



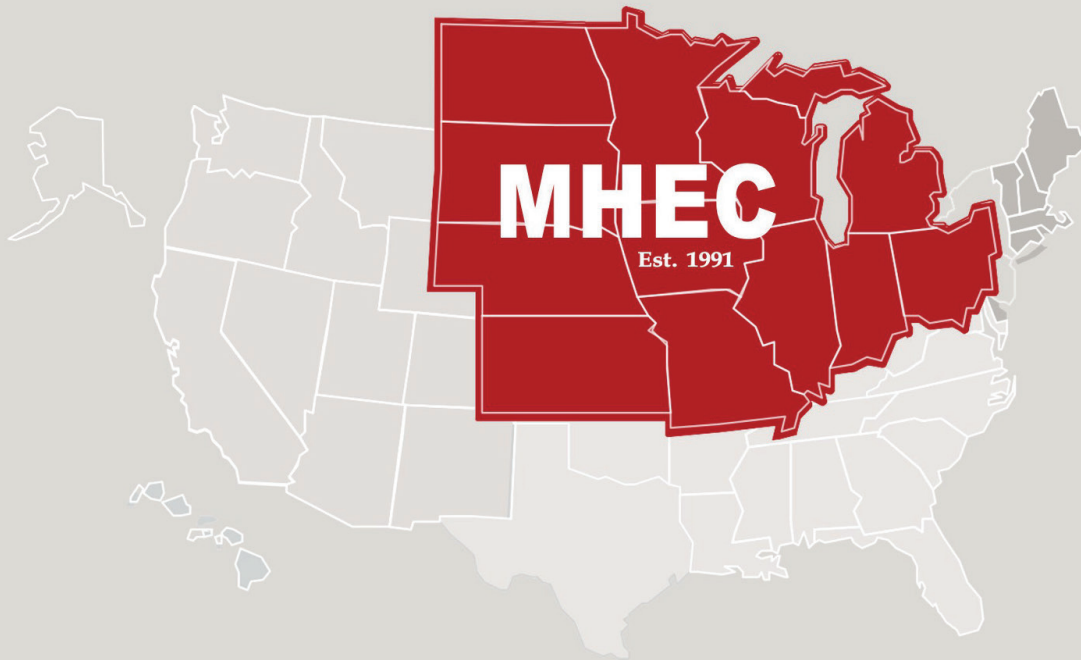
2024 STATE PERFORMANCE UPDATE

SUPPLEMENT TO HIGHER EDUCATION
IN FOCUS 2019



MINNESOTA





ABOUT THE MIDWESTERN HIGHER EDUCATION COMPACT

As an interstate compact, the Midwestern Higher Education Compact (MHEC) brings together midwestern states to develop and support best practices, collaborative efforts, and cost-sharing opportunities. Through these efforts it works to ensure strong, equitable postsecondary educational opportunities and outcomes for all.

Member states of MHEC are Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

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Data analyses were conducted by Shaun Williams-Wyche, Associate Director of Research and Data Analysis.

MHEC would like to acknowledge the helpful feedback of members of the [Review Panel](#) for State Policy and Performance Data.

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Additional indicators are available in the MHEC Interactive Dashboard: mhec.org/dashboard.

Updates to this report may be found at: mhec.org/policy-research.

ABOUT THIS REPORT

This supplement to Higher Education in Focus 2019 provides the latest data on a subset of indicators relevant to the goal of improving educational attainment in Minnesota. Performance indicators are categorized within six areas: Preparation, Participation, Affordability, Completion, Finance, and Workforce. Most indicators provide the national and Midwest regional values as well as the median of the top five states in the nation as possible benchmarks. Most performance indicators are also disaggregated by family income and race/ethnicity to assess critical opportunity and achievement gaps.

The 2024 Performance Update contains the same indicators presented in previous updates, along with a new Workforce category that focuses on unemployment rates, the retention of college graduates in the state workforce, and the earnings premium of a college

credential. Returning to the update after a three-year hiatus is the percentage of persons aged 18-24 who are currently enrolled or have completed some college or higher by race and ethnicity, as the requisite data are now available. Sampling issues during the 2020 administration of the American Community Survey did not allow reliable estimation of enrollment rates by race and ethnicity for the previous three versions of the *Performance Update*!

The next version of *Higher Education in Focus* will be released in 2025 and every five years thereafter. The *Performance Update* will continue to be released annually during intervening years. For additional background, sources, and technical notes, see mhec.org/policy-research for the full report. Additional indicators are available through the [online interactive dashboard](#).

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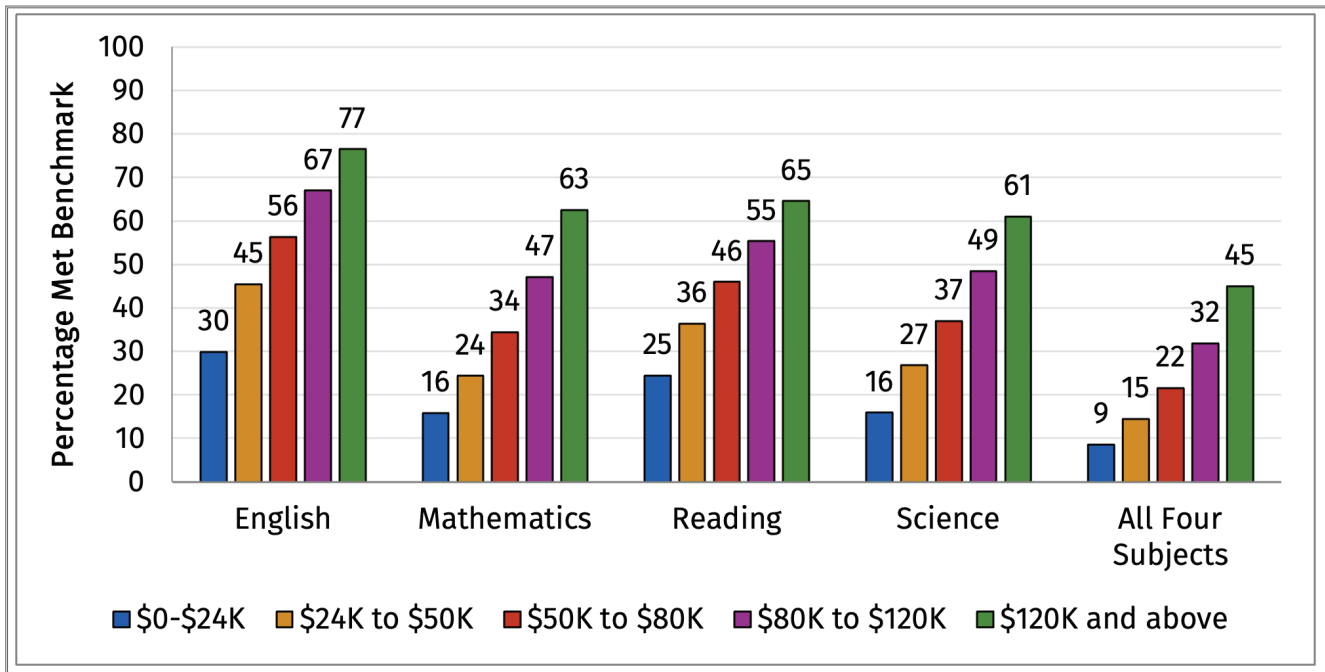
¹ For more information, see U.S. Census Bureau. (2021). *An assessment of the COVID-19 pandemic's impact on the 2020 ACS 1-year data*. See also the [Interactive Dashboard](#) for enrollment by race/ethnicity in previous years.

PREPARATION

Academic proficiency of high school graduates. The proportion of high school graduates taking the ACT who meet college readiness benchmarks provides one measure of the academic preparation of college-bound students. Benchmark scores defined by ACT in English (18), mathematics (22), reading (22), and science (23) delineate a 75 percent likelihood of attaining a grade of “C” or higher in first-year college-level courses. The

percentage of tested high school graduates meeting college readiness benchmarks is shown by family income and race/ethnicity. It should be noted that this indicator does not reflect the academic preparedness of students who opted out of ACT testing but still enrolled in college under test-optional admission policies, which have been increasingly adopted since the COVID-19 pandemic.

Figure 1. Percentage of ACT-Tested High School Graduates in Minnesota Who Met or Exceeded College Readiness Benchmark Scores by Family Income



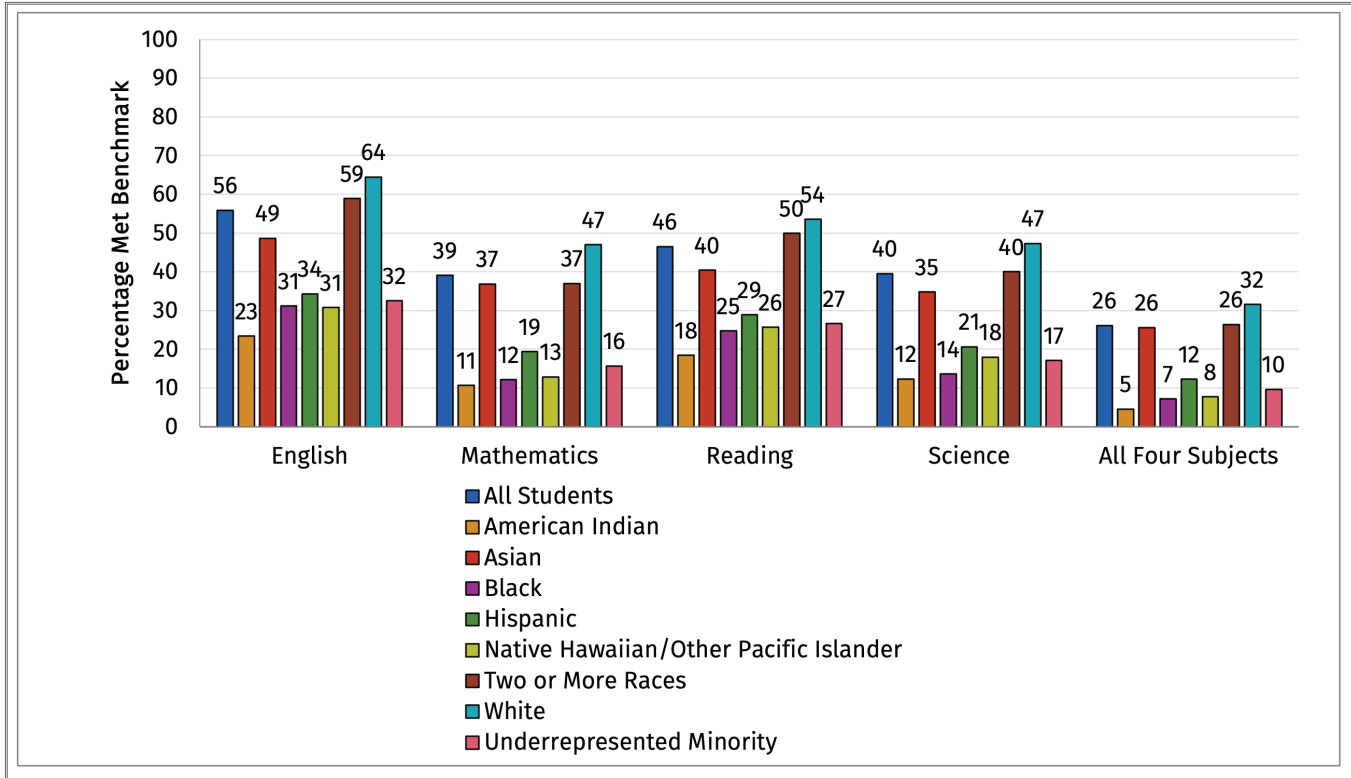
Source: ACT. (2024). U.S. high school class of 2024 graduating class data.



Over half of tested graduates within the three highest income groups in Minnesota met the ACT college readiness benchmark in English. However, academic preparation is strongly correlated with family income, as a much larger percentage of tested high school graduates from higher-income families met or exceeded college readiness benchmarks than graduates from lower-income families.

PREPARATION

Figure 2. Percentage of ACT-Tested High School Graduates in Minnesota Who Met or Exceeded College Readiness Benchmark Scores by Race and Ethnicity



Source. ACT. (2024). *U.S. high school class of 2024 graduating class data*. Note. The underrepresented minority category comprises American Indian, Black, Hispanic, and Native Hawaiian/Other Pacific Islander graduates. Some Asian subgroups are underrepresented in higher education (e.g., Hmong) but cannot be separated from the Asian category.



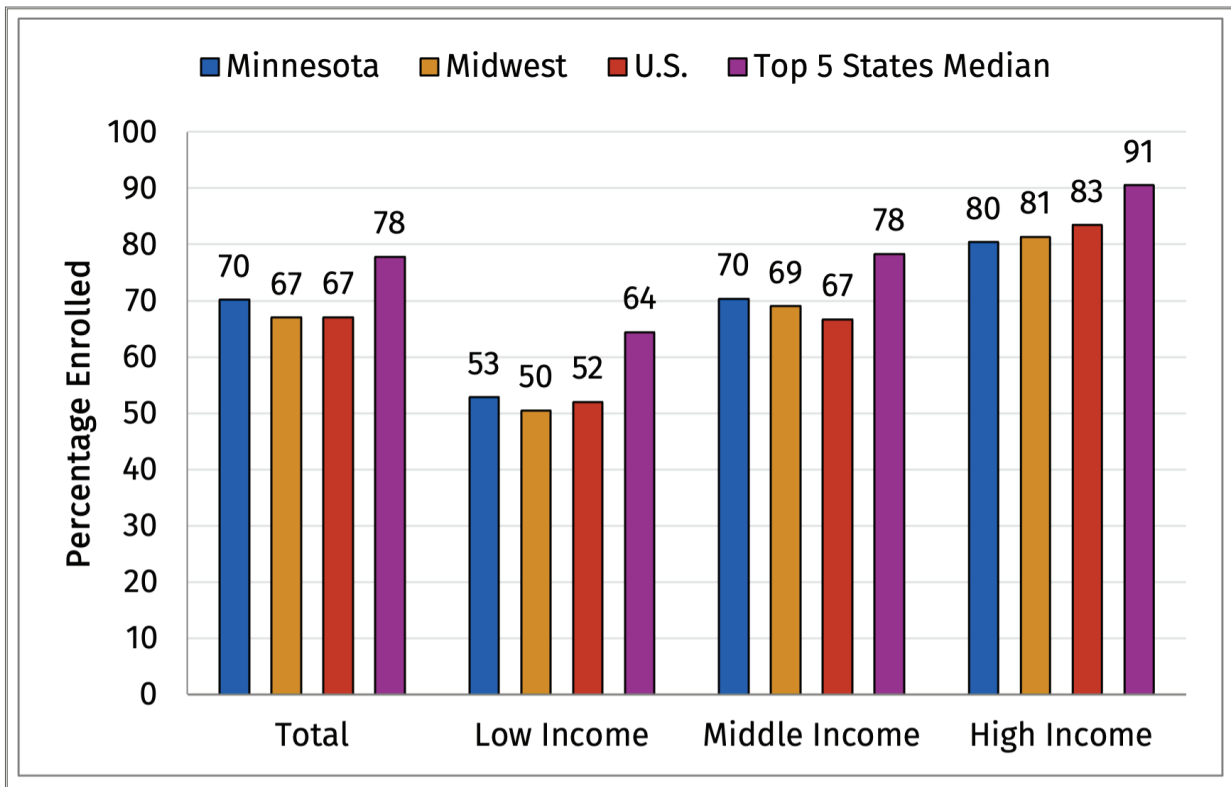
About 32 percent of White tested graduates in Minnesota met or surpassed the ACT college readiness benchmarks in all four tested subjects, compared to 10 percent of underrepresented minority graduates.

PARTICIPATION

Young adult enrollment. The participation of young adults in college is defined as the percentage of all 18- to 24-year-old adults in the state who are currently enrolled in college or have completed some college coursework/credits or a credential. Enrollment rates are provided for family income and racial/ethnic groups.

The enrollment gap by income is gauged by comparing college enrollment rates among dependent 18- to 24-year-old residents by the family income quartiles of all households in the state. Low income is represented by the bottom quartile, middle income by the second and third quartiles, and high income by the top quartile.

Figure 3. Percentage of Dependent 18- to 24-Year-Old Residents Who Are Currently Enrolled or Have Completed Some College or Higher by Family Income



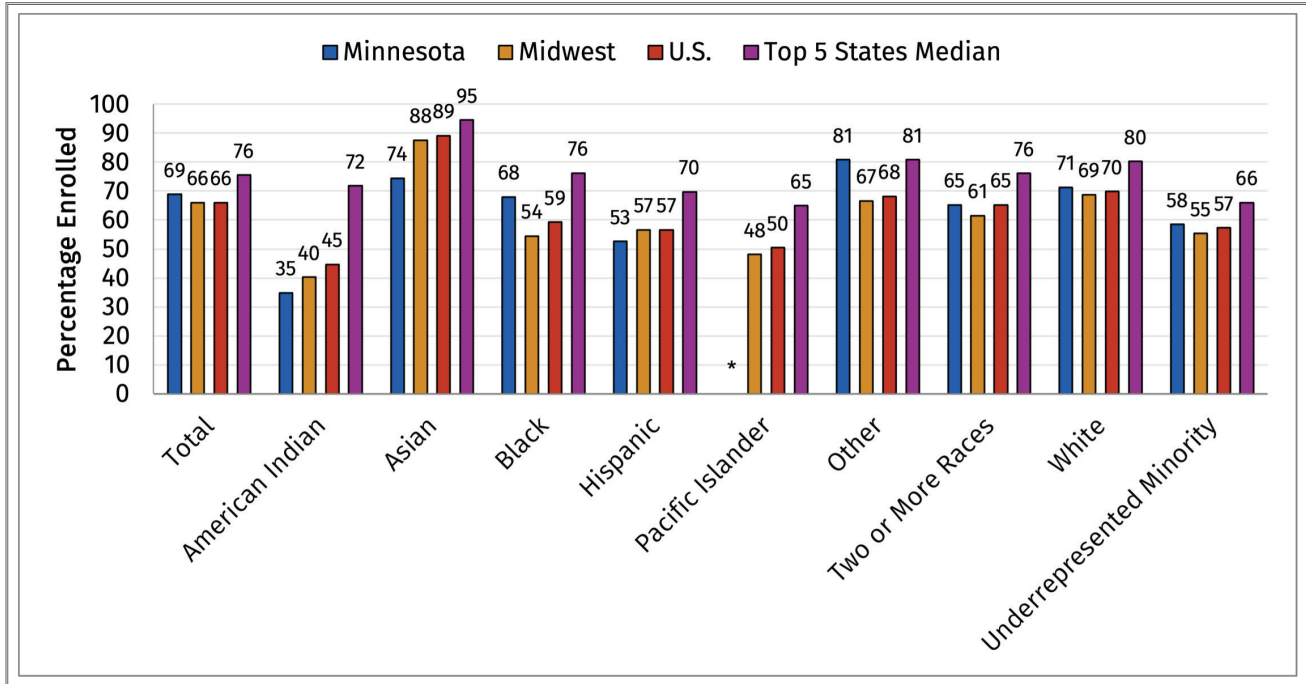
Source: U.S. Census Bureau. (2018, 2019, 2020, 2021, 2022). *Current Population Survey*. Five-year estimates. Top 5 States, 2018-2022: Total Population: NJ, RI, IL, NY, CT; Low Income: NY, CT, NJ, RI, CA; Middle Income: NJ, IL, RI, CT, NY; High Income: IL, RI, MD, NJ, NY.



The total, low-income, and middle-income college enrollment rates for dependent 18- to 24-year-olds in Minnesota surpassed the Midwest and national benchmarks. However, the enrollment rates of dependents from low- and middle-income families in Minnesota are considerably lower than the enrollment rate of 18- to 24-year-olds from high-income families. Similar disparities in college enrollment rates are seen across the Midwest and the nation.

PARTICIPATION

Figure 4. Percentage of Persons Aged 18-24 Who Are Currently Enrolled or Have Completed Some College by Race and Ethnicity



Source: U.S. Census Bureau. (2021, 2022, 2023). *American Community Survey one-year public use microdata sample*. Top 5 States, 2021-2023: RI, MA, ND, NY, CT. Note. The underrepresented minority category comprises American Indians, Blacks, Hispanics, and Pacific Islanders. The “Other” and “Two or More Races” categories only include respondents who reported their ethnicity as non-Hispanic. Some Asian subgroups are underrepresented in higher education (e.g., Hmong) but are not separated from the Asian category due to small sample sizes.

*Data is unavailable due to small sample size.



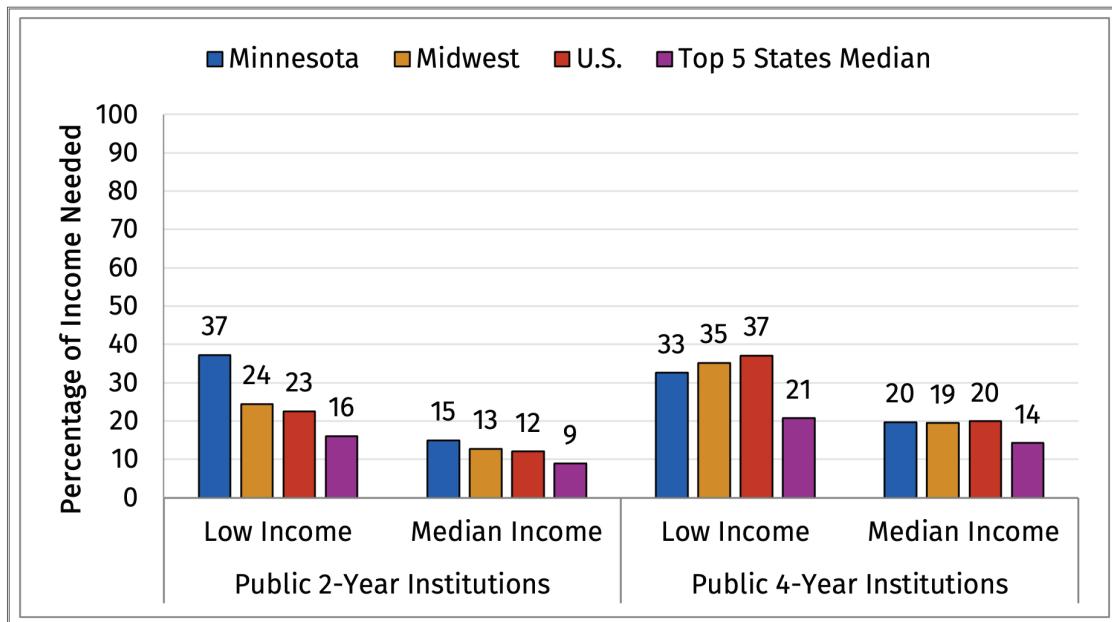
About 58 percent of underrepresented minorities in Minnesota (ages 18-24) are currently enrolled or have completed some college, compared to 71 percent of Whites.

AFFORDABILITY

Ability to pay. The ability to pay for college is measured by the percentage of family income needed to pay the average net price of full-time enrollment at public two- and four year institutions. The average institutional net price is calculated as the total cost of attendance (tuition and fees, books, supplies, and room and board) minus the average institutional, local, state, and federal grant aid. In order to assess the degree of affordability

for students of different income levels, this indicator is presented for families with median income (\$110,059 for Minnesota in 2022) and families with low income, which is defined as an income equal to the federal poverty level for a family of four (\$27,750 in 2022). The indicator is also presented by the median income for families in each racial and ethnic group.

Figure 5. Percentage of Family Income Needed to Pay the Average Net Price of Full-Time Enrollment at Public Institutions for Low- and Median-Income Households



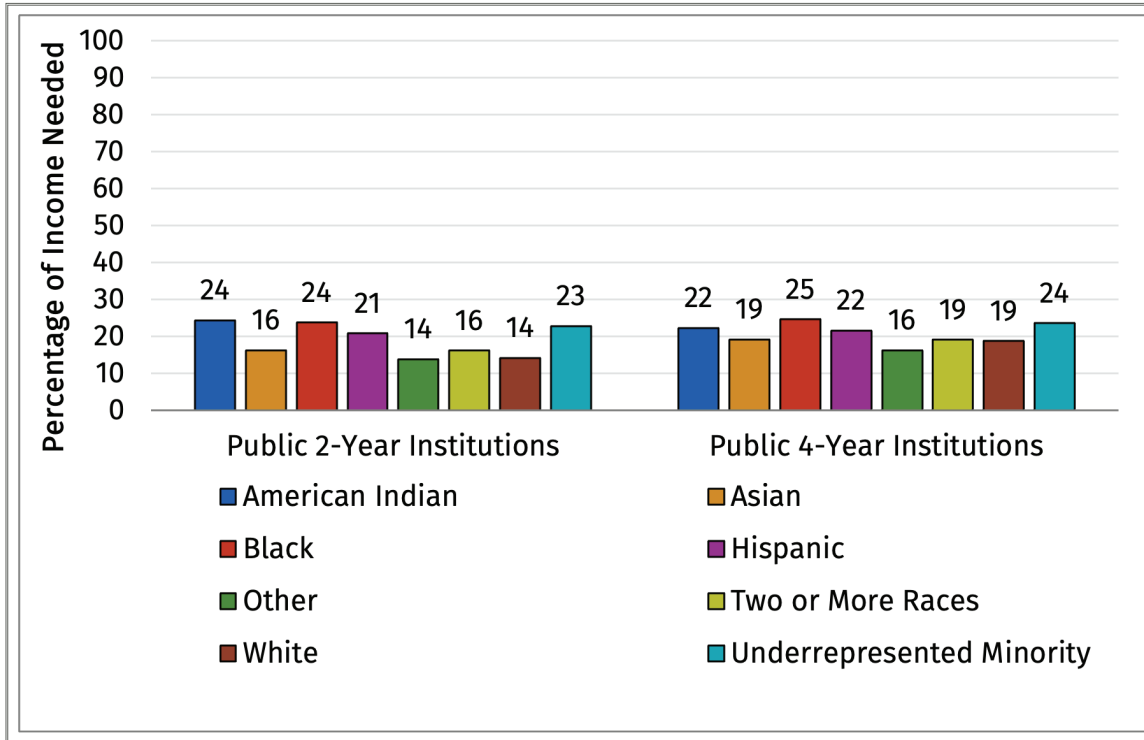
Source: NCES IPEDS. (2022). *Student financial aid and net price, winter 2022-23*. U.S. Census Bureau. (2022). *American Community Survey one-year estimates, Table B19125: Median family income in the past 12 months by presence of own children under 18 years*. Top 5 States, 2021-22: Public two-year institutions: (Low-income students: KY, IL, MS, AL, MI) (Median-income students: RI, VA, AL, IL, NC); Public four-year institutions: (Low-income students: FL, AK, IN, WY, HI) (Median-income students: UT, AK, HI, ND, FL).



The percentage of income needed to attend public two-year colleges in Minnesota is higher than the Midwest and national benchmarks for students from low- and median-income families. However, the percentage of income needed for public four-year enrollment in Minnesota is lower than the Midwest and national benchmarks for students from low-income families and meets the national benchmark for students from median-income families. Moreover, the percentage of family income needed for enrollment differs by income group. Two-year college attendance for students from low-income families requires 37 percent of family income, compared to 15 percent of income for students from median-income families. Four-year college attendance in Minnesota for students from low-income families requires 33 percent of family income, compared to 20 percent of income for students from median-income families. Similar differences in college affordability are seen across the Midwest and the nation.

AFFORDABILITY

Figure 6. Percentage of Family Income Needed to Pay the Average Net Price of Full-Time Enrollment at Public Two- and Four-Year Institutions in Minnesota by Race and Ethnicity



Source. NCES IPEDS. (2022). *Student financial aid and net price, winter 2022-23*. U.S. Census Bureau. (2022). *American Community Survey one-year public use microdata sample*. Note. The underrepresented minority category consists of American Indian, Black, Hispanic, and Native Hawaiian/Other Pacific Islander families. Estimates for some racial and ethnic groups are unavailable due to small sample sizes. Some Asian subgroups are underrepresented in higher education (e.g., Hmong) but are not separated from the Asian category due to small sample sizes.



College attendance in Minnesota requires a greater share of family income for underrepresented students than for White students. Underrepresented students are disproportionately represented among lower-income students.

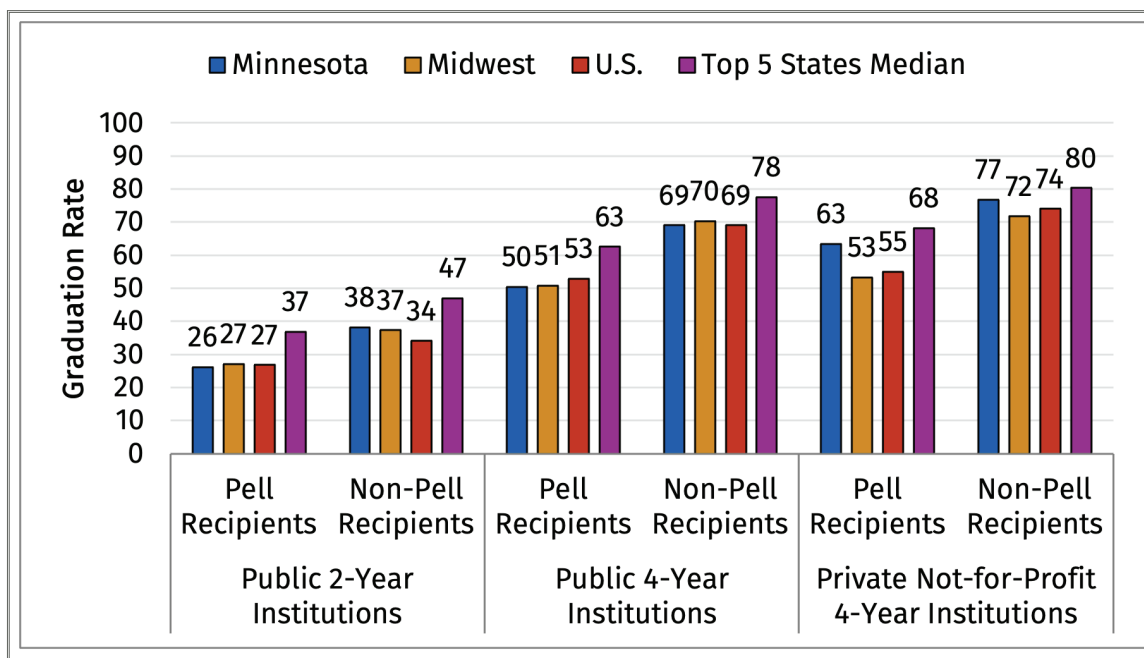
COMPLETION

Institutional graduation rates. Institutional graduation rates are defined by the proportion of first-time, full-time students who graduate at their beginning institution. Specifically, graduation rates at two-year colleges are measured by the proportion of first-time, full-time certificate/degree-seeking students in the fall 2019 cohort who completed an associate degree or certificate at their first public two-year college within three years (Figure 8 also counts students who transferred to another institution, whereas Figure 7 only counts completers due to data limitations). Graduation rates at four-year institutions are defined by first-time, full-time, bachelor’s

degree-seeking students in the fall 2016 cohort who completed a bachelor’s degree at their first four-year institution within six years (without accounting for transfer to another institution).

These indicators are provided for family income and racial/ethnic groups. The completion gap by income is estimated by comparing graduation rates among federal Pell Grant recipients and non-Pell recipients. In 2024-25, a dependent student from a family with a household size of four (two parents and two children) and an adjusted gross income of \$76,313 or less would be eligible for a Pell Grant.

Figure 7. Percentage of First-Time, Full-Time Degree/Certificate-Seeking Students Who Graduated Within Three Years From Their First Public Two-Year Institution and Graduated Within Six Years From Their First Four-Year Institution by Pell Grant Recipient Status



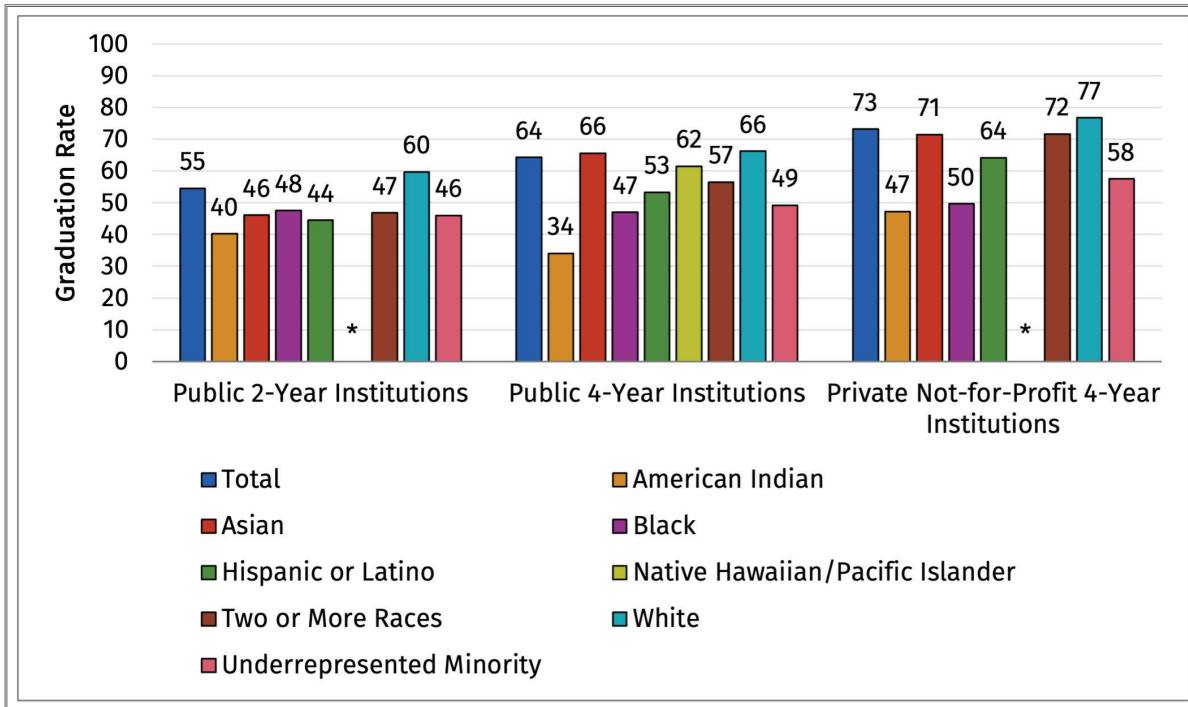
Source: NCES IPEDS. (2022). *Graduation rate, winter 2022-23*. Top 5 States, 2022: Public two-year: (Pell recipients: SD, KY, MS, WI, FL) (Non-Pell recipients: SD, ND, KY, MS, FL); Public four-year: (Pell recipients: FL, CA, NJ, IA, NH) (Non-Pell recipients: DE, VA, CA, FL, NJ); Private not-for-profit four-year: (Pell recipients: MA, UT, CA, CO, MD) (Non-Pell recipients: MA, CT, RI, CA, PA).



The graduation rates of low-income students (i.e., Pell Grant recipients) at all types of institutions in Minnesota lag behind the graduation rates of higher-income students. Similar disparities in college graduation rates are seen across the Midwest and the nation.

COMPLETION

Figure 8. Percentage of First-Time, Full-Time, Degree/Certificate-Seeking Students in Minnesota Who Transferred or Graduated Within Three Years From Their First Public Two-Year Institution and Graduated Within Six Years From Their First Four-Year Institution by Race and Ethnicity



Source: NCES IPEDS. (2022). *Graduation rate, winter 2022-23*. Note. The underrepresented minority category comprises American Indian, Black, Hispanic, and Native Hawaiian/Other Pacific Islander students. Some Asian subgroups are underrepresented in higher education (e.g., Hmong) but cannot be separated from the Asian category.

*Estimates for some racial and ethnic groups are unavailable due to small cohort sizes.



The graduation rates of American Indian, Black, and Hispanic students in Minnesota were lower than the graduation rates of White students across all types of institutions. However, data available on [MHEC's Interactive Dashboard](#) show that the graduation rates for Black, Hispanic, multiracial, and White students attending public two-year colleges in Minnesota surpassed the Midwest and national benchmarks, and the graduation rates for Black and Pacific Islander students at public four-year institutions in Minnesota surpassed the Midwest and national benchmarks.

FINANCE

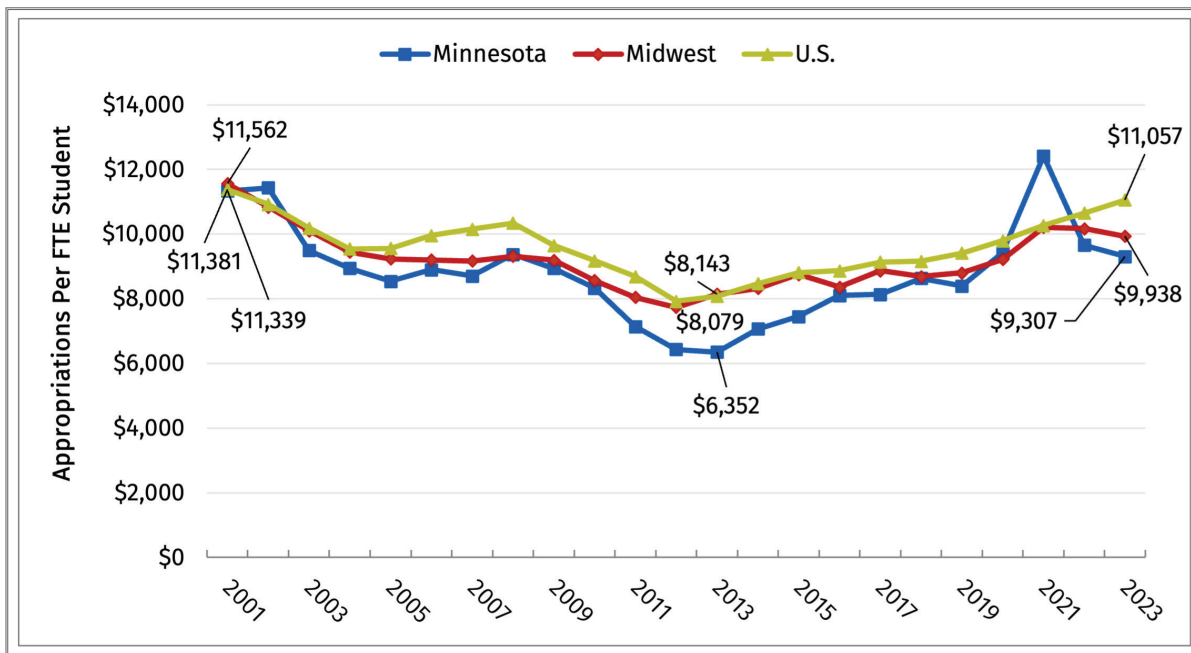
Educational appropriations. State and local educational appropriations for higher education include funds used for public institutional operating expenses and financial aid for students attending public institutions. These appropriations exclude spending for research, agriculture-related programs, and medical education, as well as support for private institutions or students attending them.

State funding effort. The state’s overall effort to fund higher education is portrayed as state and local fiscal support for higher education per \$1,000 of personal income. This is one measure for assessing the level of funding for higher education relative to available resources. State and local fiscal support consists of state tax appropriations, local tax support, additional non-

tax funds such as lottery revenue that support higher education, and funds appropriated to other state entities for specific higher education expenditures or benefits. State and local appropriations in this indicator are used for general operations, agriculture-related programs, public student aid, medical education, and support for independent institutions or students attending them.

Need-based aid. Two indicators reflect state investments in student grant aid. First, the level of state funding for grant aid based on financial need (relative to solely merit or other criteria) is measured by the amount of need-based grant aid per full-time equivalent (FTE) student. Second, the state’s commitment to providing need-based aid is measured by need-based aid as a percent of total grant aid allocations.

Figure 9. State and Local Educational Appropriations for Higher Education Per FTE Student



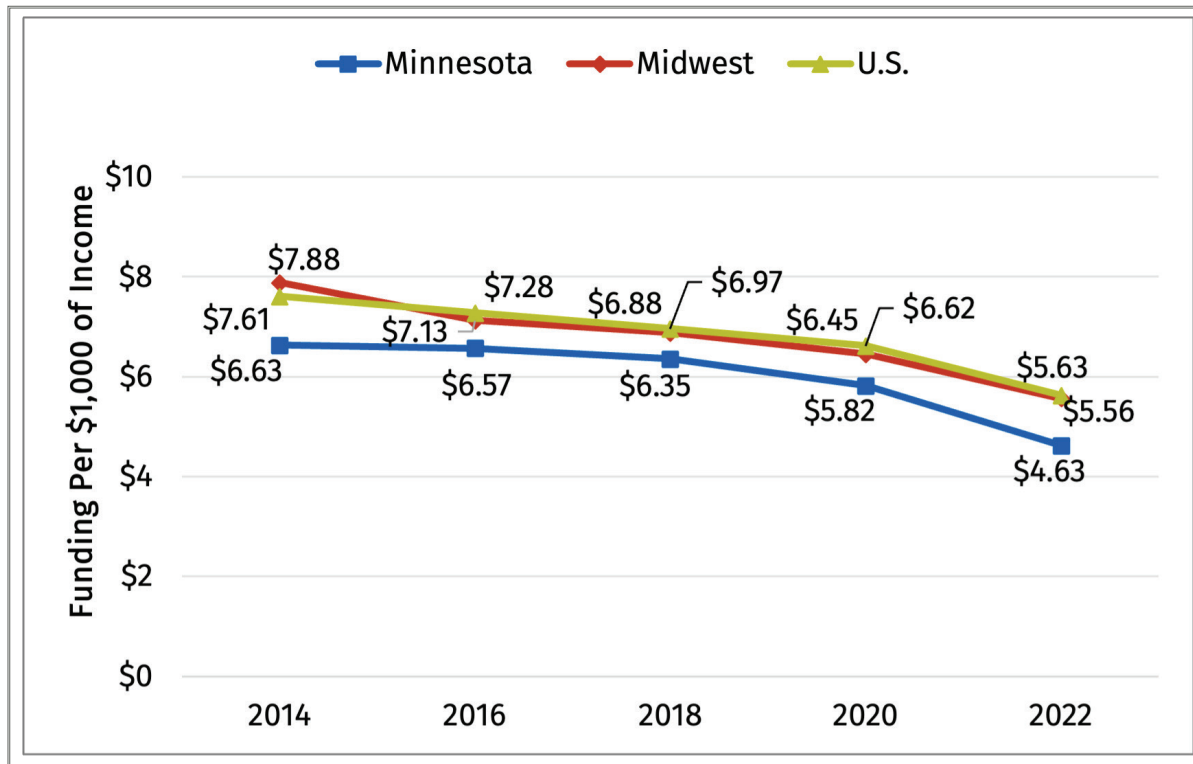
Source: SHEEO. (2024). *State higher education finance: FY 23*. Note. Estimates have been adjusted for inflation to 2023 dollars using the Higher Education Cost Adjustment.



State and local funding for higher education per FTE student in Minnesota declined between 2001 and 2013 but has since increased. However, funding in Minnesota was slightly below the Midwest and national levels in 2023.

FINANCE

Figure 10. State and Local Fiscal Support for Higher Education Per \$1,000 of Personal Income



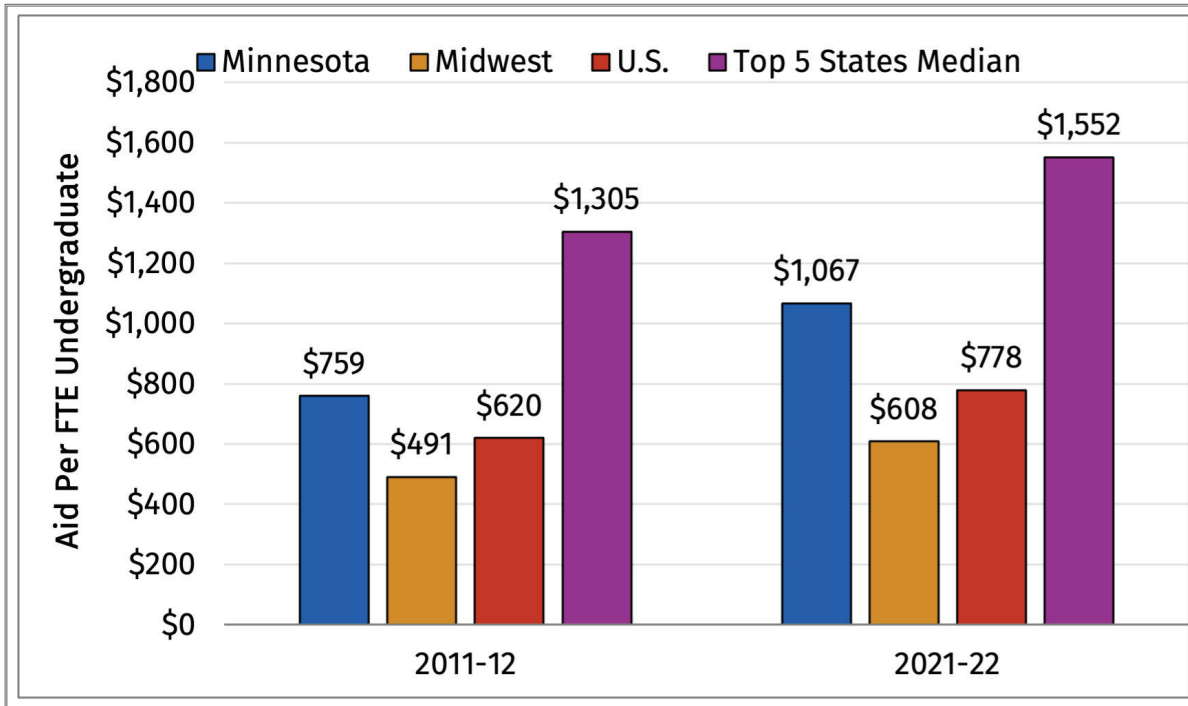
Source: SHEEO. (2024). *State effort and capacity to fund higher education*. State Higher Education Finance. Note. Estimates have been adjusted for inflation to 2022 dollars using the Consumer Price Index.



Funding per \$1,000 of personal income in Minnesota was below the Midwest and national levels in 2022.

FINANCE

Figure 11. State Need-Based Grant Aid Per FTE Undergraduate Student



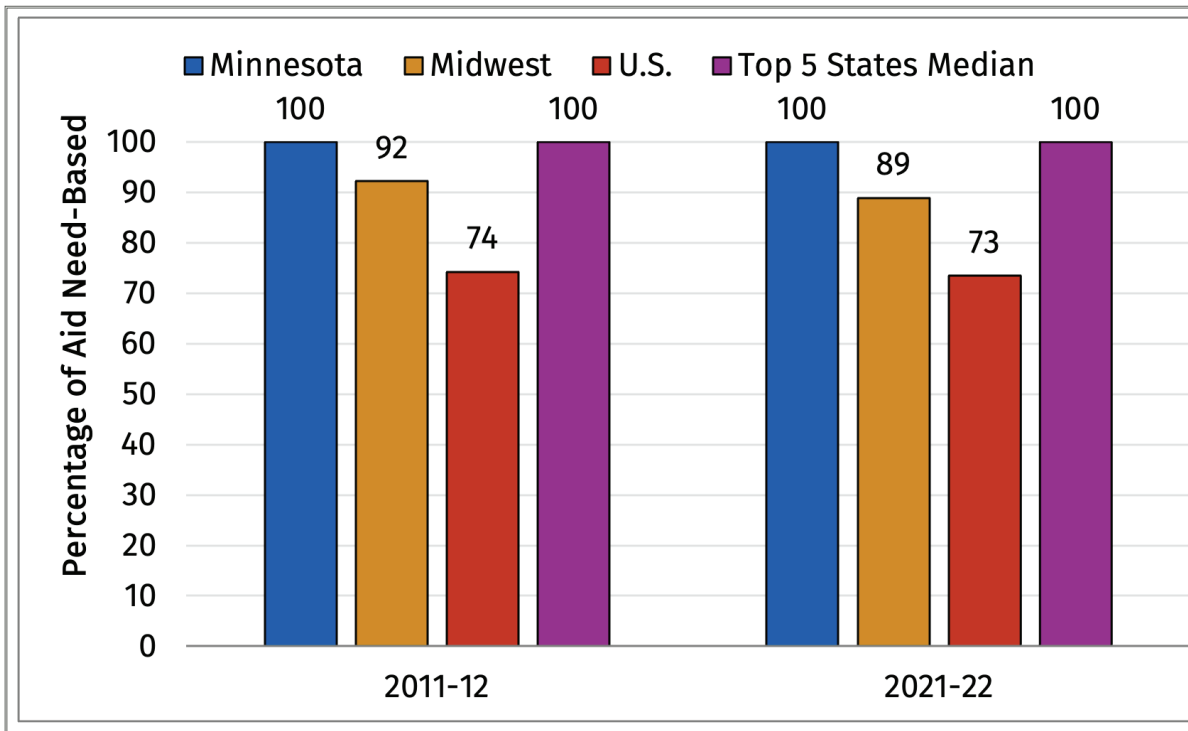
Source. National Association of State Student Grant and Aid Programs. (2012, 2022). *Annual survey report on state-sponsored student financial aid*. Note. Estimates have been adjusted for inflation to 2022 dollars using the Consumer Price Index. Top 5 States, 2021-22: WA, NJ, VA, CA, IL.



State need-based grant aid in Minnesota increased over the past decade and was above the Midwest and national benchmarks in 2021-22.

FINANCE

Figure 12. Percentage of State Aid Defined as Need-Based



Source: National Association of State Student Grant and Aid Programs. (2012, 2022). *Annual survey report on state-sponsored student financial aid*. Top 5 States, 2021-22 (includes ties): AZ, HI, ME, MT, RI, TX, MN, CA, IL, VT, KS.



Minnesota allocates 100 percent of its grant aid based on financial need (rather than solely merit or other criteria), which meets the top five states benchmark.

WORKFORCE

Unemployment rates. This indicator provides comparisons of average unemployment rates among adults by educational attainment level. The unemployment rate reflects the average percentage (over a 12-month period) of persons aged 25 and older in the civilian labor force who are not employed, available for work (except for temporary illness), and have made specific efforts to find employment. Unemployment rates are shown for all persons aged 25 and older as well as for those whose highest level of education is (a) a high school diploma or equivalent; (b) some college but no degree or an associate degree; and (c) a bachelor's degree or higher. College certificates are included within the "some college/associate degree" category.

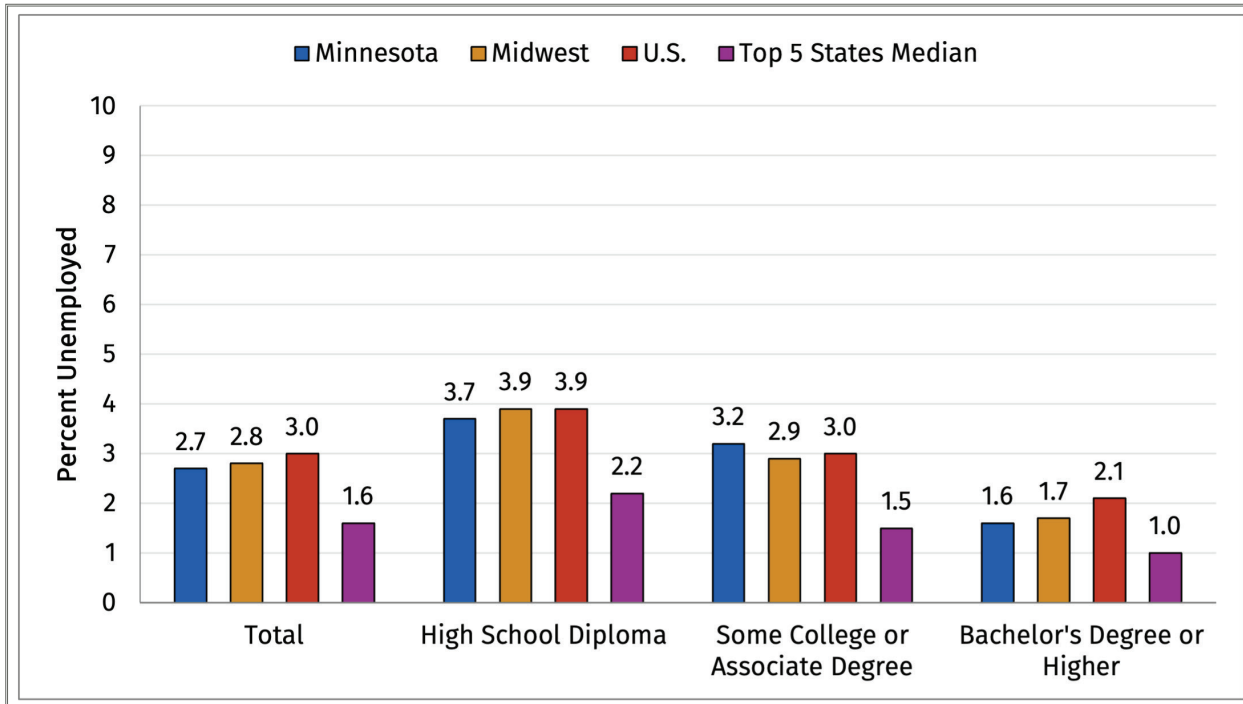
Cohort employment rates. This indicator shows the percentage of college graduates employed anywhere in the United States 1, 5, and 10 years after completing a certificate, associate degree, or bachelor's degree. The data are organized by the state of the graduating institution and include graduates from 2006 to 2015. The number and types of institutions contributing data vary by state.

College graduate retention. This indicator shows the percentage of employed college graduates working in the state of their graduating institution 1, 5, and 10 years after completing a certificate, associate degree, or bachelor's degree. The indicator includes college graduates from 2006 to 2015. The number and types of institutions currently providing data vary by state.

College graduate earnings. The earnings level of college graduates is assessed through a comparison of median earnings by educational attainment level and the earnings premium. Median earnings is calculated among adults ages 25 and older with earnings over the previous 12 months whose highest level of education is a high school diploma (including equivalency), some college credit (including a certificate) or an associate degree, or a bachelor's degree. The college earnings premium is defined by the difference between the median earnings of adults with a specific level of postsecondary education and adults with only a high school diploma.

WORKFORCE

Figure 13. Average Unemployment Rate by Educational Attainment



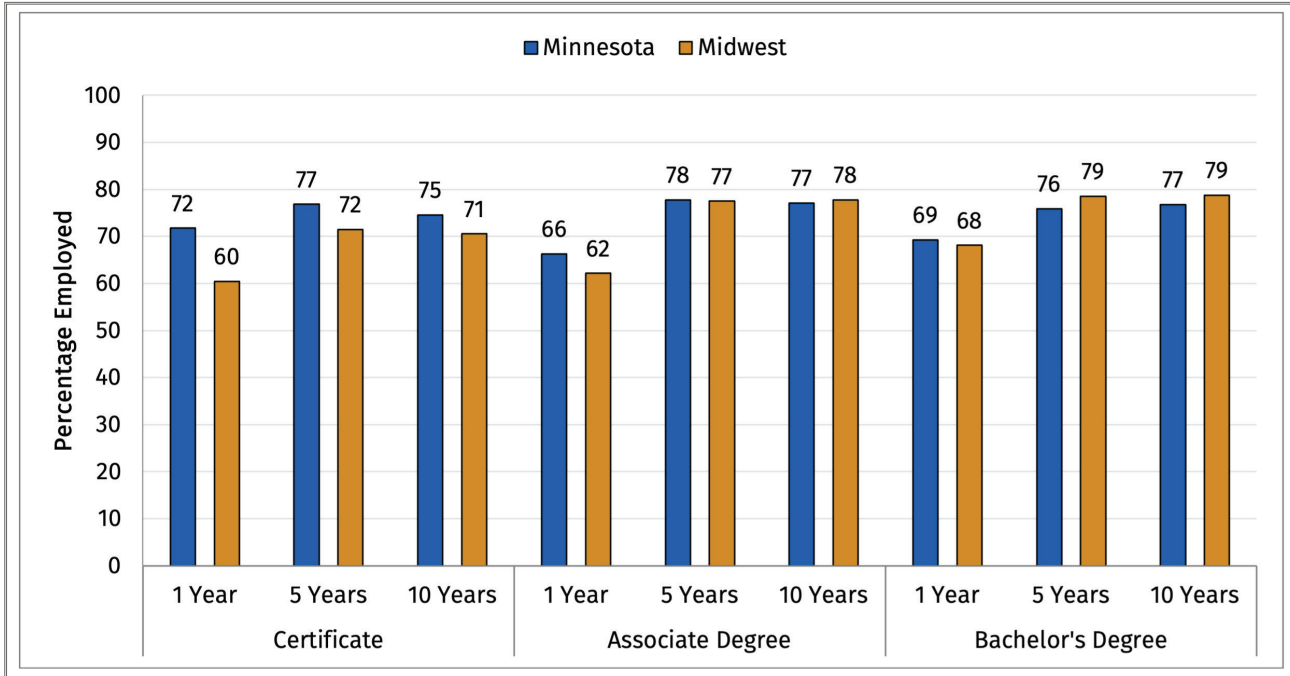
Source: Bureau of Labor Statistics. (2023). *Employment status of the civilian noninstitutional population 25 years and older, by educational attainment*. Top 5 States (includes ties), 2023: Total Population: VT, ND, SD, NE, WY, AL, MD, NH; High School Diploma: SD, ND, NH, RI, WY, AL, MT; Some College or Associate Degree: VT, ND, HI, SC, SD, AR, IA, UT; Bachelor's Degree or Higher: ND, NE, VT, WV, AK, SD, WY, AL.



Unemployment rates in 2023 were lower among adults with at least some postsecondary education, relative to those with only a high school diploma. In addition, the unemployment rate of bachelor's degree recipients in Minnesota was below the Midwest and national benchmarks.

WORKFORCE

Figure 14. Percentage of College Graduates Employed Anywhere in the United States 1, 5, and 10 Years After Completing a Credential



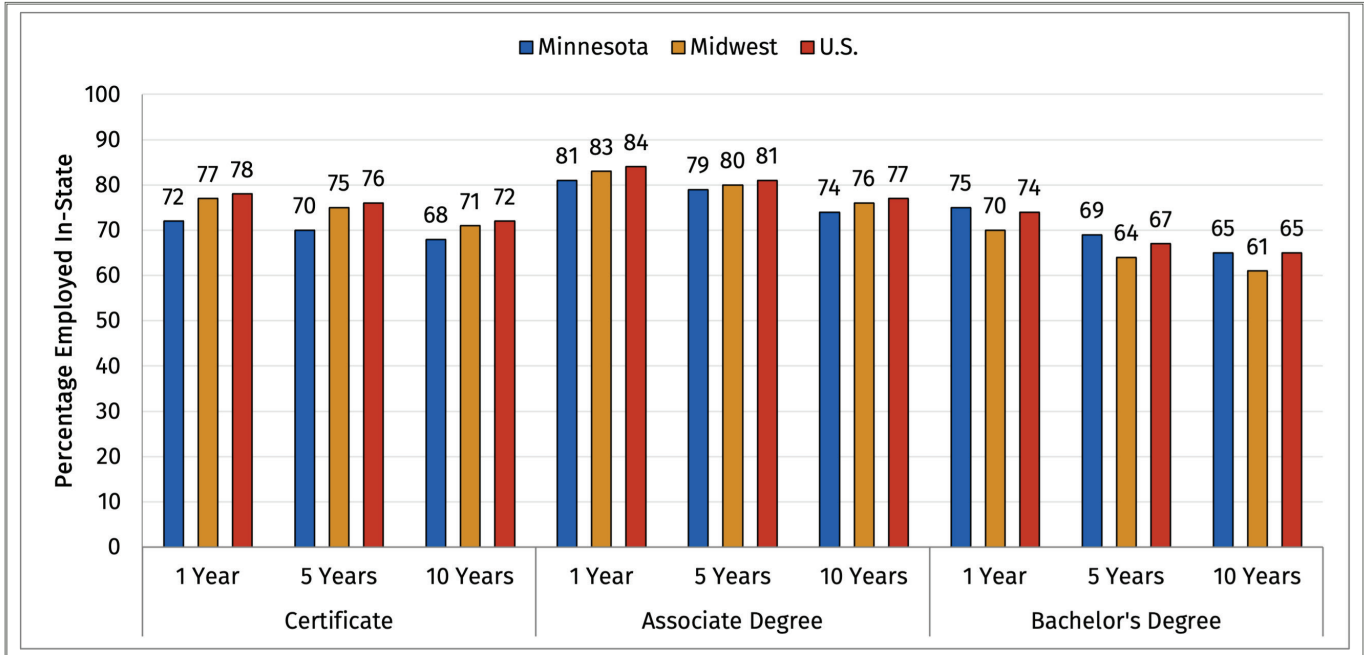
Source: U.S. Census Bureau. (2006-2010, 2007-2009, 2011-2015, 2013-2015). *Postsecondary Employment Outcomes (PSEO) public-use data*. Note: Data for Minnesota were provided by the Minnesota Office of Higher Education and include all institutions in both the Minnesota State Colleges and Universities system and the University of Minnesota system, as well as 18 private non-profits. The Midwest percentages reflect data from participating institutions in 9 of 12 states: IL, IN, IA, MI, MN, MO, OH, SD, and WI. The Midwest benchmarks include graduates from both public and private institutions. Ten-year employment outcomes are only available for graduates from 2006 to 2010.



The majority of Minnesota certificate and degree recipients were employed 1, 5, and 10 years after completing a credential, and the percentages for certificate completers were consistently above the Midwest benchmarks.

WORKFORCE

Figure 15. Percentage of Employed College Graduates Working in State of Graduating Institution 1, 5, and 10 Years After Completing a Credential



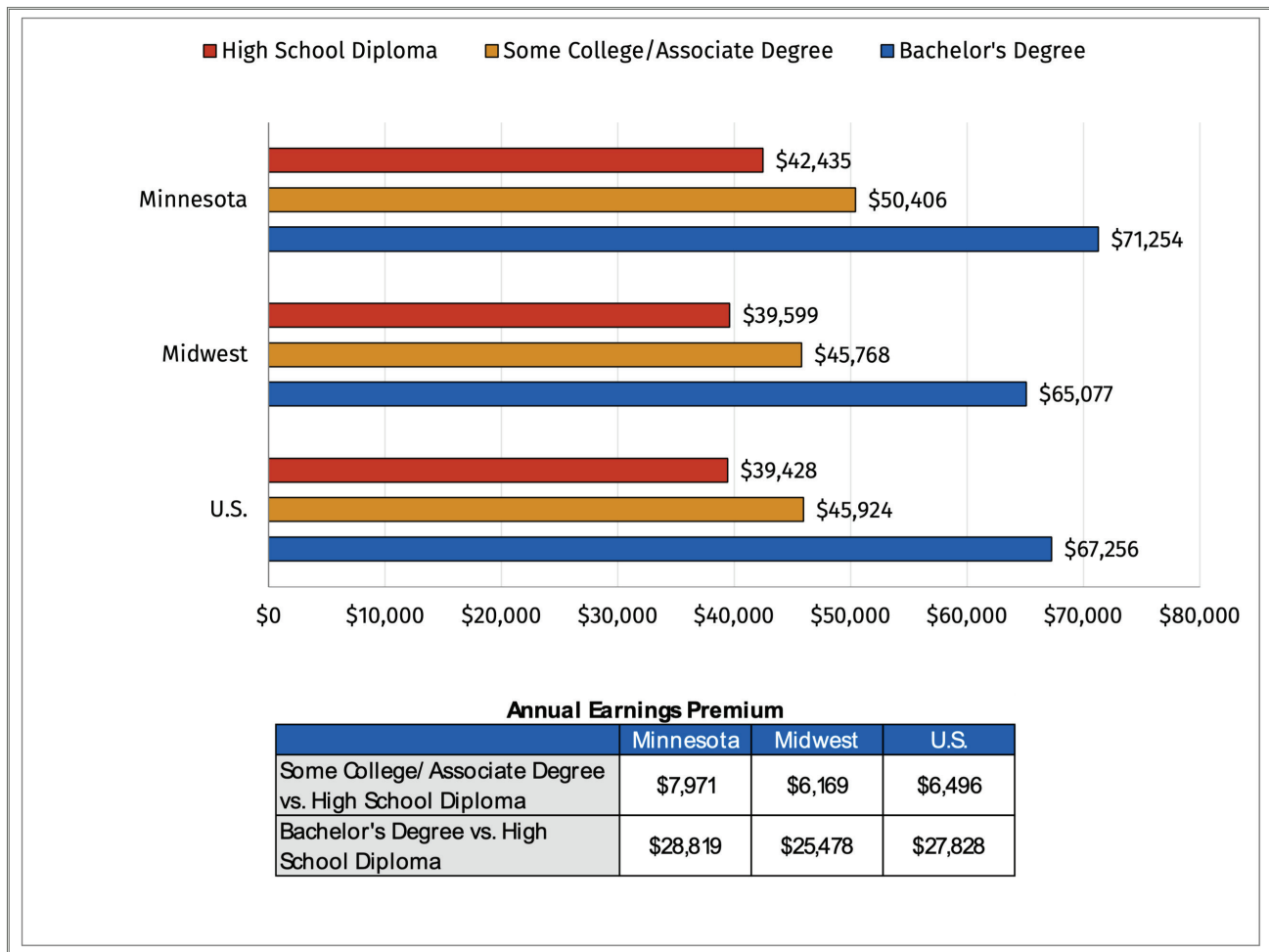
Source: U.S. Census Bureau. (2006-2010, 2007-2009, 2011-2015, 2013-2015). *Postsecondary Employment Outcomes (PSEO) public-use data*. Note. Data for Minnesota were provided by the Minnesota Office of Higher Education and include all institutions in both the Minnesota State Colleges and Universities system and the University of Minnesota system, as well as 18 private non-profits. The Midwest percentages reflect data from participating institutions in 9 of 12 states: IL, IN, IA, MI, MN, MO, OH, SD, and WI. The U.S. percent-ages reflect data from participating institutions in 30 states. The Midwest and U.S. benchmarks include graduates from both public and private institutions. Ten-year retention outcomes are only available for graduates from 2006 to 2010. The estimates include graduates with either in-state or out-of-state residency status upon initial enrollment.



The majority of employed Minnesota certificate and degree recipients were working in Minnesota 1, 5, and 10 years after completing a credential. The percentage of employed bachelor's degree recipients working in Minnesota met or surpassed the Midwest and national benchmarks, though the percentages for certificate and associate degree recipients were below the Midwest and national benchmarks.

WORKFORCE

Figure 16. Median Earnings and Earnings Premium by Educational Attainment



Source: U.S. Census Bureau. (2023). *American Community Survey one-year estimates, Table B20004: Median earnings in the past 12 months by sex by educational attainment for the population 25 years and over.*



Minnesota has a higher earnings premium for postsecondary attainment compared to both the Midwest and U.S. averages. Individuals with some college credit (including a certificate) or an associate degree in Minnesota earn an additional \$7,971 annually compared to high school graduates, surpassing the Midwest average of \$6,169 and the U.S. average of \$6,496. For those holding a bachelor's degree, the earnings premium in Minnesota is \$28,819, which is also higher than the Midwest average of \$25,478 and the national average of \$27,828.

Higher Education in Focus is produced on a periodic basis. The 2024 supplement supports Higher Education in Focus 2019. As MHEC prepares for the next version of Higher Education in Focus, feedback and ideas are welcomed on the content that will help support your state's work.



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