
EXECUTIVE SUMMARY: KEY TAKEAWAYS

FOR THE STUDENT:

- **The total out-of-pocket (net) cost of a public postsecondary credential is significantly lower than the published (sticker) price.** On average, students from the high school class of 2010 paid a total of \$15,394 for a certificate or diploma, \$30,859 for an associate degree, and \$55,418 for a bachelor's degree. The published cost of attendance (tuition, fees, room and board, books, and travel expenses) is \$21,039, \$44,881, and \$79,217 respectively.
- **About a third of the total cost of public postsecondary credentials is covered by grants and scholarships.** State and federal grants and scholarships subsidized 27%-31% of the total cost of a credential. This is money that does not need to be paid back. Nearly all degree graduates in the cohort (98%) received some amount of financial aid.
- **Tuition and fee increases at Kentucky's public institutions are at their lowest point in 15 years.** There is a perception that tuition is skyrocketing, but the Council on Postsecondary Education has worked hard to moderate increases through its tuition-setting policies. Tuition and fees rose just 2.2% in the current academic year, about the same as inflation.
- **A substantial number of students do not borrow loans to finance their education.** About 41% of the cohort who attended an in-state public postsecondary institution accrued zero loan debt during the course of their studies.
- **The median student loan debt is comparable to an auto loan, except a credential, unlike a car, appreciates in value.** The median loan amount (principle and interest) was \$9,787 for a certificate/diploma, \$15,472 for an associate degree, and \$32,855 for a bachelor's degree.
- **At the end of 8 years, college graduates were earning significantly more than high school graduates - \$12,000 more for a bachelor's degree and \$8,000 more for an associate degree.** A limitation of this research design is the inability to track median salaries for a longer period of time, when differences would be more pronounced. Even so, college graduates at every level were making more than high school graduates by 2018, and the differences in inflation-adjusted entry-level salaries were even greater.

- **In Kentucky, higher education still pays.** Over a working lifetime, a bachelor's degree graduate earns \$1.2 million more than high school graduate, even after taking opportunity cost (lost earnings potential while in college) into account. This is 26 times the investment. Associate degree graduates earn \$422,000 more once opportunity cost is considered.

FOR THE STATE:

- **Kentucky invested about \$544 million in the class of 2010 through direct appropriations to public colleges and universities.** Most of the state's investment in public higher education is direct funding to colleges and universities for operational expenses (called net General Fund appropriations). On a per student basis, this amount averaged from about \$6,600 to \$7,000 for the cohort. In 2018, net General Fund per FTE student had fallen to \$5,941.
- **Kentucky invested about \$86 million in the class of 2010 through state financial aid programs by virtue of Kentucky lottery proceeds.** Kentucky is a high-aid state due to the success of its lottery program. KEES, a merit-based scholarship, and CAP, a need-based grant, account for 85% of all aid disbursed to students.
- **The state's return on investment for college-goers in the high school class of 2010 is 68 times the initial investment.** The state's total investment for public college-goers in the cohort was \$630M. In return, these students will contribute \$42.8 billion to the economy over a working lifetime (ages 18-64) through taxes and spending.
- **College graduates are much less likely to be unemployed or participate in entitlement programs, resulting in additional savings.** Although difficult to quantify, college-educated residents save the state money through decreased reliance on social welfare programs and unemployment insurance. In 2017, 85% of the individuals who were unemployed or out of the labor force did not have a college credential. People without a college credential accounted for 88% of SNAP recipients, 86% of Medicaid recipients, and 94% of SSI (disability) recipients.