



Public Higher Education
Affordability in the South:
Regional Profile 2017

This regional profile was prepared by William Doyle, associate professor at Vanderbilt University, under the leadership of Cheryl Blanco, vice president for Postsecondary Education at SREB. Other college affordability resources available at SREB.org/Affordability include:

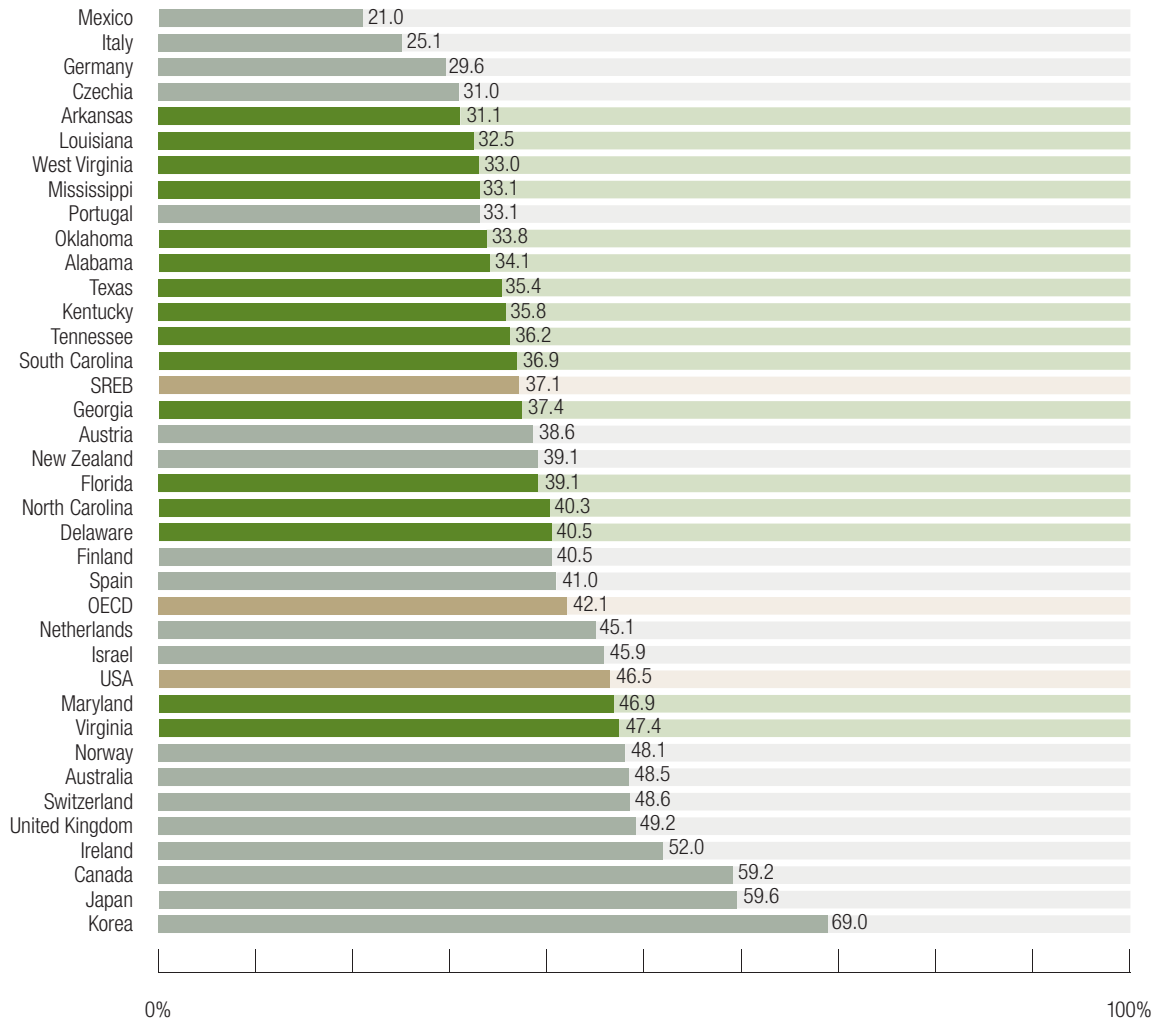
- An individual *College Affordability Profile* for each SREB state
- *Shared Responsibility for College Affordability*, the report of the SREB Commission on College Affordability in the South
- *Shared Responsibility for College Affordability*, Executive Summary of the Commission report
- *College Affordability: 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*

International Educational Attainment

The majority of Southern states performed below the national average and the average of Organisation for Economic Co-operation and Development countries in terms of the percent of young adults in 2015 who attained an associate degree or higher. On average, 37 percent of the young adult population in SREB states held an associate degree or higher compared to nearly 47 percent in the United States and 42 percent in OECD countries.

SREB States and Selected OECD Nations

Adults 25-34 with an associate degree or higher, 2015



Source: OECD, *Education at a Glance 2016* Table "Population with a Tertiary Education, 2015"; U.S. Census Bureau American Community Survey, 2017, Table "B15001: Sex by Age by Educational Attainment for the Population." 2015 1-Year Estimates.

More Jobs Require Some Postsecondary Education

As in the rest of the nation, SREB states will generate more jobs that require postsecondary education, and most states have set aggressive goals for higher levels of educational attainment. The Georgetown Center for Education and the Workforce, which estimates the demand for educated workers by examining trends in both the types of jobs being created and the educational requirements for these jobs, reports that the percentage of jobs requiring postsecondary education in SREB states in 2020 will increase.

Percentage of jobs that will require some postsecondary education and training by 2020

Alabama	62%	Mississippi	51%
Arkansas	59%	North Carolina	67%
Delaware	63%	Oklahoma	64%
Florida	65%	South Carolina	62%
Georgia	65%	Tennessee	58%
Kentucky	62%	Texas	62%
Louisiana	56%	Virginia	67%
Maryland	69%	West Virginia	55%

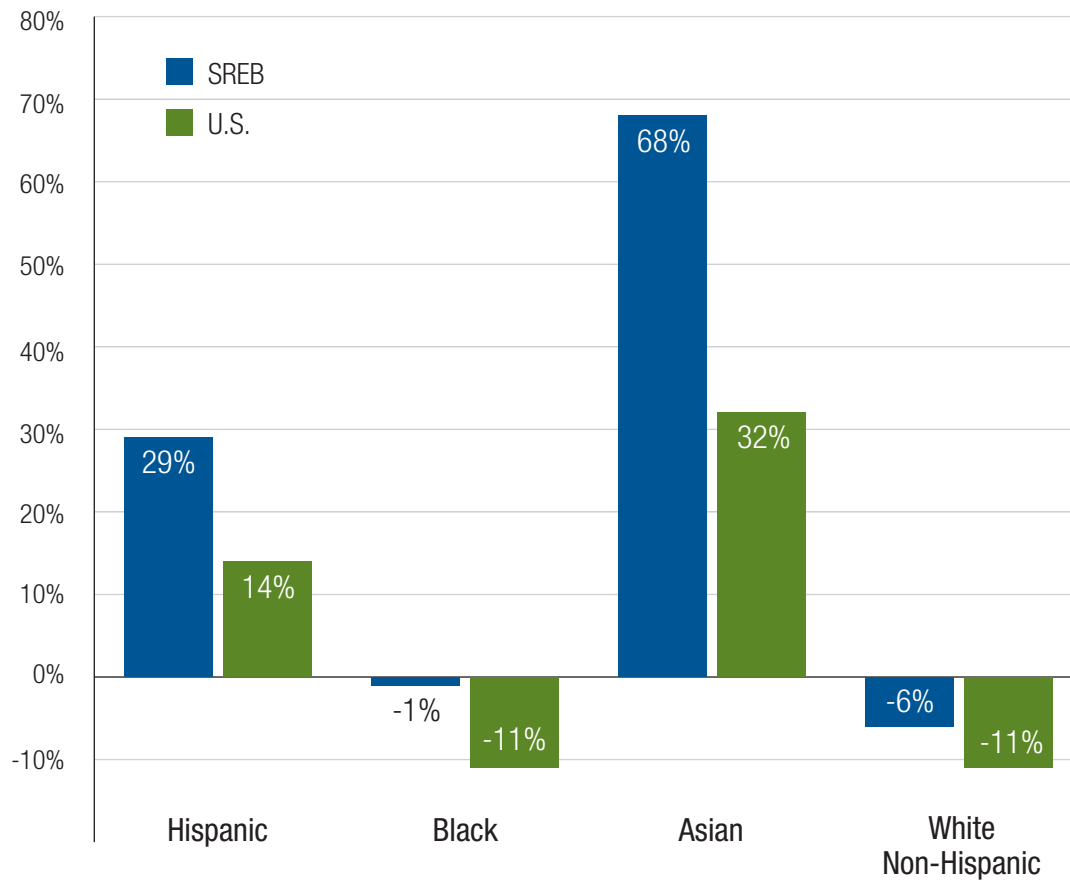
SREB Average	59%
US Average	65%

Source: Georgetown Center on Education and the Workforce, 2013. *Recovery: Projections of Jobs and Education Requirements Through 2020*. https://cew.georgetown.edu/wp-content/uploads/StateProjections_6.1.15_agc_v2.pdf

Growing Racial and Ethnic Diversity

In the Southern region, the largest percentage change in the number of high school graduates will come from Hispanic and Asian students. The largest numeric growth will come in Hispanic students, with nearly 70,000 more Hispanic high school graduates projected in 2031-32 than in 2015-16. Changes in the demographics of young people in SREB states will mean that institutions of higher education will need to achieve higher levels of performance in both enrollment and graduation for these populations if states hope to meet higher credential attainment goals.

Projected change in high school graduates by race and ethnicity, 2015 and 2031

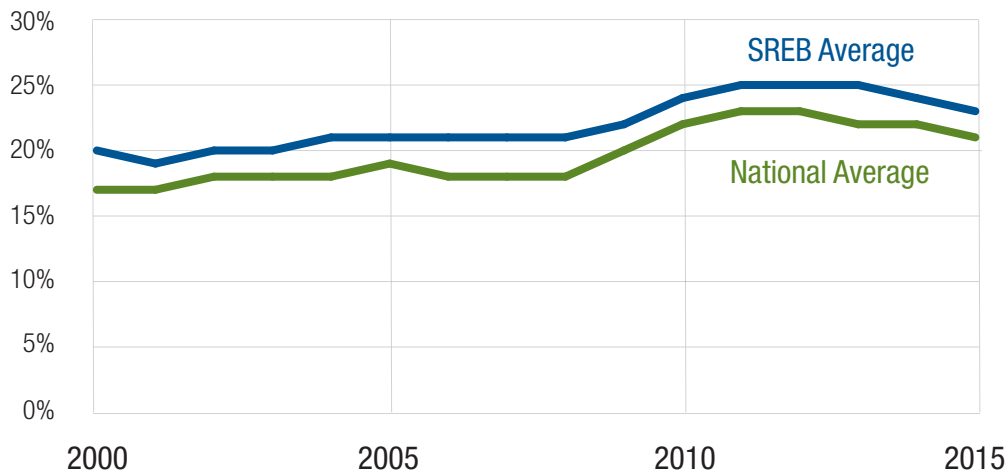


Source: Western Interstate Commission for Higher Education, 2016. *Knocking at the College Door: Projections of High School Graduates*.

Children in Poverty

The percentage of children in Southern states living in impoverished conditions is increasing faster than the proportion of impoverished children in the nation. The rate of childhood poverty in the South is above national levels. Between 2000 and 2011, the percentage of children living in poverty increased from 17 to 23 percent nationally and from 20 to 25 percent in the SREB region, followed in recent years by slight declines.

Change in percentage of children living in poverty,
2000-2015

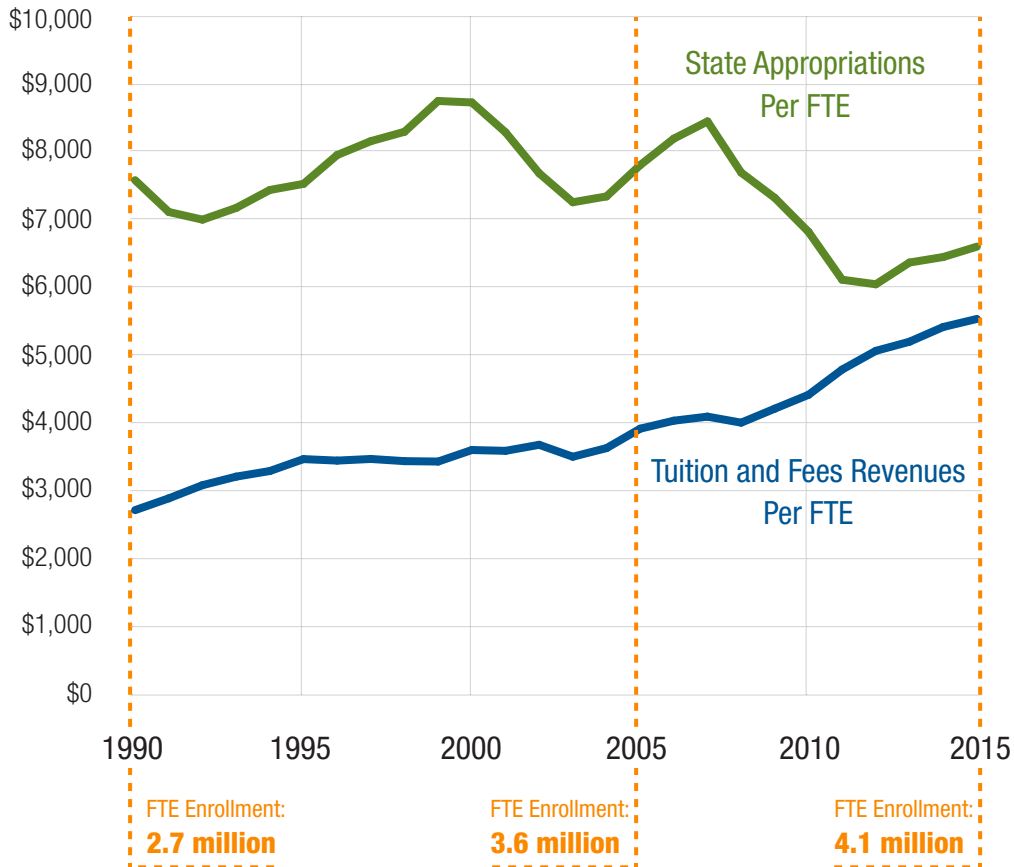


Source: Annie E. Casey Foundation, 2017. *Kids Count Data Book*.

Higher Education Funding Shifts

While college costs during and before the Great Recession increased, state appropriations for colleges decreased. On average, state appropriations in SREB states have fallen from \$7,585 per-full-time equivalent (FTE) student in 1990 to \$6,604 per-student in 2015 (in constant dollars). Over that same period, net tuition and fees per student have increased from \$2,715 to \$5,337. While total funding per student—including both state funding and tuition—remained about the same between 2000 and 2015, students and families paid a much larger share of the total funding per student. In 2000, the student and family share of overall funding per student was \$3,600, but by 2015 students and families paid about \$5,500, an increase of 54 percent. During the same period, the state share of overall funding decreased from \$8,700 to \$6,600, a 24 percent reduction.

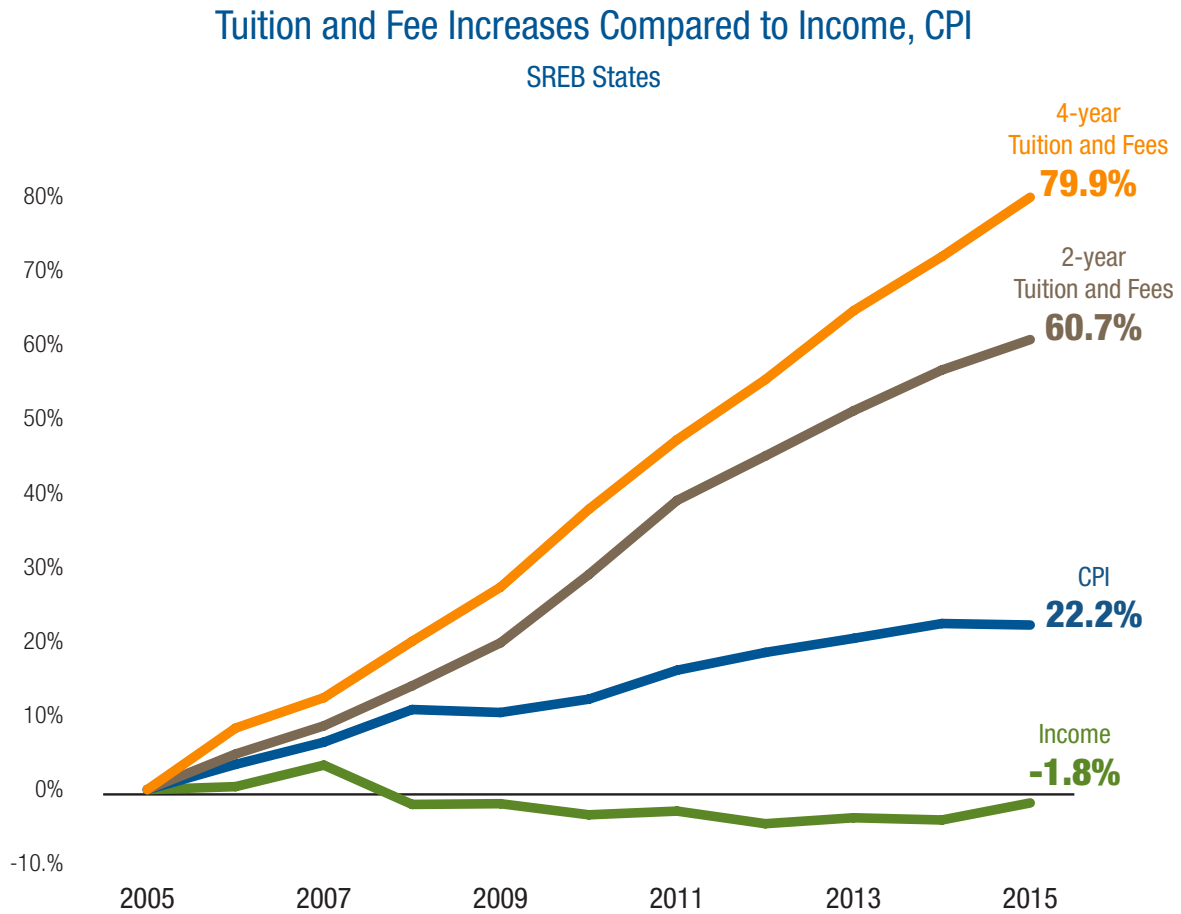
Dollars per FTE student from tuition, fees and state appropriations, 1990-2015



Source: State Higher Education Executive Officers Association (2017). *State Higher Education Finance FY 2016*.

Rising Tuition and Fees

Tuition and fees at public four-year and two-year institutions in the South have increased faster than income, inflation and almost all other consumer goods and services. Between 2005 and 2015, tuition and fees at public four-year institutions increased by 80 percent and at two-year institutions by 61 percent, while family income declined by 2 percent.



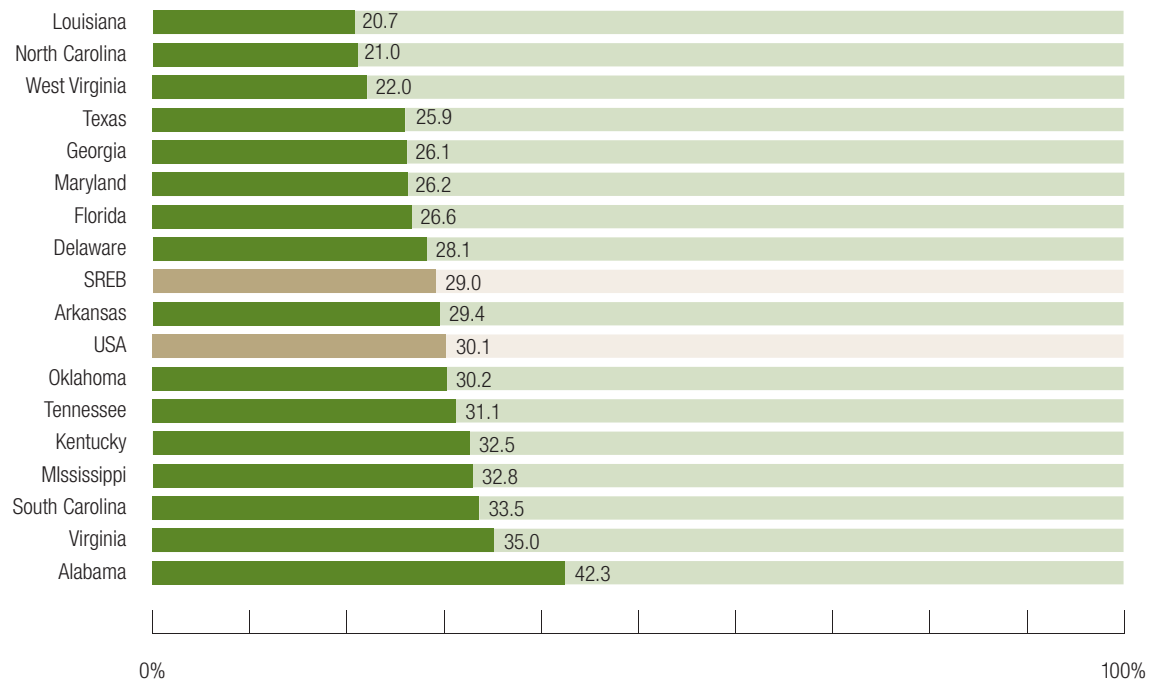
Source: Tuition and fees: U.S. Department of Education (2017). Median family income: U.S. Census Bureau, Current Population Survey, *Annual Social and Economic Supplement*. Consumer Price Index: U. S. Bureau of Labor Statistics, *Consumer Price Index for All Urban Consumers*.

Family Income and Net Price at Public Four-Year Category 1 Institutions

Public four-year category 1 institutions are primarily research universities. At these institutions, students and families needed to pay, on average, 29 percent of their income to cover educational expenses in 2014-15 even after taking into account all federal, state and institutional financial aid. This percentage varied widely across SREB states, from 42 percent in Alabama to 21 percent in Louisiana.

Percent of Family Income Needed to Cover Net Price

Category 1 Public 4-Year Colleges, 2014-15



Note: Net price is tuition, required fees, room and board, books, and other expenses minus federal, state, and institutional grants to students.

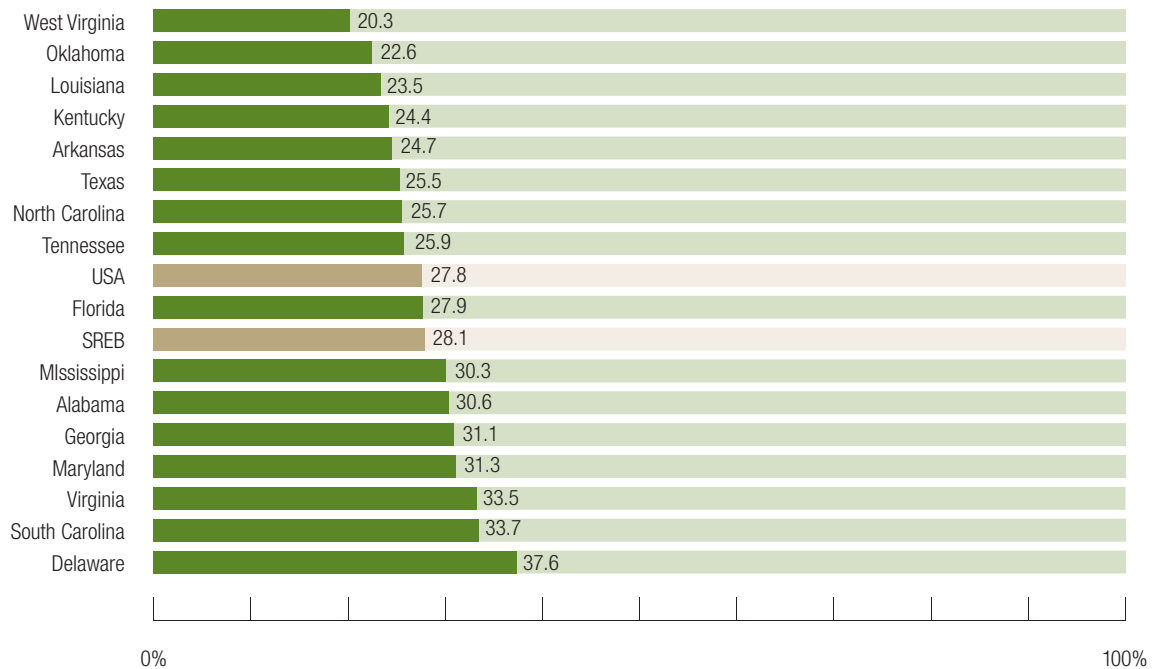
Source: U.S. Department of Education (2017). *Integrated Postsecondary Education Data System Student Financial Aid Survey*; U.S. Census Bureau (2017). *American Community Survey*.

Family Income and Net Price at Public Four-Year Category 2 Institutions

Public four-year category 2 institutions are primarily open-access or widely accessible four-year institutions. At these institutions, students and families in SREB states needed to pay, on average, about 28 percent of family income to cover educational expenses in 2014-15, even after taking into account federal, state and institutional financial aid. This percentage is similar to the national average. The share required from families varied from 38 percent of income in Delaware to 20 percent in West Virginia.

Percent of Income Needed to Cover Net Price

Category 2 Public 4-Year Colleges, 2015



Note: Net price is tuition, required fees, room and board, books and other expenses minus federal, state and institutional grants to students.

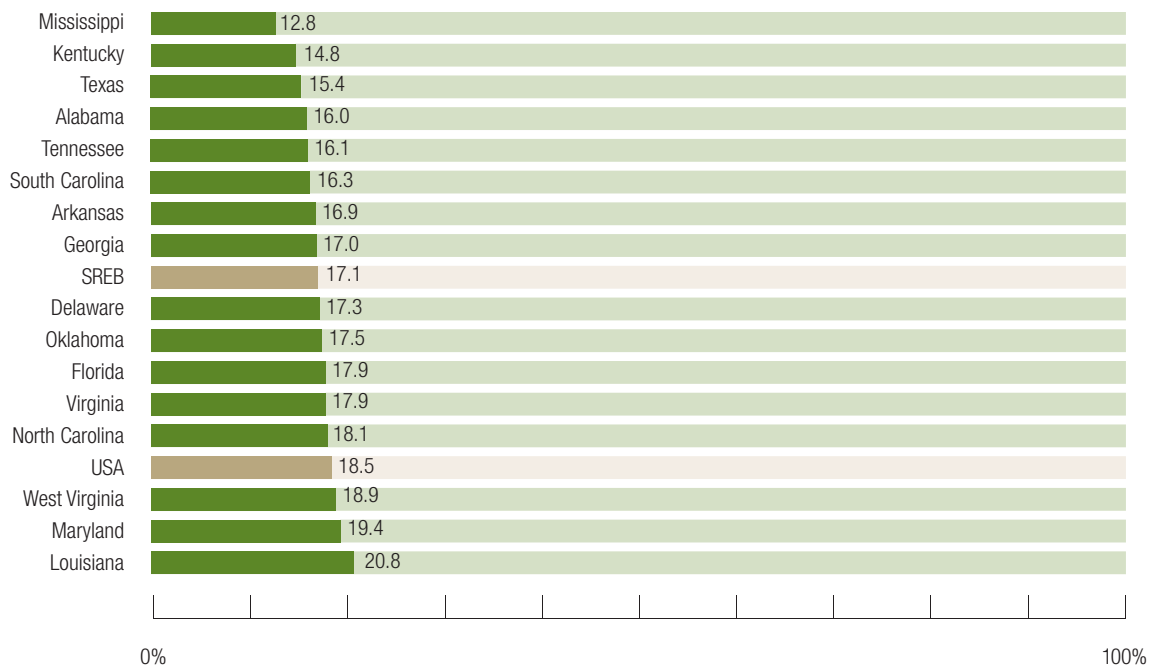
Source: U.S. Department of Education (2017). *Integrated Postsecondary Education Data System Student Financial Aid Survey*; U.S. Census Bureau. (2017). *American Community Survey*.

Family Income and Net Price vs at Public Two-Year Institutions

At public two-year colleges, the net price of attendance is generally lower than at four-year institutions. Net prices at public two-year colleges in SREB states are considerably lower than the national average. In 2014-15, students and families in SREB states would have paid, on average, 17 percent of their income to attend public two-year colleges, compared with nearly 19 percent for families nationally. In Louisiana, on average, 21 percent of income was required — making it the most expensive among SREB states for public two-year colleges. In contrast, Mississippi students and families paid close to 13 percent of their income, on average, to attend this type of institution.

Percent of Income Needed to Cover Net Price

Public 2-Year Colleges, 2014-15



Note: Net price is tuition, required fees, room and board, books and other expenses minus federal, state and institutional grants to students.

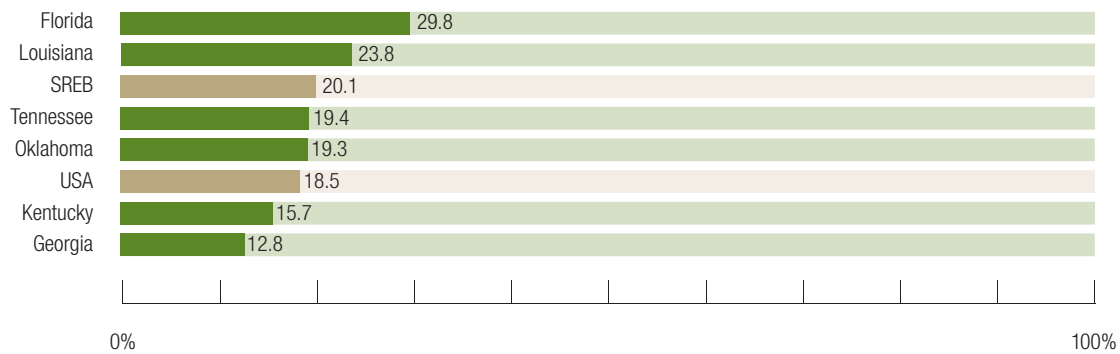
Source: U.S. Department of Education (2017). *Integrated Postsecondary Education Data System Student Financial Aid Survey*; U.S. Census Bureau. (2017). *American Community Survey*.

Family Income and Net Price at Public Technical Colleges

Among SREB states with technical colleges, on average about 20 percent of family income in 2014-15 was required to cover educational expenses, even after taking into account institutional, state and federal aid provided to students. In Georgia, the share of family income required to attend was close to 13 percent, on average, while in Florida, nearly 30 percent of family income was needed to attend.

Percent of Income Needed to Cover Net Price

Technical Colleges, 2014-15



Note: Net price is tuition, required fees, room and board, books and other expenses minus federal, state and institutional grants to students.

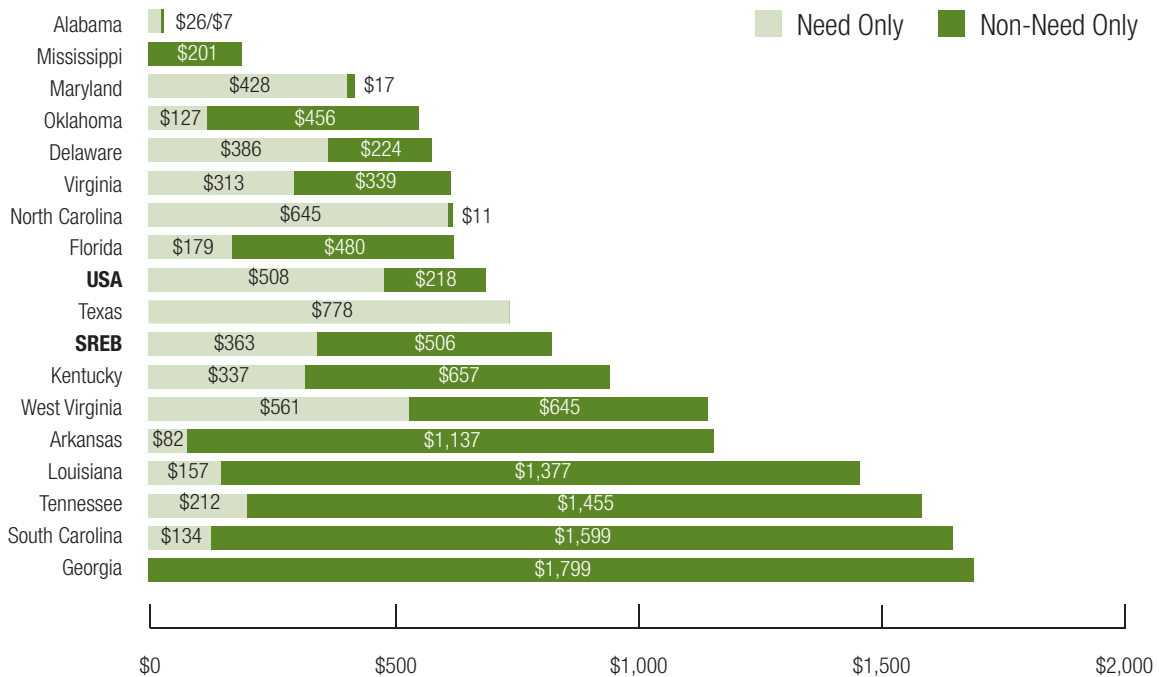
Source: U.S. Department of Education (2017). *Integrated Postsecondary Education Data System Student Financial Aid Survey*; U.S. Census Bureau. (2017). *American Community Survey*.

State Financial Aid in the SREB Region

In the SREB region, state financial aid awards per student in 2014-15 were higher than the national average, but most of this aid was awarded on a basis other than need. Georgia and South Carolina each spent more than \$1,700 per FTE student on all types of state financial aid. Among all SREB states, North Carolina and Texas spent the most on need-based financial aid per student.

State Financial Aid Awards Per Undergraduate FTE

Public Institutions 2014-15

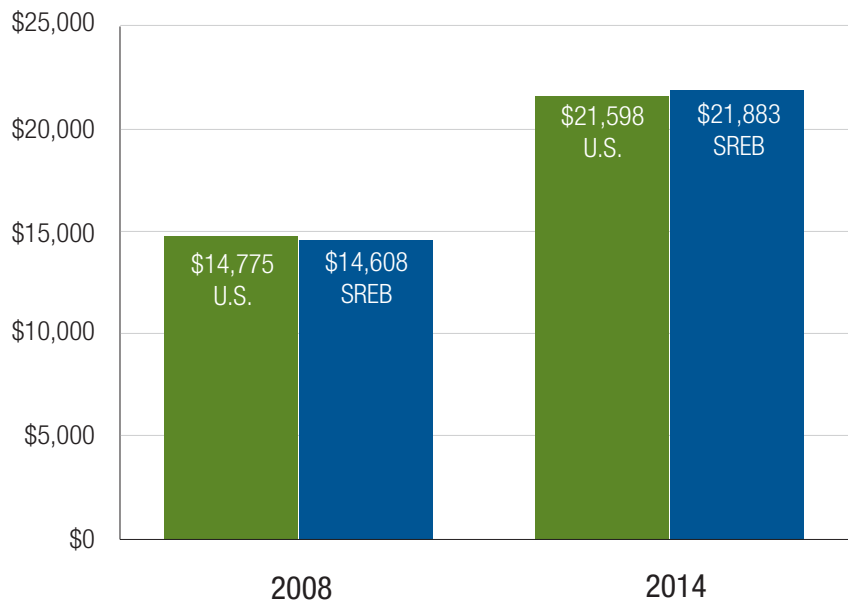


Source: National Association of State Student Grant and Aid Programs (2016). Enrollment data: U.S. Department of Education, Integrated Postsecondary Education Data System, instructional activity data files 2008-2014.

Growth in Undergraduate Student Debt

In 2014, graduates with bachelor's degrees from public four-year category 1 institutions in SREB states typically borrowed \$21,883, which is somewhat higher than the national average of \$21,598. Research shows that as prices go up, many students who wish to stay enrolled reduce credit hours, increase work hours or borrow more. The amount borrowed by students who graduated with a bachelor's degree from a public four-year category 1 institution in the SREB region increased by 48 percent between 2008 and 2014, demonstrating that many students borrowed more as college costs increased.

**Median Dollars Owed by Graduates of Category 1
Public Institutions, 2008 and 2014**



Source: U.S. Department of Education (2017). *College Scorecard Data*.