

# Alabama

## College Affordability Profile

The effect of the pandemic on state budgets has not yet peaked, but it will likely affect college affordability for years to come. In this year's SREB College Affordability Profiles, we examine data for the 2017-18 academic year, the most recent year that student financial aid and net price data are available. Although the data were collected prior to the pandemic, it shows that states continue to face challenges in making college affordable. In many states, students must spend a larger percentage of their family income to pay for college, particularly at four-year institutions. In most states, two-year institutions and technical colleges and institutes offer the most affordable degree programs.

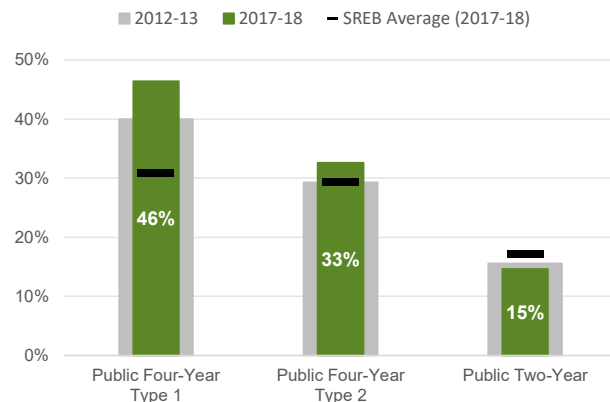
### Percentage of Average Family Income Required to Pay the Net Price for Full-Time Students at Public Institutions

In 2017-18, the percentage of family income required to pay for college in Alabama was **higher than the SREB average** for each institutional type **except two-year institutions**.

Families in Alabama paid a higher percentage of their family income in 2017-18 for a full-time student to attend four-year institutions than in 2012-13.

Alabama's families needed, on average, 46% of their income in 2017-18 to pay educational expenses for a full-time student at four-year Type 1 institutions and 33% at four-year Type 2 institutions.

In 2017-18, Alabama families needed, on average, 15% of their income to cover educational expenses at two-year institutions.



U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2012 and 2017, 12-Month Enrollment Instructional Activity Files 2013 and 2018. American Community Survey Public Use Microdata Samples 2012 and 2017. Institutional sectors based on SREB-State Data Exchange categories.

#### Key terms:

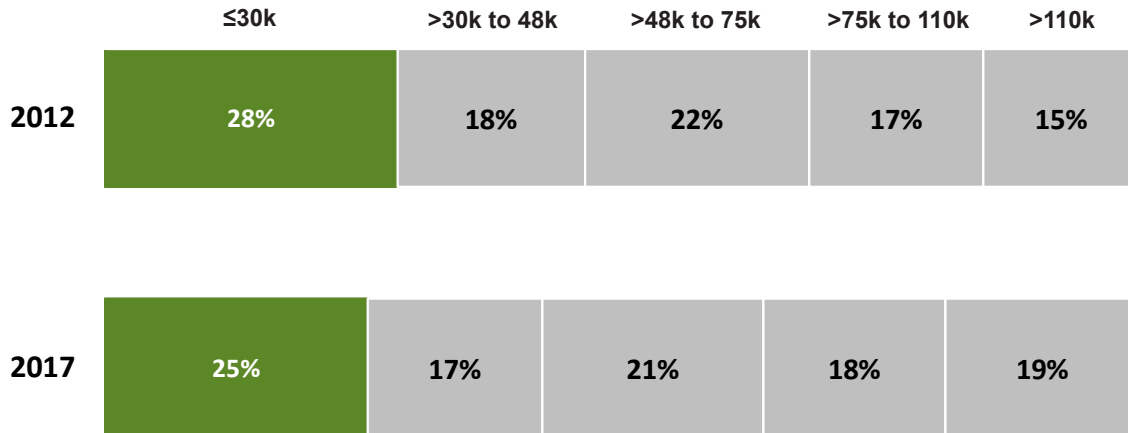
**Four-Year Institution Type 1:** four-year institutions that awarded at least 30 doctoral degrees in five different areas.

**Four-Year Institution Type 2:** all other four-year institutions.

**Net Price:** total cost of attendance (includes tuition, fees, room & board, etc.) minus federal, state/local government, or institutional grant and scholarship aid.

## Distribution of Average Family Income

Data on net price is collected using five income categories. In Alabama, students from families that **made less than \$30,000** accounted for **the largest percentage of families in 2012 and 2017**.



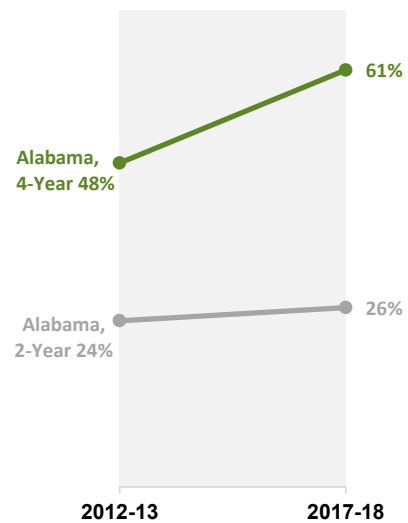
Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2012 and 2017.

## Percentage of Income Required for Median Tuition and Fees at Public Institutions for Families Making Less Than \$30,000

The increase in percentage of income required for **median tuition and fees** at public institutions was **higher at four-year institutions than two-year institutions from 2012-13 to 2017-18** for Alabama families making less than \$30,000.

For families making less than \$30,000, the cost of median tuition and fees at four-year institutions was 61% of income in 2017-18, compared to 48% in 2012-13.

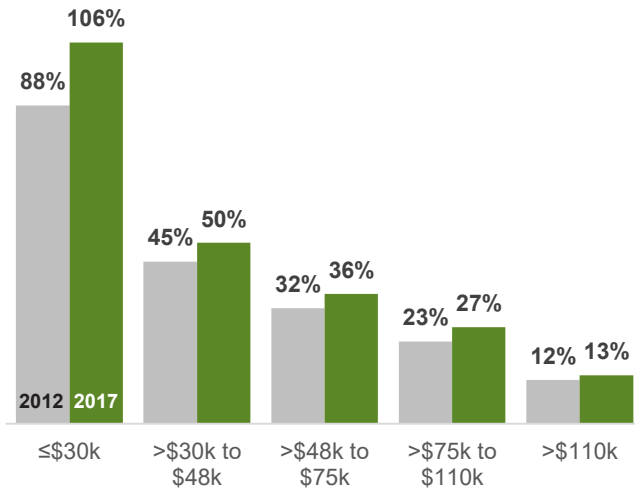
Families needed 26% of their income in 2017-18 to cover the state's median tuition at two-year institutions. In 2012-13 it was 24%.



U.S. Department of Education, Integrated Postsecondary Education Data System, Student Charges Data Files and Directory Files 2012 and 2017, 12-Month Enrollment Instructional Activity Data Files 2013 and 2018. American Community Survey Public Use Micro Sample Files 2012 and 2017.

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

Alabama families in the **lowest income category** were the most affected by the increase in net price at four-year Type 1 institutions.



The increase in the percentage of income needed to pay for four-year Type 1 institutions in Alabama was larger for families making less than \$30,000 than for any other income category.

Families making less than \$30,000 in 2012 needed 88% of their income to pay educational expenses. In 2017 it was 106%.

Families making over \$110,000 only needed 12% of their income in 2012 and 13% in 2017 to cover expenses at these institutions.

U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2012 and 2017, 12-Month Enrollment Instructional Activity Files 2013 and 2018. American Community Survey Public Use Microdata Samples, 2012 and 2017. Institutional types based on SREB-State Data Exchange categories.

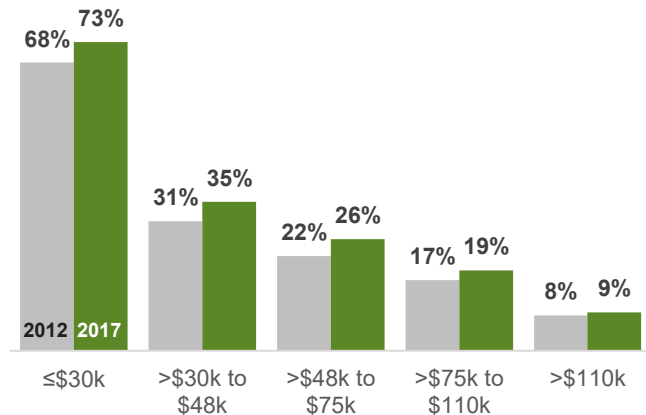
## Net Price as a Percentage of Income, Public Four-Year Type 2 Institutions

At four-year Type 2 institutions, Alabama families making less than \$30,000 were the most affected by the rising cost of attendance.

The increase in the percentage of income needed to pay for four-year Type 2 institutions in Alabama was larger for families making less than \$30,000 than for any other income type.

Families making less than \$30,000 in 2012 needed 68% of their income to pay educational expenses. In 2017 it was 73%.

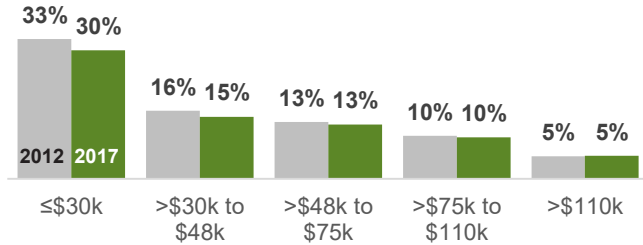
Families making over \$110,000 only needed 8% of their income in 2012 and 9% in 2017 to cover expenses at these institutions.



U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2012 and 2017, 12-Month Enrollment Instructional Activity Files 2013 and 2018. American Community Survey Public Use Microdata Samples, 2012 and 2017. Institutional types based on SREB-State Data Exchange categories.

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

The **percentage of income** that Alabama families needed to pay for educational **expenses at two-year institutions decreased or remained stable** from 2012 to 2017.



U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2012 and 2017, 12-Month Enrollment Instructional Activity Files 2013 and 2018. American Community Survey Public Use Microdata Samples, 2012 and 2017. Institutional types based on SREB-State Data Exchange categories.

The percentage of income needed to pay for two-year institutions in Alabama decreased slightly for families in most income categories.

At Alabama's two-year institutions, families making less than \$30,000 in 2012 needed 33% of their income to pay educational expenses. In 2017 it was 30%.

Families making over \$110,000 only needed 5% of their income in 2012 and 2017 to cover these expenses.

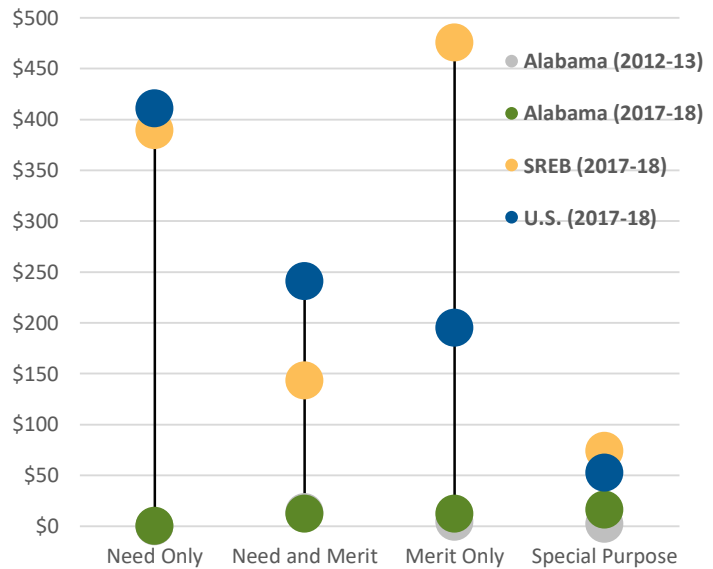
## State Financial Aid Per Student

Alabama awarded **less aid in 2017-18** per full-time-equivalent (FTE) student than the SREB and national averages across all types of financial aid. **Merit-based and special purpose aid increased** from 2012-13 to 2017-18.

	Need Only	Need and Merit	Merit Only	Special Purpose
Alabama (2012-13)	\$0	\$14	\$4	\$2
Alabama (2017-18)	NA	\$12	\$12	\$16
SREB Average (2017-18)	\$389	\$143	\$476	\$74
U.S. Average (2017-18)	\$411	\$241	\$195	\$53

The state's financial aid with both need and merit criteria amounted to \$12 on average per undergraduate FTE student in 2017-18, compared to \$14 in 2012-13. The SREB average in 2017-18 was \$143 and the national average was \$241.

Alabama spent \$12, on average, per FTE for merit-based financial aid in 2017-18, much less than the SREB average for merit-based aid of \$476 and the national average of \$195.



National Association of State Student Grant & Aid Programs 2013 and 2018 annual survey (results for public institutions only). U.S. Department of Education, Integrated Postsecondary Education Data System Instructional Activity File, 2013 and 2018, and Directory File, 2012 and 2017.

## Student Borrowing at Public Institutions

In 2017-18, Alabama graduates **borrowed more than the SREB and national averages to earn degrees at four-year institutions.**

	Alabama, 2012-13	Alabama, 2017-18	SREB Average, 2017-18	U.S. Average, 2017-18
Four-Year Type 1	\$21,318	\$22,301	\$21,600	\$21,232
Four-Year Type 2	\$21,842	\$26,378	\$22,677	\$19,510
Two-Year	\$6,951	\$10,064	\$10,798	\$10,171

U.S. Department of Education, College Scorecard, 2012 and 2017. U.S. Department of Education, Integrated Postsecondary Education Data System, 12-Month Enrollment Instructional Activity Data Files 2013 and 2018 and Directory Files 2012 and 2017.

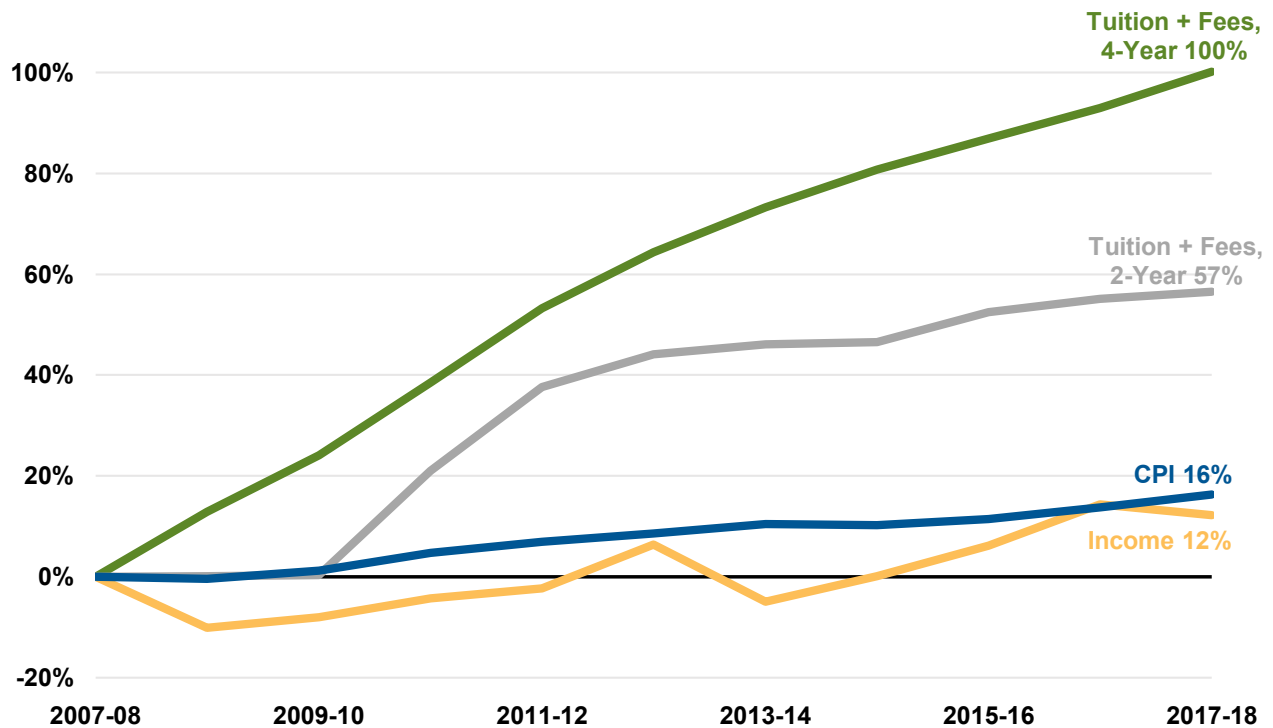
Graduates who sought a degree or certificate from four-year Type 1 universities in Alabama in 2017-18 borrowed, on average, \$22,301 and graduates of four-year Type 2 institutions borrowed \$26,378. These amounts were noticeably higher than average amounts borrowed in 2012-13 and the SREB and national averages in 2017-18.

Students at public two-year colleges borrowed, on average, \$10,064 in 2017-18, much more than the average amount in 2012-13 but lower than SREB and national averages in 2017-18.

## Changes in Tuition and Fees, CPI and Household Income

Compared to the Consumer Price Index and household income, **tuition and fees** at Alabama public colleges and universities **increased substantially** between 2007-08 and 2017-18.

Over that decade, the CPI increased by 16% and median household income in Alabama increased by 12%, while tuition and fees increased by 100% at four-year institutions and 57% at two-year institutions.

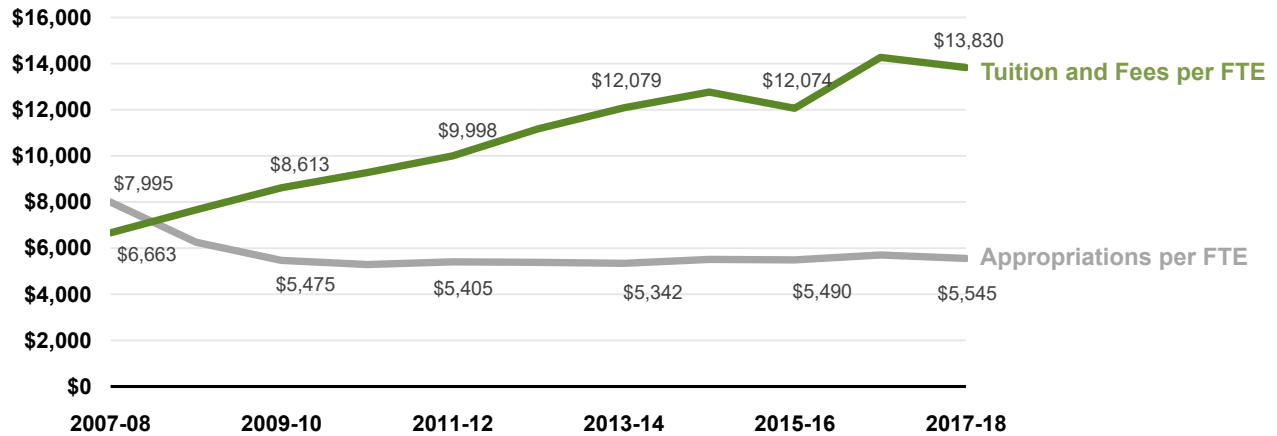


Consumer Price Index retrieved from FRED, Federal Reserve Bank of St. Louis: Bureau of Labor Statistics, South urban area, 2017. Tuition and fees retrieved from the U.S. Department of Education, Integrated Postsecondary Education Data System, Institutional Characteristics Files, 2007 to 2017. Median 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, 2020.

## Dollars per FTE Student from State Appropriations and Tuition and Fees

Operational funds per FTE for Alabama's **public four-year institutions** flipped at the start of this decade, making **tuition and fees per FTE** the larger contributor.

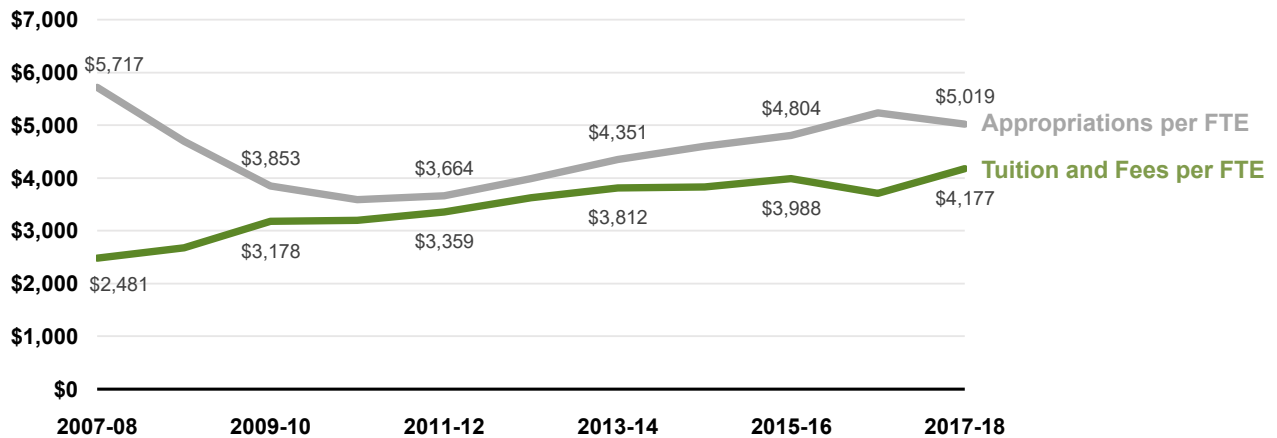
Net tuition and fees per FTE student at Alabama's four-year institutions increased from \$6,663 in 2007-08 to \$13,830 in 2017-18 for operations of the state's public institutions. State appropriations per FTE student decreased from \$7,995 to \$5,545 per FTE student. After 2007-08, students and families were required to pay for a larger share of the revenues for operations.



Source: SREB-State Data Exchange

Operational funds per FTE consisted **mostly of state and local appropriations** for Alabama's **public two-year institutions** in 2017-18.

State and local appropriations per FTE student at Alabama's two-year institutions have rebounded over the last seven years to \$5,019 in 2017-18, though still below the \$5,717 per FTE student in 2007-08. Net tuition and fees per FTE student have risen steadily from \$2,481 in 2007-08 to \$4,177 in 2017-18. Over time, students and families paid more tuition and fees, but state appropriations accounted for a larger share of the revenues for operations.



Source: SREB-State Data Exchange

## Additional State Context

**Postsecondary Enrollment.** In 2017-18, 40% of students in Alabama were enrolled in public four-year Type 1 institutions, 29% were enrolled at public four-year Type 2 institutions and 30% were enrolled in public two-year colleges.

**First-Year Retention.** For the 2017 cohort, 89% of students attending public four-year Type 1 institutions in Alabama were still enrolled one year later, 76% were retained after the first year in public four-year Type 2 institutions, and 63% were retained at public two-year colleges.

**Pell Grants.** In 2017-18, 17% of the average cost of attendance in public four-year Type 1 institutions in Alabama was covered by the average Pell Grant award. The average grant amount covered 22% of costs in public four-year Type 2 institutions and 33% in public two-year colleges.

**Education Attainment.** In 2018, 44% of Alabama'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% by 2025.

**Student Debt.** In Alabama, 50% of the class of 2019 graduated from four-year colleges with debt, owing an average of \$29,791.

Sources: Enrollment: U.S. Department of Education, Integrated Postsecondary Education Data Systems, 2017. Retention: SREB-State Data Exchange. Pell: U.S. Department of Education: 2017-2018 Award Year Grant Volume by School (2019) and SREB analysis of National Center for Education Statistics student financial aid database, 2017-18. Educational attainment: State Higher Education Master Plans and Lumina Foundation, "A Stronger Nation," 2019. Student debt: The Institute for College Access & Success. College Insight, <https://college-insight.org>. Student debt and undergraduate financial aid data are licensed from Peterson's Undergraduate Financial Aid and Undergraduate Databases, © 2020 Peterson's LLC, all rights reserved. All data may be reproduced, with attribution, subject to restrictions under this Creative Commons license: <https://creativecommons.org/licenses/by-nc-nd/3.0/>.

## Alabama Institutions by Type

### Public Four-Year Type 1

University of Alabama at Birmingham  
University of Alabama in Huntsville  
The University of Alabama  
Auburn University

### Public Four-Year Type 2

Alabama A&M University  
Alabama State University  
Athens State University  
Auburn University at Montgomery  
Jacksonville State University  
University of West Alabama  
University of Montevallo  
University of North Alabama  
University of South Alabama  
Troy University

### Public Two-Year

Central Alabama Community College  
Chattahoochee Valley Community College  
Enterprise State Community College  
Coastal Alabama Community College  
Gadsden State Community College  
George C. Wallace Community College-Dothan  
George C. Wallace State Community College-Hanceville  
George C. Wallace State Community College-Selma  
Jefferson State Community College  
John C. Calhoun State Community College  
Lawson State Community College-Birmingham Campus  
Lurleen B. Wallace Community College  
Northwest-Shoals Community College  
Northeast Alabama Community College



Bishop State Community College  
Shelton State Community College  
Snead State Community College  
Bevill State Community College  
Southern Union State Community College

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## Notes

**Type 1** four-year institutions award at least 30 doctoral degrees in five different areas. **Type 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% of students are enrolled in this sector.

Institutions are listed as they were categorized in the 2017-18 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 2017-18 academic year. Some IPEDS surveys collect data for the prior academic year; for instance, the 2017-18 Student Financial Aid survey collected data for the 2016-17 academic year.

Institutions or states may have updated data previously reported, or adjusted methodology to calculate a statistic. As a result, some data in the current profile may differ from data reported in past Affordability Profiles for the same time period.

See the technical guide at [SREB.org/Affordability](https://www.sreb.org/Affordability) for detailed sources and explanatory notes.

*SREB College Affordability Profiles detail data and trends specific to each SREB state to assist policy-makers 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 <https://www.sreb.org/Affordability>.*