

Kentucky

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 findings show that Kentucky has made some progress in affordability but continues to face challenges, particularly for low-income students at four-year institutions.

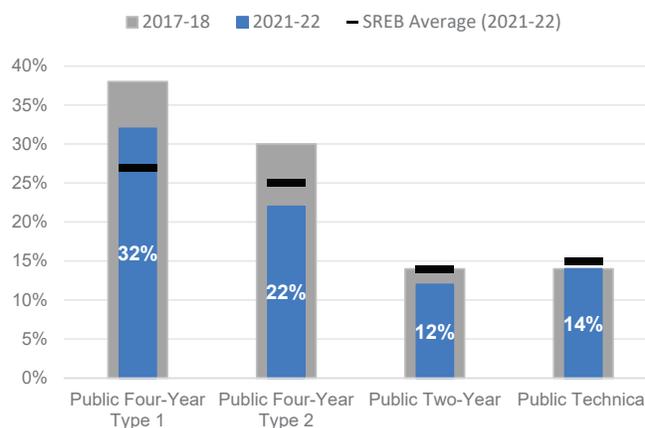
Family Income Needed for Net Price at Public Institutions

In 2021-22, Kentucky demonstrated improved affordability across all institution types from 2017-18 to 2021-22, with the most substantial improvements in four-year institutions.

In 2021-22, families in Kentucky needed, on average, 32% of their income to pay educational expenses for a full-time student at four-year Type 1 institutions, 22% at four-year Type 2 institutions, 12% at two-year institutions and 14% at technical institutions.

The 20-percentage point spread between four-year Type 1 and two-year institutions indicates variations in affordability across institutions.

While four-year Type 1 institutions still exceed SREB averages, other institutions perform at or better than SREB averages suggesting improved affordability relative to other SREB states.



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:

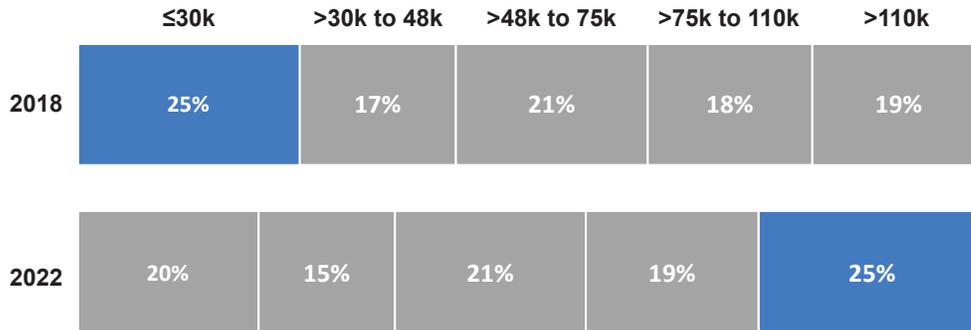
Four-Year Institution Type 1: Four-year institutions that awarded at least 30 doctoral degrees in five different areas.

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.

Average Family Income

In Kentucky, students from families that made \$110,000 or more saw the most substantial increases from 2018 to 2022. The 5-percentage point gap between highest and lowest income groups indicates growing economic disparities among postsecondary students in Kentucky.



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

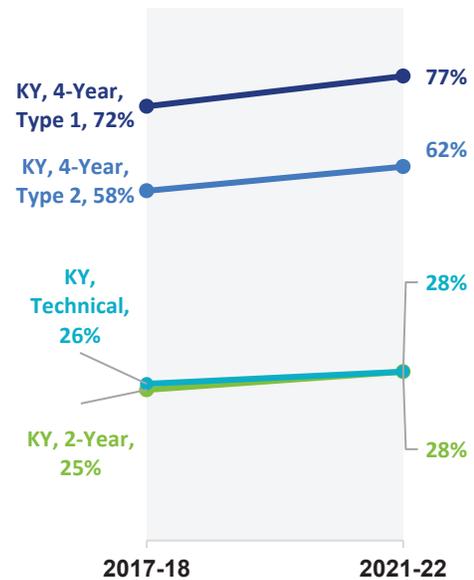
Income Required for Median Tuition and Fees at Public Colleges for Families Making Less Than \$30,000

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

For families making less than \$30,000, the percentage of income required to cover median tuition and fees at four-year Type 1 institutions reached 77% and 62% at four-year Type 2 institutions. For two-year and technical institutions, the percentage was lower, with families requiring 28% of their income to cover the median tuition and fees.

The 49-percentage point gap between four-year Type 1 and two-year and technical institutions indicates disparities in accessibility across institution types.

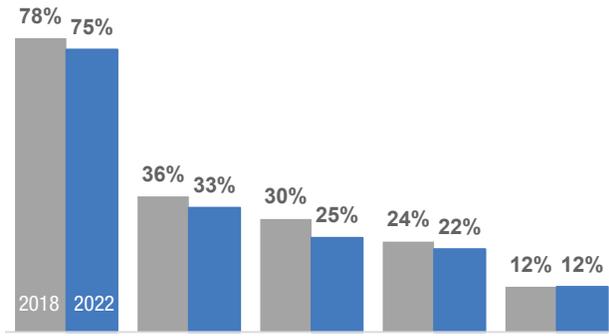
While two-year and technical institutions remain more affordable, the universal increase in required income percentages suggests growing affordability challenges for low-income families.



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 Kentucky families needed to pay for educational expenses at four-year Type 1 institutions decreased or 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.

In 2022, families earning less than \$30,000 spent 75% of their income on educational expenses at four-year Type 1 institutions, while families earning over \$110,000 spent only 12% of their income.

The 63-percentage point gap between highest and lowest income groups indicates inequity in affordability. Despite modest improvements, the burden on lower-income families remains particularly severe.

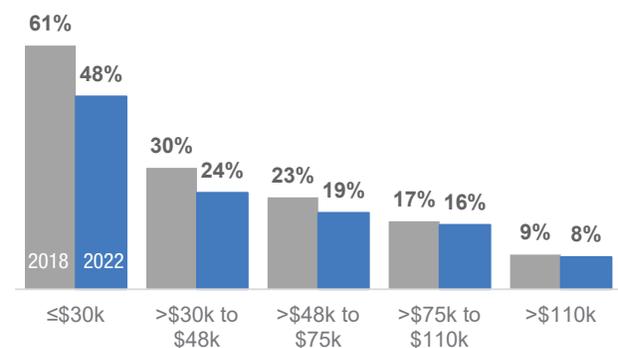
Net Price as a Percentage of Income for Public Four-Year Type 2 Institutions

The percentage of income that Kentucky families needed to pay for educational expenses at four-year Type 2 institutions decreased from 2018 to 2022 for all income categories.

In 2022, families earning less than \$30,000 spent 48% of their income on educational expenses at four-year Type 2 institutions, while families earning over \$110,000 spent only 8% of their income.

The gap between highest and lowest income groups remains significant with 40-percentage points but has decreased from 52-percentage points in 2018.

The pattern remains regressive but shows better improvement in affordability compared to four-year Type 1 institutions.



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.

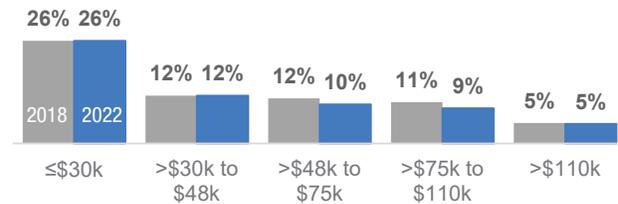
Net Price as a Percentage of Income for Public Two-Year Institutions

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

In 2022, families earning less than \$30,000 spent 26% of their income on educational expenses at two-year institutions, while families earning over \$110,000 spent only 5% of their income.

A 21-percentage point difference between highest and lowest income groups is smaller than at four-year institutions.

While middle and upper-middle income groups saw slight improvements, other income brackets remained stable, suggesting consistent affordability levels over the period.



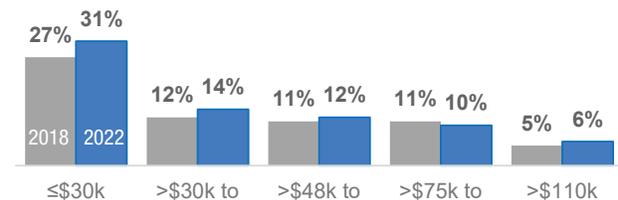
U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2018 and 2022, 12-Month Enrollment Instructional Activity Files 2018 and 2022. American Community Survey Public Use Microdata Samples, 2018 and 2022. Institutional types based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

Net Price as a Percentage of Income for Public Technical Institutions

Kentucky families making less than \$30,000 were the most affected by the rising cost of attendance at technical institutions in 2022.

In 2022, families earning less than \$30,000 spent 31% of their income on educational expenses at technical institutions, while families earning over \$110,000 spent 6% of their income.

The overall burden of attending technical institutions remains lower than four-year institutions. The 25-percentage point gap between highest and lowest income groups indicates persistent but less severe inequity compared to four-year institutions.

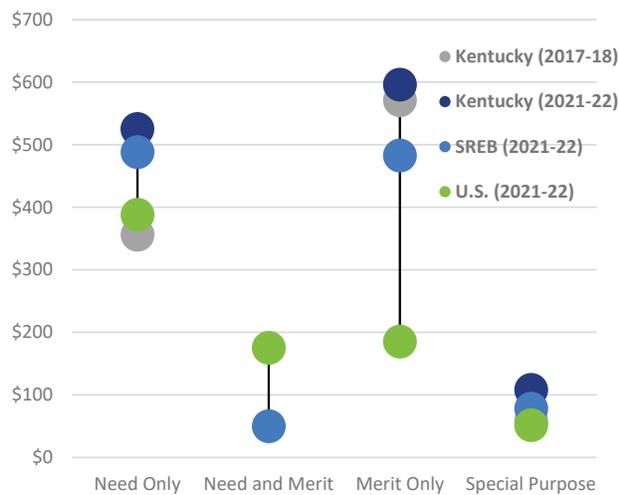


U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2018 and 2022, 12-Month Enrollment Instructional Activity Files 2018 and 2022. American Community Survey Public Use Microdata Samples, 2018 and 2022. Institutional types based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

State Financial Aid Per Student

Kentucky awarded more need-based, merit-based and special purpose aid in 2021-22 per full-time-equivalent student than the SREB and national averages. Need-based, merit-based and special purpose aid also increased from 2017-18 to 2021-22.

	Need Only	Need and Merit	Merit Only	Special Purpose
Kentucky (2017-18)	\$356	NA	\$571	\$58
Kentucky (2021-22)	\$525	NA	\$596	\$108
SREB (2021-22)	\$488	\$50	\$483	\$78
U.S. (2021-22)	\$388	\$175	\$185	\$51



Kentucky shows balanced growth across multiple aid categories, with significant increases in need-based aid and special purpose aid. Kentucky spent \$525 on average per undergraduate FTE student on need-based aid in 2021-22 compared to \$356 in 2017-18. The SREB average in 2021-22 was \$488 and the national average was \$388.

The state maintains higher than average support across all categories except need and merit combination aid. The pattern suggests a comprehensive approach to student support, with strong emphasis on both need-based and merit-based aid, consistently exceeding both regional and national averages.

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, Kentucky graduates borrowed more than SREB and national averages to earn degrees at four-year Type 1, four-year Type 2 and technical institutions.

	Kentucky 2015-16	Kentucky 2020-21	SREB Average 2020-21	U.S. Average 2020-21
Four-Year Type 1	\$21,000	\$21,500	\$20,710	\$20,550
Four-Year Type 2	\$24,362	\$22,714	\$21,912	\$20,758
Two-Year	\$10,279	\$9,915	\$10,088	\$10,653
Technical	\$13,627	\$10,443	\$9,037	\$10,088

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.

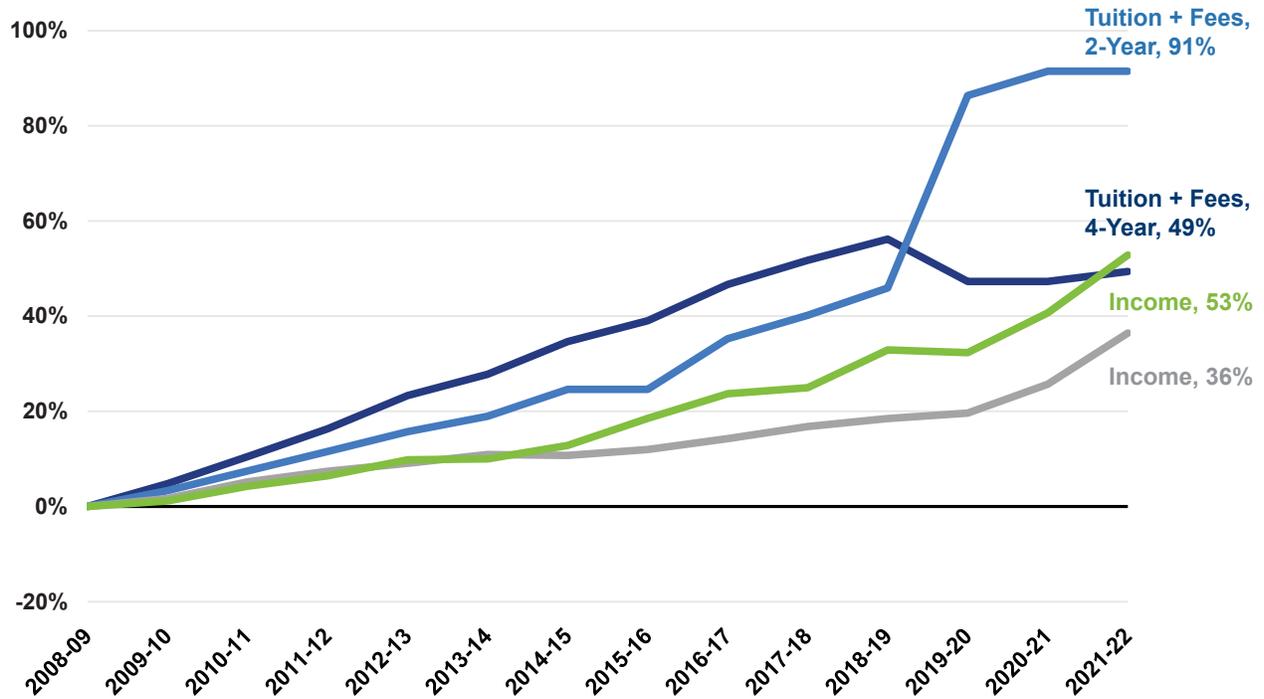
In 2020-21, graduates from four-year Type 1 universities in Kentucky borrowed an average of \$21,500, while graduates from four-year Type 2 institutions borrowed \$22,714. The borrowing levels at four-year institutions in Kentucky remain above both SREB and national averages.

The most substantial improvement occurred in technical institutions, with a significant reduction in borrowing. Students at public two-year colleges borrowed an average of \$9,915 and students at technical institutions borrowed an average of \$10,443, which was below the SREB average but above the national average.

Changes in Tuition and Fees, CPI and Family Income

The divergence between tuition and fees at two-year institutions, family income and Consumer Price Index suggests declining affordability at two-year institutions in Kentucky.

With a sharp spike around 2019-20, tuition and fees at two-year institutions nearly doubled that of four-year institutions. This pattern indicates a concerning shift in Kentucky’s traditional affordability advantage at two-year institutions, though four-year institutions have maintained relatively better alignment with income growth than many peer states.

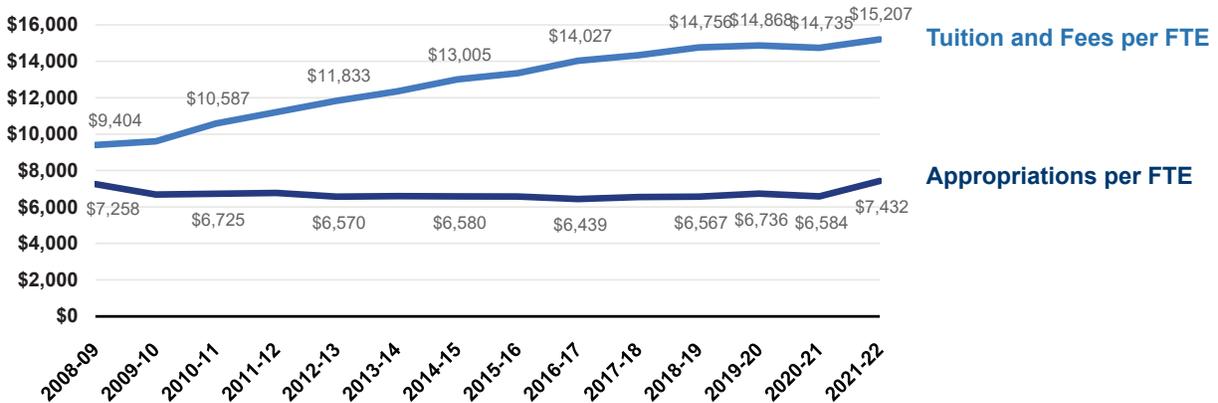


Consumer Price Index retrieved from FRED, Federal Reserve Bank of St. Louis: Bureau of Labor Statistics, South urban area, 2021. Tuition and fees retrieved from the U.S. Department of Education, Integrated Postsecondary Education Data System, Institutional Characteristics Files, 2008 to 2021. Median 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 consisted mostly of tuition and fees for Kentucky's public four-year institutions in 2021-22.

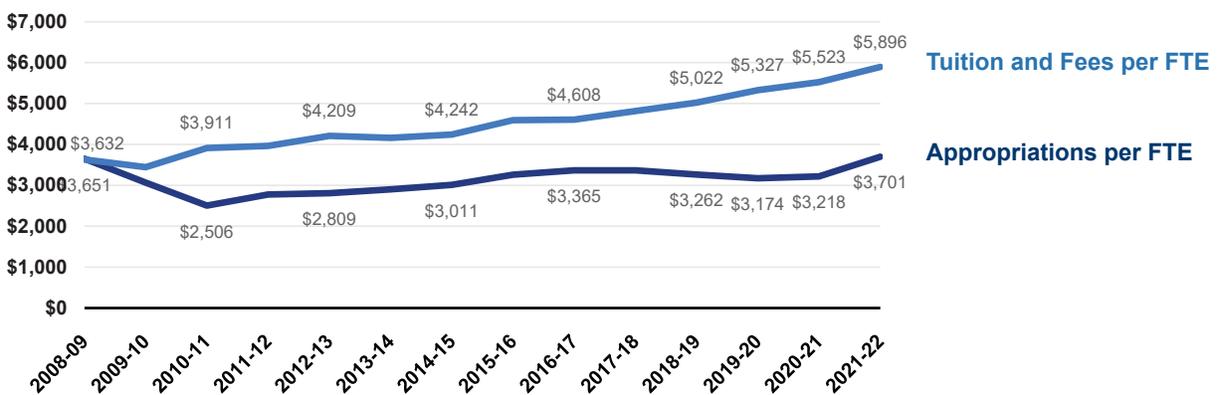
While tuition and fees increased by about 62% since 2008-09, state appropriations showed minimal growth of about 2.4%. By 2021-22, tuition and fees were more than double state appropriations, indicating a shift of higher education costs from state funding to student responsibility.



Source: SREB-State Data Exchange

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

While tuition and fees have increased by 62% since 2008-09, state appropriations have barely recovered to 2008-09 levels. By 2021-22, tuition and fees significantly exceeded state appropriations by \$2,195, indicating a shift toward greater reliance on tuition and fees rather than state support for funding two-year institutions.



Source: SREB-State Data Exchange

Kentucky Fast Facts

Postsecondary Enrollment: According to 2021 fall enrollment, 23% of students in Kentucky were enrolled in public four-year Type 1 institutions, 33% were enrolled at public four-year Type 2 institutions, 39% were enrolled in public two-year colleges and 5% were enrolled in technical institutions.

FAFSA: As of July 5, 2024, Kentucky’s high school class of 2024 had a FAFSA completion rate of 52%, a 13% decrease from the rate on the same date in 2023.

Federal Student Aid: In 2021-22, 24% of students receiving any form of federal student aid were awarded Pell Grants, while 33% received federal student loans.

Education Attainment: In 2022, 50% of Kentucky’s working adult population (ages 25 to 64) held a postsecondary credential, placing the state 4.3 percentage points below the national average of 54.3%. This figure includes short-term credentials, which account for 10.5% of Kentucky’s credential attainment rate, including certificates and industry-recognized certifications.

Workforce Needs: By 2031, 63% of jobs in Kentucky will require a postsecondary credential. Kentucky ranks 41st 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/17>.

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/KY>.

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/>.

Kentucky Institutions by Type

Public Four-Year Type 1

University of Kentucky

University of Louisville

Public Four-Year Type 2

Eastern Kentucky University

Murray State University

Kentucky State University

Northern Kentucky University

Morehead State University

Western Kentucky University

Public Two-Year

Ashland Community and Technical College

Madisonville Community College

Big Sandy Community and Technical College

Maysville Community and Technical College

Bluegrass Community and Technical College

Owensboro Community and Technical College

Elizabethtown Community and Technical College

Somerset Community College

Hazard Community and Technical College

Southeast Kentucky Community and

Henderson Community College

Technical College

Hopkinsville Community College

West Kentucky Community and Technical College

Jefferson Community and Technical College

Kentucky Institutions by Type

Technical Colleges

Gateway Community and Technical College

Southcentral Kentucky Community and
Technical 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).