

Summary

JJC students are less likely to apply for financial aid than students at other 2-year and 4-year colleges. In fact, students at 2-year colleges in general are less likely to apply for financial aid. JJC students who do apply for financial aid are less likely to receive need-based aid and receive lower amounts of financial aid. JJC students are also much more likely to utilize personal savings and income to pay for college than students at other community colleges.

Even when JJC students do apply for financial aid, however, there are significant benefits, especially for low-income students. If people from the lowest two income-quintiles apply for financial aid, they will pay nothing for tuition, fees, and books. This means that 40% of the Illinois population will pay nothing for major college expenses if they apply for financial aid.

Community college students (and college students in general) do not bear the full burden of what it costs to educate them. It cost JJC, the State of Illinois, and local taxpayers to educate a full-time student \$6,999 per year. Full-time tuition in the same year was \$2,040, meaning the average full-time JJC received a \$4,959 to attend college. If the student received financial aid, the societal subsidy is even more. To borrow a business metaphor, JJC students - even those who pay full tuition and fees - are buying a service at discounted price, a price much lower than what it costs to produce it.

What this Report Says

JJC students are more reliant on personal sources of income and savings than financial aid. The possible causes of this are: 1) low-income students are not applying for financial aid (as is the case nationally) 2) higher population of first-generation/high-income students in the district and/or 3) JJC students view JJC as a close substitute for 4-year colleges and universities.

Those in charge of setting tuition policy must examine the impact of *net price*, or what students actually pay for college. Concerns about rising tuition are legitimate, but only if the same attention is paid towards ensuring low-income, minority, and first-generation students apply for financial aid and that resources aimed at learning and helping students complete college are affected.

The benefits of a community college are significant for the individual and society. Districts that view the allocation of resources towards community colleges as a burden, and not an investment, will find themselves falling behind. Those who suggest that students should bear the full burden of costs are ignoring the societal benefits a district receives from having a community college. It is also important, however, that community colleges entrusted with public resources allocate those resources efficiently and in a manner consistent with larger institutional and societal goals for learning.

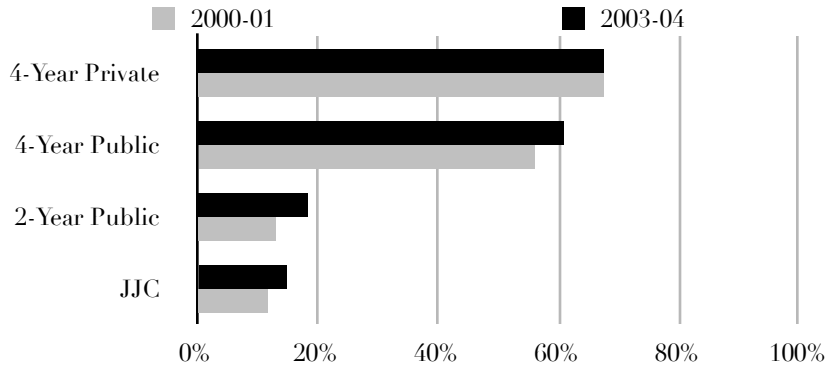
This report is available on-line:

http://www.jjc.edu/admin/ie/information/Tuition_Financial_Aid/tuition_financial_aid.htm

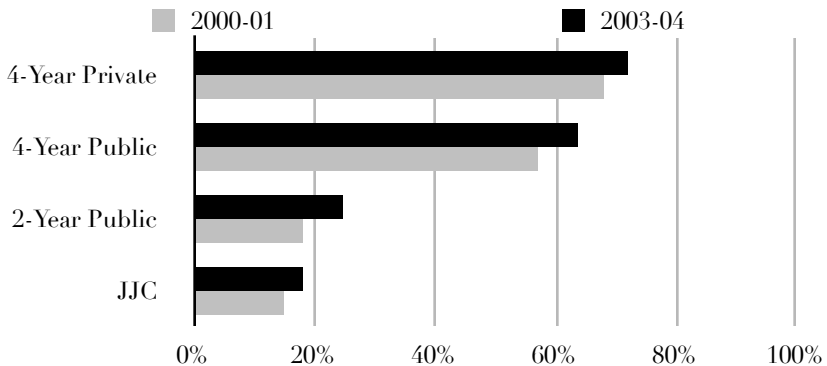
Financial Aid Applicants

Independent & Dependent Students at Illinois Colleges & Universities

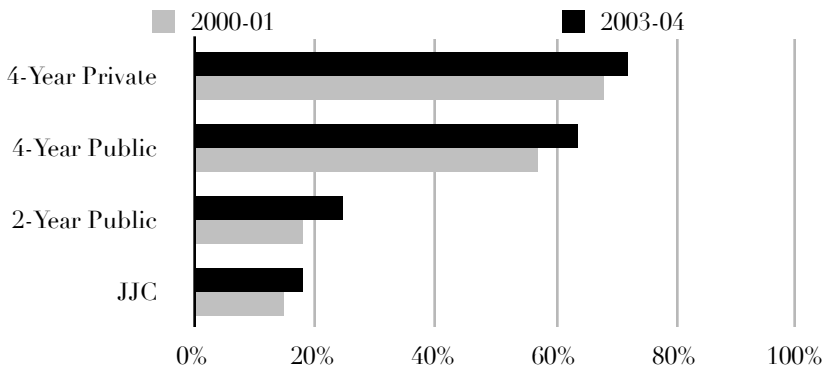
Percent of Students Who Applied for Financial Aid at Illinois Colleges, 2000-01 and 2003-04



Percent of Dependent Students Who Applied for Financial Aid at Illinois Colleges, 2000-01 and 2003-04



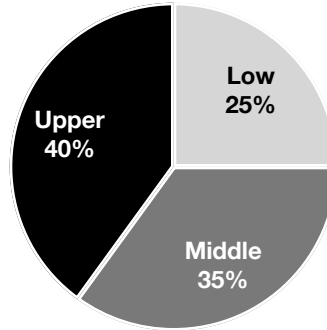
Percent of Independent Students Who Applied for Financial Aid at Illinois Colleges, 2000-01 and 2003-04



Financial Aid Applicants

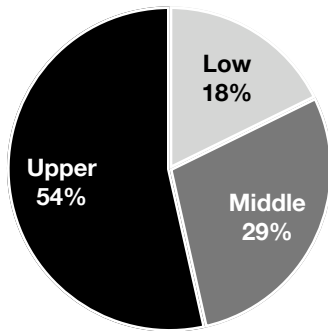
Dependent Students by Income at Illinois Colleges & Universities

Percent of Dependent Financial Aid Applicants by Low, Middle, & Upper Income at JJC, 2003-2004

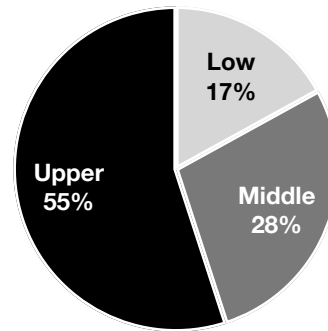


Percent of Dependent Financial Aid Applicants in Illinois by Low, Middle, & Upper Income and College Type, 2003-2004

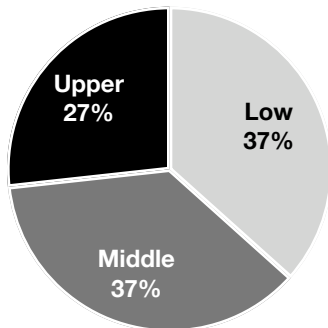
Four-Year Public



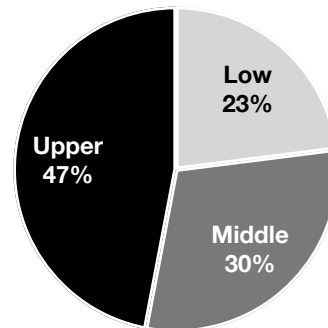
Four-Year Private



Two-Year Public



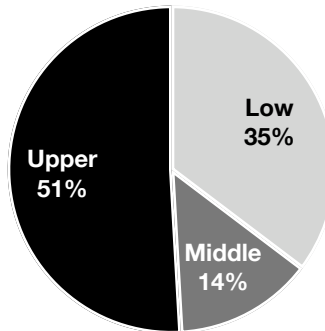
All Colleges



Financial Aid Applicants

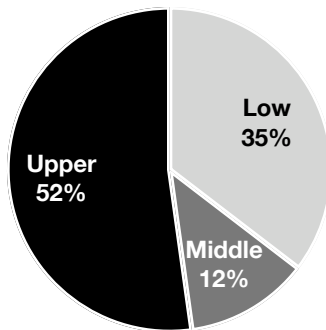
Independent Students by Income at Illinois Colleges & Universities

Percent of Independent Financial Aid Applicants by Low, Middle, & Upper Income at JJC, 2003-2004

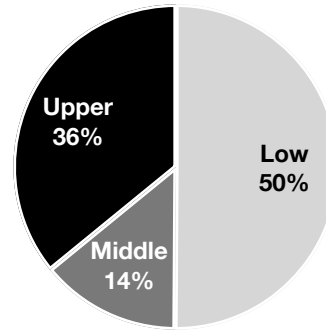


Percent of Independent Financial Aid Applicants in Illinois by Low, Middle, & Upper Income and College Type, 2003-2004

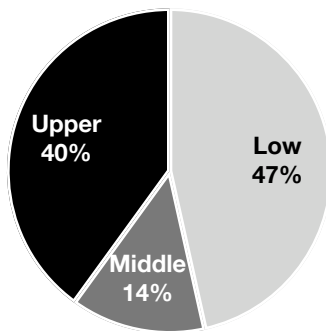
Four-Year Public



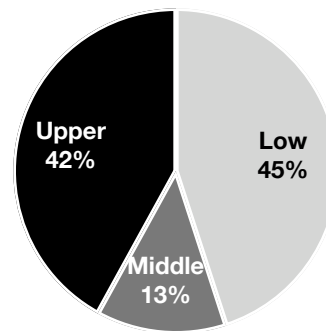
Four-Year Private



Two-Year Public



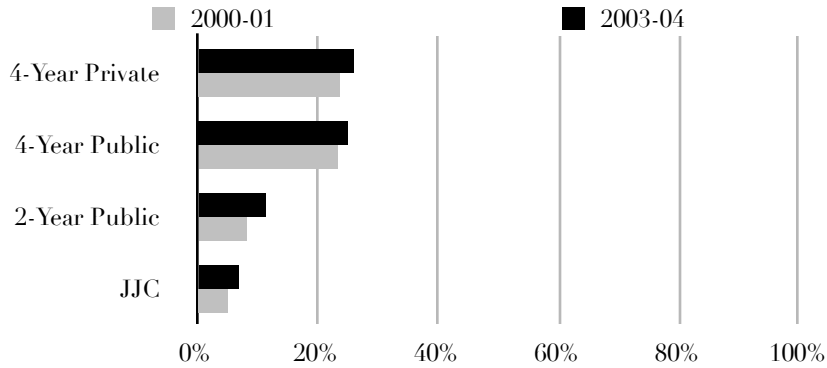
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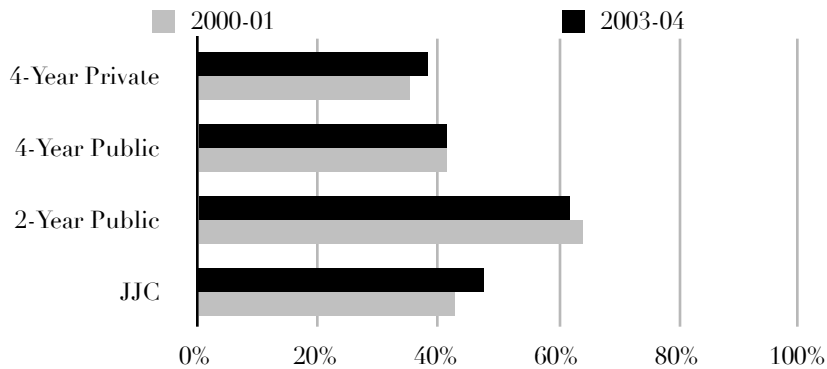
Financial Aid Recipients

Students who Receive Federal (Pell) Need-Based Grants

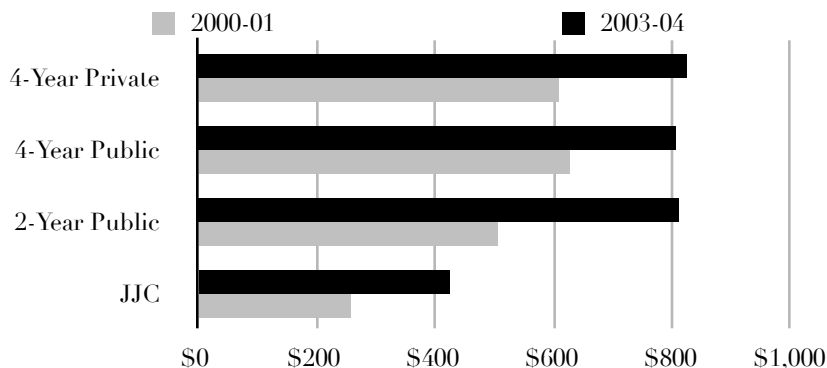
Percent of All Students Who Receive a Pell Grant at Illinois Colleges, 2000-01 and 2003-04



Percent of All Financial Aid Applicants That Receive a Pell Grant, 2000-01 and 2003-04



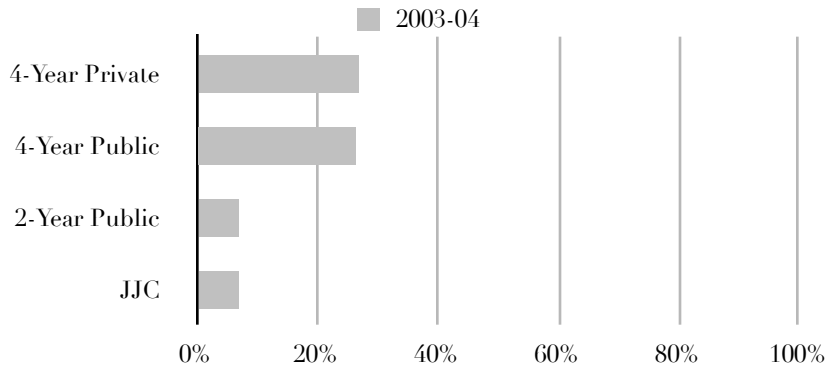
Average Pell Grant Award per Full-Time Equivalent (FTE) Student, 2000-01 and 2003-04



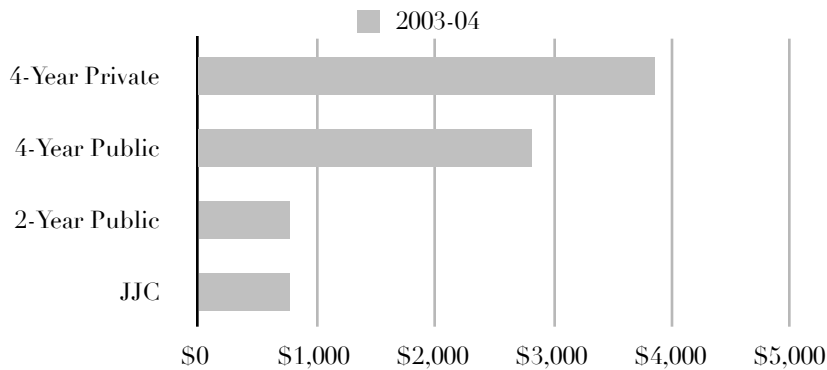
Financial Aid Recipients

Students who Receive State (MAP) Need-Based Grants

Percent of All Students Who Receive a MAP Grant at Illinois Colleges, 2003-04



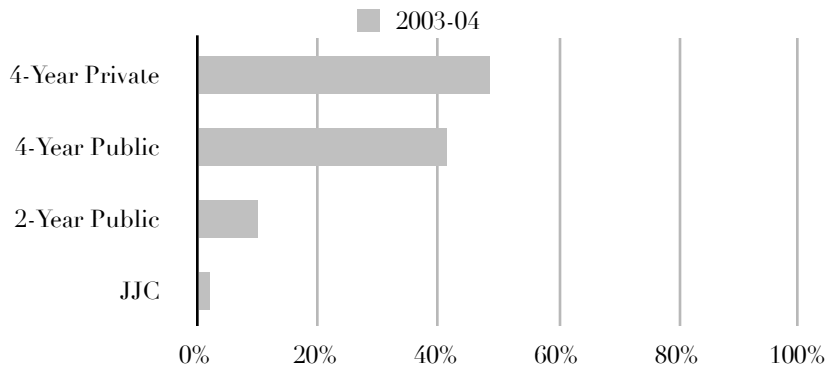
Average MAP Grant at Illinois Colleges, 2003-04



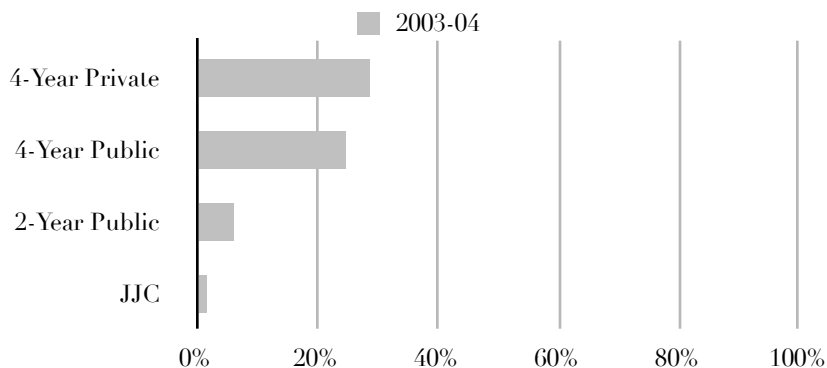
Financial Aid Recipients

Students who Receive Student Loans

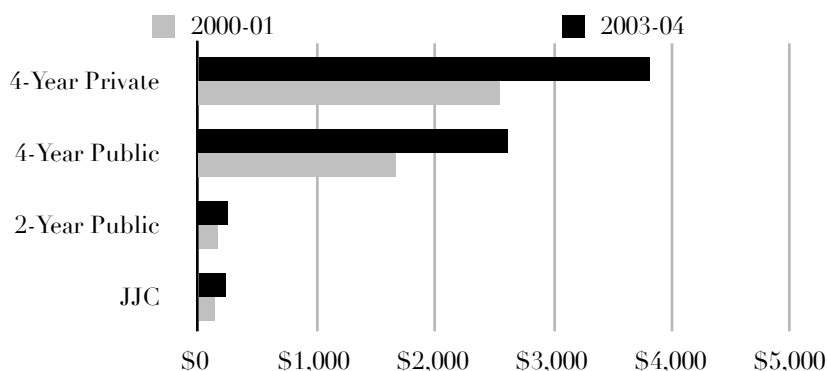
Percent of All Students Who Received a Subsidized Student Loan at Illinois Colleges, 2003-04



Percent of All Students Who Received an Unsubsidized Student Loan at Illinois Colleges, 2003-04



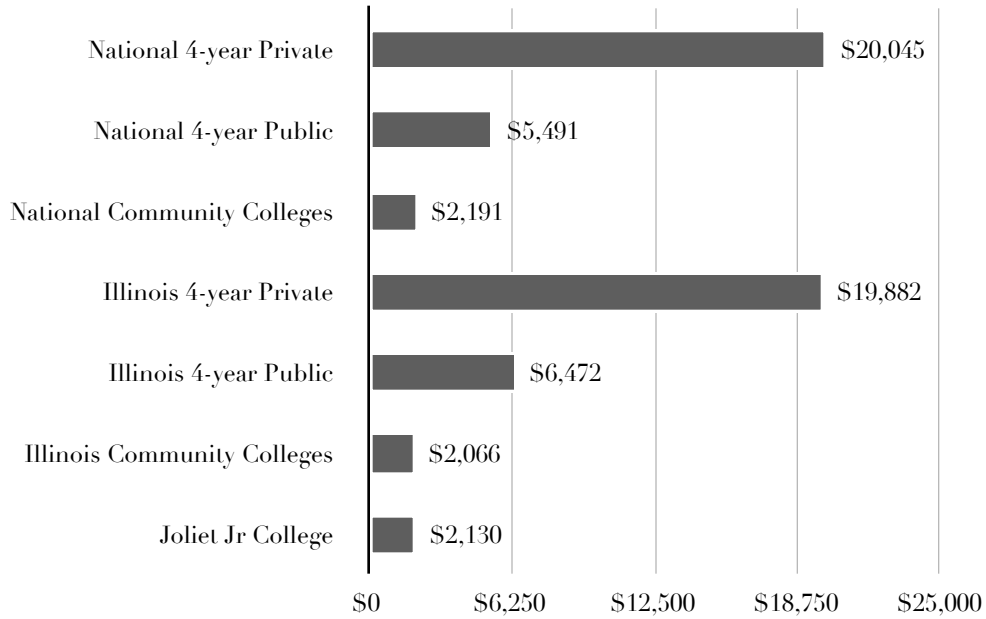
Average Student Loan Amount per Full-Time Equivalent (FTE) Student, 2000-01 and 2003-04



Tuition & Fees

Tuition & Fees at Illinois Colleges & Universities

Average Tuition and Fees by Sector & Region, 2005-06



Recent Percent Changes in Tuition & Fees (1-year: 2004-05 to 2005-06; 5-year: 2001-02 to 2005-06).

	1-year Percent Change	5-year Percent Change
Joliet Jr College	4%	25%
Illinois Community Colleges	7%	24%
National Community Colleges	5%	36%

Illinois 4-year Public	9%	38%
National 4-year Public	7%	46%

Illinois 4-year Private	4%	20%
National 4-year Private	6%	22%

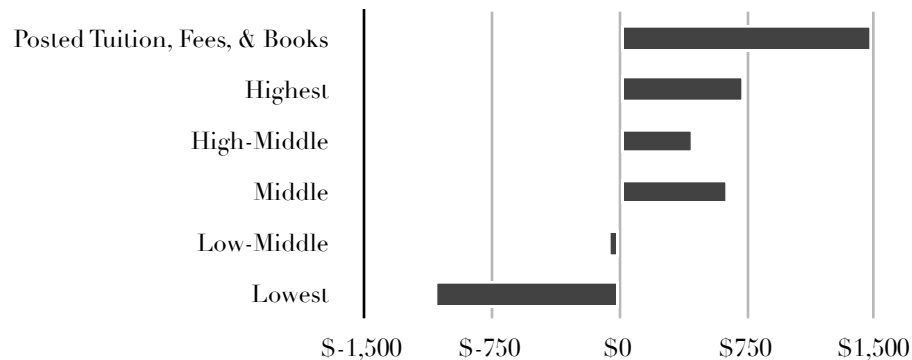
Net Price

What Joliet Junior College Students Actually Pay for College

Net Price of College for First-Time, Full-Time Students Who Received Financial Aid at JJC, Fall 2003

INCOME QUINTILE	Tuition, Fees, & Books	Average Financial Aid	Net Price
\$0-27,335	\$1,491	- \$2,565	= - \$1,074
\$27,336-48,215	\$1,491	- \$1,548	= - \$57
\$48,216-70,006	\$1,491	- \$845	= \$646
\$70,007-99,999	\$1,491	- \$1,053	= \$438
Over \$100,000	\$1,491	- \$749	= \$742

What Students from Specific Income Quintiles Would Have Paid at JJC in Fall 2003 - If They Applied for Financial Aid



Most students do not bear the full burden of what it costs to educate them. In 2004-05, for instance, it costs JJC, the State of Illinois, and local taxpayers \$6999 to educate a full-time student enrolling in 30 hours. The same student, not receiving financial aid, would have paid \$2040 in tuition and fees. This means the average student who does not receive financial aid and pays full price receives a \$4959 subsidy to attend college. To use a business metaphor, JJC is selling a product at a much lower price than its cost of production.

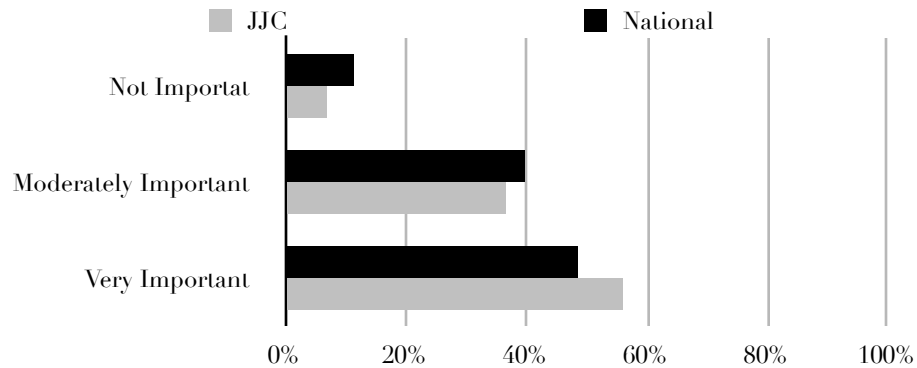
Societal Investments for Students, 2004-05

	Unit Cost (Societal Costs)	Tuition & Fees (Student Costs)	Total Subsidy to Student
JJC	\$6,999	-\$2,040	\$4,959
All Illinois Community Colleges	\$6,576	-\$1,926	\$4,650

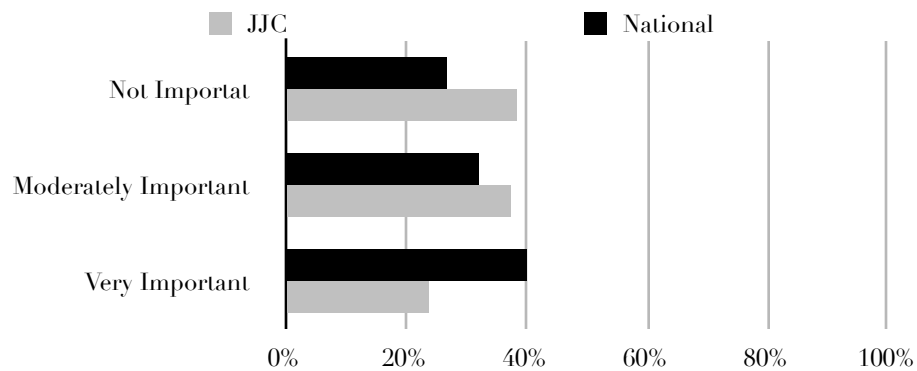
Student Opinions About Finances

What Joliet Junior College Students Say About How They Pay for College

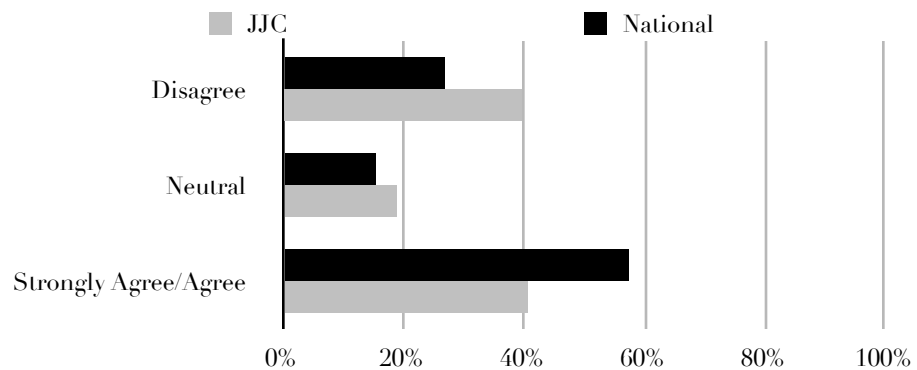
The Importance of Price in Students' Decisions to Attend Their College, Fall 2005



The Importance of the Availability of Financial Aid in Students' Decisions to Attend Their College, Fall 2005



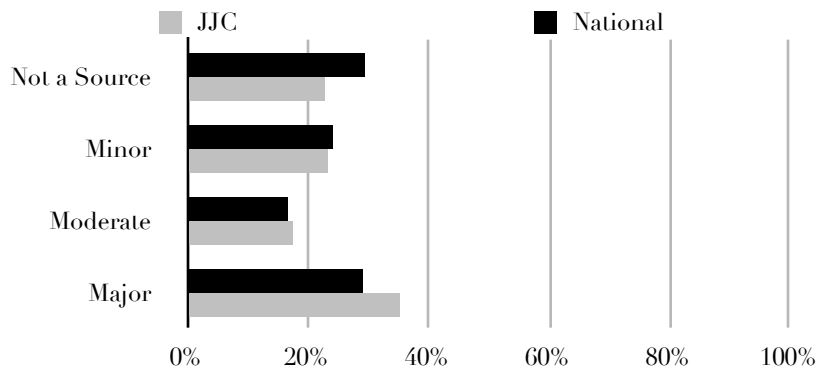
Percent of Students Who Agree They Could Not Have Attended College Without the Financial Aid They Received, Fall 2005



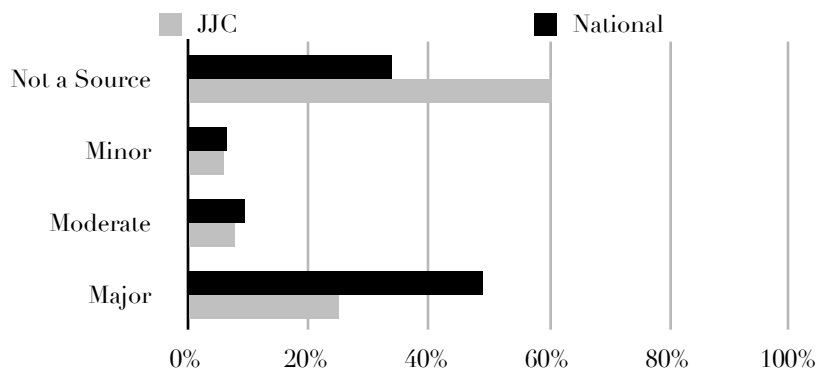
Sources of Funds to Pay for College

What Joliet Junior College Students Say About How They Pay for College

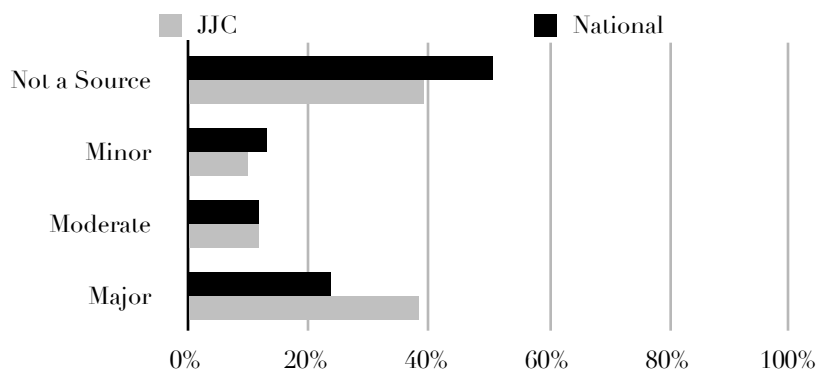
Percent of Students who Stated Their Personal Savings/Income was a Major or Minor Source of Funds to Pay for College. Fall 2005



Percent of Students who Stated Financial Aid was a Major or Minor Source of Funds to Pay for College. Fall 2005



Percent of Students who Stated Their Parent(s)' Income/Savings was a Major or Minor Source of Funds to Pay for College. Fall 2005



Benefits of College

The Social & Individual Benefits of College

Economic Social Benefits

- District taxpayers witness a 21% return on their investment in JJC. This is substantially larger than if district taxpayers had invested in the stock market - the historical rate of return in the stock market is 7%.
- Because people with college degrees pay more in taxes and are less likely to utilize public services (corrections, welfare, unemployment, etc.), State of Illinois taxpayers save \$7.4 million annually through JJC. As a specific example, those with college educations are less likely to smoke. As a result of JJC, 600 less people will become smokers in the State of Illinois, saving taxpayers \$1.8 million annually.

Non-Economic Social Benefits

- Communities with colleges are more likely to possess citizens who are actively engaged, vote, volunteer, participate in public service, and otherwise engage in positive social activities.
- Another benefit is the provision of personal and cultural enrichment activities to the community, from low-cost computer workshops to art exhibits -- often free or at minimal costs to the users.

Economic Individual Benefits

- A male with an Associate's Degree can expect to earn \$284,000 and a female \$207,000 more than a person with a high school diploma over the course of their lifetime. A male or a female with a Bachelor's Degree can expect to earn \$880,000 and \$507,000, respectively, over a high school graduate.
- JJC students will witness a 17% return on their investment in JJC. For every \$1 a JJC student spends on educational expenses at JJC, they will witness \$4.50 in extra earnings for the rest of their life.

Non-Economic Individual Benefits

- A college education is highly correlated with variables associated with a high quality of life. For instance, those with college educations are more likely live longer, give blood, volunteer their time for civic and charitable causes, visit libraries, read books, subsidize their own retirement, have meaningful and purposeful occupations, exercise, and have better diets.
- The children of those with college degrees are less likely to witness infant mortality, malnutrition, or ill-health.
- Those with college degrees witness measurable developmental (cognitive and affective) and behavioral change in areas like critical thinking, the ability to grasp complex issues, tolerance for ambiguity, and the synthesis of information.

Methodology & Sources

Financial Aid Applicants by Dependency Status and Income/Financial Aid Recipients

Source: Institute for College Access & Success, *College Level Data on Financial Aid*, <http://www.ticas.org/economicdiversity.htm>; JJC Office of Institutional Effectiveness, *2005 Performance Report, Part 4. Financial Aid & Access*, http://www.jjc.edu/admin/ie/Quality/State/Performance_Report/performance_report.htm. Low-income, first-generation, and community college students are less likely to even apply for financial aid. See: American Council on Education. (2005). *Missed opportunities revisited: Students who do not apply for financial aid*. Washington, DC. For financial aid purposes, the U.S. Department of Education generally classifies a person as dependent (on their parents or guardians) if they are under the age of 23. This is based on the assumption that parents or guardians should assist their children in paying for college. A student is classified as independent if they are over the age of 24, are married, have legal dependents, are in graduate school, are a military veteran, or are an orphan or ward of the court. Dependency status makes a difference in calculating financial aid. For instance, a dependent student's parent's income and savings are considered in calculating a dependent student's eligibility for financial aid. The enrollment of dependent and independent students were estimated using a methodology devised by the Institute for College Access and Success. About 67% of students at 4-year private colleges are dependent, 71% at 4-year public colleges, 37% at community colleges, and 40% at JJC, meaning that JJC's student body has a higher number of "traditional-aged" students. Income categories were classified as follows: Low-income dependent and independent (< \$30,000, < \$12,000); Middle-income dependent and independent (\$30,000-\$60,000, \$12,000-\$20,000); Upper-income dependent and independent (> \$20,000, > \$60,000). The Pell Grant is administered by the U.S. Department of Education and distributed to low to middle-income students. The MAP Grant is the State of Illinois' need-based grant program and is administered by the Illinois Student Aid Commission. The number of financial aid recipients who received Pell and MAP Grants was originally taken from the Illinois Student Aid Commission.

Tuition & Fees

Source: *Tuition & Fees at Joliet Jr College & Illinois Colleges and Universities*, http://www.jjc.edu/admin/ie/Information/Tuition_Financial_Aid/2006_tuition.pdf.

Tuition and fee rates for a student assumed to be enrolled in 30 hours.

Net Price

Source: JJC Office of Institutional Effectiveness, *2005 Performance Report, Part 4. Financial Aid & Access*, http://www.jjc.edu/admin/ie/Quality/State/Performance_Report/performance_report.htm.

Student Opinions About College Costs and Financial Aid

Source: *Faces of the Future: Findings From Seven Years of Research on JJC Students (Full Report)*, <http://www.jjc.edu/admin/ie/information/Surveys/surveys.htm>

Unit Costs

Source: Illinois Community College Board, *FY 2005 Unit Cost Report*, <http://www.iccb.org/HTML/pdf/sysfin/unrestrictedcostonlyUC05.pdf> Costs refer to what it cost a college or society to provide an education. They include costs like space, faculty salary, utilities, materials needed for a room, equipment and other costs. Price refers to what a person pays for college. Net price refers to what a student pays for college after financial aid and scholarships have been removed from posted tuition and fees. Based on 2004-05 data for total institutional unrestricted unit cost (page 5), JJC unit cost = \$233, Illinois = \$220. Assumes student enrolled in 30 hours.

Benefits of College

Sources: JJC Office of Institutional Effectiveness, *Finance Information*, <http://www.jjc.edu/admin/ie/information/Finance/finance.htm>, based on an analysis by CCBenefits. Historical rate of return from the stock market: Siegel, J.J. (1998). *Stocks for the long run*. New York: Irwin; U.S. Census Bureau, *Income*, <http://www.census.gov/hhes/www/income/income.html>. Differences in income based on only 30 years working, not over the course of a person's lifetime, so earnings differentials are very conservative. The best sources on the benefits of higher education for society and individuals are: Leslie, L., & Brinkman, D. (1996). *The economic value of higher education*. Phoenix: Oryx; Bowen, H., & Fincher, C. (1996). *Investment in learning: The individual and social value of American higher education*. New Brunswick, NJ: Transaction; and McMahon, W.W. (2002). *Education and development: Measuring the social benefits*. New York: Oxford University.