High-quality, affordable, and accessible public higher education is critical to building a prosperous and strong state economy, where the benefits of higher education are broadly shared and felt by every community regardless of race or class. But state support of public colleges and universities in Indiana has fallen short, with overall per-student funding for public two- and four-year colleges in the 2018 school year at a lower level than it was in 2008, after adjusting for inflation.

A Decade of Funding Cuts and Tuition Hikes: 2008-2018

Per-student funding for Indiana’s public colleges and universities is 1% below 2008 levels. Since 2008, average tuition in Indiana is up by $1,232 for four-year public colleges and universities. The $100 cut in per-student funding and tuition increases have made college less affordable, shifting costs from the state to students and jeopardizing quality at public universities.

Families Have Been Hard-Pressed to Absorb Rising Tuition Costs

The cost shift from states to students has happened over a period when many families have had trouble absorbing additional expenses due to stagnant or declining incomes. Nationally, tuition jumped more than 36 percent between the 2008 and 2018 school years, while real median income grew just over 2.1 percent.

In 2008, average tuition and fees at a public four-year institution accounted for 14 percent of a family’s median household income. By 2017 it accounted for 16.5 percent. For families of color—whose members often face additional barriers to employment and difficulty accessing better-paying jobs—the burden of college costs is particularly heavy.

*Median income is statistically different from that of non-Hispanic whites.

Sources: CBPP calculations using the “Grapevine” higher education appropriations data from Illinois State University, enrollment and combined state and local funding data from the State Higher Education Executive Officers Association and the Consumer Price Index, published by the Bureau of Labor Statistics, and the US Census.