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 Kentucky was lower than the SREB average for each institutional type except four-year Type 1 institutions.

Families in Kentucky paid a higher percentage of their family income in 2017-18 to send a full-time student to a four-year institution than in 2012-13. Kentucky’s families needed, on average, 36% of their income in 2017-18 to pay educational expenses for a full-time student at four-year Type 1 institutions and 28% at four-year Type 2 institutions. In 2017-18, families in Kentucky needed, on average, 13% of their income to cover educational expenses at two-year institutions.

**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.
Distribution of Average Family Income

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

<table>
<thead>
<tr>
<th></th>
<th>≤$30k</th>
<th>&gt;$30k to $48k</th>
<th>&gt;$48k to $75k</th>
<th>&gt;$75k to $110k</th>
<th>&gt;$110k</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>29%</td>
<td>19%</td>
<td>22%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>2017</td>
<td>25%</td>
<td>17%</td>
<td>21%</td>
<td>18%</td>
<td>18%</td>
</tr>
</tbody>
</table>


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 Kentucky 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 61% of income in 2017-18, compared to 50% in 2012-13.

Families needed 24% of their income in 2017-18 to cover the state’s median tuition at two-year institutions. In 2012-13 it was 20%.

Kentucky 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 Kentucky was much larger for families making less than $30,000 than for any other income category.

Families making less than $30,000 in 2012 needed 59% of their income to pay educational expenses. In 2017 it was 78%.

Families making over $110,000 only needed 10% of their income in 2012 and 12% in 2017 to cover expenses at these institutions.

Kentucky 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 Kentucky was larger for families making less than $30,000 than for any other income category.

At Kentucky’s four-year Type 2 institutions, families making less than $30,000 in 2012 needed 49% of their income to pay educational expenses. In 2017 it was 61%.

Families making over $110,000 only needed 8% of their income in 2012 and 9% in 2017 to cover expenses at four-year Type 2 institutions.
Net Price as a Percentage of Income, 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 2012 to 2017.

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

At Kentucky’s two-year institutions, families making less than $30,000 in 2012 needed 35% of their income to pay educational expenses. In 2017 it was 26%.

Families making over $110,000 only needed 6% of their income in 2012 and 5% in 2017 to cover these expenses.

State Financial Aid Per Student

Kentucky awarded more merit-based aid in 2017-18 per full-time-equivalent student than the SREB and national averages. Merit-based aid also increased from 2012-13 to 2017-18.

<table>
<thead>
<tr>
<th></th>
<th>Need Only</th>
<th>Need and Merit</th>
<th>Merit Only</th>
<th>Special Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kentucky (2012-13)</td>
<td>$289</td>
<td>$0</td>
<td>$585</td>
<td>$33</td>
</tr>
<tr>
<td>Kentucky (2017-18)</td>
<td>$456</td>
<td>NA</td>
<td>$731</td>
<td>$75</td>
</tr>
<tr>
<td>SREB Average (2017-18)</td>
<td>$389</td>
<td>$143</td>
<td>$476</td>
<td>$74</td>
</tr>
<tr>
<td>U.S. Average (2017-18)</td>
<td>$411</td>
<td>$241</td>
<td>$195</td>
<td>$53</td>
</tr>
</tbody>
</table>
The state spent $731 on average per undergraduate FTE student on merit-based aid in 2017-18 compared to $585 in 2012-13. The SREB average in 2017-18 was $476 and the national average was $195.

Kentucky spent $456, on average, per FTE for need-based financial aid in 2017-18, more than the SREB average of $389 and the national average of $411.

Student Borrowing at Public Institutions

In 2017-18, Kentucky graduates borrowed more than SREB and national averages to earn degrees at all public institutions.

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<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Four-Year Type 1</td>
<td>$18,351</td>
<td>$22,106</td>
<td>$21,600</td>
<td>$21,232</td>
</tr>
<tr>
<td>Four-Year Type 2</td>
<td>$20,828</td>
<td>$23,637</td>
<td>$22,677</td>
<td>$19,510</td>
</tr>
<tr>
<td>Two-Year</td>
<td>$10,016</td>
<td>$11,346</td>
<td>$10,798</td>
<td>$10,171</td>
</tr>
</tbody>
</table>

Graduates who sought a degree or certificate from four-year Type 1 universities in Kentucky in 2017-18 borrowed, on average, $22,106 and graduates of four-year Type 2 institutions borrowed $23,637. These amounts were higher than average amounts borrowed in 2012-13 and the SREB and national averages in 2017-18.

Students at public two-year colleges borrowed, on average, $11,346 in 2017-18. This amount was more than the average amount borrowed in 2012-13 and the SREB and national averages in 2017-18.
Changes in Tuition and Fees, CPI and Household Income

Compared to the CPI and household income, tuition and fees at Kentucky 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 Kentucky increased by 33%, while tuition and fees increased by 64% at four-year institutions and 48% at two-year institutions.

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 2017-18.

Net tuition and fees per FTE student at Kentucky’s four-year institutions increased from $8,871 in 2007-08 to $14,330 in 2017-18. In comparison, state appropriations per FTE student dropped from $7,323 in 2007-08 to $6,550 in 2017-18. Students and families paid a larger share of the total funding per student.

Operational funds consisted mostly of tuition and fees for Kentucky’s public two-year institutions in 2017-18.

In 2017-18, net tuition and fees per FTE student at Kentucky’s two-year institutions steadily increased from $3,584 in 2007-08 to $4,816 in 2017-18. In comparison, state and local appropriations per FTE student dropped from $3,802 in 2007-08 to $3,366 in 2017-18. Students and families started paying for a larger share of the revenues for operations after 2008-09.
Additional State Context

**Postsecondary Enrollment.** In 2017-18, 27% of students in Kentucky were enrolled in public four-year Type 1 institutions, close to 39% were enrolled at public four-year Type 2 institutions, and almost 34% were enrolled in public two-year colleges.

**First-Year Retention.** For the 2017 cohort, 87% of students attending public four-year Type 1 institutions in Kentucky were still enrolled one year later, 79% were retained after the first year in public four-year Type 2 institutions, and 63% were retained at public two-year and technical colleges.

**Pell Grants.** In 2017-18, 16% of the average cost of attendance in public four-year Type 1 institutions in Kentucky was covered by the average Pell Grant award. The average grant amount covered 20% of costs in public four-year Type 2 institutions and 31% in public two-year colleges.

**Education Attainment.** In 2018, over 49% of Kentucky’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 2030.

**Student Debt.** In Kentucky, 58% of the class of 2019 graduated from four-year colleges with debt, owing an average of $28,482.


Kentucky Institutions by Type

**Public Four-Year Type 1**
- University of Kentucky
- University of Louisville

**Public Four-Year Type 2**
- Eastern Kentucky University
- Kentucky State University
- Morehead State University
- Murray State University
- Northern Kentucky University
- Western Kentucky University

**Public Two-Year**
- Ashland Community and Technical College
- Southcentral Kentucky Community and Technical College
- Bluegrass Community and Technical College
- Elizabethtown Community and Technical College
- Hazard Community and Technical College
- Henderson Community College
- Hopkinsville Community College
- Jefferson Community and Technical College
- Madisonville Community College
- Maysville Community and Technical College
- Gateway Community and Technical College
- West Kentucky Community and Technical College
- Big Sandy Community and Technical College
- Somerset Community College
- Southeast Kentucky Community and Technical College
- Owensboro 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 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 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 https://www.sreb.org/Affordability.