

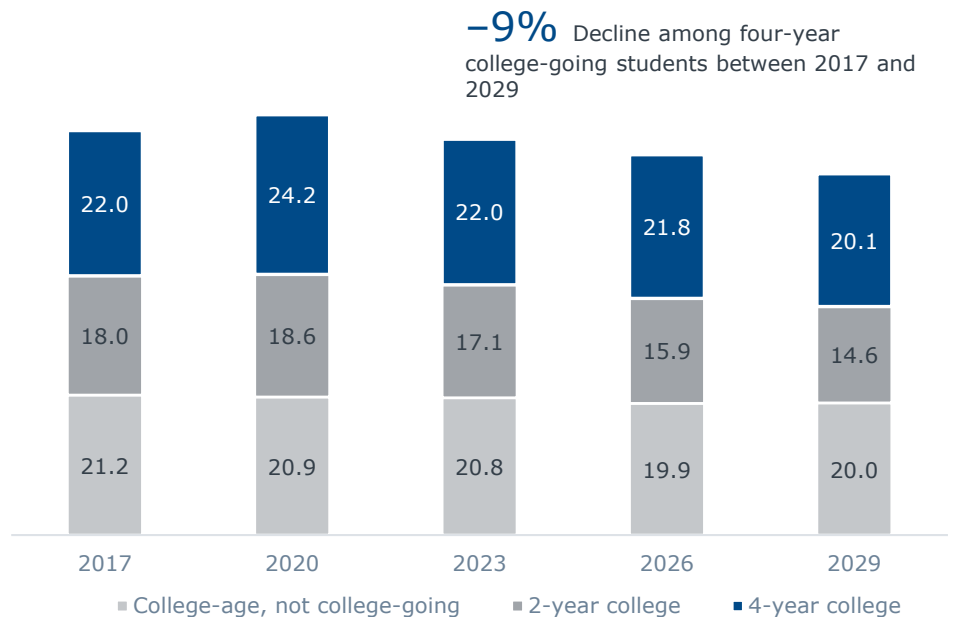
State Outlook: Alabama

Demographics Trends

Recruitment Pool to Shrink in the Next Decade

An uptick in enrollment of four-year college-going students in the next three years will be followed by a steady decrease until 2029.

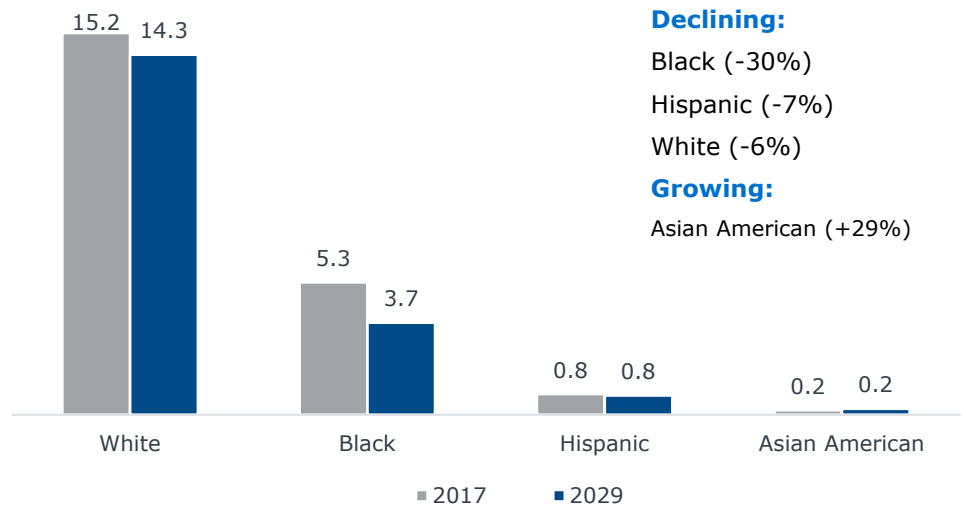
Forecasted Number of College-Aged and College-Going Students in Alabama (Thousands), by Year of High School Graduation



Significant Decline in Black and White Student Populations

The greatest decline will be seen among non-Hispanic black students (a decrease of 1,600 students between 2017 and 2029), followed by non-Hispanic whites.

Projected Number of four-year College-Going Students in Alabama (Thousands), by Race/Ethnicity



Source: Grawe, Nathan D., *Demographics and the Demand for Higher Education*, 2017; EAB analysis.

State Outlook: Alabama

Affordability Trends

Higher Proportion of Low-Income Households

54% of Alabama households make less than \$50,000 per year compared to 46% nationally in the same income category. Similarly, Alabama has a smaller proportion of wealthy households making over \$100,000 per annum.

AL Public Institutions Less Affordable Than Most States

The average net price at Alabama public institutions is almost a third of the state's median household income, making it the second most expensive state in the United States in terms of cost of enrollment in public education.

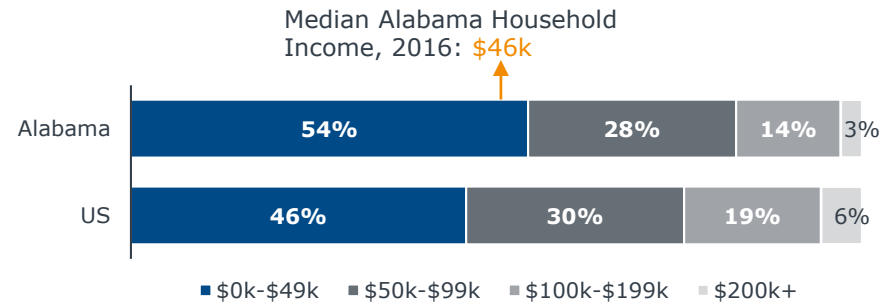
AL Private Institutions Represent the Median State in Terms of Affordability

Alabama's private institutions are only slightly more expensive than their public counterparts (net price is 38% of median household income for privates vs. 32% for publics). The average net price as a percentage of median household income falls close to the median of all states in the United States.

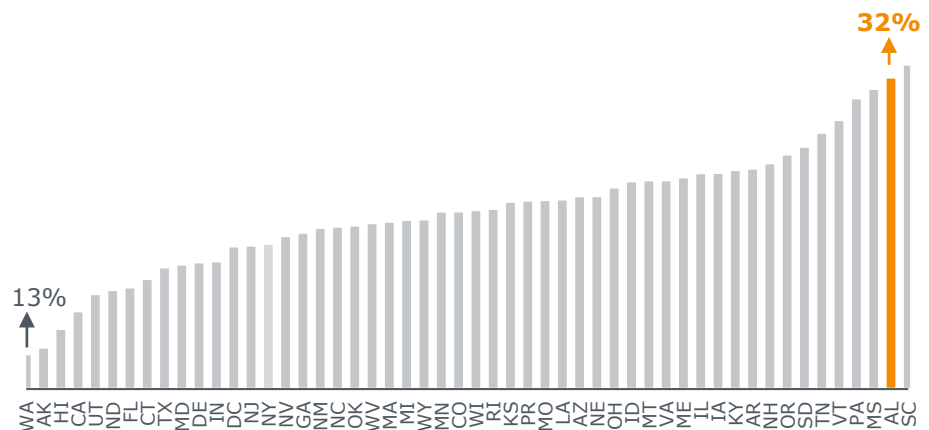
Fewer Graduates in Debt

Fewer college graduates are in debt in Alabama compared to the rest of the country. Average debt per borrower, however, is higher than that of the average US borrower.

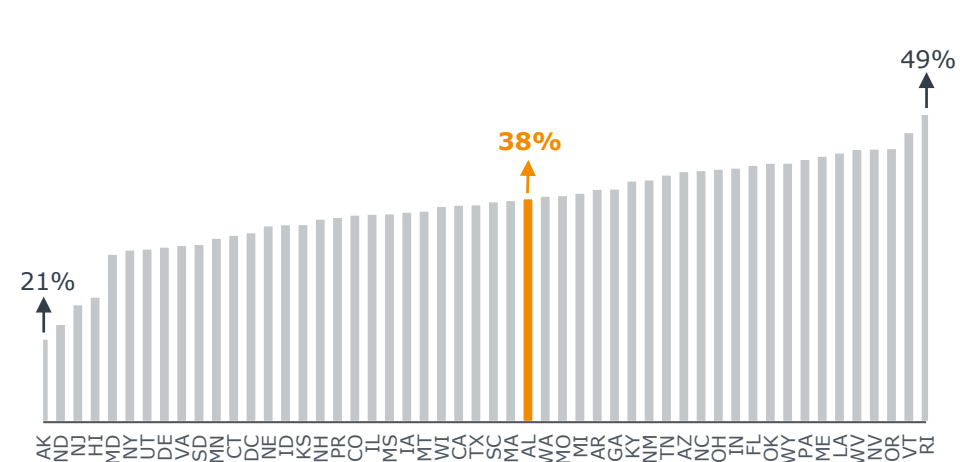
Number of Households by Income Segment (Thousands), 2016



Average Public Institution Net Price as % of Median Household Income



Average Private Institution Net Price as % of Median Household Income



Student Loan Statistics, 2016

	Alabama	US
Percentage of College Graduates with Student Debt	51%	60%
Average Debt per Borrower	\$31,257	\$27,975

Source: IPEDS, National Center for Education Statistics; 2016 American Community Survey (ACS), U.S. Census Bureau; 2017 Student Loan Debt by School by State Report, LendEDU, 2018, <https://lendedu.com/blog/student-loan-debt-statistics-by-school-by-state-2017>; EAB analysis.

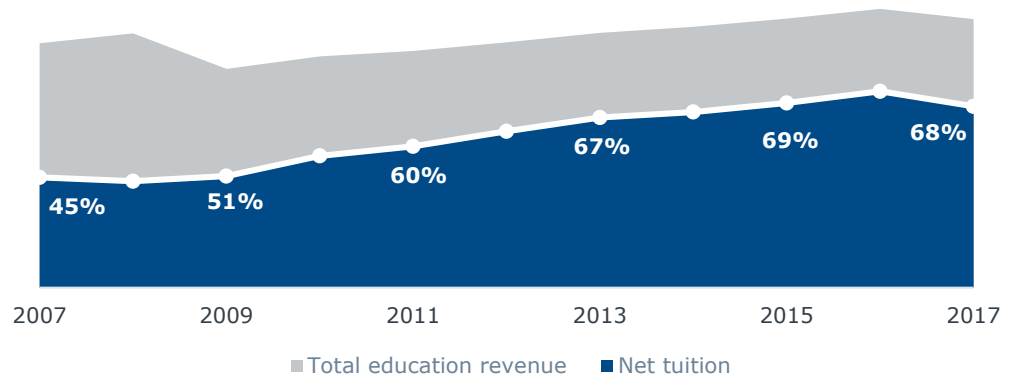
State Outlook: Alabama

Funding and Appropriations Trends

Reliance on Net Tuition Increased Post-Recession

Net tuition now comprises 68% of total education revenue, an increase of 23% percentage points since 2007.

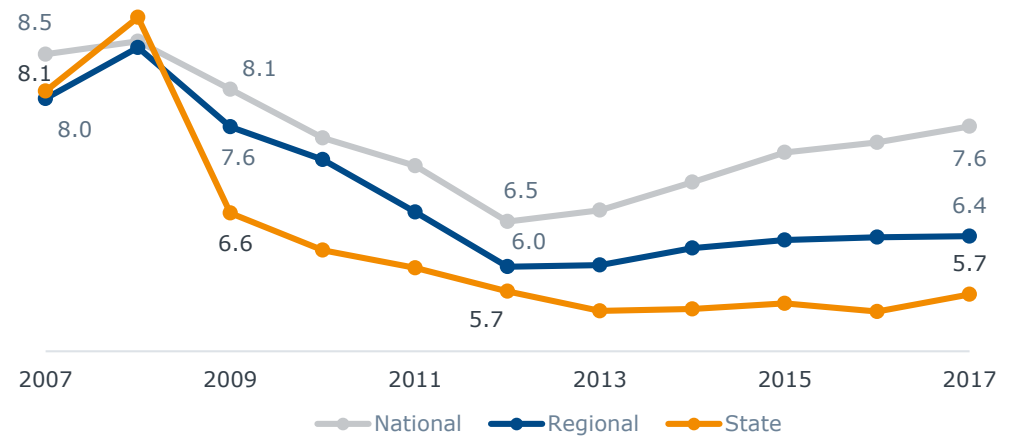
Net Tuition as a Portion of Total Education Revenues, per Student FTE



AL Educational Appropriations per Student Well Below Regional and National Levels

Alabama educational appropriations per FTE have decreased significantly post-recession and are currently below regional and national level.

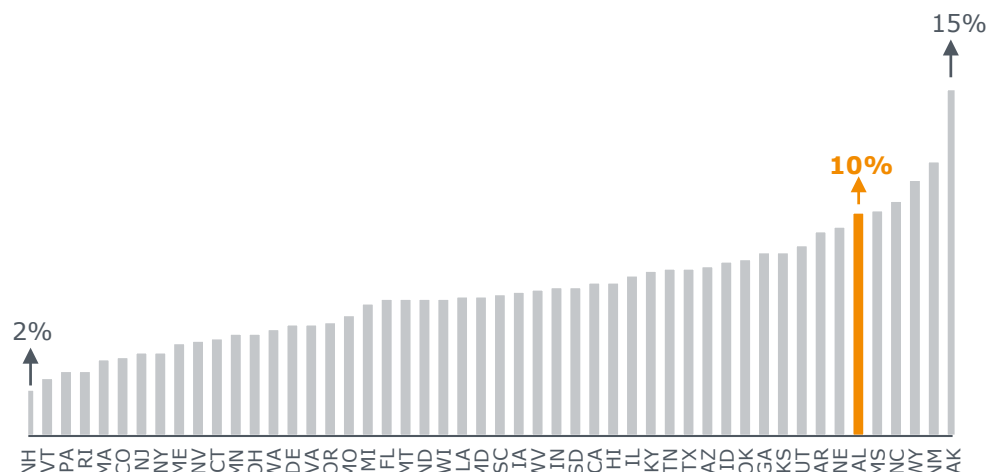
Educational Appropriations per Student FTE in AL, Regionally¹ and Nationally, 2007-2017



Larger Proportion of Tax Revenues Allocated to Higher Education

Alabama allocates 10% of its tax revenues to higher education - a larger proportion than most states in the United States.

Percentage of Tax Revenues Allocated to Higher Education by State, 2015



1) Refers to East South Central region, which includes Alabama, Kentucky, Mississippi, and Tennessee.

Source: "2016 State Higher Education Finance (SHEF) Report," State Higher Education Executive Officers, <http://www.sheeo.org/projects/shef-fy16>; EAB analysis.