# Arkansas

## College Affordability Profile

The effect of the pandemic on state budgets has not yet peaked, but it will likely affect college affordability for years to come. In this year's SREB College Affordability Profiles, we examine data for the 2017-18 academic year, the most recent year that student financial aid and net price data are available. Although the data were collected prior to the pandemic, it shows that states continue to face challenges in making college affordable. In many states, students must spend a larger percentage of their family income to pay for college, particularly at four-year institutions. In most states, two-year institutions and technical colleges and institutes offer the most affordable degree programs.

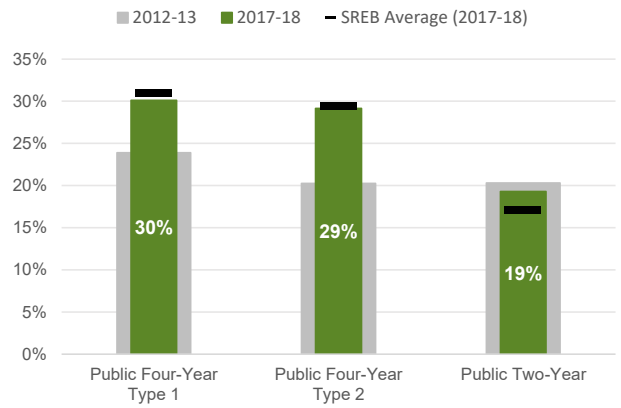
### Percentage of Average Family Income Required to Pay the Net Price for Full-Time Students at Public Institutions

In 2017-18, the percentage of family income required to pay for college in Arkansas was **lower than the SREB average** for **four-year Type 1 institutions**.

Families in Arkansas paid a higher percentage of their family income in 2017-18 for a full-time student to attend four-year institutions than in 2012-13.

Families in Arkansas needed, on average, 30% of their income in 2017-18 to pay educational expenses for a full-time student at four-year Type 1 institutions and 29% at four-year Type 2 institutions.

In 2017-18 families in Arkansas needed to pay, on average, 19% 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 2012 and 2017, 12-Month Enrollment Instructional Activity Files 2013 and 2018. American Community Survey Public Use Microdata Samples 2012 and 2017. 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 & board, etc.) minus federal, state/local government, or institutional grant and scholarship aid.

SREB | Southern Regional Education Board

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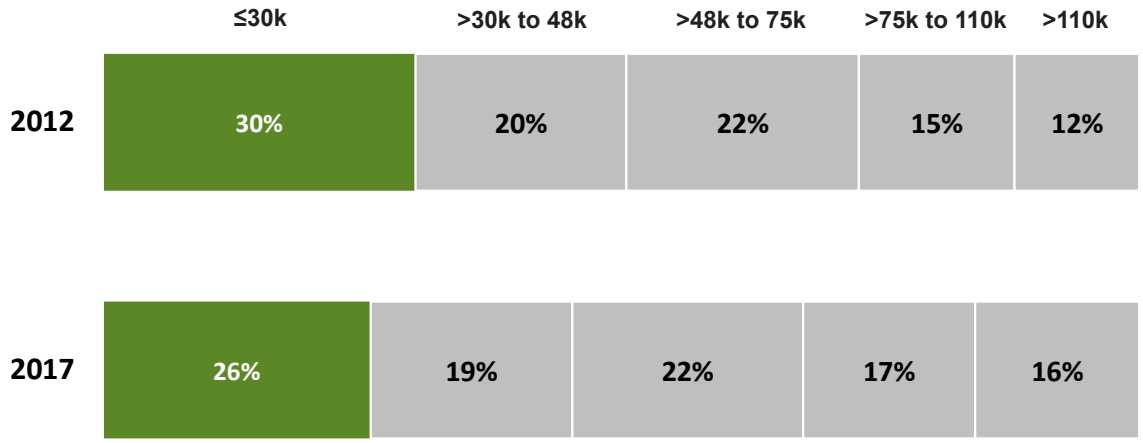
## Distribution of Average Family Income

Data on net price is collected using five income categories. In Arkansas, students from families that **made less than $30,000** accounted for **the largest percentage of families in 2012 and 2017.**



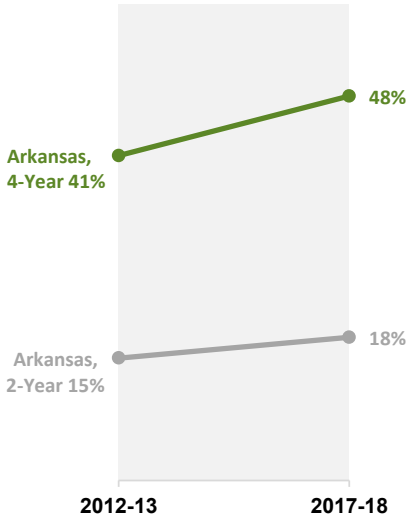

Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2012 and 2017.

## Percentage of 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** at public institutions **was higher at four-year institutions than two-year institutions in 2012-13 and 2017-18** for Arkansas families making less than $30,000.

For families making less than $30,000, the cost of median tuition and fees at four-year institutions was 48% of income in 2017-18, compared to 41% in 2012-13.

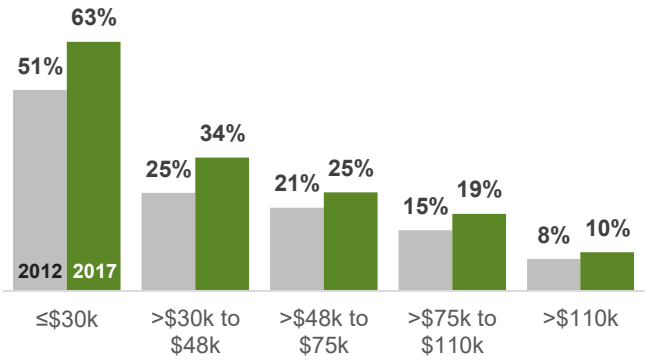
The percentage of income needed for Arkansas families making less than $30,000 was substantially lower for two-year institutions. Families needed 18% of their income in 2017-18 and 15% in 2012-13 to cover the state's median tuition at two-year institutions.




U.S. Department of Education, Integrated Postsecondary Education Data System, Student Charges Data Files and Directory Files 2012 and 2017, 12-Month Enrollment Instructional Activity Data Files 2013 and 2018. American Community Survey Public Use Micro Sample Files 2012 and 2017.

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

Arkansas families in the **lowest income category** were the **most affected** by the increase in net price.




U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2012 and 2017, 12-Month Enrollment Instructional Activity Files 2013 and 2018. American Community Survey Public Use Microdata Samples, 2012 and 2017. Institutional types based on SREB-State Data Exchange categories.

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

Families making less than $30,000 in 2012 needed 51% of their income to pay educational expenses. In 2017 it was 63%.

Families making over $110,000 only needed 8% of their income in 2012 and 10% in 2017 to cover expenses at these institutions.

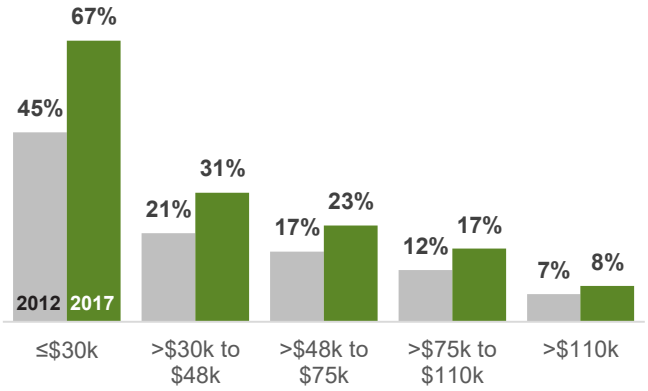
## Net Price as a Percentage of Income, Public Four-Year Type 2 Institutions

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

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

Families making less than $30,000 in 2012 needed 45% of their income to pay educational expenses. In 2017 it was 67%.

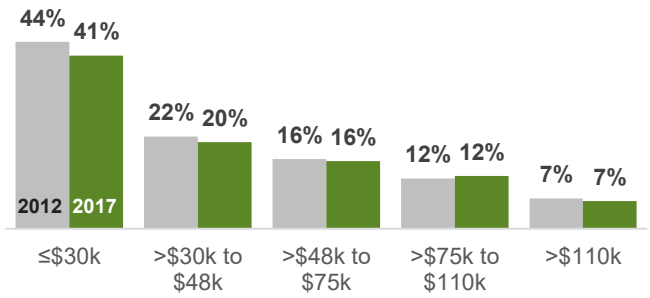
Families making over $110,000 only needed 7% of their income in 2012 and 8% in 2017 to cover expenses at these institutions.




U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2012 and 2017, 12-Month Enrollment Instructional Activity Files 2013 and 2018. American Community Survey Public Use Microdata Samples, 2012 and 2017. 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 Arkansas families needed to pay for educational expenses **at two-year institutions decreased or remained stable** from 2012 to 2017.




U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2012 and 2017, 12-Month Enrollment Instructional Activity Files 2013 and 2018. American Community Survey Public Use Microdata Samples, 2012 and 2017. Institutional types based on SREB-State Data Exchange categories.

The decrease in the percentage of income needed to pay for two-year institutions in Arkansas was larger for families making less than $30,000 than for any other income category.

At Arkansas's two-year institutions, families making less than $30,000 in 2012 needed 44% of their income to pay for educational expenses. In 2017 it was 41%.

Families making over $110,000 only needed 7% of their income in 2012 and 2017 to cover these expenses.

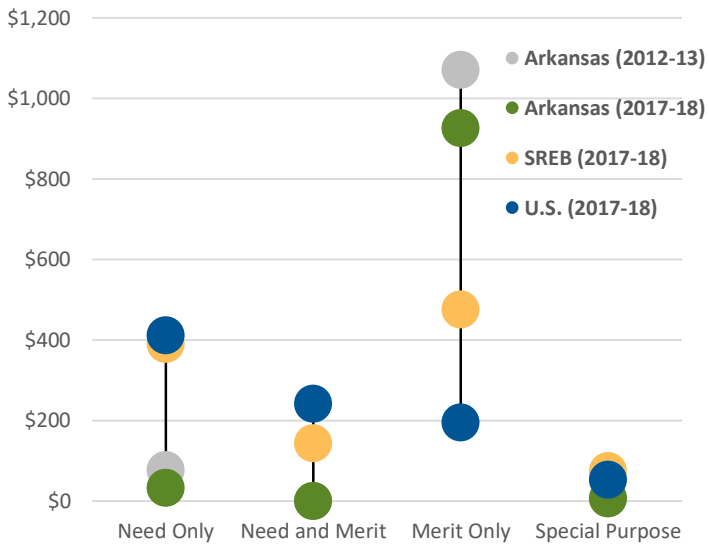
## State Financial Aid Per Student

Arkansas awarded **more merit-based aid in 2017-18** per full-time-equivalent (FTE) student than the SREB and national averages. However, **merit-based aid decreased** from 2012-13 to 2017-18.

| | Need Only | Need and Merit | Merit Only | Special Purpose |
|---|---|---|---|---|
| Arkansas (2012-13) | $77 | $0 | $1,071 | $8 |
| Arkansas (2017-18) | $31 | NA | $925 | $6 |
| SREB Average (2017-18) | $389 | $143 | $476 | $74 |
| U.S. Average (2017-18) | $411 | $241 | $195 | $53 |

The state spent $925 on average per undergraduate FTE student on merit-based aid in 2017-18, compared to $1,071 in 2012-13. The SREB average in 2017-18 was $476 and the national average was $195.

Arkansas spent $31, on average, per FTE for need-based financial aid in 2017-18, much less than the SREB average for need-based aid of $389 and the national average of $411.




National Association of State Student Grant & Aid Programs 2013 and 2018 annual survey (results for public institutions only). U.S. Department of Education, Integrated Postsecondary Education Data System Instructional Activity File, 2013 and 2018, and Directory File, 2012 and 2017.

## Student Borrowing at Public Institutions

In 2017-18, Arkansas graduates **borrowed less than the SREB average** to earn degrees **at all public institutions**.

| | Arkansas, 2012-13 | Arkansas, 2017-18 | SREB Average, 2017-18 | U.S. Average, 2017-18 |
|---|---|---|---|---|
| Four-Year Type 1 | $19,846 | $21,391 | $21,600 | $21,232 |
| Four-Year Type 2 | $17,008 | $19,827 | $22,677 | $19,510 |
| Two-Year | $11,135 | $9,968 | $10,798 | $10,171 |

U.S. Department of Education, College Scorecard, 2012 and 2017. U.S. Department of Education, Integrated Postsecondary Education Data System, 12-Month Enrollment Instructional Activity Data Files 2013 and 2018 and Directory Files 2012 and 2017.

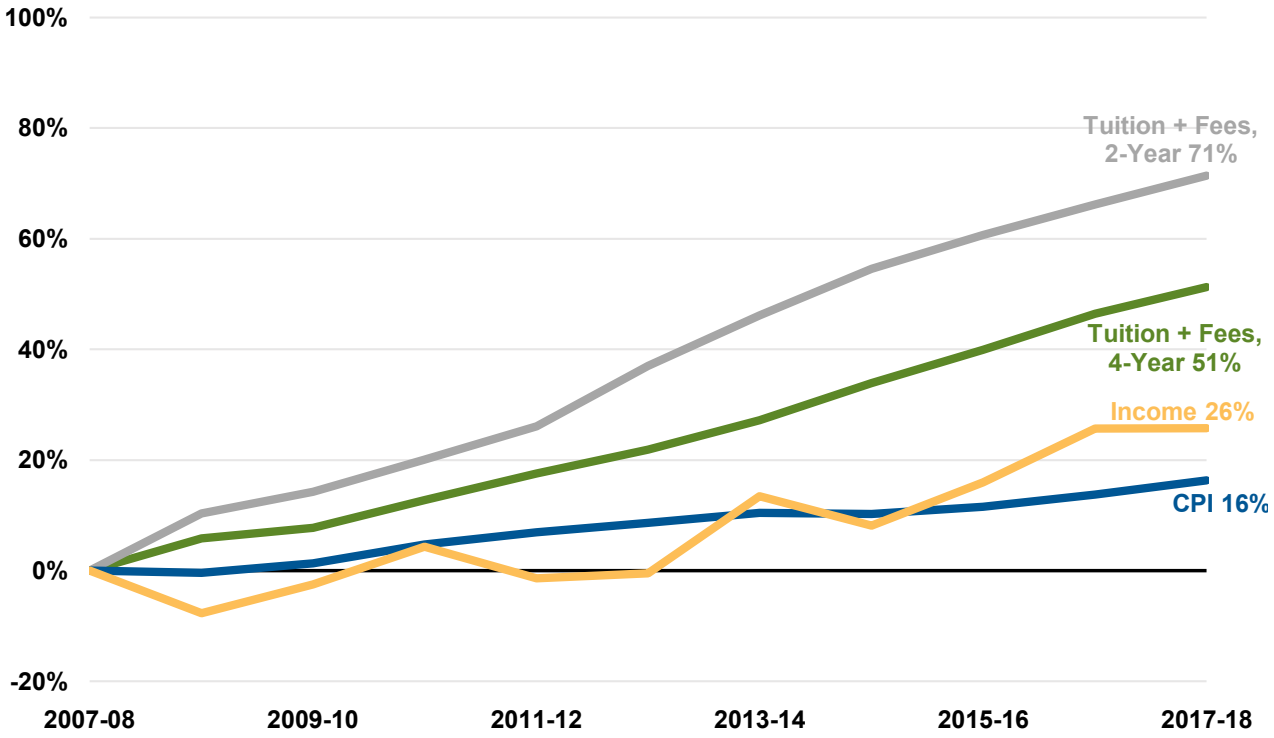
Graduates who sought a degree or certificate from four-year Type 1 universities in Arkansas in 2017-18 borrowed, on average, $21,391 and graduates of four-year Type 2 institutions borrowed $19,827. These amounts were higher than average amounts borrowed in 2012-13, but lower than the SREB average in 2017-18.

Students at public two-year colleges borrowed, on average, $9,968 in 2017-18, less than the average amount in 2012-13 and the 2017-18 SREB and national averages.

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

Compared to the CPI and household income, **tuition and fees** at Arkansas public colleges and universities **increased at a faster rate** between 2007-08 and 2017-18.

Over that decade, the CPI increased by 16% and median household income in Arkansas increased by 26%, while tuition and fees increased by 51% at four-year institutions and 71% at two-year institutions.

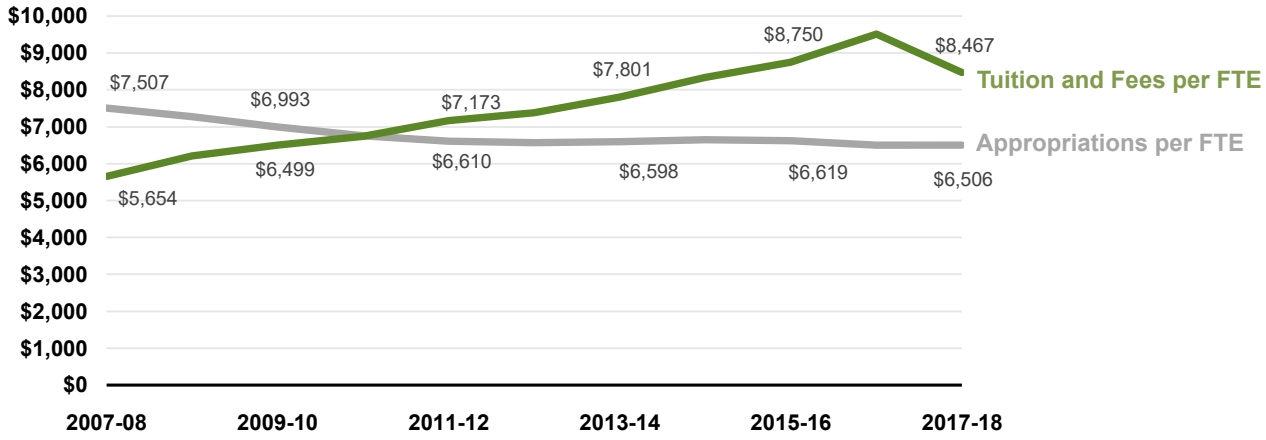



Consumer Price Index retrieved from FRED, Federal Reserve Bank of St. Louis: Bureau of Labor Statistics, South urban area, 2017. Tuition and fees retrieved from the U.S. Department of Education, Integrated Postsecondary Education Data System, Institutional Characteristics Files, 2007 to 2017. Median 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, 2020.

## Dollars per FTE Student from State Appropriations and Tuition and Fees

### Operational funds consisted **mostly of tuition and fees** for Arkansas's **public four-year institutions** in 2017-18.

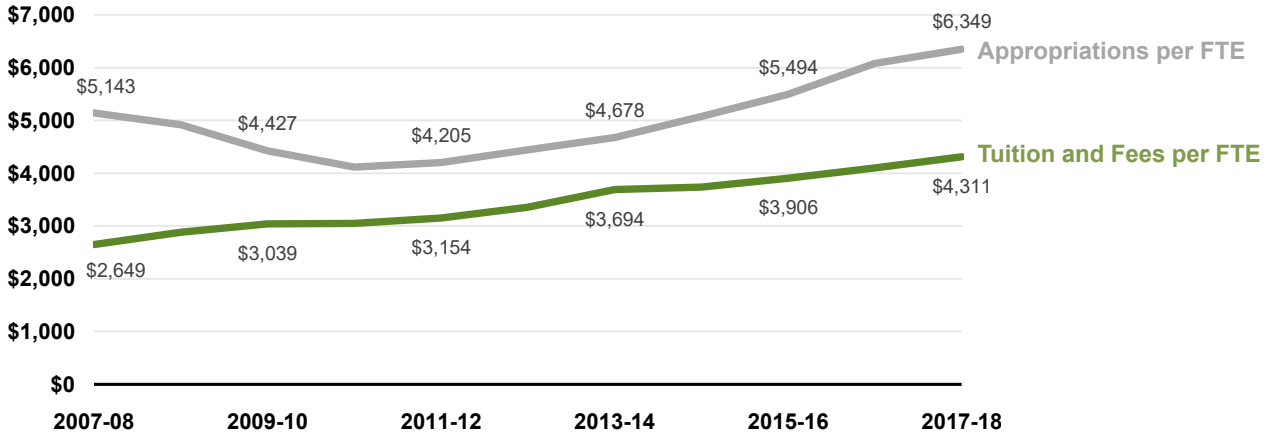
Net tuition and fees per FTE student at Arkansas's four-year institutions increased from $5,654 in 2007-08 to $8,467 in 2017-18. In comparison, state appropriations per FTE student dropped from $7,507 in 2007-08 to $6,506 in 2017-18. Students and families started paying a larger share of the total funding per student after 2010-11.




Source: SREB-State Data Exchange

### Operational funds consisted **mostly of state and local appropriations** for Arkansas's **public two-year institutions** in 2017-18.

State and local appropriations per FTE student at Arkansas's two-year institutions have increased over the last eight years to $6,349 in 2017-18. More than the $5,143 per FTE student in 2007-08. Net tuition and fees per FTE student have risen steadily from $2,649 in 2007-08 to $4,311 in 2017-18. Over time, students and families paid more tuition and fees, but state appropriations accounted for a larger share of the revenues for operations.




Source: SREB-State Data Exchange

## Additional State Context

**Postsecondary Enrollment.** In 2017-18, 28% of students in Arkansas were enrolled in public four-year Type 1 institutions, 41% were enrolled at public four-year Type 2 institutions and over 31% were enrolled in public two-year colleges.

**First-Year Retention.** For the 2017 cohort, 86% of students attending public four-year Type 1 institutions in Arkansas were still enrolled one year later, 79% were retained after the first year in public four-year Type 2 institutions, and 57% were retained at public two-year colleges.

**Pell Grants.** In 2017-18, 19% of the average cost of attendance in public four-year Type 1 institutions in Arkansas was covered by the average Pell Grant award. The average grant amount covered 22% of costs in public four-year Type 2 institutions and 29% in public two-year colleges.

**Education Attainment.** In 2018, nearly 44% of Arkansas's working adult population between ages 25 and 64 had a postsecondary credential of value. The state's educational attainment goal is to reach 60% by 2025.

**Student Debt.** In Arkansas, 53% of the class of 2019 graduated from four-year colleges with debt, owing an average debt of $26,679.

Sources: Enrollment: U.S. Department of Education, Integrated Postsecondary Education Data Systems, 2017. Retention: SREB-State Data Exchange. Pell: U.S. Department of Education: 2017-2018 Award Year Grant Volume by School (2019) and SREB analysis of National Center for Education Statistics student financial aid database, 2017-18. Educational attainment: State Higher Education Master Plans and Lumina Foundation, "A Stronger Nation," 2019. Student debt: The Institute for College Access & Success. College Insight, https://college-insight.org. Student debt and undergraduate financial aid data are licensed from Peterson's Undergraduate Financial Aid and Undergraduate Databases, © 2020 Peterson's LLC, all rights reserved. All data may be reproduced, with attribution, subject to restrictions under this Creative Commons license: https://creativecommons.org/licenses/by-nc-nd/3.0/.

# Arkansas Institutions by Type

**Public Four-Year Type 1**
University of Arkansas at Little Roc
University of Arkansas

**Public Four-Year Type 2**
University of Arkansas at Pine Bluff
Arkansas State University-Main Campus
Arkansas Tech University
University of Arkansas at Monticello
University of Central Arkansas
Henderson State University
Southern Arkansas University Main Campus
University of Arkansas-Fort Smith

**Public Two-Year**
Arkansas State University-Beebe
Black River Technical College
Cossatot Community College of the University of Arkansas
East Arkansas Community College
National Park College
University of Arkansas Community College-Batesville
Arkansas State University Mid-South
Arkansas Northeastern College
North Arkansas College
College of the Ouachitas
Ozarka College
University of Arkansas Community College-Morrilton
Phillips Community College of the University of Arkansas
Southeast Arkansas College

University of Arkansas-Pulaski Technical College
University of Arkansas Community College-Hope
University of Arkansas Community College Rich Mountain
South Arkansas Community College
Southern Arkansas University Tech
NorthWest Arkansas Community College
Arkansas State University-Mountain Home
Arkansas State University-Newport

## 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 2017-18 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 2017-18 academic year. Some IPEDS surveys collect data for the prior academic year; for instance, the 2017-18 Student Financial Aid survey collected data for the 2016-17 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 SREB.org/Affordability 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 https://www.sreb.org/Affordability.*