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MEASURING UP
2006
**THE STATE REPORT CARD
ON HIGHER EDUCATION**

SOUTH CAROLINA



THE NATIONAL CENTER FOR
PUBLIC POLICY AND
HIGHER EDUCATION

WHAT IS MEASURING UP?

The purpose of this state report card is to provide the general public and policymakers with information they can use to assess and improve postsecondary education in each state. *Measuring Up 2006* is the fourth in a series of biennial report cards.

Measuring Up 2006 evaluates states on their performance in higher education because it is the states that are primarily responsible for educational access and quality in the United States. In this report card, “higher education” refers to all education and training beyond high school, including all public and private, two- and four-year, for-profit and nonprofit institutions.

The report card grades states in six overall performance categories:

■ **Preparation:** How adequately does the state prepare students for education and training beyond high school?

■ **Participation:** Do state residents have sufficient opportunities to enroll in education and training beyond high school?

■ **Affordability:** How affordable is higher education for students and their families?

■ **Completion:** Do students make progress toward and complete their certificates or degrees in a timely manner?

■ **Benefits:** What benefits does the state receive from having a highly educated population?

■ **Learning:** What is known about student learning as a result of education and training beyond high school?

Each state receives a letter grade in each performance category. Each grade is based on the state’s performance on several indicators, or quantitative measures, in that category.

Measuring Up 2006 is the first edition that includes data in the Learning category for all 50 states on the extent to which colleges and universities prepare students to contribute to the workforce.

As in *Measuring Up 2004*, most states in 2006 receive an “Incomplete” in Learning due to the lack of reported information.

This year, however, nine states (Illinois, Kentucky, Maryland, Massachusetts, Missouri, Nevada, New York, Oklahoma, and South Carolina) receive a “Plus.” For more information on these states and the Learning category, see page 12 of this state report card.

In four of the performance categories—Preparation, Participation, Completion, and Benefits—grades are calculated by comparing each state’s current performance to that of the best-performing states. This comparison provides a basis for evaluating each state’s performance within a national context and encourages each state to “measure up” to the highest-performing states.

In the Affordability category, however, the United States as a whole is “measuring down.” That is, even in the best-performing states, higher education has become *less* rather than *more* affordable when the costs of attending college are considered relative to family income. As a result, state grades in the Affordability category are calculated by comparing each state’s current performance with the performance of the best states in the early 1990s. This comparison allows policymakers to examine their state’s results relative to other states, while also encouraging improved performance over time. The Affordability category is the only one in which no state receives an A—the highest grade is a C–.

Measuring Up 2006 also compares each state’s current performance with its own performance in the early 1990s. Although this historical comparison is not graded, it is offered so that states can examine their trends in performance—both improvements and declines—over time. All data are drawn from reliable national sources. (For more information, please see the *Technical Guide for Measuring Up 2006* at www.highereducation.org.)

Measuring Up 2006 is the first edition that offers international comparisons that provide essential information on how well the United States and each of the 50 states are preparing residents with the knowledge and skills necessary to compete effectively in a global economy. Every state is compared with nations associated with the Organisation for Economic Co-operation and Development (OECD).

A Snapshot of Change Over Time

Academic preparation for college has continued to improve since the early 1990s, which is approximately when the most reliable data became available for meaningful comparisons. High school graduates are, in general, better prepared for college today than their peers were about a decade ago, as indicated by a greater proportion of high school students enrolled in a college-preparatory curriculum and scoring higher on national assessment examinations. Most states, however, and the United States as a whole, continue to show little progress in translating these gains into improvements at the college level.

Preparation: 45 states improved on more than half of the indicators; 5 improved on some of the indicators.

Participation: 8 states improved on more than half of the indicators; 28 improved on some of the indicators; 14 declined on most or all of the indicators.

Affordability: 1 state improved on more than half of the indicators; 32 improved on some of the indicators; 17 declined on most or all of the indicators.

Completion: 35 states improved on more than half of the indicators; 13 improved on some of the indicators; 2 declined on most or all of the indicators.

Benefits: 40 states improved on more than half of the indicators; 8 improved on some of the indicators; 2 declined on most or all of the indicators.



SOUTH CAROLINA

South Carolina's underperformance in preparing high school students for and enrolling them in higher education could limit the state's access to a competitive workforce and weaken its economy over time. Since the early 1990s, South Carolina has seen a double-digit drop in the proportion of 9th graders graduating from high school, and the state now ranks among the lowest in the country on this measure. Since the early 1990s, colleges and universities in South Carolina have become less affordable for students and their families. If these trends are not addressed, they could undermine the state's ability to compete successfully in a global economy.

Strengths

Preparation

■ South Carolina has experienced one of the steepest increases in the nation in the percentage of high school students enrolled in upper-level science courses.

■ About three-quarters of secondary school students in South Carolina are taught by teachers with an undergraduate or graduate major in the subject they are teaching, which compares very well with top-performing states.

Participation

■ Among 18- to 24-year-olds, a substantial gap exists between whites and non-whites in college participation, even though South Carolina has narrowed this gap over the past decade.

Completion

■ South Carolina has consistently performed very well on the percentage of freshmen in four-year colleges and universities returning for their sophomore year.

■ Likewise, a large percentage of students complete certificates and degrees relative to the number enrolled.



What do the arrows mean?



The state has improved on more than half of the indicators in the category.



The state has improved on some, but no more than half, of the indicators in the category.



The state has declined on most or all indicators.

Weaknesses

Preparation

- A very small proportion of 8th graders take algebra.
- Eighth graders are not well prepared to succeed in challenging high school courses. Their performance on national assessments in science, reading, and writing is poor, even though South Carolina students have shown improvement on all three measures over the past several years.
- The percentage of 8th graders performing well on national assessments in math is only fair.
- Likewise, a small percentage of low-income 8th graders perform well on national math assessments, although this percentage has nearly tripled over the past nine years.
- Very small proportions of 11th and 12th graders take and perform well on college entrance exams, despite substantial improvement on this measure over the past 12 years.
- Over the past 12 years, the percentage of non-white young adults (ages 18-24) who earn a high school credential has decreased. In addition, blacks in the 9th to 12th grades are only two-thirds as likely as whites to enroll in upper-level math and science courses.

Participation

- Ninth graders in South Carolina are not very likely to enroll in college within four years, primarily because the percentage of high school students graduating is small—among the smallest in the country.

- The percentage of working-age adults enrolled in college-level education or training is very low compared with other states.

- Young adults (ages 18-24) from high-income families are about three times as likely as those from low-income families to attend college. This is among the widest gaps in the nation.

Affordability

- Net college costs for low- and middle-income students to attend community colleges represent 41% of their annual family income. (Net college costs equal tuition, room, and board after financial aid.) For these students at public four-year colleges and universities, net college costs represent 54% of their annual family income. These families earn on average \$17,708 annually. Over 80% of students in the state attend public two- and four-year institutions.
- The state makes a very low investment in need-based financial aid compared with top-performing states, and the state offers no low-tuition college opportunities.

Completion

- Over the past 15 years, the percentage of first-year community college students returning for their second year has decreased substantially.

Benefits

- Compared with other states, a small proportion of residents have a bachelor's degree, and this substantially weakens the state economy.

2006
Grade

Change
Over Time



Despite substantial improvement, South Carolina continues to struggle in preparing students to succeed in college. South Carolina receives a C+ in preparation this year.

Graded Information

Compared with other states:

- A fair proportion (49%) of high school students in South Carolina are enrolled in upper-level math, but a large proportion (34%) are enrolled in upper-level science.
- A very small proportion (19%) of 8th graders take algebra.
- Eighth graders' performance is only fair on national assessments in math, and poor on national assessments in reading. Their performance on national assessments in science and writing is very poor, indicating that they are not well prepared to succeed in challenging high school courses.
- Low-income 8th graders perform poorly on national assessments in math.
- Small proportions of 11th and 12th graders score well on Advanced Placement tests, and very small proportions score well on college entrance exams.
- About two-thirds of secondary school students are taught by qualified teachers, which compares very well with top-performing states.

Change in Graded Measures

- Over the past 12 years, the proportion of high school students enrolled in upper-level science has increased by 62%, placing South Carolina among the fastest-improving states on this measure.

PREPARATION	SOUTH CAROLINA		Top States 2006
	1992*	2006	
High School Completion (20%)			
18- to 24-year-olds with a high school credential	85%	88%†	94%
K-12 Course Taking (35%)			
9th to 12th graders taking at least one upper-level math course	36%	49%	64%
9th to 12th graders taking at least one upper-level science course	21%	34%	40%
8th grade students taking algebra	14%	19%	35%
12th graders taking at least one upper-level math course	n/a	64%	66%
K-12 Student Achievement (35%)			
8th graders scoring at or above "proficient" on the national assessment exam:			
in math	15%	30%	38%
in reading	22%	25%	38%
in science	17%	23%	41%
in writing	15%	20%	41%
Low-income 8th graders scoring at or above "proficient" on the national assessment exam in math	5%	15%	22%
Number of scores in the top 20% nationally on SAT/ACT college entrance exam per 1,000 high school graduates	67	140	237
Number of scores that are 3 or higher on an Advanced Placement subject test per 1,000 high school juniors and seniors	82	140	217
Teacher Quality (10%)			
7th to 12th graders taught by teachers with a major in their subject	61%	74%	81%

*The indicators report data beginning in 1992 or the closest year for which reliable data are available. See the *Technical Guide for Measuring Up 2006*.

†Eighty-three percent of 18-24-year-olds have a regular high school diploma; 6% have a GED. The numbers shown for a regular high school diploma and a GED may not exactly equal the number for a high school credential due to rounding.

■ The percentage of 8th graders performing well on national assessments in math has nearly doubled over the past 13 years, but the state's current performance on this measure is only fair compared with other states.

■ During the past nine years, the percentage of 8th graders performing well on national assessments in science has increased substantially, but the state's current performance on this measure remains very poor compared with other states.

■ The percentage of 8th graders performing well on national assessments in reading has increased by 12% over the past seven years, in contrast to a national decline of 7% on this measure. However, the state's current performance remains poor compared with other states.

■ The percentage of 8th graders performing well on national assessments in writing has increased, although the state's current performance on this measure remains very poor compared with other states.

■ The percentage of low-income 8th graders performing well on national assessments in math has nearly tripled over the past nine years, although South Carolina's current performance is poor compared with other states.

■ Over the past 12 years, the proportions of 11th and 12th graders taking and scoring well on college entrance exams have increased substantially, although the state's current performance is very poor relative to other states.

■ The percentage of secondary school students taught by qualified teachers has increased substantially.

Other Key Facts

■ Over the past 12 years, the percentage of young adults who are from minority ethnic groups and who earn a high school credential has decreased from 85% to 79%.

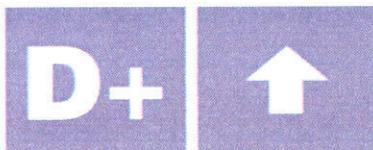
■ Blacks in the 9th to 12th grades are only three-quarters as likely as whites to enroll in upper-level math and science.

■ About 23% of children under age 18 live in poverty, compared with a national rate of 18%.

The preparation category measures how well a state's K-12 schools prepare students for education and training beyond high school. The opportunities that residents have to enroll in and benefit from higher education depend heavily on the performance of their state's K-12 educational system.

2006
Grade

Change
Over Time



Despite improvement, South Carolina's performance in enrolling students in higher education remains poor when compared with other states. South Carolina receives a D+ in participation this year.

Graded Information

Compared with other states:

- The chance of South Carolina high school students enrolling in college by age 19 is very low, primarily because the proportion of students who graduate from high school within four years is small. This proportion is among the lowest in the country.

- The percentage of working-age adults (ages 25 to 49) who are enrolled part-time in college-level education or training is very low.

Change in Graded Measures

Over the past decade:

- The chance of enrolling in college by age 19 has increased by 17%—one of the steepest increases in the nation on this measure. Although a smaller percentage of students graduate from high school within four years in the state, more of those who graduate enroll in college. Nonetheless, South Carolina's current performance on this measure remains very low when compared with other states.

- The percentage of working-age adults who are enrolled part-time in college-level education or training has declined by 14%, exceeding the nationwide decline of 12%.

PARTICIPATION	SOUTH CAROLINA		Top States 2006
	1992*	2006	
Young Adults (60%)			
Chance for college by age 19	25%	29%	53%
18- to 24-year-olds enrolled in college	28%	36%	41%
Working-Age Adults (40%)			
25- to 49-year-olds enrolled part-time in any type of postsecondary education	3.4%	3.0%	5.1%

*The indicators report data beginning in 1992 or the closest year for which reliable data are available. See the *Technical Guide for Measuring Up 2006*.

Other Key Facts

- Among the young adult population (ages 18 to 24), the gap in college participation between whites and other ethnic groups has narrowed, but remains substantial. Currently, 40 out of 100 white young adults are enrolled in college, compared with 28 out of 100 young adults from other ethnic groups.

- Young adults from high-income families are about three times as likely as those from low-income families to attend college—a gap that is among the widest in the nation.

- The state's population is projected to grow by 14% from 2005 to 2020, which matches the national rate. During approximately the same period, the number of high school graduates is projected to increase by 10%.

- About 16% of the adult population has less than a high school diploma or its equivalent, compared with 14% of adults nationwide.

- In South Carolina, 3,528 more students are entering the state than are leaving to attend college. About 11% of South Carolina high school graduates who go to college attend college out of state.

The participation category addresses the opportunities for state residents to enroll in higher education. A strong grade in participation generally indicates that state residents have high individual expectations for education and that the state provides enough spaces and types of educational programs for its residents.



South Carolina has lost ground in providing affordable higher education. Like many other states this year, South Carolina receives an F in affordability.

Graded Information

■ Compared with best-performing states, families in South Carolina devote a very large share of family income, even after financial aid, to attend public two- and four-year colleges and universities, which enroll 83% of college students in the state.

■ The state's investment in need-based financial aid is very low when compared with top-performing states, and the state does not offer low-priced college opportunities.

■ Undergraduate students borrowed on average \$3,614 in 2005.

Change in Graded Measures

■ Over the past several years, the share of family income, even after financial aid, needed to pay for college expenses at public four-year institutions has increased from 28% to 36%.

Other Key Facts

■ In South Carolina, 43% of students are enrolled in community colleges and 40% in public four-year colleges and universities.

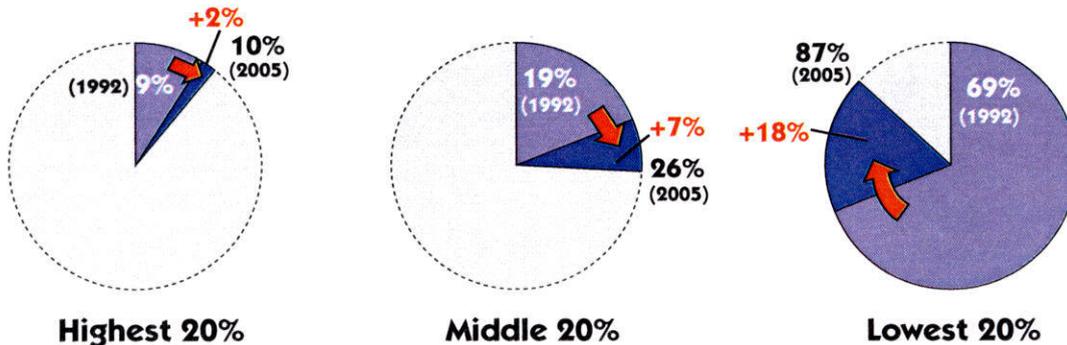
AFFORDABILITY	SOUTH CAROLINA		Top States In Early 1990s
	1992*	2006	
Family Ability to Pay (50%)			
Percent of income (average of all income groups) needed to pay for college expenses minus financial aid:			
at community colleges	22%	27%	15%
at public 4-year colleges/universities	28%	36%	16%
at private 4-year colleges/universities	48%	60%	32%
Strategies for Affordability (40%)			
State investment in need-based financial aid as compared to the federal investment	24%	25%	89%
At lowest-priced colleges, the share of income that the poorest families need to pay for tuition	15%	28%	7%
Reliance on Loans (10%)			
Average loan amount that undergraduate students borrow each year	\$2,874	\$3,614	\$2,619

*The indicators report data beginning in 1992 or the closest year for which reliable data are available. See the *Technical Guide for Measuring Up 2006*.

Note: In the affordability category, the lower the figures the better the performance for all indicators except for "State investment in need-based financial aid."

The affordability category measures whether students and families can afford to pay for higher education, given income levels, financial aid, and the types of colleges and universities in the state.

College in South Carolina Has Become Less Affordable for Middle- and Low-Income Families (1992–2005)



Net costs to attend public 4-year colleges as a share of income for different income families.

Financial Burden to Pay for College Varies Widely Among Different Income Families in the State

Those who are striving to reach or stay in the middle class—the 40% of the population with the lowest incomes—earn on average \$17,708 each year.

■ If a student from such a family were to attend a community college in the state, their net cost to attend college would represent about 41% of their income annually:

Tuition, room, and board:	\$8,650
Financial aid received:	–\$ 1,426
Net college cost:	\$7,224
Percent of income:	41%

■ If the same student were to attend a public four-year college in the state, their net cost to attend college would represent about 54% of their income annually:

Tuition, room, and board:	\$13,069
Financial aid received:	–\$ 3,584
Net college cost:	\$ 9,485
Percent of income:	54%

Note

The numbers shown for tuition, room, and board minus financial aid may not exactly equal net college cost due to rounding.

A CLOSER LOOK AT FAMILY ABILITY TO PAY	Average family income	Community colleges		Public 4-year colleges/universities		Private 4-year colleges/universities	
		Net college cost*	Percent of income needed to pay net college cost	Net college cost*	Percent of income needed to pay net college cost	Net college cost*	Percent of income needed to pay net college cost
Income groups used to calculate 2006 family ability to pay							
20% of the population with the lowest income	\$10,399	\$6,912	66%	\$9,094	87%	\$15,671	151%
20% of the population with lower-middle income	\$25,017	\$7,537	30%	\$9,876	39%	\$16,513	66%
20% of the population with middle income	\$42,764	\$8,160	19%	\$11,131	26%	\$17,496	41%
20% of the population with upper-middle income	\$65,000	\$8,328	13%	\$11,013	17%	\$17,761	27%
20% of the population with the highest income	\$108,686	\$8,386	8%	\$11,069	10%	\$18,234	17%
40% of the population with the lowest income	\$17,708	\$7,224	41%	\$9,485	54%	\$16,092	91%

*Net college cost equals tuition, room, and board, minus financial aid.



South Carolina has made substantial gains in the proportion of students earning a certificate or degree in a timely manner. This year South Carolina receives a B+ in completion.

Graded Information

Compared with other states:

- Only a fair percentage (49%) of first-year students in community colleges return for their second year.

- However, a very large percentage (76%) of freshmen at four-year colleges and universities return for their sophomore year.

- Among first-time, full-time college students, a large percentage (56%) complete a bachelor's degree within six years of entering college.

- Also, a high proportion of students complete certificates and degrees relative to the number enrolled.

Change in Graded Measures

- Over the past 15 years, the percentage of first-year community college students returning for their second year has decreased substantially.

- During the same period, however, the state has consistently performed very well in the percentage of freshmen at four-year colleges and universities returning for their sophomore year.

COMPLETION	SOUTH CAROLINA		Top States 2006
	1992*	2006	
Persistence (20%)[†]			
1st year community college students returning their second year	61%	49%	62%
Freshmen at 4-year colleges/universities returning their sophomore year	78%	76%	82%
Completion (80%)			
First-time, full-time students completing a bachelor's degree within 6 years of college entrance	54%	56%	64%
Certificates, degrees, and diplomas awarded at all colleges and universities per 100 undergraduate students	17	18	20

*The indicators report data beginning in 1992 or the closest year for which reliable data are available.

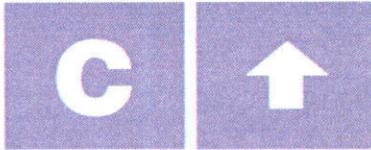
[†]2006 data may not be entirely comparable with data from previous years.

See the *Technical Guide for Measuring Up 2006*.

The completion category addresses whether students continue through their educational programs and earn certificates or degrees in a timely manner. Certificates and degrees from one- and two-year programs as well as the bachelor's degree are included.

2006
Grade

Change
Over Time



Despite improvement, South Carolina continues to lag many other states in realizing the benefits that come from having a more highly educated population. South Carolina receives a C in benefits this year.

Graded Information

Compared with other states:

- A small proportion of residents have a bachelor's degree, and this substantially weakens the state economy.

- However, residents contribute substantially to the civic good, as measured by charitable giving, volunteerism, and voting.

Change in Graded Measures

Over the past 12 years:

- The economic benefits that South Carolina enjoys as a result of the percentage of its population with a bachelor's degree have decreased substantially (by 20%), in contrast to a nationwide increase of 21%.

- The percentage of residents voting has increased, in contrast to a nationwide decline of 5%.

Other Key Facts

- If all ethnic groups had the same educational attainment and earnings as whites, total personal income in the state would be about \$3.1 billion higher.

- In 2002, South Carolina scored 51 on the New Economy Index, compared to a nationwide score of 60. The New Economy Index, developed by the Progressive Policy Institute, measures the extent to which states are participating in knowledge-based industries.

BENEFITS	SOUTH CAROLINA		Top States 2006
	1992*	2006	
Educational Achievement (37.5%)			
Population aged 25 to 65 with a bachelor's degree or higher	21%	23%	37%
Economic Benefits (31.25%)			
Increase in total personal income as a result of the percentage of the population holding a bachelor's degree	9%	7%	12%
Increase in total personal income as a result of the percentage of the population with some college (including an associate's degree), but not a bachelor's degree	3%	2%	3%
Civic Benefits (31.25%)			
Residents voting in national elections	51%	54%	64%
Of those who itemize on federal income taxes, the percentage declaring charitable gifts	91%	89%	91%
Increase in volunteering rate as a result of college education	n/a	20%	22%
Adult Skill Levels (0%)*			
Adults demonstrating high-level literacy skills:			
quantitative	15%	19%	33%
prose	14%	18%	33%
document	12%	15%	28%

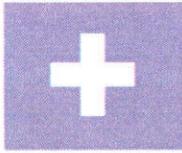
*The indicators report data beginning in 1992 or the closest year for which reliable data are available. See the *Technical Guide for Measuring Up 2006*.

†These are estimates from *Measuring Up 2004* and are not used to calculate grades. New data will be available in fall 2006.

- Policymakers and state residents do not have access to important information about high-level literacy skills because the state has declined to participate in the national literacy survey.

The benefits category measures the economic and societal benefits that the state receives as the result of having well educated residents.

2006
Grade



South Carolina is among nine states that receive a "Plus" in Learning because data were sufficient to compare at least two of the three Learning categories in the state results described below.

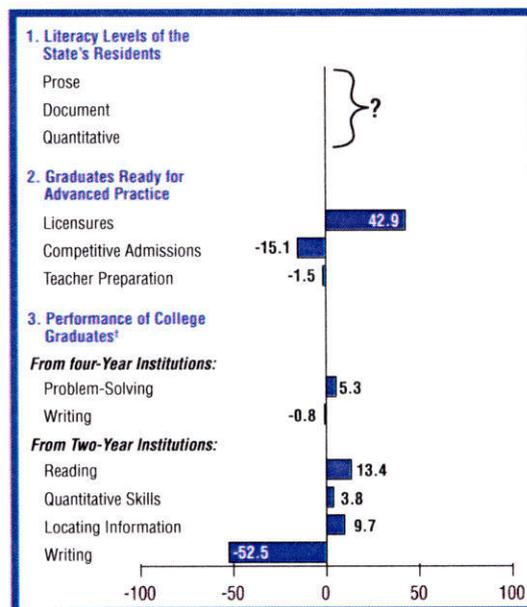
In *Measuring Up 2006*, data are available, for the first time, for all fifty states on "Graduates Ready for Advanced Practice" indicators (see chart). In the 2004 edition of *Measuring Up*, state-level results on all Learning indicators were reported for five states (Illinois, Kentucky, Nevada, Oklahoma, and South Carolina) that participated in a pilot project directed by the National Forum on College-Level Learning and funded by the Pew Charitable Trusts.* This project evaluated state performance in Learning on three topics:

1. Literacy Levels of the State's Residents. These indicators answer the question, "What are the abilities of the state's college-educated population?" The answer provides information about the level of "educational capital" the state can count on to develop a competitive 21st-century workforce and a responsible citizenry.

2. Graduates Ready for Advanced Practice. These indicators address the question, "To what extent do colleges and universities in the state educate students to contribute to the workforce?" These measures examine how well prepared state college and university graduates are to enter a licensed profession or participate in graduate study.

3. Performance of College Graduates. These indicators address the question, "How effectively can college and university graduates in the state communicate and solve problems?" The ability of college graduates to perform complex academic and real-world tasks is the "bottom line" in Learning. This can only be determined by common direct assessments of college graduate abilities.

Measuring Up 2006 employs the same methodology for Learning as used in the



†Data are from *Measuring Up 2004*. Because of small numbers of test takers, results should be treated with caution; reader should look at the overall pattern of results.

2004 edition of *Measuring Up*. Overall state performance is illustrated by a bar chart for each state. In the chart, the data for each indicator are represented by a bar showing the number of percentage points the state performed above or below the national average.

The overall picture for *Measuring Up 2006* remains incomplete. While "Graduates Ready for Advanced Practice" results can be reported for all states, results for "Literacy Levels of State's Residents" can only be calculated for five of the six states that participated in a state-level version of the National Assessment of Adult Literacy (SAAL) conducted in 2003. Results for "Performance of College Graduates", reported in the 2004 edition of *Measuring Up*, were based on assessments administered to representative samples of college students in each of the five pilot project states. These measures were not updated for 2006.

South Carolina Results

South Carolina's higher education system is very competitive in workforce preparation as reflected in professional licensure examinations. The state is more than 40% above the national benchmark on this measure, placing it among the top 10 states. About 30% more South Carolina graduates take such examinations than is typical nationally, and their pass rate matches the national average. In contrast, South Carolina is more than 15 percentage points below the national benchmark in preparing students for graduate study as reflected in graduate admissions examinations. Although 5% more South Carolina graduates take

such examinations than is typical nationally, the proportion earning competitive scores is almost 14% below the national average. Finally, South Carolina is close to the national benchmark with respect to pass rates on the state's teacher examinations.

South Carolina did not participate in the SAAL, so no results on literacy are available.

South Carolina was one of five states able to report Learning results in *Measuring Up 2004* by virtue of its participation in the pilot study conducted by the National Forum on College-Level Learning. The results of that project are repeated here in the Performance of College Graduates section.

*More information on the National Forum on College-Level Learning can be obtained at http://www.highereducation.org/reports/mu_learning/index.shtml.

How South Carolina Measures Up Internationally

Participation*

■ About 33% of young adults, ages 18 to 24, in South Carolina are currently enrolled in college. Although South Carolina's enrollment rate compares well internationally, it represents only 67% of the rate in Korea, the best-performing nation on this measure. South Carolina is also surpassed by Greece, Finland, Belgium, Ireland, and Poland (see figure 1).

Completion

■ When compared internationally, South Carolina is surpassed by many countries in the proportion of students who complete certificates or degrees. With 18 out of 100 students enrolled completing a degree or certificate, South Carolina's completion rate is only 75% of the rate in the United Kingdom, the top-performing country on this measure, where 24 out of 100 students complete certificates or degrees. South Carolina also lags Japan, Portugal, Australia, Switzerland, Denmark, Ireland, New Zealand, France, Iceland, and Korea (see figure 2).

Educational Level of Adult Population

■ Internationally, the proportion of younger adults, ages 25 to 34, with a college degree in South Carolina is only 70% of the proportion in Japan, the top-performing nation on this measure. South Carolina is also surpassed by Canada, Korea, Finland, Norway, Sweden, Belgium, Spain, France, and Ireland.

Figure 1. Percent of Young Adults (Ages 18-24) Currently enrolled in College, 2003

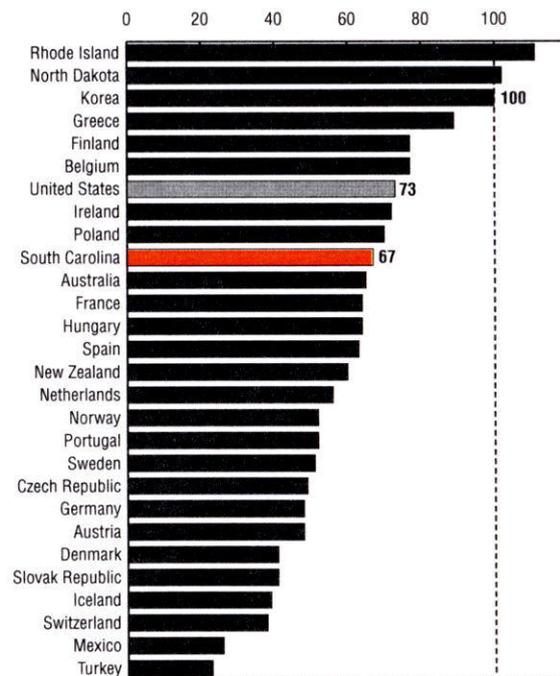
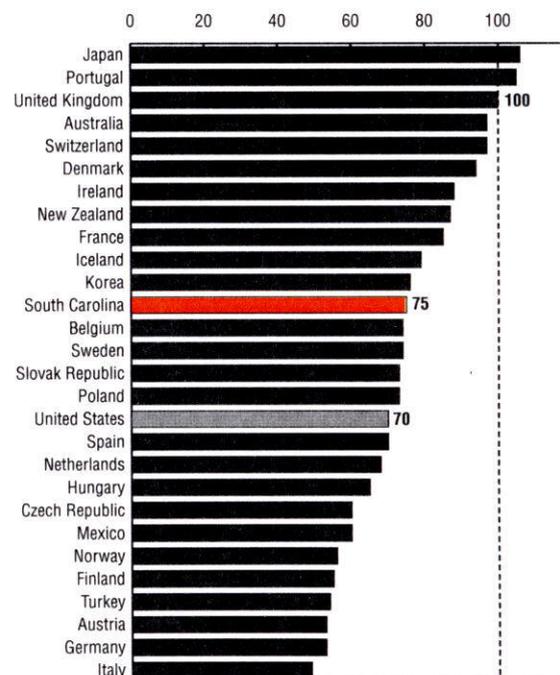


Figure 2. Total Degrees/Certificates Awarded Per 100 Students Enrolled, 2004



*This measure includes both undergraduate and graduate enrollment, whereas the similar indicator in the graded category only reports undergraduate enrollment.

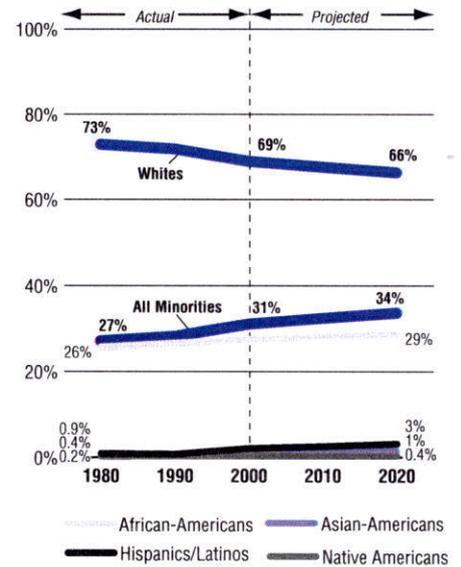
Note: The charts show index scores, as measured against the top performance. The top performance, defined as the median value of the top five performers, receives a score of 100. The top performer can be a nation or a U.S. state. For more international comparison information, go to www.highereducation.org.

State Context	South Carolina	State Rank
Population (2006)	4,255,083	25
Gross state product (2004, in millions)	\$131,492	28
Leading Indicators	South Carolina	U.S.
Projected % change in population, 2005-2020	14%	14%
Projected % change in number of all high school graduates, 2002-2017	10%	8%
Projected budget surplus/shortfall by 2013	-7%	-6%
Average income of poorest 20% of population (2004)	\$10,399	\$12,168
Children in poverty (2004)	23%	18%
Percent of adult population with less than a high school diploma or equivalent (2004)	16%	14%
New economy index (2002)*	51	60
Facts and Figures	South Carolina	
	Number/Amount	Percent
Institutions of Postsecondary Education (2004-05)		
Public 4-year	13	
Public 2-year	20	
Private 4-year	25	
Private 2-year	5	
Students Enrolled by Institution Type (2004)		
Public 4-year	73,739	40%
Public 2-year	78,882	43%
Private 4-year	29,794	16%
Private 2-year	1,998	1%
Students Enrolled by Level (2004)		
Undergraduate	184,413	88%
Graduate	21,105	10%
Professional	3,392	2%
Enrollment Status of Students (2004)		
Full-time	140,632	67%
Part-time	68,278	33%
Net Migration of Students (2004)		
Positive numbers for net migration mean that more students are entering than leaving the state to attend college. Negative numbers reveal the reverse.	3,528	
Average Tuition (2005-06)		
Public 4-year institutions	\$7,350	
Public 2-year institutions	\$2,931	
Private 4-year institutions	\$16,219	
State and Local Appropriations for Higher Education		
Per \$1,000 of personal income, FY 2006	\$6	
Per capita, FY 2006	\$180	
% change, FY 1996-2006		13%

* This index, created by the Progressive Policy Institute, measures the extent to which a state is participating in knowledge-based industries. A higher score means increased participation.

Note: Percentages might not add to 100 due to rounding.

Working-Age Population (ages 25-64) by Race/Ethnicity, 1980-2020



Racial and Ethnic Gaps in Educational Levels of Working-Age Population (ages 25-64), 2000

	Whites	African-Americans
Less than a high school credential	15%	28%
Associate's degree or higher	34%	16%

QUESTIONS & ANSWERS

Q: What is being graded in this report card, and why?

A: *Measuring Up 2006* grades states, not individual colleges or universities, on their performance in higher education. The states are responsible for preparing students for higher education by means of sound K–12 school systems, and they provide most of the public financial support—\$72 billion currently—for colleges and universities. Through their oversight of public colleges and universities, state leaders affect the types and number of programs available in the state. State leaders also determine the limits of financial support and often influence tuition and fees for public colleges and universities. They establish how much state-based financial aid is available to students and their families, which affects students attending both private and public colleges and universities.

Q: How are states graded?

A: *Measuring Up 2006* grades states in six performance categories: Preparation, Participation, Affordability, Completion, Benefits, and Learning. Each category is made up of several indicators, or quantitative measures—a total of 35 in the first five categories. Grades are calculated based on each state's performance on these indicators, relative to the best-performing states. As in earlier editions, state data are drawn from the most recent public information available, and the grades in *Measuring Up 2006* reflect state performance in 2004 or 2005.

In the Affordability category, *Measuring Up 2006* reflects the major changes in tuition and financial aid that occurred in 2005. In addition, each state's performance is calculated relative to the performance of top states in the early 1990s—rather than relative to the current performance of top states, as is the case with other graded categories. This difference in comparison, first introduced in *Measuring Up 2004*, creates a more stable basis for states to assess their performance in Affordability, which is the most volatile of the graded categories.

Measuring Up 2006 is the first edition that includes data in the Learning category for all 50 states on the extent to which colleges and universities prepare students to contribute to the workforce (see the “Graduates Ready for Advanced Practice” indicators). As in *Measuring Up 2004*, most states in 2006 receive an “Incomplete” in Learning due to the lack of reported information. This year, however, nine states receive a “Plus”: Illinois, Kentucky, Maryland, Massachusetts, Missouri, Nevada, New York, Oklahoma, and South Carolina. These nine states reported adequate data in more than

one of the indicator groups either through their participation in a pilot project, or by collecting additional state data for the state version of the National Assessment of Adult Literacy (NAAL) conducted in 2003.

All data used to grade states in *Measuring Up 2006* were collected from reliable national sources, including the U.S. Census Bureau and the U.S. Department of Education. All data are the most current available for state comparisons, are in the public domain, and were collected in ways that allow meaningful comparisons among states. Please see the *Technical Guide for Measuring Up 2006* (available at www.highereducation.org) for more information regarding data sources used in *Measuring Up 2006*.

Q: What information is provided but not graded?

A: The state report cards highlight important gaps in college opportunities for various income and ethnic groups, and they identify improvements and setbacks in each state's performance over time. Each report card also presents important contextual information, such as demographic trends, student migration data, and state funding levels for higher education. International comparisons provide new contextual information for states.

Q: Why does *Measuring Up 2006* include international indicators?

A: *Measuring Up 2006* is the first edition to draw on international indicators, at both the state and national levels. In a global economy, it is critical for each nation to establish and maintain a competitive edge through the ongoing, high-quality education of its population. *Measuring Up 2006* provides essential information on how well the nation and each of the 50 states are preparing residents with the knowledge and skills necessary to compete effectively in the global economy. As with other data in *Measuring Up*, each international measure is based on the most current data available. In this case, the data are from the Organisation for Economic Co-operation and Development (OECD). International comparisons are used to gauge the states' and the nation's standing relative to OECD countries on the participation and educational attainment of their populations.

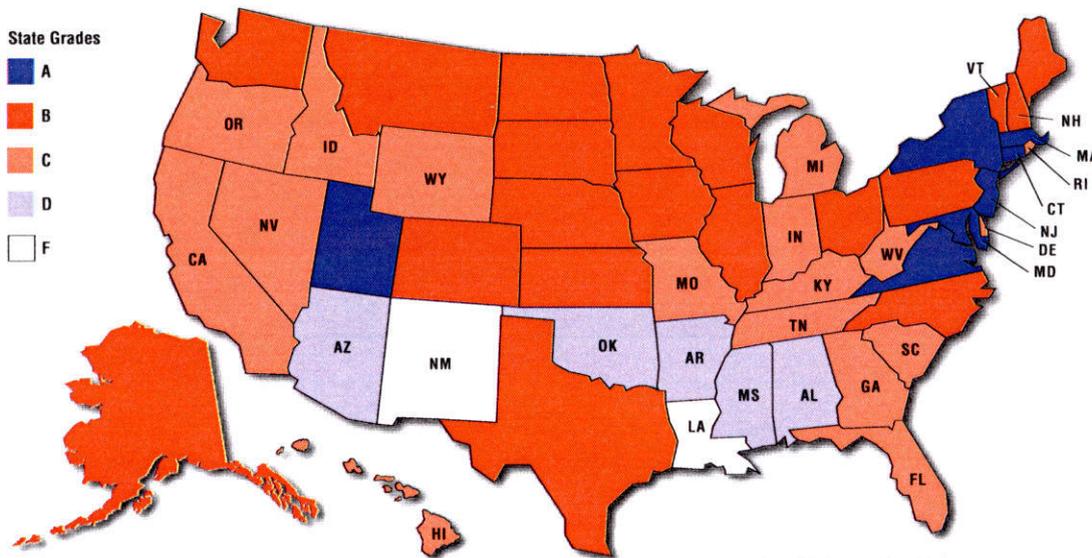
For more information on international comparisons, see *Measuring Up Internationally: Developing Skills and Knowledge for the Global Knowledge Economy* by Alan Wagner. For more information on available data sources, see the *Technical Guide for Measuring Up 2006* (available at www.highereducation.org).

STATE GRADES

	Preparation	Participation	Affordability	Completion	Benefits	Learning
Alabama	D-	C	F	B-	B	I
Alaska	B-	C+	F	F	B-	I
Arizona	D	B+	F	B	B+	I
Arkansas	D+	C	F	C	C	I
California	C	A	C-	B	A	I
Colorado	B+	A-	F	B	A-	I
Connecticut	A-	A-	F	B+	A	I
Delaware	C	B	F	A-	B-	I
Florida	C	C	F	A	B	I
Georgia	C+	D+	F	A	B-	I
Hawaii	C-	C	D	B-	A-	I
Idaho	C	D+	D	C+	C-	I
Illinois	B	A	F	B+	A	+
Indiana	C	C+	F	B+	C	I
Iowa	B+	A-	F	A	C	I
Kansas	B-	A	F	B+	B+	I
Kentucky	C-	B-	F	C+	C+	+
Louisiana	F	C-	F	C-	D+	I
Maine	B	B-	F	B	B-	I
Maryland	A-	A	F	B	A	+
Massachusetts	A	A	F	A	A	+
Michigan	C-	A-	F	B	A-	I
Minnesota	B	A	D	A	B+	I
Mississippi	D-	D	F	B	C	I
Missouri	C	B	F	B+	A	+
Montana	B+	C-	F	B-	C+	I
Nebraska	B	A	F	B+	B	I
Nevada	C-	C	F	F	C-	+
New Hampshire	B+	C+	F	A	A	I
New Jersey	A	A-	D	B	A	I
New Mexico	F	A	F	D	C	I
New York	A-	B-	F	A-	B+	+
North Carolina	B+	B-	F	B+	B	I
North Dakota	B-	A	F	B	C+	I
Ohio	B-	B-	F	B	B+	I
Oklahoma	D+	C+	F	C	B-	+
Oregon	C-	C+	F	B-	A	I
Pennsylvania	B	B	F	A	A-	I
Rhode Island	C+	A	F	A	B	I
South Carolina	C+	D+	F	B+	C	+
South Dakota	B	A	F	B+	C+	I
Tennessee	C-	C-	F	B	C+	I
Texas	B-	C+	F	C+	B-	I
Utah	A	B	C-	B	A-	I
Vermont	B-	C	F	A	A-	I
Virginia	A-	B	F	B+	A	I
Washington	B	C-	D-	A	A-	I
West Virginia	C-	C-	F	C+	D+	I
Wisconsin	B+	A-	F	A	B-	I
Wyoming	C-	B+	F	A	C-	I

THE NATIONAL PICTURE: 2006 SNAPSHOT

PREPARATION



A Connecticut, Maryland, Massachusetts, New Jersey, New York, Utah, Virginia **B** Alaska, Colorado, Illinois, Iowa, Kansas, Maine, Minnesota, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Ohio, Pennsylvania, South Dakota, Texas, Vermont, Washington, Wisconsin **C** California, Delaware, Florida, Georgia, Hawaii, Idaho, Indiana, Kentucky, Michigan, Missouri, Nevada, Oregon, Rhode Island, South Carolina, Tennessee, West Virginia, Wyoming **D** Alabama, Arizona, Arkansas, Mississippi, Oklahoma **F** Louisiana, New Mexico. **Massachusetts is the top-performing state in preparation.**

PREPARATION

High School Completion
High School Credential

K-12 Course Taking

- Math Course Taking
- Science Course Taking
- Algebra in 8th Grade
- Math Course Taking in 12th Grade

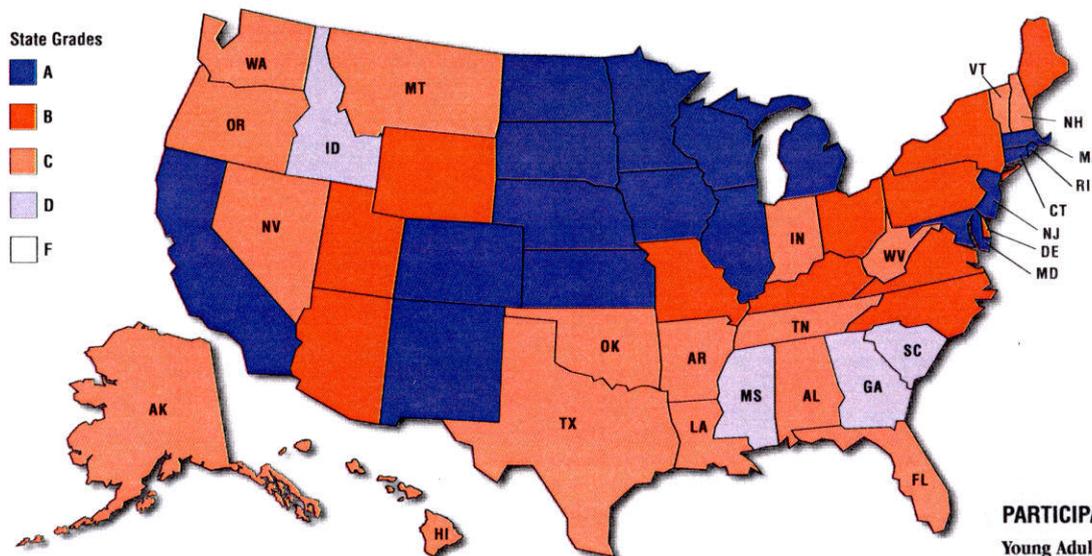
K-12 Student Achievement

- Math Proficiency
- Reading Proficiency
- Science Proficiency
- Writing Proficiency
- Math Proficiency among Low-Income
- College Entrance Exams
- Advanced Placement Exams

Teacher Quality

- Students taught by qualified teachers

PARTICIPATION



A California, Colorado, Connecticut, Illinois, Iowa, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Jersey, New Mexico, North Dakota, Rhode Island, South Dakota, Wisconsin **B** Arizona, Delaware, Kentucky, Maine, Missouri, New York, North Carolina, Ohio, Pennsylvania, Utah, Virginia, Wyoming **C** Alabama, Alaska, Arkansas, Florida, Hawaii, Indiana, Louisiana, Montana, Nevada, New Hampshire, Oklahoma, Oregon, Tennessee, Texas, Vermont, Washington, West Virginia **D** Georgia, Idaho, Mississippi, South Carolina. **New Mexico is the top-performing state in participation.**

PARTICIPATION

Young Adults

- Chance for College
- Young Adult Enrollment

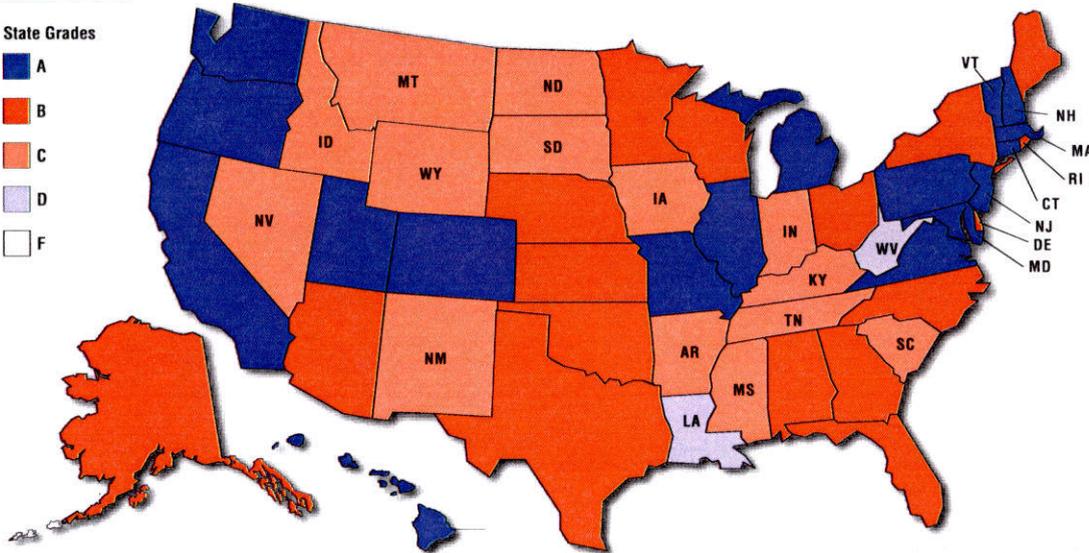
Working-Age Adults

- Working-Age Adult Enrollment

BENEFITS

State Grades

- A
- B
- C
- D
- F



A California, Colorado, Connecticut, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Missouri, New Hampshire, New Jersey, Oregon, Pennsylvania, Utah, Vermont, Virginia, Washington **B** Alabama, Alaska, Arizona, Delaware, Florida, Georgia, Kansas, Maine, Minnesota, Nebraska, New York, North Carolina, Ohio, Oklahoma, Rhode Island, Texas, Wisconsin **C** Arkansas, Idaho, Indiana, Iowa, Kentucky, Mississippi, Montana, Nevada, New Mexico, North Dakota, South Carolina, South Dakota, Tennessee, Wyoming **D** Louisiana, West Virginia. **Massachusetts is the top-performing state in benefits.**

BENEFITS

Educational Achievement
Adults with Bachelor's Degree or Higher

Economic Benefits
Increased Income from Bachelor's Degree
Increased Income from Some College

Civic Benefits

Population Voting
Charitable Contributions
Volunteering

Adult Skill Levels*

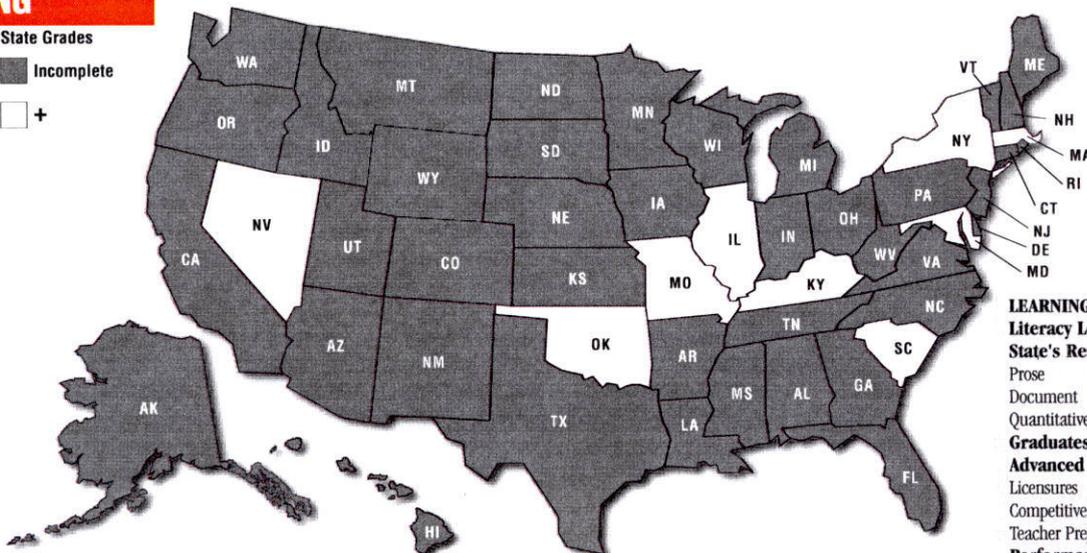
Quantitative Literacy
Prose Literacy
Document Literacy

*These are estimates from *Measuring Up 2004* and are not used to calculate grades. New data will be available in fall 2006.

LEARNING

State Grades

- Incomplete
- +



LEARNING

Literacy Levels of the State's Residents

Prose
Document
Quantitative

Graduates Ready for Advanced Practice

Licensures
Competitive Admissions
Teacher Preparation

Performance of College Graduates

From Four-Year Institutions
Problem-Solving
Writing

From Two-Year Institutions
Reading
Quantitative Skills

Locating Information
Writing

What do we know about learning as a result of education and training beyond high school?

Measuring Up 2006 gives a "Plus" in learning to nine states (Illinois, Kentucky, Maryland, Massachusetts, Missouri, Nevada, New York, Oklahoma, and South Carolina) that have developed learning measures.

COLLEGE AFFORDABILITY:

Colleges, States Increase Financial Burdens on Students and Families

By Patrick M. Callan

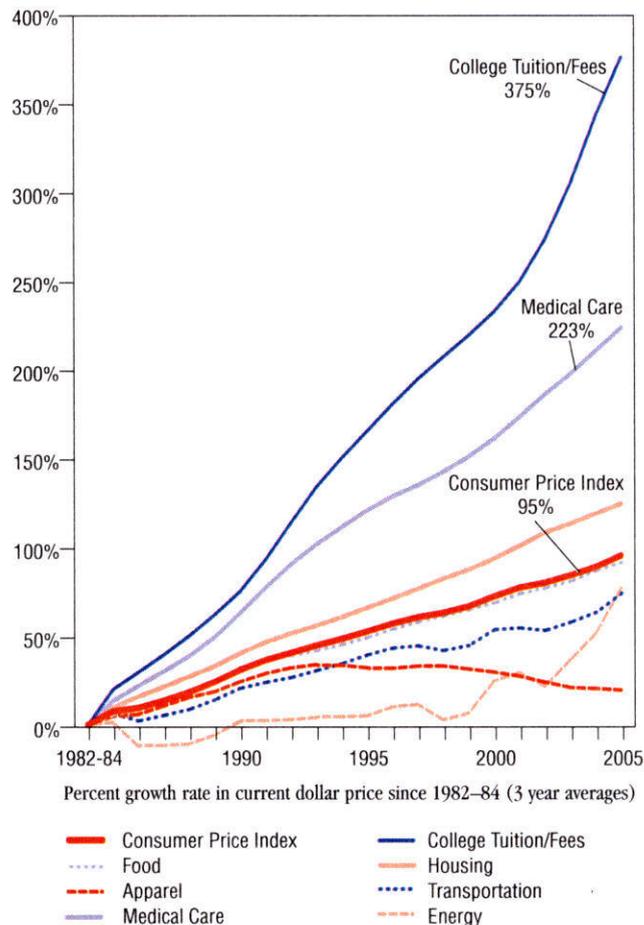
College affordability continues to decline in the United States. Of all the performance categories in the *Measuring Up* report cards, the state results for affordability are the most dismal. Since our previous edition of *Measuring Up*, the number of states receiving “F” grades increased from 36 to 43. Even after all financial aid is taken into account, students and their families must devote an increasing share of their income and borrow more to pay for a year of college education at almost all public and private two- and four-year campuses. Only the wealthiest of American families are exempted from declining college affordability. *Measuring Up 2006* tracks the decline from the early 1990s, a decline that, as reflected in state grades, is even greater than that reported in the 2004 report card.

It is no coincidence that during these years of declining affordability, U.S. college access rates have flattened, and the gap in rates of college attendance between low-income and other Americans has persisted. Family income remains the best predictor of who will go to college and what college they will attend. Declining affordability is clearly a critical factor in these choices:

- Declining affordability discourages many low-income students from enrolling in challenging high school courses and even from graduating from high school. Those who believe college is beyond their financial reach have little reason to prepare for it.
- Many students resort to “trading down,” that is, choosing less expensive colleges than those that would best fit their educational goals and qualifications. Others take on large debts and work more hours than is advisable during the school year, which may contribute to academic difficulties, lengthen the time in college, or even jeopardize degree completion.
- Current college graduates—and many students who do not graduate—are the most heavily indebted young Americans in our history. Large debt burdens may discourage some students from accumulating more debt to pursue advanced study, or from careers that are not highly remunerative, such as teaching or service in nonprofit organizations.¹

The issue of college affordability as it is experienced by families and students is captured by figure 1. Since the early 1980s, the rate of increase in the price of college has far outstripped price increases in other sectors of the economy, even health care. Over these years, median family income increased by 127%; college tuition and fees by 375%.

Figure 1. The increase in the price of college has outstripped price increases in other sectors of the economy.



Source: Percent growth rates calculated based on Consumer Price Index for All Urban Consumers, available at the Bureau of Labor Statistics website, <http://stats.bls.gov/>. All industries above are components of the CPI.

College Tuition/Fees represent sticker price tuition and fees less all types of grant aid except grants related to athletics and other student talents for undergraduate and graduate studies at 2-year or 4-year colleges, major universities, and professional schools. Room and board charges and textbook charges are not included. Data were collected from 88 metropolitan cities. **Food & Beverage** includes food at home, food away from home, and alcoholic beverages. **Housing** includes rent of primary residence, lodging away from home, owners' equivalent rent of primary residence, and tenants' and household insurance. (Only the "shelter" category was used in this analysis.) **Apparel** includes men's and boys' apparel, women's and girls' apparel, infants' and toddlers' apparel, and footwear. **Transportation** includes private transportation (new and used motor vehicles, fuel, parts and equipment, maintenance and repair) and public transportation. **Medical Care** includes medical care commodities (prescription drugs, over-the-counter drugs, and other medical equipment and supplies) and medical care services (professional medical services, hospital or nursing home services, and health insurance imputation). **Energy** includes fuel oil, other household fuels, electricity, utility natural gas services, and motor fuel.

¹ Michael Anft, "A Growing Debt to Society: Young graduates shun nonprofit employers," *The Chronicle of Philanthropy*, volume 18, 2006; Amanda Ballard, "Understanding the Next Generation of Nonprofit Employees: The Impact of Educational Debt," unpublished draft paper, 2005 (available at www.buildingmovement.org/artman/uploads/educational_debt_001.pdf).

Tuition and fees represent the fastest growing component of the cost of college to students and families. For public colleges and universities, tuition is also the cost most susceptible to public policy influence. Other costs — e.g., housing, books, and transportation — are also part of the affordability equation. And the 127% increase in median family income since 1983 masks the disproportionate impact of changes in college affordability on families of differing incomes. Table 1 shows the net costs of college attendance as a percentage at the lowest, middle, and highest quintiles of family income (the net costs of college attendance include tuition, room and board minus financial aid). Compared with 1992, families in the lowest income quintile need an additional 16% of their income

Table 1. Financial burden to pay for college has increased for almost all families ... but increased more for middle- and low-income families. Compared with 1992, families in the lowest quintile need an additional 16% of their income to pay for the increased costs at a public four-year college in 2005. In contrast, the highest income families only need an additional 1% of their income to pay for such costs.

Net college costs* as a percent of family income

At public four-year colleges and universities	1992	2005 (MU 2006)	% pts increases	Top-Bottom gaps
Lowest 20% income families	57%	73%	16%	50% pts (1992) 64% pts (2005)
Middle 20%	17%	23%	5%	
Highest 20%	7%	9%	1%	
At public two-year colleges				
Lowest 20% income families	50%	58%	8%	44% pts (1992) 51% pts (2005)
Middle 20%	14%	17%	3%	
Highest 20%	6%	7%	1%	

*Net college costs equal tuition, room, and board minus financial aid. The numbers may not exactly equal due to rounding (Source: *Measuring Up 2006*).

to pay for a public four-year college education in 2005. In contrast, the highest income families only need an additional 1% of their income to pay for the same college costs.

Although declining affordability clearly has its greatest impact on low-income families, we should not be surprised that public opinion polls show widespread concern among all Americans. In fact, the public reports greater concern about the cost of their children's college education being priced beyond the income of the average family than about a secure retirement, housing, or automobiles, other elements of the "American dream."²

Tuition

Higher education experts and leaders disagree when college costs and prices are discussed. Some endorse higher tuition, some do not; some are sanguine about growing student debt, others are not. Declining affordability is a fact, however, regardless of opinions about tuition and debt. Although a serious concern of most families and students, this trend is not the consequence of explicit public policy or public consensus.³ Rather, this trend represents the cumulative results of responses to economic pressures, demographic shifts, and public policy drift that have undermined college affordability, such as:

- The knowledge-based economy increasingly eliminates those without education and training beyond high school from employment opportunities that can support a middle-class standard of living. In the recent past, college was the most advantageous route to the middle class, but there were many other paths for the highly motivated and hardworking. In today's economy, colleges and universities have become the gateway to the middle class for most Americans.
- The number of high school graduates and the proportion of high school students who aspire to college have both increased over this decade.
- States, for the most part, lack effective policies for college and university tuition.
- States have often made drastic reductions in college appropriations in tight budget years; college and university leaders and trustees have usually acquiesced in budget cuts if all or a substantial portion of reductions can be replaced with increased tuition.

2 John Immerwahr, "Public Concerns About the Price of College." In *Losing Ground: A National Status Report on the Affordability of American Higher Education*, San Jose, CA: The National Center for Public Policy and Higher Education, 2002.
 3 Deborah Wadsworth, "Ready or Not? Where the Public Stands on Higher Education Reform," in Richard H. Hersh and John Merrow, eds., *Declining by Degrees: Higher Education at Risk*, New York, NY: Palgrave MacMillan, 2005.

■ Many states have delegated tuition authority to public colleges and universities, often as part of deregulation or decentralization policies. The absence of state influence on these decisions has inevitably led to higher, often precipitous, tuition increases.

None of these factors alone would seem responsible for the long-term decline in college affordability at the very point in time when more Americans than ever need college opportunity and when the nation needs more college-educated workers and citizens. It is their convergence that has permitted “pricing with impunity” and the consequent decline in college affordability. Market forces and public policy might be said to have colluded to undermine college affordability.

Student Financial Assistance

Historically, the major public purpose of financial assistance has been enabling eligible but needy students to enroll in college. Most of this aid comes from federal and state governments and from colleges and universities. Student financial assistance from all these sources has increased to \$45 billion, or an increase of 140% since 1991. But these increases have not been large enough to keep pace with the increased costs of college attendance, particularly not with tuition. For example, the nation’s largest source of financial aid for low-income college students is the Federal Pell Grant program. The average Pell Grant covered 76% of tuition at four-year colleges and universities in 1990-91. Between 1991 and 2005 Federal Pell Grant funding increased by 84%. But the average Pell Grant currently covers only 48% of tuition at these institutions, a *decline* in purchasing power despite *increased* federal investment.⁴

By the mid-1990s, pressure from steep and rapid tuition increases began to squeeze middle-income families, who made their concern known to political leaders. State and federal governments responded with programs that were no longer directed at the most needy but were created to cushion the impact of rising tuition on middle-class families. These include: federal tuition tax credits and deductions, state merit-based programs, and tax advantaged savings plans.

Typically these programs do not require demonstration of financial need and, in the case of federal tax credits, actually exclude the most financially needy from eligibility. Many of the programs have purposes beyond student assistance, among them increasing college participation, offering tax relief, and encouraging the most academically talented students to forego opportunities to attend out-of-state institutions and to attend their own state’s institutions. Whatever the purposes or intentions, these programs represent fairly recent claims by the middle class for college financial assistance.

Collectively, colleges and universities account for the largest amount of student financial aid (see table 2). As aid was refocused in Washington and state capitols to address the middle class college squeeze, many four-year colleges and universities were—and are—doing their own refocusing. Their reasons were different, but the results were similar. For institutions, the stimulus is the intense competition for talented students and for the prestige and rankings that reward the winners. For many institutions, the principal *public purpose* of financial assistance to

Table 2. Middle- and upper-income students receive larger amounts of institutional grant aid than low-income students do.

Full-time dependent undergraduates receiving financial grant aid, 2003-04, by income

Provider	Federal Government		State Government		Institutions	
	% receiving grant aid	average award	% receiving grant aid	average award	% receiving grant aid	average award
Parental Income (2002)						
Below \$20,000	73%	\$4,000	36%	\$2,900	36%	\$4,700
\$20,000-39,999	63%	\$2,900	38%	\$2,700	40%	\$5,000
\$40,000-59,999	22%	\$1,700	28%	\$2,300	35%	\$5,500
\$60,000-79,999	4%	\$1,500	19%	\$2,000	34%	\$5,700
\$80,000-99,999	1%	\$2,300	14%	\$2,100	34%	\$6,100
\$100,000 or more	1%	\$1,700	8%	\$2,400	29%	\$6,200

Source: NCES (2005), '2003-04 NPSAS: Student Financial Aid Estimates for 2003-04.'

⁴ Figures are calculated based on the data from *Trends in Student Aid* and *Trends in College Pricing* (College Board, 2005, New York, NY: College Board).

needy students has been transformed into the narrower *institutional purpose* of a recruitment incentive to attract desirable students. The consequence is that average institutional financial aid grants are larger for students from middle- and high-income families than they are for students from the lower-income families. In this competition for desirable students, those from middle- and high-income families often bring the higher SAT scores that weigh heavily in college rankings. And for a student from these families, financial assistance may well expand his or her choice of institution. In contrast, without such assistance, a student from a lower-income family may not be able to attend any college. For institutions themselves, a political consequence of their shift of aid from the neediest to the more affluent students may well have severely compromised their credibility as advocates for government need-based financial aid programs, such as Federal Pell Grants. By no means are we condemning competition among colleges and universities, whether in athletics or talented desirable students. Our concern here is with the extent to which the current institutional competition does not recognize and respect a primary public goal and purpose.

The most common response to increases in the cost of college by students and families is increased borrowing—more students incur debt and the amount they borrow increases each year. Since 1980 the federal financial aid system has been transformed—with little explicit and informed policy debate—from a system characterized mainly by need-based grants to one dominated by loans. The majority of bachelor's degree recipients graduate with debt: 62 % of public institution graduates and 73 % of those from private nonprofit institutions.⁵ And many low-income students choose not to enroll in college rather than incur debt.

Affordability and Underperformance

Four successive editions of *Measuring Up* report cards have now documented the deterioration of college affordability for families and students. The performance of the nation and the states on this important aspect of college opportunity is so poor that some have even asked whether it makes sense to continue to grade affordability when so many states receive “Ds” and “Fs.” But denial

is not an option for students and families, and neither is it a strategy that will encourage the country, the states, and the colleges and universities to confront difficult problems.

As critical as it is, the college affordability problem does not exist in a vacuum. It is one of many symptoms of the underperformance of American higher education that signal the urgent need for a comprehensive and fundamental reexamination of higher education finance. This report card highlights these symptoms: flat college participation rates; lack of progress in extending college opportunity for low-income Americans; poor rates of completion of college programs; escalating costs and prices; and a financial aid system that is less focused on the nation's need to improve college access and attainment. Current approaches to higher education finance, including some of the policy and practices described above, poorly address these symptoms and may, in fact, exacerbate the underlying condition of underperformance. Additional public investment is essential, especially in need-based student aid. However, if the nation and the states are to realize improvements commensurate with their investments, they must raise and answer critical questions of fairness, efficiency, effectiveness, incentives, and accountability.

The pending report of the Secretary's National Commission on the Future of Higher Education suggests that the problem of the higher education finance system is that the system is “dysfunctional.” The report singles out the federal financial aid system as particularly in need of fundamental overhaul. The cumulative finding of the four *Measuring Up* report cards since 2000 strongly support the Commission's conclusion.

The context for policy discussion and debate about college affordability must be the core public purpose of American higher education: That is, assurance that all Americans, regardless of economic status, have the opportunity for college-level education and training that will enable them to fully participate in the civic, economic, and cultural life of our nation.

Patrick M. Callan is president of the National Center for Public Policy and Higher Education.

⁵ College Board, *Trends in Student Aid*, New York, NY:College Board, 2005.