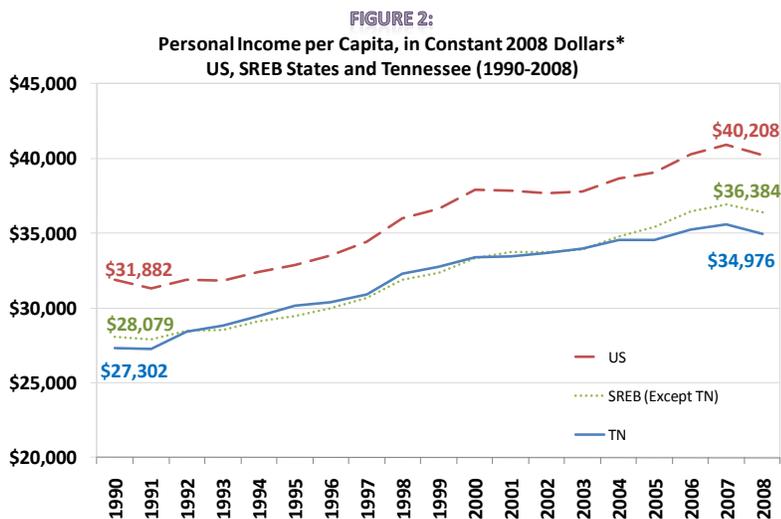


Higher Education Profiles & Trends

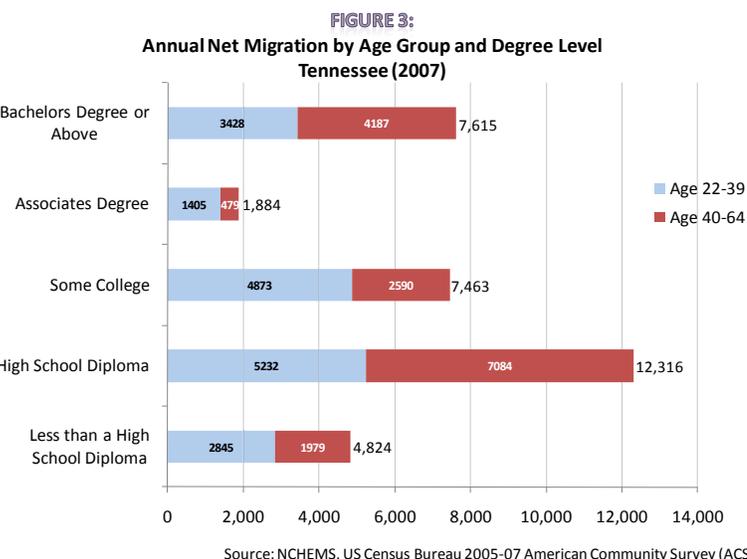
2010

Tennessee Higher Education Commission
404 James Robertson Parkway, Suite 1900
Nashville, TN 37243

- Tennessee’s personal income per capita has increased steadily over the past 15 years, even after adjustment for inflation. However, as shown in **Figure 2**, Tennessee remains below the national average and has fallen behind the Southern Regional Education Board (SREB) average.



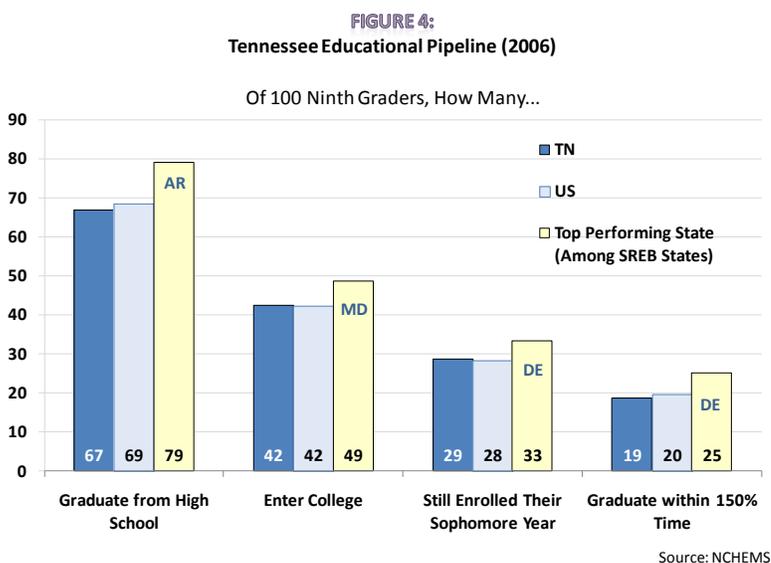
* Adjusted by Consumer Price Index - for All Urban Consumers (CPI-U) Source: U.S. Bureau of Economic Analysis



- Figure 3** shows Tennessee’s success in attracting out-of-state workers that have various levels of educational attainment. In 2007, Tennessee imported approximately 10,000 working-age adults with an associate’s degree or higher. However, 72% of workers arrived in Tennessee without a college degree.

2. STUDENT PREPARATION

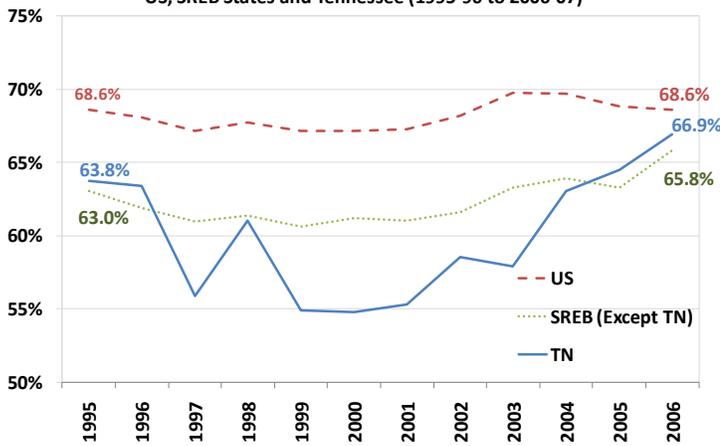
Tennessee’s Education Pipeline



- Student success at the college level depends greatly on student preparation in high school. Studies show that a student’s high school academic performance correlates with the likelihood of graduation from college.² As **Figure 4** shows, Tennessee’s educational pipeline productivity trails the national average. Only 19 of 100 ninth-grade students graduate from college within a regular timeline.

² Studies on this topic can be found at www.act.org/path/policy/reports/index.html

FIGURE 5:
Public High School Graduation Rate
US, SREB States and Tennessee (1995-96 to 2006-07)



Source: NCHEMS, National Center for Education Statistics (NCES)

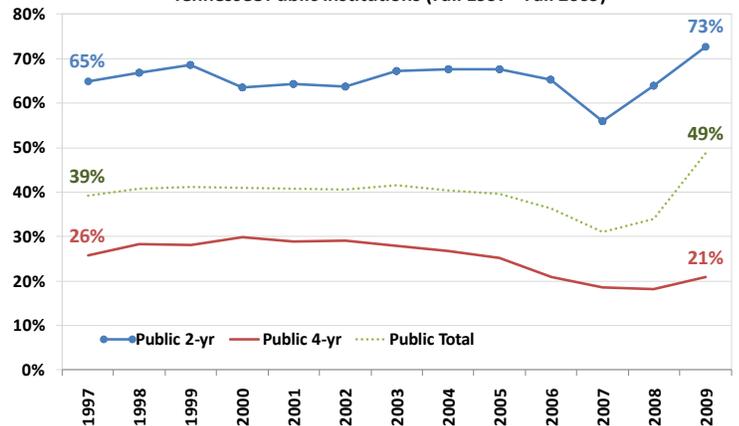
High School Graduation Rates

- Tennessee’s public high school graduation rate was 67% in 2006-07 (**Figure 5**). Although the current rate is still below the national average, Tennessee’s graduation rate has risen substantially – by 12 percentage points – since 2000, surpassing the SREB average.

Remedial Education

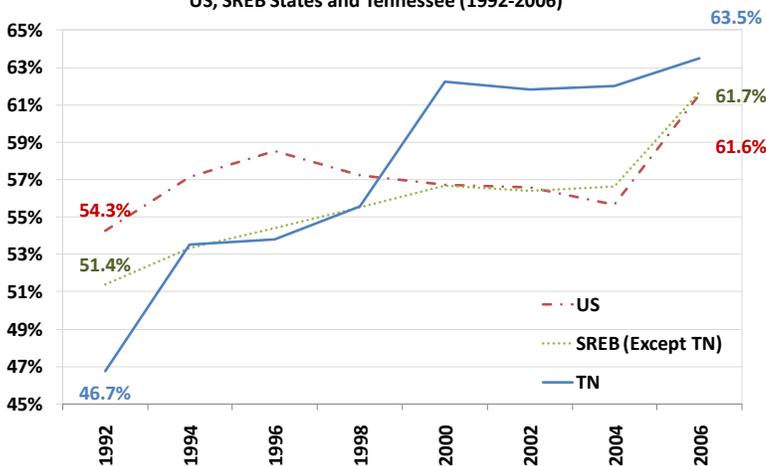
- High school diplomas are not always sufficient to guarantee college readiness. In Fall 2009, 49% of Tennessee public college freshmen were required to take at least one remedial or developmental course³ (**Figure 6**). Among community college freshmen, the figure was higher at 73%. The rate of incoming freshmen enrolled in remedial or developmental courses has spiked since 2007.

FIGURE 6:
First-time Freshmen Enrolled in at Least One Remedial or Developmental Course
Tennessee Public Institutions (Fall 1997 - Fall 2009)



Source: THEC

FIGURE 7:
College-going Rates of High School Graduates Directly from High School
US, SREB States and Tennessee (1992-2006)



Sources: NCHEMS, Tom Mortenson, Postsecondary Opportunity

3. STUDENT PARTICIPATION

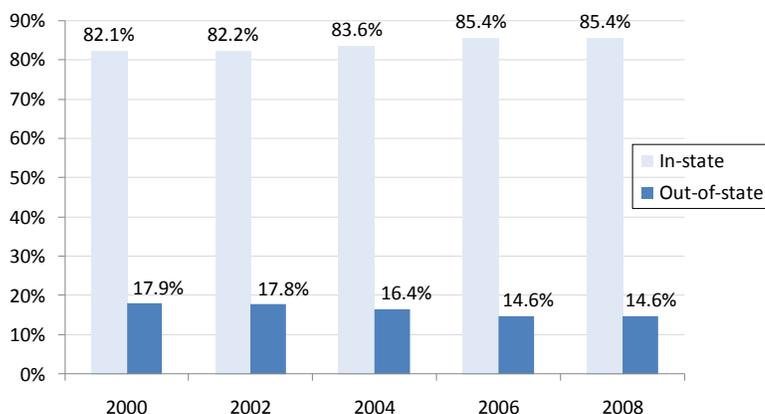
Traditional Students

- In recent years, the percent of Tennessee’s high school graduates who go to college has increased. In 2006, 64% of high school graduates attended college immediately after high school graduation, up from 47% in 1992 and outpacing the rate of increase regionally and nationally (**Figure 7**). Tennessee ranked 22nd in the nation on this measure in 2006.

³ Remedial and developmental courses are below college entry-level courses and are designed to assist students in developing the basic skills (i.e. reading, writing, and math) necessary to succeed in college level courses.

FIGURE 8:

**Destination of College-going Tennessee High School Graduates
Fall 2000 - Fall 2008**



Source: IPEDS, Residence and Migration Survey

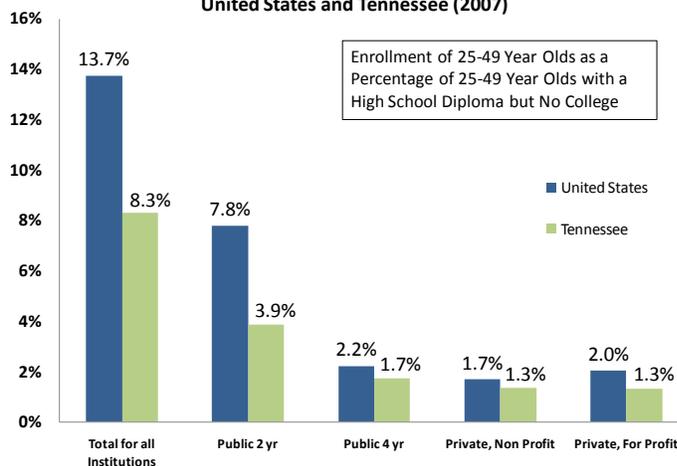
- One of the purposes of the Tennessee Education Lottery Scholarship (TELS) program is to retain talented students within the state. Data from the National Center for Education Statistics (NCES) indicate that Tennessee high school graduates have become more likely to enroll in state institutions over the last several years (**Figure 8**). The institutions that have lost the largest number of Tennessee high school graduates tend to be regional universities near the state border.

Adult Students

- Tennessee’s adult participation rate is far below the national average. In 2007, there were approximately 645,000 Tennessee adults who had a diploma but no college degree. Tennessee higher education enrolled 8.3% of adults aged 25-49 whose highest credential was a high school diploma (**Figure 9**). This trails the national average of 13.7%, a gap of 38,000 adult Tennesseans.

FIGURE 9:

**Adult Participation Rate
United States and Tennessee (2007)**

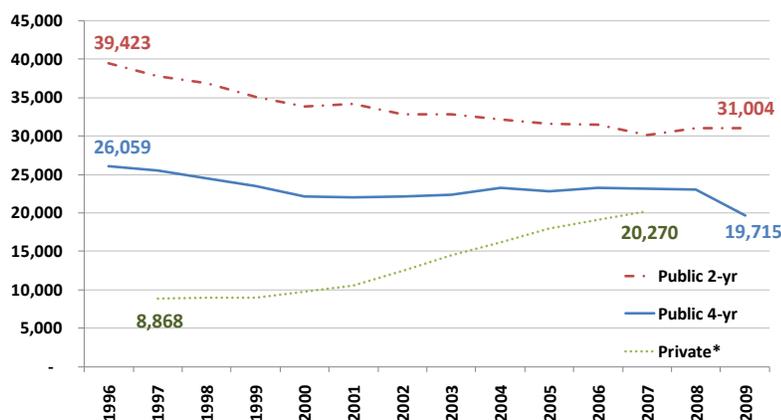


Sources: NCHEMS; NCES, IPEDS Fall 2007 Enrollment File; U.S. Census Bureau ACS 2008

- Figure 10** displays the enrollment trend of adult students for the last 10 years. Adult enrollment has steadily declined at Tennessee’s public 4-year and public 2-year institutions, while private institutions have increasingly enrolled more adult students. While community colleges recently have begun to enroll more adults, private institutions represent a growing sector for adult enrollment. These institutions increased adult enrollment by 228% from 1997 to 2007. For-profit institutions⁴ have contributed to the growth of this sector.

FIGURE 10:

**Tennessee Undergraduate Enrollment
25 Years Old or Above (Fall 1996- Fall 2009)**

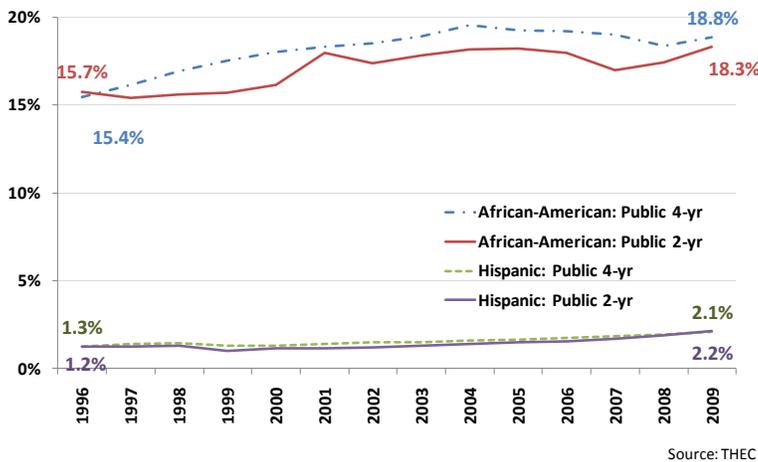


*Private institutions include non-profit and for-profit. Data are estimated for even years; 2007 last year available.

Sources: IPEDS, THEC

⁴ For-profit institutions’ enrollment data are available for Title IV (Federal Student Aid program) participating institutions only. Thus, their data do not reflect total proprietary enrollment in Tennessee.

FIGURE 11:
African-American and Hispanic Student Enrollment
Tennessee Public Institutions (1996-2009)



Source: THEC

Minority Students

- The race and ethnicity profile of Tennessee’s higher education students has changed slightly over the past 13 years. At public 4-year institutions, the enrollment share represented by African-American students increased from 15% to 19% from 1996 to 2009. African-American enrollment share also increased at community colleges, from 15% to 18% over the same years. The small share of Hispanic students has steadily increased at both types of institutions (**Figure 11**).

4. STUDENT RETENTION AND COMPLETION

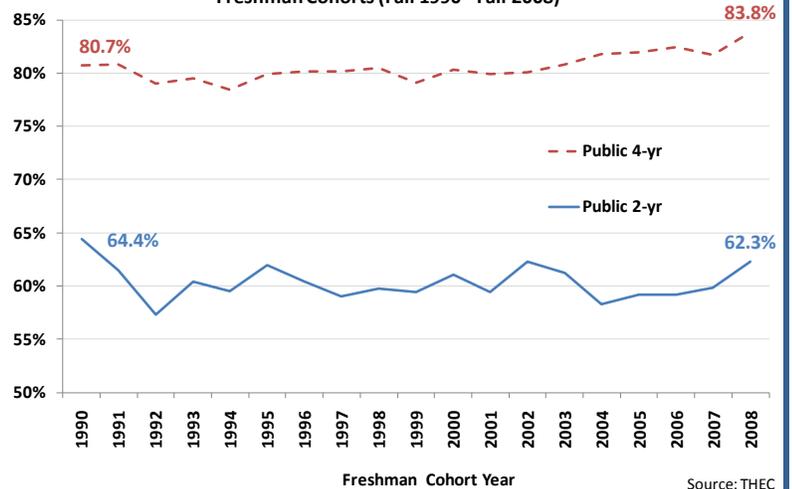
Retention

- Many observers affirm that the first year of college is critical in setting the stage for student success. Generally, dropout rates are largest at the freshman level.⁵ Tennessee 4-year institutions’ retention rate has increased slightly from 80% in 1990 to 84% in 2009. However, community colleges’ retention rate dropped slightly from 64% in 1990 to 62% in 2009 (**Figure 12**).

Completion

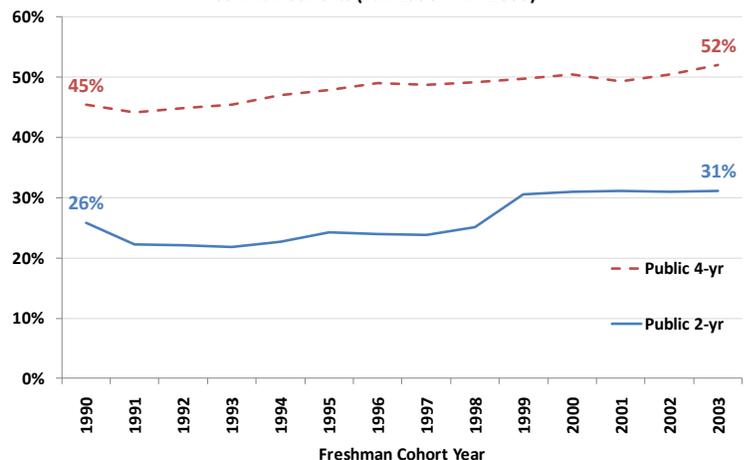
- The 6-year graduation rate is widely used as a measure of student success and institutional productivity. Over the past thirteen years, this rate has increased at Tennessee’s 2-year and 4-year institutions (**Figure 13**).

FIGURE 12:
1-year Retention Rate, Tennessee Public Institutions
Freshman Cohorts (Fall 1990 - Fall 2008)



Source: THEC

FIGURE 13:
6-year Graduation Rate, Tennessee Public Institutions
Freshman Cohorts (Fall 1990 - Fall 2003)

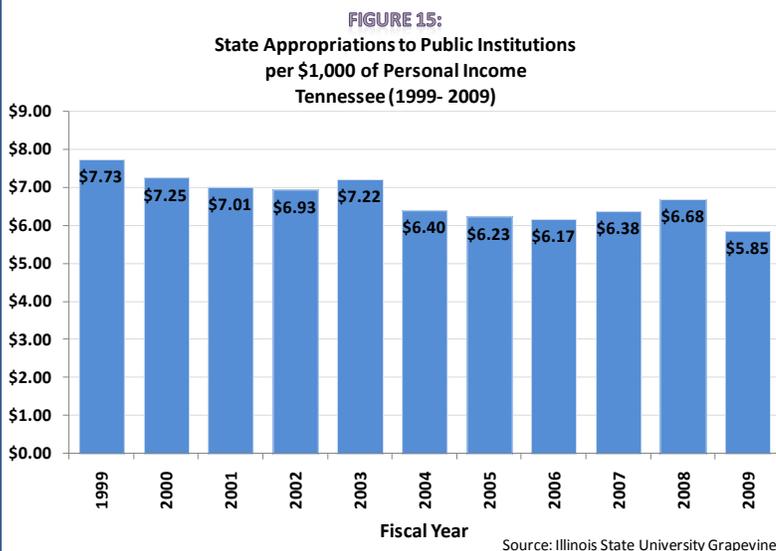
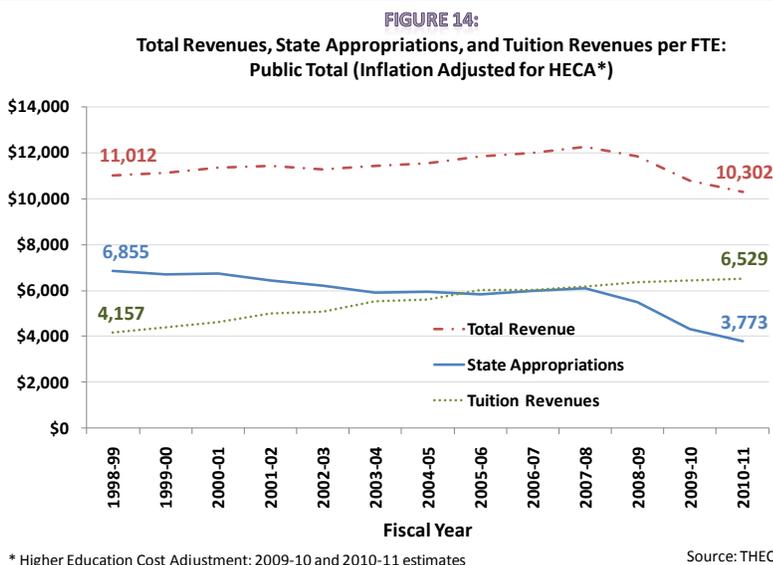


Source: THEC

⁵ Source: NCHEMS, Retention Rates - First-Time College Freshmen Returning Their Second Year

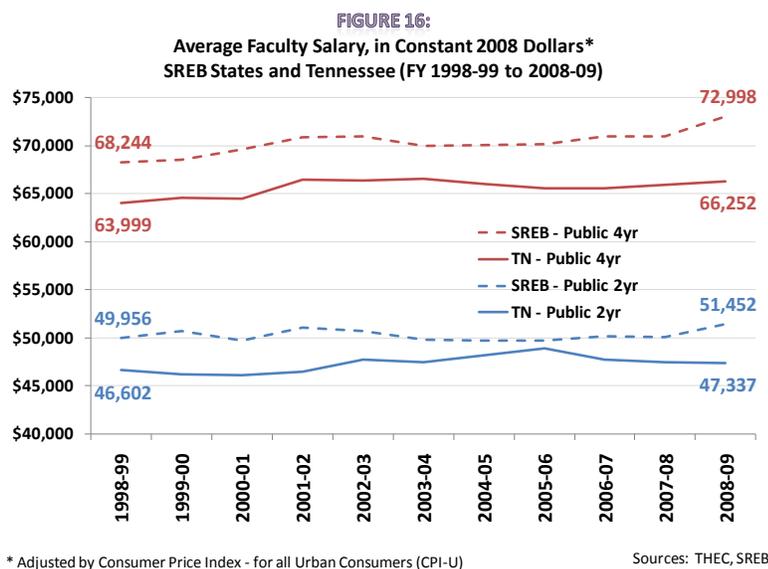
5. FINANCE

- Over time, inflation and enrollment growth have combined to outpace nominal year-over-year increases in state appropriations for higher education's general operating expenses. This has led to an increased reliance on tuition revenues. In 1998-99, tuition revenues comprised 38% of total institutional revenue for general operating purposes.⁶ This share increased to 63% in 2010-11 (**Figure 14**)⁷.



- Figure 15** indexes the amount of state appropriations for general operating expenditures of public higher education against the gross personal income of the population. This measure illustrates how much Tennesseans spend, via taxes, on higher education per \$1,000 of income. The index illustrates that higher education spending has not kept pace with the increasing state wealth indicated by personal income growth in **Figure 2**.

- Over the past ten years, faculty salaries have remained relatively constant when adjusted for inflation. However, Tennessee public 4-year faculty receive 10% less salary than their SREB counterparts, and public 2-year salaries trail the SREB average by 9% (**Figure 16**). These disparities have increased over the last decade.



⁶ Non-state and non-tuition revenue sources are excluded from the total revenue because those funds are principally available for auxiliary enterprises, research, hospital operations, and other non-instructional programs and services.

⁷ Funding from net lottery proceeds is not included in state appropriations.

6. TUITION AND FINANCIAL AID

Tuition

- Figure 17** shows average tuition rates at Tennessee public institutions in constant dollars. These rates have increased continually over the last 10 years even after adjustment for inflation. In 2009-10, the average tuition at public 4-year institutions is \$5,926 per academic year. This is 81% higher than 10 years ago, in constant dollars. Meanwhile, on average, community colleges charge students \$2,968 per academic year, an 82% increase over 10 years ago. However, these are the “sticker prices” and do not take into account varying types of financial aid available to Tennessee students.

Financial Aid

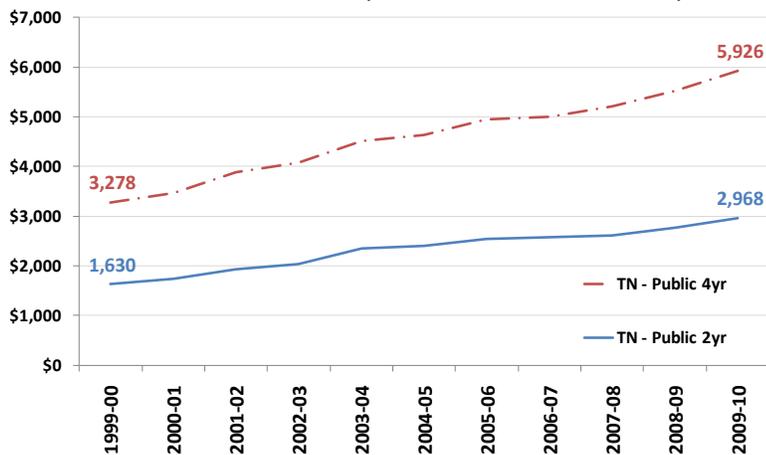
- In response to increasing tuition, Tennessee recently strengthened its commitment to increasing student financial aid. In 2003, the Tennessee General Assembly initiated the Tennessee Education Lottery Scholarship (TELS), a state lottery funded program to aid students. As TELS reached maturity in 2007-08, Tennessee’s national ranking in grant amount per undergraduate student jumped to third (**Figure 18**). This represents remarkable progress given that Tennessee ranked 32nd only a decade ago.

Affordability

- Figure 19** shows the extent to which the tuition rise has placed financial pressures on household budgets. For public 2-year institutions, a student from the lowest income quintile will need to spend 37% of family income for tuition, a 14 percentage point increase since 2000. However, federal, state, and institutional grant aid sources made up the entire sticker price for the lowest income students attending Tennessee’s public 4 year institutions.

FIGURE 17:

Average Annual Tuition, in Constant 2008 Dollars*
Tennessee Public Institutions (Academic Years 1999-00 to 2009-10)

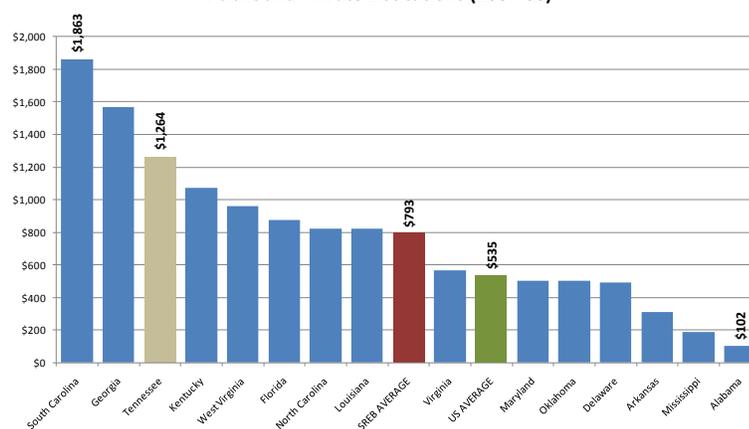


* Adjusted by Consumer Price Index - for all Urban Consumers (CPI-U)

Sources: THEC, SREB

FIGURE 18:

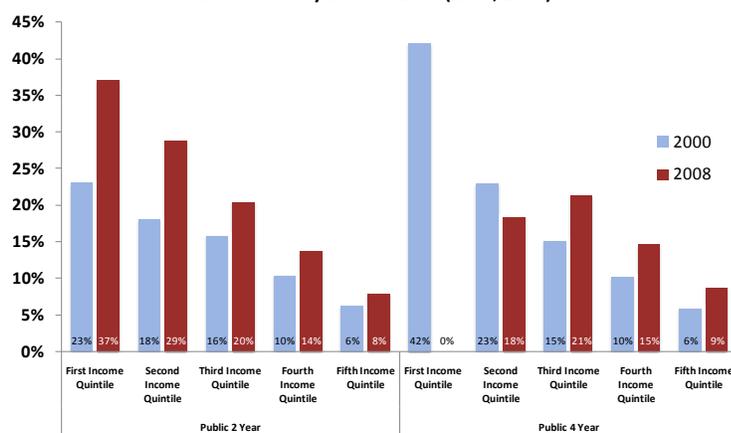
State Need Based and Merit Grant Aid per Undergraduate FTE
Public and Private Institutions (2007-08)



Source: National Association of State Student Grant and Aid Programs (NASSGAP)

FIGURE 19:

Percent of Family Income Needed to Pay for Tennessee Public
Institutions by Income Level (2000, 2008)



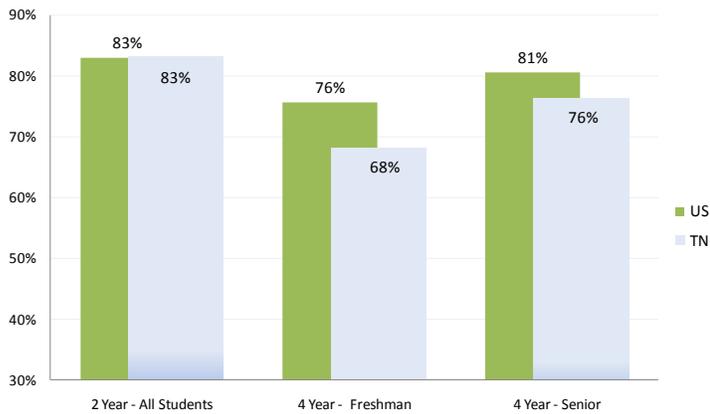
Note: The first income quintile represents the lowest level of income.

Source: NCHEMS

7. STUDENT SATISFACTION

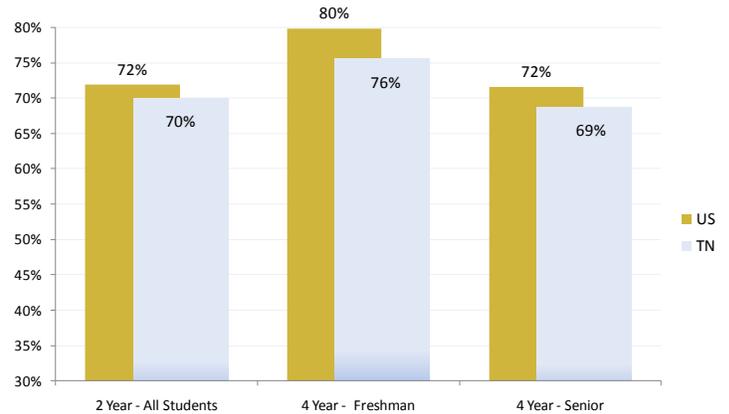
The Community College Survey of Student Engagement (CCSSE) and the National Survey of Student Engagement (NSSE) assess educational practices and student behaviors that research shows are connected to desired outcomes of college. **Figures 20** and **21** describe how Tennessee’s students assess the current quality of relationships with faculty as well as academic advisors. Tennessee students report less satisfaction than their national counterparts with both faculty and advisors. While the merits of strong relationships with faculty are well known, good advising may be an underestimated characteristic of a successful college experience.⁸ Overall, better than 80% of all students describe their educational experience to be good or excellent (**Figure 22**).

FIGURE 20:
Students Rate Quality of Relationships with Faculty/Instructors:
Good or Excellent



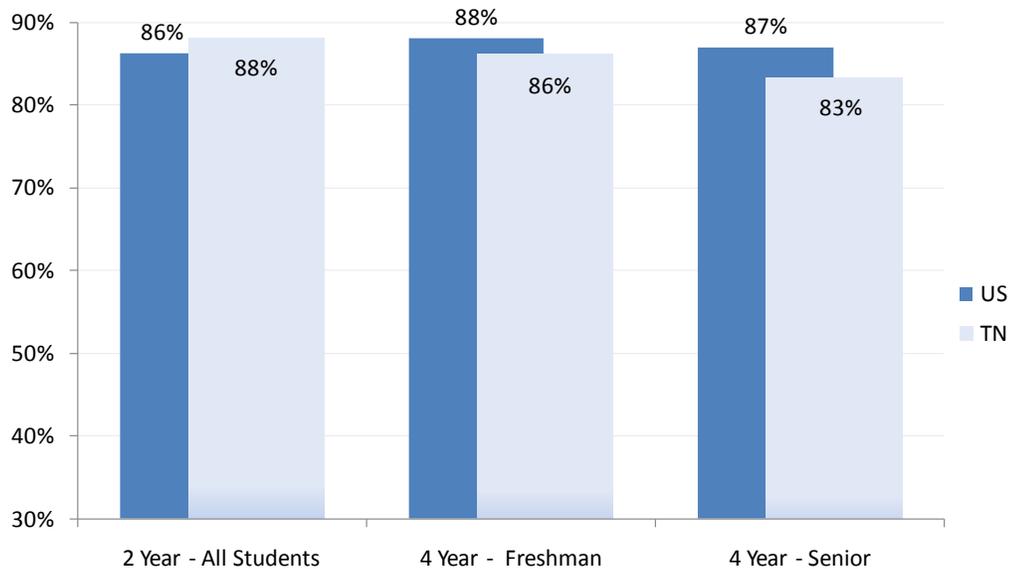
Sources: NSSE 2009, CCSSE 2009

FIGURE 21:
Students Rate Quality of Relationships with Academic Advisors:
Good or Excellent



Sources: NSSE 2009, CCSSE 2009

FIGURE 22:
Students Rate Overall Educational Experience:
Good or Excellent



Sources: NSSE 2009, CCSSE 2009

⁸ Light, R.J. (2001). *Making the most of college: students speak their minds*. Cambridge, Mass.: Harvard University Press