

# Arkansas

## College Affordability Profile 2018

The socioeconomic future of SREB states depends in large part on substantially increasing the number of residents with postsecondary credentials of value. As the population of SREB states become more diversified, Arkansas faces a critical challenge to help more people succeed in postsecondary education and earn a living wage. This 2018 college affordability profile illustrates how affordable different public institutions are for Arkansas families at various income levels.

### What Percentage of Average Family Income Is Required to Attend College Full Time?

In 2015-16, families in Arkansas needed on average 31 percent of their income to pay for educational expenses for a full-time student at public category 1 institutions and nearly 26 percent at public four-year category 2 institutions. These percentages were much higher than they were in 2010-11 but close to the SREB and national averages in 2015-16.

For a full-time student at public two-year institutions, families in Arkansas needed to pay, on average, 17 percent of their income in 2015-16 to cover educational expenses. This was less than the nearly 20 percent needed in 2010-11 and nearly the same as the SREB and national averages in 2015-16.

	Arkansas, 2010-11	Arkansas, 2015-16	SREB Average, 2015-16	U.S. Average, 2015-16
Public Four-Year Category 1	18.8%	31.3%	30.5%	30.8%
Public Four-Year Category 2	18.9%	25.5%	28.8%	27.9%
Public Two-Year	19.6%	17.4%	17.0%	18.2%

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

### How Much Is Spent Per Student on Financial Aid?

Arkansas spent \$49 on average per full-time-equivalent student on need-based aid in 2015-16 compared to \$99 in 2010-11. The SREB average was \$343 and the national average was \$376 in 2015-16. The state spent \$835 on average, per FTE, for merit-based aid in 2015-16, much more than the SREB average at \$416 and the national average of \$168.

Financial Aid Category	Arkansas, 2010-11	Arkansas, 2015-16	SREB Average, 2015-16	U.S. Average, 2015-16
Need Only	\$99	\$49	\$343	\$376
Need and Merit	NA	NA	\$135	\$214
Merit Only	\$1,001	\$835	\$416	\$168
Special Purpose	\$11	\$1	\$64	\$39

Sources: National Association of State Student Grant & Aid Programs 2011 and 2016 annual surveys (results for public institutions only); U.S. Department of Education, Integrated Postsecondary Education Data System, 12-Month Enrollment Instructional Activity files, 2011 and 2016, and Directory files, 2010 and 2015.

## For Families Making Less Than \$30,000, What Percentage of Income Is Required for Tuition at Lowest-Priced Colleges?

Twenty-eight percent of families in Arkansas made less than \$30,000 in 2015. For these families, the cost of tuition and fees at the lowest-priced public institutions averaged 9 percent of income that year and in 2010-11. These percentages were much lower than the SREB and national averages in 2010-11 and 2015-16.

	2010-11	2015-16
Percentage of Families Earning Less than \$30,000 Annually	31%	28%
Tuition and Fees at Lowest-Priced Public Colleges	\$1,594	\$1,644
Average Income of Arkansas Families Earning Less than \$30,000 Annually	\$17,687	\$17,438
Percentage of Income Needed for Tuition and Fees at the Lower-Priced Public Institutions	9%	9%
SREB Average	13%	17%
U.S. Average	15%	18%

Sources: U.S. Department of Education, Integrated Postsecondary Education Data System, Student Charges files and Directory files 2010 and 2015, 12-Month Enrollment Instructional Activity files 2011 and 2016; American Community Survey Public Use Micro Sample files 2010 and 2015.

## How Much Do Graduates Borrow?

Graduates who sought a degree or certificate from public four-year category 1 universities in Arkansas in 2015-16 borrowed, on average, \$21,248, and graduates of four-year category 2 institutions borrowed \$18,854, on average. These amounts were higher than average amounts borrowed in 2010-11. While borrowing at category 1 universities was close to SREB and national averages, the amount borrowed by graduates at category 2 universities was less than SREB and national averages in 2015-16.

Students at public two-year colleges borrowed, on average, \$10,294 in 2015-16, close to the average amount borrowed in 2010-11 and only slightly more than SREB and national averages.

	Arkansas, 2010-11	Arkansas, 2015-16	SREB Average, 2015-16	U.S. Average, 2015-16
Public Four-Year Category 1	\$17,965	\$21,248	\$21,703	\$21,505
Public Four-Year Category 2	\$15,993	\$18,854	\$22,391	\$19,893
Public Two-Year	\$10,553	\$10,294	\$9,829	\$9,655

Sources: U.S. Department of Education, College Scorecard, 2010 and 2015; Integrated Postsecondary Education Data System, 12-Month Enrollment Instructional Activity files 2011 and 2016 and Directory files 2010 and 2015. Institutional sectors are based on SREB State Data Exchange categories.

## A Closer Look at Family Ability to Pay

SREB’s Commission on College Affordability defined affordability as the relationship of the price required to attend higher education — or the net price — to family income.

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.

### Net Price as a Percentage of Income, Public Four-Year Category 1 Institutions

At Arkansas’ public four-year category 1 institutions, families making less than \$30,000 in 2015 needed 67 percent of their income for educational expenses. In 2010, that percentage was nearly 37 percent. Families making between \$30,000 and \$48,000 needed close to 34 percent of their income for a full-time student in 2015-16; these families needed 19 percent of their income in 2010-11 to cover educational expenses.

Family Income	Average in This Income Level, 2015	Percentage of Families in This Income Level, 2015	Net Price, 2015-16	Percentage of 2010 Income Needed	Percentage of 2015 Income Needed
Income \$0 - \$30,000	\$17,438	28%	\$11,721	37%	67%
Income \$30,000 - \$48,000	\$38,817	20%	\$13,031	19%	34%
Income \$48,000 - \$75,000	\$60,532	22%	\$16,509	18%	27%
Income \$75,000 - \$110,000	\$90,985	16%	\$17,044	14%	19%
Income \$110,000 and above	\$183,202	14%	\$17,884	7%	10%

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

## Net Price as a Percentage of Income, Public Four-Year Category 2 Institutions

At public four-year category 2 institutions in Arkansas, families making less than \$30,000 in 2015 needed 57 percent of their income for educational expenses compared to 42 percent in 2010. Families making between \$30,000 and \$48,000 needed 27 percent of their income in 2015 compared to 20 percent in 2010-11 for a full-time student.

Family Income	Average in This Income Level, 2015	Percentage of Families in This Income Level, 2015	Net Price, 2015-16	Percentage of 2010 Income Needed	Percentage of 2015 Income Needed
Income \$0 - \$30,000	\$17,438	28%	\$9,981	42%	57%
Income \$30,000 - \$48,000	\$38,817	20%	\$10,399	20%	27%
Income \$48,000 - \$75,000	\$60,532	22%	\$12,253	15%	20%
Income \$75,000 - \$110,000	\$90,985	16%	\$13,936	12%	15%
Income \$110,000 and above	\$183,202	14%	\$14,655	6%	8%

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

## Net Price as a Percentage of Income, Public Two-Year Institutions

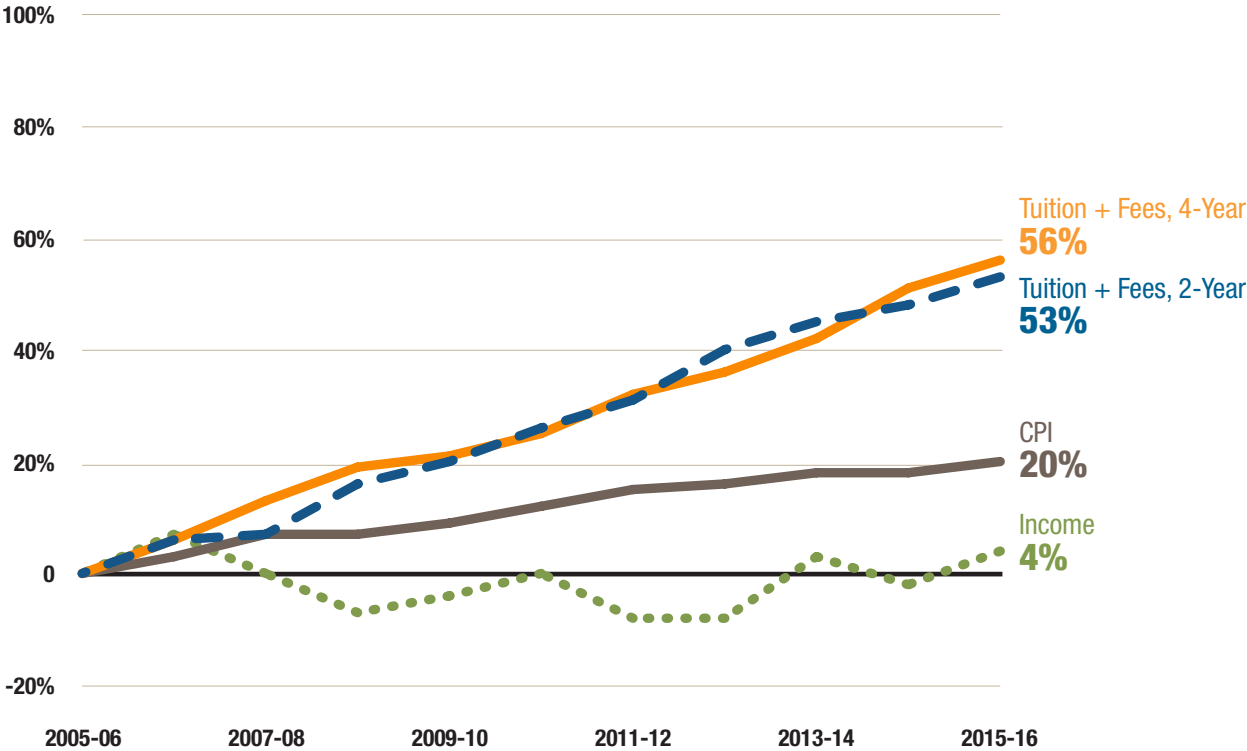
At public two-year institutions in Arkansas, families making less than \$30,000 in 2015 needed 37 percent of their income for educational expenses compared to 44 percent in 2010. Families making between \$30,000 and \$48,000 in 2015 needed 18 percent of their income for a full-time student, less than the 21 percent needed in 2010.

Family Income	Average in This Income Level, 2015	Percentage of Families in This Income Level, 2015	Net Price, 2015-16	Percentage of 2010 Income Needed	Percentage of 2015 Income Needed
Income \$0 - \$30,000	\$17,438	28%	\$6,383	44%	37%
Income \$30,000 - \$48,000	\$38,817	20%	\$6,941	21%	18%
Income \$48,000 - \$75,000	\$60,532	22%	\$8,913	16%	15%
Income \$75,000 - \$110,000	\$90,985	16%	\$10,582	11%	12%
Income \$110,000 and above	\$183,202	14%	\$11,710	6%	6%

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

# Changes in Tuition and Fees, CPI, and Income

Compared to the Consumer Price Index and household income, tuition and fees at Arkansas public colleges and universities increased substantially between 2006 and 2016. Over that decade, the CPI increased by 20 percent and household income rose by only 4 percent, while tuition and fees at four-year institutions increased by 56 percent and by 53 percent at two-year institutions.

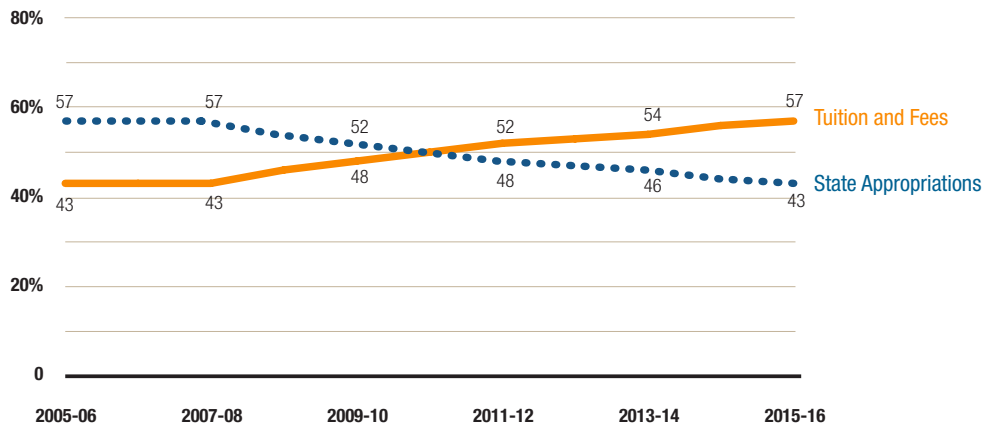


Sources: Consumer Price Index retrieved from FRED, Federal Reserve Bank of St. Louis; Bureau of Labor Statistics, South urban area, 2016. Tuition and fees retrieved from the U.S. Department of Education, Integrated Postsecondary Education Data System, Institutional Characteristics files, 2005 to 2015. Median household 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.

# Ratio of State Appropriations and Tuition and Fee Revenues

## Public Four-Year Institutions

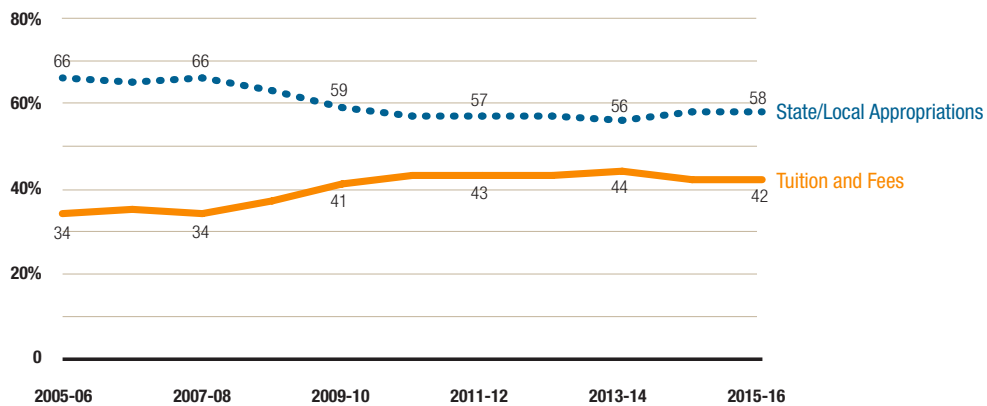
In 2015-16, net tuition and fees at Arkansas' four-year institutions made up 57 percent of total funds available for operations of the state's public institutions, while state appropriations supplied the remaining 43 percent. In comparison, state appropriations provided 57 percent in 2005-06.



Source: SREB-State Data Exchange.

## Public Two-Year Institutions

Arkansas' two-year colleges are moving closer to equal funding between tuition and fees and state and local appropriations for operational revenue. Although appropriations provided 66 percent of revenues in 2005-06, that share had dropped to 58 percent by 2015-16; tuition and fees made up 42 percent of revenues that year compared to 34 percent in 2005-06.



Source: SREB-State Data Exchange.

## Additional Context

**Attainment** — In 2016, nearly 40 percent of Arkansas’ working adult population between ages 25 and 64 had a postsecondary credential of value. The state’s educational attainment goal is to reach 60 percent by 2025.

**Poverty** — In 2016, 24 percent of children in Arkansas were living in poverty. This was down from 2010, when 28 percent were living in poverty. The SREB region and the nation saw overall declines in this rate from 26 to 23 percent and from 22 to 20 percent during this time period, respectively.

**FAFSA** — Through June 2018, approximately 55 percent of Alabama’s 2017-18 12th grade class had completed a FAFSA application, a one-year increase of almost 5 percent. Nationwide, the FAFSA completion rate was nearly 61 percent.

**Enrollment** — In 2015-16, nearly 27 percent of students in Arkansas were enrolled in public four-year category 1 institutions, 41 percent were enrolled at public four-year category 2 institutions and 32 percent were enrolled in public two-year colleges.

**Automation** — A recent study has found that individuals face a reduced risk of job automation if they have achieved a higher level of educational attainment and that “Artificial Intelligence puts more low-skilled jobs at risk than previous waves of technological progress.” According to this study, approximately 10 percent of the jobs in the United States can be considered at high risk of automation (in that they have an over 70 percent probability of being automated), with roughly an additional 25 percent of jobs at risk of significant change due to automation.

Sources: Educational attainment: State higher education master plans and Lumina Foundation, “A Stronger Nation,” 2017. Children in poverty: U.S. Census Bureau. FAFSA completion: National College Access Network. Enrollment: U.S. Department of Education, Integrated Postsecondary Education Data Systems, 2016. Automation: Nedelkoska, L. and G. Quintini, “Automation, skills use and training,” OECD, 2018.

## Arkansas Institutions by Type

### Public Four-Year Category 1

University of Arkansas at Little Rock  
University of Arkansas

### Public Four-Year Category 2

University of Arkansas at Pine Bluff  
Arkansas State University-Main Campus  
Arkansas Tech University  
University of Arkansas at Monticello  
University of Central Arkansas  
Henderson State University  
Southern Arkansas University Main Campus  
University of Arkansas-Fort Smith

### Public Two-Year

Arkansas State University-Beebe  
Black River Technical College  
Cossatot Community College of the  
University of Arkansas  
East Arkansas Community College  
National Park Community College  
University of Arkansas Community  
College-Batesville  
Arkansas State University Mid-South  
Arkansas Northeastern College  
North Arkansas College



College of the Ouachitas  
Ozarka College  
University of Arkansas Community College-Morrilton  
Phillips Community College of the University of Arkansas  
Southeast Arkansas College  
Pulaski Technical College  
University of Arkansas Community College-Hope  
Rich Mountain Community College  
South Arkansas Community College  
Southern Arkansas University Tech  
NorthWest Arkansas Community College  
Arkansas State University-Mountain Home  
Arkansas State University-Newport

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## 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.

Institutions are listed as they were categorized in the 2015-16 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 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 profile, even though the data are for the same time period.

See the technical guide at [SREB.org/Affordability](http://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 [SREB.org/Affordability](http://SREB.org/Affordability).*