

# Executive Summary

For almost two decades, Illinois has undergone a period of disinvestment in higher education, with continued losses in appropriations and underfunding of student financial aid. From 2002 to 2018, funding for Illinois public universities was cut over 50% and community colleges saw similar disinvestment. This created increased financial strain for the state's colleges and universities, leaving them little choice but to raise tuition in order to make up for the loss in funding, effectively shifting the burden to pay onto students.

Though disinvestment in higher education hurts all Illinois students, Black students are affected in unique ways by the high cost of college. This report, which is the first in a three-part series, provides insight into how disinvestment was a catalyst for a college enrollment crisis for Black students, affected completion rates, and set a standard that sees Black students paying greater costs to complete a college degree. While this report uncovers issues related to affordability for Black students, it also connects these issues to specific policy recommendations that can have a direct impact on reversing these trends.

## Key Findings

College affordability can be divided into issues of **access, cost, and ability to pay**:

### Access

Black students are over-represented at institutions that are the least funded and often have lower completion rates

- 11,100 fewer Black students attended Illinois' public and private nonprofit colleges in 2017, compared to 2007, despite little change in the number of high school graduates
- Only four of the 12 public universities and four of the 62 private nonprofit colleges in Illinois have a Black student population that is representative of the state's population
- Black students are more than twice as likely as White students to attend for-profit institutions
- Most of Illinois' Black community college students are placed into non-credit-bearing developmental education courses, which add time and cost barriers to degree attainment

■ **Policy Recommendations** to Improve Access in Illinois Higher Education

- Convene an equitable funding formula work group
- Create a statewide direct admissions program
- Place fewer students into traditional developmental education
- Improve transfer pathways

### Cost

For students whose families make less than \$30,000 per year, which is true of 41% of Illinois' Black families, net prices are especially high and colleges that Black students disproportionately attend are more expensive in every sector

- At Illinois' public four-year colleges, the net price for a student whose family makes less than \$30,000 is about \$12,800 per year

- At Illinois' private four-year colleges, the net price for a student whose family makes less than \$30,000 is about \$17,500 per year
- At Illinois' for-profit institutions, the net price for a student whose family makes less than \$30,000 is about \$22,000 per year

■ **Policy Recommendations** to Decrease the Cost of a Degree

- Better fund public institutions
- Eliminate MAP at for-profit institutions
- Offer completion grants to cover unmet financial need

### Ability to Pay

Income and wealth gaps and inadequate financial aid contribute to the accumulation of large amounts of debt, making college persistence more challenging

- In Illinois, the median Black household earns \$33,500, compared to \$62,000 for White households, and is three times more likely to have an annual income below federal poverty levels
- The median Black family in America has about \$11,000 in wealth, compared to \$134,000 for White families
- 38% of Black graduates owed more than \$15,000 in debt, compared to 23% of White graduates

■ **Policy Recommendations** to Increase Students' Ability to Pay

- Increase state investment in the Monetary Award Program
- Eliminate or limit merit-based aid

The report concludes that bold, equity-driven reinvestment in public higher education is the best chance Illinois has to provide educational opportunities equitably, so that Illinois can narrow, rather than reinforce, racial wealth and income disparities.