

Alabama

College Affordability Profile

The Southern Regional Education Board convened a Commission on College Affordability in the South and published a report in 2016 emphasizing that affordability is a critical factor in both access to and completion of postsecondary education. In this year's SREB College Affordability Profiles, SREB examined data for the 2021-22 academic year, the most recent year that student financial aid and net price data are available. The data shows both positive and challenging aspects of college affordability in Alabama. While the state faces affordability hurdles at its public four-year institutions, the two-year institutions appear to be more accessible for students with stronger state support.

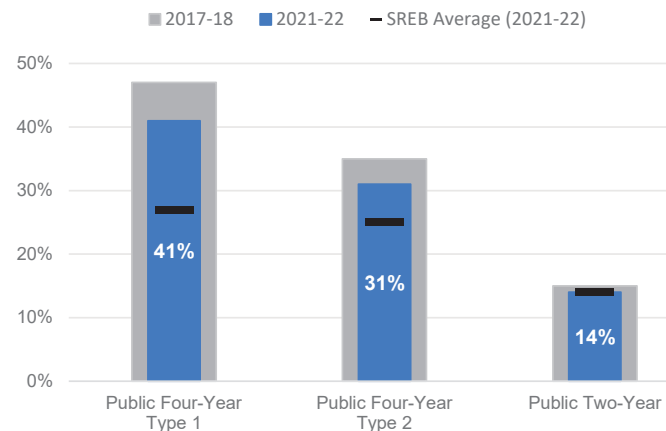
Family Income Needed for Net Price at Public Institutions

Alabama shows improvements across all institution types from 2017-18 to 2021-22, with the most improvements in four-year Type 1 and Type 2 institutions.

In 2021-22, families in Alabama needed, on average, 41% of their income to cover educational expenses for a full-time student at four-year Type 1 institutions and 31% at four-year Type 2 institutions. For two-year institutions, the average was 14% of family income.

The 27-percentage point gap between four-year Type 1 and two-year institutions indicates variations in affordability across institution types.

While two-year institutions align with SREB averages, four-year institutions require significantly higher percentages of family income than SREB averages.



U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2018 and 2022, 12-Month Enrollment Instructional Activity Files 2018 and 2022. American Community Survey Public Use Microdata Samples 2018 and 2022. Institutional sectors based on SREB-State Data Exchange categories.

Key terms:

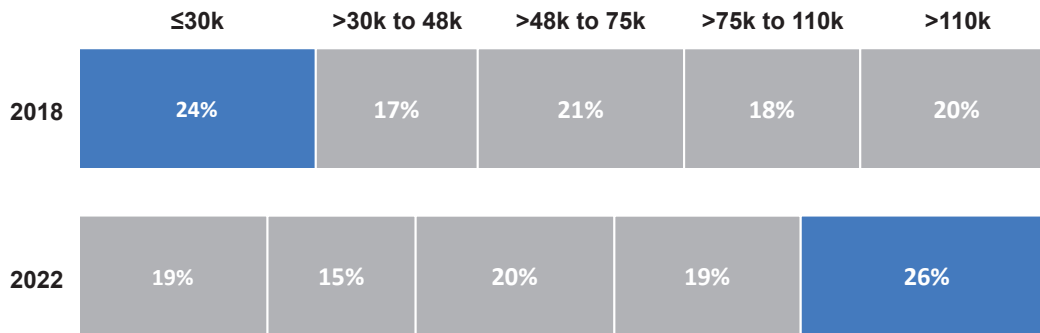
Four-Year Institution Type 1: Four-year institutions that awarded at least 30 doctoral degrees in five different areas.

Four-Year Institution Type 2: All other four-year institutions.

Net Price: Total cost of attendance (includes tuition, fees, room and board, and more) minus federal, state and local government, or institutional grant and scholarship aid.

Distribution of Average Family Income

In Alabama, students from families that made \$110,000 or more saw the most increases of average family income from 2018 to 2022. The 7-percentage point gap between highest and lowest income groups in 2022 indicates growing economic disparities among postsecondary students in Alabama.



Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2018 and 2022.

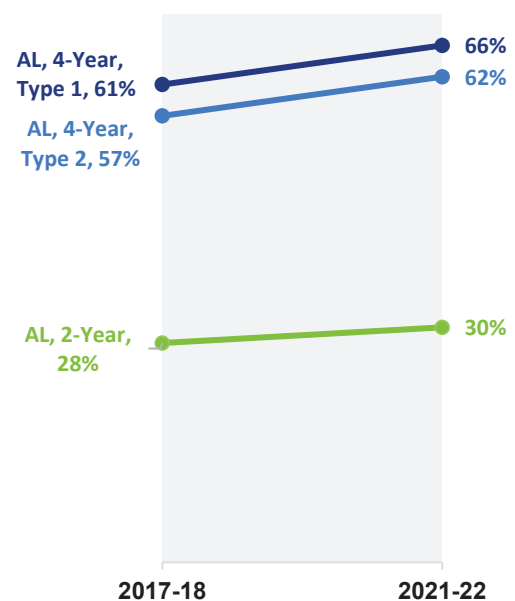
Income Required for Median Tuition and Fees at Public Institutions for Families Making Less Than \$30,000

The percentage of income required for median tuition and fees increased across all institution types for Alabama families making less than \$30,000.

In 2021-22, families earning less than \$30,000 needed 66% of their income to cover median tuition and fees at four-year Type 1 institutions and 53% at Type 2 institutions. For two-year institutions, the percentage was lower, with families requiring 30% of their income to cover the median tuition and fees.

The 36-percentage point gap between four-year Type 1 institutions and two-year institutions indicates disparities in accessibility.

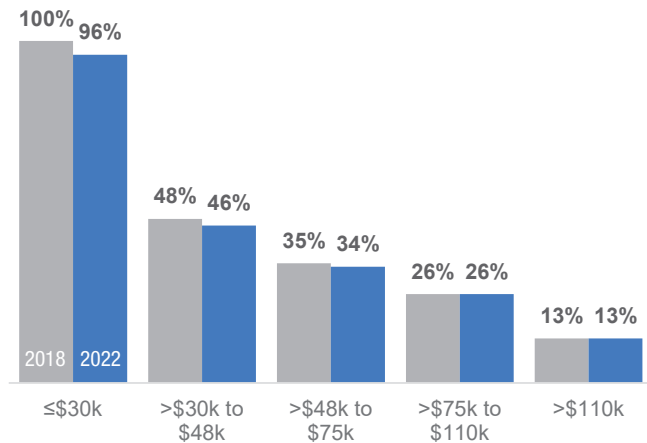
While two-year institutions remain relatively affordable, the increases at four-year institutions suggest growing affordability challenges for families making less than \$30,000.



U.S. Department of Education, Integrated Postsecondary Education Data System, Student Charges Data Files and Directory Files 2018 and 2022, 12-Month Enrollment Instructional Activity Data Files 2018 and 2022. American Community Survey Public Use Micro Sample Files 2018 and 2022.

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

The percentage of income that Alabama families needed to pay for educational expenses at four-year Type 1 institutions decreased or remained stable from 2018 to 2022.



Public four-year Type 1 institutions in Alabama place disproportionately high financial burden on low-income families. For those making \$30,000 or less, the net price consumes nearly all their annual income, presenting a major barrier to college access and affordability.

The 83-percentage point gap between highest and lowest income groups in 2022 indicates severe inequity in affordability.

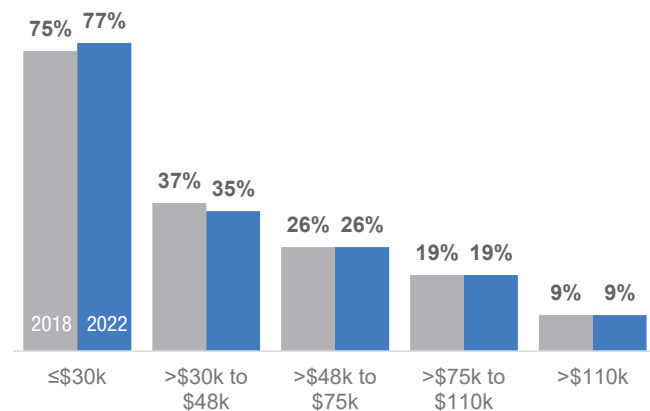
U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2018 and 2022, 12-Month Enrollment Instructional Activity Files 2018 and 2022. American Community Survey Public Use Microdata Samples, 2018 and 2022. Institutional types based on SREB-State Data Exchange categories.

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

The percentage of income that Alabama families needed to pay for educational expenses at four-year Type 2 institutions changed minimally or remained stable from 2018 to 2022.

For the lowest income group, the net price consumes over three-quarters of their total annual income to attend four-year Type 2 institutions. In contrast, higher income families dedicate a much smaller fraction of their earnings towards these educational costs.

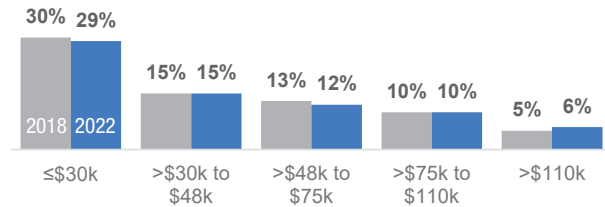
The 68-percentage point gap between highest and lowest income groups in 2022 indicates severe inequity in affordability. While less severe than four-year Type 1 institutions, the pattern shows persistent financial inequities, particularly for the lowest income families.



U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2018 and 2022, 12-Month Enrollment Instructional Activity Files 2018 and 2022. American Community Survey Public Use Microdata Samples, 2018 and 2022. Institutional types based on SREB-State Data Exchange categories.

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

The percentage of income that Alabama families needed to pay for educational expenses at two-year institutions remained stable from 2018 to 2022.



U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2018 and 2022, 12-Month Enrollment Instructional Activity Files 2018 and 2022. American Community Survey Public Use Microdata Samples, 2018 and 2022. Institutional types based on SREB-State Data Exchange categories.

Two-year institutions in Alabama provide more affordable options, for economically disadvantaged students and families. However, challenges around college affordability persist, particularly for the lowest income groups.

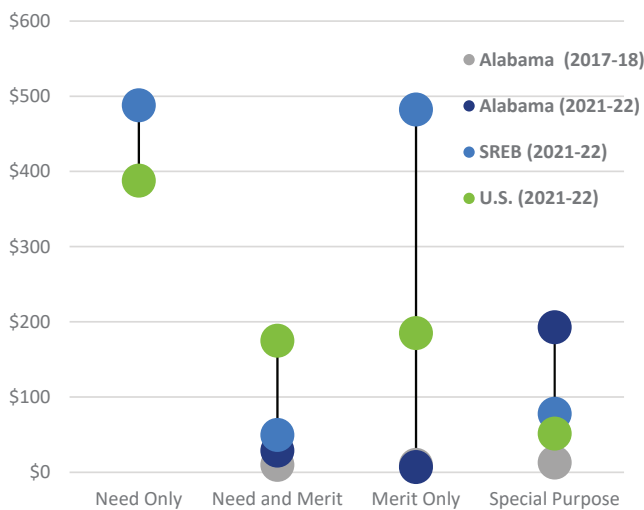
The 23-percentage point gap between highest and lowest income groups in 2022 indicates inequity in affordability, though less severe than four-year institutions.

Two-year institutions remain the most affordable option across all income brackets.

State Financial Aid Per Student

Alabama awarded more special purpose aid in 2021-22 per full-time-equivalent student than the SREB and national averages. Special purpose aid increased from 2017-18 to 2021-22.

	Need Only	Need and Merit	Merit Only	Special Purpose
Alabama (2017-18)	NA	\$10	\$10	\$13
Alabama (2021-22)	NA	\$29	\$7	\$193
SREB Average (2021-22)	\$488	\$50	\$483	\$78
U.S. Average (2021-22)	\$388	\$175	\$185	\$51



While Alabama has increased its per-student financial aid in certain categories over time, it lags behind SREB and national averages, particularly in need- only and merit -only aid. The state’s focus appears to be more on special purpose aid.

However, the overall financial aid levels remain below both regional and national averages in most categories except special purpose aid, suggesting potential gaps in support for students based on need or merit criteria.

National Association of State Student Grant & Aid Programs 2018 and 2022 annual survey (results for public institutions only). U.S. Department of Education, Integrated Postsecondary Education Data System Instructional Activity File, 2018 and 2022, and Directory File, 2018 and 2022.

Student Borrowing at Public Institutions

In 2020-21, Alabama graduates borrowed more than the SREB and national averages to earn degrees at four-year Type 1 and four-year Type 2 institutions.

	Alabama 2015-16	Alabama 2020-21	SREB Average 2020-21	U.S. Average 2020-21
Four-Year Type 1	\$22,649	\$22,337	\$20,710	\$20,550
Four-Year Type 2	\$25,021	\$24,807	\$21,912	\$20,758
Two-Year	\$8,621	\$9,778	\$10,088	\$10,653

Sources: U.S. Department of Education, College Scorecard, 2016-17 and 2021-22. U.S. Department of Education, Integrated Postsecondary Education Data System, 12-Month Enrollment Instructional Activity Data Files 2018 and 2022 and Directory Files 2018 and 2022.

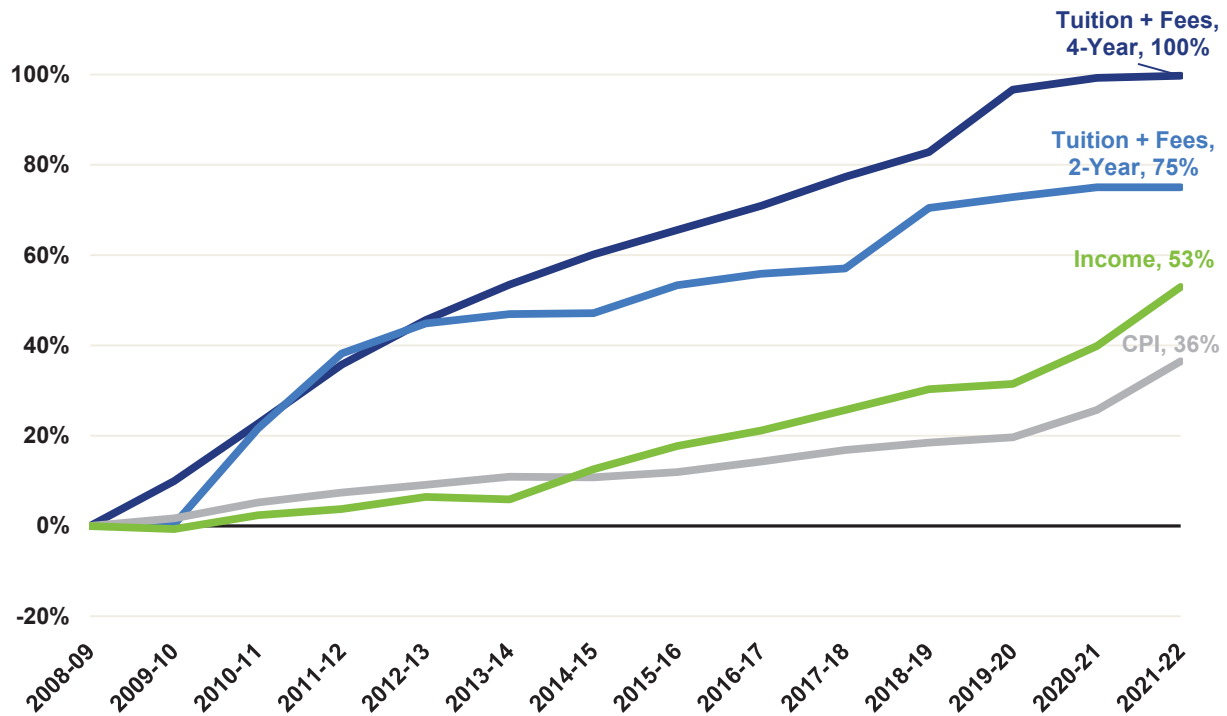
Graduates who sought a degree or certificate from four-year Type 1 universities in Alabama in 2020-21 borrowed, on average, \$22,337 and graduates of four-year Type 2 institutions borrowed \$24,807. These amounts were lower than average amounts borrowed in 2015-16 but higher than the SREB and national averages in 2020-21.

Students at public two-year colleges borrowed, on average, \$9,778 in 2020-21, more than the average amount in 2015-16 but lower than SREB and national averages in 2020-21.

Changes in Tuition and Fees, CPI and Family Income

The divergence between tuition and fees, family income and Consumer Price Index suggests decreasing affordability in Alabama between 2008-09 and 2021-22.

Tuition and fee growth rate increase of four-year institutions outpaced income growth by nearly 2:1, highlighting a growing affordability gap. This pattern underscores a significant decline in college affordability in Alabama, with tuition rising substantially faster than both income growth and inflation.

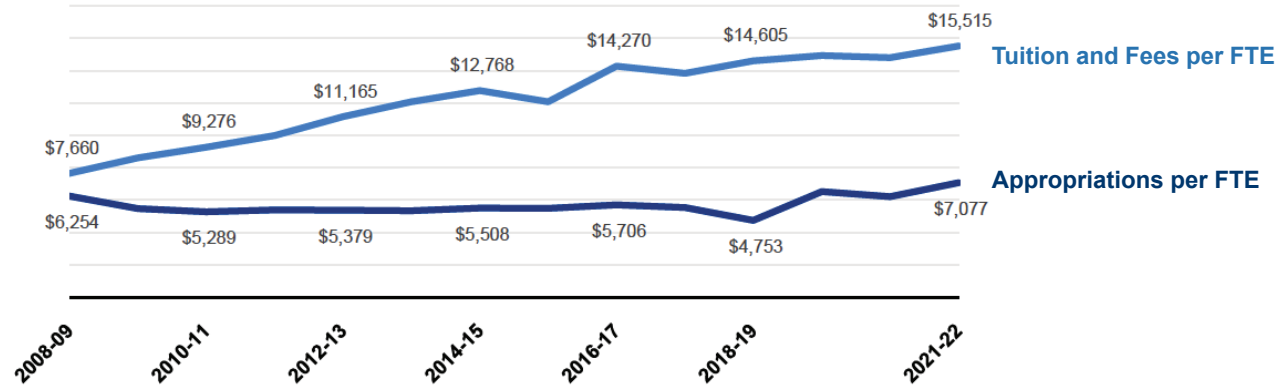


Consumer Price Index retrieved from FRED, Federal Reserve Bank of St. Louis: Bureau of Labor Statistics, South urban area, 2021. Tuition and fees retrieved from the U.S. Department of Education, Integrated Postsecondary Education Data System, Institutional Characteristics Files, 2008 to 2021. Median family income retrieved from the U.S. Census Bureau, U.S. Department of Commerce, American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B19113, 2023.

Dollars per FTE Student from State Appropriations and Tuition and Fees

Operational funds per FTE consisted mostly of tuition and fees for Alabama's public four-year institutions in 2021-22.

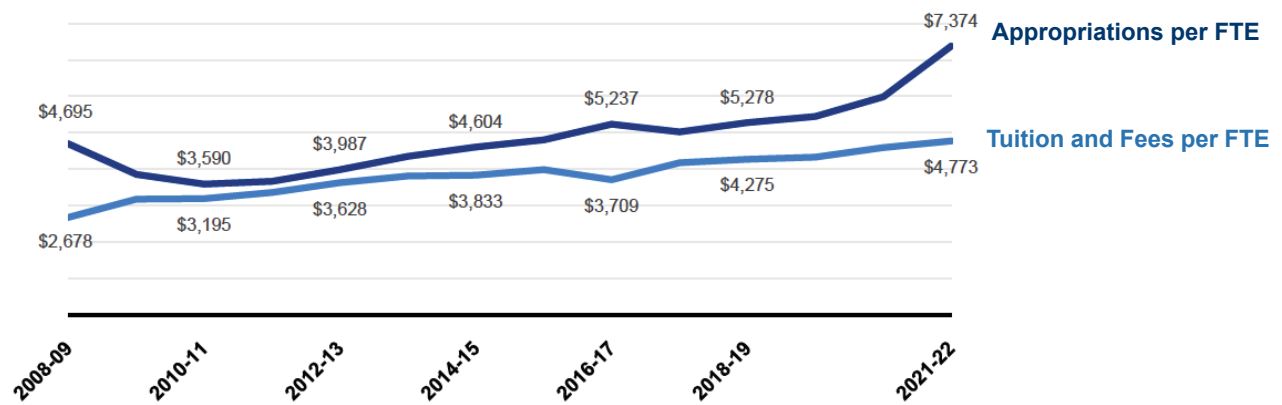
While tuition and fees doubled since 2008-09, state appropriations showed modest growth after recovering from earlier declines. By 2021-22, tuition and fees were more than twice the level of state appropriations, indicating a significant shift in higher education costs from state funding to student responsibility.



Source: SREB-State Data Exchange

Operational funds per FTE consisted mostly of state and local appropriations for Alabama's public two-year institutions in 2021-22.

Alabama shows growth in both funding sources for two-year institutions, with state appropriations showing particularly strong growth in recent years. By 2021-22, appropriations significantly exceeded tuition by \$2,601, indicating strong state support for two-year institutions.



Source: SREB-State Data Exchange

Alabama Fast Facts

Postsecondary Enrollment: According to 2021 fall enrollment, 41% of students in Alabama were enrolled in public four-year Type 1 institutions, 22% were enrolled at public four-year Type 2 institutions and 37% were enrolled in public two-year colleges.

FAFSA: As of July 5, 2024, Alabama’s high school class of 2024 had a FAFSA completion rate of 51%, an 18% decrease from the rate on the same date in 2023.

Student Financial Aid: In 2021-22, 21% of students receiving any form of federal student aid were awarded Pell Grants, while 35% received federal student loans.

Education Attainment: In 2022, 46.9% of Alabama’s working adult population (ages 25 to 64) held a postsecondary credential, placing the state 7.4 percentage points below the national average of 54.3%. This figure includes short-term credentials, which account for 7.5% of Alabama’s credential attainment rate, including certificates and industry-recognized certifications.

Workforce Needs: By 2031, 63% of jobs in Alabama will require a postsecondary credential. Alabama ranks 45th among states in the percentage of jobs projected to require such credentials.

Sources: Postsecondary Enrollment: U.S. Department of Education, Integrated Postsecondary Education Data Systems, 2022.

FAFSA: FAFSA Tracker – National, Retrieved November 2024. <https://national.fafsatracker.com/schoolView/1>.

Federal Student Aid: SREB analysis of National Center for Education Statistics student financial aid database, 2021-22.

Educational attainment: Lumina Foundation, A Stronger Nation, Retrieved November 2024. <https://www.luminafoundation.org/stronger-nation/report/#/progress/state/AL>.

Workforce Needs: Georgetown University, After Everything: Projections of Jobs, Education, and Training Requirements through 2031, Retrieved November 2024. <https://cew.georgetown.edu/cew-reports/projections2031/>.

Alabama Institutions by Type

Public Four-Year Type 1

Auburn University

The University of Alabama

University of Alabama at Birmingham

University of Alabama in Huntsville

University of South Alabama

Public Four-Year Type 2

Alabama A&M University

Alabama State University

Athens State University

Auburn University at Montgomery

Jacksonville State University

Troy University

University of Montevallo

University of North Alabama

University of West Alabama

Public Two-Year

Alabama Southern Community College

Bevill State Community College

Bishop State Community College

Central Alabama Community College

Chattahoochee Valley Community College

Coastal Alabama Community College

Alabama Institutions by Type

Public Two-Year (continued)

Enterprise 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 State Community College
John C. Calhoun State Community College

Lawson State Community College
Lurleen B. Wallace Community College
Northeast Alabama Community College
Northwest-Shoals Community College
Shelton State Community College
Snead 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 2021-22 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 2021-22 academic year. Some IPEDS surveys collect data for the prior academic year; for instance, the 2022-23 Student Financial Aid survey collected data for the 2021-22 academic year.

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 <https://www.sreb.org/state-affordability-profiles> for detailed sources and explanatory notes.

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 [SREB.org/Affordability](https://www.sreb.org/Affordability).