SREB

Alabama

Featured Facts

from the SREB Fact Book on Higher Education

2015

Southern Regional Education Board

592 10th St. N.W. Atlanta, GA 30318 (404) 875-9211 www.sreb.org





The College Completion Challenge

Increasing Education Attainment to Improve Economic Development

Education attainment levels are rising, but not fast enough to reach goals

Policymakers and education leaders know their states have made progress on college completion, but they have a long way to go to meet their goals. The challenge is that the rate of growth may well be too slow to meet established goals. Yet, they know that the economic development of their states is at stake if they are not successful. Today's fastest growing jobs require postsecondary education.

In 2002, SREB states launched their Challenge to Lead goals for education and set general goals on college completion; in 2012, they followed with a specific goal to have 60 percent of working-age adults (ages 25 to 64) attain a postsecondary credential. Nine SREB states subsequently set their own education attainment goals to underscore the importance of college completion. Five set goals for at least 55 percent of their working-age population to have college degrees (associate or bachelor's), some designating a target year of 2020 and some 2025.

In 2010, working-age adults in SREB states had attainment rates of 35 percent for associate degrees or higher, 3 percentage points below the nation. The rate for working-age adults holding a bachelor's degree or higher at that time was 27 percent, 3 percentage points below the national average.

In 2013, 36 percent of working-age adults held an associate degree or higher, up 1 percentage point from 2010; 28 percent of these adults held a bachelor's degree or higher, up 1 percentage point. Despite the rise in education attainment levels, many states are still far from achieving their goals.

Changing demographics challenge states' progress

The population of students in colleges and universities continues to grow more diverse. Between 2003 and 2013, black and Hispanic student enrollments in public schools grew faster than white student enrollments; however, public high school graduation rates of black and Hispanic students continue to trail those of white students. The high school graduation rates of black and Hispanic students were at 77 percent in 2012-13, 8 percentage points below that of white students. To reach their education attainment goals, states will need to close the gaps in high school graduation rates.

Recent college enrollment dips nationwide, while high school graduation rate rises

A threat to reaching college completion goals is the recent drop in college enrollment. Nationwide, public and private institutions combined have experienced three years of decline in enrollment from 2010 — and colleges and universities in SREB states have seen this decline over the last two years. The decline comes as two related factors affecting college enrollment — high school graduation rates and college-going rates — trended in opposite directions. In 2013, the high school graduation rates nationwide hit an all-time high of 81 percent — higher even in SREB states by one percentage point — providing colleges and universities a higher yield of high school students to enroll. But, the college-going rate of recent high school graduates nationwide declined by 1.1 percent over roughly the same time period, with the SREB region dropping by 0.2 percent.

If high school graduates had enrolled in college at the same percentage as in the past, the higher graduation rates would have resulted in higher enrollments in freshman classes — assuming the high school cohort sizes had been steady. In fact, the outlook for college enrollment should have been very strong, as public school enrollments had grown approximately 10 percent over the last decade and were projected to continue to grow into the next decade. This means the number of graduates was higher, but the percentage of them choosing to go to college did not match prior years. The challenge ahead is to ensure that all high school graduates are college ready and motivated to pursue a postsecondary credential.

College course-taking by high school students rose between the 2009-10 and 2013-14 academic years. Credit-hours taken by these students accounted for 0.2 to 2.5 percent of undergraduate credit-hours at public four-year colleges and ranged among SREB states from 1.6 to 16.4 percent of credit-hours at two-year colleges.



Message from the SREB president

A state's prosperity depends on the education level of its people. This is at the heart of SREB's mission and the reason we bring you the *Fact Book on Higher Education*. In 1956, when SREB first published the *Fact Book on Higher Education*, 6 percent of the region's adults held bachelor's degrees. Today, that rate has climbed to over **28** percent — **36** percent when we include those who hold associate degrees.

But the times have changed, too. The demands of today's economy set the bar even higher, as so many more of today's jobs — and tomorrow's — require postsecondary credentials. SREB's Challenge to Lead goals for education call for **60** percent of the working-age population to have at least a postsecondary certificate or associate degree by 2020.

The SREB *Fact Book* is an important tool to help us get there. It affords us the opportunity to look at both long-term national trends as well as specifics by types of institutions in each state. Leaders can study data that influence key transitions along the education continuum so they can develop effective policies to encourage college-ready high school graduates to pursue postsecondary education.

A look down the education pipeline shows areas of improvement. Public high school graduation rates, college progression rates, and numbers of degrees and certificates awarded — all show increases in this edition.

We also see trends that need our attention. College affordability is a growing threat to higher attainment, and the *Fact Book* documents that low-income students have lost ground in paying for college. Tuition and fees have risen faster than incomes. Pell Grants have lost buying power over the last 30 years. And debt has risen as more students take out loans to finance their education.

This 2015 Fact Book continues SREB's long commitment — for almost 60 years — of providing member states information to help them monitor their improvements in education. It includes data on all 50 states for a nationwide context for regional trends. The data are updated regularly online, and we are making improvements to how we bring the *Fact Book* to you digitally.

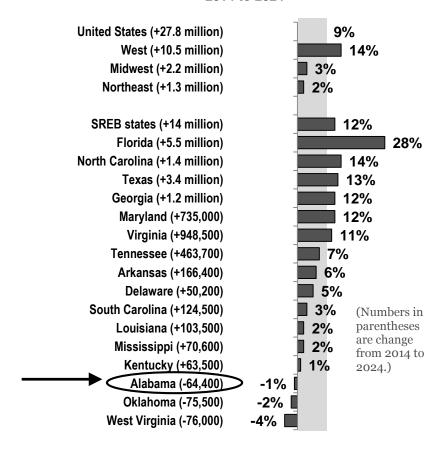
Armed with these facts, education leaders and state policymakers can evaluate progress toward education goals — and determine how best to influence a future where more-employable residents grow our states' economies.

Dave Spence President

David S Spence



Projected Population Change 2014 to 2024

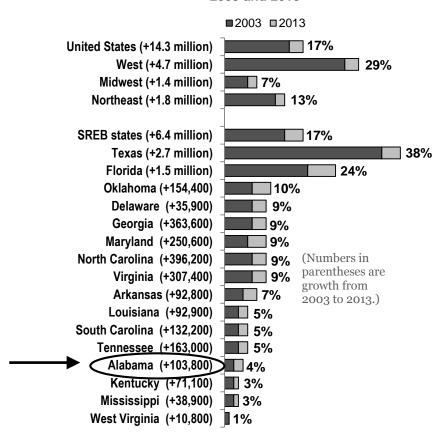


Source: Table 1, U.S. Census Bureau.

Over half (50.3 percent) of the nation's population growth from 2014 to 2024 is expected to be in the 16 SREB states — an increase of 14 million. Alabama is one of only three SREB states projected to decline from 2014 to 2024 — by 64,400 people, or 1 percent.



Hispanic Population Change 2003 and 2013



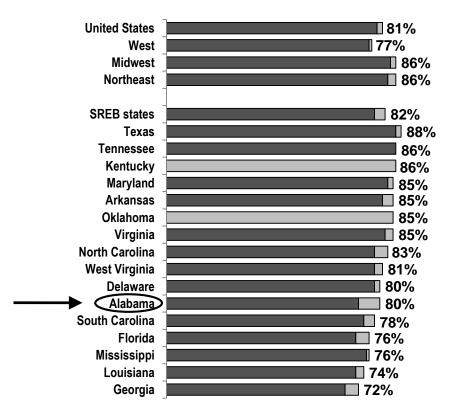
Source: Table 5, U.S. Census Bureau.

The increase in Hispanic residents is the region's major demographic trend. Hispanic population growth accounted for 46 percent of all growth in the SREB region from 2003 to 2013. The Hispanic population in Alabama grew by 103,800 — more than doubling the percentage of Hispanic residents in the state. This increase raised the proportion of Hispanic residents to 4 percent of the overall resident population of Alabama in 2013.



Public High School Graduation Rates 2010-11 and 2012-13

■ 2010-11 **■** 2012-13



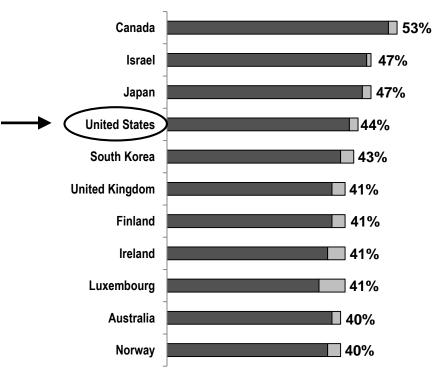
Source: Table 9, National Center for Education Statistics.

From 2011 to 2013, the SREB region's public high school graduation rate increased by 4 percentage points to 82 percent. In Alabama, the public high school graduation rate rose from 72 percent in 2010-11 to 80 percent in 2012-13.



Percentage of Working-Age* Population With an Associate Degree or Higher 2010 and 2013





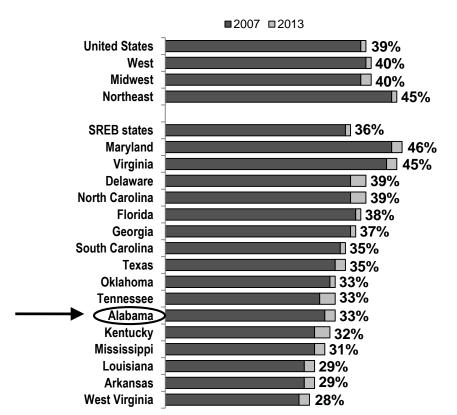
*Ages 25 to 64.

Source: Organisation for Economic Co-operation and Development.

Working-age adults have become a new focus among national leaders when comparing education levels. Using an equivalency yardstick common for international attainment comparisons (percentage with the equivalent of an associate degree or higher), the United States has slipped to fourth place internationally, behind Canada, Israel and Japan.



Working-Age* Adults With an Associate Degree or Higher 2007 and 2013



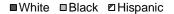
*Ages 25 to 64.

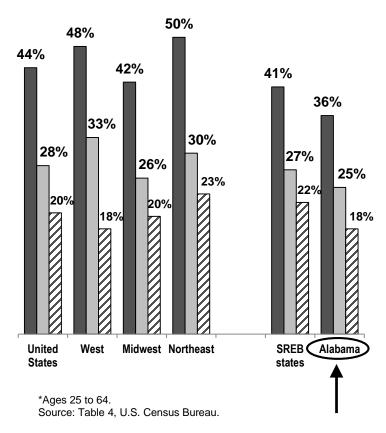
Source: Table 3, U.S. Census Bureau.

On U.S.-based measures of the 50 states, the percentage of adults with associate or higher degrees has risen since 2007 nationally and in all SREB states. In 2013, 33 percent of adults ages 25 to 64 in Alabama had at least an associate degree, up from 31 percent in 2007.



Working-Age* Adults With an Associate Degree or Higher 2013

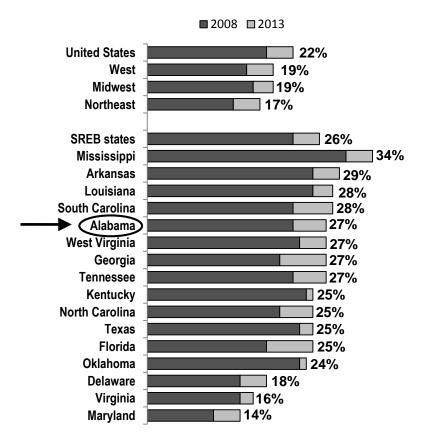




The percentages of working-age adults with at least an associate degree nationwide vary by race and ethnicity. In the SREB region, they are below national averages for white and black adults but above the average for Hispanic adults. In 2013, 18 percent of Hispanic working-age adults in Alabama had an associate degree or higher, compared with 25 percent of black adults and 36 percent of white adults.



Poverty Rates Among Children 2008 and 2013

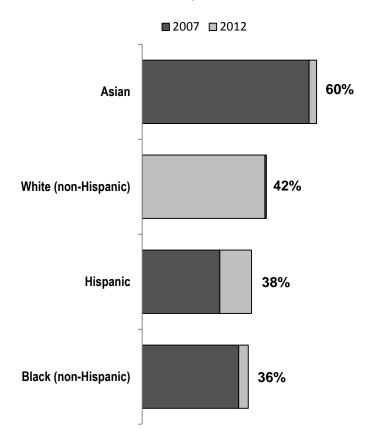


Source: Table 12, U.S. Census Bureau.

The number of children in poverty increased 5 percentage points nationally and in the SREB region since the 2008 economic downturn. By 2013 in Alabama, 27 percent of children were in poverty, up from 22 percent in 2008.



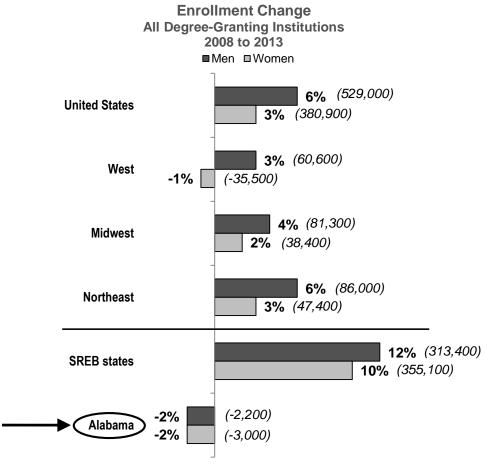
18- to 24-Year-Olds in College United States, 2007 and 2012



Source: U.S. Census Bureau.

A larger proportion of Hispanic young adults (38 percent) attended college than black young adults (36 percent). A smaller proportion of white young adults (42 percent) attended college in 2012 than in 2007 (43 percent).





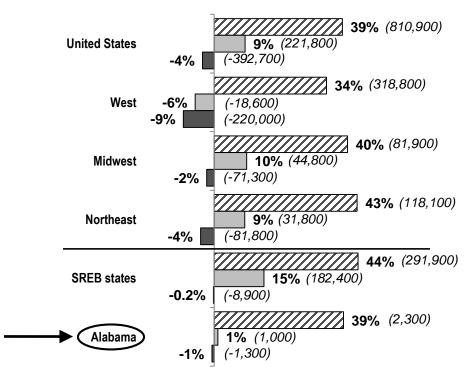
Note: Numbers in parentheses are change from 2008 to 2013. Source: Table 24, National Center for Education Statistics.

The enrollment of men in U.S. colleges and universities increased faster than the enrollment of women. In Alabama, however, the enrollment of both men and women dropped by 2 percent.



Hispanic, Black and White Enrollment Change 2008 to 2013

☐ Hispanic □ Black ■ White

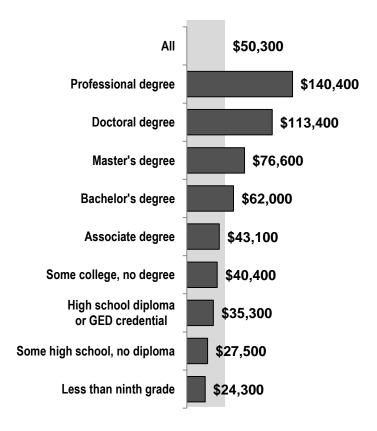


Note: Numbers in parentheses are change from 2008 to 2013. Source: Table 24, National Center for Education Statistics.

Among racial/ethnic groups, the number of black and Hispanic college students grew nationwide from fall 2008 to fall 2013. In Alabama, enrollment increased by 2,300 Hispanic students and 1,000 more black students, but decreased by 1,300 white students from 2008 to 2013.



Average Annual Earnings of Adults United States, 2013

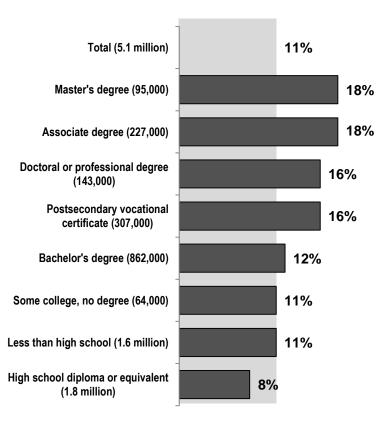


Source: U.S. Census Bureau.

Education pays. In 2013, adults ages 25 and older with associate degrees earned 22 percent more than those with only high school-level credentials. Those with bachelor's degrees earned 76 percent more than high school graduates. And those with professional degrees in fields such as law and medicine earned 126 percent more than those with bachelor's degrees.



Projected Increase in Job Openings by Education or Training United States, 2012 to 2022



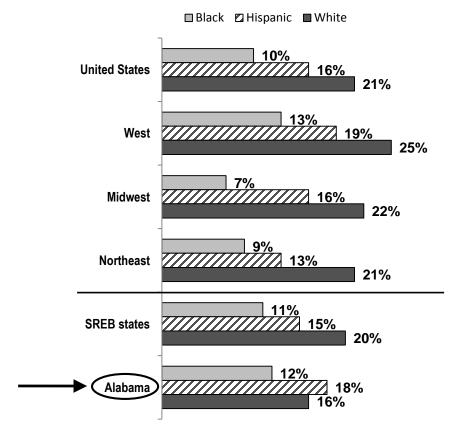
Note: Numbers in parentheses represent job openings, including employment increases and replacement needs.

Source: U.S. Census Bureau.

In the U.S., the fastest-growing, highest-paying jobs require education beyond high school. For all job categories requiring education beyond high school, jobs are projected to increase more than the overall 11 percent gain in total job openings. Still, most job openings will require high school-level credentials or less.



Three-Year Graduation Rates Public Two-Year Colleges, 2010 Cohort

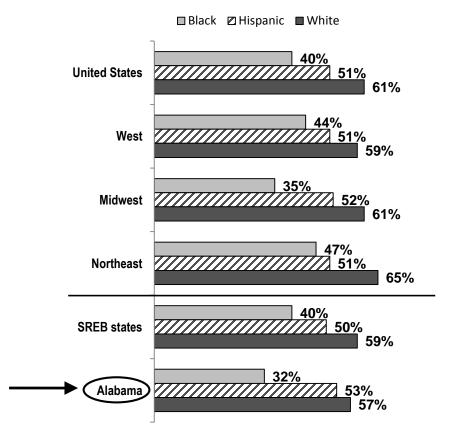


Source: Table 46, National Center for Education Statistics.

At public two-year colleges, the highest three-year graduation rate for the 2010 cohort was in the West. Gaps in the rates for racial and ethnic groups remain in all regions. Graduation rates in Alabama's public two-year colleges were above SREB averages for black and Hispanic students. The graduation rate for white students in Alabama was 4 percentage points below the SREB average.



Six-Year Graduation Rates Public Four-Year Colleges, 2007 Cohort



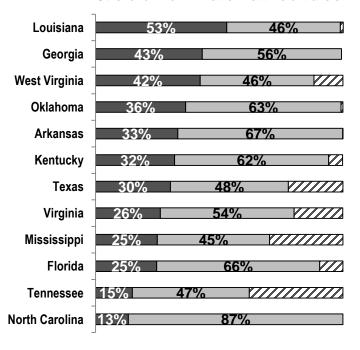
Source: Table 46, National Center for Education Statistics.

At public four-year colleges, the SREB region's six-year graduation rates for Hispanic and white students in the 2007 cohort were below those of their national counterparts. Graduation rates for black and white students in Alabama's four-year colleges were below SREB averages for their counterparts.



Transfer Status of Associate Graduates Public Two-Year Colleges Participating SREB States, 2012-13

- Transfer student at graduating college
- First time in college at graduating college
- Other or unknown whether first-time or transfer



Source: Table 52, SREB-State Data Exchange.

A significant percentage of associate degree graduates in 2012-13 were transfer students to the colleges awarding their degrees. Among the 12 states participating in an SREB data collection on the entering status of graduates, the percentage of transfers ranged from 53 percent in Louisiana to 13 percent in North Carolina.

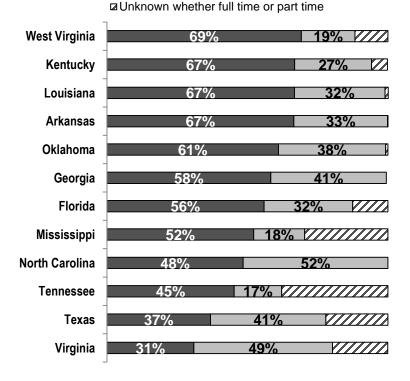


Full-Time Status of Associate Graduates Public Two-Year Colleges

Participating SREB States, 2012-13

■ Full time

■Part time

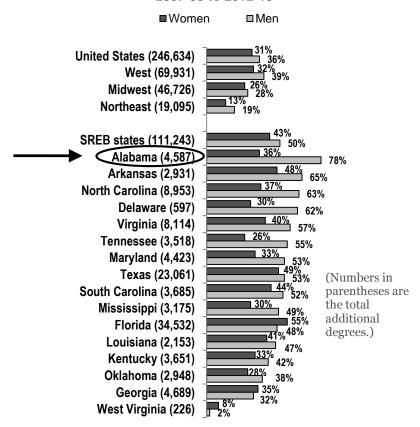


Source: Table 52, SREB-State Data Exchange.

In many states, the majority of associate degree graduates in 2012-13 entered the colleges from which they graduated as full-time students. Among the 12 states participating in an SREB data collection on the entering status of graduates, the percentage who attended full time ranged from 69 percent in West Virginia to 31 percent in Virginia.



Increase in Associate Degrees Earned by Men and Women 2007-08 to 2012-13

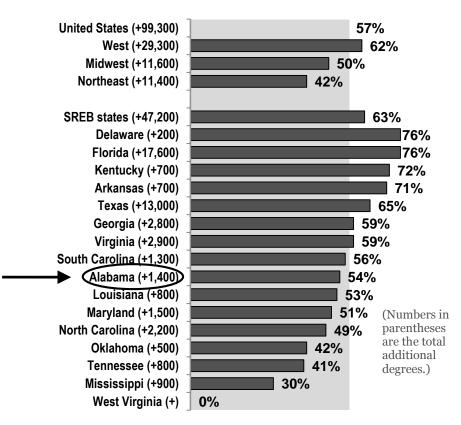


Source: Table 50, National Center for Education Statistics.

In all but three SREB states, associate degrees awarded to men rose faster than those to women from 2007-08 to 2012-13 – reversing recent trends. In Alabama, the men's increase (78 percent) was more than double the women's increase (36 percent). Men remained 40 percent of the associate graduates in 2012-13.



Increase in Associate Degrees Earned by Black and Hispanic Students 2007-08 to 2012-13



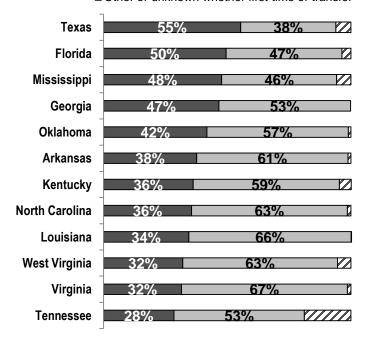
Source: Table 50, National Center for Education Statistics.

The number of associate degrees earned by black and Hispanic graduates increased by 57 percent nationally and by 63 percent in the SREB region from 2007-08 to 2012-13. In Alabama, the number rose by 1,400, for a 54 percent increase during the period. Furthermore, in Alabama in 2012-13, black and Hispanic students added up to 30 percent of the graduates in the state.



Transfer Status of Bachelor's Graduates Public Four-Year Colleges and Universities Participating SREB States, 2012-13

- Transfer student at graduating college
- First time in college at graduating college
- Other or unknown whether first-time or transfer



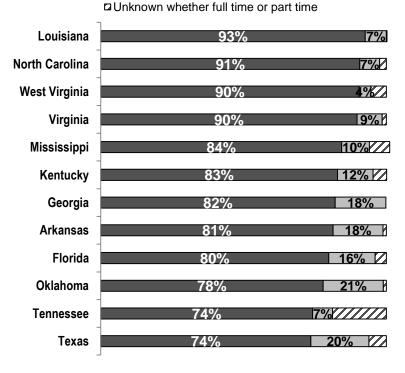
Source: Table 53, SREB-State Data Exchange.

A significant percentage of bachelor's degree graduates in 2012-13 were transfer students to the colleges awarding their degrees. Among the 12 states participating in an SREB data collection on the entering status of graduates, the percentage of transfers ranged from 55 percent in Texas to 28 percent in Tennessee.



Full-Time Status of Bachelor's Graduates Public Four-Year Colleges and Universities Participating SREB States, 2012-13

■Full time
■Part time

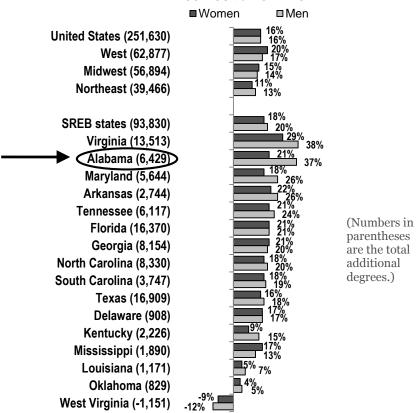


Source: Table 53, SREB-State Data Exchange.

A very high percentage of bachelor's degree graduates in 2012-13 entered the colleges from which they graduated as full-time students. Among the 12 states participating in an SREB data collection on the entering status of graduates, the percentage who attended full time ranged from 93 percent in Louisiana to 74 percent in Tennessee and Texas.



Change in Bachelor's Degrees Earned by Men and Women 2007-08 to 2012-13

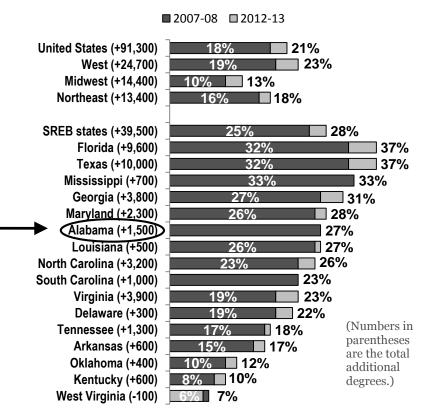


Source: Table 51, National Center for Education Statistics.

In all but two SREB states, bachelor's degrees awarded to men rose faster than those to women from 2007-08 to 2012-13 – reversing recent trends. In Alabama, the men's increase was 37 percent and the women's increase was 21 percent. Men were 41 percent of graduates in 2007-08 and reached 44 percent in 2012-13.



Bachelor's Degrees Earned by Black and Hispanic Students 2007-08 to 2012-13

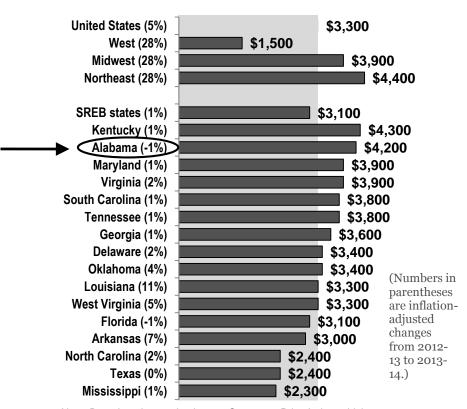


Source: Table 54, National Center for Education Statistics.

The number of bachelor's degrees earned by black and Hispanic graduates increased from 18 percent of the total nationally in 2007-08 to 21 percent in 2012-13. In Alabama, the number of bachelor's degrees earned by black and Hispanic graduates rose by 1,500 students and remained 27 percent of the total.



Tuition and Required Fees Public Two-Year Colleges In-State Undergraduates, 2013-14



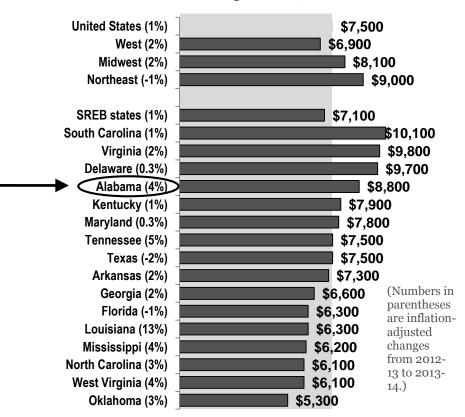
Note: Based on the academic-year Consumer Price Index, which rose 3.6 percent over the period.

Source: Table 63, SREB-State Data Exchange and National Center for Education Statistics.

Median annual tuition and required fees (often called sticker price) at public two-year colleges reached \$3,100 in SREB states in 2013-14. This was 1 percent more than in 2012-13 after adjusting for inflation. In Alabama, tuition and fees at public two-year colleges were \$4,200-1 percent lower than in 2012-13 after adjusting for inflation.



Tuition and Required Fees Public Four-Year Colleges and Universities In-State Undergraduates, 2013-14



Note: Based on the academic-year Consumer Price Index, which rose 3.6 percent over the period.

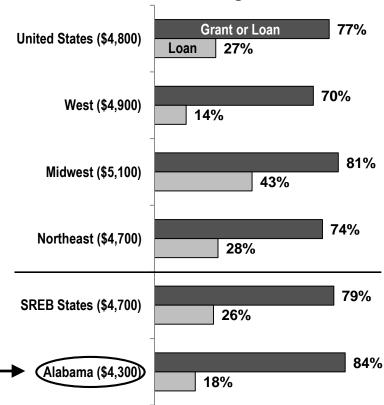
Source: Table 63, SREB-State Data Exchange and National Center for Education Statistics.

The median annual cost for tuition and required fees (often called sticker price) was \$7,100 for public four-year colleges in the SREB region in 2013-14. This was 1 percent more than in 2012-13 after adjusting for inflation. In Alabama, tuition and fees at public four-year colleges were \$8,800 — an increase of 4 percent from 2012-13.



Percentage of Freshmen With Grants or Loans





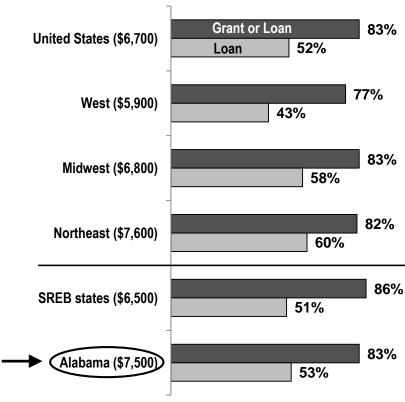
Note: Numbers in parentheses are average loan amounts. Source: Table 71, National Center for Education Statistics.

Nationally, 77 percent of first-time, full-time freshmen seeking degrees or certificates at public two-year colleges received a financial aid grant, took out a student loan, or both, in 2012-13. Twenty-seven percent took out loans. In Alabama, 84 percent had a grant, loan or both, and 18 percent had loans, which averaged \$4,300 that year.



Percentage of Freshmen With Grants or Loans

Public Four-Year Colleges and Universities 2012-13



Note: Numbers in parentheses are average loan amounts. Source: Table 70, National Center for Education Statistics.

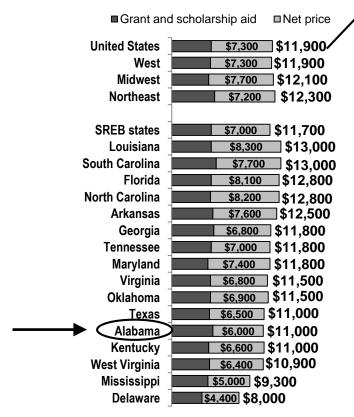
Nationally, 83 percent of first-time, full-time freshmen seeking undergraduate degrees at public four-year colleges or universities received a financial aid grant, took out a student loan, or both, in 2012-13. Fifty-two percent took out loans. In Alabama, the percentages were 83 and 53, respectively. The average loan amount for Alabama freshmen taking out loans that year was \$7,500.



Cost of Attendance and Net Price After Grant Aid Public Two-Year Colleges, 2012-13

Cost of

attendance*



*Cost of attendance consists of tuition/fees, books/supplies, room/board and other expenses. Figures are for full-time, degree-/certificate-seeking undergraduates who paid in-state or in-district tuition and received government or institutional scholarships or grants.

Source: Table 72. National Center for Education Statistics.

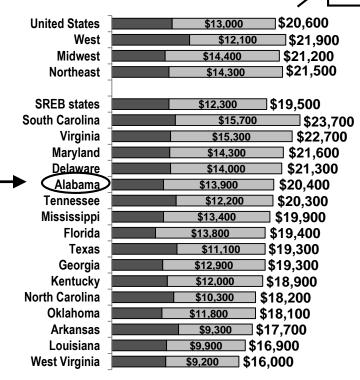
The net price of college (cost of attendance minus grant and scholarship aid) for full-time, in-state undergraduates at public two-year colleges in the SREB region in 2012-13 was \$7,000, the lowest of any U.S. region. In Alabama, the net price at public two-year colleges was \$6,000.



Cost of Attendance and Net Price After Grant Aid Public Four-Year Colleges and Universities 2012-13

■Grant and scholarship aid ■Net price

Cost of attendance*



*Cost of attendance consists of tuition/fees, books/supplies, room/board and other expenses. Figures are for full-time, degree-/certificate-seeking undergraduates who paid in-state or in-district tuition and received government or institutional scholarships or grants.

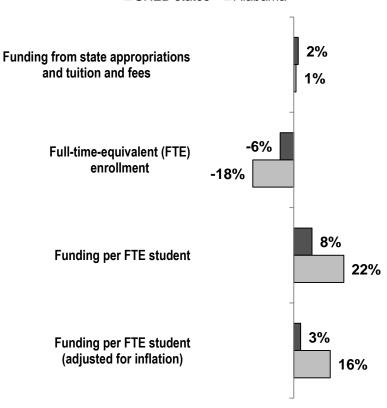
Source: Table 72, National Center for Education Statistics.

The net price of college (cost of attendance minus grant and scholarship aid) for full-time, in-state undergraduates at public four-year colleges and universities in the SREB region in 2012-13 was \$12,300. In Alabama, the net price at public four-year colleges was \$13,900.



Enrollment and Funding Changes Public Two-Year Colleges, 2010-11 to 2013-14





Note: Based on the Higher Education Price Index (HEPI), which increased by

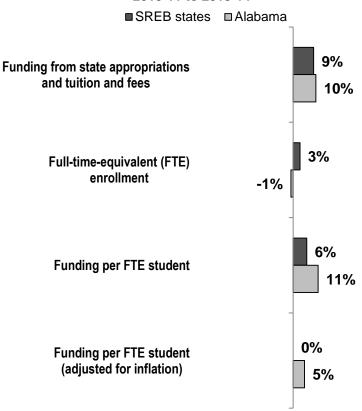
6.3 percent from 2010-11 to 2013-14.

Source: Table 90, SREB-State Data Exchange.

In Alabama in 2013-14, funding from state appropriations and tuition and fees per FTE student for public two-year colleges was \$8,300 - 16 percent (\$1,100) more than in 2010-11 after adjusting for inflation. The regional average funding per FTE student was \$7,400 - 3 percent (\$200) more than in 2010-11 after adjusting for inflation.



Enrollment and Funding Changes Public Four-Year Colleges and Universities 2010-11 to 2013-14



Note: Based on the Higher Education Price Index (HEPI), which increased by

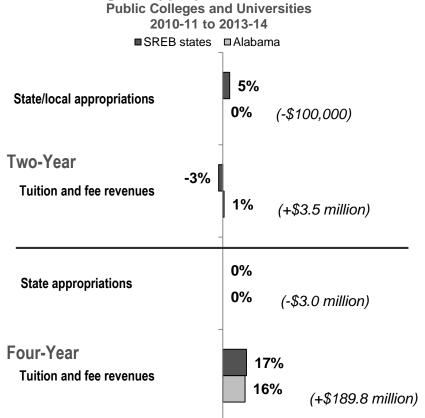
6.3 percent from 2010-11 to 2013-14.

Source: Table 89, SREB-State Data Exchange.

In Alabama in 2013-14, funding from state appropriations and tuition and fees per FTE student for public four-year colleges and universities was \$16,200 - 5 percent (\$800) more than in 2010-11 after adjusting for inflation. The regional average funding per FTE student was \$14,800 — equal to the 2010-11 average after adjusting for inflation.



Change in Appropriations and Tuition



Note: Amounts in parentheses are change from 2010-11 to 2013-14. Sources: Tables 89-90, SREB-State Data Exchange.

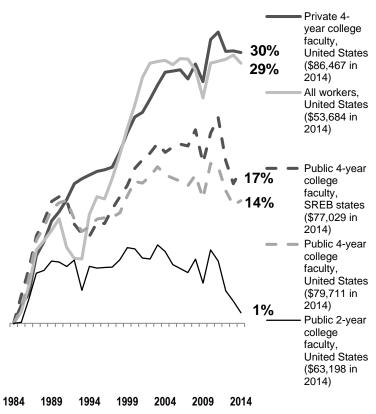
At Alabama's public two-year colleges, state/local appropriations fell \$100,000 from 2010-11 to 2013-14, while tuition and fee revenue increased \$3.5 million — for a net funding increase of \$3.4 million.

At Alabama's public four-year colleges, state appropriations fell \$3.0 million from 2010-11 to 2013-14, while tuition and fee revenue increased \$189.8 million — for a net funding increase of \$186.8 million.



Changes in Annual Pay

(adjusted for inflation)

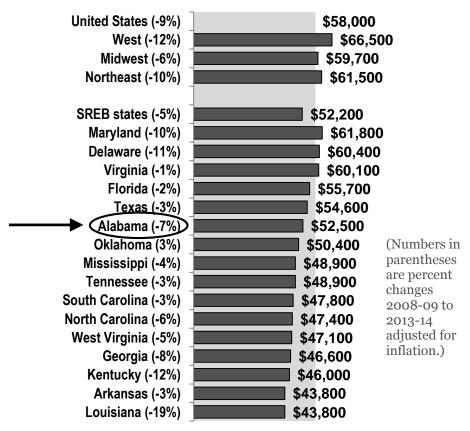


Sources: SREB-State Data Exchange, National Center for Education Statistics and U.S. Census Bureau.

College faculty have higher levels of education and higher pay than American workers overall, but public sector faculty salaries have not grown as fast when compared with growth of the average American wage. Faculty salaries at public four-year colleges in the SREB region were 17 percent higher in 2014 than in 1984 when adjusted for inflation. The average increase for all workers nationwide was 29 percent.



Faculty Salaries Public Two-Year Colleges, 2013-14



Note: Inflation adjustment based on the academic-year Consumer Price

Index, which rose 10.6 percent over the period.

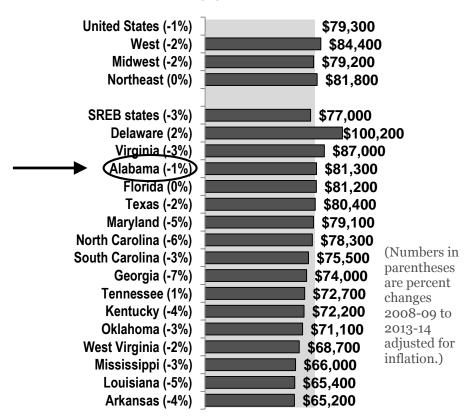
Source: Table 84, SREB-State Data Exchange and National Center for

Education Statistics.

From 2008-09 to 2013-14, the SREB region's average two-year faculty salary, when adjusted for inflation, decreased 5 percent to \$52,200 and remained lower than the national average of \$58,000. The average salary at public two-year colleges in Alabama declined 7 percent to \$52,500.



Faculty Salaries Public Four-Year Colleges and Universities 2013-14



Note: Inflation adjustment based on the academic-year Consumer Price Index, which rose 10.6 percent over the period. Source: Table 83, SREB-State Data Exchange and National Center for Education Statistics.

From 2008-09 to 2013-14, the SREB region's average fouryear faculty salary decreased 3 percent to \$77,000 when adjusted for inflation, and remained below the national average of \$79,300. The average salary at public four-year colleges in Alabama fell 1 percent to \$81,300.



The College Completion Challenge

Increasing Education Attainment to Improve Economic Development

Progression rates and completions increasing

At least two trends bode well for increasing education attainment: rising progression rates and increasing completions. Progression rates at both four-year and two-year institutions went up — indicating that more students graduated, transferred or continued in school for 150 percent of their normal program length. At four-year institutions, progression rates increased 4 percentage points between the 2000 and 2007 fall cohorts. At two-year colleges, they increased 3 percentage points between the 2003 and 2010 fall cohorts.

Similarly, the number of associate and bachelor's degrees awarded — counted as completions — increased in recent years. In SREB states, the number of bachelor's degrees awarded rose 19 percent between 2007-08 and 2012-13. The number of associate degrees awarded increased 45 percent over the same period. Both of these increases are striking because they are higher than increases in previous such periods.

College affordability continues to threaten education attainment

The rising cost of college continues to be a challenge to college completion. The average annual costs for an in-state undergraduate to attend a public four-year college rose to \$18,100 in 2013-14, a 126 percent increase over the last 30 years. Average costs for public two-year colleges also increased over the same time period, but more modestly — 57 percent to \$9,300.

Rising college costs make it particularly difficult for students from low- and middle-income families to attend college. In 2013-14, one year's cost to attend a public four-year colleges equaled 155 percent of annual income for families in the lowest quintile of income.

In SREB states, students received \$11 billion in Pell grants in 2013-14, 75 percent more than in 2008-09. The maximum Pell grant, which is available to the neediest of students, was \$5,635 in 2013-14. It covers about 31 percent of the annual cost of attending a public four-year college, leaving students and their families searching for additional aid or jobs to cover the remaining cost.

States support students, but allocations for higher education fall

As the cost of college rose and the value of Pell grants declined, SREB states picked up more of the cost to help students. They increased state scholarships and grants to a total of almost \$5 billion in 2012-13, accounting for 50 percent of the nationwide total.

Yet, the share of funding from state appropriations dropped below 50 percent for four-year institutions in 2009-10 and has not yet rebounded. To avoid even deeper cuts to their budgets, many colleges and universities raised tuition and fees. The result has been increasing student debt. Since 2008, the percent of college graduates leaving school with debt increased 5 percentage points, and the average amount owed rose to \$25,000. If states are to improve their progress on college completion goals, they need to address all aspects of college affordability, including state revenue, tuition and fees, student debt, and financial aid.

Trends in higher education attainment in SREB states are complex. Higher education attainment rates have grown slowly, demographic change among college-age students has been rapid, college enrollment has dropped and affordability hurdles have thwarted college completion. At the same time, high school graduation rates and college completions have increased.

At current rates of improvement, SREB states will not reach their postsecondary attainment goals by the target dates they have set. The gains they make from incremental change will improve their workforce and quality of life for their residents — but more is possible for many more of their residents, if states accelerate efforts to increase education attainment.

Copies of the *Fact Book* are available from the SREB publications office. All of the databases for the *SREB Fact Book* are continuously updated as new comparative data are available on the SREB website: www.sreb.org/data. The website also contains online editions of the state *Featured Facts* reports for each of the 16 SREB states. For more information about the *SREB Fact Book on Higher Education*, contact Susan Lounsbury, director of Education Data Services, at (404) 875-9211 or Susan.Lounsbury@SREB.org.