

Kentucky

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.

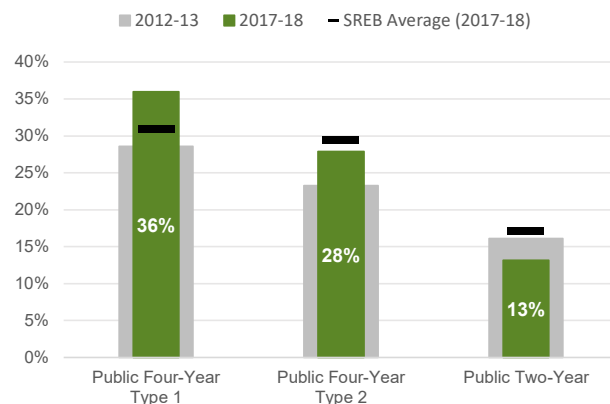
Percentage of Average Family Income Required to Pay the Net Price for Full-Time Students at Public Institutions

In 2017-18, the percentage of family income required to pay for college in Kentucky was **lower than the SREB average** for each institutional type **except four-year Type 1 institutions**.

Families in Kentucky paid a higher percentage of their family income in 2017-18 to send a full-time student to a four-year institution than in 2012-13.

Kentucky's families needed, on average, 36% of their income in 2017-18 to pay educational expenses for a full-time student at four-year Type 1 institutions and 28% at four-year Type 2 institutions.

In 2017-18, families in Kentucky needed, on average, 13% 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:

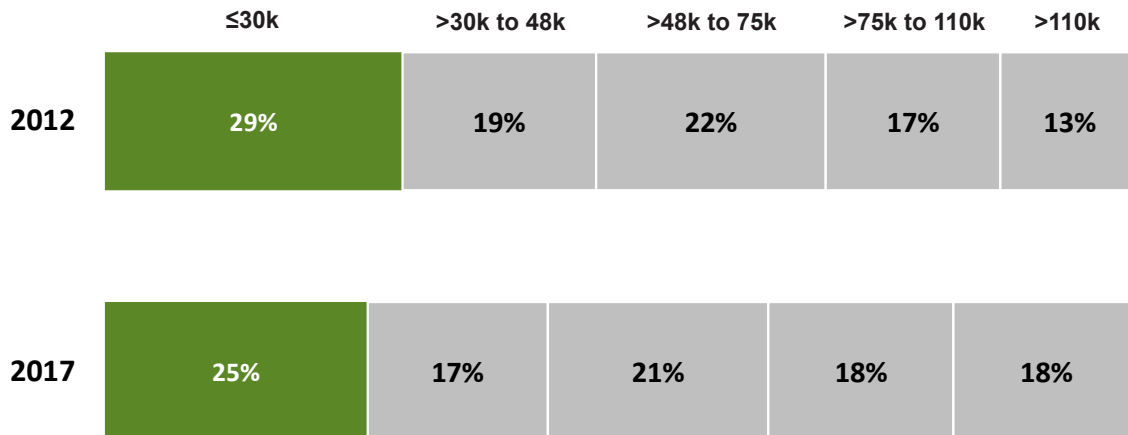
Four-Year Institution Type 1: four-year institutions that awarded at least 30 doctoral degrees in five different areas.

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 Kentucky, students from families that **made less than \$30,000** accounted for **the largest percentage of families in 2012 and 2017**.



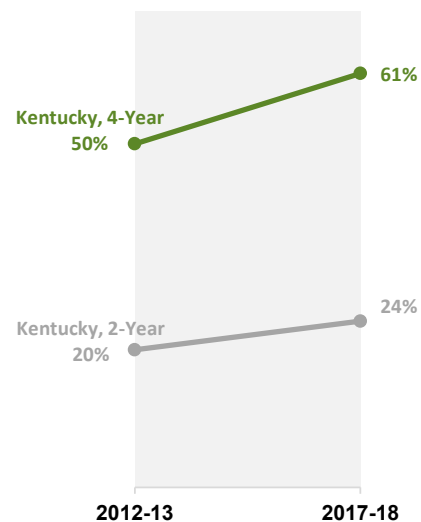
Integrated Postsecondary Education Data System, Student Financial Aid Files and Directory Files 2012 and 2017.

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

The percentage of income required for **median tuition and fees** at public institutions **was higher at four-year institutions than two-year institutions in 2012-13 and 2017-18** for Kentucky 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 50% in 2012-13.

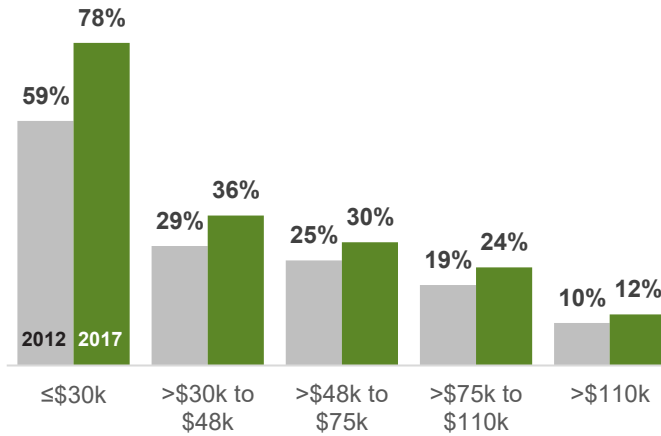
Families needed 24% of their income in 2017-18 to cover the state's median tuition at two-year institutions. In 2012-13 it was 20%.



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

Kentucky 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 Kentucky was much larger for families making less than \$30,000 than for any other income category.

Families making less than \$30,000 in 2012 needed 59% of their income to pay educational expenses. In 2017 it was 78%.

Families making over \$110,000 only needed 10% of their income in 2012 and 12% 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.

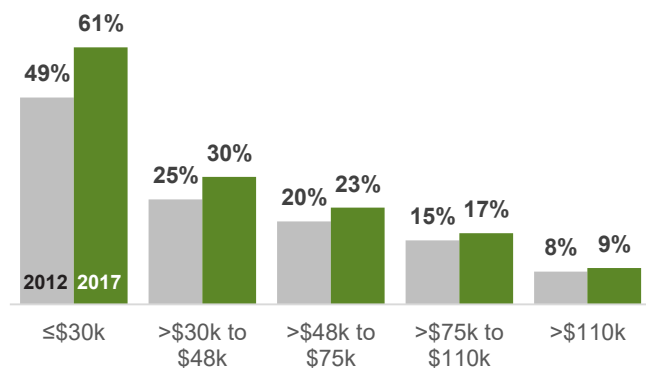
Net Price as a Percentage of Income, Public Four-Year Type 2 Institutions

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

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

At Kentucky's four-year Type 2 institutions, families making less than \$30,000 in 2012 needed 49% of their income to pay educational expenses. In 2017 it was 61%.

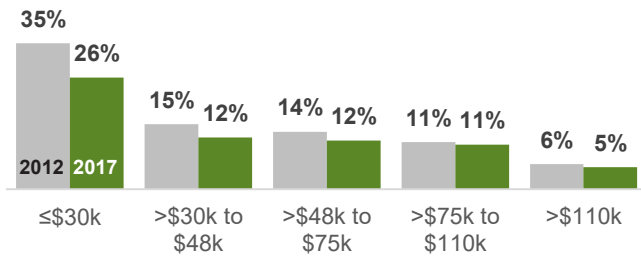
Families making over \$110,000 only needed 8% of their income in 2012 and 9% in 2017 to cover expenses at four-year Type 2 institutions.



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 Kentucky families needed to pay for educational **expenses at two-year institutions remained stable or decreased** 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 decrease in the percentage of income needed to pay for two-year institutions in Kentucky was larger for families making less than \$30,000 than for any other income category.

At Kentucky’s two-year institutions, families making less than \$30,000 in 2012 needed 35% of their income to pay educational expenses. In 2017 it was 26%.

Families making over \$110,000 only needed 6% of their income in 2012 and 5% in 2017 to cover these expenses.

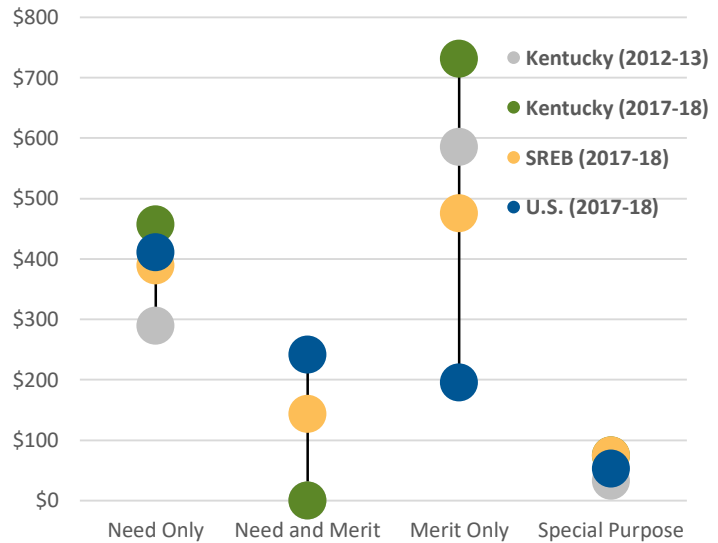
State Financial Aid Per Student

Kentucky awarded **more merit-based aid in 2017-18** per full-time-equivalent student than the SREB and national averages. **Merit-based aid also increased** from 2012-13 to 2017-18.

	Need Only	Need and Merit	Merit Only	Special Purpose
Kentucky (2012-13)	\$289	\$0	\$585	\$33
Kentucky (2017-18)	\$456	NA	\$731	\$75
SREB Average (2017-18)	\$389	\$143	\$476	\$74
U.S. Average (2017-18)	\$411	\$241	\$195	\$53

The state spent \$731 on average per undergraduate FTE student on merit-based aid in 2017-18 compared to \$585 in 2012-13. The SREB average in 2017-18 was \$476 and the national average was \$195.

Kentucky spent \$456, on average, per FTE for need-based financial aid in 2017-18, more than the SREB average of \$389 and the national average of \$411.



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, Kentucky graduates **borrowed more than SREB and national averages** to earn degrees **at all public institutions**.

	Kentucky, 2012-13	Kentucky, 2017-18	SREB Average, 2017-18	U.S. Average, 2017-18
Four-Year Type 1	\$18,351	\$22,106	\$21,600	\$21,232
Four-Year Type 2	\$20,828	\$23,637	\$22,677	\$19,510
Two-Year	\$10,016	\$11,346	\$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.

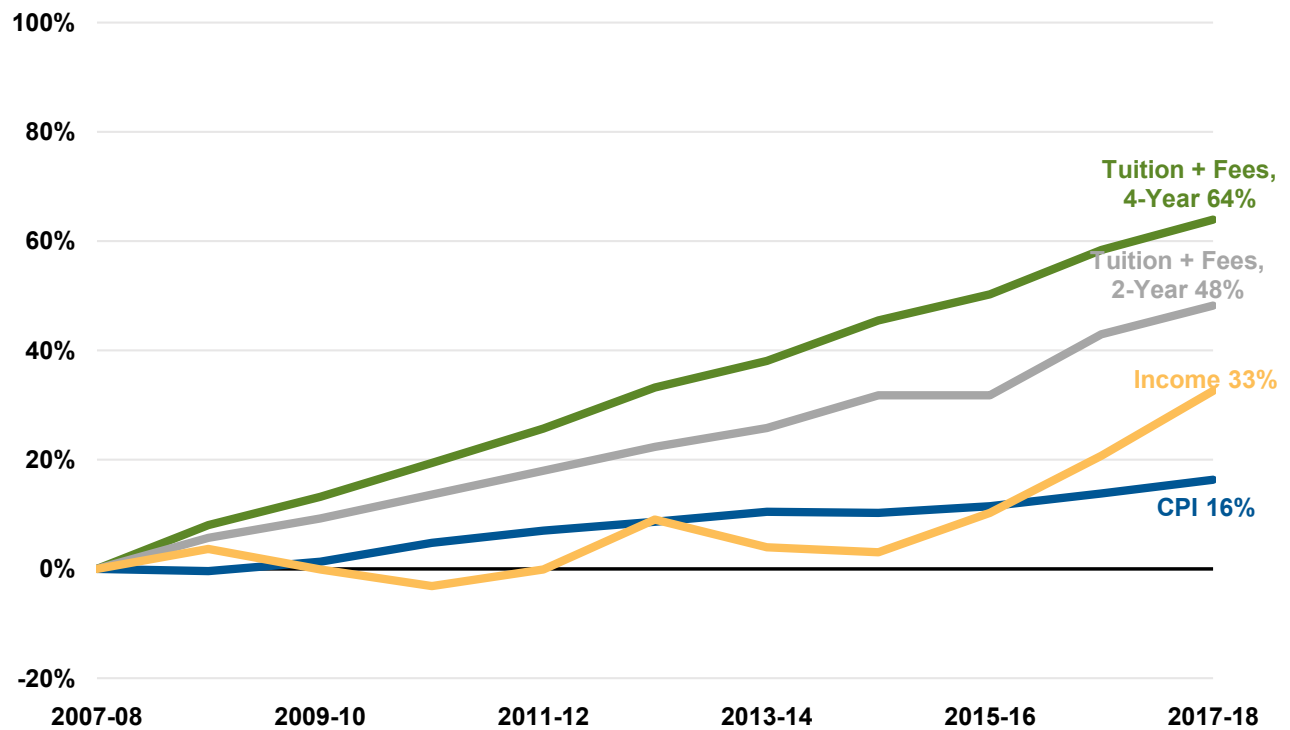
Graduates who sought a degree or certificate from four-year Type 1 universities in Kentucky in 2017-18 borrowed, on average, \$22,106 and graduates of four-year Type 2 institutions borrowed \$23,637. These amounts were higher than average amounts borrowed in 2012-13 and the SREB and national averages in 2017-18.

Students at public two-year colleges borrowed, on average, \$11,346 in 2017-18. This amount was more than the average amount borrowed in 2012-13 and the SREB and national averages in 2017-18.

Changes in Tuition and Fees, CPI and Household Income

Compared to the CPI and household income, **tuition and fees** at Kentucky public colleges and universities **increased at a faster rate** between 2007-08 and 2017-18.

Over that decade, the CPI increased by 16% and median household income in Kentucky increased by 33%, while tuition and fees increased by 64% at four-year institutions and 48% at two-year institutions.

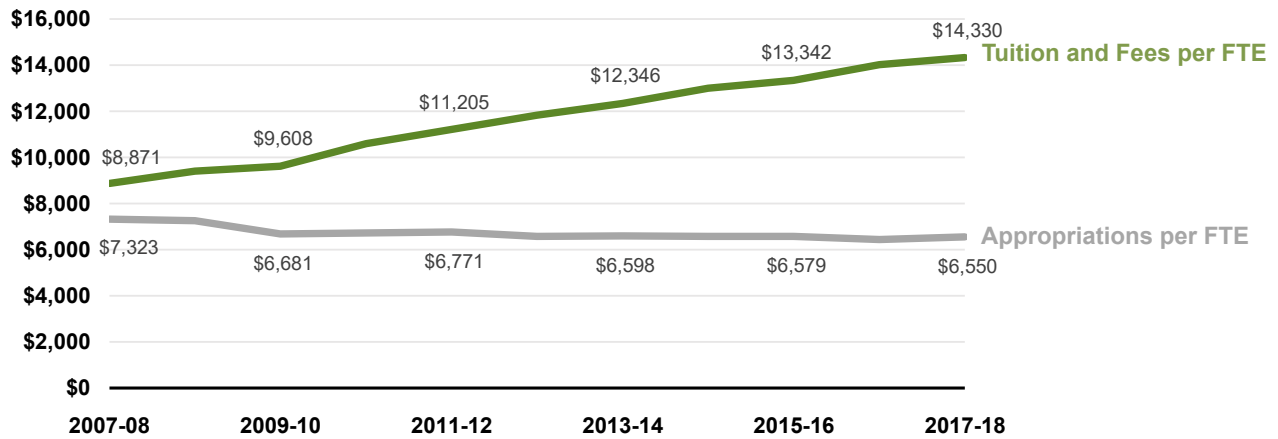


Consumer Price Index retrieved from FRED, Federal Reserve Bank of St. Louis: Bureau of Labor Statistics, South urban area, 2017. Tuition and fees retrieved from the U.S. Department of Education, Integrated Postsecondary Education Data System, Institutional Characteristics Files, 2007 to 2017. Median 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 consisted **mostly of tuition and fees** for Kentucky's **public four-year institutions** in 2017-18.

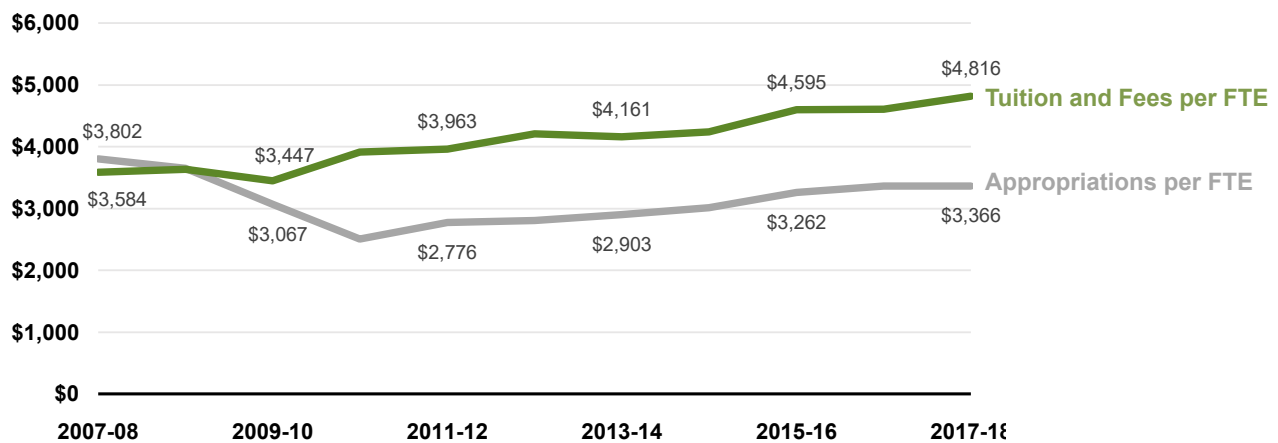
Net tuition and fees per FTE student at Kentucky's four-year institutions increased from \$8,871 in 2007-08 to \$14,330 in 2017-18. In comparison, state appropriations per FTE student dropped from \$7,323 in 2007-08 to \$6,550 in 2017-18. Students and families paid a larger share of the total funding per student.



Source: SREB-State Data Exchange

Operational funds consisted **mostly of tuition and fees** for Kentucky's **public two-year institutions** in 2017-18.

In 2017-18, net tuition and fees per FTE student at Kentucky's two-year institutions steadily increased from \$3,584 in 2007-08 to \$4,816 in 2017-18. In comparison, state and local appropriations per FTE student dropped from \$3,802 in 2007-08 to \$3,366 in 2017-18. Students and families started paying for a larger share of the revenues for operations after 2008-09.



Source: SREB-State Data Exchange

Additional State Context

Postsecondary Enrollment. In 2017-18, 27% of students in Kentucky were enrolled in public four-year Type 1 institutions, close to 39% were enrolled at public four-year Type 2 institutions, and almost 34% were enrolled in public two-year colleges.

First-Year Retention. For the 2017 cohort, 87% of students attending public four-year Type 1 institutions in Kentucky were still enrolled one year later, 79% were retained after the first year in public four-year Type 2 institutions, and 63% were retained at public two-year and technical colleges.

Pell Grants. In 2017-18, 16% of the average cost of attendance in public four-year Type 1 institutions in Kentucky was covered by the average Pell Grant award. The average grant amount covered 20% of costs in public four-year Type 2 institutions and 31% in public two-year colleges.

Education Attainment. In 2018, over 49% 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% by 2030.

Student Debt. In Kentucky, 58% of the class of 2019 graduated from four-year colleges with debt, owing an average of \$28,482.

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/>.

Kentucky Institutions by Type

Public Four-Year Type 1

University of Kentucky
University of Louisville

Public Four-Year Type 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
Southcentral Kentucky 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
Gateway 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

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>.