

# STUDIES IN CATHOLIC HIGHER EDUCATION

A POLICY SERIES GUIDED BY THE PRINCIPLES OF EX CORDE ECCLESIAE

## College Affordability and Catholic Identity

by Andrew Gillen, Ph.D.

February 2009

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*Andrew Gillen is Research Director of the Center for College Affordability and Productivity in Washington, D.C. Dr. Gillen has authored and co-authored several studies of higher education costs for CCAP, including “Net Tuition Trends in the United States” (October 2008) and “A Tuition Bubble? Lessons from the Housing Bubble” (April 2008). He received a BBA from Ohio University and a Ph.D. in economics from Florida State University.*

### Executive Summary

An analysis of undergraduate college cost and financial aid data for the United States confirms that the Catholic colleges and universities recommended by The Cardinal Newman Society in its *Newman Guide to Choosing a Catholic College* (2007 edition) are generally more affordable to students than other Catholic or all private four-year colleges and universities.

Among the study’s key findings are that:

- Average tuition for students at the recommended faithful Catholic colleges is about \$3,000 less than at other Catholic colleges and about \$1,000 less than the average private college.
- The recommended faithfully Catholic colleges provide students a larger portion of institutional aid (39%) than does the average private college (29%).
- Students at the recommended Catholic colleges graduate with fewer loans and less debt—on average, about \$2,000 less than at private colleges and \$1,400 less than other Catholic colleges.

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## *College Affordability and Catholic Identity*

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This paper is available online at The Center for the Study of Catholic Higher Education's website, [www.CatholicHigherEd.org](http://www.CatholicHigherEd.org)

### **About The Center**

The Center for the Study of Catholic Higher Education is the research division of The Cardinal Newman Society. Its mission is to promote the ongoing renewal of Catholic higher education by researching and analyzing critical issues facing Catholic colleges and universities, and sharing best practices. The Center's work is guided by the principles of *Ex corde Ecclesiae* and the Magisterium of the Catholic Church.

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Choosing which college or university (hereafter referred to simply as “college”) is best for a particular student is a difficult task. Weighing all the relevant factors is hard enough, but it is often difficult to find all the relevant information.

To help prospective students and their families with this process, The Center for the Study of Catholic Higher Education—the research division of The Cardinal Newman Society—asked me to look into some of the financial implications of attending the Catholic colleges profiled in the first edition of *The Newman Guide to Choosing a Catholic College*. The Cardinal Newman Society has identified these 21 institutions (listed in Table 1) as having a vibrant Catholic identity and as models for Catholic higher education.

**Table 1**  
***Newman Guide Colleges***

Ave Maria University (Florida)  
Aquinas College (Tennessee)  
Belmont Abbey College (North Carolina)  
Benedictine College (Kansas)  
The Catholic University of America (Washington, D.C.)  
Christendom College (Virginia)  
The College of Saint Thomas More (Texas)  
DeSales University (Pennsylvania)  
Franciscan University of Steubenville (Ohio)  
Holy Apostles College & Seminary (Connecticut)  
John Paul the Great Catholic University (California)  
Magdalen College (New Hampshire)  
Mount St. Mary's University (Maryland)  
Our Lady Seat of Wisdom Academy (Ontario, Canada)  
St. Gregory's University (Oklahoma)  
Southern Catholic College (Georgia)  
Thomas Aquinas College (California)  
The Thomas More College of Liberal Arts (New Hampshire)  
University of Dallas (Texas)  
University of St. Thomas (Texas)  
Wyoming Catholic College (Wyoming)

Using data from a U.S. Department of Education database known as the Integrated Post-secondary Education Data System (IPEDS) and from the Center for College Affordability and Productivity (CCAP),<sup>1</sup> I looked at the *Newman Guide* institutions in comparison to other Catholic and all private colleges in the United States.<sup>2</sup> IPEDS did not contain all the required information for some *Newman Guide* colleges, and where possible, data provided directly from the colleges were used to supplement IPEDS data.

1 Note that all values in this report are adjusted for inflation using the CPI-U.

2 In this study, the “Catholic” or “other Catholic” college comparison group consists of all four-year Catholic colleges in the U.S. for which data is available, excluding *Newman Guide* colleges. The “private” college comparison group consists of all private four-year colleges in the U.S. for which data is available, including *Newman Guide* and other Catholic colleges.

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For fair comparison, only four-year undergraduate institutions in the United States that are significantly focused on educating lay people (as opposed to formation for religious life) are included in the study. Among the *Newman Guide* colleges, this excludes Our Lady Seat of Wisdom Academy, a three-year Canadian college.

Several measures of college cost included in this study require analysis over several years, beginning with the academic year 2000-2001. For these analyses, four *Newman Guide* colleges are excluded because they are relatively new institutions that first admitted students after 2000-2001: Ave Maria University, John Paul the Great Catholic University, Southern Catholic College and Wyoming Catholic College. Depending on the issue, missing data also resulted in the exclusion of some of the remaining colleges. For one *Newman Guide* college, Holy Apostles College and Seminary, IPEDS and institutional data for 2000-2001 and 2001-2002 were unavailable in time for this report to be completed. It should be noted that by all measures, the costs of these institutions are relatively low and consistent with the long-term analysis of other *Newman Guide* colleges.

The data presented in this report are weighted by college enrollment, except where indicated otherwise. When comparing groups of colleges, it would not be appropriate to simply report average costs for each group, since this would count a college with 50 students the same as a college with 5,000. Enrollment weighting remedies this issue by using the share of full-time equivalent (FTE) students enrolled at a college as a weight when computing the average. So if a college enrolls 20 percent of students, its values will make up 20 percent of the weighted average. This produces data for the typical student attending a college within each group.

### **‘Sticker Price’ of Newman Guide Colleges**

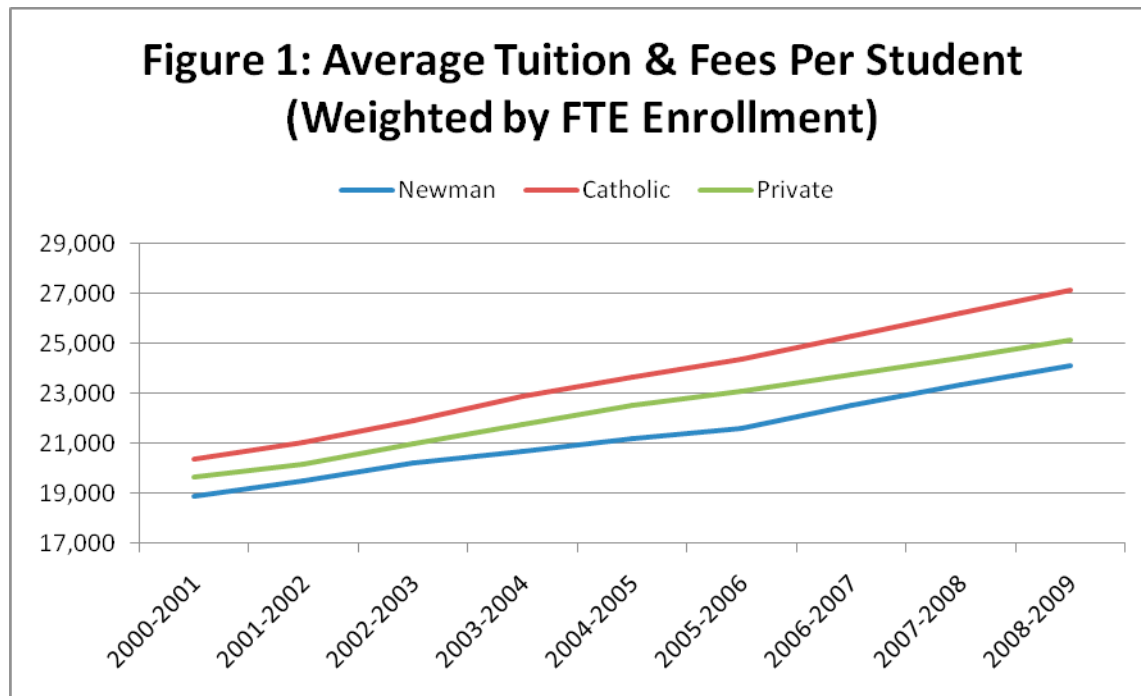
Attending any college will stretch most family budgets, so one of the most important factors to consider when choosing a college is cost. The direct costs of college are mostly made up of tuition<sup>3</sup> and room-and-board. The cost for room-and-board will generally be in the same ballpark across schools, but tuition can vary widely.

Figure 1 shows the average enrollment-weighted tuition by type of college (*Newman Guide*, other Catholic, and private four-year colleges) beginning with the 2000-2001 school year out through the 2008-2009 school year. (See footnote for explanation of enrollment weighting.) Because IPEDS data is complete only through the 2007-2008 school year, the 2008-2009 tuition is estimated.

Over this period, tuition per student has increased by roughly \$5,000 at all types of colleges. Students at Catholic colleges generally are quoted higher tuition than private colleges. However, current average tuition for students at *Newman Guide* colleges is estimated to be \$3,000 less than the average tuition per student among other Catholic colleges, and about \$1,000 less than at private colleges.

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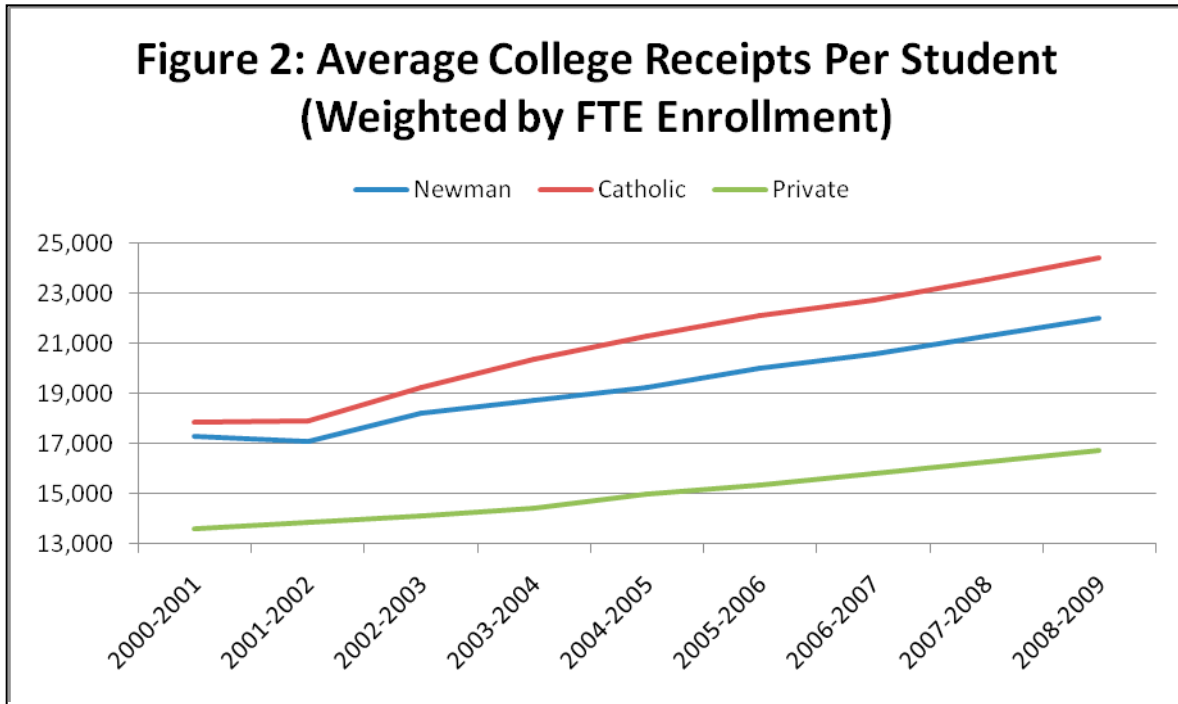
<sup>3</sup> Tuition in this report refers to the published tuition and required fees. This is sometimes referred to as the sticker price.



**Sources:** Integrated Postsecondary Education Data System, Center for College Affordability and Productivity, author calculations. **Note:** Only colleges that were in operation for the entire period from 2000 to 2009 and reported tuition and fee data are included. Thus, The Newman Guide line is the weighted average for the 15 colleges with tuition data going back to 2000. Figures for the 2008-2009 school year are estimates based on the average annual growth.

### Financial Aid at Newman Guide Colleges

As tuition has become more and more of a financial burden to families, colleges often offer tuition discounts known as institutional aid. The college that provides institutional aid does not receive as much revenue as implied by average tuition charges. Figure 2 shows the average enrollment-weighted revenue that four-year colleges receive per undergraduate student (average tuition minus average discount). In spite of having relatively high tuition, once discounts are taken into account, private colleges receive less revenue per student than both Newman Guide and other Catholic colleges. Newman Guide colleges receive less than other Catholic colleges.

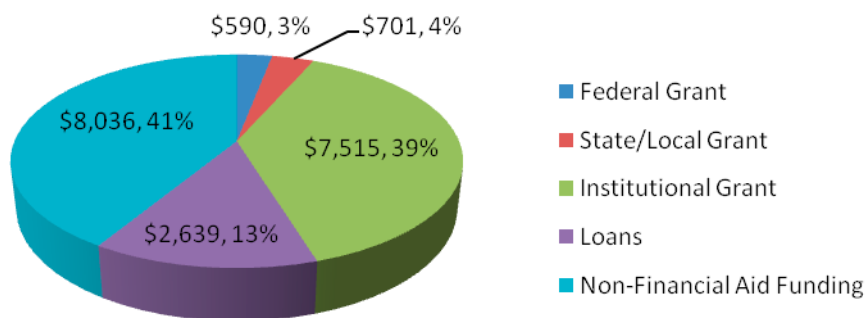


**Sources:** Integrated Postsecondary Education Data System, Center for College Affordability and Productivity, author calculations. **Note:** Only colleges that had sufficient data starting in 2000 were included. Thus, The Newman Guide line is the weighted average for 15 colleges. Figures for the 2006-2007 through the 2008-2009 school year are estimates based on the average percent of tuition that is received by the college.

Tuition discounts are not the only source of financial aid. Figures 3, 4, and 5 show the breakdown of undergraduate financial aid by source at *Newman Guide*, other Catholic, and private four-year colleges respectively, weighted by enrollment. The size of the pie represents the average tuition per undergraduate student in 2005-2006 (\$19,481 at *Newman Guide* colleges, \$22,118 at other Catholic colleges, and \$23,093 at private colleges), the latest year for which all data is available. Each of the slices indicates how much tuition is covered by various aid.

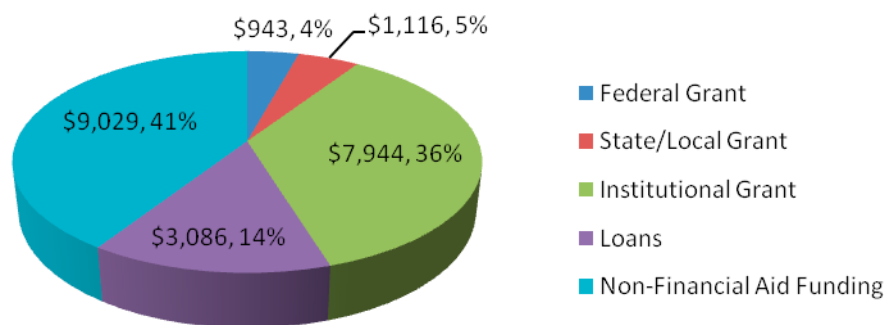
Students at *Newman Guide* colleges generally receive less aid from federal, state, and local grants, both as a percent of tuition and in absolute dollar amounts. These students have a larger portion of tuition discounted than the average student at other Catholic and private colleges (39 percent compared to 36 and 29 percent). Non-Financial Aid Funding indicates the average amount of tuition that is not covered by any financial aid, and can be thought of as the out-of-pocket cost. While this figure amounts to 41 percent of tuition at both *Newman Guide* and other Catholic colleges, because average tuition at *Newman Guide* colleges is lower, students at *Newman Guide* colleges pay almost \$1,000 less out-of-pocket. Students at *Newman Guide* colleges also take out less in student loans.

**Figure 3: Average Financial Aid by Source at Newman Colleges, 2005-2006 FTE Enrollment Weighted**



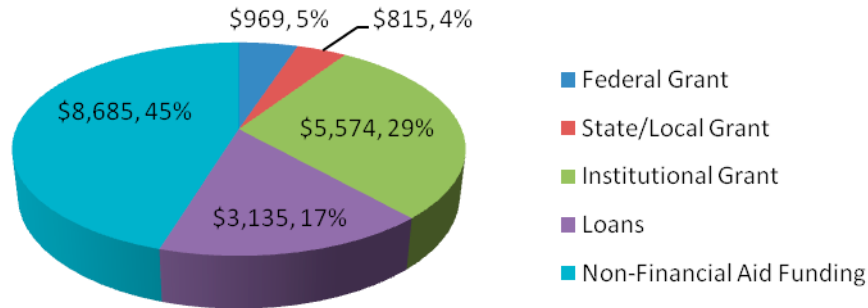
*Sources:* Integrated Postsecondary Education Data System and author calculations. *Note:* This is the weighted average of 18 Newman Guide colleges. Wyoming Catholic and John Paul the Great were established after 2005-2006.

**Figure 4: Average Financial Aid by Source at Catholic Colleges, 2005-2006 FTE Enrollment Weighted**



*Sources:* Integrated Postsecondary Education Data System and author calculations.

**Figure 5: Average Financial Aid by Source at Private Colleges, 2005-2006  
FTE Enrollment Weighted**

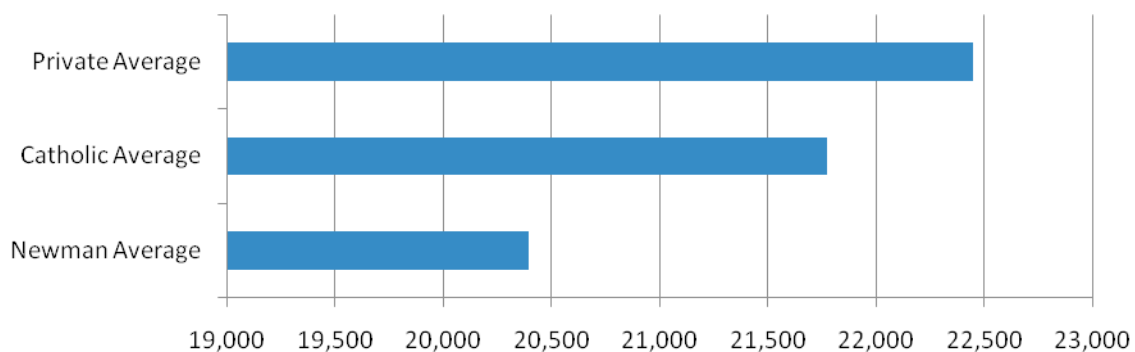


**Sources:** Integrated Postsecondary Education Data System and author calculations.

**Note:** There are more schools included in figure 5 than for the private college lines in figures 1, 2, and 7 because only one year of data is required here (just as there are more Newman Guide colleges in figure 3). Since the population of schools changed, this means that the figures are not directly comparable. For instance, tuition and institutional aid for private colleges are both significantly different from those in Figures 1 and 2.

As Figures 3, 4, and 5 indicate, students at Newman Guide colleges generally do not need to take out as much in student loans. Compounded over four years of college, this leads to students graduating with a lower debt burden. As shown in Figure 6, the estimated average debt at graduation of students at Newman Guide colleges is about \$2,000 less than at all private colleges and about \$1,400 less than at other Catholic colleges.

**Figure 6: Estimated Debt at Graduation of Typical Borrower  
Class of 2006**

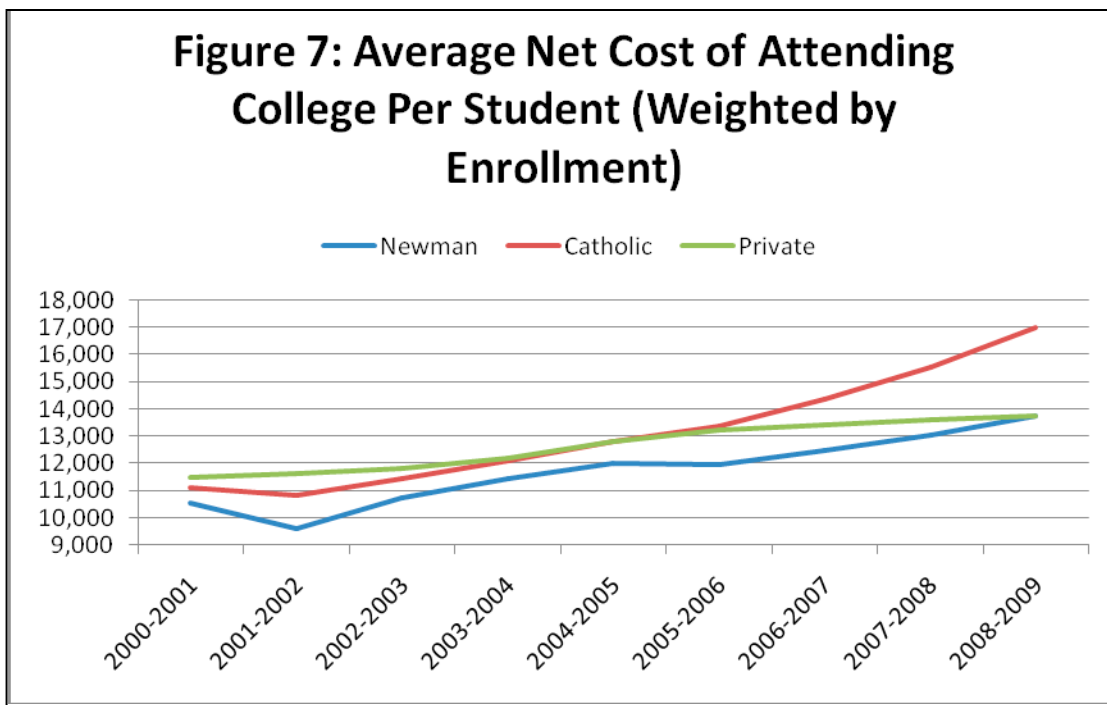


**Sources:** Integrated Postsecondary Education Data System, Center for College Affordability and Productivity, author calculations. **Note:** The values reported here assume that the student takes out the average loan and graduates in four years. This means that the average loans for the four years concluding in 2005-2006 were required for inclusion. The Newman Guide college figure is the weighted average for 14 colleges.

## Actual Cost of Attending *Newman Guide* Colleges

Probably the most important number from the perspective of students and their families is the net tuition or net cost of attending college. This is the published tuition (“sticker price”) minus all federal, state, local, and institutional grants. Student loans are not subtracted because, unlike grants, they need to be repaid.

Figure 7 shows these numbers for students at *Newman Guide*, other Catholic, and private four-year colleges starting in 2000-2001, weighted by enrollment. Catholic colleges are the most expensive by this measure, with *Newman Guide* colleges the least expensive for most of the period. Based on estimated costs for 2006-2007 through 2008-2009, the costs of *Newman Guide* colleges and private colleges converge this year.



**Sources:** Integrated Postsecondary Education Data System, Center for College Affordability and Productivity, author calculations. **Note:** Only colleges that had sufficient data starting in 2000 were included. Thus, the Newman Guide college line is the weighted average for 12 colleges, the 15 from Figure 2, minus Benedictine, Thomas More, and Gregory’s (estimates for these colleges were unreliable due to swings in past data). Figures for the 2006-2007 through the 2008-2009 academic year are estimates based on the average annual growth.

Because tuition rates can vary significantly by location—college tuition tends to be higher in New England, for instance—I looked at the actual cost of attending each *Newman Guide* college in comparison to the average cost of attending a four-year private college in the same state (weighted by enrollment). In 2005-2006, the latest year for which actual data is available, 15 of the 18 *Newman Guide* colleges (John Paul the Great and Wyoming Catholic were not yet established) cost less than private colleges in the same state. On average (not enrollment weighted), attending a *Newman Guide* college cost \$3,364 less than attending a private college in the same state.

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## Conclusion

Cost and financial aid data show that the *Newman Guide* colleges generally charge a lower tuition than other Catholic colleges and all private colleges. Financial aid at *Newman Guide* colleges is similar to other Catholic colleges, but because tuition is lower, students at *Newman Guide* colleges pay less out of pocket and graduate with less debt, on average.