with "traditional" full-time students just out of high school.

Fact Eight

Students who have dependents or support themselves attend private colleges and universities at about the same rate as four-year state institutions.

SUCCESSFUL

Fact Nine

Students who work full time, have a high school equivalency diploma, or face other challenges are far more likely to graduate from a private college or university than a state institution.

Fact Ten

All types of students are as likely to earn their degree in four years at a private college or university as they are in six years at a state institution.

Fact Eleven

Regardless of academic preparation, students are as likely to earn their degree in four years at a private college or university as they are in six years at a state institution.

Fact Twelve

Students who earn bachelor's degrees are able to do so sooner at private colleges and universities than at state institutions, avoiding additional tuition and beginning their careers earlier.

AFFORDABLE

ALTHOUGH PUBLIC ATTENTION IS FOCUSED ON PUBLISHED TUITION RATES, MOST UNDERGRADUATE STUDENTS DO NOT PAY THESE PRICES TO ATTEND PRIVATE COLLEGES AND UNIVERSITIES.

Many students need and receive help to pay for their college expenses. Indeed, 82 percent of full-time, full-year undergraduates at private institutions receive grant aid from institutional, federal, state, or private sources.

Even students who do not receive any financial aid still pay less than it actually costs an institution to provide an education. On average, the published tuition at private colleges and universities covers only 62 percent of the instructional, technological, and other related expenses that make up the true cost of educating a student. An institution must use its existing capital funds, endowment, annual gifts, and other sources to make up the difference (38 percent). Private colleges and universities are among the few sectors of the economy that successfully "sell" their product for less than the cost of producing it.

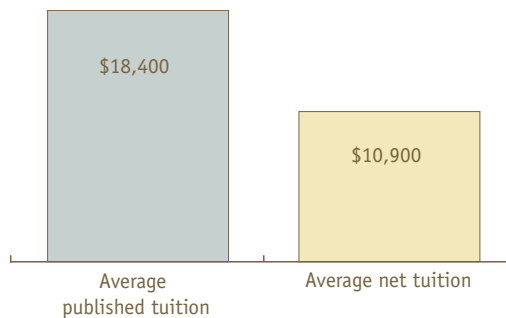
For the thousands of students who qualify for financial aid, average net tuition (after all grants are taken into account) is 59 percent of average published tuition.

A common misconception in the media and in public policy discussions

about grant aid from private colleges and universities is that there is a simple "need versus merit" distinction in how aid is awarded. The reality is much more complex. A significant proportion of the grant aid is based on a combination of financial need and other factors. Two-thirds of the grants awarded by private colleges and universities to undergraduates consider financial need. A much smaller proportion of grant aid (35 percent) is based entirely on factors other than need. These financial aid policies allow private institutions to enroll a variety of talented students from all socio-economic and academic backgrounds. Because most of the grant aid at private colleges and universities takes financial need into consideration, students who otherwise might not be able to afford it have the opportunity to fulfill their educational dreams.

Fact One: THANKS TO GRANTS AND SCHOLARSHIPS, MOST STUDENTS PAY LESS THAN THE PUBLISHED TUITION AT PRIVATE COLLEGES AND UNIVERSITIES.

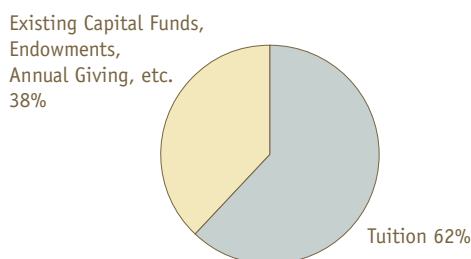
Published Tuition Versus What Students Actually Paid in Tuition (After All Grant Aid) at Private Colleges and Universities (2003-2004)



Sources: U.S. Department of Education, National Center for Education Statistics, NPSAS: 2003-04. Analysis by the National Association of Independent Colleges and Universities. Applies to full-time, full-year students.

Fact Two: EVEN THE FULL TUITION AT PRIVATE COLLEGES AND UNIVERSITIES DOESN'T FULLY COVER THE INSTRUCTIONAL AND OTHER COSTS TO THE INSTITUTION.

Tuition at Independent Colleges and Universities Covers Two-Thirds of the Education

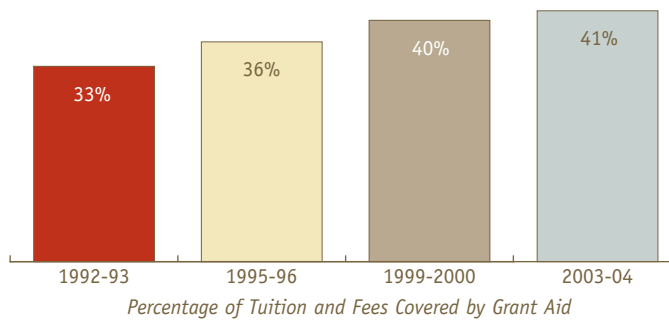


Source: Gordon C. Winston and Ivan C. Yen, *Cost, Prices, Subsidies, and Aid in U.S. Higher Education*, Williams Project on the Economics of Higher Education, 1995.

Fact Three:

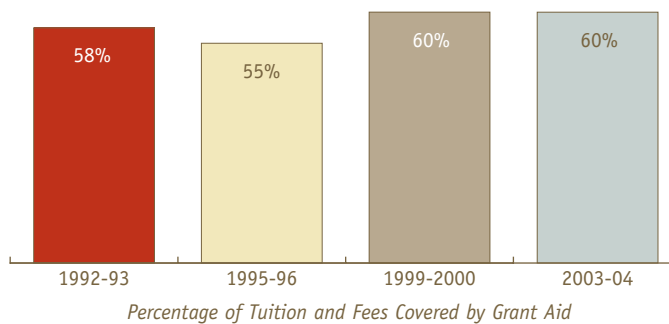
GRANT AID NOW COVERS A GREATER PROPORTION OF STUDENTS' TUITION THAN IT DID A DECADE AGO.

Grant Aid Covers a Greater Proportion of Published Tuition Prices Now Than It Did a Decade Ago



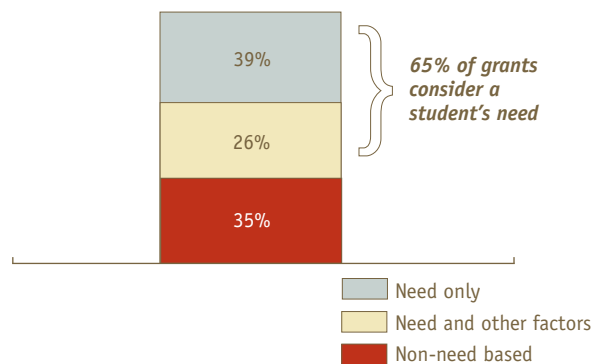
Sources: U.S. Department of Education, National Center for Education Statistics, NPSAS: 2003-04. Analysis by the National Association of Independent Colleges and Universities. Applies to full-time, full-year students.

The Proportion of Tuition Covered by Grant Aid for Low-Income Students Is Higher Now Than a Decade Ago



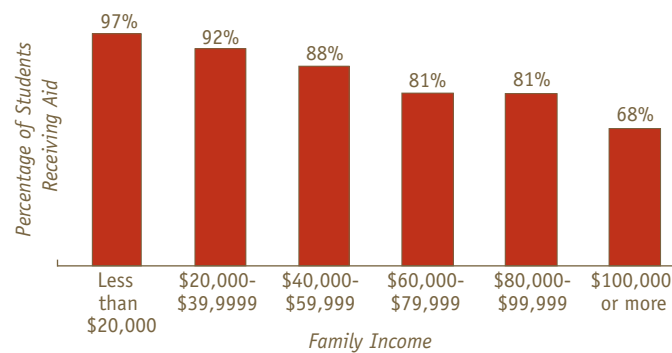
Fact Four: MOST OF THE FINANCIAL AID UNDERGRADUATES RECEIVE AT PRIVATE COLLEGES AND UNIVERSITIES IS BASED ON FINANCIAL NEED.

Two-Thirds of Grants Given by Private Colleges and Universities Are Need-Based



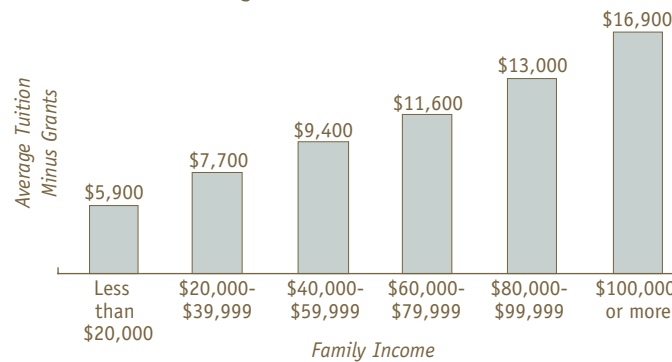
Source: National Association of Student Financial Aid Administrators and The College Board, 2001 Survey of Undergraduate Financial Aid Policies, Practices, and Procedures, March 2002.

More Students from Lower-Income Families Receive Grant Aid than Students from Higher-Income Families



Source: U.S. Department of Education, National Center for Education Statistics, NPSAS: 2003-04. Analysis by the National Association of Independent Colleges and Universities.

Lower-Income Students Pay less Tuition after Grant Aid than Higher-Income Students at Private Colleges and Universities



Source: U.S. Department of Education, National Center for Education Statistics, NPSAS: 2003-04. Analysis by the National Association of Independent Colleges and Universities.

DIVERSE

STUDENTS OF DIVERSE BACK-
GROUNDS FIND A HOME AT
AMERICA'S PRIVATE COLLEGES
AND UNIVERSITIES. Private colleges
and universities have a variety of
missions that enable them to meet
students' different educational
aspirations. Students choose these
institutions because of the diversity
and flexibility of programs, and
their personal and supportive
environments.

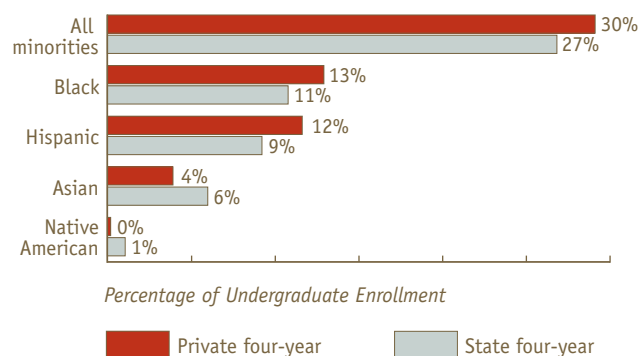
The proportion of minority
students enrolled at private colleges
and universities is similar to four-
year state institutions — 30 percent
versus 27 percent, respectively.
Fourteen percent of students at
private colleges and universities are
from families that earn \$25,000 or
less — the same rate as at four-year
state schools. Indeed, enrollment
patterns by family income in most
categories are similar.

"At risk" is a category of factors
that create potential hurdles for
a student's persistence through
graduation. These factors include

students who have dependents or
are single parents, are financially
independent, attend part-time,
delayed college enrollment after
high school, work full-time, or have
no high school diploma. Students
considered to be at risk choose
private colleges and universities
because of the personal and
supportive cultures that help them
succeed. In fact, students who are
considered most at risk because
they have four or more of these
characteristics represent a higher
proportion of enrollments at
private colleges and universities
than at four-year state institutions.

Fact Five: THE PROPORTION OF STUDENTS FROM RACIAL AND ETHNIC MINORITIES AT PRIVATE COLLEGES AND UNIVERSITIES IS ALMOST THE SAME AS AT FOUR-YEAR STATE INSTITUTIONS.

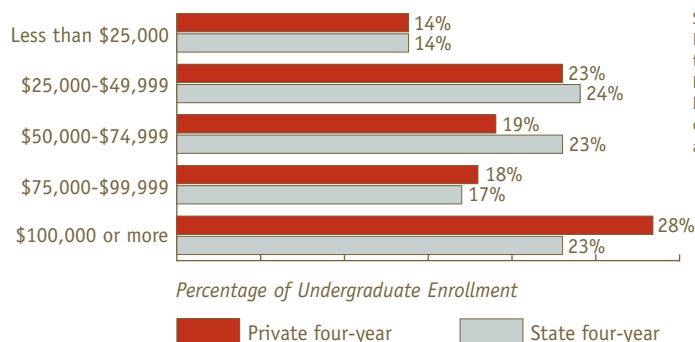
Private Colleges and Universities Educate Students from Diverse Backgrounds



Source: U.S. Department of Education, National Center for Education Statistics, NPSAS: 2003-04. Analysis by the National Association of Independent Colleges and Universities.

Fact Six: THE PROPORTION OF LOW- AND MIDDLE-INCOME STUDENTS AT PRIVATE COLLEGES AND UNIVERSITIES IS ALMOST THE SAME AS AT FOUR-YEAR STATE INSTITUTIONS.

Private Colleges and Universities Educate Students from All Family Incomes

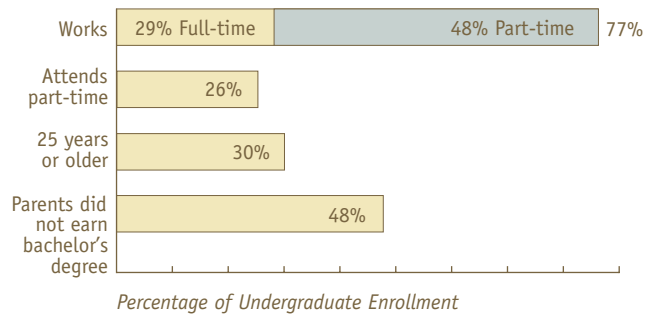


Source: U.S. Department of Education, National Center for Education Statistics, NPSAS: 2003-04. Analysis by the National Association of Independent Colleges and Universities.

Fact Seven:

MANY OLDER, WORKING, AND PART-TIME STUDENTS ATTEND PRIVATE COLLEGES AND UNIVERSITIES, ALONG WITH "TRADITIONAL" FULL-TIME STUDENTS JUST OUT OF HIGH SCHOOL.

Private Colleges and Universities Educate "Non-Traditional" Students and Students Whose Parents Did Not Earn a Bachelor's Degree.

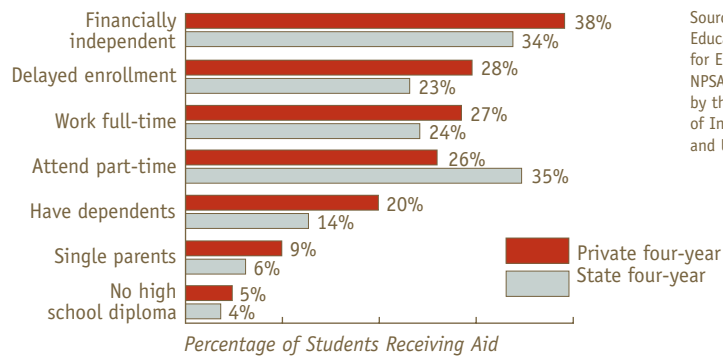


Source: U.S. Department of Education, National Center for Education Statistics, NPSAS: 2003-04. Analysis by the National Association of Independent Colleges and Universities.

Fact Eight:

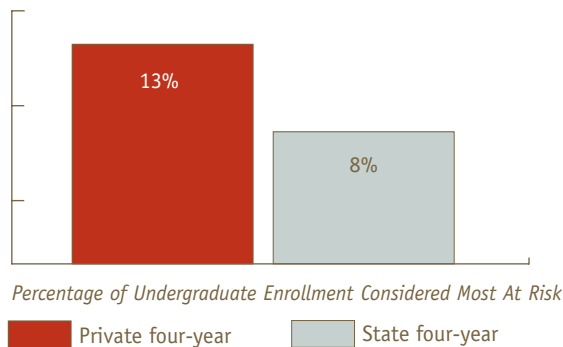
STUDENTS WHO HAVE DEPENDENTS OR SUPPORT THEMSELVES ATTEND PRIVATE COLLEGES AND UNIVERSITIES AT ABOUT THE SAME RATE AS FOUR-YEAR STATE INSTITUTIONS.

Private Colleges and Universities Educate Students from "At Risk" Backgrounds



Source: U.S. Department of Education, National Center for Education Statistics, NPSAS: 2003-04. Analysis by the National Association of Independent Colleges and Universities.

Private Colleges and Universities Educate a Greater Proportion of Students Who Are Most "At Risk"



Source: U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 2002*; NPSAS: 2003-04. Analysis by the National Association of Independent Colleges and Universities.

PRIVATE COLLEGES AND
UNIVERSITIES ARE NOT ONLY
AFFORDABLE FOR STUDENTS

FROM A WIDE VARIETY OF
BACKGROUNDS, BUT ALSO HELP
STUDENTS SUCCEED AND ACHIEVE

THEIR EDUCATIONAL GOALS.

Critics attribute higher completion
rates at private colleges and

universities to the selection of
students who are unlikely to have
any obstacles to pursuing their
degrees. This claim is wrong.

When comparing students with
similar characteristics (family
income, race/ethnicity, or academic

preparation), students at private
colleges and universities are more
likely to receive their bachelor's
degrees in four years than are their

counterparts at state institutions.

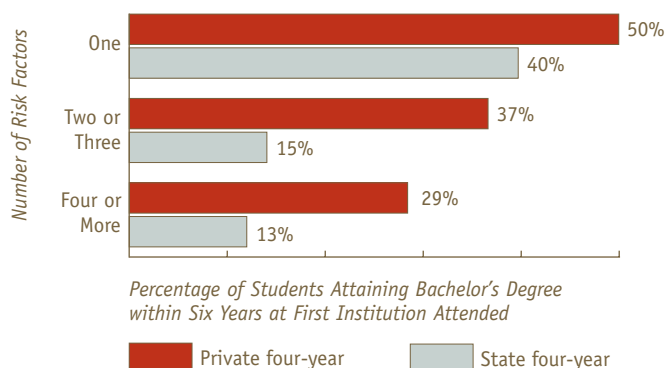
Success in completing their
bachelor's degrees on time and
entering the workforce also helps
graduates of private colleges and
universities reduce the effective
price of their degree, compared to
students at state institutions who
take longer to graduate. In fact,
the average price of private college
for students who complete their
degrees in four years and then
begin to earn a salary is less than
the price of a state institution for
students who take five years or more
to complete their degrees.

SUCCESSFUL

Fact Nine:

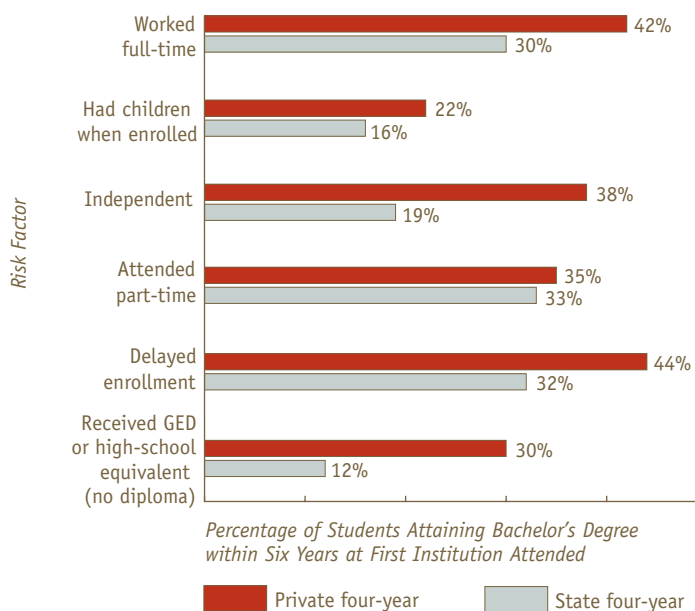
STUDENTS WHO WORK FULL TIME, HAVE A HIGH SCHOOL EQUIVALENCY DIPLOMA, OR FACE OTHER CHALLENGES ARE FAR MORE LIKELY TO GRADUATE FROM A PRIVATE COLLEGE OR UNIVERSITY THAN A STATE INSTITUTION.

Students with Multiple Risk Factors Are More Likely to Succeed at Colleges and Universities Than at Four-Year State Institutions



Source: U.S. Department of Education, National Center for Education Statistics, *Descriptive Summary of 1995-96 Beginning Postsecondary Students: Six Years Later*.

Students with Each Risk Factor Are More Likely to Succeed at Private Colleges and Universities Than at Four-Year State Institutions

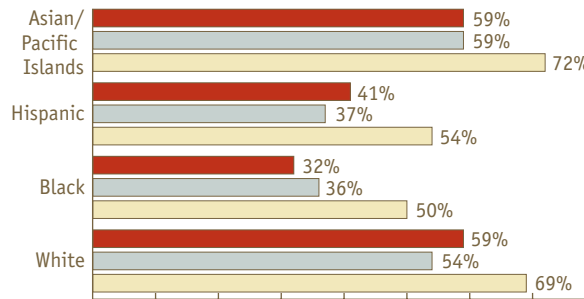


"At Risk" is a category of factors that create potential hurdles for a student's persistence through graduation. These factors include students who have dependents or are single parents, are financially independent, attend part-time, delayed college enrollment after high school, work full-time, or have no high school diploma. Students who are considered most at risk have four or more of these characteristics.

Fact Ten:

MOST STUDENTS ARE AS LIKELY TO EARN THEIR DEGREE IN FOUR YEARS AT A PRIVATE COLLEGE OR UNIVERSITY AS THEY ARE IN SIX YEARS AT A STATE INSTITUTION.

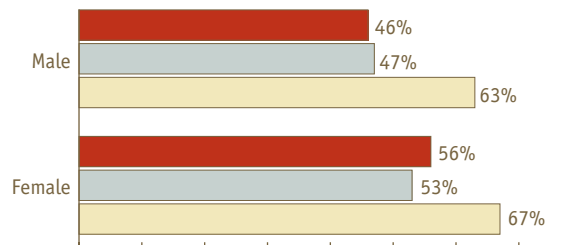
Race/Ethnicity



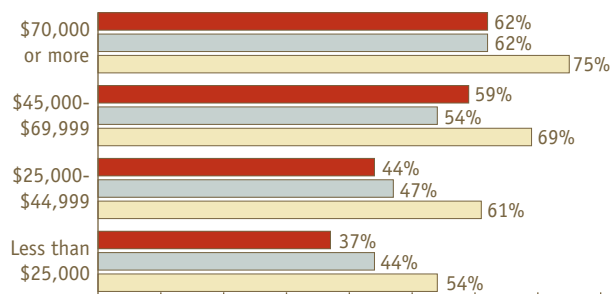
Source: U.S. Department of Education, National Center for Education Statistics, *Descriptive Summary of 1995-96 Beginning Postsecondary Students: Six Years Later*.



Gender



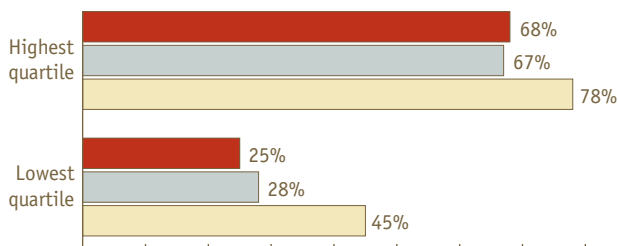
Family Income



II

Fact Eleven: REGARDLESS OF ACADEMIC PREPARATION, STUDENTS ARE AS LIKELY TO EARN THEIR DEGREE IN FOUR YEARS AT A PRIVATE COLLEGE OR UNIVERSITY AS THEY ARE IN SIX YEARS AT A STATE INSTITUTION.

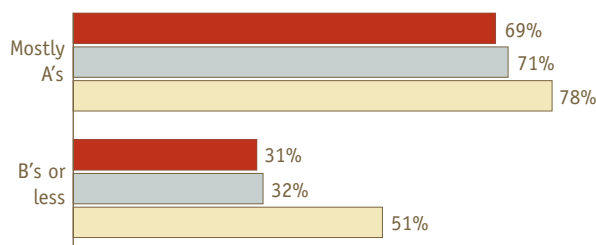
SAT Score



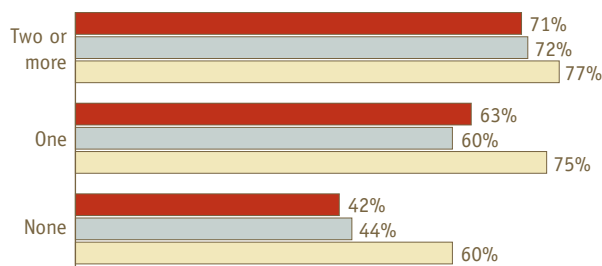
Source: U.S. Department of Education, National Center for Education Statistics, *Descriptive Summary of 1995-96 Beginning Postsecondary Students: Six Years Later*.



High School Grade-Point Average



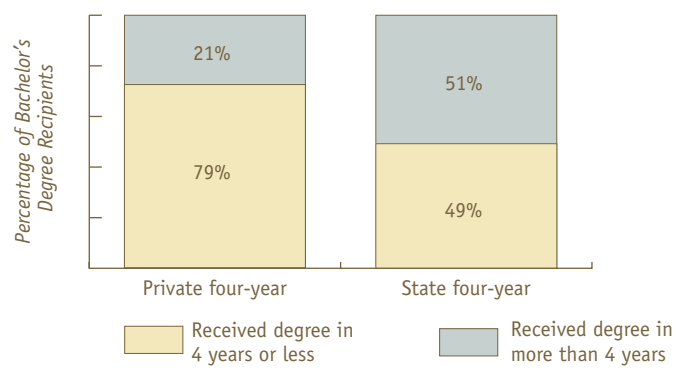
Number of Advanced Placement (AP) Tests Taken



Fact Twelve:

STUDENTS WHO EARN BACHELOR'S DEGREES ARE ABLE TO DO SO SOONER AT PRIVATE COLLEGES AND UNIVERSITIES THAN AT STATE INSTITUTIONS, AVOIDING ADDITIONAL TUITION AND BEGINNING THEIR CAREERS EARLIER.

Time-to-Degree for Students at Four-Year Colleges and Universities



Source: U.S. Department of Education, National Center for Education Statistics, *Descriptive Summary of 1995-96 Beginning Postsecondary Students: Six Years Later*. Analysis by the National Association of Independent Colleges and Universities.

Note: "Time-to-degree" looks only at bachelor's degree recipients and how long it took them to earn their degrees.

"Time-to-degree" differs from "completion rates," which can be defined in two ways: a student rate and an institutional rate. The student completion rate is the percentage of students beginning at an institution who are successful in their attempt to earn a bachelor's degree at any four-year institution in a given amount of time (typically between four and six years). The institutional completion rate is the percentage of students who are successful in their attempt to earn a bachelor's degree at the same four-year institution at which they first attended (i.e., the student did not transfer to another institution).

HOW TIME-TO-DEGREE AFFECTS THE “PRICE” OF A BACHELOR’S DEGREE

	Private College or University	State College or University	
	4 years to degree	5 years to degree	6 years to degree
Years 1-4	<p>Average Net Tuition (after grant aid): \$10,900 x 4 years = \$43,600</p> <p>Student earns a degree and enters the work force</p>	<p>Average Net Tuition (after grant aid): \$3,400 x 4 years = \$13,600</p> <p>Student continues in school</p>	<p>Average Net Tuition (after grant aid): \$3,400 x 4 years = \$13,600</p> <p>Student continues in school</p>
Year 5		<p>5th year average net tuition: \$3,400</p> <p>Average lost income in 5th year: \$30,000</p> <p>Student earns a degree and enters the work force</p>	<p>5th year average net tuition: \$3,400</p> <p>Average lost income in 5th year: \$30,000</p> <p>Student continues in school</p>
Year 6			<p>6th year average net tuition: \$3,400</p> <p>Average lost income in 6th year: \$30,000</p> <p>Student earns a degree and enters the work force</p>
	<p>Time-to-Degree 4 years</p> <p>Net tuition: \$43,600</p> <p>Lost income during add'l time-to-degree: \$ 0</p>	<p>Time-to-Degree 5 years</p> <p>Net tuition: \$17,000</p> <p>Lost income during add'l time-to-degree: \$30,000</p>	<p>Time-to-Degree 6 years</p> <p>Net tuition: \$20,400</p> <p>Lost income during add'l time-to-degree: \$60,000</p>
	<p>Total price of degree: \$43,600</p>	<p>Total price of degree: \$47,000</p>	<p>Total price of degree: \$80,400</p>

Source: U.S. Department of Education, National Center for Education Statistics. Analysis by the National Association of Independent Colleges and Universities.



National Association of Independent Colleges and Universities
1025 Connecticut Ave., N.W., Suite 700 · Washington, DC 20036
(202) 785-8866 · Fax (202) 835-0003
Email – geninfo@naicu.edu · www.naicu.edu