

# Arkansas

## Affordability Profile

from

*Affordability of Public Higher Education in SREB States*

prepared by

Patrick M. Callan, William Doyle, Joni Finney and Darcie Harvey

Higher Education Policy Institute

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**SREB**

Southern Regional  
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## INTRODUCTION

At the request of the SREB, the Higher Education Policy Institute has prepared a profile of college affordability for each SREB state as well as a synthesis of relevant trends in the SREB region. This project was designed to “take the temperature” of college affordability in the South in order to provide a policy tool that can assist state policy-makers in assessing the current and prospective dimensions of the affordability issue and the need for state policy initiatives or interventions.

The major finding of this analysis is that the SREB states have lost ground in college affordability. For most students and families in the South, the cost of paying for college has outstripped family income and inflation. Several promising initiatives have been put in place by individual states, but many are not directed at the students and families most adversely affected by declining affordability and none are commensurate with the magnitude of the problem. One consequence is greater reliance on loans to finance college and growing indebtedness of students and graduates.

Whatever its causes, the trend toward reduced college affordability undermines the efforts of SREB states and colleges and universities to address the changing demography of the region and undercuts progress towards educational attainment goals and economic development requirements of the SREB member states. It is mathematically impossible for most SREB states to reach national and international workforce competitiveness without improving college access and attainment rates of low-income groups and of ethnic groups with lagging college participation rates. However, if current trends continue, declining affordability will constrain the college enrollment of these potential students and prevent states from reaching educational levels needed to provide opportunity for individuals and a competitive work force in the knowledge-based global economy.

Patrick M. Callan  
President  
Higher Education Policy Institute

## Arkansas

### Public Higher Education Affordability Profile

- In order for students to enroll in community colleges in Arkansas, they, or their families, would need to pay on average 19 percent of their annual income for college expenses, including living expenses, each year after taking into account all forms of grant aid, based on the current college expenses and current levels of aid. This is above the SREB average.
- On a per-student basis, Arkansas' need-based state grant program award is less than the SREB average but the state does offer a non-need-based state grant program with a per-student award greater than the SREB average.
- The average amount of student loan aid received by full-time, first-time students in Arkansas is about the same as the SREB average. Average loan aid per-borrower has increased over time.

	Arkansas			SREB	U.S. Average
	Pre-Recession	Recession	Post-Recession	Post-Recession	Post-Recession
<b>Family Ability to Pay</b>					
Percent of income needed to pay for college expenses minus financial aid:					
at community colleges	N/A	16%	19%	16%	27%
at public 4-year colleges (category 1)	N/A	N/A	23%	27%	41%
at public 4-year colleges (category 2)	N/A	24%	21%	25%	19%
<b>Strategies for Affordability</b>					
State Grant funding					
Need-Based grants per student	\$24	\$39	\$66	\$204	\$276
Grants that have a need and non-need based requirement per student*	\$0	\$0	\$0	\$98	\$141.7
Non-Need based grants per student	\$0	\$0	\$977	\$345	\$145
At lowest-priced colleges, the share of income that the families with the lowest income need to pay for tuition	16%	11%	14%	18%	20%
<b>Reliance on Loans</b>					
Average amount of student loan aid received by full-time, first-time students attending public institutions	\$3,378	\$3,466	\$5,020	\$5,094	\$5,361
*As defined by NASSGAP, see Technical Guide. Grant requirements in this category vary widely by state -- some have a substantial merit component and others have a modest merit component.					
Note: Pre-Recession year data is from 2003-04; Recession year data is from 2006-07 on all variables except Estimated cost of postsecondary education where data is from 2008-09 (2007 data was unavailable for this variable); Post-Recession year data is from 2011-12. All dollar amounts have been adjusted into Constant 2013 dollars.					
N/A: Data not available.					

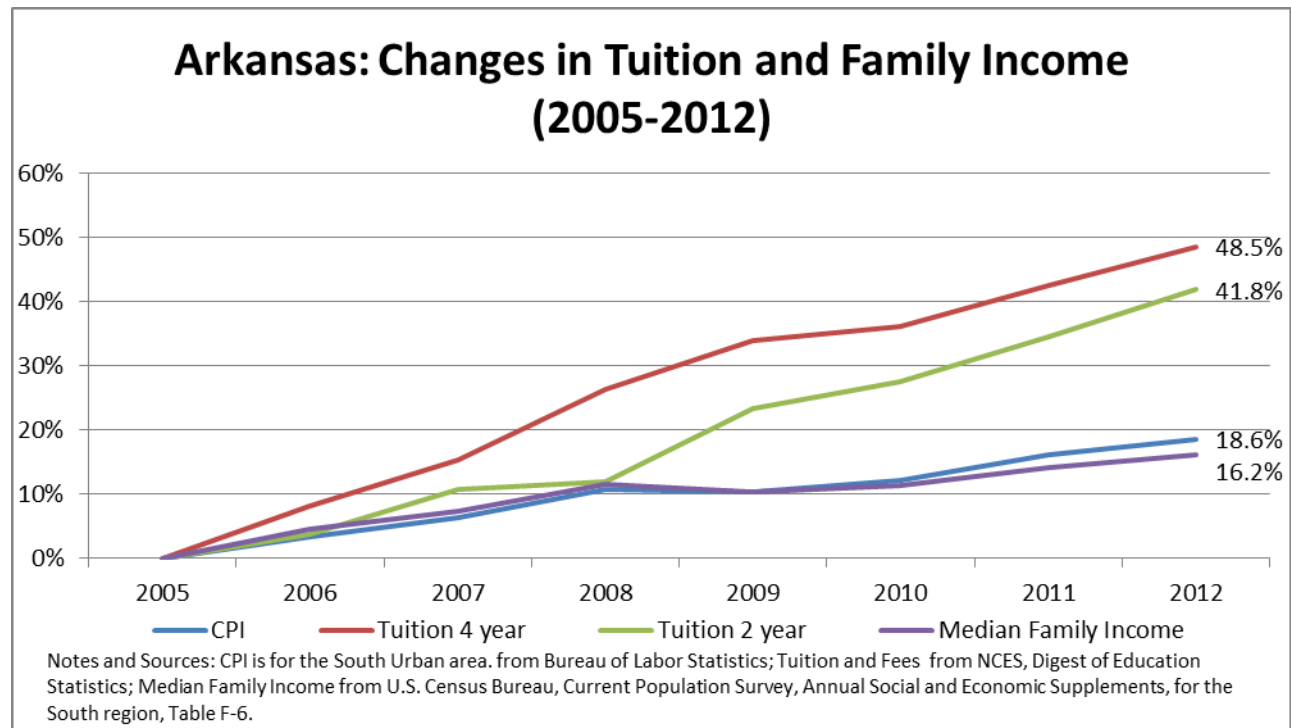
**A Closer Look at Family Ability To Pay**

		<b>Community Colleges</b>	
	Average Income in Group	Net Price	Percent of Income needed to pay net college Price
Income \$0-\$30,000	\$17,286	\$8,378	48%
Income \$30-\$48,000	\$38,555	\$7,715	20%
Income \$48,000-\$75,000	\$60,480	\$8,959	15%
Income \$75,000-\$110,000	\$90,437	\$6,638	7%
Income \$110,000 and Above	\$173,589	\$7,705	4%

		<b>Public Four Year 1</b>		<b>Public Four Year 2</b>	
	Average Income in Group	Net Price	Percent of Income needed to pay net college price	Net Price	Percent of Income needed to pay net college price
Income \$0-\$30,000	\$17,286	\$9,293	54%	\$8,160	47%
Income \$30-\$48,000	\$38,555	\$9,152	24%	\$8,390	22%
Income \$48,000-\$75,000	\$60,480	\$11,732	19%	\$9,845	16%
Income \$75,000-\$110,000	\$90,437	\$11,529	13%	\$10,399	11%
Income \$110,000 and Above	\$173,589	\$13,179	8%	\$10,228	6%

- Low-income families (those with incomes less than \$30,000 per-year) would need to pay on average 48 percent of their income to attend community colleges, even after taking into account all types of grant aid.
- Middle-income families (those earning between \$48,000 and \$75,000 per-year) would need to pay on average 15 percent of their income to attend community college, even after taking into account all types of grant aid.

## Changes in Tuition



Since 2005, tuition at both public four-year and public two-year institutions in Arkansas has been growing much more rapidly than either inflation or family income.

### Other Contextual Information:

- By 2020, the Georgetown Center on Education and the Workforce predicts that 59 percent of jobs in the state will require a postsecondary education or above, very similar to the Southern average (59 percent) and below the U.S. average (65 percent).
- Nineteen percent of students in Arkansas are enrolled in public four-year category 1 institutions, 38 percent at category 2 four-year institutions and 42 percent are enrolled in the community college sector.
- In 2012, 29 percent of children in Arkansas were living in poverty. This is up from 2004 when 26 percent were living in poverty.
- In 2012, state investment in need-based grant aid at public colleges in Arkansas was 3 percent as compared to the federal investment (Pell Grants).

Note: Category 1 four-year institutions are those that award at least 30 doctoral degrees in 5 different areas. Category 2 includes all other four-year institutions.

List of Institutions by Type:

**Category 1 Public Four-Year Institutions:**

University of Arkansas, Fayetteville

**Category 2 Public Four-Year Institutions:**

Arkansas State University

Arkansas Tech University

Henderson State University

Southern Arkansas University

University of Arkansas at Little Rock

University of Arkansas at Monticello

University of Arkansas at Pine Bluff

University of Arkansas Fort Smith

University of Central Arkansas

**Community Colleges**

Arkansas Northeastern College

Arkansas State University Mountain Home

Arkansas State University Beebe

Arkansas State University Newport

Black River Technical College

College of the Ouachitas

Cossatot Community College of the University of Arkansas

East Arkansas Community College

Mid-South Community College

National Park Community College

North Arkansas College

Northwest Arkansas Community College

Ozarka College

Phillips Community College of the University of Arkansas

Pulaski Technical College

Rich Mountain Community College

South Arkansas Community College

Southeast Arkansas College

Southern Arkansas University Tech

University of Arkansas Community College at Batesville

University of Arkansas Community College at Hope

University of Arkansas Community College at Morrilton

