



# The Hidden Costs of Higher Education

At community colleges, tuition and fees only scratch the surface of students' financial needs.

By Jee Hang Lee

AS CONGRESS CONSIDERS THE reauthorization of the Higher Education Act, there is growing interest in looking at issues around the cost of higher education. Affordability is a complex subject that extends beyond tuition and fees. According to the College Board, two-year public colleges continue to represent the lowest-priced higher education institutions, averaging \$3,435 for annual tuition and fees for a full-time student in 2015-16. By comparison, tuition and fees averaged \$9,410 at four-year public colleges and \$32,405 at four-year private non-profit colleges.

While tuition and fees for two-year public colleges are low compared to other sectors, the true cost of going to a community college is vastly understated. Tuition and fees do not include students' other required expenses, such as books and supplies, transportation, housing, food, and other living costs. The average cost of attendance for a community college commuter student in 2015-16 is \$16,833, according to the College Board. The maximum Pell Grant a qualifying student may receive is \$5,775, leaving \$11,058 unmet for students who receive a full Pell award.

This unmet need requires many community college students to work to cover the full cost of their education. The harsh financial reality is that a student would have to work 30 hours per week at the federal minimum wage (\$7.25) in order to cover the full gap. While some students work full time while going to college full time, many do not enroll on a full-time basis and work at least one job while in college. Research shows that students who enroll full time are more likely to persist and ultimately finish their degrees or certificates than students

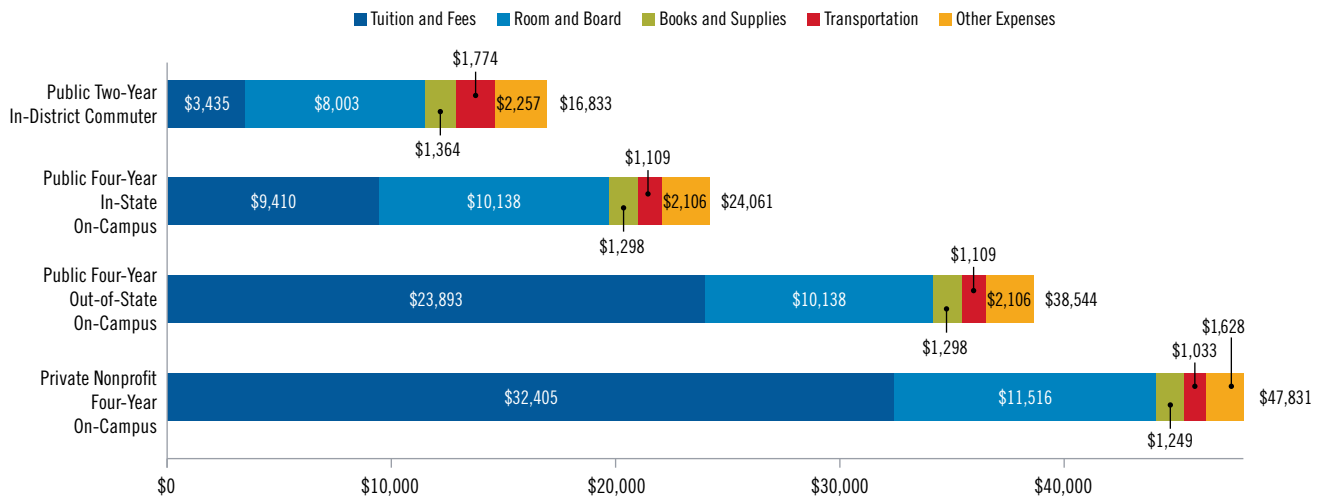


who enroll part time. The longer it takes a student to complete a degree, the greater the odds that the student will not complete the degree.

ACCT has grown concerned about living costs and the unmet financial needs of students, which have resulted in students experiencing hunger and homelessness. ACCT recently partnered with the University of Michigan Healthy Minds Study, the University of Wisconsin

HOPE Lab, and Single Stop USA to examine food and housing insecurity at 10 community colleges. The stark findings from the student survey show that a significant number of students are struggling with covering basic living costs. Among the findings:

- Fifty-two percent of students indicated they were struggling with food insecurity, housing insecurity, or both.



**Average Estimated Full-Time Undergraduate Budgets by Sector, 2015-16**

Source: The College Board, <http://trends.collegeboard.org/college-pricing/figures-tables/average-estimated-undergraduate-budgets-2015-16>

- One in five students went hungry while attending college.
- Thirty-one percent of African American students and 23 percent of Latino students had very low levels of food security, compared with 19 percent of non-Hispanic white students.
- One in eight was homeless at some time in his or her college career.
- More than half (52 percent) of African American students experienced housing insecurity, with 18 percent experiencing homelessness, compared with 35 percent housing insecurity and 11 percent homelessness among non-Hispanic white students.

To learn more about the report, see p. 7.

The other complication to living costs is that many community college students take out student loans to cover their unmet financial needs. When students default, those loans were often borrowed to cover living costs, not tuition and fees.

ACCT's recent report, *A Closer Look at the Trillion*, assessed all Iowa community college students that entered the FY11 repayment period. The data for some students appears to coincide with borrowing for a particular need, as opposed to borrowing to the maximum level allowable. For example, students

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who borrowed \$250 to \$499 from federal student loans were one of the highest-defaulting groups in the study. With such high default rates on low loan balances, community colleges are risking high cohort default rates and potential fines under risk-sharing proposals. These defaults can be managed by implementing emergency funds and appropriately counseling borrowers with acute needs.

In order to support our students, Congress needs to pursue avenues

that support broader efforts around affordability. This includes increasing the Pell Grant maximum, instituting year-round Pell Grants, and maintenance of effort provisions to ensure that states continue funding for higher education. Another crucial element will be the authorization of the America's College Promise Act of 2015, which would create a federal-state partnership to provide two years of tuition-free college to a large portion of community college students. As currently envisioned, America's College Promise would allow many needy students to apply their Pell Grant to cover the cost of living, as opposed to tuition and fees.

ACCT will continue to monitor and work with Congress as it reauthorizes HEA. We encourage you to use ACCT's online policy center to communicate with your members of Congress and follow federal legislative updates through the Latest Action in Washington (LAW) email alerts and the Capitol Connection e-newsletter. To join, email [publicpolicy@acct.org](mailto:publicpolicy@acct.org).



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