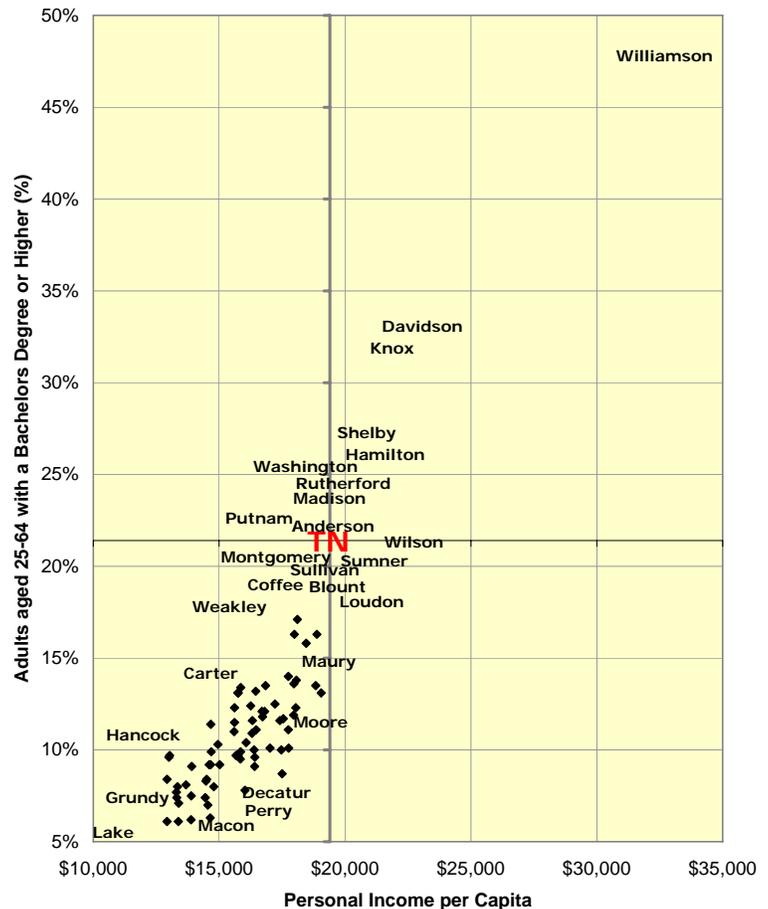


# Tennessee Higher Education Commission

February 2007

## Educational Attainment and Economic Comparisons

- ❖ According to the National Center for Higher Education Management Systems' (NCHEMS) website, [www.higheredinfo.org](http://www.higheredinfo.org), a correlation exists between educational attainment and personal income per capita. In an analysis conducted by NCHEMS, Tennessee ranks in the lowest quartile of educational attainment and personal income per capita. Only six states rank below Tennessee on these measures.
- ❖ Furthermore, an in-depth analysis of the data shows a great disparity among Tennessee's counties. Of the 95 counties, 84 fall below the state average for educational attainment and personal income per capita. This occurs because a few high-achieving counties (Williamson, Davidson, and Knox) heavily influence the state average.



Source: State Higher Education Executive Officers

Median Household Income TN and Its Border States	
Location	2005
USA	\$46,242
Alabama	\$36,879
Arkansas	\$34,999
Georgia	\$45,604
Kentucky	\$37,369
Mississippi	\$32,938
Missouri	\$41,974
North Carolina	\$49,339
<b>Tennessee</b>	<b>\$38,874</b>
Virginia	\$54,240

Source: American Community Survey

- ❖ According to recent Census data, almost one-fifth of Tennesseans age 25 and older do not possess a high school diploma. Only 22 percent of such Tennesseans hold a bachelor's degree, compared to the SREB average of 23.8 percent.
- ❖ Given educational attainment levels in Tennessee, it is no surprise that Tennessee also trails national statistics measuring wealth. Tennessee's median household income (\$38,874) is considerably below the national median of \$46,242. While the state's position relative to its SREB peers has improved, the earnings differential between Tennessee and the nation widened during the latter half of the 1990's.

## Student Preparation

- ❖ Tennessee has made great strides in its preparation of students for college. Preparation is important because it sets the stage for future opportunities within higher education. While high school completion rates have increased, they still trail the national average. According to the NCHEMS student pipeline analysis, for every 100 ninth graders, 63 will graduate from high school. This is an increase of 14.5 percent since 2000.
- ❖ This increase in the number of students graduating from high school has in turn led to increases in the estimated percentage of 9<sup>th</sup> graders who eventually enter college and graduate on time. The number of students out of every 100 ninth graders projected to graduate from college within 6 years increased from 14 to 17; an increase of 21 percent between 2000 and 2004. However, even with this improvement, Tennessee still trails the national average and ranks 32<sup>nd</sup> in the nation.

2004					
State	For every 100 Ninth Graders	Graduate from High School	Enter College	Still Enrolled Sophomore Year	Graduate within 6 years
Virginia	100	73	42	31	22
Delaware	100	65	36	26	20
Maryland	100	74	43	30	19
North Carolina	100	64	41	28	19
Tennessee (32nd)	100	63	39	27	17
West Virginia	100	73	39	26	16
Arkansas	100	75	42	27	15
Florida	100	55	30	21	15
Oklahoma	100	74	39	23	15
South Carolina	100	52	35	23	15
Georgia	100	54	35	23	14
Louisiana	100	67	37	26	14
Alabama	100	60	37	23	14
Texas	100	68	35	22	13
Kentucky	100	65	37	24	12
Mississippi	100	60	36	23	11
Nation	100	70	39	27	18

Source: NCHEMS, [www.higheredinfo.org](http://www.higheredinfo.org)

- ❖ Average ACT scores provide another measure of student preparation. The average ACT of Tennessee students has been steadily increasing, from 20.0 in 2001-02 to 20.7 in 2005-06. This still falls below the national average of 21.2.
- ❖ The average ACT score of incoming freshmen for Fall 2006 at the public university level was 21.9, for the community colleges 18.6.
- ❖ The number of high school students participating in Advanced Placement exams has increased dramatically over the past five years. In 2005-06, 18,388 Tennessee students took an AP exam, up from 10,385 in 2000-01. This was an increase of 77 percent.

## Participation

- ❖ Tennessee's college participation rate by age 19 remains low, largely because the proportion of students who graduate from high school in four years is among the lowest in the country. The percentage of working age adults participating in higher education has decreased by 16.4 percent in the last decade.
- ❖ One important means of improving the educational attainment level of Tennessee's citizens is to encourage more high school graduates to attend college. Not many graduate, but of those who do, Tennessee consistently has a high percent enroll in college. The rate of Tennessee's recent high school graduates attending college increased by 1 percentage point (over 1,000 students) from 2005 to 2006.

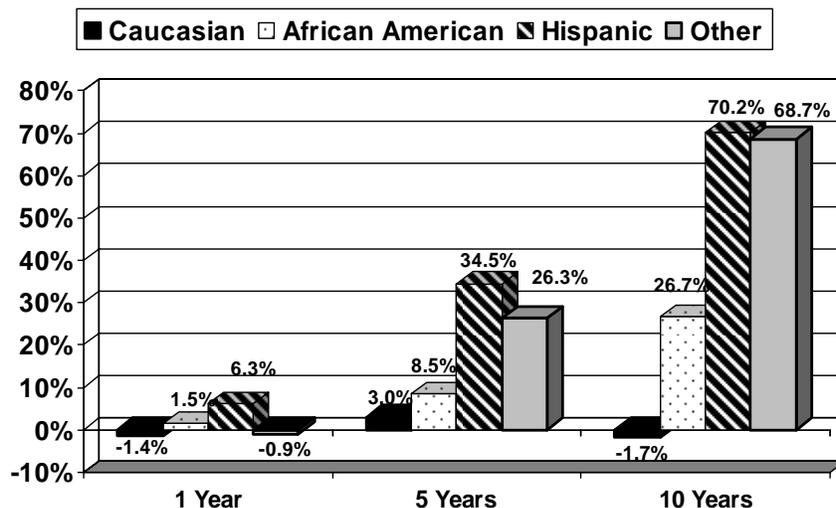
Year	High School Graduates	Recent Grads Enrolled as FTF	Percent of Grads Enrolled as FTF
Fall 2005	48,185	24,887	51.6%
Fall 2006	49,195	25,907	52.7%

- ❖ Tennessee continues to lose ground in the enrollment of adult students aged 25 and older. Adult student enrollment has decreased 2.5 percent in the last five years and 16.4 percent over the last ten years. A similar trend can be seen among part-time students. The following chart demonstrates the percent change in enrollment for adult students and part-time students over a one-year, five-year, and ten-year period.

Enrollment Type	Fall 2005 to Fall 2006	Fall 2001 to Fall 2006	Fall 1996 to Fall 2006
Part-Time Students	2.3%	-0.5%	-11.2%
Adult Students	0.5%	-2.5%	-16.4%

- ❖ Minority enrollment continues to grow. Over the past decade, the greatest numeric growth in student headcount within the public sector has come from African-American students. Their increase of over 8,000 students represents growth of 27 percent.
- ❖ Although fewer in number, Hispanic students realized the greatest percentage increase in enrollment. These students have increased by 34 percent (894 students) over the past 5 years and 70 percent (1,428 students) over the last decade.

**Undergraduate Headcount by Race  
Percent Change Fall 1996 to Fall 2006**



- ❖ The growth in enrollment for African-American students has resulted in a larger proportion of African-Americans enrolling in higher education (19%) than the proportion of African-Americans in the state (16.4%).

Fall 2006 Enrollment Profile of Tennessee Public Higher Education												
Institution	Total	FTE	Level		Status		Gender		Others			
			Under grad	Grad/ Prof	Full Time	Part Time	M	F	Black	1st-T Frosh	Adult UG	TN UG
<b>Four Year Institutions</b>												
APSU	9,207	7,443	92%	8%	71%	29%	37%	63%	17%	14%	42%	87%
ETSU**	12,390	10,594	82%	16%	74%	26%	41%	59%	4%	14%	27%	89%
MTSU	22,863	19,355	90%	10%	78%	22%	46%	54%	13%	15%	20%	93%
TSU	9,038	7,464	79%	21%	66%	34%	34%	66%	75%	13%	27%	70%
TTU	9,733	7,900	78%	22%	71%	29%	48%	52%	4%	13%	15%	96%
UM	20,562	15,946	78%	22%	65%	35%	39%	61%	36%	10%	32%	92%
TBR Total	83,793	68,702	84%	16%	71%	29%	42%	58%	23%	13%	27%	90%
UTC	8,923	7,564	85%	15%	75%	25%	42%	58%	18%	20%	18%	92%
UTK*	26,560	24,016	77%	23%	80%	20%	49%	51%	8%	16%	10%	85%
UTM	6,888	5,968	92%	8%	74%	26%	42%	58%	15%	17%	17%	93%
UTMHSC	2,425	3,583	8%	92%	80%	20%	42%	58%	14%	0%	48%	84%
UT Total	44,796	41,131	77%	23%	78%	22%	46%	54%	11%	16%	13%	88%
Total 4 Yr	128,589	109,833	81%	19%	74%	26%	43%	57%	19%	14%	22%	89%
<b>Two-Year Institutions</b>												
CSTCC	8,060	5,054	100%	0%	44%	56%	38%	62%	18%	16%	42%	93%
CLSCC	2,947	2,034	100%	0%	53%	47%	39%	61%	5%	19%	43%	98%
COSCC	4,522	2,963	100%	0%	51%	49%	34%	66%	7%	21%	35%	99%
DSCC	2,586	1,693	100%	0%	51%	49%	29%	71%	18%	21%	41%	99%
JSCC	4,099	2,791	100%	0%	55%	45%	32%	68%	19%	21%	41%	99%
MSCC	3,833	2,566	100%	0%	54%	46%	35%	65%	7%	25%	32%	99%
NSTCC	5,145	3,374	100%	0%	54%	46%	46%	54%	3%	18%	43%	97%
NSCC	7,192	4,083	100%	0%	35%	65%	41%	59%	27%	12%	55%	94%
PSTCC	8,188	5,149	100%	0%	49%	51%	46%	54%	7%	17%	35%	98%
RSCC	5,353	3,738	100%	0%	57%	43%	33%	67%	2%	20%	43%	99%
STCC	11,446	7,306	100%	0%	50%	50%	35%	65%	59%	17%	47%	97%
VSCC	7,370	4,677	100%	0%	48%	52%	36%	64%	9%	18%	36%	99%
WSCC	5,738	3,872	100%	0%	53%	47%	35%	65%	4%	20%	35%	99%
Total 2 Yr	76,479	49,300	100%	0%	49%	51%	38%	62%	18%	18%	41%	97%
<b>Grand Total</b>	<b>205,068</b>	<b>159,133</b>	<b>88%</b>	<b>12%</b>	<b>65%</b>	<b>35%</b>	<b>41%</b>	<b>59%</b>	<b>19%</b>	<b>16%</b>	<b>30%</b>	<b>93%</b>

\*Includes UT Space Institute and UT Veterinary College

\*\*Includes ETSU Medical School

- ❖ Historically, the growth patterns in the enrollment profile have remained fairly consistent, with undergraduates continuing to account for a large majority of total higher education enrollment (88 percent), the level of full-time student enrollment continuing to increase, and the number of women participating in college continuing to outpace the number of men.

## Affordability

- ❖ Tuition in Tennessee public colleges and universities is moderate, both nationally and in relation to SREB peers. Net attendance costs in public institutions amount to about one-fourth of (median) family income.
- ❖ The percentage of family income needed to pay for college at a public 4-year institution in 2005 in Tennessee was 26.3 percent compared to a national average of 30.7 percent. The figure at community colleges was 23.4 percent in Tennessee and 24 percent nationally.
- ❖ When viewing the data by income quartile, Tennessee compares favorably with national and SREB averages.

Percent of Family Income Needed to Pay for College Tuition in 2005 by Income Quintile					
	Lowest	2nd Lowest	Middle	2nd Highest	Highest
Public 2-year					
TN	56.6	25.7	17.1	11.2	6.5
SREB	55.5	26.5	17.5	11.5	6.8
US	58.4	26.8	17.1	11.2	6.6
Public 4-year					
TN	61.9	28.7	20.4	13.0	7.6
SREB	64.1	31.2	21.7	14.2	8.4
US	73.2	34.0	22.6	14.9	8.8
Private 4-year					
TN	172.6	71.2	43.6	28.0	16.6
SREB	151.9	67.1	41.8	27.3	15.4
US	183.4	78.5	47.2	30.8	18.5

Source: SREB Fact Book

- ❖ Tennessee does not fare so well however, when looking at the poorest families in the state. According to NCHEMS, the share of income poorest families need to pay for tuition at *lowest price colleges* in Tennessee is 23.4 percent. The national average is 15.9 percent and Tennessee fares better than only three states on this indicator.
- ❖ For the 2005-06 academic year, 18,706 students were served by the Tennessee Student Assistance Award totaling approximately \$38.5 million. About twice as many students applied prior to the fall semester and were eligible for the award, but due to lack of funds were not awarded.
- ❖ The 2005-06 academic year marked the second year of the Tennessee Education Lottery Scholarship (TELS) program. More than 56,000 students received lottery funded scholarships with total award allocations in excess of \$136,000,000.
- ❖ The Dual Enrollment Grant program was added to the TELS program and over 5,400 high school students participated.
- ❖ Over 10,000 students utilized the Wilder-Naifeh Technical Skills Grant program.

## Completion

- ❖ Tennessee continues to make progress in fall-to-fall retention in the colleges and universities. For the Fall 2003 freshmen cohort, 82 percent returned to a university in the Fall of 2004 and 62 percent returned to a community college. Although Tennessee has realized a two percent increase in both sectors, these percentages lag behind the SREB average of 85 percent for universities and 64 percent for community colleges.
- ❖ Tennessee also trails regional and national averages in graduation rates. According to the SREB, Tennessee falls 6 percentage points below the regional average in graduation rates for universities and 7 percentage points for community colleges.
- ❖ According to the most recent data, Tennessee is making steady progress in improving graduation rates across all sectors. Listed below is the percent of students in each sector that graduate within a six-year period.

Graduation Rate Trends							
Sector	Cohort Year				Percent Change		
	1990	1995	1999	2000	1 Year	5 Years	10 Years
TBR Universities	40.15%	41.25%	43.36%	43.84%	1.1%	6.3%	9.2%
Univ of TN	53.08%	57.87%	59.21%	60.79%	2.7%	5.0%	14.5%
All Universities	45.42%	47.92%	49.76%	50.48%	1.5%	5.4%	11.1%
Community Colleges	25.86%	24.27%	30.50%	31.03%	1.7%	27.8%	20.0%

\* Cohorts include summer returning first-time freshmen and first-time, full-time in the fall.

- ❖ The number of degrees awarded continues to increase as well. In 2006, public institutions in Tennessee awarded 32,198 degrees, which represents an increase of 6,167 since 1996. From 1996 to 2006, the total number of awards increased 20.9 percent for the universities, 32.2 percent for the community colleges, and 23.7 percent overall.
- ❖ The number of degrees awarded by Tennessee public institutions to African American students grew from 2,956 in 1996 to 4,772 in 2006, which represents an increase of 61.4 percent. The number of degrees awarded to Caucasian students increased from 21,803 to 25,458 students, a 16.8 percent increase. This gain in degrees conferred to African American students has increased African-Americans' share of total degrees from 10.5 percent in 1995 to 14.4 percent in 2005. These steady gains will be needed in the coming decade if the African-American share of degrees awarded is to reach the enrollment share of 19 percent.

## Finance

- ❖ In terms of the SREB, Tennessee ranks ninth in appropriations growth over the last five years. The funding growth for Tennessee was 15.9 percent compared to the top state in the SREB, Alabama, 49.4 percent. Tennessee also falls below the SREB and national average in funding growth over the past five years.
- ❖ Based upon the THEC funding formula recommendation, higher education has not been fully funded by state appropriations since 1985. Appropriations rebounded for the 2006-07 year and increased significantly for the first time in six years. Previously, the percent funded slipped continually since 1998-99.

<b>State Tax Appropriations for Higher Education</b>			
	<b>FY 02</b>	<b>FY 07</b>	<b>5-yr Change</b>
<b>US Average</b>	<b>1,254,010</b>	<b>1,443,672</b>	<b>16.4%</b>
<b>SREB Average</b>	<b>1,413,740</b>	<b>1,723,111</b>	<b>21.9%</b>
Alabama	1,118,016	1,670,508	49.4%
North Carolina	2,442,690	3,373,636	38.1%
Florida	2,590,068	3,525,639	36.1%
Arkansas	623,806	785,273	25.9%
Delaware	186,398	233,226	25.1%
Kentucky	1,039,117	1,253,076	20.6%
Oklahoma	796,312	956,464	20.1%
Mississippi	765,014	904,205	18.2%
<b>Tennessee</b>	<b>1,071,512</b>	<b>1,241,782</b>	<b>15.9%</b>
Virginia	1,631,856	1,856,731	13.8%
Maryland	1,282,883	1,436,393	12.0%
Texas	5,139,663	5,457,578	6.2%
South Carolina	834,907	859,360	2.9%
West Virginia	392,051	387,211	-1.2%
Georgia	1,707,734	2,208,459	N/C
Louisiana	997,813	1,420,236	N/C

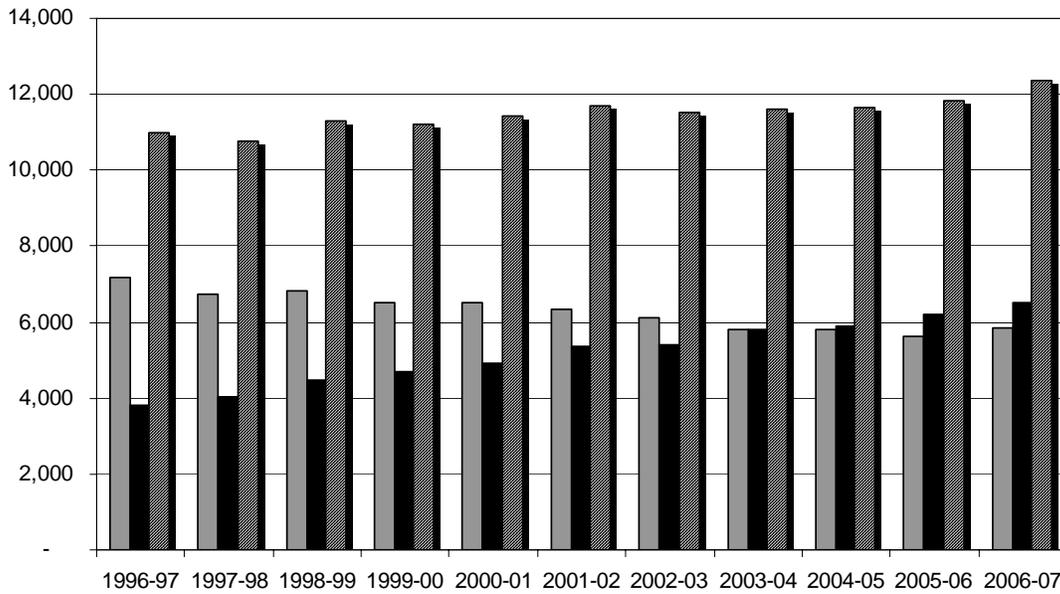
Note: Dollars unadjusted for enrollment growth and inflation  
N/C= Not comparable

Source: Illinois State University Grapevine Survey,  
[www.coe.ilstu.edu/grapevine](http://www.coe.ilstu.edu/grapevine)

<b>Tennessee Higher Education Commission Recommendations for Formula Units vs. State Appropriations</b>			
<b>Year</b>	<b>THEC Recommendation</b>	<b>Actual Appropriation</b>	<b>Percent</b>
1993-94	645,943,000	604,211,400	93.5%
1994-95	679,944,600	665,480,500	97.9%
1995-96	733,000,500	682,922,200	93.2%
1996-97	720,672,800	707,568,663	98.2%
1997-98	769,082,600	686,683,300	89.3%
1998-99	783,618,000	730,641,800	93.2%
1999-00	806,709,000	744,612,000	92.3%
2000-01	865,384,800	767,894,000	88.7%
2001-02	900,611,600	787,346,850	87.4%
2002-03	921,288,800	807,803,300	87.7%
2003-04	998,837,500	796,562,400	79.7%
2004-05	1,041,973,100	820,925,800	78.8%
2005-06	1,135,804,800	851,402,200	75.0%
2006-07	1,075,731,500	915,326,500	85.1%

- ❖ The trend in state appropriations has led to an increase reliance on student support for state institutions. The gap between student support and state appropriations closed continually over the last decade. In fact, public universities have been more reliant on tuition than on state appropriations for operating revenue since 2003-04.

**Total Revenue per FTE - TN Universities  
Inflation Adjusted \***



■ State Appropriations ■ Tuition ■ Total

**Total Revenue per FTE - TN Community Colleges  
Inflation Adjusted \***

