

# Alabama

## College Affordability Profile 2018

The socioeconomic future of SREB states depends in large part on substantially increasing the number of residents with postsecondary credentials of value. As the population of SREB states becomes more diversified, Alabama faces a critical challenge to help more people succeed in postsecondary education and earn a living wage. This 2018 college affordability profile illustrates how affordable different public institutions are for Alabama families at various income levels.

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

In 2015-16, families in Alabama needed on average nearly 45 percent of their income to pay for educational expenses for a full-time student at public category 1 institutions and 33 percent at public four-year category 2 institutions. These percentages were much higher than they were in 2010-11 and higher than the SREB and national averages in 2015-16.

For a full-time student at public two-year institutions, families in Alabama needed to pay, on average, 16 percent of their income in 2015-16 to cover educational expenses. This was only slightly higher than the nearly 14 percent needed in 2010-11 and somewhat lower than the SREB and national averages in 2015-16.

	Alabama, 2010-11	Alabama, 2015-16	SREB Average, 2015-16	U.S. Average, 2015-16
Public Four-Year Category 1	32.0%	44.6%	30.5%	30.8%
Public Four-Year Category 2	23.7%	33.1%	28.8%	27.9%
Public Two-Year	13.9%	16.0%	17.0%	18.2%

Sources: U.S. Department of Education, Integrated Postsecondary Education Data System, Directory files 2010 and 2015, Student Financial Aid files and 12-Month Enrollment Instructional Activity files 2011 and 2016; American Community Survey Public Use Microdata Samples 2010 and 2015. Institutional sectors are based on SREB-State Data Exchange categories.

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

Alabama's state financial aid with both need and merit criteria amounted to \$12 on average per undergraduate full-time-equivalent student at public colleges and universities in 2015-16, considerably less than the SREB and national averages. Alabama also awarded much less than the regional or national average per student in state aid that was based only on merit.

Financial Aid Category	Alabama, 2010-11	Alabama, 2015-16	SREB Average, 2015-16	U.S. Average, 2015-16
Need Only	NA	NA	\$343	\$376
Need and Merit	\$23	\$12	\$135	\$214
Merit Only	\$5	\$4	\$416	\$168
Special Purpose	\$2	\$4	\$64	\$39

Sources: National Association of State Student Grant & Aid Programs 2011 and 2016 annual survey (results for public institutions only); U.S. Department of Education, Integrated Postsecondary Education Data System, 12-Month Enrollment Instructional Activity files, 2011 and 2016, and Directory files, 2010 and 2015.

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

Twenty-eight percent of families in Alabama made less than \$30,000 in 2015. For these families, the cost of tuition and fees at the lowest-priced public institutions averaged 21 percent of income that year, compared to 14 percent in 2010-11. This percentage was higher than SREB and national averages in 2015-16.

	2010-11	2015-16
Percentage of Families Earning Less than \$30,000 Annually	28%	28%
Tuition and Fees at Lowest-Priced Public Colleges	\$2,437	\$3,450
Average Income of Alabama Families Earning Less than \$30,000 Annually	\$16,968	\$16,769
Percentage of Income Needed for Tuition and Fees at the Lower-Priced Public Institutions	14%	21%
SREB Average	13%	17%
U.S. Average	15%	18%

Sources: U.S. Department of Education, Integrated Postsecondary Education Data System, Student Charges files and Directory files 2010 and 2015, 12-Month Enrollment Instructional Activity files 2011 and 2016; American Community Survey Public Use Micro Sample files 2010 and 2015.

## How Much Do Graduates Borrow?

Graduates who sought a degree or certificate from public four-year category 1 universities in Alabama in 2015-16 borrowed, on average, \$22,681, and graduates of four-year category 2 institutions borrowed \$25,266, on average. These amounts were noticeably higher than average amounts borrowed in 2010-11. While borrowing at category 1 universities was close to SREB and national averages, the amount borrowed by graduates at category 2 universities was higher than SREB and national averages in 2015-16.

Students at public two-year colleges borrowed, on average, \$9,447 in 2015-16, much more than the average amount borrowed in 2010-11 but close to SREB and national averages.

	Alabama, 2010-11	Alabama, 2015-16	SREB Average, 2015-16	U.S. Average, 2015-16
Public Four-Year Category 1	\$18,796	\$22,681	\$21,703	\$21,505
Public Four-Year Category 2	\$19,317	\$25,266	\$22,391	\$19,893
Public Two-Year	\$6,706	\$9,447	\$9,829	\$9,655

Sources: U.S. Department of Education, College Scorecard, 2010 and 2015, Integrated Postsecondary Education Data System, 12-Month Enrollment Instructional Activity Data files 2011 and 2016 and Directory files 2010 and 2015. Institutional sectors are based on SREB State Data Exchange categories.

## 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 — to family income.

Net price is the sum of tuition and required fees, plus room and board, books and other expenses, 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

At Alabama’s public four-year category 1 institutions, families making less than \$30,000 in 2015 needed 100 percent of their income for educational expenses. In 2010, that percentage was 66 percent. Families making between \$30,000 and \$48,000 needed 49 percent of their income for a full-time student in 2015; these families needed 36 percent of their income in 2010 to cover educational expenses.

Family Income	Average in This Income Level, 2015	Percentage of Families in This Income Level, 2015	Net Price, 2015-16	Percentage of 2010 Income Needed	Percentage of 2015 Income Needed
Income \$0 - \$30,000	\$16,769	28%	\$16,766	66%	100%
Income \$30,000 - \$48,000	\$39,049	17%	\$19,043	36%	49%
Income \$48,000 - \$75,000	\$60,773	21%	\$21,864	27%	36%
Income \$75,000 - \$110,000	\$91,169	17%	\$23,063	20%	25%
Income \$110,000 and above	\$180,321	17%	\$23,845	11%	13%

Sources: U.S. Department of Education, Integrated Postsecondary Education Data System, Directory files 2010 and 2015, Student Financial Aid files and 12-Month Enrollment Instructional Activity files 2011 and 2016; American Community Survey Public Use Microdata Samples, 2010 and 2015. Institutional sectors are based on SREB-State Data Exchange categories.

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

At public four-year category 2 institutions in Alabama, families making less than \$30,000 in 2015 needed 75 percent of their income for educational expenses compared to 53 percent in 2010. Families making between \$30,000 and \$48,000 needed 35 percent of their income in 2015 compared to 27 percent in 2010 for a full-time student.

Family Income	Average in This Income Level, 2015	Percentage of Families in This Income Level, 2015	Net Price, 2015-16	Percentage of 2010 Income Needed	Percentage of 2015 Income Needed
Income \$0 - \$30,000	\$16,769	28%	\$12,601	53%	75%
Income \$30,000 - \$48,000	\$39,049	17%	\$13,762	27%	35%
Income \$48,000 - \$75,000	\$60,773	21%	\$16,159	20%	27%
Income \$75,000 - \$110,000	\$91,169	17%	\$17,181	11%	19%
Income \$110,000 and above	\$180,321	17%	\$17,522	7%	10%

Sources: U.S. Department of Education, Integrated Postsecondary Education Data System, Directory files 2010 and 2015, Student Financial Aid files and 12-Month Enrollment Instructional Activity files 2011 and 2016; American Community Survey Public Use Microdata Samples, 2010 and 2015. Institutional sectors are based on SREB-State Data Exchange categories.

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

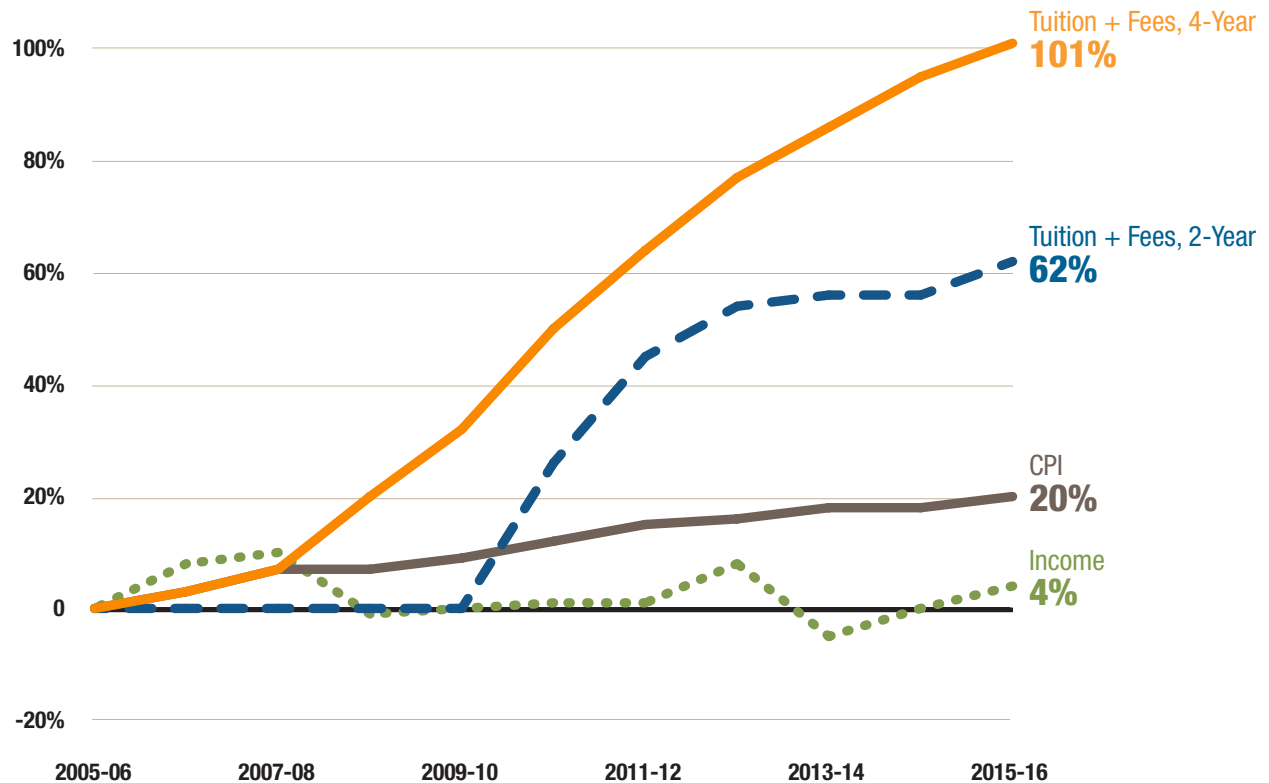
At public two-year institutions in Alabama, families making less than \$30,000 in 2015 needed 34 percent of their income for educational expenses compared to 27 percent in 2010. Families making between \$30,000 and \$48,000 in 2015 needed 16 percent of their income for a full-time student, only slightly higher than the 14 percent needed in 2010

Family Income	Average in This Income Level, 2015	Percentage of Families in This Income Level, 2015	Net Price, 2015-16	Percentage of 2010 Income Needed	Percentage of 2015 Income Needed
Income \$0 - \$30,000	\$16,769	28%	\$5,646	27%	34%
Income \$30,000 - \$48,000	\$39,049	17%	\$6,431	14%	16%
Income \$48,000 - \$75,000	\$60,773	21%	\$8,228	12%	14%
Income \$75,000 - \$110,000	\$91,169	17%	\$9,583	11%	11%
Income \$110,000 and above	\$180,321	17%	\$10,928	6%	6%

Sources: U.S. Department of Education, Integrated Postsecondary Education Data System, Directory files 2010 and 2015, Student Financial Aid files and 12-Month Enrollment Instructional Activity files 2011 and 2016; American Community Survey Public Use Microdata Samples, 2010 and 2015. Institutional sectors are based on SREB-State Data Exchange categories.

## Changes in Tuition and Fees, CPI, and Income

Compared to the Consumer Price Index and household income, tuition and fees at Alabama public colleges and universities increased substantially between 2005-06 and 2015-16. Over that decade, the CPI increased by 20 percent and household income rose by only 4 percent, while tuition and fees at four-year institutions increased by 101 percent and by 62 percent at two-year institutions.

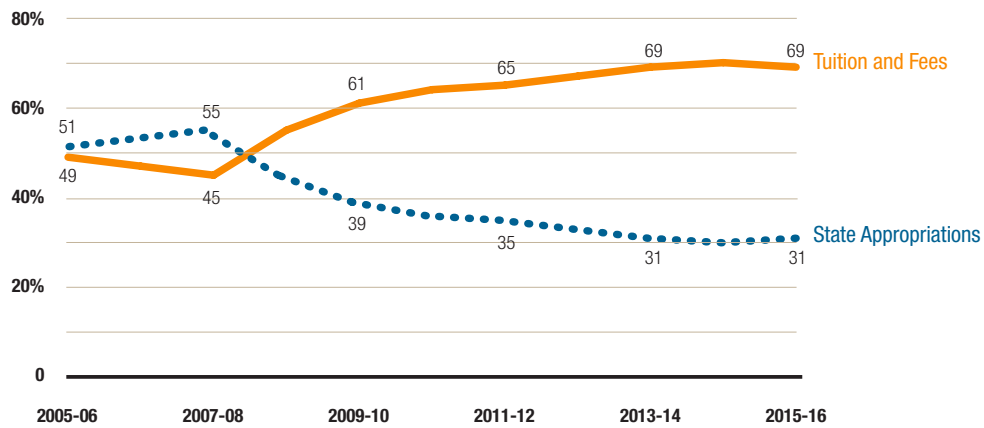


Sources: Consumer Price Index retrieved from FRED, Federal Reserve Bank of St. Louis; Bureau of Labor Statistics, South urban area, 2016. Tuition and fees retrieved from the U.S. Department of Education, Integrated Postsecondary Education Data System, Institutional Characteristics files, 2005 to 2015. Median household income retrieved from FRED, Federal Reserve Bank of St. Louis; U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, South region, 2018.

# Ratio of State Appropriations and Tuition and Fee Revenues

## Public Four-Year Institutions

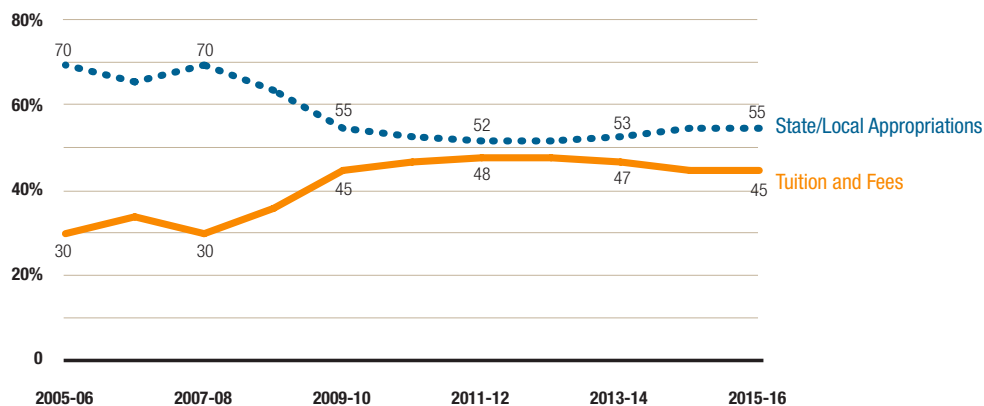
In 2015-16, net tuition and fees at Alabama’s four-year institutions made up 69 percent of total funds available for operations of the state’s public institutions, while state appropriations supplied the remaining 31 percent. In comparison, state appropriations provided 51 percent in 2005-06.



Source: SREB-State Data Exchange

## Public Two-Year Institutions

Alabama’s two-year colleges are moving closer to equal funding between state and local appropriations and tuition and fees for operational revenue. Although appropriations provided 70 percent of revenues in 2005-06, that share had dropped to 55 percent by 2015-16; tuition made up 45 percent of revenues that year compared to 30 percent in 2005-06.



Source: SREB-State Data Exchange

## Additional Context

**Attainment** — In 2016, nearly 38 percent of Alabama’s working adult population between ages 25 and 64 had a postsecondary credential of value. The state’s educational attainment goal is to add 500,000 highly-skilled employees to the state’s workforce by 2025.

**Poverty** — In 2016, 25 percent of children in Alabama were living in poverty. This was down from 2010, when 28 percent lived in poverty. During this period, the SREB region and the nation saw overall declines in this rate from 26 to 23 percent and from 22 to 20 percent, respectively.

**FAFSA** — Through June 2018, approximately 55 percent of Alabama’s 2017-18 12th grade class had completed a FAFSA application, a one-year increase of almost 5 percent. Nationwide, the FAFSA completion rate was nearly 61 percent.

**Enrollment** — In 2015-16, 37 percent of full-time-enrollment students in Alabama were in public four-year category 1 institutions, nearly 29 percent were enrolled at public four-year category 2 institutions and close to 33 percent were in public two-year colleges.

**Automation** — A recent study has found that individuals face a reduced risk of job automation if they have achieved a higher level of educational attainment and that “Artificial Intelligence puts more low-skilled jobs at risk than previous waves of technological progress.” According to this study, approximately 10 percent of the jobs in the United States can be considered at high risk of automation (in that they have an over 70 percent probability of being automated), with roughly an additional 25 percent of jobs at risk of significant change due to automation.

Sources: Educational attainment: State higher education master plans and Lumina Foundation, “A Stronger Nation,” 2017. Children in poverty: U.S. Census Bureau. FAFSA completion: National College Access Network. Enrollment: U.S. Department of Education, Integrated Postsecondary Education Data Systems, 2016. Automation: Nedelkoska, L. and G. Quintini, “Automation, skills use and training,” OECD, 2018.

## Alabama Institutions by Type

### Public Four-Year Category 1

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

University of North Alabama  
University of South Alabama  
Troy University

### Public Four-Year Category 2

Alabama A & M University  
Alabama State University  
Athens State University  
Auburn University at Montgomery  
Jacksonville State University  
University of West Alabama  
University of Montevallo

### Public Two-Year

Central Alabama Community College  
Chattahoochee Valley Community College  
Enterprise State Community College  
James H Faulkner State Community College  
Gadsden State Community College  
George C Wallace State Community  
College-Dothan  
George C Wallace State Community  
College-Hanceville

George C Wallace State Community College-Selma  
Jefferson Davis Community College  
Jefferson State Community College  
John C Calhoun State Community College  
Lawson State Community College-Birmingham Campus  
Lurleen B Wallace Community College  
Northwest-Shoals Community College  
Northeast Alabama Community College  
Alabama Southern Community College  
Bishop State Community College  
Shelton State Community College  
Snead State Community College  
Bevill State Community College  
Southern Union State Community College

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## Notes and Sources

**Category 1** four-year institutions award at least 30 doctoral degrees in five different areas. **Category 2** includes all other four-year institutions. The **public two-year category** includes institutions that primarily award associate degrees; the list may include two-year institutions that award bachelor's degrees.

Institutions are listed as they were categorized in the 2015-16 Data Exchange Survey and if they submitted the data required for this profile.

This profile is based on data reported to IPEDS by institutions during the 2010-11 and 2015-16 academic years. Some IPEDS surveys collect data for the prior academic year; for instance, the 2015-16 Student Financial Aid survey reports data for 2014-15.

Institutions or states may update data that were previously reported to an organization or adjust the methodology to calculate a statistic. As a result, some data reported in past Affordability Profiles may differ from data in the current profile, even though the data are for the same time period.

See the technical guide at [SREB.org/Affordability](http://SREB.org/Affordability) for detailed sources and explanatory notes.

*SREB College Affordability Profiles detail data and trends specific to each SREB state to assist policymakers with decisions on postsecondary affordability and attainment. For additional resources, including recommendations of the Commission on College Affordability in the South and the SREB Fact Book on Higher Education, visit [SREB.org/Affordability](http://SREB.org/Affordability).*