



# Alabama

## College Affordability Profile

September 2016

To support the work of the SREB's member states and its Commission on College Affordability, SREB commissioned the Higher Education Policy Institute to prepare a college affordability profile for each SREB state, as well as a synthesis of relevant trends in the SREB region. These profiles detail college affordability data and trends specific to the state to assist policymakers in assessing the dimensions of the affordability issue and the need for state policy initiatives or interventions.

In addition to this state profile, other affordability resources from SREB include:

- *Shared Responsibility for College Affordability*, the Commission's final report and executive summary
- *College Affordability: Trends in the SREB Region*
- *College Affordability: SREB Technical Report*
- *College Affordability Policy and Practice Review: A Statewide Framework*
- *College Affordability: Promising State Policies and Practices*
- *SREB Fact Book on Higher Education*

Each of these documents is available at [SREB.org/Affordability](https://www.sreb.org/Affordability).

# Alabama College Affordability Profile

## What Percentage of Family Income Is Required to Attend College Full Time?

Families in Alabama would need to pay 15.6 percent of their income to cover educational expenses for a student at a public two-year institution in the state. This is lower than the SREB average and lower than the national average.

Families in Alabama would need to pay 31.7 percent of their income to cover educational expenses for a student at a public four-year, non-research institution in the state. This is lower than the SREB average and lower than the national average.

	Alabama, 2008	Alabama, 2013	SREB Average, 2013	U.S. Average, 2013
Public Four-Year Category 1	25.0%	36.7%	29.0%	29.9%
Public Four-Year Category 2	22.5%	31.7%	27.3%	27.4%
Public Two-Year	13.0%	15.6%	17.2%	18.6%
Public Technical	N/A	N/A	N/A	N/A

## How Much Is Spent Per Student on Financial Aid?

In Alabama, need-based aid per student is \$14. This is lower than the SREB average and lower than the national average. Aid based on criteria other than need is \$7 per student. This is lower than the SREB average and lower than the national average.

	Alabama, 2004	Alabama, 2007	Alabama, 2013	SREB Average, 2013	U.S. Average, 2013
Need Only	\$5	\$10	\$4	\$338	\$474
Other	\$3	\$10	\$7	\$480	\$210

## For Families Making Less Than \$30,000, What Percentage of Income Is Required for Tuition at Lowest-Price Colleges?

Twenty-eight percent of families in Alabama make less than \$30,000 per year. For a student in these families, tuition at the lowest-priced public colleges would require 19 percent of income. This is higher than the SREB average and higher than the national average.

	2008	2013
Percentage of Families	29%	28%
Tuition	\$2,068	\$3,185
Income	\$17,133	\$16,749
Percentage of Income	12%	19%
SREB Average	11%	16%
National Average	14%	18%

## How Much Do Graduates Borrow?

Graduates from public four-year research universities in Alabama have borrowed, on average, \$25,340. This is higher than the SREB average and higher than the national average.

	Alabama, 2008	Alabama, 2013	SREB Average, 2013	U.S. Average, 2013
Public Four-Year Category 1	\$17,133	\$25,340	\$22,959	\$20,980
Public Four-Year Category 2	\$18,675	\$8,978	\$11,082	\$10,906
Public Two-Year	\$7,935	N/A	N/A	N/A
Public Technical	\$22,861	N/A	N/A	N/A

## A Closer Look at Family Ability to Pay

SREB's Commission on College Affordability defined *affordability* as the relationship of the price required to attend higher education — or the net price — relative to family income.

*Net price* = tuition and required fees plus room and board, minus grant aid students receive from the federal or state government or the institution.

### Net Price as a Percentage of Income, Public Four-Year Category 1 Institutions, 2013

Annual Income	Average in This Income Level	Percentage of Families in This Income Level	Net Price	Percentage of Income Needed
\$0 - \$30,000	\$16,749	28%	\$13,614	81%
\$30,000 - \$48,000	\$38,950	17%	\$15,474	40%
\$48,000 - \$75,000	\$60,746	22%	\$17,938	30%
\$75,000 - \$110,000	\$91,160	17%	\$19,611	22%
\$110,000 and above	\$179,046	16%	\$20,193	11%

At public four-year category 1 institutions in Alabama, families making less than \$30,000 would need 81 percent of their income to cover educational expenses for a student. For families making between \$30,000 and \$48,000 per year, 40 percent of income would be needed.

### Net Price as a Percentage of Income, Public Four-Year Category 2 Institutions, 2013

Annual Income	Average for This Income Level	Percentage of Families in This Income Level	Net Price	Percentage of Income Needed
\$0 - \$30,000	\$16,749	28	\$12,080	72
\$30,000 - \$48,000	\$38,950	17	\$13,379	34
\$48,000 - \$75,000	\$60,746	22	\$15,580	26
\$75,000 - \$110,000	\$91,160	17	\$15,684	17
\$110,000 and above	\$179,046	16	\$16,459	9

At public four-year category 2 institutions in Alabama 72 percent of income would be needed to cover educational expenses for a student in a family making less than \$30,000. For families making between \$30,000 and \$48,000, 34 percent of income would be needed.

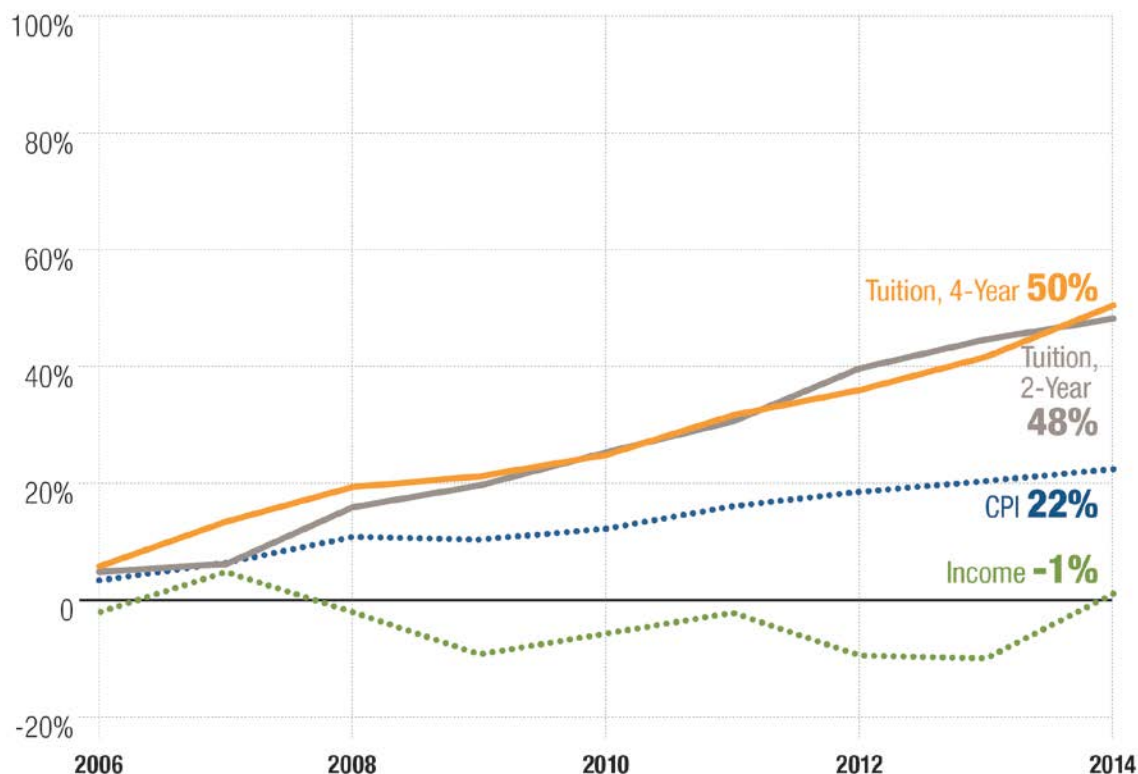
### Net Price as a Percentage of Income, Public Two-Year institutions, 2013

Annual Income	Average in This Income Level	Percentage of Families in This Income Level	Net Price	Percentage Income Needed
\$0 - \$30,000	\$16,749	28	\$5,529	33
\$30,000 - \$48,000	\$38,950	17	\$6,259	16
\$48,000 - \$75,000	\$60,746	22	\$7,867	13
\$75,000 - \$110,000	\$91,160	17	\$9,555	10
\$110,000 and above	\$179,046	16	\$10,259	6

At public two-year institutions in Alabama, 33 percent of income would be needed to cover educational expenses for a student in a family making less than \$30,000. For families making between \$30,000 and \$48,000, 16 percent of income would be needed.

### Alabama: Changes in Tuition and Family Income, 2005-2014

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



Notes and sources: Consumer Price Index: Bureau of Labor Statistics, South urban area. Tuition and fees: National Center for Education Statistics *Digest of Education Statistics*; Median family income: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, South region, Table F-6.

## Other Contextual Information

- By 2020, the Georgetown Center for the Workforce predicts that 62 percent of jobs in Alabama will require a postsecondary education or above, higher than the average for the South (59 percent) and very similar to the U.S. average (65 percent).
- Nineteen percent of students in Alabama are enrolled in public four-year category 1 institutions, 38 percent are enrolled in category 2 four-year institutions and 42 percent are enrolled in community colleges.
- In 2014, 28 percent of children in Alabama were living in poverty. This is up slightly from 2004 when 21 percent were living in poverty.

## Alabama Institutions by Type

### Category 1 Public Four-Year Institutions

Auburn University  
University of Alabama  
University of Alabama at Birmingham  
University of Alabama in Huntsville

### Category 2 Public Four-Year Institutions

Alabama Agricultural and Mechanical University  
Jacksonville State University  
Troy University  
University of South Alabama  
Alabama State University  
Auburn University at Montgomery  
University of North Alabama  
University of Montevallo  
University of West Alabama  
Athens State University

### Two-Year Colleges

Alabama Southern Community College  
Bevill State Community College  
Bishop State Community College  
Central Alabama Community College  
Chattahoochee Valley State Community College  
Enterprise State Community College  
Gadsden State Community College  
George C. Wallace State Community College - Selma  
George C. Wallace State Community College - Dothan  
James H. Faulkner State Community College  
Jefferson Davis Community College  
Jefferson State Community College  
John C. Calhoun State Community College  
Lawson State Community College  
Lurleen B. Wallace Community College  
Northeast Alabama State Community College  
Northwest-Shoals Community College  
Shelton State Community College  
Snead State Community College  
Southern Union State Community College  
Wallace Community College Hanceville

*Category 1 four-year institutions award at least 30 doctoral degrees in five different areas.  
Category 2 includes all other four-year institutions.*