

The Price of Higher Education in Colorado

August 2020

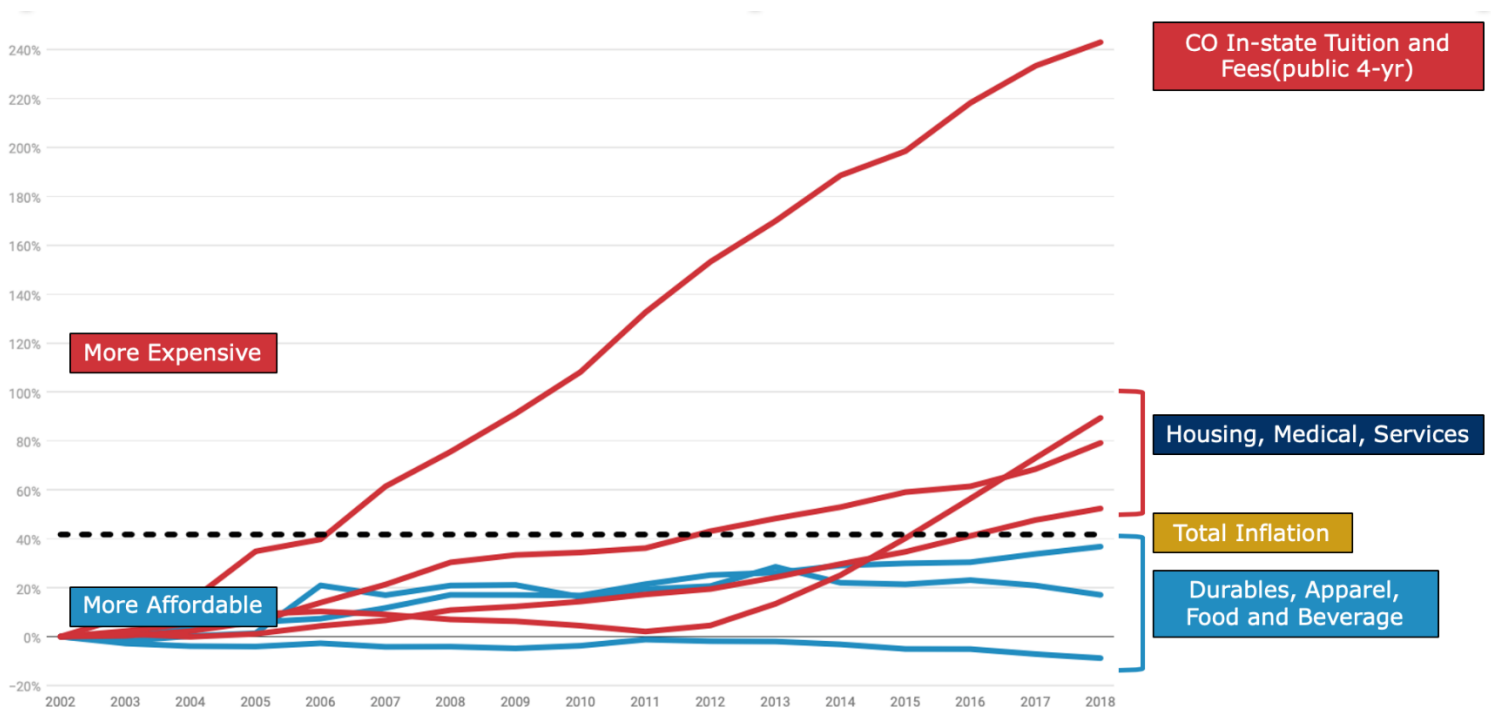
As the 8th most expensive state to live in the nation,ⁱ earning a livable wage in Colorado increasingly requires some form of postsecondary education.

- Findings from a 2018 study from the Georgetown Center on Education and the Workforce found that Colorado ranked 3rd in the nation in workforce needs, with **74% of all jobs requiring postsecondary education.**ⁱⁱ
- The most recent Colorado Talent Pipeline report indicates that **a majority of Tier 1 jobs, that pay a livable wage for a family of three, require a bachelor’s degree or higher.**ⁱⁱⁱ

Yet despite this growing need for education credentials beyond high school, the **costs for Colorado residents to obtain a degree at a university or college within the state is only getting more expensive, as tuition and fees have far outpaced inflation and most other consumer items.** If this trend continues, it will only put further pressure on the existing dynamic, where **only 64% of Colorado K-12 graduates go on to obtain some postsecondary credential.**

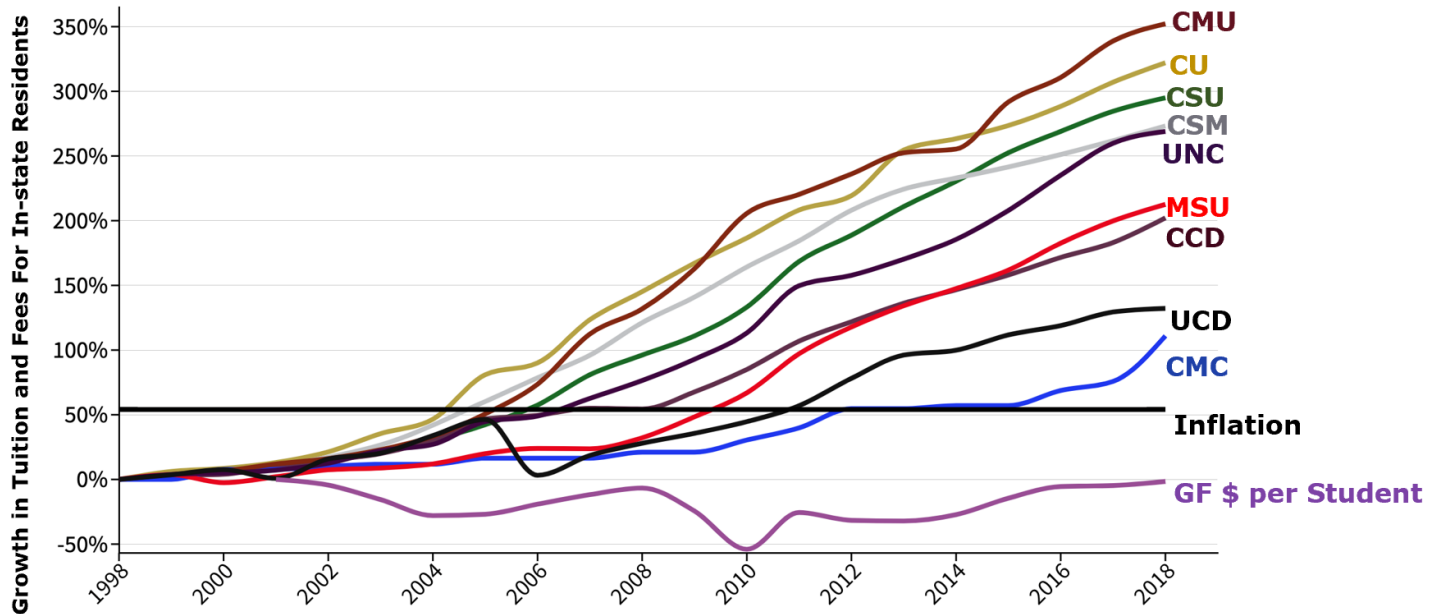
- Since 2002, tuition and fees for in-state students has **grown over 240%.**
- Inflation has **grown just over 40%.**

Prices in Colorado Over the Past Two Decades



Costs have not risen equally across all of Colorado’s institutions of higher education.

- Since 1998, both Colorado Mesa University and The University of Colorado Boulder have seen resident tuition and fees increase over 300%. UC Denver and Colorado Mountain College have seen tuition and fees grow by less than half of that, under 150%, yet still much faster than inflation.



Source: Chronicle of Higher Education, College Board "Annual Survey of Colleges 2019"

Why has the cost of higher education for Colorado residents increased so dramatically?

Growing tuition and fees for Colorado residents reflect two larger trends; first, a declining share of general fund contributions, and second, a growth in overall costs associated with higher education.

- **In FY19 alone, there was about a \$400M^{iv} gap in general fund contributions towards resident student tuition and fees**, if the general fund (state support) would have just kept pace with inflation since 2001.
- However, tuition and fees related to higher education have outpaced inflation growth, therefore, **an additional \$416M^{iv} would have been needed annually for the general fund to have kept pace with student costs beyond inflation growth since 2001.**

While an overall increase in the price of higher education is in-line with national trends, **expenditures related to things like administrative costs and capital improvements have increased significantly for most Colorado institutions.** For example, CU Boulder has seen administrative costs grow by over \$2,200 per student since 2010. CSU Global has bucked this trend and seen their administrative costs fall by \$800 since 2013.

ⁱ <https://www.usnews.com/news/best-states/rankings/opportunity/affordability>

ⁱⁱ <https://cew.georgetown.edu/cew-reports/recovery-job-growth-and-education-requirements-through-2020/#resources>

ⁱⁱⁱ <https://cwdc.colorado.gov/colorado-talent-pipeline-report>

^{iv} Methodology for calculations at www.commonsestitute.org/price-of-higher-education-co/