



Public Higher Education
Affordability in the South:
Regional Profile 2018

This regional profile was prepared by Cheryl Blanco, vice president for Postsecondary Education; Susan Lounsbury, director, Education Data Services; Christiana Datubo-Brown, research associate, Education Data Services; and Sam Nancarrow, program specialist, Postsecondary Education. Other college affordability resources available at SREB.org/Affordability include:

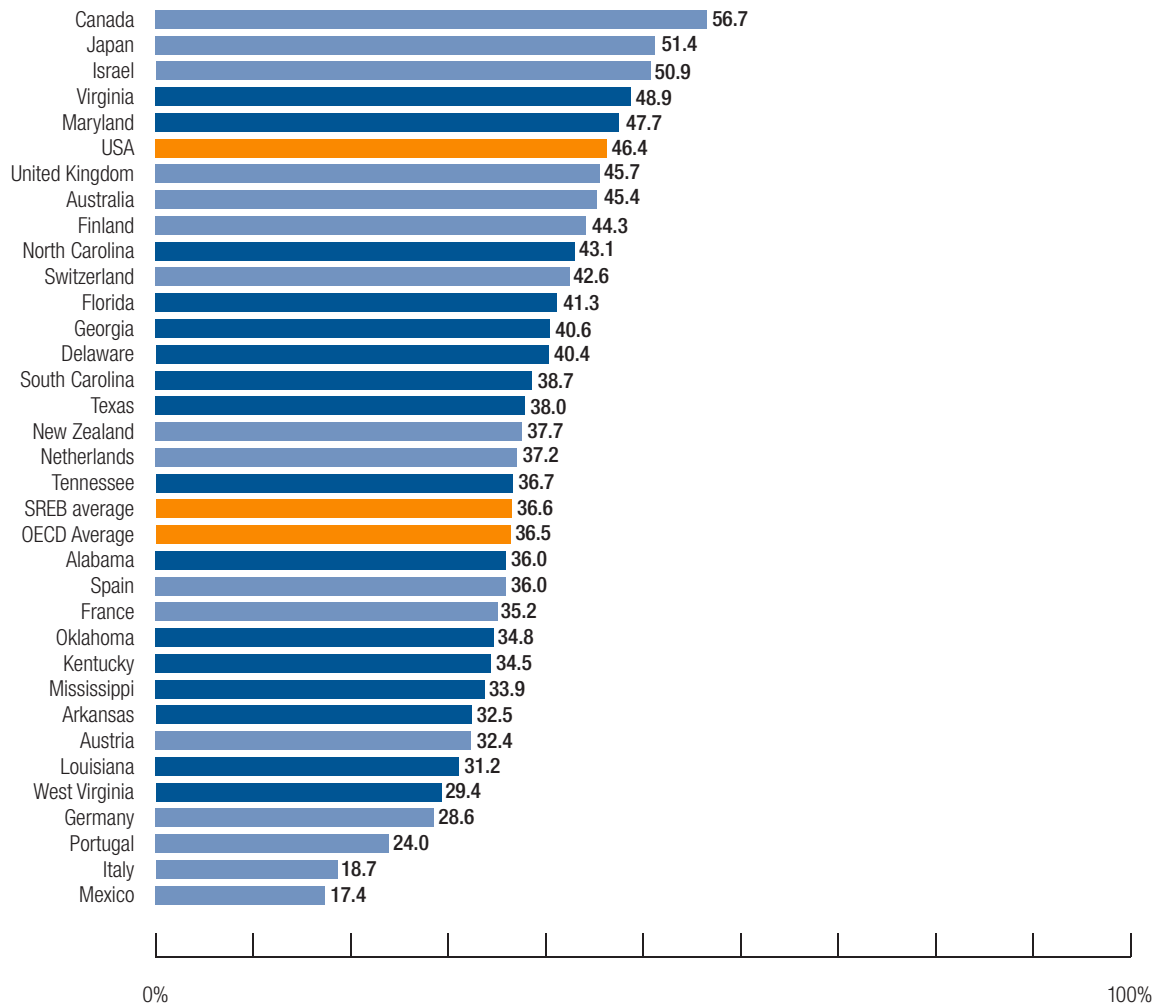
- An individual *College Affordability Profile* for each SREB state
- *Shared Responsibility for College Affordability*, the report of the SREB Commission on College Affordability in the South
- *Shared Responsibility for College Affordability*, Executive Summary of the Commission report
- *College Affordability: SREB Technical Report*
- *College Affordability Policy and Practice Review: A Statewide Framework*
- *College Affordability: Promising State Policies and Practices*
- *SREB Fact Book on Higher Education*

International Educational Attainment

Nearly one-half of SREB states performed below the average of Organisation for Economic Co-operation and Development countries and most SREB states were below the national average in the percent of adults in 2017 who attained an associate degree or higher. On average, 36.6 percent of the adult population between ages 25 and 64 in SREB states held an associate degree or higher compared to 46.4 percent in the United States and 36.5 percent in OECD countries.

SREB States and Selected Nations

Adults 25-64 with an associate degree or higher, 2017



Source: OECD, Stat. Dataset: Educational attainment and labour-force status. U.S. Census Bureau, American Community Survey, One-Year Estimate. Table B15001, 2017.

Good Jobs

As the nation places more emphasis on ensuring that the workforce is well prepared to fill current and projected jobs, states are looking more carefully at the educational background and skills needed for those jobs. Part of the debate centers on ‘good jobs’ – what *is* a good job and how do states invest in educational opportunities and credentials to develop a workforce that will attract and sustain good jobs? The Georgetown Center for Education and the Workforce suggests that, “While the decline of manufacturing eliminated many good jobs for workers without BAs, most states experienced robust job growth in other blue-collar industries, such as construction and transportation.”

While not requiring a bachelor’s degree, many “good” blue-collar and skilled-services jobs require some post-secondary education or training with a certificate or associate degree. As the chart below shows, a loss in blue-collar non-bachelor’s degree good jobs in SREB states was often offset by an increase in skilled-services good jobs for workers without bachelor’s degrees. Alabama, for example, lost 19,000 blue collar non-BA good jobs, but gained 64,000 skilled-services good jobs for workers without bachelor’s degrees between 1991 and 2015. Several states saw an increase in good jobs in both blue-collar and skilled-services areas for non-BA workers.

Change in Number of Non-BA Good Jobs 1991 to 2015

	Blue-collar non-BA good jobs	Skilled-services good jobs for workers without BAs
Alabama	-19,000	64,000
Arkansas	32,000	51,000
Delaware	-3,000	20,000
Florida	142,000	409,000
Georgia	63,000	232,000
Kentucky	7,000	33,000
Louisiana	43,000	111,000
Maryland	-103,000	32,000
Mississippi	20,000	45,000
North Carolina	-6,000	196,000
Oklahoma	-3,000	97,000
South Carolina	-28,000	99,000
Tennessee	-24,000	103,000
Texas	290,000	648,000
Virginia	100,000	59,000
West Virginia	-46,000	24,000

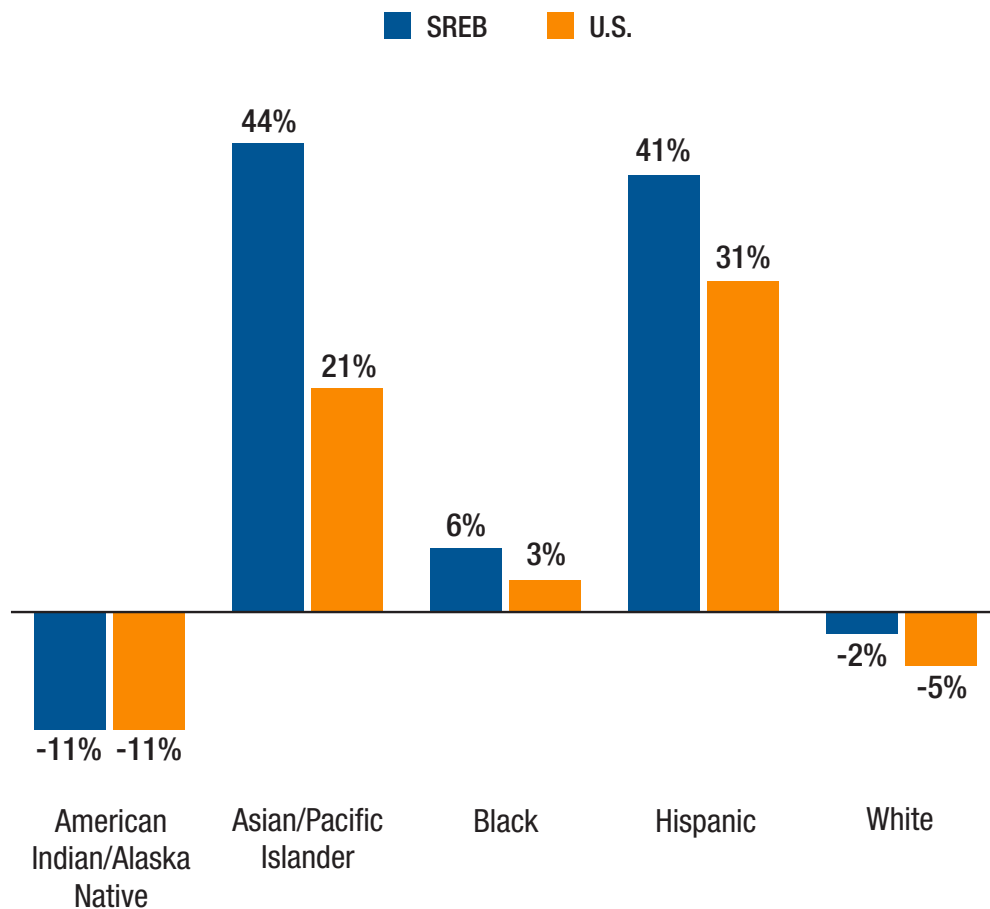
Source: Center for Education and the Workforce, Georgetown University, 2017. *Good Jobs That Pay Without a BA*.

Growing Racial and Ethnic Diversity

In the decade between 2015-16 and 2025-26, the racial-ethnic demographics of recent high school graduates will continue to reflect the changing demographics of the southern states. Over that period, the number of public high school graduates who are black are projected to increase by nearly 15,500 students, an increase of 6 percentage points in SREB states and 3 percentage points nationally. Hispanic high school graduates will show the greatest increase in numbers in the southern states, with close to 104,000 or 41 percent, and nationally by 31 percent. Among Asian and Pacific Islanders, the numbers will increase by an estimated 18,200 or 44 percent in the SREB states and 21 percent nationally. White high school graduates will decline by over 11,000 graduates, or by 2 percent in the South and 5 percent nationally.

Projected Change in High School Graduates by Race and Ethnicity

2015-16 to 2025-26



Source: WICHE. (2016) *Knocking at the College Door: Projections of High School Graduates*. The District of Columbia was omitted from the data source for this indicator.

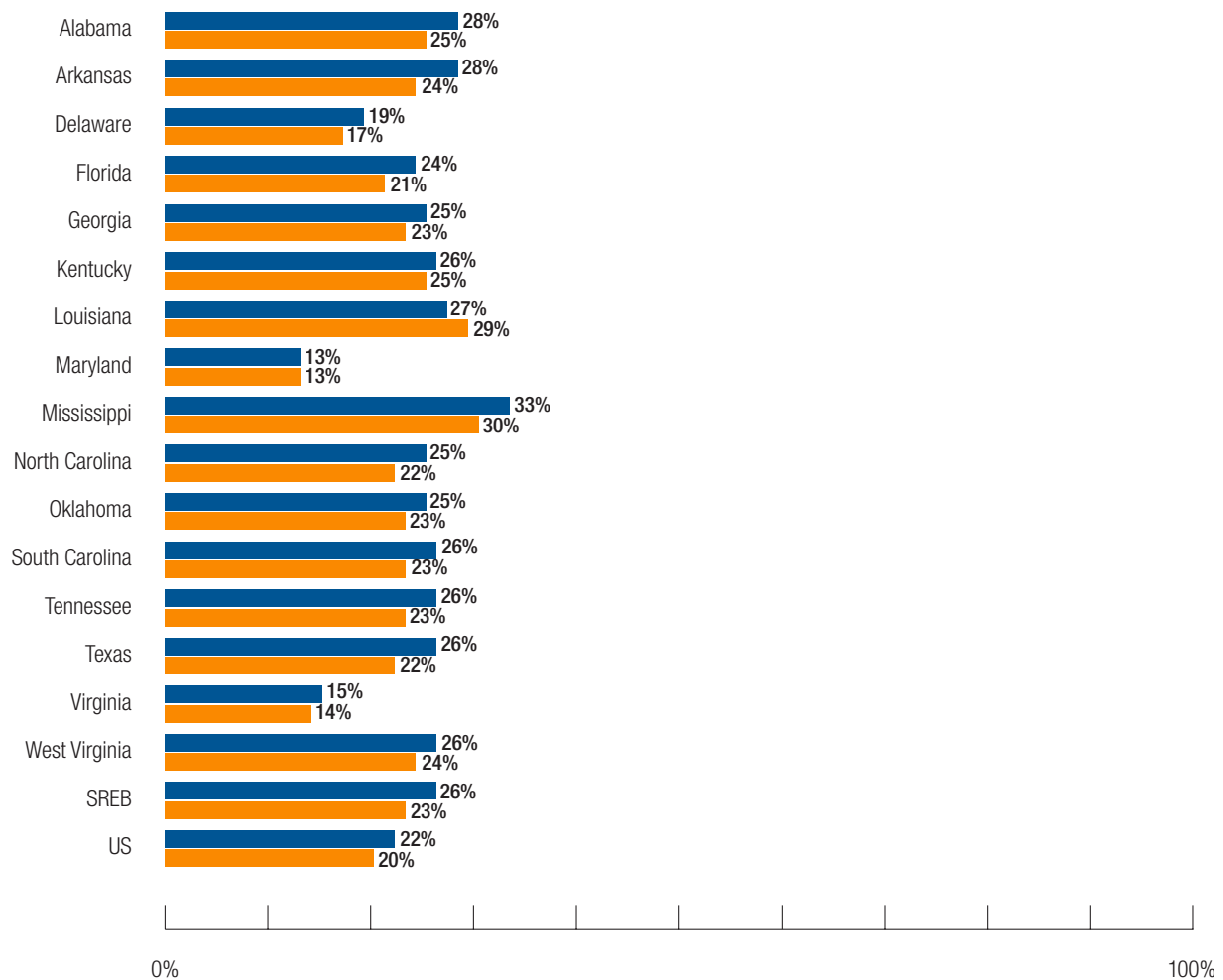
Children in Poverty

The percentage of children in the SREB region living in impoverished conditions has declined in nearly every SREB state. Yet, the regional average of impoverished children remains slightly higher than the proportion in the nation. Between 2010 and 2016, the percentage of children living in poverty declined from 22 to 20 percent nationally and from 26 to 23 percent in the SREB region.

Percentage of Children Living in Poverty

2010 and 2016

■ 2010 ■ 2016

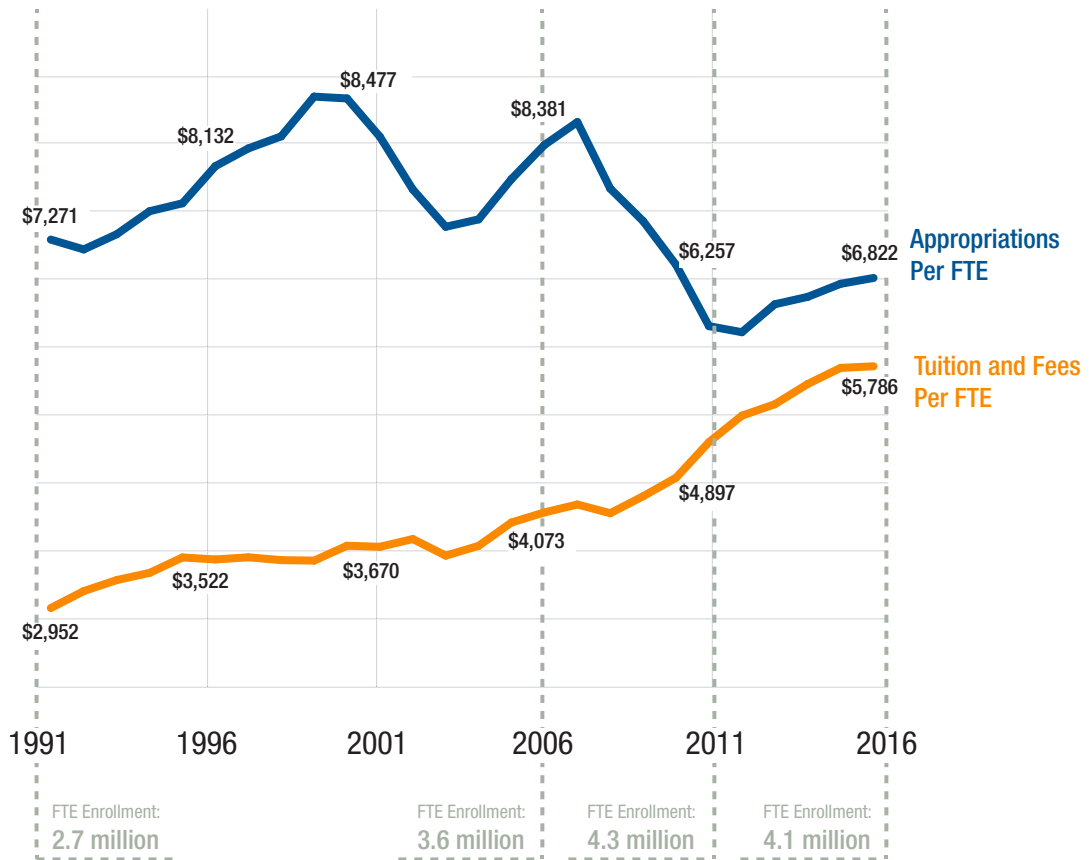


Source: U.S. Census Bureau, American Community Survey 2016, Table S1701, "Percent of Children Under 18 Years Below Poverty Level in the Past 12 Months."

Higher Education Funding Shifts

Reliance on tuition and fees to cover operational expenses has continued to rise over the last quarter century. On average, state appropriations in SREB states fell from \$7,271 per full-time equivalent (FTE) student in 1991 to \$6,257 in 2011 before rebounding somewhat to \$6,822 in 2016 (in constant dollars). Over that same period, net tuition and fees per FTE student increased steadily from \$2,952 to \$5,786 in 2016. As a result, students and families are paying a much larger share of the total funding per student. In 1991, the student and family share of overall funding per student was close to 29 percent, but by 2016 students and families contributed nearly 46 percent of total revenue for operational expenses. During the same period, the state share of overall funding decreased from approximately 70 percent to 54 percent.

Dollars Per FTE Student From Tuition, Fees and State Appropriations
1991 to 2016



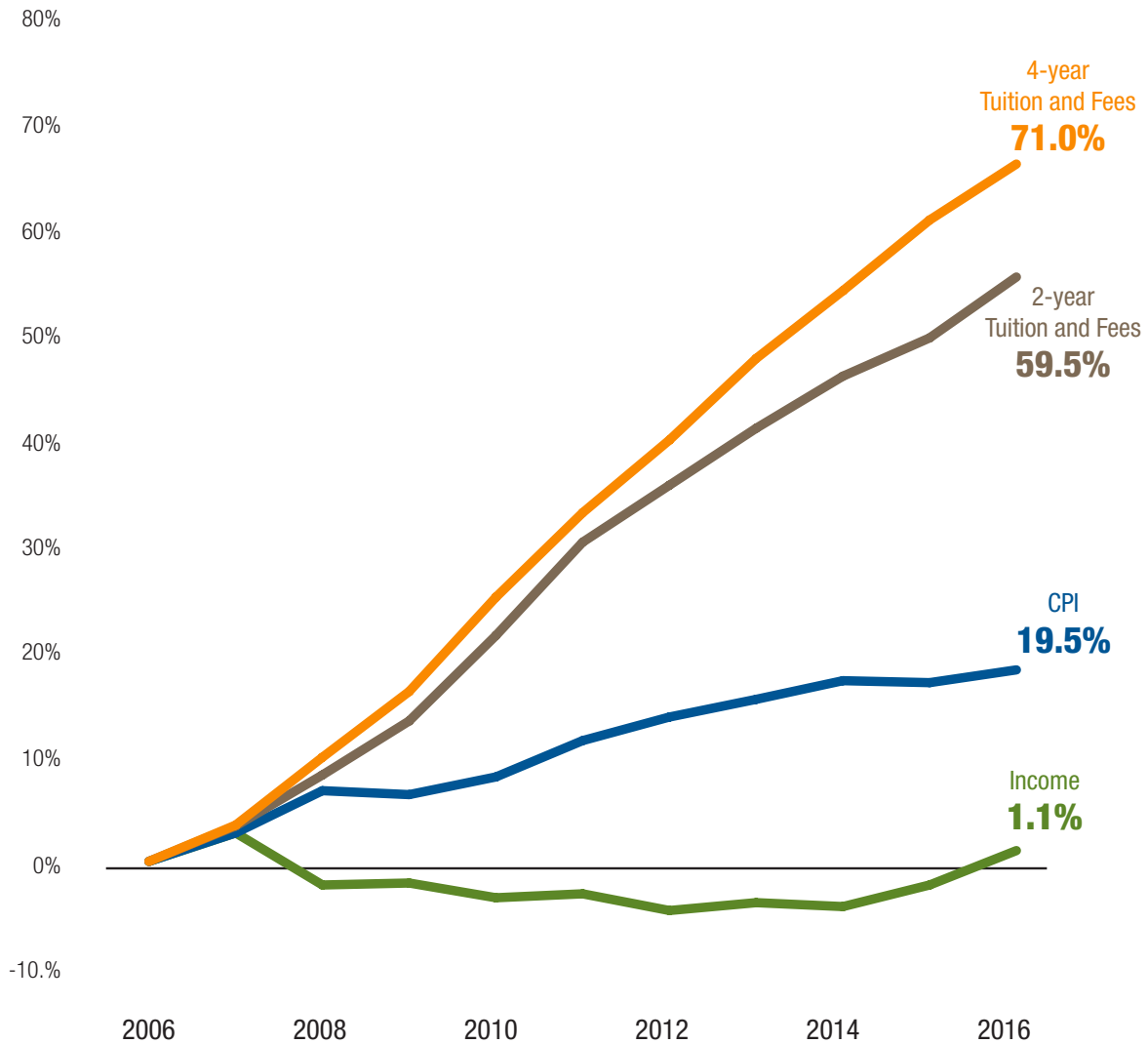
Source: State Higher Education Executive Officers Association (2018). *State Higher Education Finance FY 2017*.

Rising Tuition and Fees

Tuition and fees at public four-year and two-year institutions in the South have increased faster than income, inflation and almost all consumer goods and services. Over the decade between 2006 and 2016, tuition and fees at public four-year institutions increased by 71 percent and at two-year institutions by 60 percent.

Tuition and Fee Increases Compared to Income and CPI

SREB states, 2006 to 2016



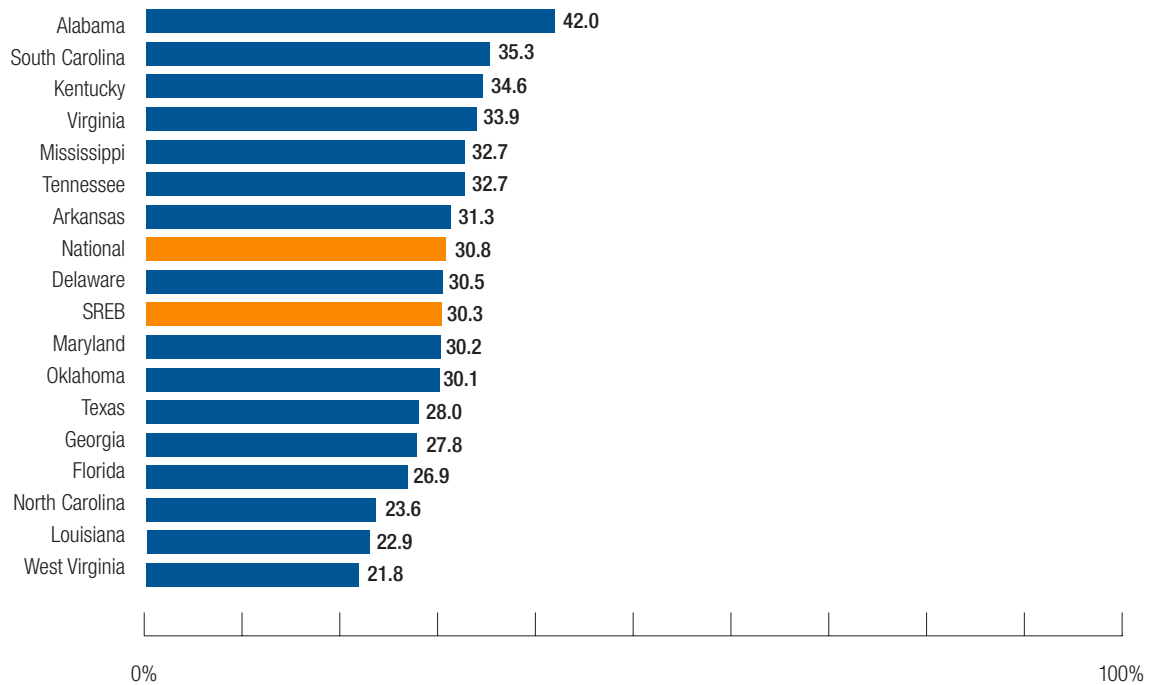
Sources: Consumer Price Index retrieved from FRED, Federal Reserve Bank of St. Louis: Bureau of Labor Statistics, South urban area, 2016. Tuition and fees retrieved from the U.S. Department of Education, Integrated Postsecondary Education Data System, Institutional Characteristics Files, 2015. Median family income retrieved from FRED, Federal Reserve Bank of St. Louis: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, South region, 2018

Family Income and Net Price at Public Four-Year Category 1 Institutions

Public four-year category 1 institutions are primarily research universities. At these institutions, students and families in the region needed to pay, on average, 30.3 percent of their income to cover educational expenses in 2015-16 even after taking into account all federal, state and institutional financial aid. This percentage varied widely across SREB states, from 42 percent in Alabama to nearly 22 percent in West Virginia

Percent of Family Income Needed to Cover Net Price

Category 1 public 4-year colleges, 2015-16



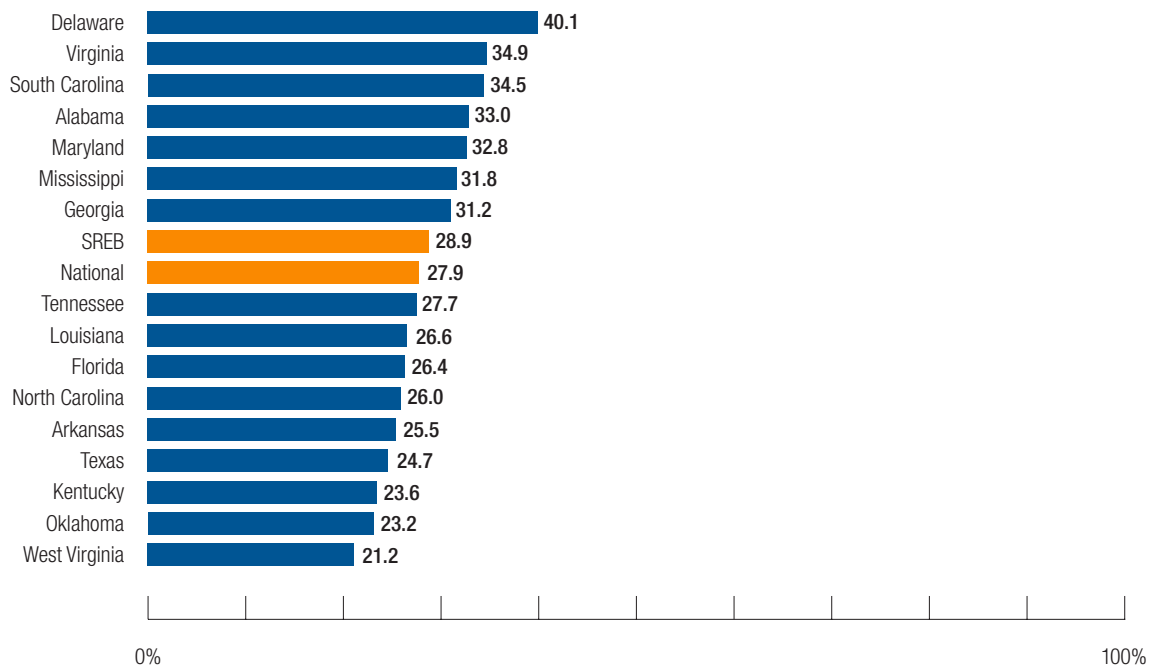
Sources: U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2010 and 2015, 12-Month Enrollment Instructional Activity Files 2011 and 2016. American Community Survey Public Use Microdata Samples 2010 and 2015. Institutional sectors based on SREB-State Data Exchange categories.

Family Income and Net Price at Public Four-Year Category 2 Institutions

Public four-year category 2 institutions are also known as comprehensive, regional institutions and are generally widely accessible. At these institutions, students and families in SREB states needed to pay, on average, about 29 percent of family income to cover educational expenses in 2015-16, even after taking into account federal, state and institutional financial aid. This percentage is similar to the national average at close to 28 percent. The share required from families varied widely from 40 percent of income in Delaware to 21 percent in West Virginia.

Percent of Income Needed to Cover Net Price

Category 2 public 4-year colleges, 2015-16



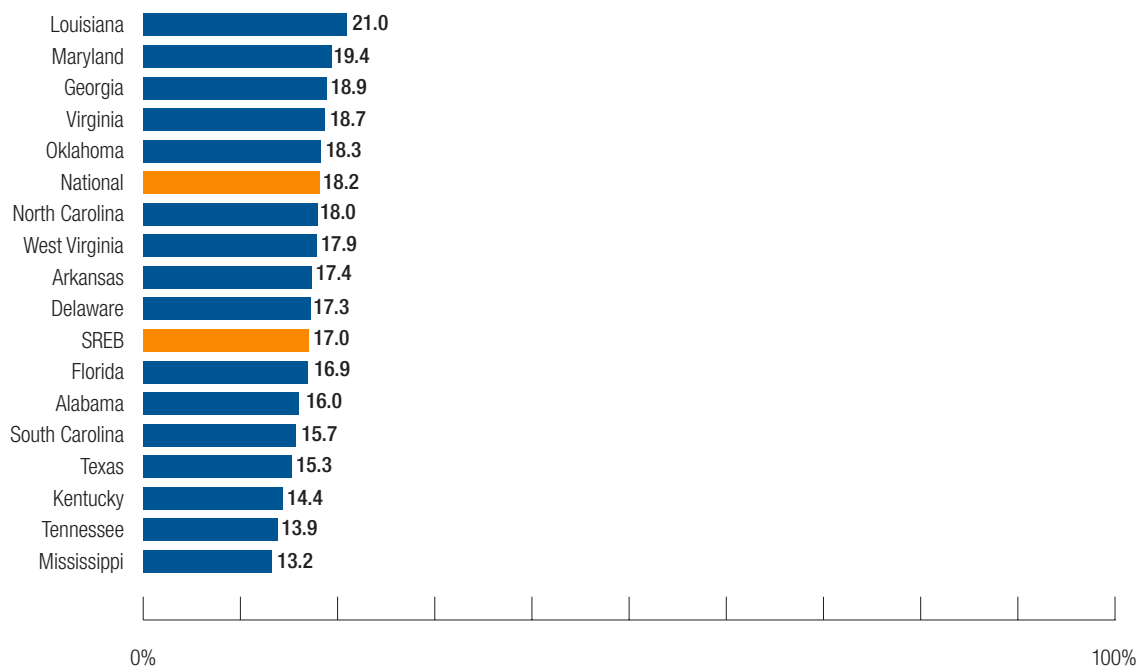
Sources: U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2010 and 2015, 12-Month Enrollment Instructional Activity Files 2011 and 2016. American Community Survey Public Use Microdata Samples 2010 and 2015. Institutional sectors based on SREB-State Data Exchange categories.

Family Income and Net Price at Public Two-Year Institutions

At public two-year colleges, the net price of attendance is generally lower than at four-year institutions. Net prices at public two-year colleges in SREB states are often lower than the national average. In 2015-16, students and families in SREB states would have paid, on average, 17 percent of their income to attend public two-year colleges, compared with nearly 18 percent for families nationally. In Louisiana, on average, 21 percent of income was required. In contrast, Mississippi students and families paid close to 13 percent of their income, on average, to attend a two-year college.

Percent of Income Needed to Cover Net Price

Public 2-year colleges, 2015-16



Sources: U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2010 and 2015, 12-Month Enrollment Instructional Activity Files 2011 and 2016. American Community Survey Public Use Microdata Samples 2010 and 2015. Institutional sectors based on SREB-State Data Exchange categories.

State Financial Aid in the SREB Region

In the SREB region, total state financial aid awarded per undergraduate FTE student in 2015-16 was higher at \$976 than the national average at \$804. States varied widely on average awards across the different types of financial aid as well as the total average award amount per FTE. Among states awarding need-based aid only, Virginia awarded \$1,045 on average per FTE while most other SREB states awarded less than half that amount per FTE on average. Many states are blending need and merit criteria in their financial aid programs, with average awards per FTE ranging from \$12 to over \$500. The greatest range of average awards occurred for merit-only aid, but not every Southern state awards merit-only aid. A few states average less than \$100 per FTE for these awards, and four states pass the \$1,000 mark for average merit-only awards.

State Financial Aid Awards Per Undergraduate FTE

Public institutions, 2015-16

	Need Only	Blended Need and Merit	Merit Only	Special Purpose	Uncategorized	Total
Alabama		\$12	\$4	\$4		\$20
Arkansas	\$49		\$835	\$1		\$885
Delaware	\$392	\$22	\$213	\$2	\$28	\$657
Florida	\$201	\$0	\$342	\$37		\$580
Georgia			\$1,587	\$366		\$1,953
Kentucky	\$412		\$678	\$49	\$1	\$1,140
Louisiana	\$161		\$1,601	\$6		\$1,768
Maryland	\$303	\$56		\$11		\$370
Mississippi		\$109	\$146	\$2		\$257
North Carolina	\$615			\$10		\$625
Oklahoma	\$122		\$64	\$438		\$624
South Carolina	\$154		\$1,414	\$0	\$344	\$1,912
SREB	\$343	\$135	\$416	\$64	\$18	\$976
Tennessee	\$301	\$154	\$1,208	\$190		\$1,853
Texas	\$512	\$397		\$0		\$909
USA	\$376	\$214	\$168	\$39	\$7	\$804
Virginia	\$1,045	\$277		\$13	\$60	\$1,395
West Virginia		\$533	\$672	\$4		\$1,209

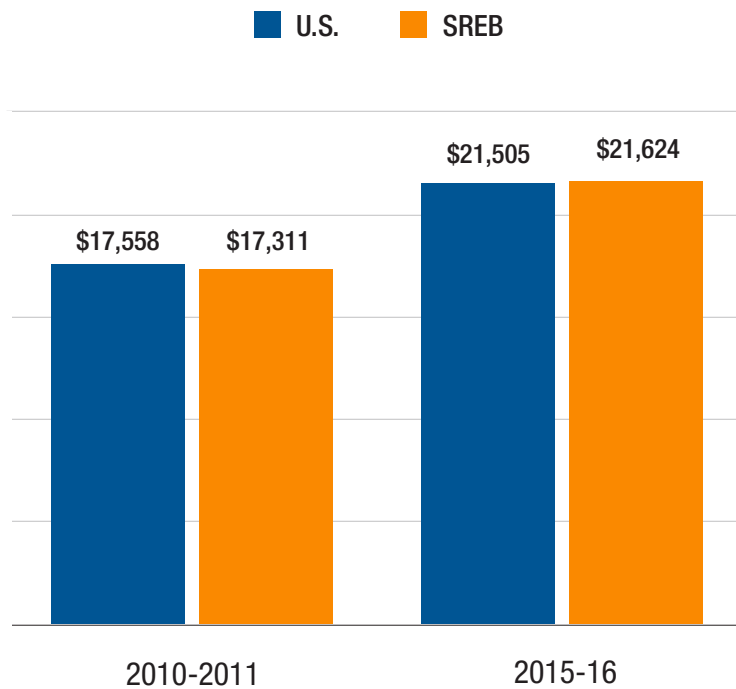
Sources: National Association of State Student Grant & Aid Programs 2016 annual survey (results for public institutions only), U.S. Department of Education, Integrated Postsecondary Education Data System Instructional Activity File, 2016, and Directory File, 2015.

Growth in Undergraduate Student Debt

In 2014, graduates with bachelor's degrees from public four-year category 1 institutions in SREB states typically owed \$21,883, which is somewhat higher than the national average of \$21,598. Research shows that as prices go up, many students who wish to stay enrolled reduce credit hours, increase work hours or borrow more. The amount owed by students who graduated with a bachelor's degree from a public four-year category 1 institution in the SREB region increased by 48 percent between 2008 and 2014, demonstrating that many students borrowed more as college costs increased.

Median Dollars Owed by Bachelor's Degree Graduates

Category 1 Public institutions, 2010-11 and 2015-16



Sources: U.S. Department of Education, College Scorecard, 2010 and 2015. U.S. Department of Education, Integrated Postsecondary Education Data System, 12-Month Enrollment Instructional Activity Data Files 2011 and 2016 and Directory Files 2010 and 2015.

Notes and Sources

Category 1 four-year institutions award at least 30 doctoral degrees in five different areas. **Category 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.

Net price is the sum of tuition and required fees, plus room and board, books and other expenses, minus grant aid students receive from the federal or state government or the institution.

This profile is based on data reported to IPEDS by institutions during the 2010-11 and 2015-16 academic years. Some IPEDS surveys collect data for the prior academic year; for instance, the 2015-16 Student Financial Aid survey reports data for 2014-15.

Institutions or states may update data that were previously reported to an organization or adjust the methodology to calculate a statistic. As a result, some data reported in past Affordability Profiles may differ from data in the current regional profile, even though the data are 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 and the region 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 SREB.org/Affordability.