

**Private colleges\* are affordable and attainable for students of ALL backgrounds; a much higher percentage of private college graduates earn a degree in four years.**

- Similar percentages of students who attend four-year private institutions are Pell recipients (38%) as at four-year public institutions (40%).<sup>i</sup>
- Seventy-four percent of all grant aid awarded to full-time students at four-year private colleges comes via scholarships and grants directly from institutional resources; only 31% of grant aid at four-year public institutions comes from institutional sources.<sup>ii</sup>
- Seventy-eight percent of students who received a bachelor's degree from a four-year private college were able to complete it in four years, compared to 60% of graduates at state institutions.<sup>iii</sup>
- In 2018-19, average net tuition and fees at private four-year colleges is \$14,610, less than half of the average published tuition and fees of \$35,830. The 2018-19 amount remains lower (in 2018 dollars) than the average net tuition and fees seen prior to the recession, \$15,510 in 2007-08.<sup>iv</sup>

**Private, nonprofit higher education provides a significant economic boost to communities and individuals.**

- There are more than 1,700 degree-granting private, nonprofit colleges and universities, located in all 50 states and in 391 congressional districts.
- Private colleges enroll over 4 million students.
- Private, nonprofit colleges and universities provide more than 1.1 million jobs to the economy.<sup>v</sup>
  - Full-time 832,636
  - Part-time 302,689
- Employees in the private higher education sector earned \$105 billion in wages and benefits.<sup>vi</sup>
- The median lifetime earnings for workers with a bachelor's degree is \$1 million more than those with just a high school diploma.<sup>vii</sup>
- College-educated individuals are more likely to vote, to be engaged in their communities through volunteer activities, and to have healthier lifestyles.<sup>viii</sup>

**Private colleges are innovative, flexible, accountable, and evolving to meet the needs of students.**

- Private colleges are expanding flexible learning models, online courses, hybrid programs, three-year degree programs, and satellite campuses. They offer degree and certificate programs developed for adult learners, with many classes offered at night, on the weekends, partially or fully online, and during the summer. Transfer agreements between private colleges and community colleges are commonplace.<sup>ix</sup>
- Through federal and state regulatory and reporting requirements, the accreditation process, and broad dissemination of consumer information, private colleges are held accountable to students, policymakers, and taxpayers. By way of example, the comprehensive IRS Form 990, which all private, nonprofit colleges and universities must complete to maintain their tax-exempt status and demonstrate governance and fiscal transparency, is publically available.

\*"Private colleges" and "independent institutions" refer specifically to private, nonprofit colleges and universities.

### **Most private colleges do not have large endowments.**

- Across all four-year and above private, nonprofit institutions in FY2015-16, the median endowment was \$31.5 million, versus \$28.9 million for public four-year and above institutions.<sup>x</sup>
- Typically, half of all endowment funds are earmarked by contributors for special purpose, such as scholarships, new academic programs, or faculty support. These gifts are legally restricted from being used for other purposes<sup>xi</sup>.

### **The overwhelming majority of college borrowers (undergraduate and graduate students across all sectors of higher education) have manageable student loan debt.**

- Roughly two-thirds (63%) of borrowers owed less than \$25,000.<sup>xii</sup>
- Thirty-six percent of borrowers owed less than \$10,000.<sup>xiii</sup>
- Less than 6 percent of all borrowers have student debt of \$100,000 or more.<sup>xiv</sup>
- Average debt among all bachelor degree recipients who borrowed and attended private colleges in 2016-17 was \$32,600 (\$26,900 for bachelor degree recipients at public colleges).<sup>xv</sup>
- Since 1992 (the first year records were kept), student borrowers from private, nonprofit colleges had the lowest default rates of any sector on their federal student loans.<sup>xvi</sup>

### **Federal student aid increases do not drive up college costs.**

- Leading higher education economists,<sup>xvii</sup> as well as federal studies conducted during the Clinton, Bush and Obama presidencies,<sup>xviii</sup> have found no causal relationship between increases in federal student aid and tuition.
- However, there are many factors that actually drive tuition costs, including:
  - The desire to have a socioeconomically diverse student body. To maintain economic diversity, independent colleges and universities are dispersing greater amounts of their institutional aid to low-income students. This approach allows these students to pay less, but also affects the institutions' net revenue;<sup>xix</sup>
  - Being heavily dependent on a highly skilled labor force, which means that like other service industries, they often experience cost increases that exceed inflation;<sup>xx</sup>
  - An inherent need to keep pace technologically as they are expected to produce highly skilled workers (especially in STEM fields);<sup>xxi</sup> and
  - A decrease in the proportion of total state need-based grants going to private, nonprofit colleges, dropping from 30.0% in 2006-07 to 20.0% in 2016-17.<sup>xxii</sup>

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## Sources

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<sup>i</sup> U.S. Department of Education, National Center for Education Statistics, 2015-16 National Postsecondary Student Aid Study (NPSAS:16).

<sup>ii</sup> College Board, “Trends in Student Aid 2018,” October 2018, figures 18 and 19, pages 25-26.

<sup>iii</sup> U.S. Department of Education, National Center for Education Statistics, “[Beginning Postsecondary Students Longitudinal Study \(BPS:04/09\)](#),” November 2011.

<sup>iv</sup> College Board, “Trends in College Pricing 2018,” October 2018, figure 10, page 19.

<sup>v</sup> IPEDS Human Resources Survey, 2016.

<sup>vi</sup> Ibid

<sup>vii</sup> U.S. Census Bureau, American Community Survey Briefs, “Work-Life Earnings by Field of Degree and Occupation for People with a Bachelor’s Degree: 2011,” October 2012.

<sup>viii</sup> College Board, “Education Pays 2013: The Benefits of Higher Education for Individuals and Society.”

<sup>ix</sup> [Building Blocks to 2020](#) website.

<sup>x</sup> U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, 2017, finance survey (represents fiscal year 2015-2016). Analysis by the National Association of Independent Colleges and Universities.

<sup>xi</sup> National Association of College and University Business Officers and Commonfund Institute, “[2013 NACUBO-Commonfund Study of Endowments](#),” January 2014.

<sup>xii</sup> Federal Reserve Bank of New York Consumer Credit Panel / Equifax, Data: Student Loan Data Update 20186, <https://www.newyorkfed.org/microeconomics/data.html>, (May 2, 2018).

<sup>xiii</sup> Federal Reserve Bank of New York Consumer Credit Panel / Equifax, Data: Student Loan Data Update 2018, <https://www.newyorkfed.org/microeconomics/data.html>, (May 2, 2018).

<sup>xiv</sup> Federal Reserve Bank of New York Consumer Credit Panel / Equifax, Data: Student Loan Data Update 2018, <https://www.newyorkfed.org/microeconomics/data.html>, (May 2, 2018).

<sup>xv</sup> College Board, “Trends in Student Aid 2018,” October 2018, figure 15, page 22.

<sup>xvi</sup> U.S. Department of Education, Federal Student Aid, [Information for Financial Aid Professionals](#), 2018.

<sup>xvii</sup> “[Why student aid is NOT driving up college costs](#),” *Washington Post*, June 1, 2012.

<sup>xviii</sup> Government Accountability Office, “[Federal Student Loans: Patterns in Tuition, Enrollment, and Federal Stafford Loan Borrowing Up to the 2007-08 Loan Limit Increase](#),” May 2011; U.S. Department of Education, National Center for Education Statistics, “[Study of College Costs and Prices 1988-89 to 1997-98, Vol. 1](#),” December 2001; National Commission on the Cost of Higher Education, “[Straight Talk about College Costs & Prices](#),” February 1998.

<sup>xix</sup> College Board, “Trends in Student Aid 2018,” October 2018, figure 19, page 26.

<sup>xx</sup> Archibald, Robert B., and David H. Feldman. [Why Does College Cost so Much?](#) New York: Oxford UP, 2010. Print.

<sup>xxi</sup> Archibald, Robert B., and David H. Feldman. [Why Does College Cost so Much?](#) New York: Oxford UP, 2010. Print.

<sup>xxii</sup> National Association of State Student Grant and Aid Programs, “[38th Annual Survey Report on State-Sponsored Student Financial Aid](#)”; National Association of State Student Grant and Aid Programs, “[48th Annual Survey Report on State-Sponsored Student Financial Aid](#).”

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