

Kentucky

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, Kentucky 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 Kentucky families at various income levels.

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

In 2015-16, families in Kentucky needed on average nearly 35 percent of their income to pay for educational expenses for a full-time student at public category 1 institutions and close to 24 percent at public four-year category 2 institutions. While the percentage needed at category 1 institutions was higher than SREB and national averages in 2015-16, the percentage needed at category 2 institutions was considerably lower than the SREB and national averages.

For a full-time student at public two-year institutions, families in Kentucky needed to pay, on average, 15 percent of their income in 2015-16 to cover educational expenses. This was only slightly lower than the nearly 16 percent needed in 2010-11 and lower than the SREB and national averages in 2015-16.

	Kentucky, 2010-11	Kentucky, 2015-16	SREB Average, 2015-16	U.S. Average, 2015-16
Public Four-Year Category 1	22.5%	34.6%	30.5%	30.8%
Public Four-Year Category 2	21.8%	23.6%	28.8%	27.9%
Public Two-Year	15.6%	14.6%	17.0%	18.2%
Public Technical	17.8%	15.8%	18.6%	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?

Kentucky spent \$412 on average per full-time-equivalent student on need-based aid in 2015-16 compared to \$288 in 2010-11. The SREB average was \$343 and the national average was \$376 in 2015-16. The state spent \$678, 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	Kentucky, 2010-11	Kentucky, 2015-16	SREB Average, 2015-16	U.S. Average, 2015-16
Need Only	\$288	\$412	\$343	\$376
Need and Merit	NA	NA	\$135	\$214
Merit Only	\$518	\$678	\$416	\$168
Special Purpose	\$32	\$49	\$64	\$39
Uncategorized	NA	\$1	\$18	\$7

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-seven percent of families in Kentucky made less than \$30,000 in 2015. For these families, the cost of tuition and fees at the lowest-priced public institutions averaged 21 percent of income that year, compared to 19 percent in 2010-11. These percentages were higher 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	29%	27%
Tuition and Fees at Lowest-Priced Public Colleges	\$3,120	\$3,528
Average Income of Kentucky Families Earning Less than \$30,000 Annually	\$16,816	\$16,622
Percentage of Income Needed for Tuition and Fees at the Lower-Priced Public Institutions	19%	21%
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 Kentucky in 2015-16 borrowed, on average, \$21,548 and graduates of four-year category 2 institutions borrowed \$24,068 on average. These amounts were noticeably higher than average amounts borrowed in 2010-11. While borrowing at category 1 universities was close to SREB and national averages in 2015-16, the amount borrowed by graduates at category 2 universities was higher than SREB and national averages.

Students at public two-year colleges borrowed, on average, \$11,059 in 2015-16, much more than the average amount borrowed in 2010-11 higher than SREB and national averages.

	Kentucky, 2010-11	Kentucky, 2015-16	SREB Average, 2015-16	U.S. Average, 2015-16
Public Four-Year Category 1	\$15,995	\$21,548	\$21,703	\$21,505
Public Four-Year Category 2	\$18,129	\$24,068	\$22,391	\$19,893
Public Two-Year	\$8,364	\$11,059	\$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 Kentucky’s public four-year category 1 institutions, families making less than \$30,000 in 2015 needed nearly 77 percent of their income for educational expenses. In 2010, that percentage was 41 percent. Families making between \$30,000 and \$48,000 needed 35 percent of their income for a full-time student in 2015-16; these families needed 23 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	\$16,622	27%	\$12,720	41%	77%
Income \$30,000 - \$48,000	\$39,161	18%	\$13,591	23%	35%
Income \$48,000 - \$75,000	\$60,813	22%	\$17,015	22%	28%
Income \$75,000 - \$110,000	\$91,082	17%	\$20,353	18%	22%
Income \$110,000 and above	\$180,531	16%	\$20,976	9%	12%

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 Kentucky, families making less than \$30,000 in 2015 needed 49 percent of their income for educational expenses compared to 45 percent in 2010. Families making between \$30,000 and \$48,000 needed 26 percent of their income in 2015 compared to 25 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	\$16,622	27%	\$8,128	45%	49%
Income \$30,000 - \$48,000	\$39,161	18%	\$10,044	25%	26%
Income \$48,000 - \$75,000	\$60,813	22%	\$11,998	20%	20%
Income \$75,000 - \$110,000	\$91,082	17%	\$14,336	12%	16%
Income \$110,000 and above	\$180,531	16%	\$14,521	7%	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 Kentucky, families making less than \$30,000 in 2015 needed 31 percent of their income for educational expenses compared to 33 percent in 2010. Families making between \$30,000 and \$48,000 in 2015 needed 13 percent of their income for a full-time student, less than the 15 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	\$16,622	27%	\$5,163	33%	31%
Income \$30,000 - \$48,000	\$39,161	18%	\$5,222	15%	13%
Income \$48,000 - \$75,000	\$60,813	22%	\$7,415	14%	12%
Income \$75,000 - \$110,000	\$91,082	17%	\$9,900	11%	11%
Income \$110,000 and above	\$180,531	16%	\$10,258	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.

Net Price as a Percentage of Income, Public Technical Institutions

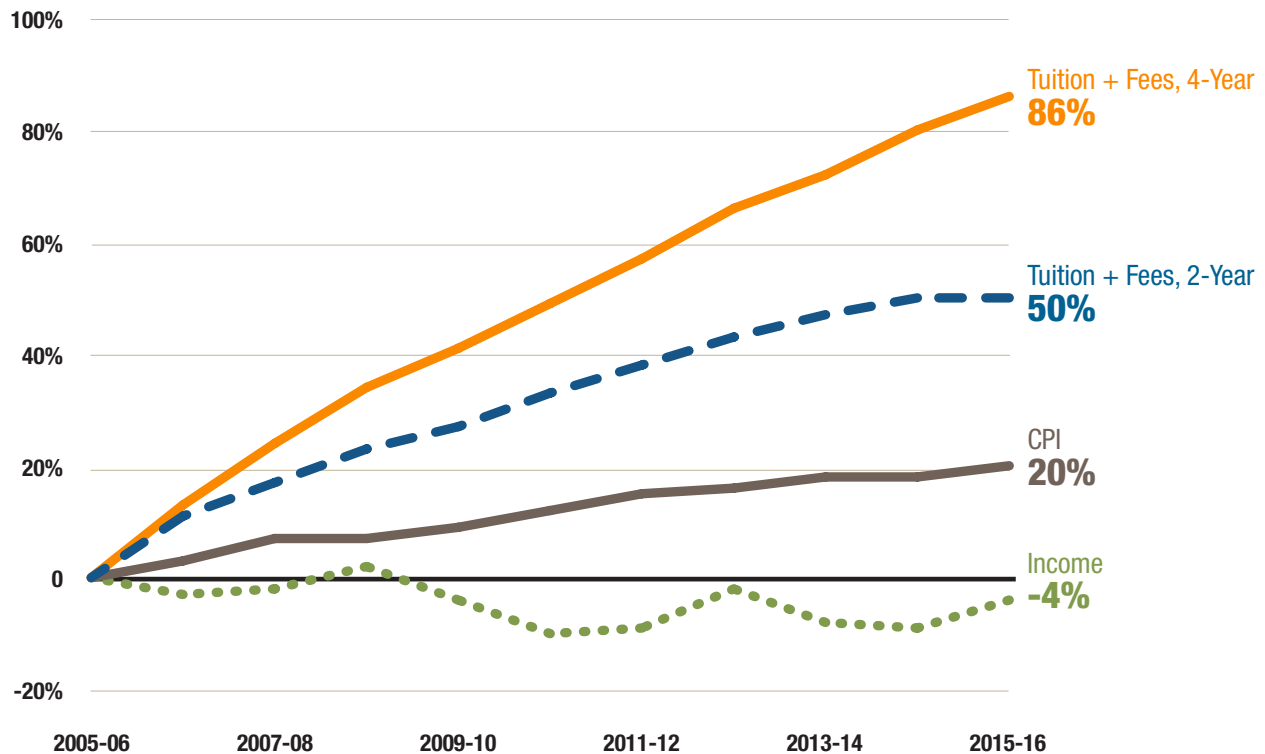
At public technical institutions in Kentucky, families making less than \$30,000 in 2015 needed 34 percent of their income for education expenses compared to 38 percent in 2010. Families making between \$30,000 and \$48,000 in 2015 needed 14 percent of their income for a full-time student, less than the 19 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	\$16,622	27%	\$5,628	38%	34%
Income \$30,000 - \$48,000	\$39,161	18%	\$5,650	19%	14%
Income \$48,000 - \$75,000	\$60,813	22%	\$8,050	15%	13%
Income \$75,000 - \$110,000	\$91,082	17%	\$10,519	12%	12%
Income \$110,000 and above	\$180,531	16%	\$10,567	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 Kentucky public colleges and universities increased substantially between 2006 and 2016. Over that decade, the CPI increased by 20 percent and household income declined by 4 percent, while tuition and fees at four-year institutions increased by 86 percent and by 50 percent at two-year institutions.

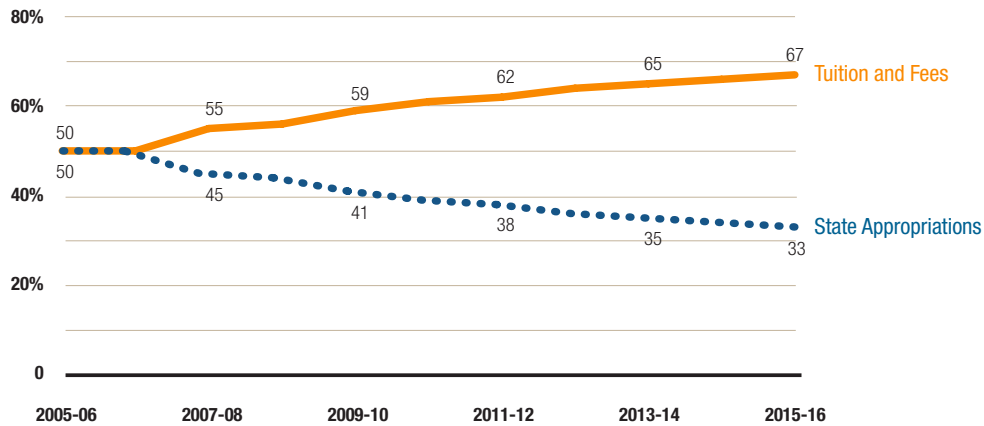


Sources: Consumer Price Index retrieved from FRED, Federal Reserve Bank of St. Louis; Bureau of Labor Statistics, South urban area, 2016. Tuition and fees retrieved from the U.S. Department of Education, Integrated Postsecondary Education Data System, Institutional Characteristics files, 2005 to 2015.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

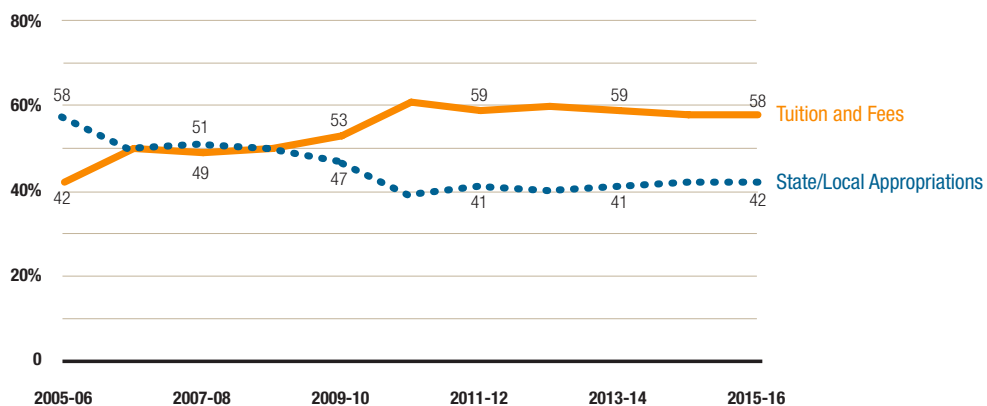
In 2015-16, net tuition and fees at Kentucky’s four-year institutions made up 67 percent of total funds available for operations of the state’s public institutions, while state appropriations supplied the remaining 33 percent. In comparison, state appropriations provided 50 percent in 2005-06.



Source: SREB-State Data Exchange

Public Two-Year Institutions

Kentucky’s two-year colleges rely more on tuition and fees than on state and local appropriations for operational revenue. Although appropriations provided 58 percent of revenues in 2005-06, that share had dropped to 42 percent by 2015-16; tuition and fees made up 58 percent of revenues that year compared to 42 percent in 2005-06.



Source: SREB-State Data Exchange

Additional Context

Attainment — In 2016, nearly 45 percent of Kentucky’s 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 2030.

Poverty — In 2016, 25 percent of children in Kentucky were living in poverty. This was down from 2010, when 26 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 65 percent of Kentucky’s 2017-18 12th grade class had completed a FAFSA application, a one-year increase of around 2 percent. Nationwide, the FAFSA completion rate was nearly 61 percent.

Enrollment — In 2015-16, 26 percent of students in Kentucky were enrolled in public four-year category 1 institutions, 39 percent were enrolled at public four-year category 2 institutions, nearly 31 percent were enrolled in public two-year colleges, and 4 percent were enrolled at public technical 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

Kentucky Institutions by Type

Public Four-Year Category 1

- University of Kentucky
- University of Louisville

Public Four-Year Category 2

- Eastern Kentucky University
- Kentucky State University
- Morehead State University
- Murray State University
- Northern Kentucky University
- Western Kentucky University

Public Two-Year

- Ashland Community and Technical College
- Bluegrass Community and Technical College
- Elizabethtown Community and Technical College
- Hazard Community and Technical College
- Henderson Community College
- Hopkinsville Community College
- Jefferson Community and Technical College
- Madisonville Community College
- Maysville Community and Technical College

West Kentucky Community and Technical College
Big Sandy Community and Technical College
Somerset Community College
Southeast Kentucky Community and Technical College
Owensboro Community and Technical College

Technical Colleges

Southcentral Kentucky Community and Technical College
Gateway Community and Technical College

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. 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 percent of students are enrolled in this sector.

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 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.