

Alabama

College Affordability Profile

College affordability continues to be a concern for students and their families in Alabama, particularly those in lower income groups. This, along with declining birth rates and other factors, makes maintaining enrollment challenging for postsecondary institutions. Decreasing or stagnant enrollment will, in turn, make reaching state education attainment goals and improving students' employment outcomes more difficult. This 2019 college affordability profile provides updated data on how affordable different types of public institutions are for Alabama families at various income levels.

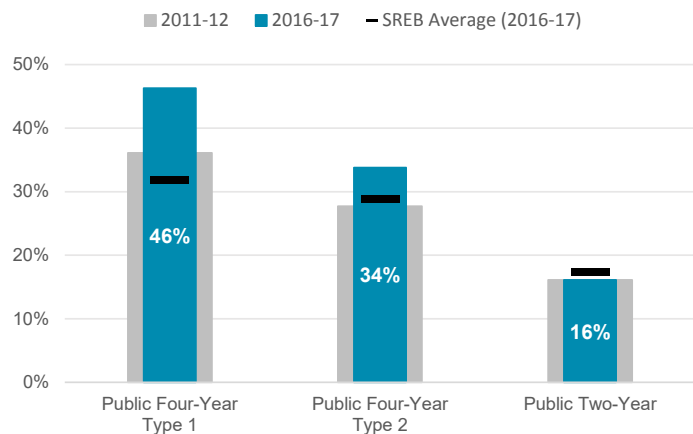
Percentage of Average Family Income Required to Attend College Full Time

In 2016-17, the percentage of family income required to pay for college in Alabama was **higher than the SREB average** for **public four-year institutions**.

Families in Alabama paid a higher percentage of their family income in 2016-17 for a full-time student to attend four-year institutions than in 2011-12.

Alabama's families needed, on average, 46% in 2016-17 of their income to pay for educational expenses for a full-time student at four-year Type 1 institutions and 34% at four-year Type 2 institutions.

In 2016-17, Alabama families needed to pay, on average, 16% of their income to cover educational expenses at two-year institutions.

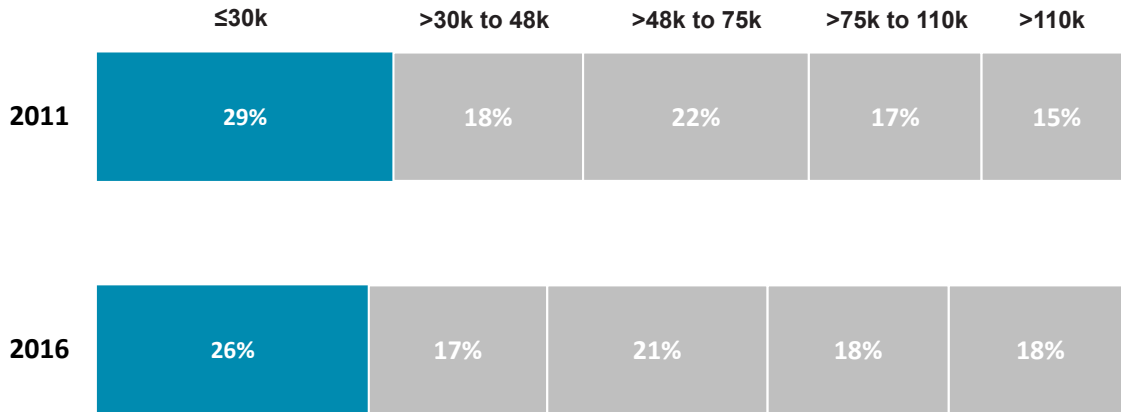


U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2011 and 2016, 12-Month Enrollment Instructional Activity Files 2012 and 2017. American Community Survey Public Use Microdata Samples 2011 and 2016. Institutional types based on SREB-State Data Exchange categories.

SREB College Affordability Profiles detail data and trends specific to each SREB state to assist policy-makers 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 <https://www.sreb.org/AffordabilityProfiles>.

Distribution of Average Family Income

Data on cost of attendance are collected using five income categories. In Alabama, students from families that **made less than \$30,000** accounted for **the largest percentage of families in 2011 and 2016**.



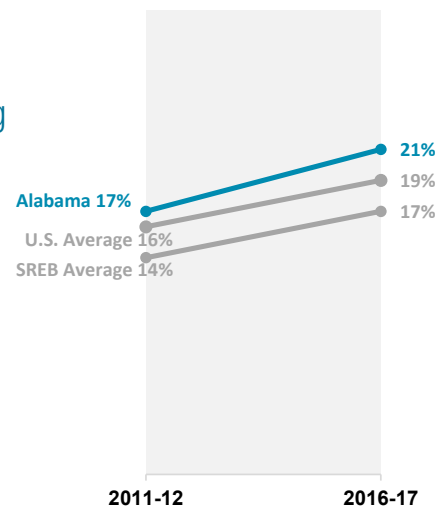
Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2011 and 2016.

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

The percentage of income required for tuition and fees at the lowest-priced public institutions **increased from 2011-12 to 2016-17** for Alabama families making less than \$30,000.

For families making less than \$30,000, the cost of tuition and fees at the lowest-priced public institutions averaged 21% of income in 2016-17, compared to 17% in 2011-12.

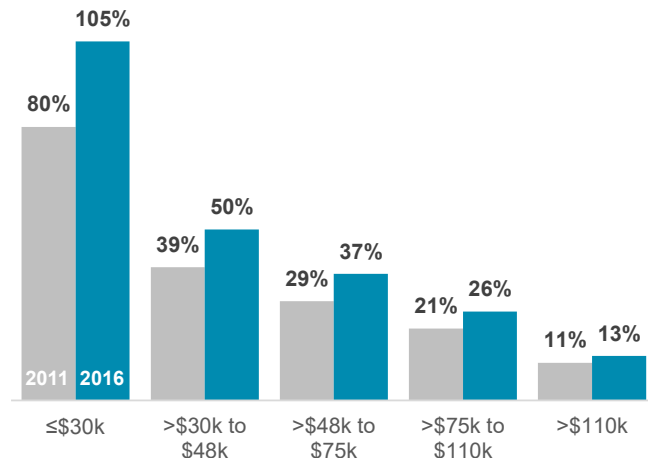
The percentage of income for Alabama families making less than \$30,000 continued to be higher than the SREB and national averages in 2016-17.



U.S. Department of Education, Integrated Postsecondary Education Data System, Student Charges Data Files and Directory Files 2010 and 2015, 12-Month Enrollment Instructional Activity Data Files 2012 and 2017. American Community Survey Public Use Micro Sample Files 2011 and 2016.

Net Price as a Percentage of Income, Public Four-Year Type 1 Institutions

Alabama families in the **lowest income category** were the **most affected** by the increase in net price at four-year Type 1 institutions.



The increase in the percentage of income needed to pay for four-year Type 1 institutions in Alabama was disproportionately larger for families making less than \$30,000 than for any other income type.

Families making less than \$30,000 in 2011 needed 80% of their income to pay for educational expenses. In 2016 it was 105%.

Families making over \$110,000 only needed 11% of their income in 2011 and 13% in 2016 to cover expenses at these institutions.

U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2011 and 2016, 12-Month Enrollment Instructional Activity Files 2012 and 2017. American Community Survey Public Use Microdata Samples, 2011 and 2016. Institutional types based on SREB-State Data Exchange categories.

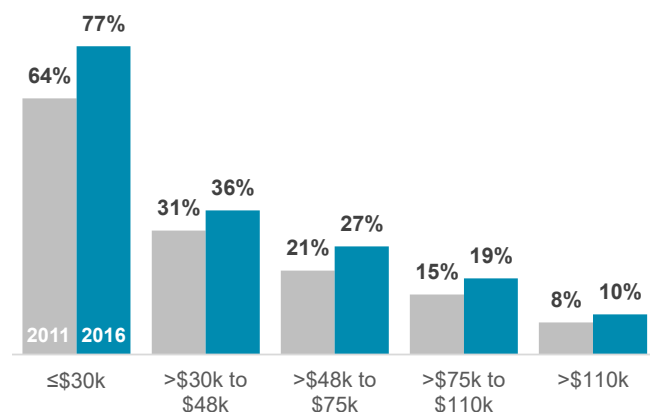
Net Price as a Percentage of Income, Public Four-Year Type 2 Institutions

At four-year Type 2 institutions, Alabama families making less than \$30,000 were the most affected by the rising cost of attendance.

The increase in the percentage of income needed to pay for four-year Type 2 institutions in Alabama was substantially larger for families making less than \$30,000 than for any other income type.

Families making less than \$30,000 in 2011 needed 64% of their income to pay for educational expenses. In 2016 it was 77%.

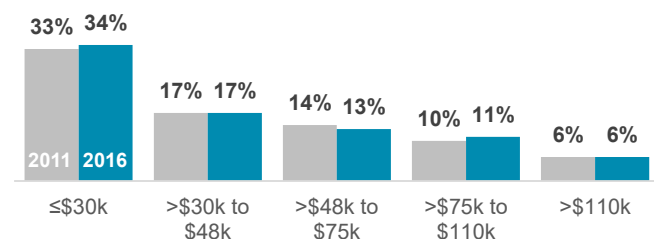
Families making over \$110,000 only needed 8% of their income in 2011 and 10% in 2016 to cover expenses at these institutions.



U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2011 and 2016, 12-Month Enrollment Instructional Activity Files 2012 and 2017. American Community Survey Public Use Microdata Samples, 2011 and 2016. Institutional types based on SREB-State Data Exchange categories.

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

The **percentage of income** that Alabama families needed to pay for educational **expenses at two-year institutions remained stable** from 2011 to 2016.



U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2011 and 2016, 12-Month Enrollment Instructional Activity Files 2012 and 2017. American Community Survey Public Use Microdata Samples, 2011 and 2016. Institutional types based on SREB-State Data Exchange categories.

The percentage of income needed to pay for two-year institutions in Alabama changed slightly for families in most income categories.

At Alabama's two-year institutions, families making less than \$30,000 in 2011 needed 33% of their income to pay for educational expenses. In 2016 it was 34%.

Families making over \$110,000 only needed 6% of their income in 2011 and 2016 to cover these expenses.

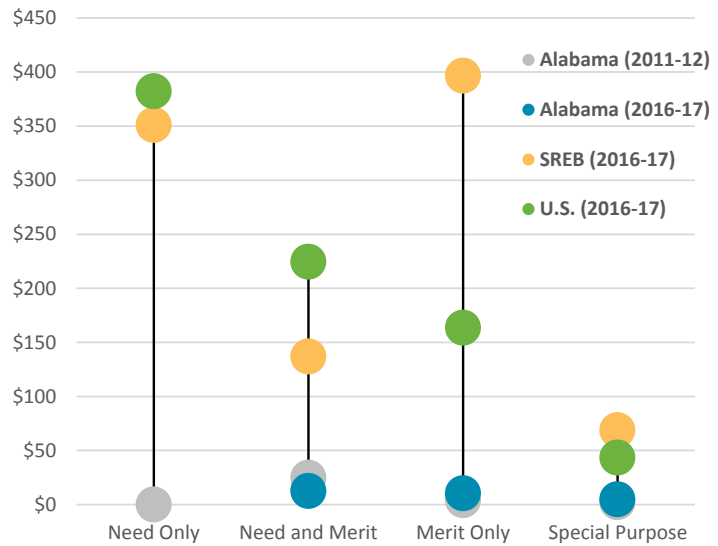
State Financial Aid Per Student

Alabama awarded **less aid in 2016-17** per full-time-equivalent (FTE) student than the SREB and national averages across all types of financial aid. **Merit-based and special purpose aid increased** from 2011-12 to 2016-17.

	Need Only	Need and Merit	Merit Only	Special Purpose
Alabama (2011-12)	\$0	\$25	\$4	\$2
Alabama (2016-17)	NA	\$13	\$10	\$5
SREB Average (2016-17)	\$351	\$137	\$397	\$69
U.S. Average (2016-17)	\$382	\$225	\$163	\$44

The state's financial aid with both need and merit criteria amounted to \$13 on average per undergraduate FTE student in 2016-17, compared to \$25 in 2011-12. The SREB average in 2016-17 was \$137 and the national average was \$225.

Alabama spent \$10, on average, per FTE for merit-based financial aid in 2016-17, much less than the SREB average for merit-based aid of \$397 and the national average of \$163.



National Association of State Student Grant & Aid Programs 2012 and 2017 annual survey (results for public institutions only). U.S. Department of Education, Integrated Postsecondary Education Data System Instructional Activity File, 2012 and 2017, and Directory File, 2011 and 2016.

Student Borrowing at Public Institutions

In 2016-17, Alabama graduates **borrowed more than the SREB and national averages to earn degrees at public four-year institutions.**

	Alabama 2011-12	Alabama 2016-17	SREB Average 2016-17	US Average 2016-17
Four-Year Type 1	\$19,974	\$22,441	\$21,546	\$21,139
Four-Year Type 2	\$20,408	\$25,296	\$22,198	\$19,115
Two-Year	\$6,725	\$9,327	\$9,693	\$9,356

U.S. Department of Education, College Scorecard, 2011 and 2016. U.S. Department of Education, Integrated Postsecondary Education Data System, 12-Month Enrollment Instructional Activity Data Files 2012 and 2017 and Directory Files 2011 and 2016.

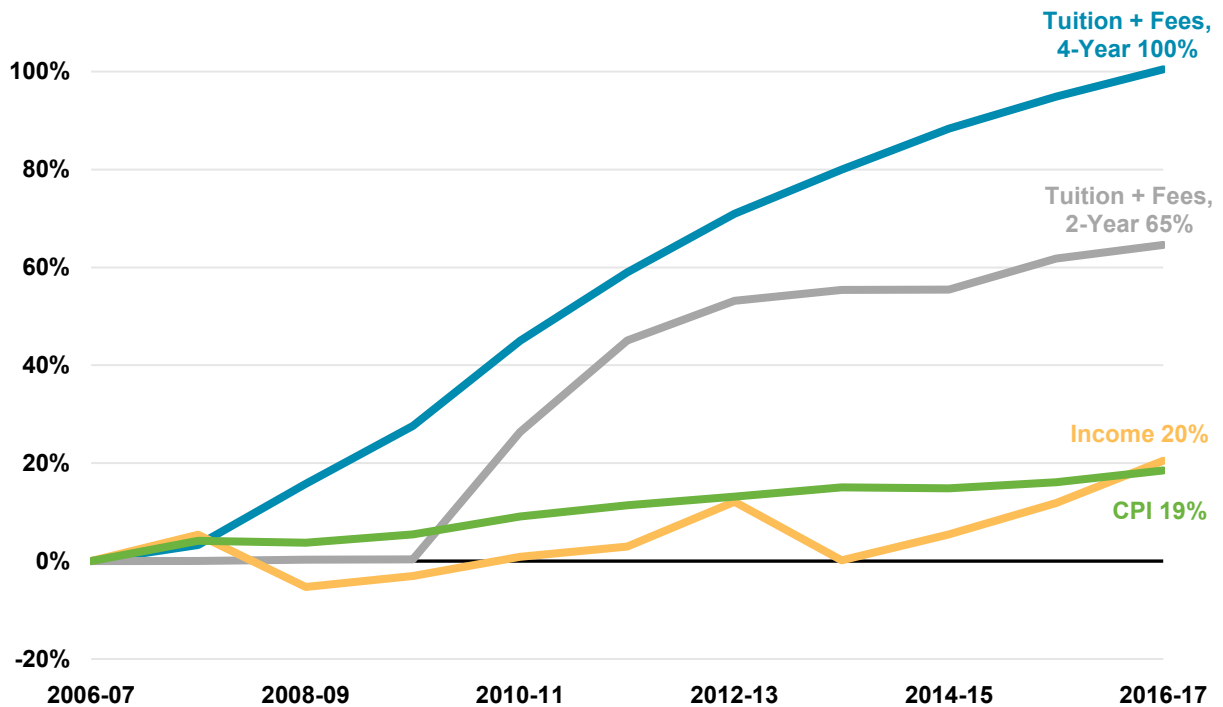
Graduates who sought a degree or certificate from four-year Type 1 universities in Alabama in 2016-17 borrowed, on average, \$22,441 and graduates of four-year Type 2 institutions borrowed \$25,296. These amounts were higher than average amounts borrowed in 2011-12 and the SREB and national averages in 2016-17.

Students at public two-year colleges borrowed, on average, \$9,327 in 2016-17, much more than the average amount in 2011-12 and lower than the SREB and national averages in 2016-17.

Changes in Tuition and Fees, CPI, and Household Income

Compared to the Consumer Price Index and household income, **tuition and fees** at Alabama public colleges and universities **increased substantially** between 2006-07 and 2016-17.

Over that decade, the CPI increased by 19% and median household income in Alabama increased by 20%, while tuition and fees increased by 100% at four-year institutions and 65% at two-year institutions.

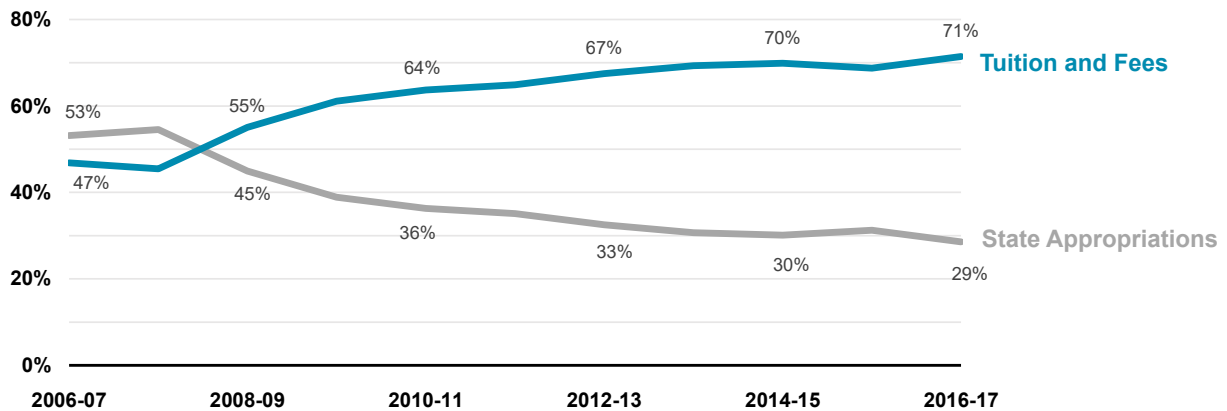


Sources: Consumer Price Index retrieved from FRED, Federal Reserve Bank of St. Louis: Bureau of Labor Statistics, South urban area, 2017. Tuition and fees retrieved from the U.S. Department of Education, Integrated Postsecondary Education Data System, Institutional Characteristics Files, 2006 to 2016. Median household income in current dollars retrieved from FRED, Federal Reserve Bank of St. Louis: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, South region, 2019.

State Appropriations vs. Tuition and Fees: Share of Funding

Funds for operating revenues for Alabama’s **public four-year institutions** flipped at the start of this decade, making **tuition and fees** the larger contributor.

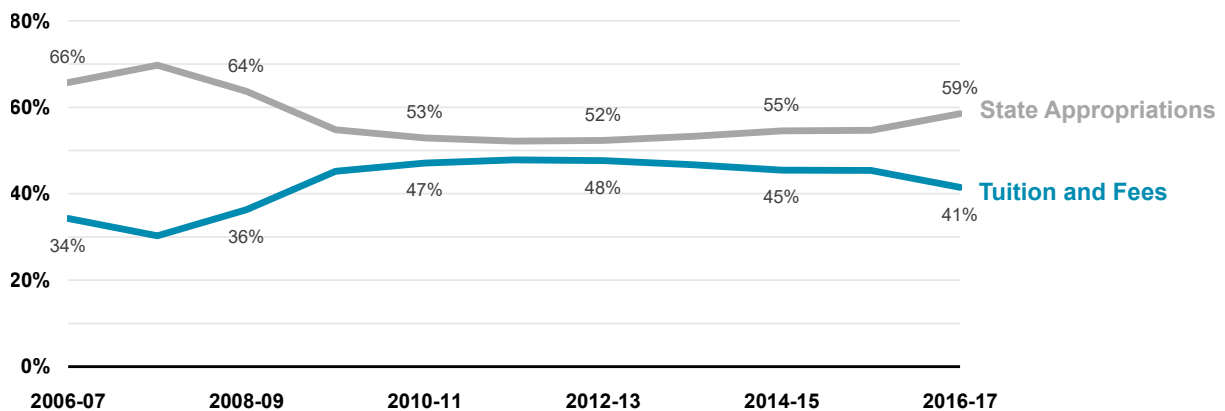
In 2016-17, net tuition and fees at Alabama’s four-year institutions made up 71% of total funds available for operations of the state’s public institutions, while state appropriations supplied the remaining 29%. In comparison, state appropriations provided 53% in 2006-07. The shift in who pays for the majority of operating expenses at public four-year institutions occurred after 2007-08.



Source: SREB-State Data Exchange

Operational funds consisted **mostly of state appropriations** for Alabama’s **public two-year institutions** in 2016-17.

Although contributions from state appropriations dropped from 66% in 2006-07 to 59% in 2016-17, that share has increased in recent years. Net tuition and fees made up 41% of revenues in 2016-17 compared to 34% in 2006-07.



Source: SREB-State Data Exchange

Additional State Context

Postsecondary Enrollment. In 2016-17, 38% of students in Alabama were enrolled in public four-year Type 1 institutions, 29% were enrolled at public four-year Type 2 institutions and 32% were enrolled in public two-year colleges.

First-Year Retention. For the fall 2016 cohort, 90% of students attending public four-year Type 1 institutions in Alabama were still enrolled one year later, 76% were still enrolled after the first year in public four-year Type 2 institutions, and 63% were retained at public two-year colleges.

Pell Grants. In 2016-17, 15% of the average cost of attendance in public four-year Type 1 institutions in Alabama was covered by the average Pell Grant award. The average grant amount covered 20% of costs in public four-year Type 2 institutions, and 30% of costs in public two-year colleges.

Education Attainment. In 2017, 40% 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.

Student Debt. In Alabama, 51% of the class of 2018 graduated with debt, owing an average of \$29,469.

Sources: Enrollment: U.S. Department of Education, Integrated Postsecondary Education Data Systems, 2016. Retention: SREB-State Data Exchange. Pell: U.S. Department of Education: 2016-2017 Award Year Grant Volume by School (2018) and SREB analysis of National Center for Education Statistics student financial aid survey, 2016-17. Educational attainment: State Higher Education Master Plans and Lumina Foundation, "A Stronger Nation," 2019. Student debt: The Institute for College Access & Success, "Student Debt and the Class of 2018" (2019).

Alabama Institutions by Type

Public Four-Year Type 1

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

Public Four-Year Type 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
University of North Alabama
University of South Alabama
Troy University

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 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
Marion Military Institute

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

Notes

Type 1 four-year institutions award at least 30 doctoral degrees in five different areas. **Type 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. The **technical college category** includes postsecondary institutions that offer programs of less than two years duration below the baccalaureate level and occupational and vocational schools with programs that do not exceed 1800 contact hours. This profile does not report data for the technical college category if less than 3% of students are enrolled in this sector.

Institutions are listed as they were categorized in the 2016-17 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 2016-17 academic year. Some IPEDS surveys collect data for the prior academic year; for instance, the 2016-17 Student Financial Aid survey collected data for 2015-16.

Institutions or states may have updated data previously reported, or adjusted methodology to calculate a statistic. As a result, some data in the current profile may differ from data reported in past Affordability Profiles for the same time period.

See the technical guide at SREB.org/Affordability for detailed sources and explanatory notes.