



SREB

Alabama

Featured Facts

from the *SREB Fact Book on Higher Education*

2021

Southern
Regional
Education
Board

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The Workforce Challenge

Preparing Tomorrow's Workforce in an Uncertain Economy

The onset of the COVID-19 pandemic in 2020 brought shutdowns across the workforce and around the globe. Students returned home, colleges pivoted to online learning, and educators and state leaders adapted to let students learn despite quarantines, a sagging economy and digital disconnection.

Two years and several surges later, students are back in person, but the effects of the pandemic have shifted the landscape of higher education. As states continue to respond to a constantly changing, technologically advanced world, one thing is clear: Postsecondary education will be the engine that drives us as we recover from the pandemic.

State Economies Need Student Success

Nearly every SREB state has set a goal for raising its education attainment levels. The motivation to do so is based on (1) projected job growth for individuals with some postsecondary education or more, (2) earnings that tend to rise as the level of education increases, and (3) lower unemployment rates for individuals with higher levels of education during downturns in the economy.

Education attainment levels in the region have risen slowly, with 83 percent of adults ages 25 and older holding high school diplomas or GED credentials and 31 percent of adults ages 25 and older having a bachelor's degree or higher. One important factor has been increases in postsecondary graduation rates, which climbed from 2017 to 2019.

To raise postsecondary attainment levels still further, states must address perhaps the greatest barrier to access: affordability. The average annual cost of attendance for public four-year colleges for the 2019-20 academic year was \$21,000 (\$11,100 for public two-year colleges). The cost for a public, four-year institution for one year is 138 percent of the average annual household income for those in the lowest fifth of incomes, 31 percent for those in the middle fifth.

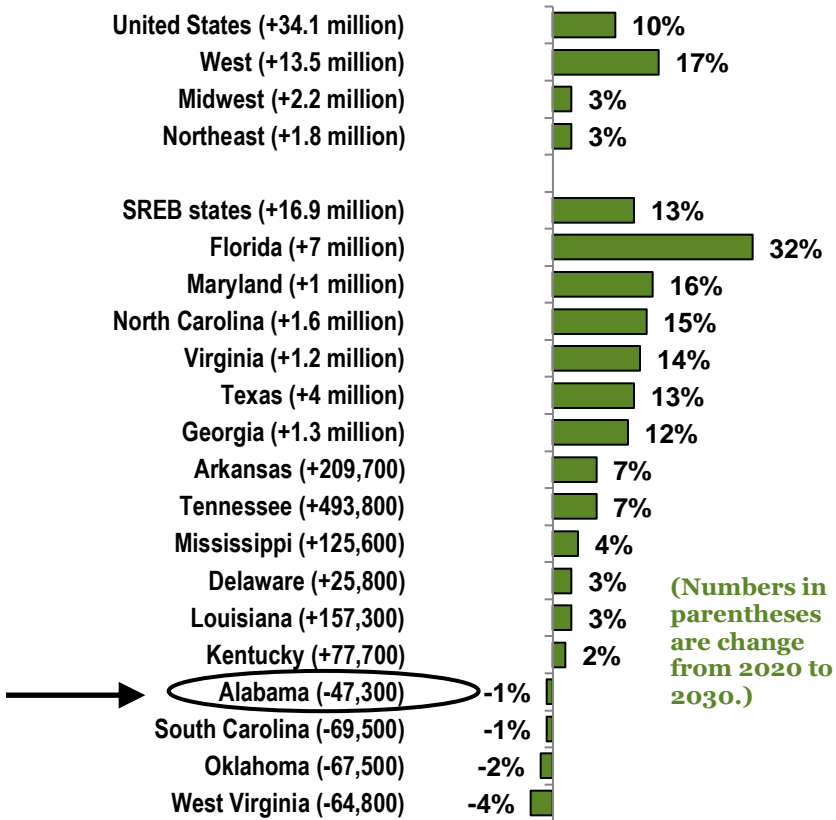
Rising student debt also discourages some students from pursuing a postsecondary degree or credential. In 2019, 54 percent of college graduates in the SREB region had outstanding college loans, with an average debt of \$28,200. Student debt disproportionately affects Black and Hispanic students, and this in turn affects the diversity rates of faculty members.

While the percentage of first-time, full-time degree- or certificate-seeking freshmen in SREB states who took out loans decreased 2 percentage points between 2013-14 and 2018-19, the loan amounts increased \$400 on average during that time. "Students who have already accumulated high levels of debt from their undergraduate education may be less likely to pursue graduate school," says the SREB report *Student Debt Stifles Faculty Diversity: Comparing Debt Burdens in SREB's Doctoral Scholars Program and Nationwide*.

Two promising practices for improving affordability that have gained traction in SREB states are the use of free textbooks, or open education resources, as well as dual enrollment courses. College students can spend over \$1200 per academic year on textbooks, putting them out of reach for some students. OER thus lowers the total cost of attendance, as does dual enrollment (or dual credit) by allowing high school students to take college-level courses without paying the associated tuition and fees. Taking these courses might also reduce the amount of time and number of credits required to complete a degree or certificate, thus saving students still more.



Projected Population Change 2020 to 2030

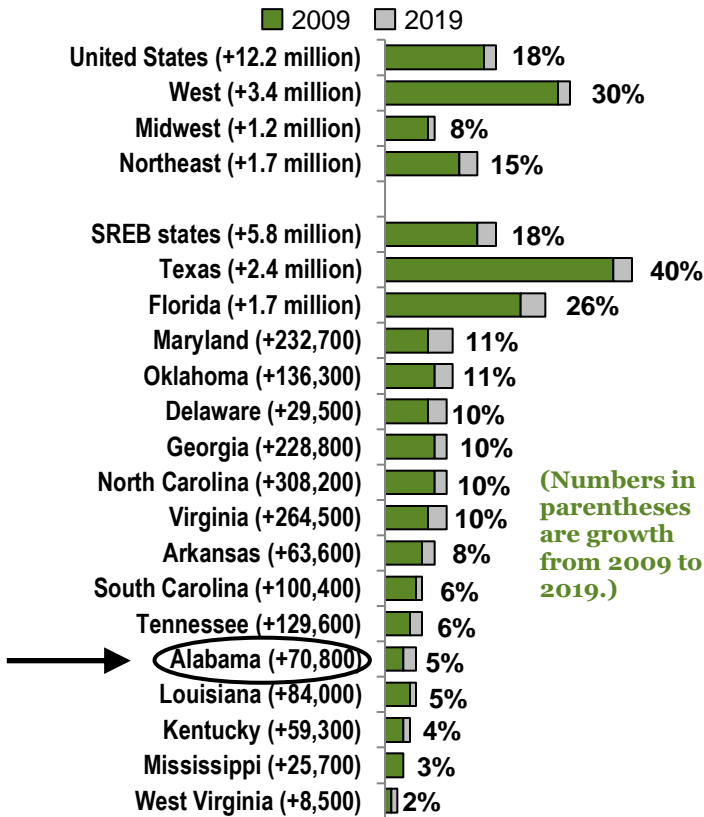


Source: Table 1, U.S. Census Bureau.

Half (49.5 percent) of the nation's population growth from 2020 to 2030 is expected to be in the 16 SREB states — an increase of almost 17 million. Alabama's population is projected to decrease by 1 percent (47,300 people) by 2030.



Hispanic Population Change 2009 and 2019

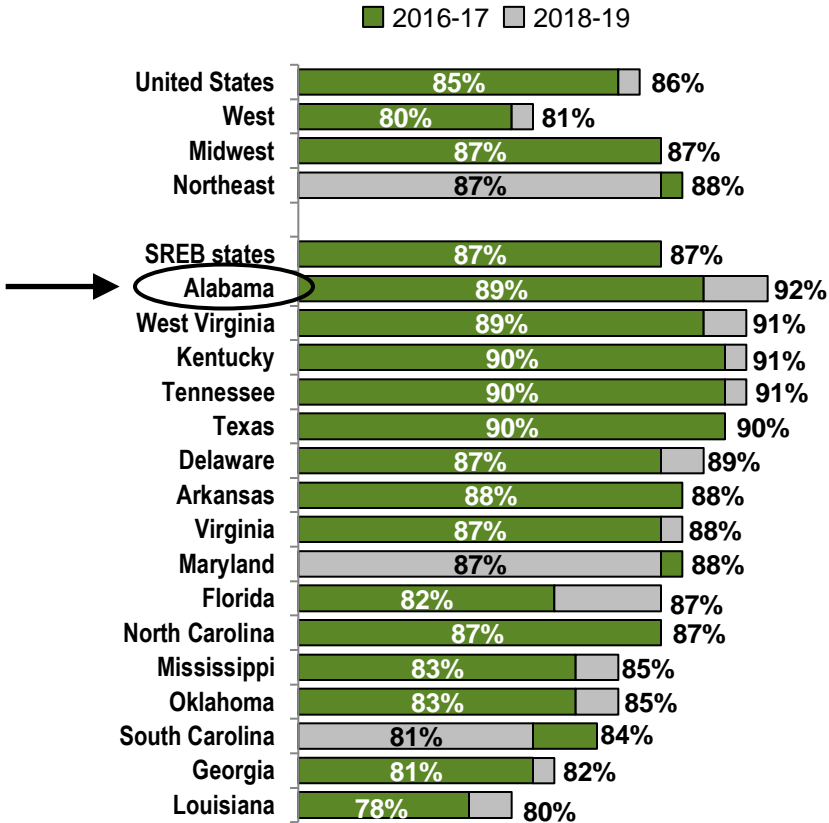


Source: Table 5, U.S. Census Bureau.

The increase in Hispanic residents is the region's major demographic trend. Hispanic population growth accounted for 34 percent of all growth in the SREB region from 2009 to 2019. The Hispanic population in Alabama grew by 70,800 — bringing the proportion of Hispanic residents to 5 percent of the overall resident population of Alabama in 2019.



Public High School Graduation Rates 2016-17 and 2018-19

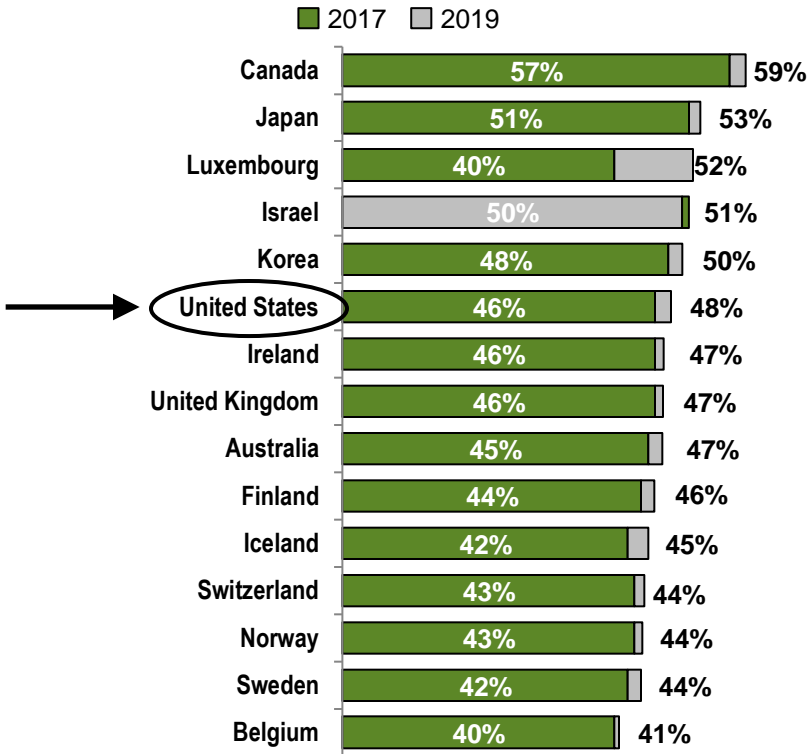


Source: Table 9, Western Interstate Commission for Higher Education, Knocking at the College Door.

From 2017 to 2019, the SREB region's public high school graduation rate remained stable at 87 percent. In Alabama, the public high school graduation rate rose from 89 percent in 2016-17 to 92 percent in 2018-19.



Percentage of Working-Age* Population With an Associate Degree or Higher 2017 and 2019



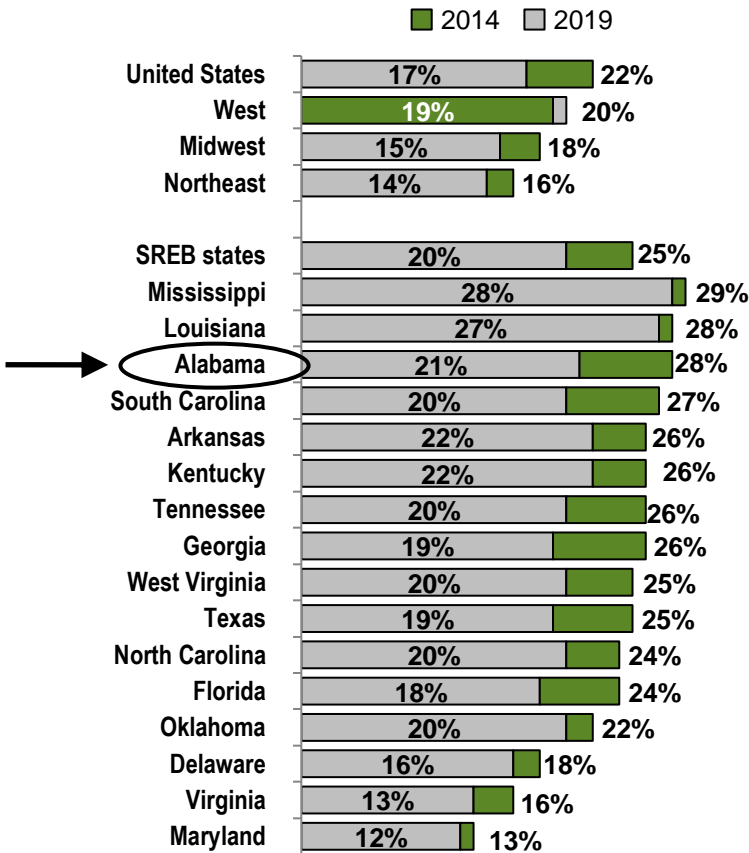
*Ages 25 to 64.

Source: Organisation for Economic Co-operation and Development.

Working-age adults have been a common focus in recent years when comparing education attainment levels. Using an equivalency yardstick common for international attainment comparisons (percentage with the equivalent of an associate degree or higher), the United States drops to sixth place internationally, behind Canada, Japan, Luxembourg, Israel, and Korea.



Poverty Rates Among Children 2014 and 2019

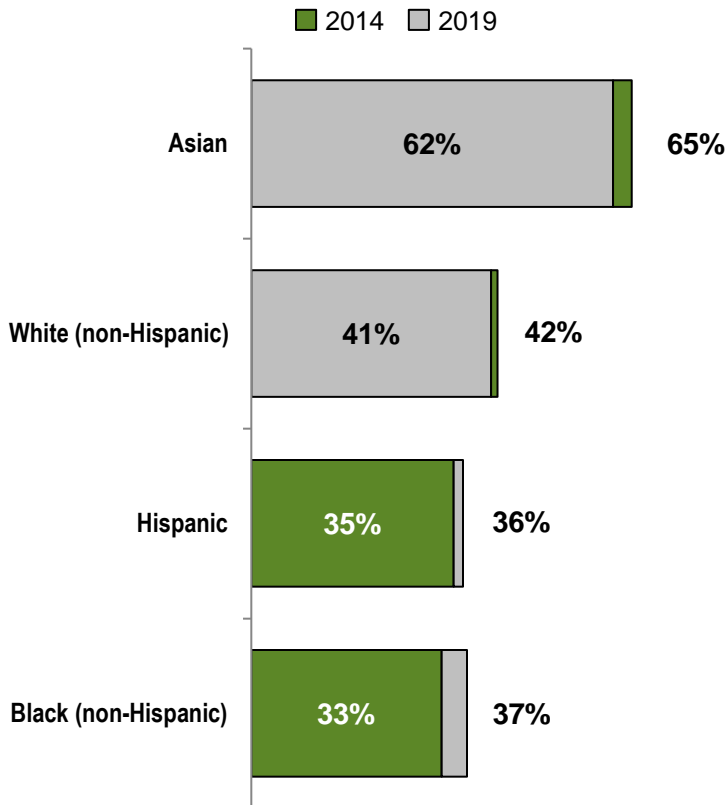


Source: Table 12, U.S. Census Bureau.

The number of children in poverty decreased 5 percentage points nationally and in the SREB region since 2014. By 2019, 21 percent of children were in poverty in Alabama, down from 28 percent in 2014.



18- to 24-Year-Olds in College United States, 2014 and 2019

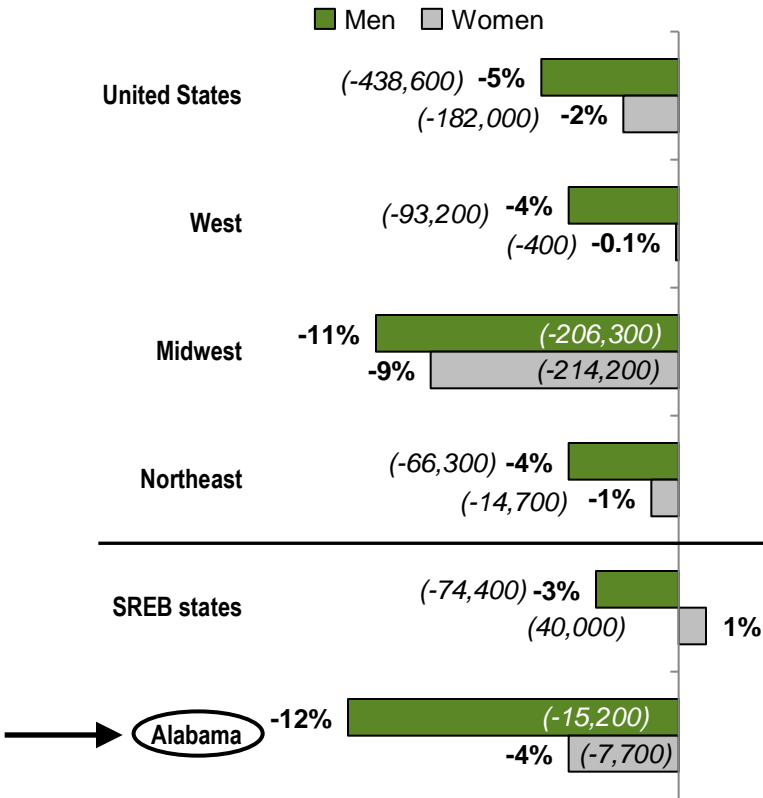


Source: U.S. Census Bureau.

In 2019, a smaller proportion of Asian young adults (62 percent) and white young adults (41 percent) attended college than in 2014 (65 percent and 42 percent, respectively). A larger proportion of Black young adults (37 percent) and Hispanic young adults (36 percent) attended college in 2019 than in 2014 (33 percent and 35 percent, respectively).



Enrollment Change All Degree-Granting Institutions 2014 to 2019

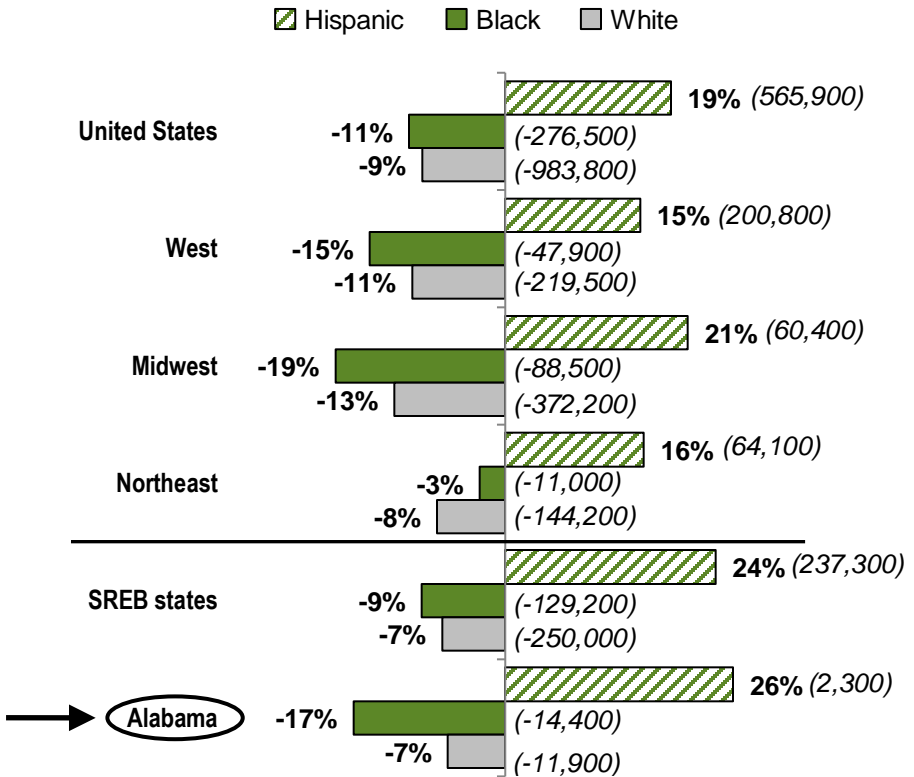


Note: Numbers in parentheses are change from 2014 to 2019.
Source: Table 23, National Center for Education Statistics.

Between 2014 and 2019, the enrollment of women in U.S. colleges and universities decreased at a slower rate than the enrollment of men. In Alabama, enrollment dropped for both men and women (12 percent and 4 percent, respectively).



Hispanic, Black and White Enrollment Change 2014 to 2019

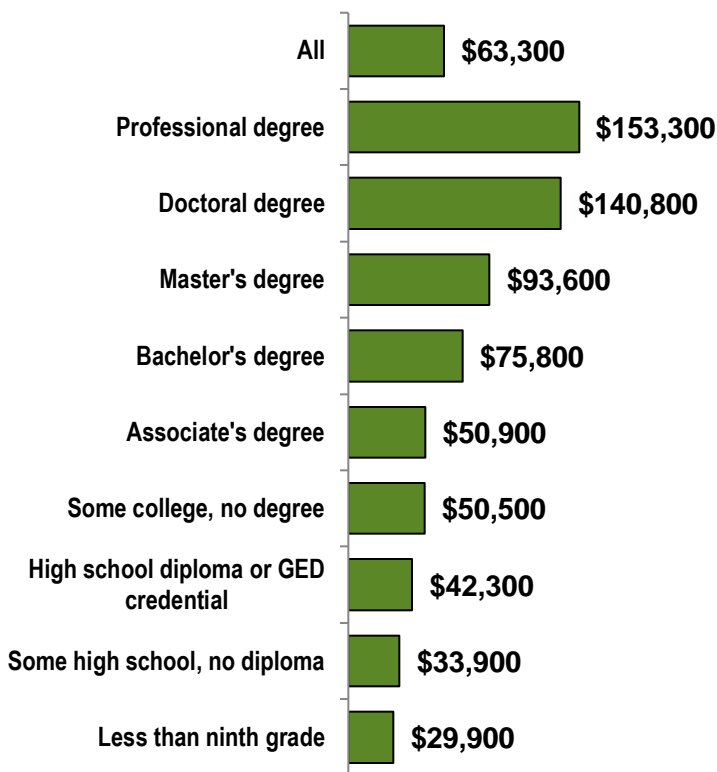


Note: Numbers in parentheses are change from 2014 to 2019.
Source: Table 23, National Center for Education Statistics.

Among racial/ethnic groups, the number of Hispanic college students grew nationwide from fall 2014 to fall 2019. In Alabama, enrollment increased by 2,300 Hispanic students. Enrollment in Alabama also decreased by 14,400 Black students and 11,900 white students from 2014 to 2019.



Average Annual Earnings of Adults United States, 2019

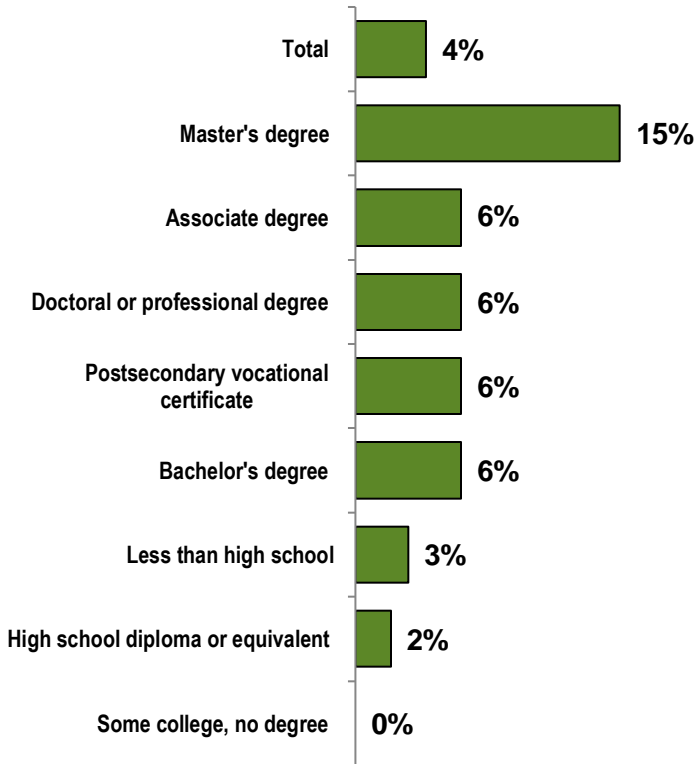


Source: U.S. Census Bureau.

Education pays. In 2019, adults ages 25 and older with associate degrees earned 20 percent more than those with only high school-level credentials. Those with bachelor's degrees earned 79 percent more than high school graduates. And those with professional degrees in fields such as law and medicine earned 102 percent more than those with bachelor's degrees.



Projected Increase in Job Openings by Education or Training United States, 2019 to 2029

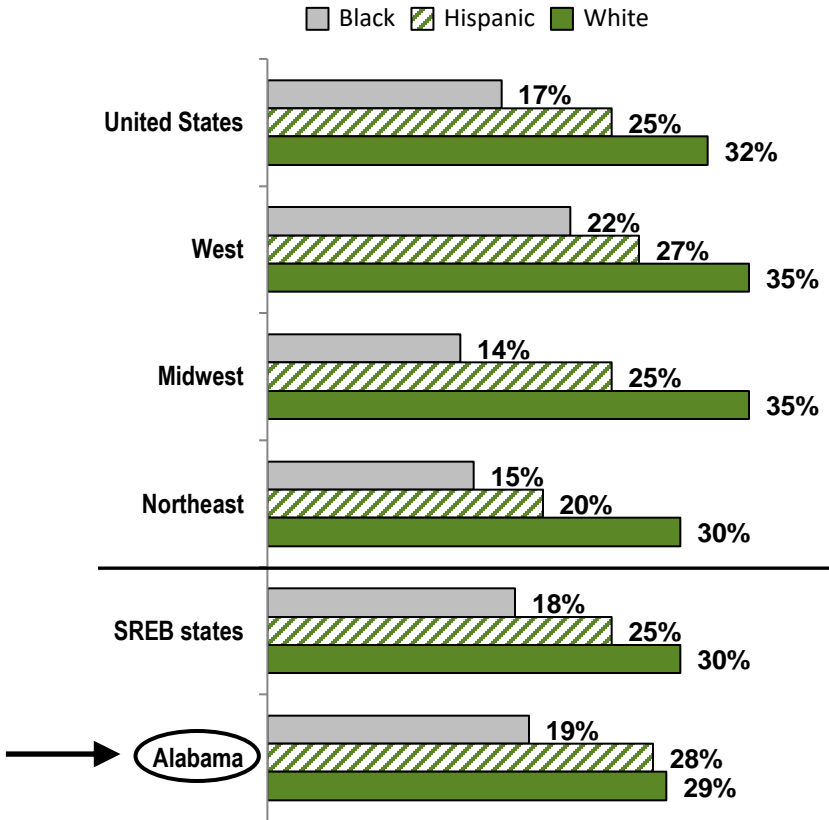


Source: U.S. Census Bureau.

In the U.S., the fastest-growing, highest-paying jobs require education beyond high school. For all job categories requiring an associate degree or higher, jobs are projected to increase more than the overall 4 percent gain in total job openings.



Three-Year Graduation Rates Public Two-Year Colleges, 2016 Cohort

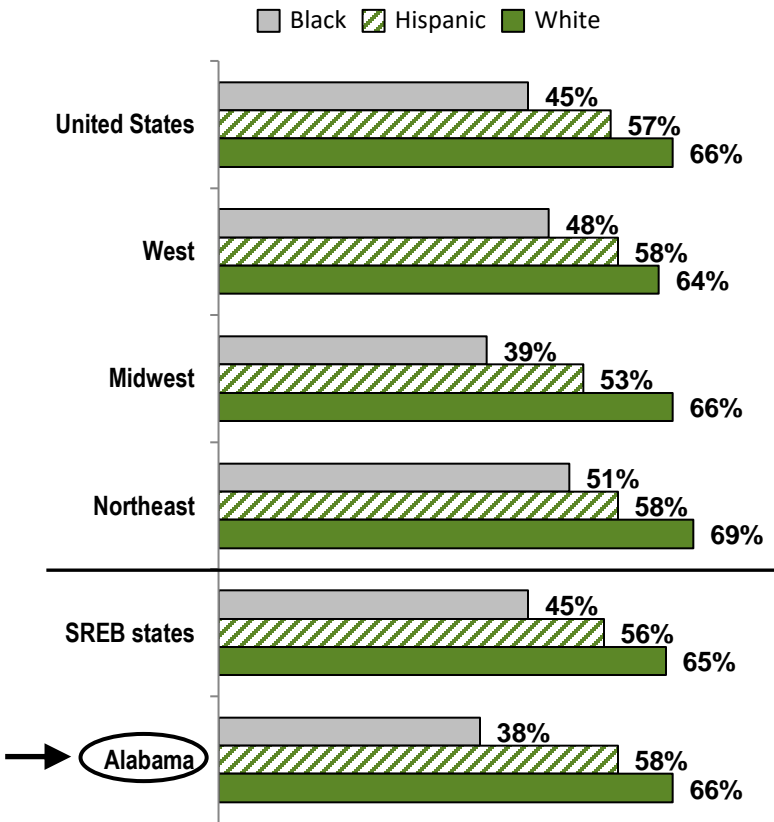


Source: Table 45, National Center for Education Statistics.

At public two-year colleges, the highest three-year graduation rate for the 2016 cohort was in the Midwest. Gaps in the rates for racial and ethnic groups remain in all regions. The graduation rate for Black students in Alabama’s public two-year colleges was below, while the rates for white and Hispanic students were above SREB averages.



Six-Year Graduation Rates Public Four-Year Colleges, 2013 Cohort



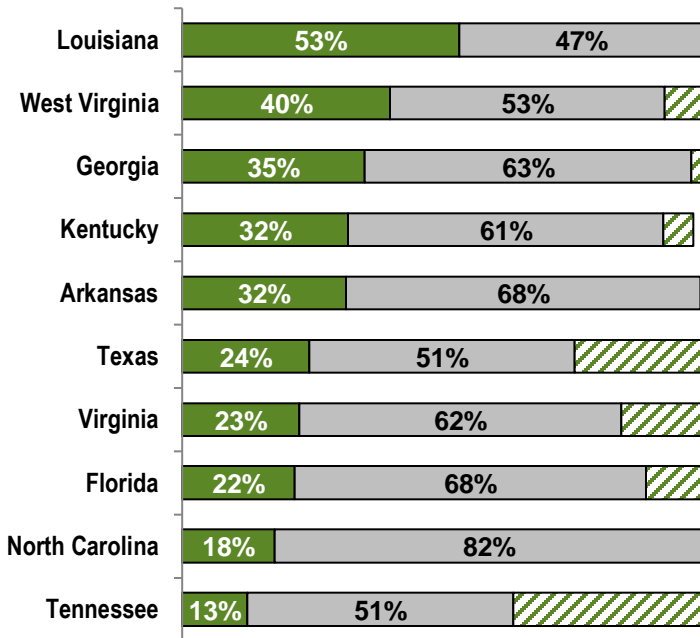
Source: Table 45, National Center for Education Statistics.

At public four-year colleges, the SREB region's six-year graduation rates for Hispanic and white students in the 2013 cohort were below those of their national counterparts. In Alabama's four-year colleges, the graduation rates for Black students were below SREB averages for their counterparts, while graduation rates for white and Hispanic students were above.



Transfer Status of Associate Graduates Public Two-Year Colleges Participating SREB States, 2018-19

- Transfer student at graduating college
- First time in college at graduating college
- ▨ Other or unknown whether first-time or transfer

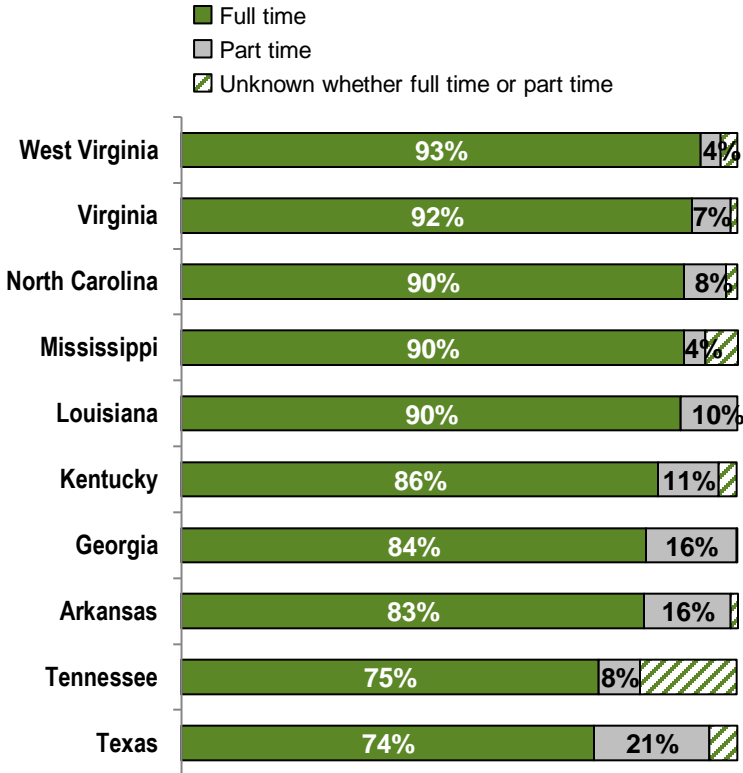


Note: The sum of categories may not equal 100 percent, due to rounding.
Source: Table 51, SREB-State Data Exchange.

A substantial percentage of associate degree graduates in 2018-19 were transfer students to the colleges awarding their degrees. Among the 10 states participating in an SREB data collection on the entering status of graduates, the percentage of transfers ranged from 53 percent in Louisiana to 13 percent in Tennessee.



Full-Time Status of Bachelor's Graduates Public Four-Year Colleges and Universities Participating SREB States, 2018-19

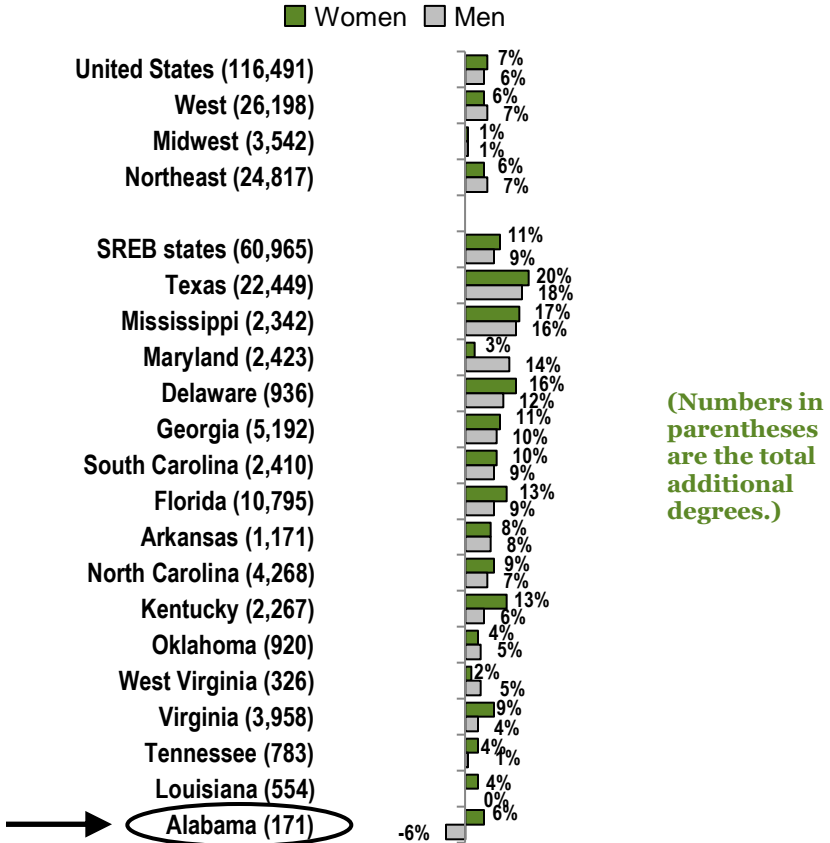


Note: The sum of categories may not equal 100 percent, due to rounding.
Source: Table 52, SREB-State Data Exchange.

A very high percentage of bachelor's degree graduates in 2018-19 entered the colleges from which they graduated as full-time students. Among the 10 states participating in an SREB data collection on the entering status of graduates, the percentage who attended full time ranged from 93 percent in West Virginia to 74 percent in Texas.



Bachelor's Degrees Earned by Men and Women 2013-14 to 2018-19

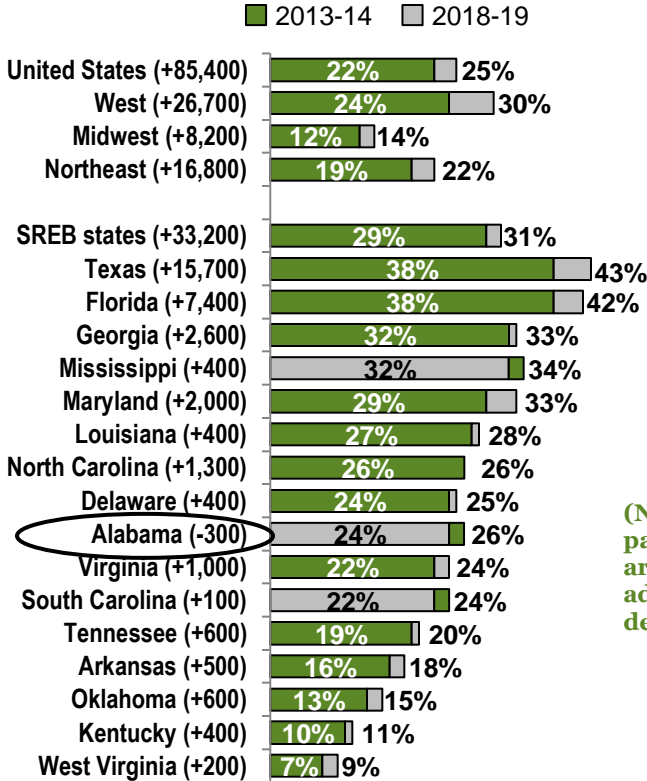


Source: Table 53, National Center for Education Statistics.

In most SREB states, bachelor's degrees awarded to women rose more than those awarded to men from 2013-14 to 2018-19. In Alabama, bachelor's degrees awarded to women increased 6 percent and those earned by men fell by 6 percent. Men were 44 percent of graduates in 2013-14 and 41 percent in 2018-19.



Bachelor's Degrees Earned by Black and Hispanic Students 2013-14 to 2018-19



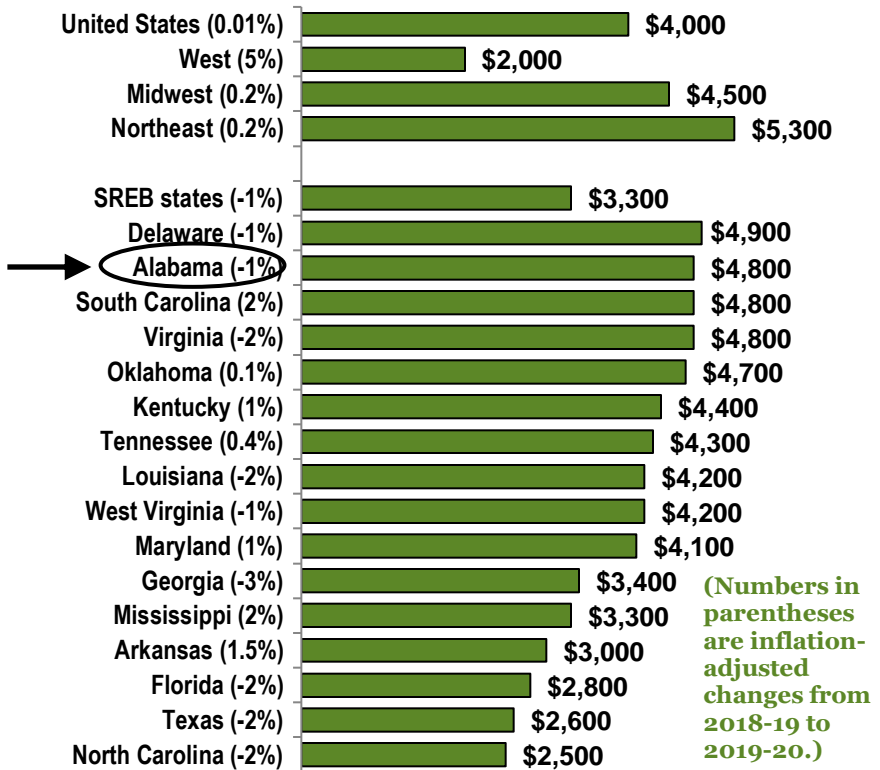
(Numbers in parentheses are the total additional degrees.)

Source: Table 53, National Center for Education Statistics.

The number of bachelor's degrees earned by Black and Hispanic graduates increased from 22 percent of the total nationally in 2013-14 to 25 percent in 2018-19. In Alabama, the number of bachelor's degrees earned by Black and Hispanic graduates fell by 300 students and decreased to 24 percent of the total.



Tuition and Required Fees Public Two-Year Colleges In-State Undergraduates, 2019-20



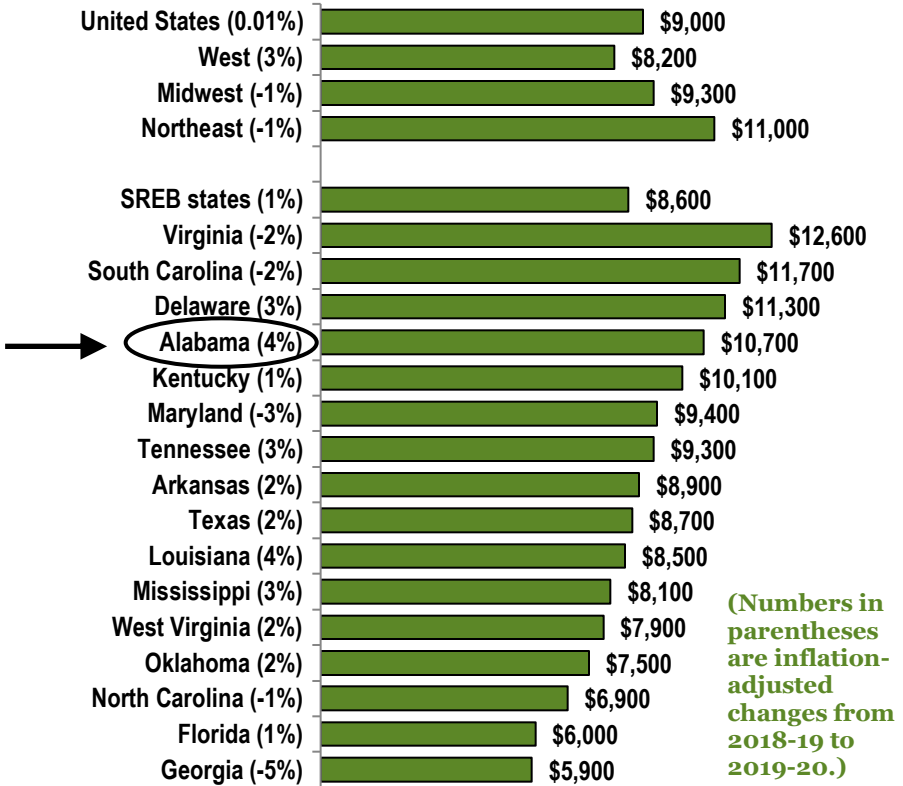
Note: Based on the academic-year Consumer Price Index, which rose 1.8 percent over the period.

Source: Table 62, SREB-State Data Exchange and National Center for Education Statistics.

Median annual tuition and required fees (often called sticker price) at public two-year colleges reached \$3,300 in SREB states in 2019-20. This was 1 percent lower than in 2018-19 after adjusting for inflation. In Alabama, tuition and fees at public two-year colleges were \$4,800 — 1 percent lower than in 2018-19 after adjusting for inflation.



**Tuition and Required Fees
Public Four-Year Colleges and Universities
In-State Undergraduates, 2019-20**



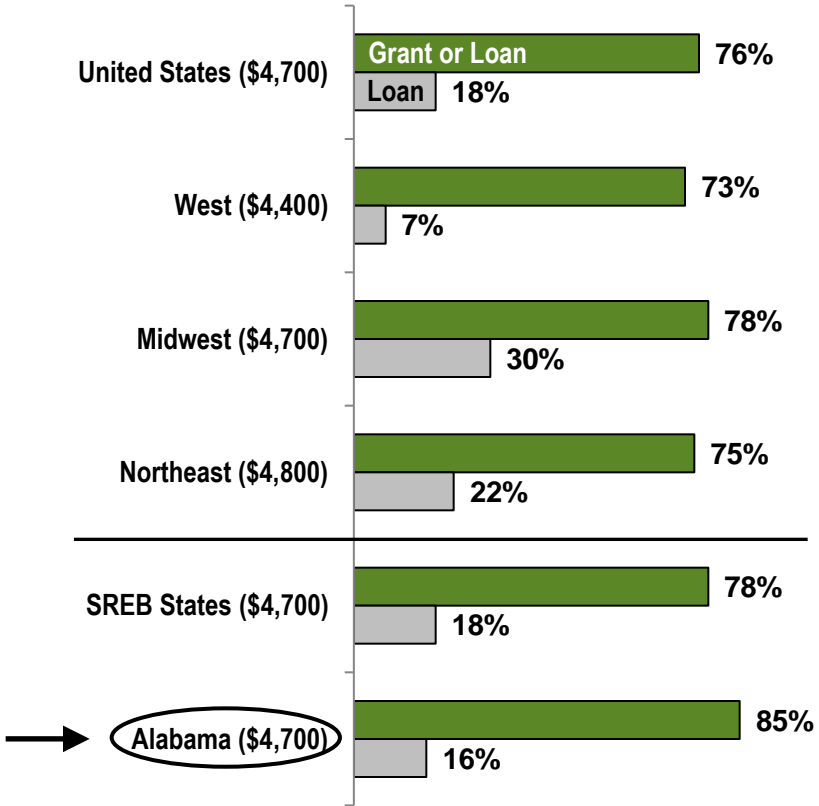
Note: Based on the academic-year Consumer Price Index, which rose 1.8 percent over the period.

Source: Table 62, SREB-State Data Exchange and National Center for Education Statistics.

The median annual cost for tuition and required fees (often called sticker price) was \$8,600 for public four-year colleges in the SREB region in 2019-20. This was 1 percent more than in 2018-19 after adjusting for inflation. In Alabama, tuition and fees at public four-year colleges were \$10,700 – an increase of 4 percent from 2018-19 after adjusting for inflation.



Percentage of Freshmen With Grants or Loans Public Two-Year Colleges, 2018-19

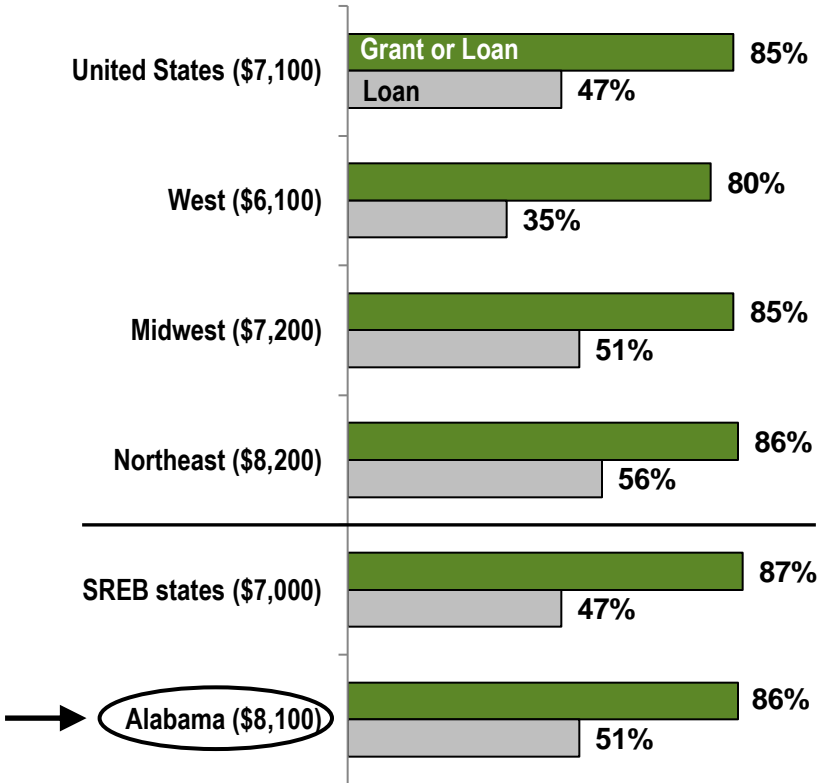


Note: Numbers in parentheses are average loan amounts.
Source: Table 69, National Center for Education Statistics.

Nationally, 76 percent of first-time, full-time freshmen seeking degrees or certificates at public two-year colleges received a financial aid grant, took out a student loan, or both, in 2018-19. Eighteen percent took out loans. In Alabama, 85 percent had a grant, loan or both, and 16 percent had loans, which averaged \$4,700 that year.



**Percentage of Freshmen With
Grants or Loans
Public Four-Year Colleges and Universities
2018-19**

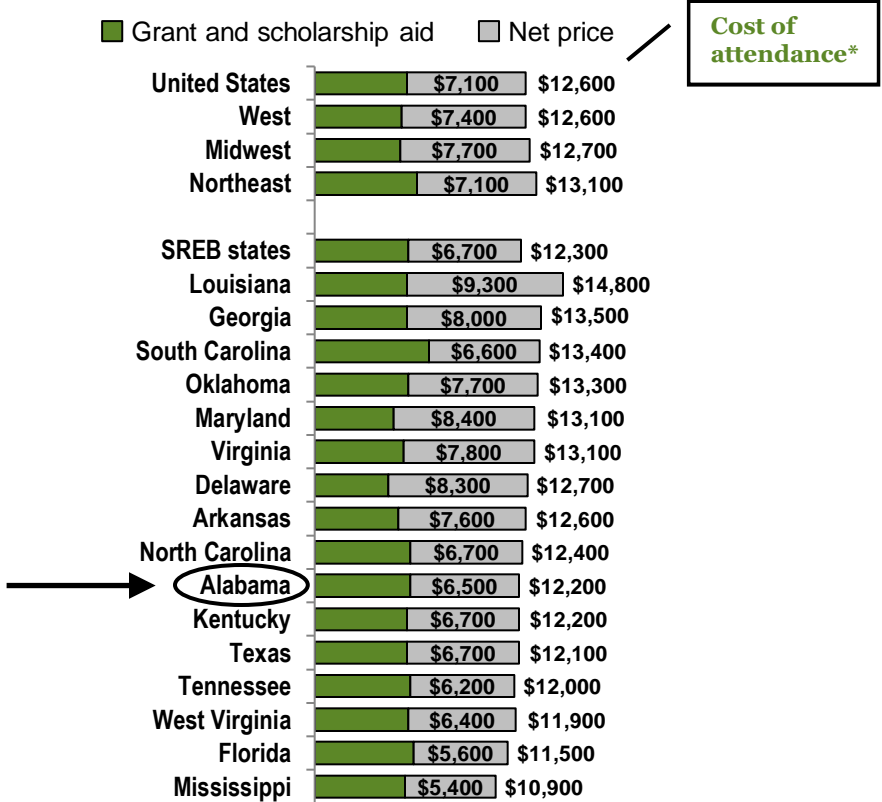


Note: Numbers in parentheses are average loan amounts.
Source: Table 68, National Center for Education Statistics.

Nationally, 85 percent of first-time, full-time freshmen seeking undergraduate degrees at public four-year colleges or universities received a financial aid grant, took out a student loan, or both, in 2018-19. Forty-seven percent took out loans. In Alabama, the percentages were 86 and 51, respectively. The average loan amount for Alabama freshmen taking out loans that year was \$8,100.



Cost of Attendance and Net Price After Grant Aid Public Two-Year Colleges, 2018-19



*Cost of attendance consists of tuition/fees, books/supplies, room/board and other expenses. Figures are for full-time, degree- or certificate-seeking undergraduates who paid in-state or in-district tuition and received government or institutional scholarships or grants.

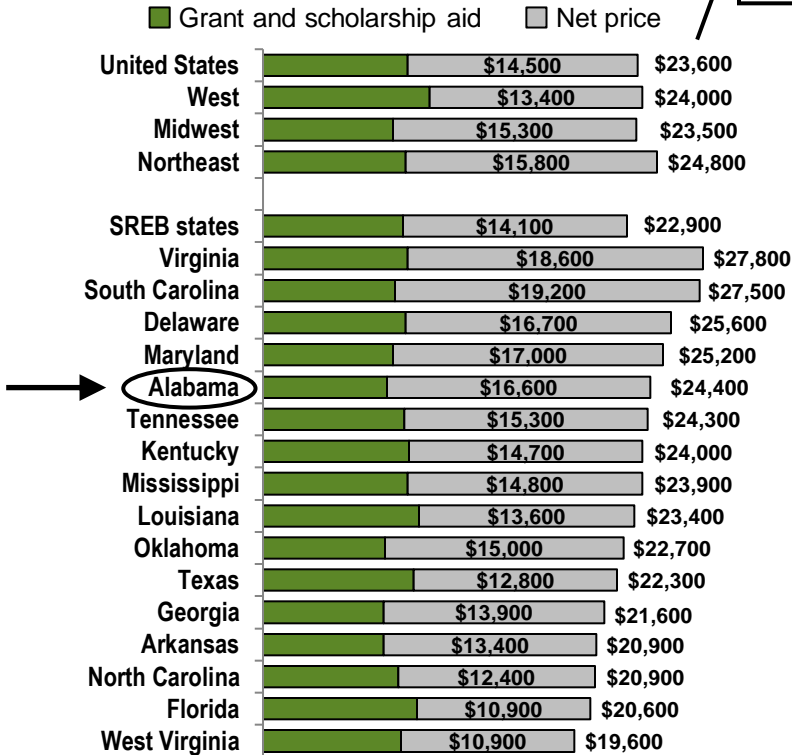
Source: Table 70, National Center for Education Statistics.

The average net price of college (cost of attendance minus grant and scholarship aid) for full-time, in-state undergraduates at public two-year colleges in the SREB region in 2018-19 was \$6,700, the lowest of any U.S. region. In Alabama, the net price at public two-year colleges was \$6,500.



Cost of Attendance and Net Price After Grant Aid Public Four-Year Colleges and Universities 2018-19

Cost of
attendance*



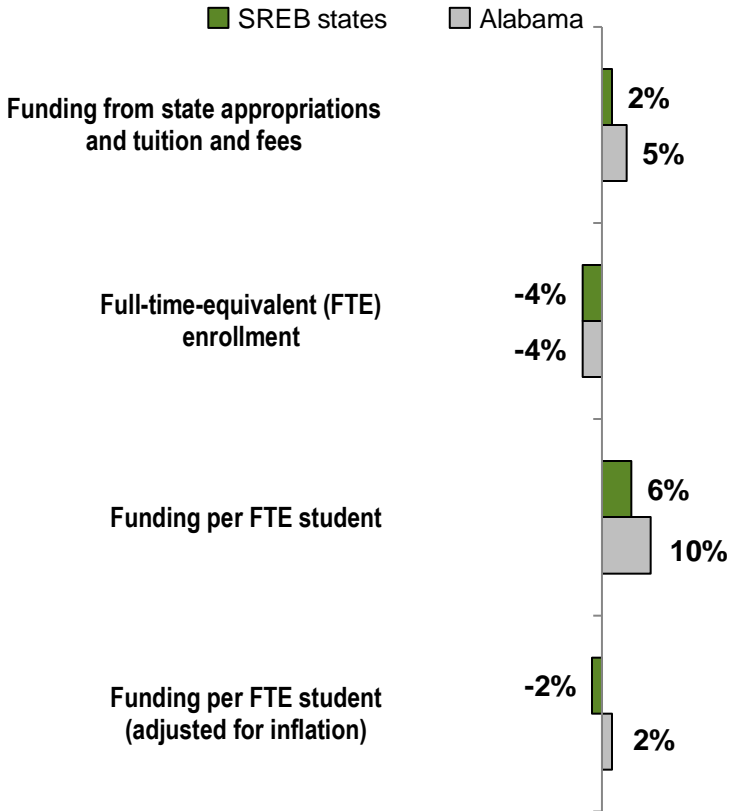
*Cost of attendance consists of tuition/fees, books/supplies, room/board and other expenses. Figures are for full-time, degree- or certificate-seeking undergraduates who paid in-state or in-district tuition and received government or institutional scholarships or grants.

Source: Table 70, National Center for Education Statistics.

The average net price of college (cost of attendance minus grant and scholarship aid) for full-time, in-state undergraduates at public four-year colleges and universities in the SREB region in 2018-19 was \$14,100. In Alabama, the net price at public four-year colleges was \$16,600.



Enrollment and Funding Changes Public Two-Year Colleges and Universities 2016-17 to 2019-20



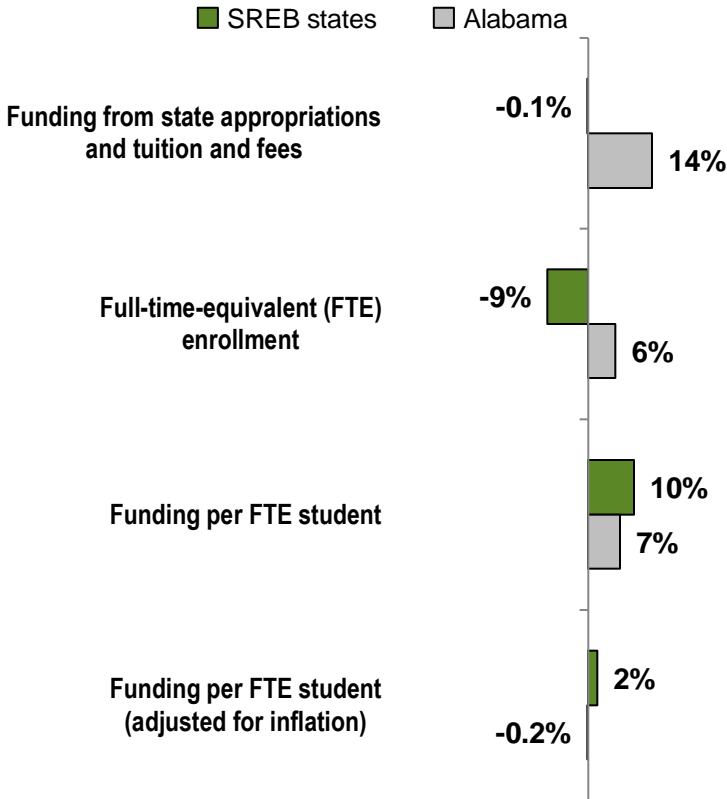
Note: Based on the Higher Education Price Index (HEPI), which increased by 7.7 percent from 2016-17 to 2019-20.

Source: Table 90, SREB-State Data Exchange.

In Alabama in 2019-20, funding from state appropriations and tuition and fees per FTE student for public two-year colleges was \$9,800 — 2 percent (\$200) more than in 2016-17 after adjusting for inflation. The regional average funding per FTE student was \$8,600 — 2 percent (\$200) less than in 2016-17 after adjusting for inflation.



Enrollment and Funding Changes Public Four-Year Colleges and Universities 2016-17 to 2019-20



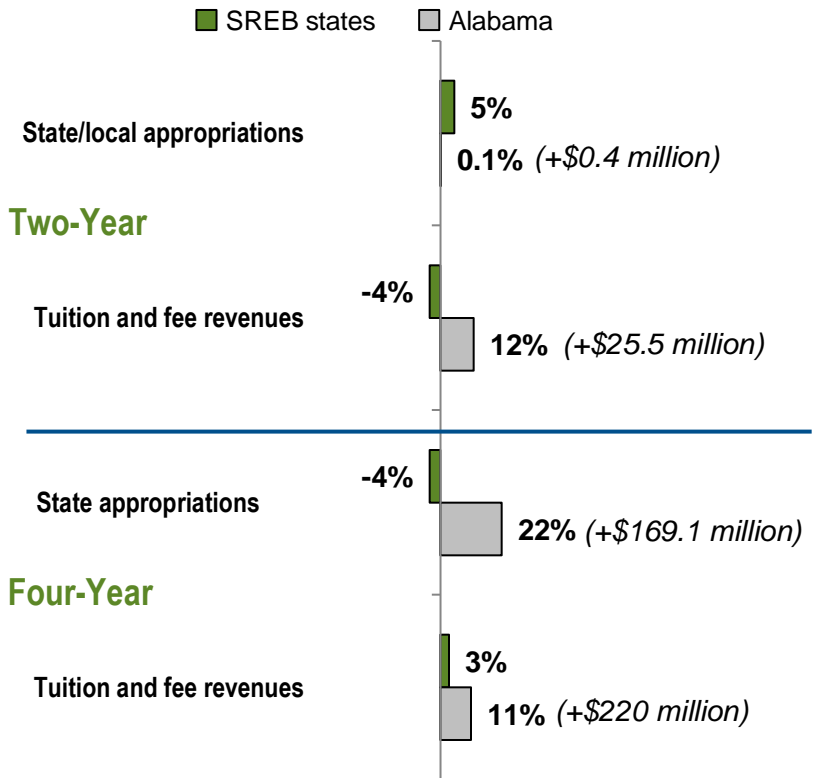
Note: Based on the Higher Education Price Index (HEPI), which increased by 7.7 percent from 2016-17 to 2019-20.

Source: Table 89, SREB-State Data Exchange.

In Alabama in 2019-20, funding from state appropriations and tuition and fees per FTE student for public four-year colleges and universities was \$21,500 — less than 1 percent (\$100) less than in 2016-17 after adjusting for inflation. The regional average funding per FTE student was \$18,200 — \$400 more than the 2016-17 average after adjusting for inflation.



Change in Appropriations and Tuition Public Colleges and Universities 2016-17 to 2019-20



Note: Amounts in parentheses are changes from 2016-17 to 2019-20.

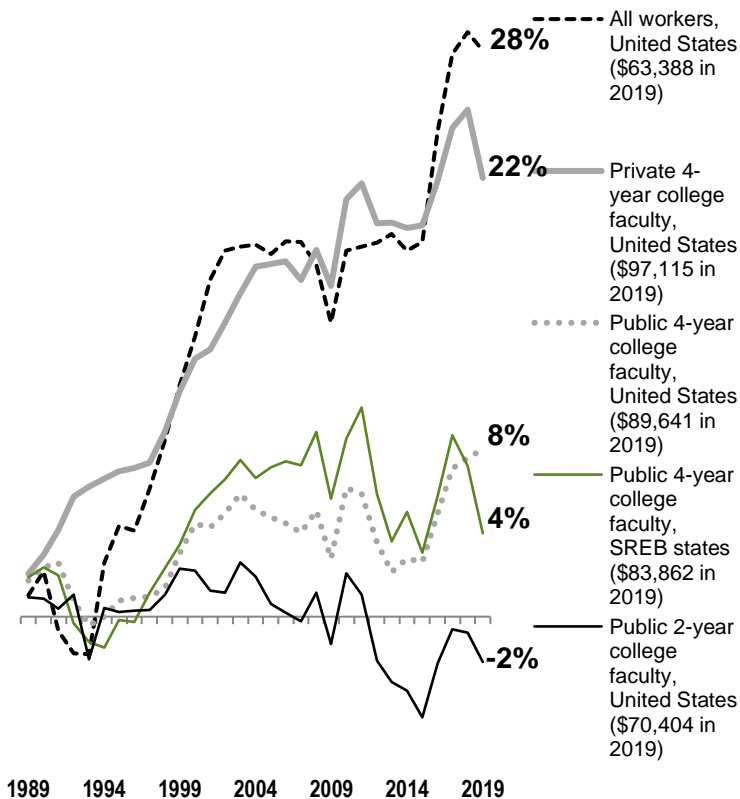
Sources: Tables 88 & 89, SREB-State Data Exchange.

At Alabama's public two-year colleges, state/local appropriations increased \$0.4 million from 2016-17 to 2019-20, while tuition and fee revenue increased \$25.5 million — for a net funding increase of \$25.9 million.

At Alabama's public four-year colleges, state appropriations increased \$169.1 million from 2016-17 to 2019-20. Tuition and fee revenue increased \$220 million — for a net funding increase of \$389.1 million.



Changes in Annual Pay (adjusted for inflation)

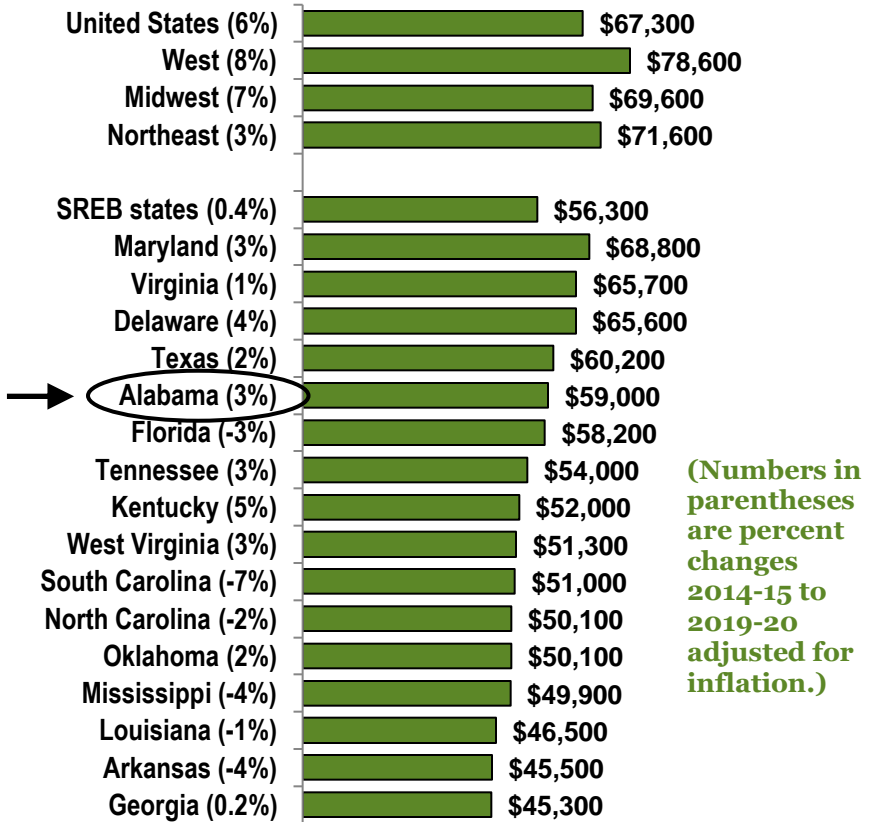


Sources: SREB-State Data Exchange, National Center for Education Statistics and U.S. Census Bureau.

College faculty have higher levels of education and higher pay than American workers overall, but public sector faculty salaries have not grown as fast when compared with growth of the average American wage. Faculty salaries at public four-year colleges in the SREB region were 4 percent higher in 2019 than in 1989 when adjusted for inflation. The average increase for all workers nationwide was 28 percent.



Faculty Salaries Public Two-Year Colleges, 2019-20



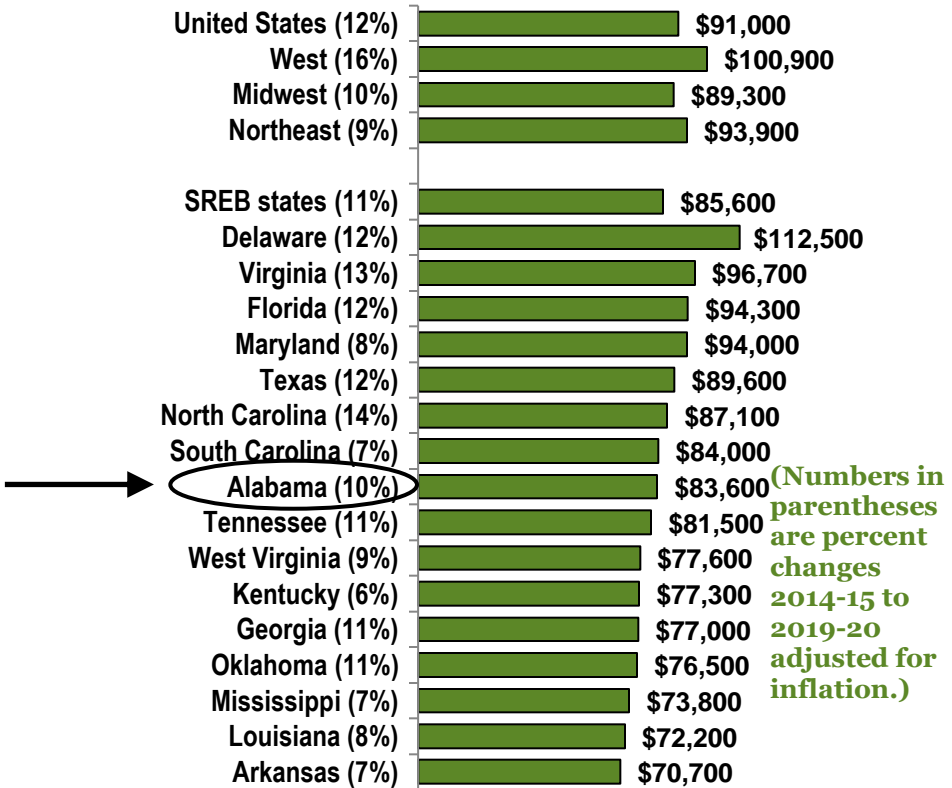
Note: Inflation adjustment based on the academic-year Consumer Price Index, which rose 7.7 percent over the period.

Source: Table 83, SREB-State Data Exchange and National Center for Education Statistics.

From 2014-15 to 2019-20, the SREB region's average two-year faculty salary, when adjusted for inflation, rose less than 1 percent to \$56,300 and remained lower than the national average of \$67,300. The average salary at public two-year colleges in Alabama rose 3 percent to \$59,000.



Faculty Salaries Public Four-Year Colleges and Universities 2019-20



Note: Inflation adjustment based on the academic-year Consumer Price Index, which rose 7.7 percent over the period.

Source: Table 82, SREB-State Data Exchange and National Center for Education Statistics.

From 2014-15 to 2019-20, the SREB region's average four-year faculty salary increased 11 percent to \$85,600 when adjusted for inflation, and remained below the national average of \$91,000. The average salary at public four-year colleges in Alabama rose 10 percent to \$83,600.



The Workforce Challenge

Preparing Tomorrow's Workforce in an Uncertain Economy

One threat to increasing education attainment levels across SREB states is the decline in college enrollment. Enrollment declines began before the pandemic but worsened when postsecondary institutions had to limit face-to-face interaction by shifting instruction online and requiring students to move out of residence halls. The slowing of population growth in the region has also negatively affected college enrollment.

With fewer students enrolling in college, states and postsecondary institutions face the challenge of helping more students succeed, particularly from populations that have had lower graduation rates. These populations include historically underserved student populations such as Black, Hispanic, rural and first-generation students.

Increasing faculty diversity can also have a positive impact on college student success. Research at one California university found that students whose professors share their cultural background are more likely to complete college and achieve other positive outcomes. Faculty diversity in the SREB region is growing, but slowly. Black and Hispanic faculty represented 14 percent of full-time faculty at public four-year colleges and 20 percent at public two-year institutions in 2019-20, up from 13 percent and 17 respectively in 2015-16. Similar percentage point increases were seen among Black and Hispanic full-time administrators. SREB's Doctoral Scholars Program is one example of a program designed to increase the diversity of postsecondary faculty by offering scholarships and mentors for doctoral candidates from underrepresented groups.

Education Attainment, Employment and Earnings

Higher education attainment levels are associated with higher earnings. Adults with bachelor's degrees in the U.S. earned an average of \$75,800 in 2019. Those with an associate degree averaged \$50,900, 20 percent more than individuals with only a high school diploma or GED. Benefits of higher earnings go not only to individuals but to the communities in which they live. Higher earnings lead to more tax revenue for local and state governments to support services for those who are unemployed or underemployed.

Jobs that require at least a postsecondary certificate are expected to demonstrate above-average growth rates. The U.S. Bureau of Labor Statistics predicted that growth in total employment would slow to 4 percent from 2019 to 2029, while job growth for individuals with a postsecondary vocational certificate or an associate degree is expected to increase about 6 percent. Jobs requiring a bachelor's degree are projected to rise more than 6 percent.

As states and postsecondary institutions emerge into a new sense of normalcy as the global pandemic progresses, we have only begun to see what kind of effects it will have on higher education. From increases in virtual attendance to decreases in enrollment to the fallout from the Great Resignation, future editions of the *Fact Book* will show how the COVID-19 pandemic shapes the future of higher education and the workforce.

Copies of the *Fact Book on Higher Education* are available from the SREB publications office. SREB regularly monitors new comparative data and makes it available on the SREB website: www.sreb.org. The website also features an online edition of the *Fact Book* with links to the latest updates of the tables and individual *Featured Facts* reports for each of the 16 SREB states. For more information about the *SREB Fact Book on Higher Education*, contact Susan Lounsbury, director of Education Data Services, at (404) 875-9211 or Susan.Lounsbury@SREB.org.