

Texas

College Affordability Profile

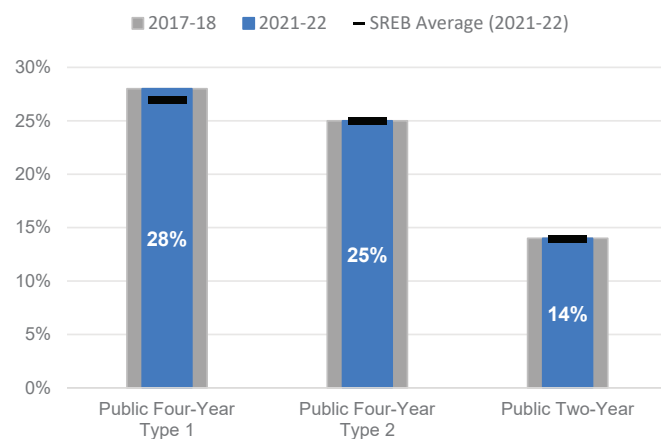
The Southern Regional Education Board convened a Commission on College Affordability in the South and published a report in 2016 emphasizing that affordability is a critical factor in both access to and completion of postsecondary education. In this year's SREB College Affordability Profiles, SREB examined 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 Texas. While borrowing remains below national averages, the increasing burden on lower-income families and declining state support for two-year institutions suggest growing affordability challenges.

Family Income Needed for Net Price at Public Institutions

Texas shows stability across all institution types from 2017-18 to 2021-22, with no significant changes in required family income percentages.

In 2021-22, families in Texas needed, on average, 28% of their income to cover educational expenses for a full-time student at four-year Type 1 institutions and 25% at four-year Type 2 institutions. For two-year institutions, the average was 14% of family income.

The 14-percentage point gap between four-year Type 1 and two-year institutions indicates variation in affordability across institution types.



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 Texas, students from families that made \$110,000 or more saw the most increase from 2018 to 2022. The 16-percentage point gap in 2022 between highest and lowest income groups indicates growing economic disparities among postsecondary students in Texas.



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

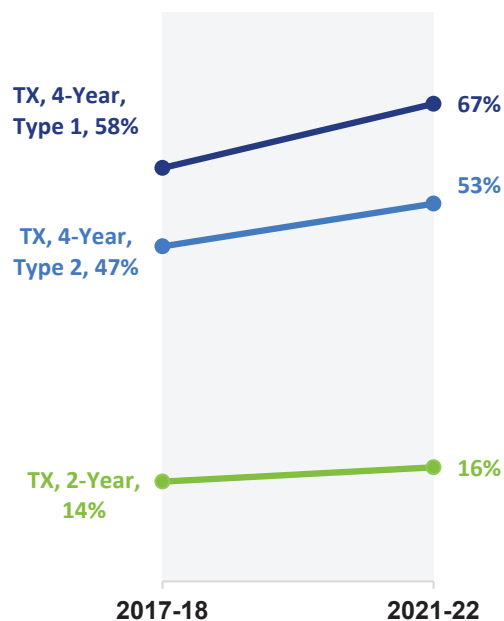
Percentage of Income Required for Median Tuition and Fees at Public Colleges for Families Making Less Than \$30,000

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

In 2021-22, families earning less than \$30,000 needed 67% 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 16% of their income to cover the median tuition and fees.

The 51-percentage point gap between four-year Type 1 institutions and two-year institutions indicates disparities in accessibility.

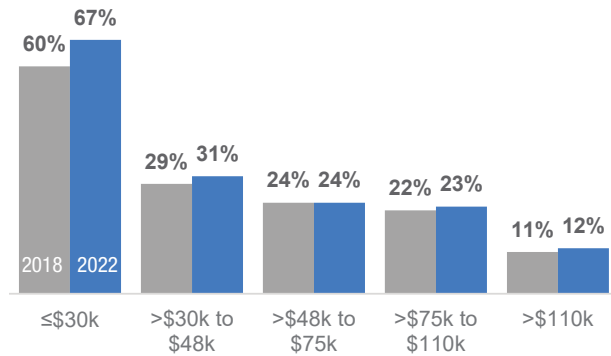
While two-year institutions remain relatively affordable, the steep increases at four-year institutions suggest growing affordability challenges for families making less than \$30,000.



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 Texas families needed to pay for educational expenses at four-year Type 1 institutions increased for most income categories 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 needed 67% of their income to cover educational expenses, while those earning over \$110,000 required just 12%.

The 55-percentage point gap between highest and lowest income groups in 2022 indicates inequity in affordability.

The pattern shows regressive trend, particularly for lower-income families, with the lowest-income group facing an especially severe burden requiring two-thirds of their annual income.

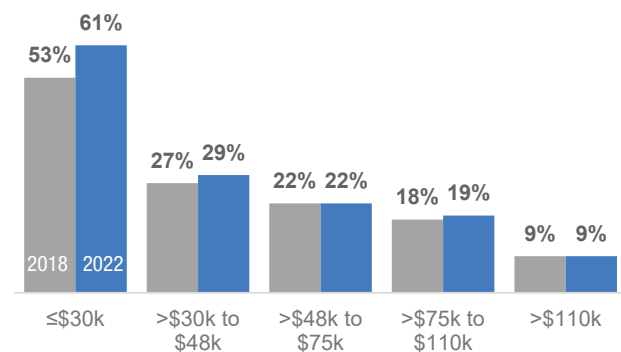
Net Price as a Percentage of Income for Public Four-Year Type 2 Institutions

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

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

The 52-percentage point gap between highest and lowest income groups in 2022 indicates inequity in affordability.

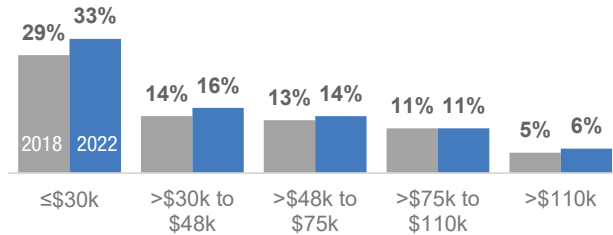
The pattern shows regressive conditions, particularly for lower-income families, though the increases are less severe than at four-year Type 1 institutions.



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 Texas families needed to pay for educational expenses at two-year institutions increased for most income categories 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.

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

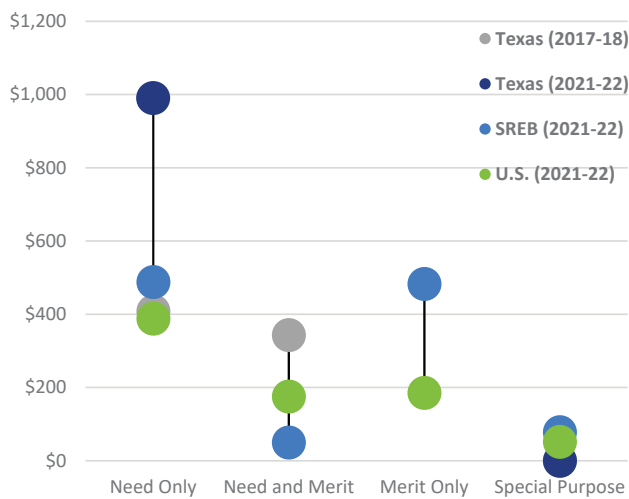
The 27-percentage point gap between highest and lowest income groups in 2022 indicates inequity in affordability.

While two-year institutions remain more affordable than four-year institutions, the trend shows growing burden particularly for lower-income families.

State Financial Aid Per Student

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

	Need Only	Need and Merit	Merit Only	Special Purpose
Texas (2017-18)	\$408	\$343	NA	\$0
Texas (2021-22)	\$990	NA	NA	\$0
SREB (2021-22)	\$488	\$50	\$483	\$78
U.S. (2021-22)	\$388	\$175	\$185	\$51



Texas shows a strong and increasing focus on need-based aid, more than doubling the amount over the period. Texas' need-based aid is substantially higher than both regional and national averages.

The state has eliminated combined need and merit aid programs while maintaining no merit-only or special purpose aid. This suggests a policy emphasis on addressing financial need rather than academic achievement in aid distribution.

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, Texas graduates borrowed less than the SREB and national averages to earn degrees at four-year Type 1, four-year Type 2 and two-year institutions.

	Texas 2015-16	Texas 2020-21	SREB Average 2020-21	U.S. Average 2020-21
Four-Year Type 1	\$20,003	\$19,227	\$20,710	\$20,550
Four-Year Type 2	\$19,198	\$19,884	\$21,912	\$20,758
Two-Year	\$8,302	\$9,676	\$10,088	\$10,653

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.

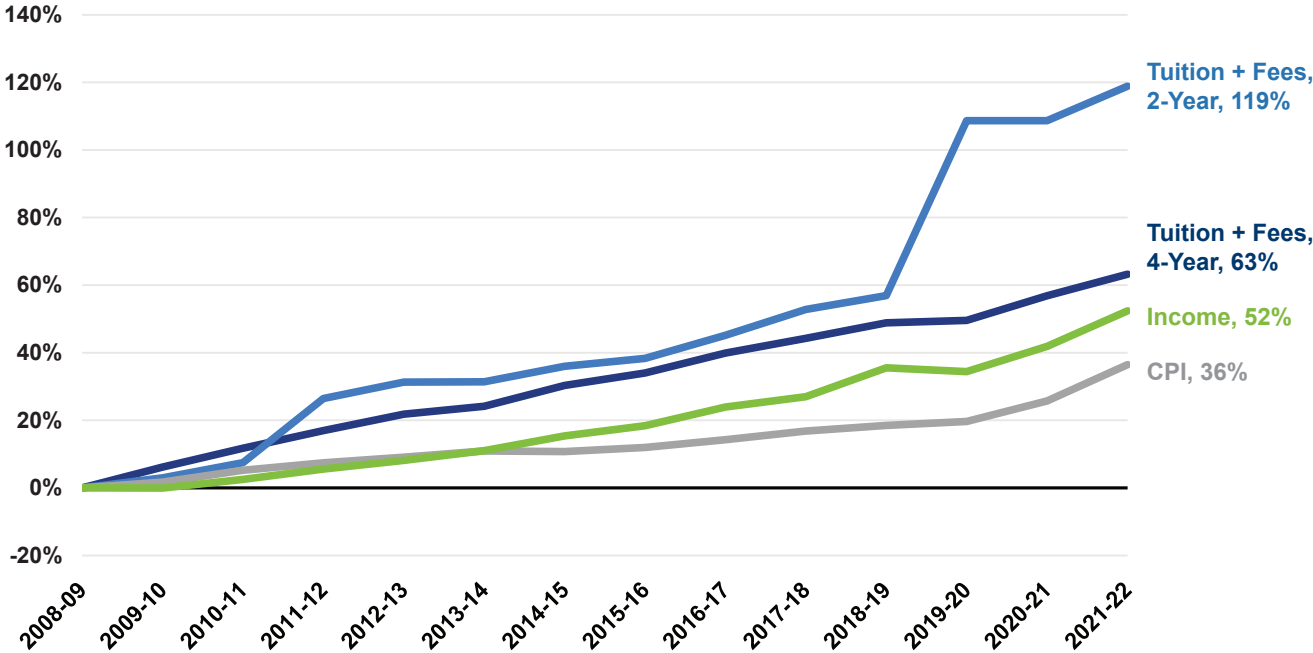
Graduates who sought a degree or certificate from four-year Type 1 universities in Texas in 2020-21 borrowed, on average, \$19,227, less than the average amount in 2015-16. Graduates of four-year Type 2 institutions borrowed \$19,884, more than the average among in 2015-16. These amounts were lower than the SREB and national averages in 2020-21.

Students at public two-year colleges borrowed, on average, \$9,676 in 2020-21, more than the average amount in 2015-16 but less than the SREB and national averages in 2020-21. The largest increase occurred at two-year institutions, though they remain the most affordable option with the lowest borrowing amounts.

Changes in Tuition and Fees, CPI and Family Income

Data indicates a decrease in Texas’s college affordability, with tuition increases substantially outpacing both income growth and inflation, particularly at two-year institutions where the growth rate was most severe.

Tuition and fees increase at two-year institutions nearly doubled those of four-year institutions, with a sharp spike observed during the pandemic period. The growing college affordability gap between four-year and two-year institutions is evident, as the tuition and fees growth rate tripled the rate of income growth.

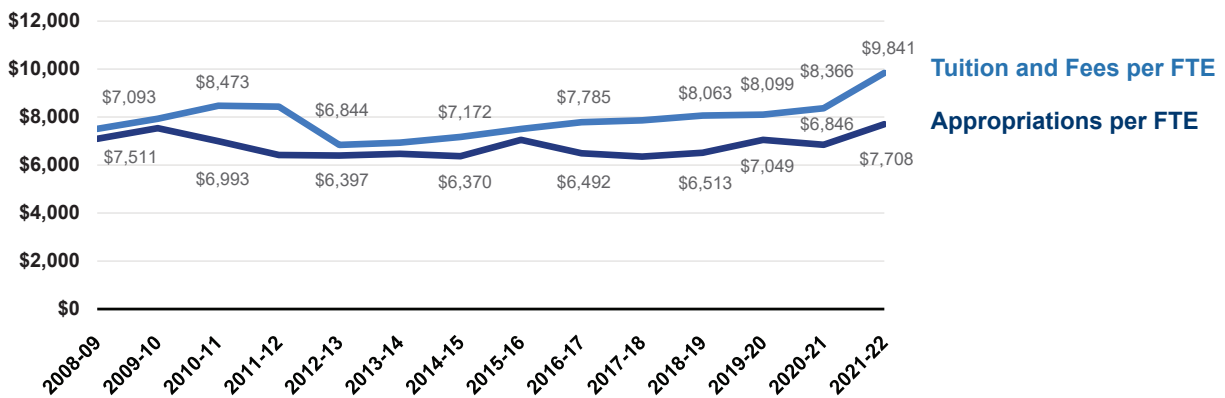


Consumer Price Index retrieved from FRED, Federal Reserve Bank of St. Louis: Bureau of Labor Statistics, South urban area, 2021. Tuition and fees retrieved from the U.S. Department of Education, Integrated Postsecondary Education Data System, Institutional Characteristics Files, 2008 to 2021. Median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

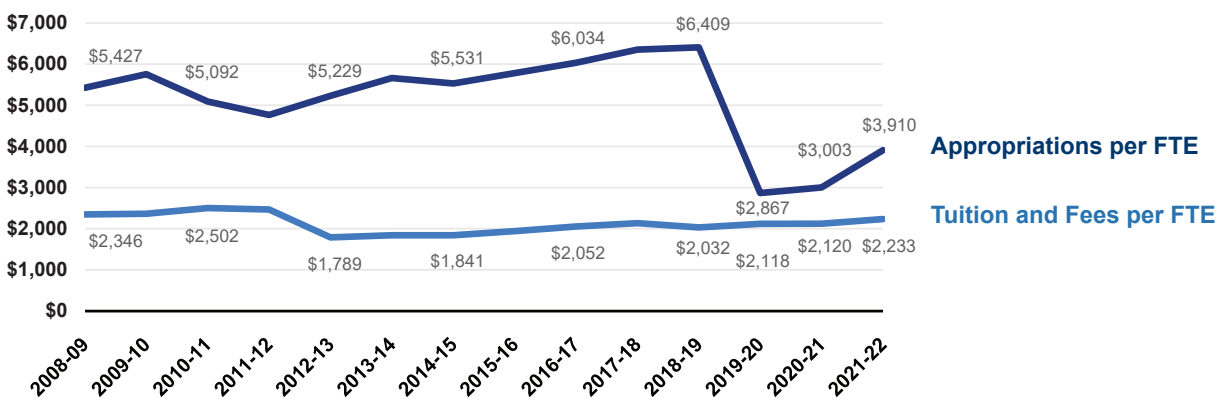
While both sources experienced fluctuations, tuition and fees showed more substantial growth, increasing by about 39% from 2008-09. State appropriations, while recovering from earlier declines, showed more modest growth of about 3%. By 2021-22, tuition and fees exceeded state appropriations by approximately \$2,133.



Source: SREB-State Data Exchange

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

While tuition and fees remained relatively stable, state appropriations experienced significant declines, particularly after 2018-19. The gap between appropriations and tuition has narrowed considerably, though state appropriations still exceed tuition and fees.



Source: SREB-State Data Exchange

Texas Fast Facts

Postsecondary Enrollment. According to 2021 fall enrollment, 26% of students in Texas were enrolled in public four-year Type 1 institutions, 18% were enrolled at public four-year Type 2 institutions and 56% were enrolled in public two-year colleges.

FAFSA. As of July 5, 2024, Texas’ high school class of 2024 had a FAFSA completion rate of 58%, a 12% decrease from the rate on the same date in 2023.

Federal Student Aid. In 2021-22, 32% of students receiving any form of federal student aid were awarded Pell Grants, while 35% received federal student loans.

Education Attainment. In 2022, 50.5% of Texas’ working adult population (ages 25 to 64) held a postsecondary credential, placing the state 3.8 percentage points below the national average of 54.3%. This figure includes short-term credentials, which account for 7.4% of Texas’ credential attainment rate, including certificates and industry-recognized certifications.

Workforce Needs. By 2031, 63% of jobs in Texas will require a postsecondary credential. Texas ranks 42nd 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/43>.

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/TX>.

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/>.

Texas Institutions by Type

Public Four-Year Type 1

Texas A&M University-College Station
Texas State University
Texas Tech University
Texas Woman’s University
The University of Texas at Arlington
The University of Texas at Austin

The University of Texas at Dallas
The University of Texas at El Paso
The University of Texas at San Antonio
University of Houston
University of North Texas

Public Four-Year Type 2

Angelo State University
Lamar University
Midwestern State University
Prairie View A&M University
Sam Houston State University
Stephen F Austin State University
Sul Ross State University
Tarleton State University

Texas A&M International University
Texas A&M University-Central Texas
Texas A&M University-Commerce
Texas A&M University-Corpus Christi
Texas A&M University-Kingsville
Texas A&M University-San Antonio
Texas A&M University-Texarkana
Texas Southern University

Texas Institutions by Type

Public Four-Year Type 2 (continued)

The University of Texas at Tyler
The University of Texas of the Permian Basin
The University of Texas Rio Grande Valley
University of Houston-Clear Lake

University of Houston-Downtown
University of Houston-Victoria
University of North Texas at Dallas
West Texas A&M University

Public Two-Year

Alvin Community College
Amarillo College
Angelina College
Austin Community College District
Blinn College
Brazosport College
Central Texas College
Cisco College
Clarendon College
Coastal Bend College
College of the Mainland
Collin County Community College District
Del Mar College
El Paso Community College
Frank Phillips College
Galveston College
Grayson College
Hill College
Houston Community College
Howard College
Kilgore College
Lamar Institute of Technology
Lamar State College-Orange
Lamar State College-Port Arthur
Laredo College
Lee College
Lone Star College System
McLennan Community College
Midland College

Navarro College
North Central Texas College
Northeast Lakeview College
Northeast Texas Community College
Northwest Vista College
Odessa College
Palo Alto College
Panola College
Paris Junior College
Ranger College
San Antonio College
San Jacinto Community College
South Plains College
South Texas College
Southwest College for the Deaf
Southwest Texas Junior College
St Philip's College
Tarrant County College District
Temple College
Texarkana College
Texas Southmost College
Texas State Technical College
Trinity Valley Community College
Tyler Junior College
Vernon College
Victoria College
Weatherford College
Western Texas College
Wharton County Junior 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).