

# North Carolina

## Affordability Profile

from

*Affordability of Public Higher Education in SREB States*

prepared by

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**SREB**

Southern Regional  
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## INTRODUCTION

At the request of the SREB, the Higher Education Policy Institute has prepared a profile of college affordability for each SREB state as well as a synthesis of relevant trends in the SREB region. This project was designed to “take the temperature” of college affordability in the South in order to provide a policy tool that can assist state policy-makers in assessing the current and prospective dimensions of the affordability issue and the need for state policy initiatives or interventions.

The major finding of this analysis is that the SREB states have lost ground in college affordability. For most students and families in the South, the cost of paying for college has outstripped family income and inflation. Several promising initiatives have been put in place by individual states, but many are not directed at the students and families most adversely affected by declining affordability and none are commensurate with the magnitude of the problem. One consequence is greater reliance on loans to finance college and growing indebtedness of students and graduates.

Whatever its causes, the trend toward reduced college affordability undermines the efforts of SREB states and colleges and universities to address the changing demography of the region and undercuts progress towards educational attainment goals and economic development requirements of the SREB member states. It is mathematically impossible for most SREB states to reach national and international workforce competitiveness without improving college access and attainment rates of low-income groups and of ethnic groups with lagging college participation rates. However, if current trends continue, declining affordability will constrain the college enrollment of these potential students and prevent states from reaching educational levels needed to provide opportunity for individuals and a competitive work force in the knowledge-based global economy.

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## North Carolina

### Public Higher Education Affordability Profile

In order for students to enroll in community colleges in North Carolina, they, or their families, would need to pay on average 18 percent of their annual income for college expenses, including living expenses, each year after taking into account all forms of grant aid, based on the current college expenses and current levels of aid. This is higher than the SREB average.

On a per-student basis, North Carolina's need-based state grant program provides more financial aid than the SREB average.

The average amount of student loan aid received by full-time, first-time students in North Carolina is slightly less than the SREB average but has increased over time.

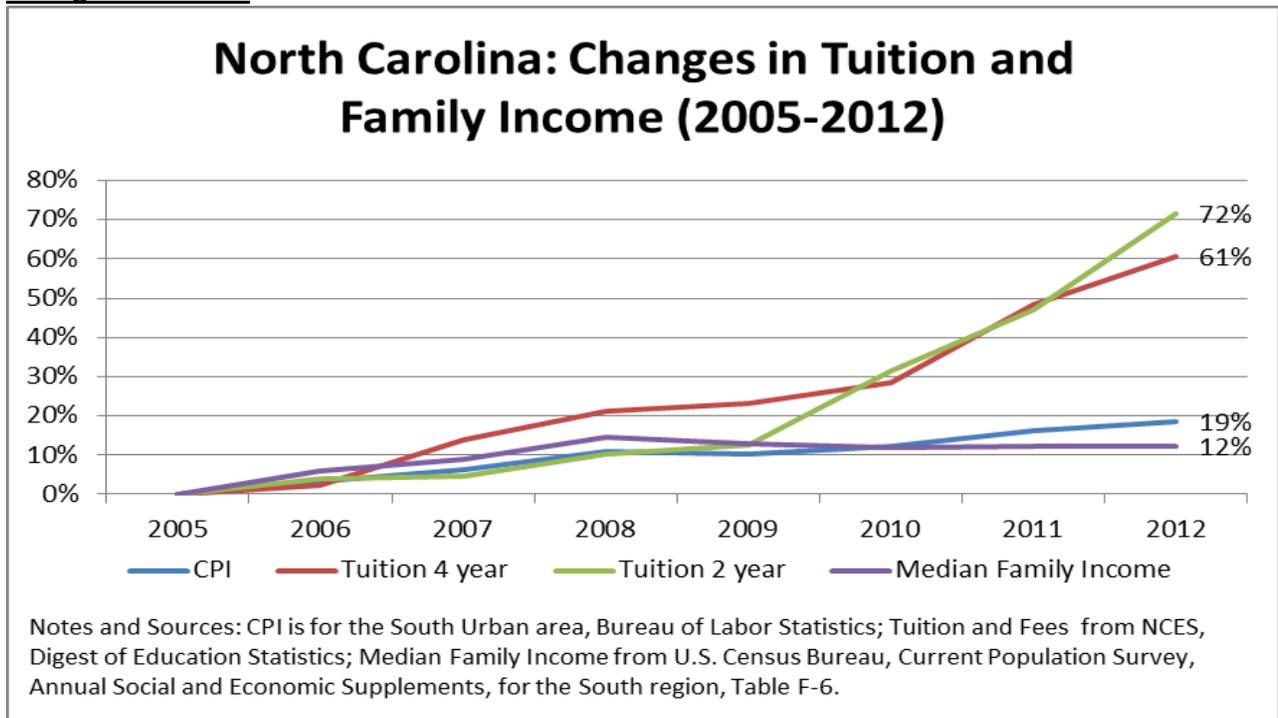
	North Carolina			SREB	U.S. Average
	Pre-Recession	Recession	Post-Recession	Post-Recession	Post-Recession
<b>Family Ability to Pay</b>					
Percent of income (average of all income groups) needed to pay for college expenses minus financial aid:					
at community colleges	N/A	13%	18%	16%	27%
at public 4-year colleges (category 1)	N/A	13%	22%	27%	41%
at public 4-year colleges (category 2)	N/A	15%	21%	25%	19%
<b>Strategies for Affordability</b>					
State Grant funding per student					
Need-Based grants per student	\$237	\$405	\$538	\$204	\$276
Grants that have a need and non-need based requirement per student*	\$0	\$0	\$0	\$98	\$142
Non-Need based grants per student	\$0	\$0	\$0	\$345	\$145
At lowest-priced colleges, the share of income that the families with the lowest income need to pay for tuition	11%	8%	14%	18%	20%
<b>Reliance on Loans</b>					
Average amount of student loan aid received by full-time, first-time students attending public institutions	\$3,246	\$3,165	\$4,898	\$5,094	\$5,361
*As defined by NASSGAP, see Technical Guide. Grant requirements in this category vary widely by state -- some have a substantial merit component and others have a modest merit component.					
Note: Pre-Recession year data is from 2003-04; Recession year data is from 2006-07 on all variables except Estimated cost of postsecondary education where data is from 2008-09 (2007 data was unavailable for this variable); Post-Recession year data is from 2011-12. All dollar amounts have been adjusted into Constant 2013 dollars.					
N/A: Data not available.					

### A Closer Look at Family Ability To Pay

		Community Colleges			
	Average Income in Group	Net Price	Percent of Income needed to pay net college Price		
Income \$0-\$30,000	\$16,832	\$7,392	44%		
Income \$30-\$48,000	\$38,753	\$8,103	21%		
Income \$48,000-\$75,000	\$60,791	\$8,722	14%		
Income \$75,000-\$110,000	\$90,724	\$7,917	9%		
Income \$110,000 and Above	\$184,705	\$7,500	4%		
		Public Four Year 1		Public Four Year 2	
	Average Income in Group	Net Price	Percent of Income needed to pay net college Price	Net Price	Percent of Income needed to pay net college Price
Income \$0-\$30,000	\$16,832	\$7,173	43%	\$6,918	41%
Income \$30-\$48,000	\$38,753	\$8,540	22%	\$8,037	21%
Income \$48,000-\$75,000	\$60,791	\$12,299	20%	\$11,533	19%
Income \$75,000-\$110,000	\$90,724	\$15,021	17%	\$14,002	15%
Income \$110,000 and Above	\$184,705	\$18,245	10%	\$15,721	9%

- Low-income families (those with incomes less than \$30,000 per-year) would need to pay on average 44 percent of their income to community colleges, even after taking into account all types of grant aid.
- Middle-income families (those earning between \$48,000 and \$75,000 per-year) would need to pay on average 14 percent of their income to attend community colleges, even after taking into account all types of grant aid.

## Changes in Tuition



Since 2005, tuition at both public four-year and public two-year institutions in North Carolina has been growing much more rapidly than either inflation or family income.

### **Other Contextual Information:**

- By 2020, the Georgetown Center on Education and the Workforce predicts that 67 percent of jobs in the state will require a postsecondary education or above, higher than the Southern average (59 percent) and just above the U.S. average (65 percent).
- Fifteen percent of students in North Carolina are enrolled in public four-year category 1 institutions, 25 percent at category 2 four-year institutions and 60 percent are enrolled in the community college sector.
- In 2012, 26 percent of children in North Carolina were living in poverty. This is up from 2004 when 20 percent were living in poverty.
- In 2012, state investment in need-based grant aid at public colleges in North Carolina was 26 percent as compared to the federal investment (Pell Grants).

Note: Category 1 four-year institutions are those that award at least 30 doctoral degrees in 5 different areas. Category 2 includes all other four-year institutions.

List of Institutions by Type:

**Category 1 Public Four-Year Institutions**

North Carolina State University  
University of North Carolina at Chapel Hill  
University of North Carolina at Greensboro

**Category 2 Public Four-Year Institutions**

Appalachian State University  
East Carolina University  
Elizabeth City State University  
Fayetteville State University  
North Carolina A&T State University  
North Carolina Central University  
University of North Carolina at Asheville  
University of North Carolina at Charlotte  
University of North Carolina at Pembroke  
University of North Carolina at Wilmington  
Western Carolina University  
Winston-Salem State University

**Community Colleges**

Alamance Community College  
Asheville-Buncombe Technical Community  
Beaufort County Community College  
Bladen Community College  
Blue Ridge Community College  
Brunswick Community College  
Caldwell Community College & Technical Institute  
Cape Fear Community College  
Carteret Community College  
Catawba Valley Community College  
Central Carolina Community College  
Central Piedmont Community College  
Cleveland Community College  
Coastal Carolina Community College  
College of the Albemarle  
Craven Community College  
Davidson County Community College  
Durham Technical Community College  
Edgecombe Community College  
Fayetteville Technical Community College  
Forsyth Technical Community College  
Gaston College

Guilford Technical Community College  
Halifax Community College  
Haywood Community College  
Isothermal Community College  
James Sprunt Community College  
Johnston Community College  
Lenoir Community College  
Martin Community College  
Mayland Community College  
McDowell Technical Community College  
Mitchell Community College  
Montgomery Community College  
Nash Community College  
Pamlico Community College  
Piedmont Community College  
Pitt Community College  
Randolph Community College  
Richmond Community College  
Roanoke-Chowan Community College  
Robeson Community College  
Rockingham Community College  
Rowan-Cabarrus Community College  
Sampson Community College  
Sandhills Community College  
South Piedmont Community College  
Southeastern Community College  
Southwestern Community College  
Stanly Community College  
Surry Community College  
Tri-County Community College  
Vance-Granville Community College  
Wake Technical Community College  
Wayne Community College  
Western Piedmont Community College  
Wilkes Community College  
Wilson Technical Community College

