

# INDIANA COLLEGE VALUE REPORT 2020





# INDIANA COMMISSION *for* HIGHER EDUCATION

## MISSION

The Indiana Commission for Higher Education is a 14-member public body created in 1971 to define the missions of Indiana's colleges and universities, plan and coordinate the state's postsecondary education system, administer state financial aid, and ensure that Indiana's higher education system is aligned to meet the needs of students and the state.



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# Introduction

**For Indiana to continue competing nationally and to ensure the state has the qualified and talented workforce for our future economy, more Hoosiers need education beyond high school.**

To reach the state's goal of having 60 percent of Hoosiers with a quality postsecondary degree or credential by 2025, we must raise our educational attainment level. The state is making progress, with currently more than 43 percent of Hoosiers with education past high school.

But we still need more than 100,000 additional adults per year with a postsecondary credential or college diploma to meet projected workforce needs.

## **How do we measure the value of a college education?**

First, we must address what we mean by “college” or “higher education.” For the purposes of this report, the Indiana Commission for Higher Education views any education after high school as part

of the postsecondary education pipeline, whether that learning takes the form of industry credentials, associate degrees, bachelor's degrees or above.

The *College Value Report* highlights quantitative value (by dollars and cents measures) and qualitative value (by the social and community impact of college and how alumni feel about their experiences) through three lenses:

- **Statewide:** impact of higher learning on individuals and the economy, along with how the investment in state financial aid pays off for both learners and the state and the outcomes of a population with higher levels of education
- **Industry:** economic demands and individuals' decisions of what to study

## Introduction

- **Institution:** tuition costs, average amounts of debt, plus the results of alumni surveys of Indiana public colleges

The cost of higher education is, of course, necessary to measure against the results to determine the return on investment.

The following report shows an investment in higher education may be the smartest purchase Hoosiers ever make.

Critically, students can take steps—such as completing degrees on-time and choosing higher-level degrees in high-demand industries—to make their investment of time and tuition even more valuable.

And even after accounting for increases in tuition costs or student debt incurred, most credentials are paid for within only a few years and make returns on the investment for years to come.

### STATEWIDE PICTURE\*

- Average cost before financial aid: **\$21,722**
- Average cost after financial aid: **\$10,816**
- Average statewide debt upon graduation: **\$23,684**
- % of graduates with debt: **59%**
- Median salary after graduation (typical salaries of popular program majors):
  - 1 year: **\$31,440**
  - 5 years: **\$42,916**
  - 10 years: **\$51,875**

\*Based on statewide average of associate and bachelor's degrees (see pages 22-23 for a more detailed breakdown)

**Goal:**  
**60%**

of Hoosiers  
with a quality  
postsecondary  
credential by 2025

# Key Takeaways

## 1. College is worth the cost.

The increased earnings of a degree more than exceed the total costs of college—debt included—for most students within only a few years of graduation.

Nationally, about 99 percent of jobs created since the Great Recession went to workers with education beyond high school.

## 2. Higher education strengthens the economy.

Higher education not only improves individual outcomes, it helps build stronger communities and strengthens the economy. Over the course of a lifetime, Hoosiers with education beyond high school are likely to earn \$1 million more than those with only a high school degree. Additionally, each class of Indiana public college graduates contributes \$13 billion or more in spending and tax revenue to the state's economy.

## 3. State financial aid pays off – for students and the state.

At least one-third of each class of Indiana public college graduates benefits from state financial aid. Indiana financial aid recipients earn wages that are more than double the

cost of the investment of that financial aid within only a few years after graduation. And the state's financial aid recipients are earning wages similar to those of other graduates, which suggests that state programs can have a positive impact on Hoosiers' socioeconomic status.

On average, students at four-year Indiana public colleges accumulate about \$25,000 in loans (excluding interest), compared to about \$13,000 for students at two-year public colleges.

For students who complete on time, the average cost after financial aid to attend a four-year Indiana public college is about \$11,500 per year, and the net cost to attend a two-year public college is about \$7,300.

## 4. Higher education is good for the well-being of the community.

The 2018 Gallup-Indiana Graduate Satisfaction Survey assessed five elements of well-being: purpose, social, financial, community and physical. Thriving in all five elements is the “pinnacle of well-being,” according to Gallup.

Hoosier alumni who responded to the survey were more likely to meet thriving in four and five elements at a rate greater than the national average of college graduates.

# Key Takeaways

## 5. Work-based learning helps students transition from college to the workforce.

Almost one third of alumni surveyed in the Gallup-Indiana Survey reported they were employed by a company they had interned with or worked for while in college; they also reported higher levels of workplace engagement and well-being.

## 6. On-time completion saves time and money.

Time is money. When graduates complete college on-time, it saves money on the cost of college by thousands of dollars per year.

An associate degree earned in six years—rather than two years—adds about \$34,000 to the total cost of a degree. A bachelor’s degree earned in six years—rather than four—could cost an additional \$26,000 or more in added tuition and debt. And those costs don’t include the cost of lost wages.

## 7. Individual decisions matter.

The talent pipeline from Indiana’s schools fuels the state economy. However, the return on investment depends on the decisions individual students make, from what they choose to study to what credentials they earn to how long they take to graduate and how they finance their education.

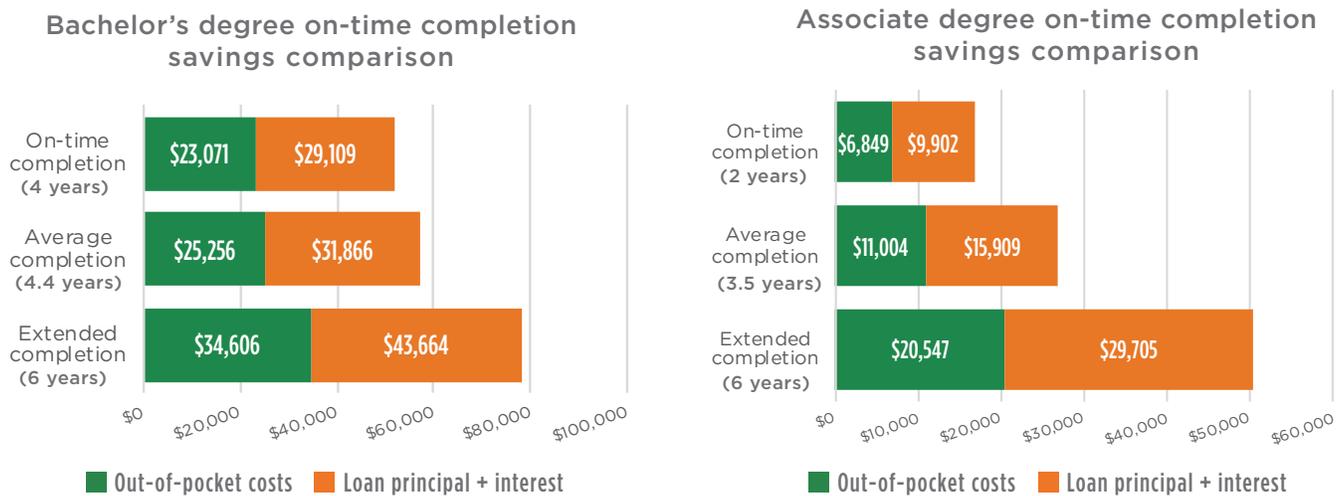
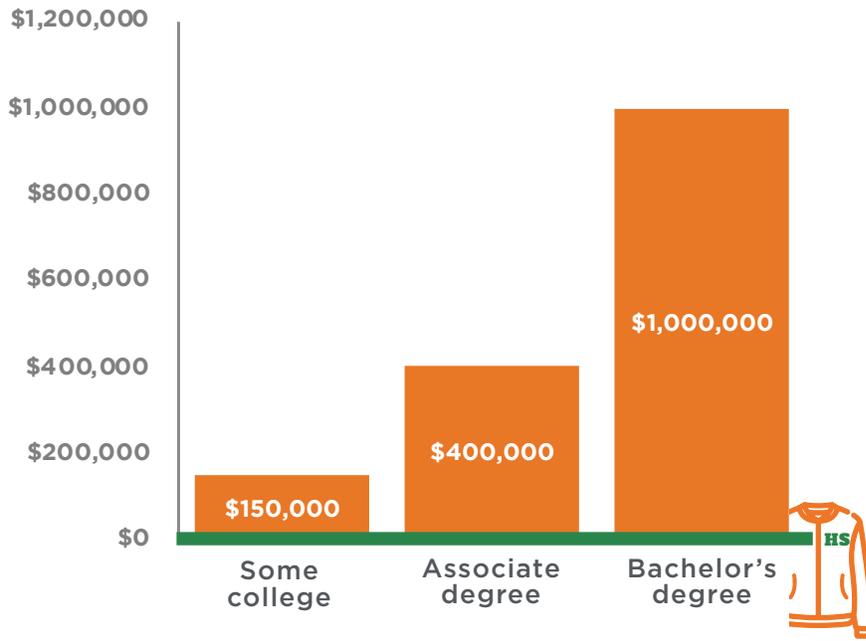


Figure 1

## ADDITIONAL LIFETIME EARNINGS

For Hoosiers, compared to those with a high school diploma.



## STATEWIDE

- Average cost before financial aid: **\$21,722**
- Average cost after financial aid: **\$10,816**
- Average statewide debt upon graduation: **\$23,684**
- % of graduates with debt: **73%**
- Median salary after graduation (typical salaries of popular programs):
  - 1 year: **\$31,440**
  - 5 years: **\$42,916**
  - 10 years: **\$51,875**

(\*Based on the statewide average of associate and bachelor's degrees; see pages 22-23 for more.)

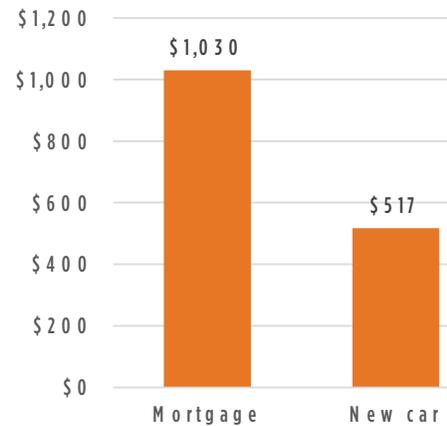
## BEYOND THE INVESTMENT OF FINANCIAL AID

State financial aid recipients earn over twice what was invested in them within just three years after graduation, including the total impact of financial aid.



## DEBT IN PERSPECTIVE

Monthly costs of student debt compared to mortgage and car payment (based on average monthly payments for bachelor's degree and 3.5% interest rate).



## DE COSTS\*

Financial aid:  
State financial aid:  
Scholarship:  
59%  
(for traditional majors):

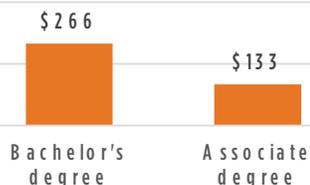


## 2018 GALLUP - INDIANA SURVEY

- % of alumni satisfied or extremely satisfied with the education they received: **86%**
- % of alumni who agree or strongly agree their education was worth the cost: **79%**
- % of alumni who agree or strongly agree they were prepared for life outside graduation: **72%**
- % of alumni who had an internship or work-based learning experience as part of their program of study: **61%**
- % of alumni who say someone at their institution helped them find a job after graduation: **16%**

## PERSPECTIVE

Compared to the average mortgage  
payoff time to completion: 4.4 years  
(5 years for associate degree).



## GRADUATE RETENTION

At least 70% of Hoosier graduates from two-and four-year institutions stay in Indiana. State financial aid recipients are more likely to stay in the state after graduation; at least 75% remain in Indiana.

**MORE THAN**  
of financial aid  
recipients  
**stay in the**  
**state**  
after graduating from  
college.

**75%**

# Statewide Picture

## Higher education pays

Hoosiers with higher levels of education have significantly higher levels of job security. Nationally, about 99 percent<sup>1</sup> of the jobs created between the Great Recession and 2016 went to workers with at least some college.

Investing in higher education is one of the smartest purchases Hoosiers may ever make. Even after accounting for increases in costs, most credentials pay for themselves within only a few years. College graduates experience lifetime earnings that often outweigh those of Hoosiers with only a high school diploma by \$1 million or more.

Over a lifetime, a single class of Indiana public college graduates contributes at



Figure 2

### HIGHER EDUCATION PAYS OFF

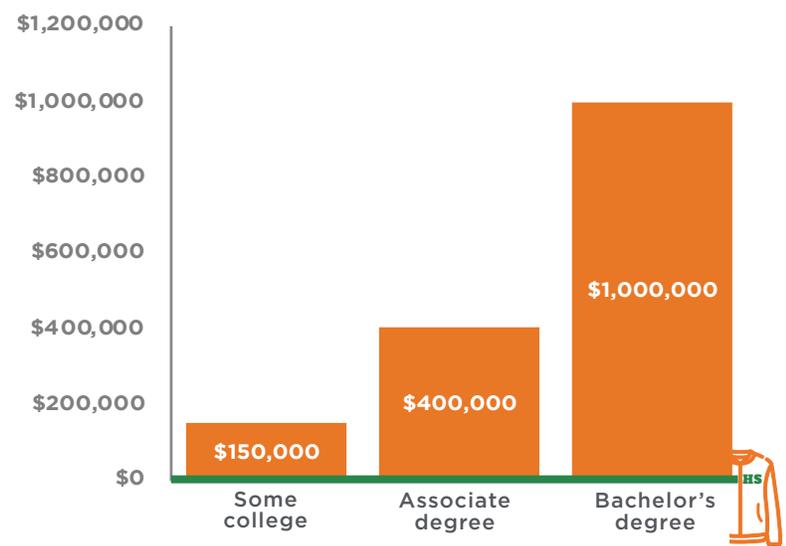


Figure 3: Additional lifetime earnings for those with some college or a degree, compared to lifetime earnings of high school diploma holders.

least \$13 billion in additional spending and tax revenue to the economy, compared to Hoosiers with only a high school diploma.

Higher education is key to economic development. Hoosiers with an associate degree contribute about \$250,000 extra

# Statewide Picture

to the economy, compared to those with only a high school diploma. Hoosiers with a bachelor's degree contribute about \$700,000 extra to the economy, compared to those with only a high school diploma.



**INDIANA RESIDENTS** with no college filed two-thirds of all unemployment claims over the past 10 years

Figure 4

## CONSUMER SPENDING AND TAXES

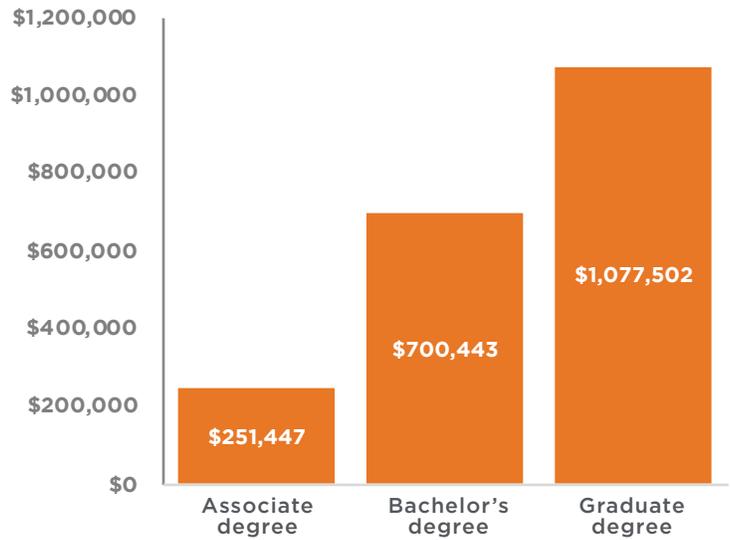


Figure 5: Additional lifetime dollars added to the economy by Hoosiers with a college degree compared to high school graduates.

The more education Americans have, the more likely they are to be employed or to be actively looking for employment. Hoosiers with higher levels of educational attainment have significantly higher levels of job security.

## Statewide Picture

### College investment is worth the cost

Indiana's recent tuition and mandatory fee increases are among the lowest in the nation and annual increases have declined significantly in recent years. According to College Board, tuition and fee increases at Indiana's four-year public institutions were the third lowest in the nation over a 10-year time period. Indiana's two-year college tuition and fees also increased below national averages over the same time period (2.8% annually compared to the national average of 3.0%).

Since 2009, the Commission for Higher Education has set recommended targets for tuition and mandatory fees, with a goal of holding tuition levels steady at no higher than an inflationary level. The Commission is committed to improving college affordability through simplified saving, reduced college costs and student-friendly financial practices.

#### TUITION INCREASES: INDIANA VS. THE NATION

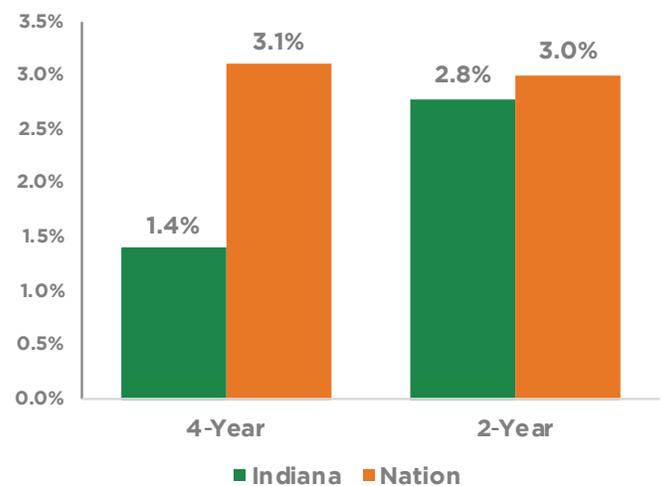


Figure 7: Comparing average annual increases in in-state tuition and fees between Indiana and the national rate for two- and four-year colleges (between 2009 and 2019; 2018 dollars)

#### MAKING COLLEGE MORE AFFORDABLE

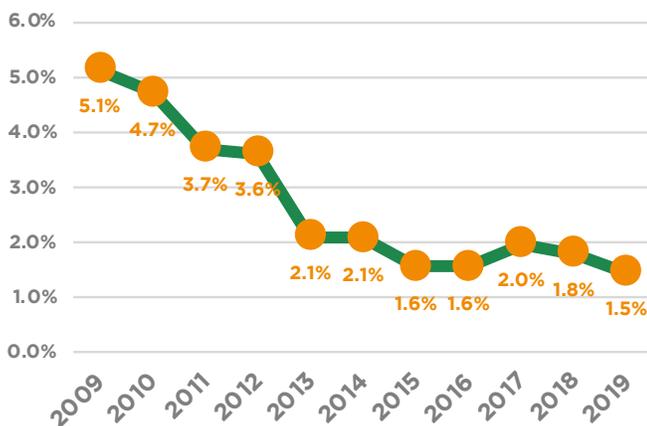


Figure 6: Historical average tuition increases over 10 years (2009 to 2019)

Annual tuition and fee increases have declined steadily since 2009, averaging roughly 2% increase per year over the past few years. Increases are now in line with, and often below, inflation.

# Statewide Picture

## Earnings higher, poverty lower

Hoosiers with higher degree levels are less likely to live in poverty. Indiana ranks in the bottom half of states (31 out of 50 states) in the percentage of people who live below the poverty line (for a single person age 25 and older earning below \$13,064 per year).

Over 13 percent of Hoosier adults (ages 18-64) live in poverty, according to the U.S. Census Bureau's 2017 American Community Survey.

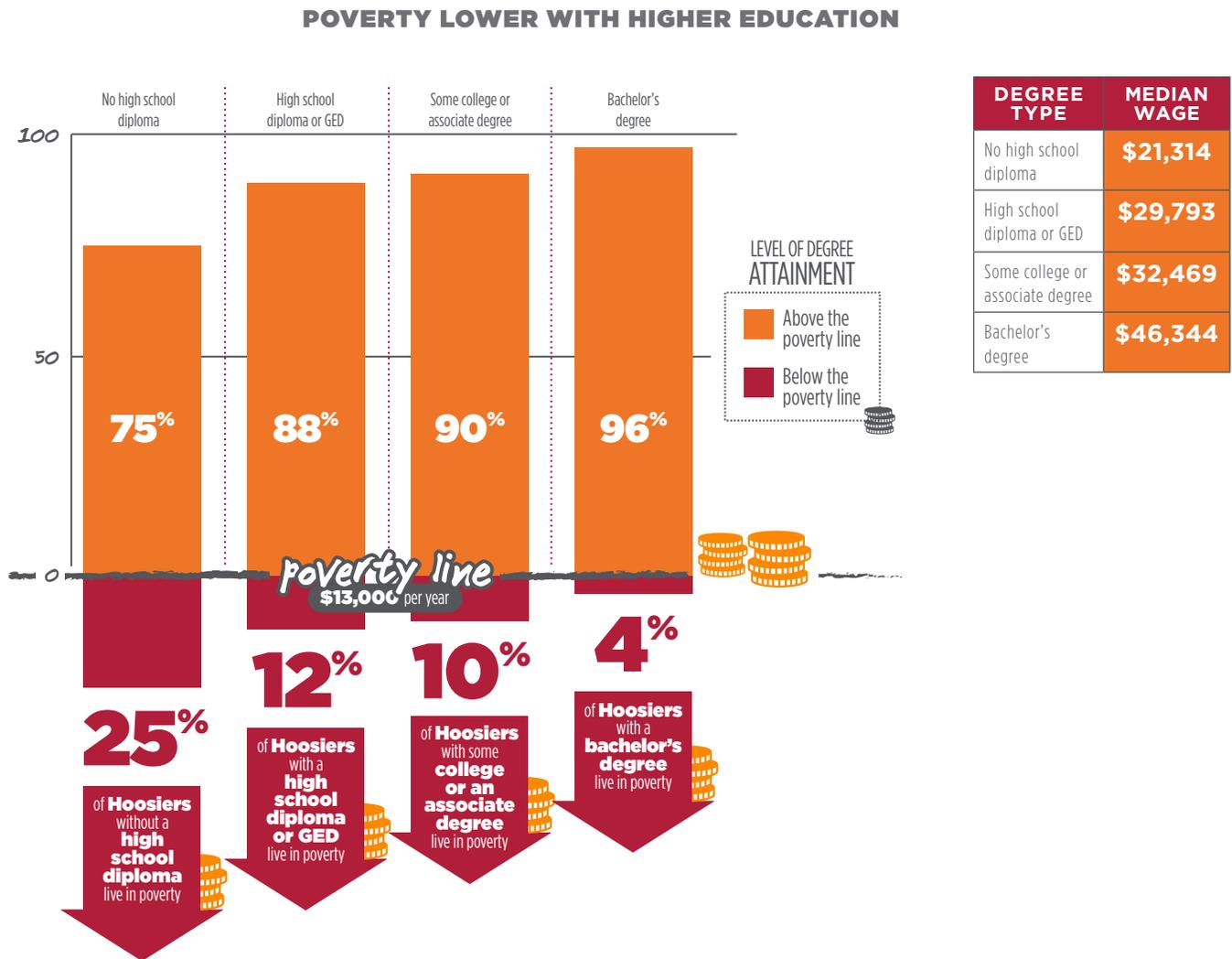


Figure 8: Hoosiers with higher degrees are less likely to live below the poverty line (about \$13,000 per year). Also shown: median wages by degree type.

### Social and community impact

The value of higher education goes beyond the quantitative financial impact. We can measure its influence through health, social and community aspects.

For example, the Centers for Disease Control and Prevention’s annual Behavioral Risk Factor Surveillance System surveys Americans and asks them to rate their health as “good or better” or “fair or poor” and compares that to various metrics, including education levels.

In Indiana, 92 percent of Hoosiers with a college degree rated their health status as “good or better” in 2018, compared to the more than 65 percent of Hoosiers who rated their health status as “fair or poor” and had education no greater than a high school diploma.

Other health impacts include lower rates of teen pregnancy<sup>1</sup> and better outcomes for those struggling with substance misuse and recovery<sup>2</sup>.

A November 2017 report written by the U.S. Congress Joint Economic Committee and commissioned by Senator Mike Lee

# 92%

of Hoosiers with a college degree rated their health status as “good or better”, compared to more than 65% of Hoosiers without education greater than high school, who rated their health status as “fair or poor.”

Figure 9

(R-Utah)<sup>3</sup> found that Americans with some college are less likely to overdose than Americans with a high school diploma and those with a bachelor’s degree are least likely to overdose.

The report also showed that between 1999 and 2015, although opioid overdose deaths have increased among all education levels, they have increased fastest among Americans with less formal education.

National datasets show that “there is strong evidence that economic downturns lead to increases in” abuse of prescription pain pills and other illicit drugs, especially among “prime-age white males with low educational attainment.”<sup>4</sup>

## Statewide Picture

Financially-vulnerable people may also be more likely to relapse after going through treatment. At least one study<sup>2</sup> followed patients at a drug treatment facility for a year and found that those recovering from substance use disorder who had a college degree were less likely to relapse than those with only a high school education.

### Civic engagement and educational attainment

Americans with college experience are more likely to volunteer or perform community service. Research has found that college students who took part in community service learning programs were more likely to be civically engaged, even after college.<sup>5</sup>

College-educated Americans are more likely to vote. Since at least 1964, Americans with more education have routinely been more likely to vote. They are also more likely to report that they pay attention to public affairs.<sup>6</sup>

Today, Americans with a bachelor's degree make up about 33 percent of working-age adults but nearly 40 percent of voters.<sup>7</sup>



# Financial Aid

Indiana’s financial aid recipients contribute billions of additional dollars to the state economy compared to high school graduates over the course of a lifetime. Measured against the gains are the costs of student debt, particularly after applying financial aid.

A bachelor’s degree in Indiana averages over \$57,000 with 56 percent of the costs coming from loan principal and interest. An associate degree is just over \$26,000 with almost 60 percent of the costs from loan principal and interest.

For students with debt, loans cover about half the total cost of college. Monthly payments can vary greatly depending on principal, interest rates and eligibility for income-based repayment plans.

On average, student loan payments compare favorably to other types of debt. In 2017, the average new car payment (\$517) was up to 80 percent higher than the average student loan payment (\$266).

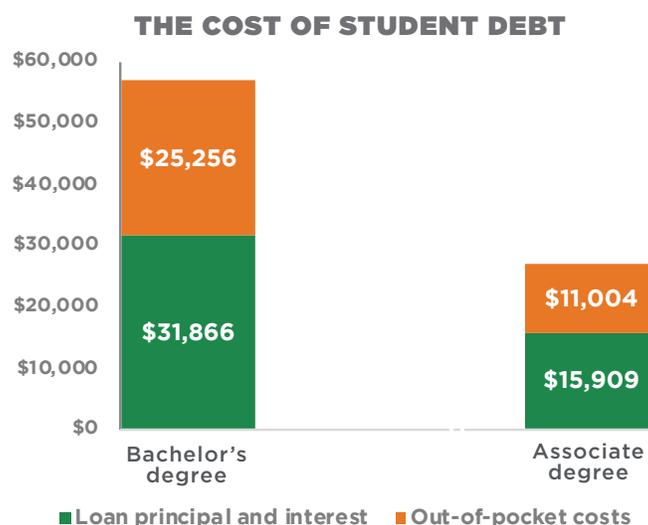


Figure 10: Total debt cost and out-of-pocket costs after financial aid for bachelor’s degree and associate degree.

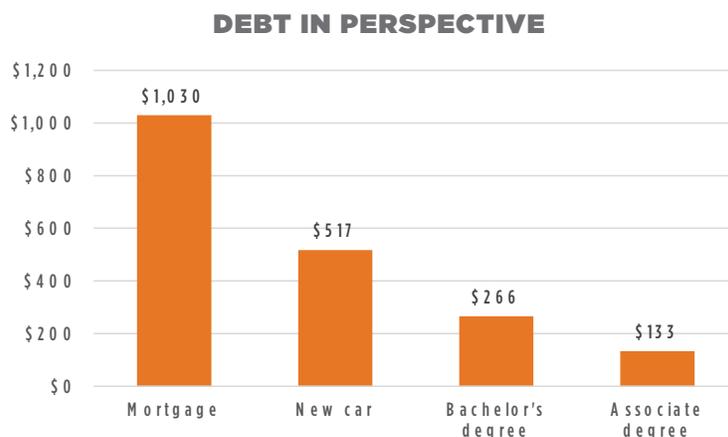


Figure 11: Monthly cost of student debt compared to the average mortgage payment and car payment (based on average number of years to degree: 4.4 years for bachelor’s degree; 3.5 years for associate degree).

## Financial Aid

The Institute for College Access & Success's Project on Student Debt shows over half of Indiana's public and private college seniors graduate with debt, which is lower than the national average (57 percent to 65 percent, respectively) in 2018. Fifty-nine percent of Indiana's public two- and four-year degree seekers graduate with debt and owe an average of \$23,684, which is lower than the national average.



Figure 12

## Beyond the investment of financial aid: cumulative wages and graduate retention

State financial aid recipients earn over twice what was invested in them within just three years after graduation, including the total impact of financial aid.



FIGURE 13

## Financial Aid

Financial aid recipients are also more likely than their peers to use an initial certificate or an associate degree as a stepping stone to higher level credentials.

About 21% of financial aid recipients who earn an associate degree go on to earn a bachelor's degree, compared to the average of 13% who are not financial aid recipients.



Figure 14

Between 2008 and 2016, 10,000 additional higher level credentials were earned by first-time students at Indiana public colleges who received state financial aid.

The investment in Indiana's financial aid system also has implications for graduate retention: More than three-quarters of Indiana's financial aid recipients stay in the state after graduating from college.



Figure 15

Additionally, at least 70 percent of Hoosier graduates from two-year and four-year institutions overall stay in Indiana—including those who go directly into jobs and those who continue their education.

The percentage of state financial aid recipients staying in Indiana is about 5 percent greater than the overall average.

### Indiana's financial aid recipients mirror state demographics for race and ethnicity

The racial and ethnic breakdown of financial aid recipients closely mirrors current K-12 race and ethnicity population demographics in Indiana.

When breaking down the data of who receives state financial aid in Indiana, the majority of financial aid recipients are White Hoosiers (68 percent). Black Hoosiers receive 14 percent of the state's financial aid distribution; Other (includes students with an undeclared race/ethnicity;

Native American/Alaskan Native; Two or More Races; and Native Hawaiian race/ethnic groups) receive nine percent; Hispanic/Latino Hoosiers receive seven percent and Asian students receive two percent.

#### RACIAL/ETHNIC BREAKDOWN OF FINANCIAL AID RECIPIENTS

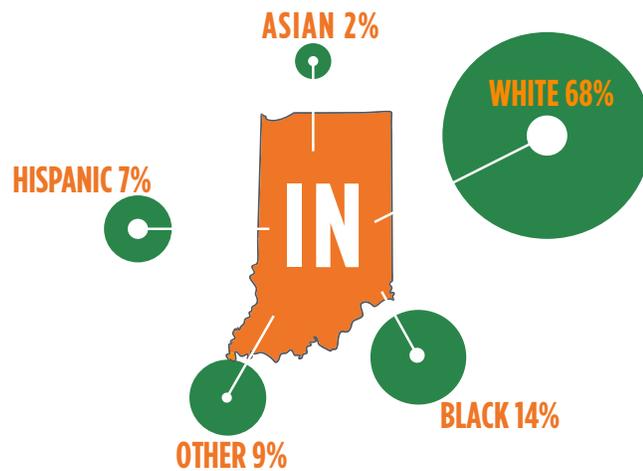


Figure 16

### Financial aid recipients earn credentials in high-demand sectors

The top credentials earned by financial aid recipients are in some of Indiana's most in-demand sectors, including health professions, business, liberal arts and sciences, education, computer and information sciences and more.

#### TOP 10 credential types earned by financial aid recipients:

1. Health Professions
2. Business, Management and Marketing
3. Liberal Arts and Sciences
4. Education
5. Computer and Information Sciences
6. Homeland Security and Law Enforcement
7. Engineering Technologies
8. Psychology
9. Public Administration and Social Service Professions
10. Communications and Journalism

Figure 17

# Industry Snapshot

Salary differences by what learners study can add up to tens of thousands of dollars per year, compared to where students go to college (which typically affects starting salaries by a few thousand dollars per year). Prior work or military experience, academic performance and many other factors affect students' range of wage outcomes.

**SUPPLY and DEMAND:** Some skills are more “recession proof” than others, just as some degree programs are designed to prepare students for further education and higher level degrees—yielding even greater earnings.

As Figure 18 shows, wages increase significantly with higher-level degrees in popular programs of study, such as engineering tech, health professions, business and education.

While top wage-producing programs may be attractive to prospective students, the demand for jobs in those fields is an important consideration at all degree levels.

The highest-paying fields five years after graduation may not be as in demand as some other degree programs that pay comparably or less—making it more difficult to find a job in those higher-paying fields.

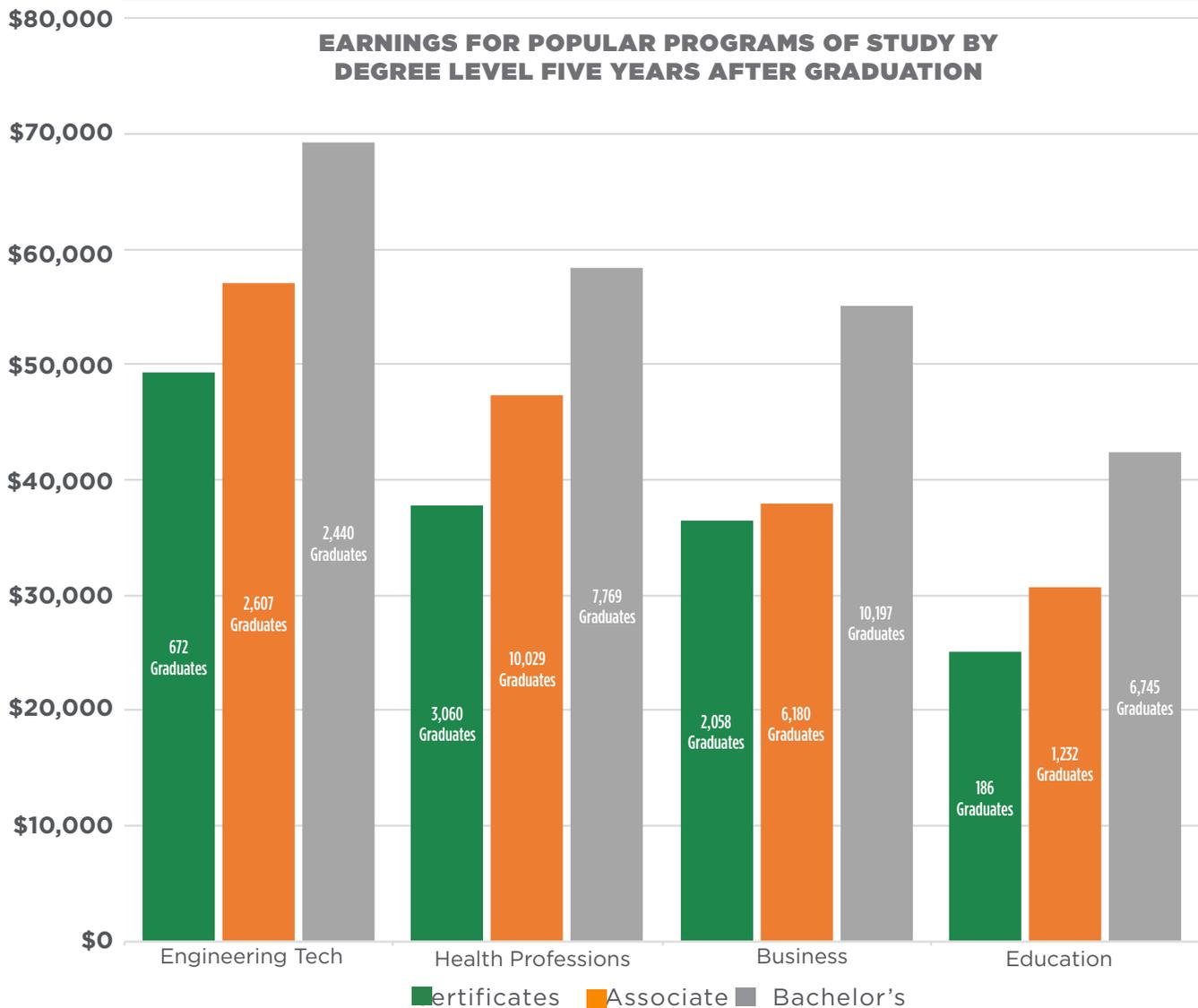


Figure 18

# ROI AT-A-GLANCE

## THE INVESTMENT

Statewide averages 	Tuition, Fees, Books & Supplies	Room, Board & Other Expenses	Annual cost after financial aid	Debt upon graduation	Percentage of students with debt
Associate	\$6,098	\$11,046	\$6,415	\$12,697	43%
Bachelor's	\$10,640	\$12,454	\$11,263	\$25,435	63%
Associate + Bachelor's	\$9,874	\$12,217	\$10,446	\$23,684	59%

Institution 	Tuition, Fees, Books & Supplies	Room, Board & Other Expenses	Annual cost after financial aid	Debt upon graduation	Percentage of students with debt
Ball State University	\$11,250	\$13,300	\$13,642	\$27,288	73%
Indiana State University	\$10,290	\$13,280	\$11,923	\$26,119	78%
Indiana University-Bloomington	\$11,611	\$13,168	\$11,931	\$25,364	55%
Indiana University-East	\$8,212	\$11,392	\$7,898	\$21,948	72%
Indiana University-Kokomo	\$8,520	\$11,392	\$7,173	\$21,811	62%
Indiana University-Northwest	\$8,212	\$11,392	\$5,621	\$25,478	58%
IUPUI	\$10,395	\$13,740	\$9,371	\$26,359	69%
Indiana University-South Bend	\$8,520	\$11,392	\$8,486	\$24,435	71%
Indiana University-Southeast	\$8,520	\$11,392	\$8,541	\$20,809	60%
Ivy Tech Community College	\$5,788	\$10,496	\$5,425	\$12,345	39%
Purdue University Northwest	\$9,191	\$14,404	\$9,747	\$27,149	67%
Purdue University-Fort Wayne	\$9,700	\$12,500	\$10,195	\$25,174	65%
Purdue University-Main Campus	\$11,152	\$10,530	\$11,898	\$23,752	52%
University of Southern Indiana	\$9,489	\$13,564	\$12,587	\$24,133	66%
Vincennes University	\$7,200	\$13,002	\$9,937	\$13,607	60%

Figure 19

## THE RETURN

Typical salaries of popular program majors*			
Statewide averages 	1 Year	5 Years	10 Years
Associate	\$28,656	\$36,320	\$41,156
Bachelor's	\$32,976	\$46,153	\$56,306
Associate + Bachelor's	\$31,440	\$42,916	\$51,875

Completion rates provide important context for typical salaries of popular programs after graduation. Extended-time completion rates per institution are shown below.

Typical salaries of popular program majors*				
Institution 	1 Year	5 Years	10 Years	Completion Rate
Ball State University	\$32,315	\$43,276	\$50,806	74%
Indiana State University	\$32,702	\$40,753	\$49,088	53%
Indiana University-Bloomington	\$31,463	\$46,228	\$58,098	85%
Indiana University-East	\$33,011	\$36,934	\$48,564	49%
Indiana University-Kokomo	\$33,309	\$42,168	\$52,103	47%
Indiana University-Northwest	\$33,634	\$45,646	\$56,360	43%
IUPUI	\$33,709	\$45,339	\$53,312	58%
Indiana University-South Bend	\$30,413	\$41,328	\$48,403	42%
Indiana University-Southeast	\$30,669	\$40,574	\$49,117	43%
Ivy Tech Community College	\$28,751	\$36,304	\$41,841	34%
Purdue University Northwest	\$32,349	\$42,910	\$54,294	49%
Purdue University-Fort Wayne	\$31,758	\$44,581	\$48,888	54%
Purdue University-Main Campus	\$37,799	\$51,025	\$68,354	87%
University of Southern Indiana	\$32,802	\$42,313	\$49,523	63%
Vincennes University	\$32,226	\$43,207	\$51,850	39%

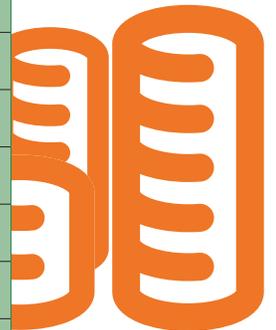


Figure 20

## INDUSTRIES OF EMPLOYMENT

SHORT-TERM CERTIFICATES	Industries of employment			Typical annual salary after graduation		
	Most popular programs	Industry 1	Industry 2	Industry 3	Year 1	Year 5
Phlebotomy Technician/Phlebotomist	General Medical and Surgical Hospitals (32%)	Offices of Physicians (11%)	Medical and Diagnostic Laboratories (7%)	\$24,486	\$30,690	--
Health Information/Medical Records Administration/Administrator	General Medical and Surgical Hospitals (23%)	Offices of Physicians (18%)	Restaurants and Other Eating Places (6%)	\$25,411	\$28,578	--
Business Administration and Management, General	Computer Systems Design and Related Services (6%)	Employment Services (6%)	Colleges, Universities, and Professional Schools (3%)	\$45,297	\$57,871	--
<b>ALL MAJORS</b>				<b>\$29,959</b>	<b>\$39,253</b>	

LONGER-TERM CERTIFICATES	Industries of employment			Typical annual salary after graduation		
	Most popular programs	Industry 1	Industry 2	Industry 3	Year 1	Year 5
Licensed Practical/Vocational Nurse Training	Nursing Care Facilities (Skilled Nursing Facilities) (55%)	Offices of Physicians (11%)	General Medical and Surgical Hospitals (9%)	\$38,015	\$47,748	\$49,878
Business Administration and Management, General	Employment Services (6%)	Colleges, Universities, and Professional Schools (5%)	Restaurants and Other Eating Places (4%)	\$31,209	\$37,294	\$42,303
Medical/Clinical Assistant	Offices of Physicians (22%)	General Medical and Surgical Hospitals (19%)	Employment Services (8%)	\$26,870	\$29,683	\$32,494
<b>ALL MAJORS</b>				<b>\$32,769</b>	<b>\$39,406</b>	<b>\$47,083</b>

ASSOCIATE DEGREE	Industries of employment			Typical annual salary after graduation		
	Most popular programs	Industry 1	Industry 2	Industry 3	Year 1	Year 5
Registered Nursing/Registered Nurse	General Medical and Surgical Hospitals (50%)	Nursing Care Facilities (Skilled Nursing Facilities) (21%)	Offices of Physicians (4%)	\$51,618	\$57,523	\$64,074
Business Administration and Management, General	Restaurants and Other Eating Places (7%)	Depository Credit Intermediation (6%)	Employment Services (5%)	\$32,045	\$40,140	\$44,998
Liberal Arts and Sciences, General Studies and Humanities, Other	Restaurants and Other Eating Places (7%)	General Medical and Surgical Hospitals (6%)	Employment Services (5%)	\$27,302	\$36,106	\$40,267
<b>ALL MAJORS</b>				<b>\$36,216</b>	<b>\$44,490</b>	<b>\$53,835</b>



## INDUSTRIES OF EMPLOYMENT

BACHELOR'S DEGREES	Industries of employment			Typical annual salary after graduation		
	Most popular programs	Industry 1	Industry 2	Industry 3	Year 1	Year 5
Registered Nursing/ Registered Nurse	General Medical and Surgical Hospitals (71%)	Management of Companies and Enterprises (6%)	Office Administrative Services (5%)	\$55,150	\$61,833	\$72,143
Business/Commerce, General	Accounting, Tax Preparation, Bookkeeping, and Payroll Services (9%)	Depository Credit Intermediation (6%)	Employment Services (5%)	\$41,420	\$57,497	\$72,075
Liberal Arts and Sciences, General Studies and Humanities, Other	General Medical and Surgical Hospitals (5%)	Restaurants and Other Eating Places (5%)	Colleges, Universities, and Professional Schools (4%)	\$33,466	\$42,181	\$49,589
<b>ALL MAJORS</b>				<b>\$36,677</b>	<b>\$47,924</b>	<b>\$56,837</b>

MASTER'S DEGREES	Industries of employment			Typical annual salary after graduation		
	Most popular programs	Industry 1	Industry 2	Industry 3	Year 1	Year 5
Business/Commerce, General	Engine, Turbine, and Power Transmission Equipment Manufacturing (10%)	Colleges, Universities, and Professional Schools (5%)	Computer Systems Design and Related Services (5%)	\$89,619	\$105,459	\$118,153
Social Work	General Medical and Surgical Hospitals (19%)	Outpatient Care Centers (15%)	Individual and Family Services (13%)	\$41,537	\$48,370	\$53,836
Elementary Education and Teaching	Elementary and Secondary Schools (88%)	Child Day Care Services (2%)	Colleges, Universities, and Professional Schools (1%)	\$43,070	\$52,719	\$60,259
<b>ALL MAJORS</b>				<b>\$51,796</b>	<b>\$61,859</b>	<b>\$69,304</b>

Figures 21-25

# MEASURING VALUE: GALLUP-INDIANA SURVEY

Qualitative value is more difficult to ascertain than hard and fast dollars and cents. Indiana has participated in the Gallup-Indiana Graduate Satisfaction Survey, most recently in 2018, to help measure the relationship between a college degree and the long-term well-being and workplace engagement of college graduates.

Eighty-six percent of graduates from 12 Indiana public and private colleges say they were satisfied or extremely satisfied with the education they received, according to the results of the survey.

Career relevance in college courses is another marker of satisfaction for survey respondents. Sixty-one percent of alumni reported having an internship or work-based learning experience as part of their program of study. Almost one-third of alumni surveyed in the Gallup-Indiana survey were employed by a company they interned with or worked for while in college. Those alumni also reported higher levels of workplace engagement and well-being.

The survey reached out to more than 21,000 college graduates from the public and private Indiana colleges that volunteered to participate. Those institutions included:

**Ball State University, Butler University, Calumet College of St. Joseph, Grace College, Indiana University Southeast, Indiana University-Purdue University Fort Wayne, Ivy Tech Community College, Marian University, Purdue University Northwest, Taylor University, Vincennes University and WGU Indiana.**

### Gallup-Indiana Survey results (statewide)

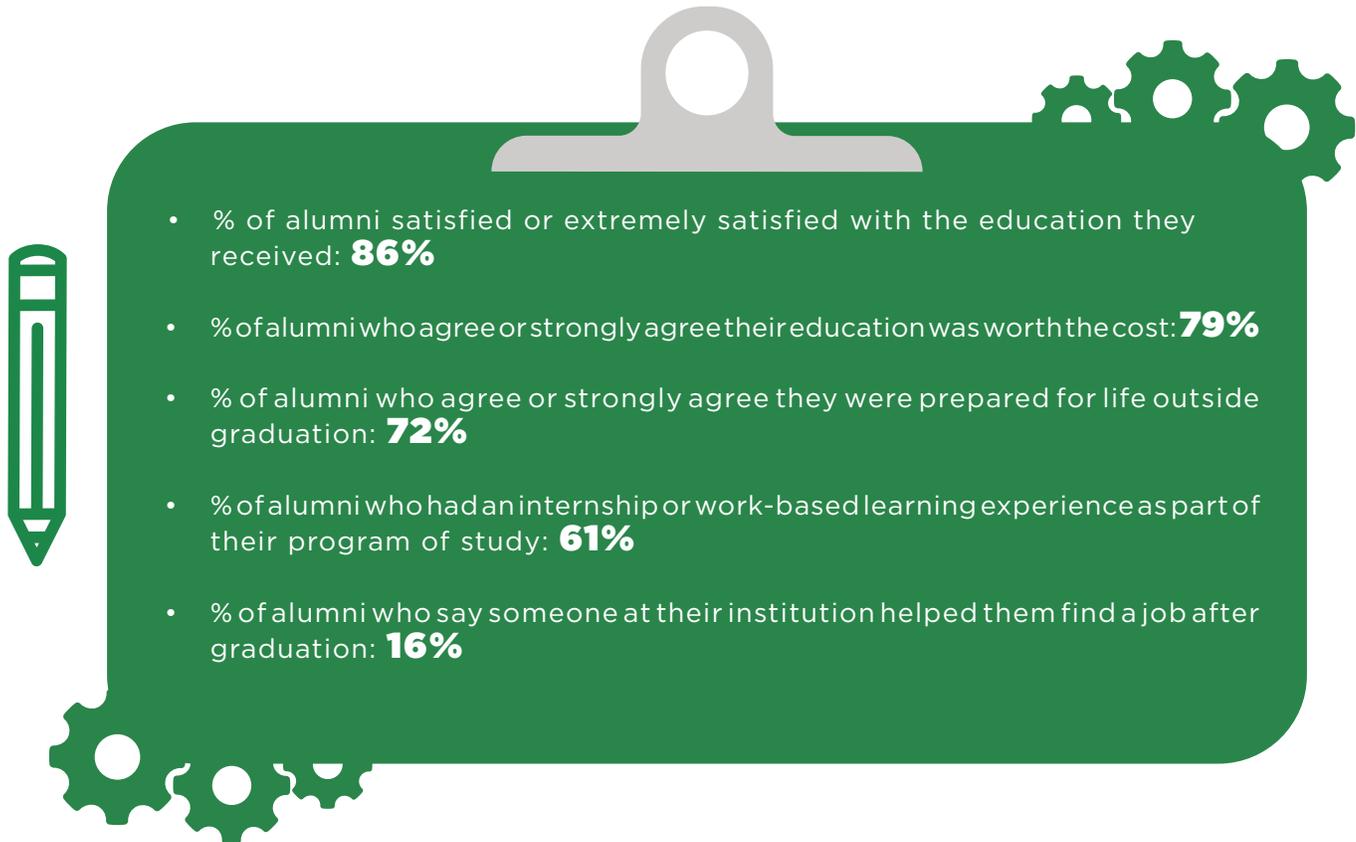


Figure 26

### Gallup-Indiana Survey results private colleges

Cost and financial aid information for these colleges and universities is available at: <a href="https://collegescorecard.ed.gov/">https://collegescorecard.ed.gov/</a>	% of alumni who say they were prepared for life outside graduation (strongly agree)	% of alumni who say they feel fulfilled at work (all three work fulfillment questions)	% of alumni who say they had help securing first job	% of alumni who had an encouraging mentor	% of alumni who had a job or internship that allowed them to apply what they were learning
Butler University	42%	30%	23%	34%	69%
Calumet College	32%	24%	7%	32%	66%
Grace College	31%	33%	14%	29%	57%
Marian University	40%	35%	16%	36%	54%
Taylor University	40%	32%	16%	27%	65%
WGU Indiana	32%	29%	1%	73%	79%

Figure 27

# BY INSTITUTION

Indiana's postsecondary institutions each have differing missions and it is the Commission for Higher Education's role to ensure those missions are aligned to the needs of Indiana's students and the state as a whole.

Here, we break down what it costs to attend Indiana's public institutions and some regional campuses and what students are earning at the one-year, five-year and 10-year mark on average by popular programs of study.

	On-time completion (2019 Completion Report)	Extended-time completion (2019 Completion Report)	Annual cost before financial aid	Annual cost after financial aid	Average debt of graduates with debt	% of graduates with debt
Ball State University	54.2%	74.1%	\$24,280	\$13,535	\$27,288	72.8%
Indiana State University	29.7%	53.4%	\$22,402	\$11,443	\$26,119	77.6%
Indiana University-Bloomington	68.5%	84.5%	\$24,427	\$12,488	\$25,364	54.8%
Indiana University-East	32.7%	48.9%	\$19,381	\$7,971	\$21,948	72.4%
Indiana University-Kokomo	26.7%	47.0%	\$19,593	\$7,935	\$21,811	61.6%
Indiana University-Northwest	15.0%	43.1%	\$22,547	\$6,736	\$25,478	58.4%
IUPUI	33.2%	58.2%	\$22,550	\$9,744	\$26,359	69.1%
Indiana University-South Bend	14.7%	42.3%	\$19,655	\$8,331	\$24,435	71.3%
Indiana University-Southeast	20.7%	42.8%	\$20,529	\$9,210	\$20,809	60.3%
Ivy Tech Community College	10.8%	34.4%	\$15,213	\$6,423	\$12,345	38.5%
Purdue University Northwest	23.8%	48.9%	\$23,143	\$9,725	\$27,149	66.7%
Purdue University-Fort Wayne	21.4%	54.1%	\$21,801	\$10,924	\$25,174	65.0%
Purdue University-Main Campus	60.5%	86.7%	\$22,812	\$12,117	\$23,752	52.0%
University of Southern Indiana	36.3%	63.0%	\$20,205	\$13,130	\$24,133	66.2%
Vincennes University	28.5%	39.3%	\$19,685	\$10,089	\$13,607	60.2%

## By Institution

Additionally, those public institutions that participated in the 2018 Gallup-Indiana Graduate Satisfaction Survey are represented here, highlighting how alumni of those colleges responded about how they felt about their degrees, if they were prepared for life after college and how many are working in Indiana today.

The participating institutions provided valuable insights into the qualitative value of higher education from the perspectives of Indiana’s college graduates and the Commission commends those institutions for these contributions.

Median salary of popular programs after 1 year	Median salary of popular programs after 10 years	% of alumni who say they were prepared for life outside graduation (agree or strongly)	% of alumni who say they feel fulfilled at work (all three work fulfillment questions)	% of alumni who say they had help securing first job	% of alumni who had an encouraging mentor	% of alumni who had a job or internship that allowed them to apply what they were learning in the classroom
\$32,314	\$50,806	72%	29%	17%	24%	62%
\$32,702	\$49,087	-	-	-	-	-
\$31,462	\$58,097	-	-	-	-	-
\$33,011	\$48,563	-	-	-	-	-
\$33,309	\$52,103	-	-	-	-	-
\$33,633	\$56,360	-	-	-	-	-
\$33,708	\$53,311	-	-	-	-	-
\$30,413	\$48,403	-	-	-	-	-
\$30,668	\$49,117	72%	27%	16%	33%	56%
\$28,750	\$41,840	63%	28%	11%	29%	55%
\$31,757	\$48,888	-	-	-	-	-
\$32,348	\$54,293	-	-	-	-	-
\$37,798	\$68,353	-	-	-	-	-
\$32,802	\$49,522	-	-	-	-	-
\$32,226	\$51,849	69%	32%	12%	28%	48%

# Conclusion

**The return on investment for Indiana’s public college system is evident: It pays for individuals and for the state to have Hoosiers with quality postsecondary credentials.**

Higher education’s value is most often questioned through affordability and the return on investment. There are people who are successful without higher education, but those people are the exception and not the rule.

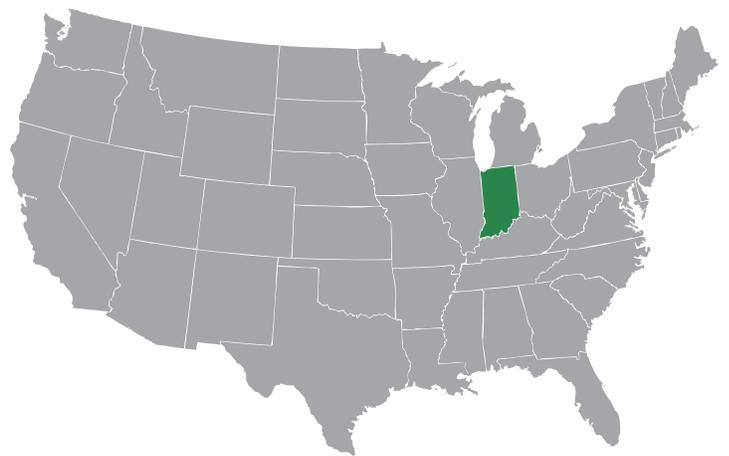
Efforts by the Indiana Commission for Higher Education and our partners across the state are helping students understand college costs and how to borrow wisely. Since 2012, the combined federal and private debt among Indiana University and Purdue University students, for example, has decreased by \$165 million.

Indiana’s General Assembly has also worked to make college more affordable by investing in financial aid programs that are increasingly tied to requirements designed to bolster student success.

More and more jobs require higher education and income disparity is greater for those who don’t have postsecondary education or training. The jobs that are most at risk of being eliminated due to automation and changing employer needs are lower-paying, non-skilled jobs.

Now more than ever a good job is tied directly to education beyond high school and sustained through lifelong learning.

Indiana is making real progress to ensure better education pathways for the jobs of today and the future.



## ABOUT THIS REPORT

The Indiana Commission for Higher Education builds a policy agenda on a commitment to using compelling data to increase transparency, inform practice and drive change for the benefit of all Hoosiers. By publishing a series of consumer-friendly reports, the Commission spotlights progress at each stage of the postsecondary pipeline.

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The **College Value Report** provides a clearer picture of the returns a college degree yields after graduation and beyond, both to the individual and the state. These benefits include greater earnings, job security, enhanced social mobility, increased civic engagement, improved health and wellness, a higher quality of life and more.



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## ADDITIONAL RESOURCES

**Reaching Higher in a State of Change** is the Commission's fourth strategic plan. It is the guiding document for Indiana to reach the goal of at least 60 percent of Hoosiers with education and training beyond high school by 2025. With the priorities of completion, equity and talent, its "Blueprint for Change" outlines action steps to achieve Indiana's attainment goal.

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The **College Readiness Reports** help local schools and communities understand how their students are performing in college while informing policies that increase college readiness and success.

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The **College Completion Reports** provide a clearer and more comprehensive picture of college completion in order to advance Indiana's collective efforts to boost educational attainment.

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The **College Equity Report** disaggregates demographic data from the Commission's College Readiness and Completion reports to highlight outcomes in Indiana for race and ethnicity, gender, geography and socioeconomic status. The report also tracks the state's progress in closing the educational achievement gaps in Indiana.

## KEY TAKEAWAYS

Figure 1: Up-front costs:  $([\text{avg. cost after financial aid (IPEDS avg. net price)}] - [\text{avg. student loans per year}]) \times [\text{number of years to graduation}]$  Principal:  $[\text{average student loans per year}] \times [\text{number of years to graduation}]$

Int payments on principal assuming average interest rates (4.66%) and paying debt off in 10 years after graduation

Note: Average debt per year is estimated as average debt calculated using data submitted by institution divided by average time to graduation

Sources: (1) Average Net Price sourced through IPEDS, Integrated Postsecondary Education Data System; (2) Debt data sourced through special data collection from public institutions; (3) average time to degree data sourced through CHEDSS, Indiana Commission for Higher Education Data Submission System

## HIGHER EDUCATION PAYS

Figures 2 & 5: Estimates are based on ratios of average spending to average consumption computed through the Bureau of Labor Statistics' Consumer Expenditure Survey, 2014. To estimate lifetime spending and tax revenue, consumption to income ratios were applied to earnings data of Hoosier graduates 25-64 by age group and attainment level (American Community Survey 2016). Methodology based on national Brookings study:

<https://www.brookings.edu/research/what-colleges-do-for-local-economies-a-direct-measure-based-on-consumption/> Compared to national Brookings study, earnings data for Indiana's ROI report were NOT net present value adjusted. In addition, data for Indiana's ROI report did not examine full-time, full-year workers; only about half of individuals work full-time, full-year for all years between 25 to 64.

Estimated state financial aid impact of \$13+ billion was obtained by factoring in average annual workforce counts.

Estimates for 99% of jobs created after the Great Recession comes from Carnevale, Jayasundera & Gulish (2016). "America's Divided Recovery: College Haves and Have-Nots."

Figure 3: Data represent the estimated net cumulative lifetime earnings (less college costs and debt accrued) for Hoosiers with at least some college compared to Hoosiers with a high school diploma. Earnings data were estimated by obtaining average annual earnings data from the Census Bureau by educational attainment and age groups for Hoosiers ages 25-64. The earnings start date was assumed to be 18 for those with a high school diploma, 20 for those with an associate degree or some college, and 22 for those with a bachelor's degree (assumption of direct college enrollment after high school graduation and on time college degree completion). The average cost of college after financial aid (IPEDS average net price) less average student loans were factored into costs incurred during school for Hoosiers with some college, associate, and bachelor's degrees. Costs associated with student loan payments based on average loan debt and average interest rates (4.66%) over a ten-year period factored into costs incurred 10 years after graduation. The data model assumes that high school graduates begin earning at age 18 and that college students do not work while in school. In reality, about 32% of full-time students and 72% of part-time students are employed while in college. Similarly, not all high school graduates are fully employed or self-supporting at age 18. The projections are based on the "net" cost of college after financial aid. For students who complete on time, the average cost after financial aid to attend a four-year Indiana public college is about \$11,500 per year, and the net cost to attend a two-year public college is about \$7,300. The model also assumes that students incur average levels of student debt, that interest does not start accruing until after graduation, and that loans are paid off at average interest rates over a ten year period. About 2/3 of Hoosier students rely on student loans to finance their education. On average, students at four-year Indiana public colleges accumulate about \$27,000 in loans (excluding interest), compared to about \$17,000 for students who attend two-year public colleges.

Sources: (1) US Census Bureau, American Community Survey (2016) via IPUMS USA, University of Minnesota, [www.ipums.org](http://www.ipums.org); (2) IPEDS (2015), Integrated Postsecondary Education Data

## DATA NOTES

System; (3) Debt data obtained through special data collection from Indiana Public Colleges; (4) US Bureau of Labor Statistics, Labor Force Status of 2016 High School Graduates and 2015-16 High School Dropouts.

Figure 4: Unemployment claim percentages by educational attainment taken from study on Hoosier unemployment claimant data. Zimmer (2016). "Which Hoosiers are Successfully Navigating the Unemployment System?" <http://www.ibrc.indiana.edu/ibr/2017/fall/article1.html>. Working-age population shares are based on data from the American Census Bureau, American Community Survey (1 year estimates, 2006-2016).

### COLLEGE INVESTMENT IS WORTH THE COST

Figure 6: Source: Indiana Commission for Higher Education Tuition and Mandatory Fees Survey

Figure 7: Data represent the average annual increase in in-state tuition and fees between 2009 and 2019. Data are in 2018 dollars. Source: Tuition and Fees by Sector and State over Time, College Board: Trends in College Pricing

### EARNINGS HIGHER, POVERTY LOWER

Figure 8: US Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

### SOCIAL AND COMMUNITY IMPACT

Figure 9: <https://www.in.gov/isdh/25194.htm>

Sources: (1) Kearney & Levine (2012) "Why is the Teen Birth Rate in the United States So High and Why Does It Matter?"; (2) Blum et al (2014) "Drug Abuse Relapse Rates Linked to Level of Education: Can We Repair Hypodopaminergic-Induced Cognitive Decline With Nutrient Therapy?"; (3) Vice Chairman's Staff of the Joint Economic Committee (2017) "The Numbers Behind the Opioid Crisis"; (4) Carpenter, McClellan & Rees (2016) "Economic Conditions, Illicit Drug Use, and Substance Use Disorders in the United States"; (5) Young, Elizabeth (2011) "The Impacts of Educational Attainment, Professional Interests, and Residency on Community Involvement and Civic

Engagement"; (6) Coley & Sum (2012) "Fault Lines in Our Democracy"; (7) File, Thom (2018) "Characteristics of Voters in the Presidential Election of 2016."

### FINANCIAL AID

Figure 10: Up-front costs:  $([\text{avg. cost after financial aid (IPEDS avg. net price)}] - [\text{avg. student loans per year}]) \times [\text{number of years to graduation}]$  Principal:  $[\text{average student loans per year}] \times [\text{number of years to graduation}]$

Interest: Interest payments on principal assuming average interest rates (4.66%) and paying debt off in 10 years after graduation

Note: Average debt per year is estimated as average debt calculated using data submitted by institution divided by average time to graduation

Sources: (1) Average Net Price sourced through IPEDS, Integrated Postsecondary Education Data System; (2) Debt data sourced through special data collection from public institutions; (3) average time to degree data sourced through CHEDSS, Indiana Commission for Higher Education Data Submission System.

Figure 11: Average new car payment (2017) sourced from <https://www.edmunds.com/car-news/auto-industry/auto-loan-lengths-soar-to-record-high-edmunds-finds.html>; average mortgage payment (2017) sourced from US Census Bureau American Housing Survey.

Figure 12: The Institute for College Access & Success's Project on Student Debt

Figure 13: Cumulative Wages of State Aid Recipients: Data represent the average cumulative wages of 2011-2013 graduates who obtained a 21st Century Scholarship or Frank O'Bannon Grant dollars, Indiana's primary need-based financial aid programs. Cumulative wages of graduates represent wages of graduates earned 1, 2, and 3 years after graduation of those with at least 2 quarters of wage records in a particular year. Wages were converted to 2016 dollars based on the year

# DATA NOTES

associated with 1, 2, and 3 years after graduation for the student. Important note: employment wages do not include graduates who work out of state, who are self-employed, or who work for the federal government.

Sources: Matched higher education and workforce data obtained through the Management Performance Hub; State Financial Aid data were obtained through legacy and current state financial aid systems (GRADS and ScholarTrack)

Figure 14: See Data Notes for Figures 2 & 3. Data represent state financial aid recipients graduating between 2008 and 2015 at Indiana public colleges who were identified to have went on and received a higher-level credential.

Sources: CHEDSS, Indiana Commission for Higher Education Data Submission System; State Financial Aid data were obtained through legacy and current state financial aid systems (GRADS and ScholarTrack)

Figure 15: Sources: Matched higher education and workforce data obtained through the Management Performance Hub.

Figures 16 & 17: CHE analysis

## INDUSTRY SNAPSHOT

Figure 18: Data represent median wages five years after graduation for graduates of the most popular programs in each degree level at Indiana public colleges (bachelor's for four-year and associate for two-year institutions). See following notes for information about annualized wages of Indiana public college graduates.

## ROI-AT-A-GLANCE

Figures 19-25:

### Workforce Data Limitations

All workforce information (typical salary, industry of employment) is based SOLELY on students who are employed in Indiana working for employers that participate in unemployment insurance and new hire data submissions. Additionally, workforce information is limited to records that could be linked to data in the Management Performance Hub Education and Workforce Database (EWD). Finally, workforce data are reported only for programs in which 30 or more students in at least two groups (Year 1, 5, or 10) were employed in Indiana. SOURCE: Management Performance Hub Education and Workforce Database (EWD)

### Workforce Data Limitations

All workforce information (typical salary, industry of employment, county of employment, etc.) is based SOLELY on students who are employed in Indiana working for employers that participate in unemployment insurance and new hire data submissions. Additionally, workforce information is limited to records that could be linked to data in the Management Performance Hub Education and Workforce Database (EWD). Indiana unemployment insurance and new hire data submissions are estimated to cover roughly 90% of Indiana's workforce.

### Cohorts

All cohorts represent students who graduated from Indiana public colleges during the fiscal year range specified. The below fiscal year ranges outline the availability of 1, 3, 5, and 10 year post-graduation employment and education outcomes:

- 1 year after graduation: 2005 – 2017
- 3 years after graduation: 2005 – 2015
- 5 years after graduation: 2005 – 2013
- 10 years after graduation: 2005 – 2008

In some cases, the latest three years of available cohort data are collapsed to produce employment and education outcome summaries for a rolling three-year cohort. These rolling three-year cohorts represent students who graduated from an Indiana public college during the fiscal year range specified below for

# DATA NOTES

each measured period: Year 1: graduated between 2015 – 2017, Year 3: graduated between 2013 - 2015, Year 5: graduated between 2011 – 2013, Year 10: graduated between 2006 – 2008.

## Continued Enrollment

Cohort students are considered in the “continued enrollment” category if students are found with a degree-seeking enrollment record at any Indiana public college in the academic year x # of years after graduation.

## Employment

Cohort students are considered in the “employed” category if students meet all three of the following criteria x # of years after graduation:

- Students are NOT considered enrolled as outlined in the “continued enrollment” section above.
- Students have at least 3 to 4 quarters of wages after graduation beginning two quarters after their graduation date. Calculations begin 2 quarters after graduation to give students a few gap months to find employment.
- Students have annualized wages at or above \$13,195 (prevailing federal minimum wage: \$7.25/hour\*35 hours/week\*52 weeks/year)
- To compute annualized wages, wages are summed across all jobs in the 4 quarters after graduation beginning two quarters after graduation:
- If the student has three quarters of wages, the sum of the wages across all jobs are multiplied by 4/3 to compute an annualized wage.
- If the student has four quarters of wages, the sum of the wages across all jobs represents the annualized wage.

Note: all quarterly wages are converted to 2018 CIP-U dollars before summing across all jobs. CIP-U indices are published by the Bureau of Labor Statistics (BLS).

## Industries of Employment

For students who are considered employed as outlined in the “employment” section above, the industry of employment

represents the four-digit NAICS (North American Industry Classification System) codes associated with employment x # of years after graduation. Specifically, the industry of employment represents the NAICS code associated with the student’s “main job” x # of years after graduation. Main job refers to the job for which the graduate had the highest earnings quarter.

## Average Student Investment

Annual cost of college BEFORE financial aid: represents, for 2017-2018, the total annual cost of attendance, before financial aid, for in-state, full-time, first-time undergraduate degree-seeking students. Total price is based on students living on campus (for institutions with on-campus housing) or students living off campus, not with parents. SOURCE: Integrated Postsecondary Education Database (IPEDS)

Annual cost of college AFTER financial aid: represents, for 2017-2018, the total annual cost of attendance after financial aid (aid that students do not need to pay back) for in-state, full-time, first-time undergraduate degree-seeking students. Sector data were obtained by weighting institutional data by IPEDS financial aid cohort sizes. SOURCE: Integrated Postsecondary Education Database (IPEDS)

## Average Student Debt (for students with college debt) and Percentage with Debt

Calculations include only Indiana resident students who graduated with bachelor’s degrees (for four-year institutions) or associate degrees (for two-year institutions) in 2017-18 who started at the institution as first-time students. Average debt is calculated by dividing the total amount of debt amassed by bachelor’s or associate graduates with college loan debt by the total number of those graduates. The percentage with debt is calculated by dividing the total number of bachelor’s or associate graduates by the number of graduates with college loan debt. These calculations do not include Indiana resident students who graduated in 2017-2018 but did not start as a first-time student at the institution of completion.



# INDIANA COMMISSION *for* HIGHER EDUCATION

## MISSION

The Indiana Commission for Higher Education is a 14-member public body created in 1971 to define the missions of Indiana's colleges and universities, plan and coordinate the state's postsecondary education system, administer state financial aid, and ensure that Indiana's higher education system is aligned to meet the needs of students and the state.



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