

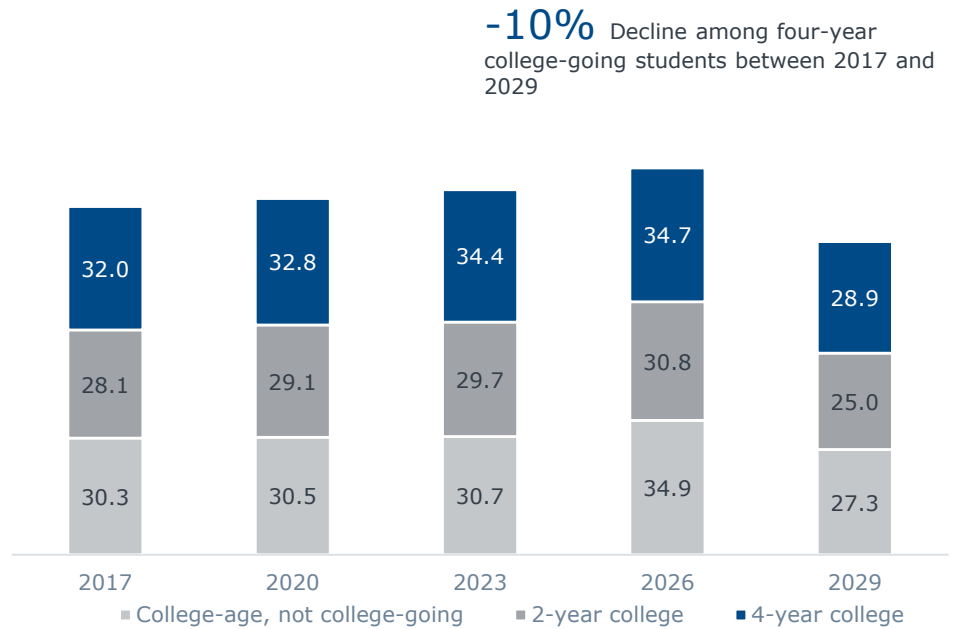
State Outlook: Arizona

Demographics Trends

Steep Decline in Demand Post-2026

A small increase in four-year college enrollments until 2026 will be followed by a steep decline post-2026 (17% loss within three years).

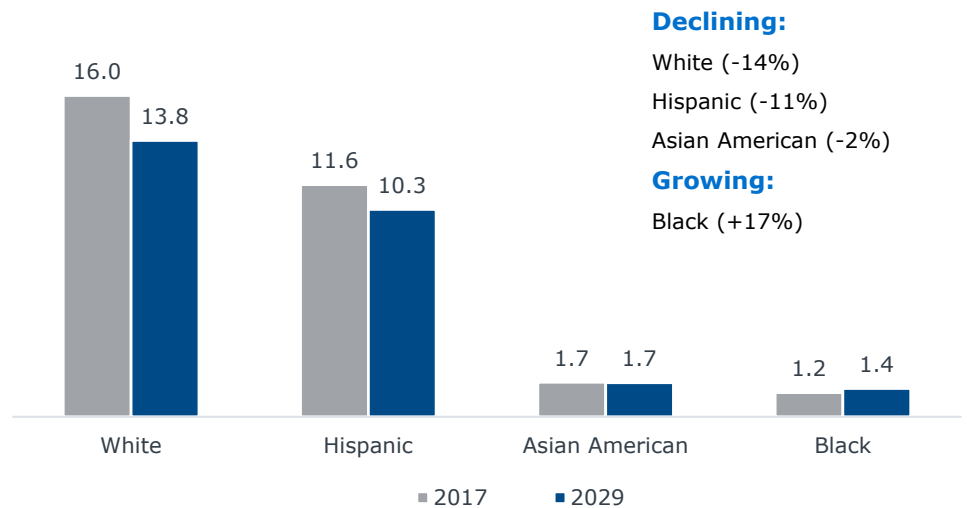
Forecasted Number of College-Aged and College-Going Students in Arizona (Thousands), by Year of High School Graduation



Large Decline in White and Hispanic Population

White and Hispanic student populations will decrease in size over the next decade. The Asian American and Black student segments will experience smaller changes.

Projected Number of Four-Year College-Going Students in Arizona (Thousands), by Race/Ethnicity



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

State Outlook: Arizona

Affordability Trends

Higher Proportion of Low-Income Households

49% of Arizona's households make less than \$50,000 per year, compared to 46% nationally in the same income category. Similarly, Arizona has a smaller proportion of wealthy households making over \$100,000 per annum.

Public Institutions Less Affordable Than Most States'

The average net price at Arizona's public institutions is 24% of the state's median household income, making Arizona one of the less economical states to enroll in public education in the United States.

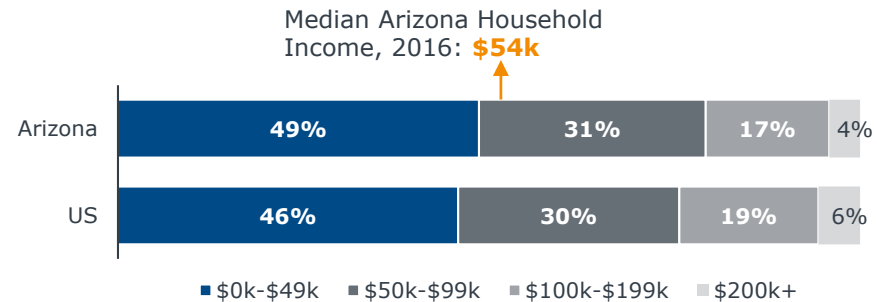
Private Institutions Less Affordable Than Most States'

Similar to the publics, the average net price as a percentage of median household income is higher in AZ than in the majority of states.

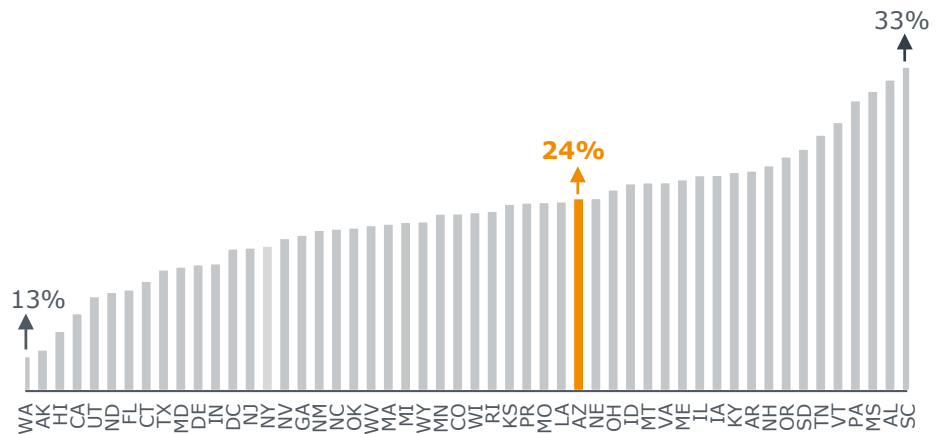
Fewer Graduates in Debt

Fewer college graduates are in debt in Arizona than the national average. Average debt per borrower is also significantly lower than the average US borrower.

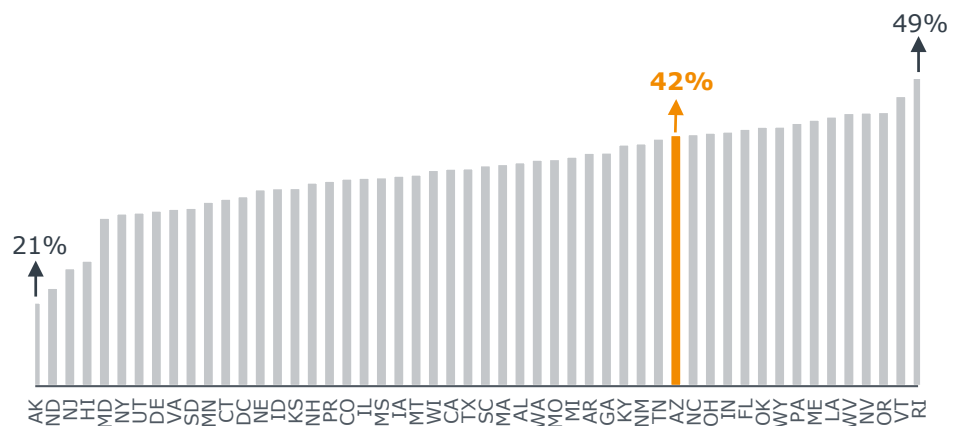
Number of Households by Income Segment (Thousands), 2016



Average Public Institution Net Price as % of Median Household Income



Average Private Institution Net Price as % of Median Household Income



Student Loan Statistics, 2016

	Arizona	US
Percentage of College Graduates with Student Debt	49%	60%
Average Debt per Borrower	\$23,384	\$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.

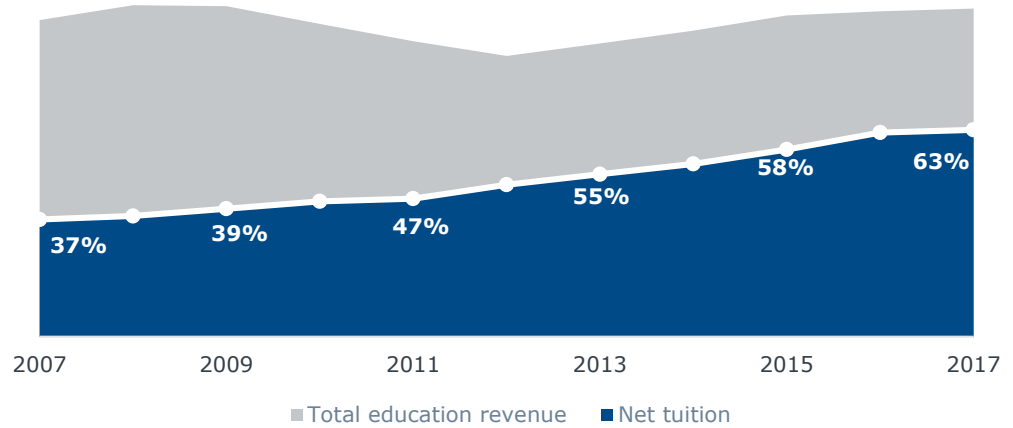
State Outlook: Arizona

Funding and Appropriations Trends

Reliance on Net Tuition Grew Post-Recession

Net tuition now comprises 63% of total education revenues, an increase of 26 percentage points since 2007.

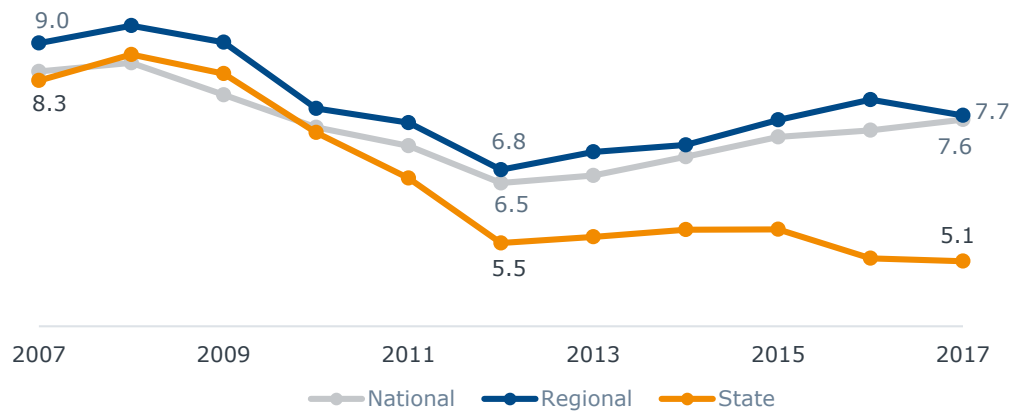
Net Tuition as a Proportion of Total Education Revenues, per Student FTE



Educational Appropriations Well Below Regional and National Levels

Following a steep decline between 2008 and 2012, Arizona educational appropriations per student have consistently trended below regional and national averages.

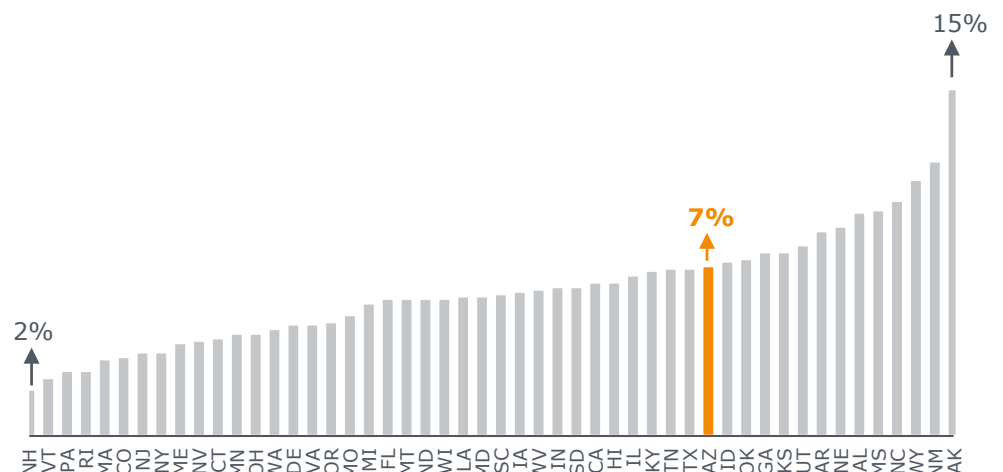
Educational Appropriations per Student FTE in AZ, Regionally¹ and Nationally (Thousands), 2007-2017



Higher Proportion of Tax Revenues Allocated to Higher Education

Arizona allocates 7% of tax revenues to higher education—a larger proportion than the majority of states in the United States.

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



1) Refers to Mountain region, which includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Nevada, Utah, and Wyoming.

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