

State Outlook: Arkansas

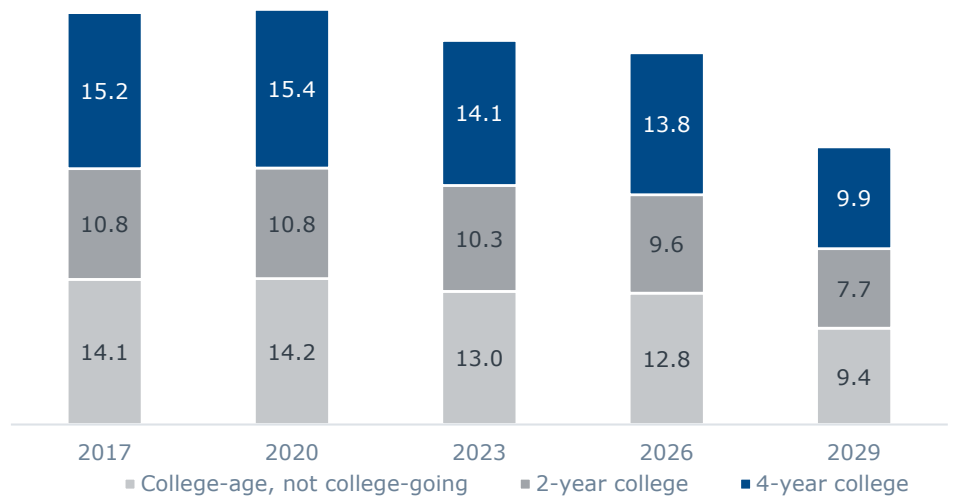
Demographics Trends

Recruitment Pool Set to Shrink in the Next Decade

Enrollment of four-year college-going students will steadily decrease between 2020 and 2029 (36% decline in less than a decade).

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

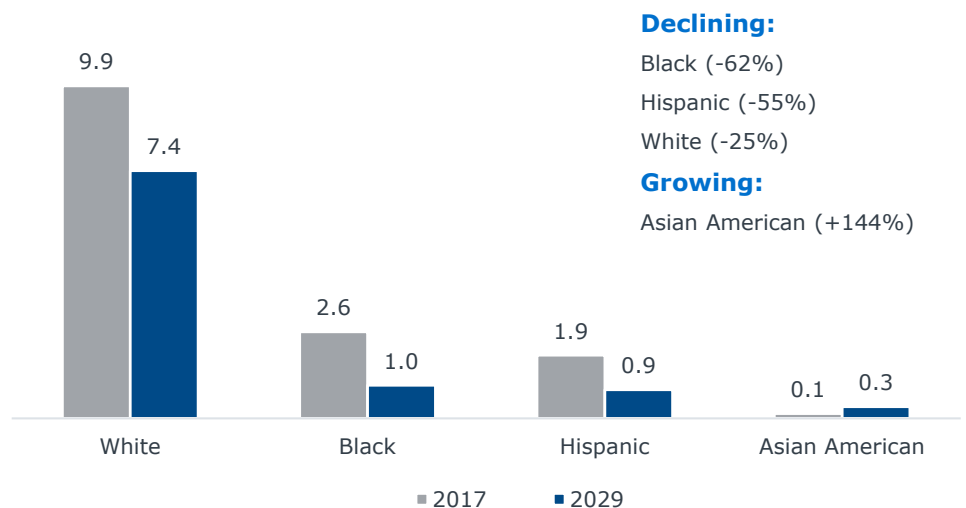
-35% Decline in four-year college-going students between 2017 and 2029



Students from All Races/Ethnicities Declining Except Asian Americans

The greatest decline will be seen among Non-Hispanic White students (a decrease of 2,500 students between 2017 and 2029), followed by declines in Non-Hispanic Blacks and Hispanics.

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



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

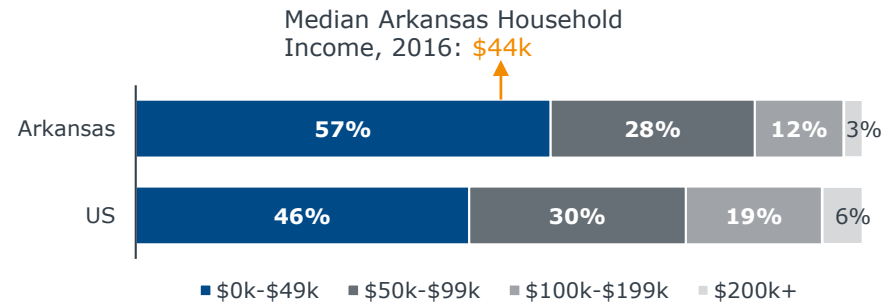
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Affordability Trends

Higher Proportion of Low-Income Households

57% of Arkansas's households make less than \$50,000 per year compared to 46% nationally in the same income category. Similarly, Arkansas has a smaller proportion of wealthy households making over \$100,000 per annum.

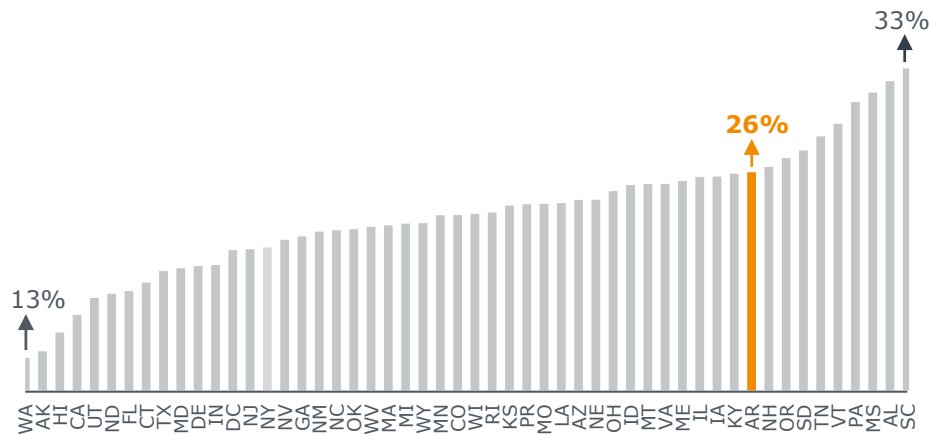
Number of Households by Income Segment (Thousands), 2016



AR Public Institutions Less Affordable Than Most States'

The average net price at Arkansas' public institutions is 26% of the state's median household income, making it one of the less economical states to enroll in public education in the United States.

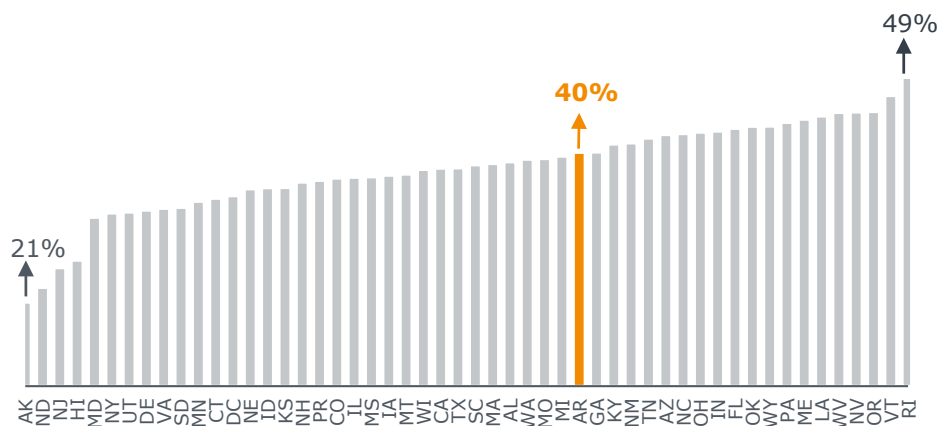
Average Public Institution Net Price as % of Median Household Income



AR Private Institutions Less Affordable

Similarly, the average net price at private institutions as a percentage of median household income is higher than 62% of US states.

Average Private Institution Net Price as % of Median Household Income



Less Debt Among Graduates

Fewer college graduates are in debt in Arkansas compared to the rest of the country. Average debt per borrower is also slightly lower than the average US borrower's debt.

Student Loan Statistics, 2016

| | Arkansas | US |
|---|----------|----------|
| Percentage of College Graduates with Student Debt | 53% | 60% |
| Average Debt per Borrower | \$26,181 | \$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.

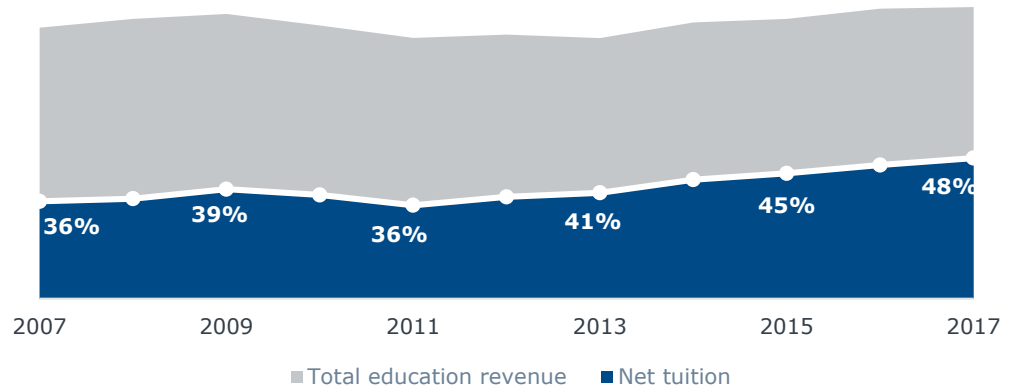
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Funding and Appropriations Trends

Reliance on Net Tuition Increased Post-Recession

Net tuition is now nearly half of Arkansas's total educational revenues, an increase of 12 percentage points since 2007.

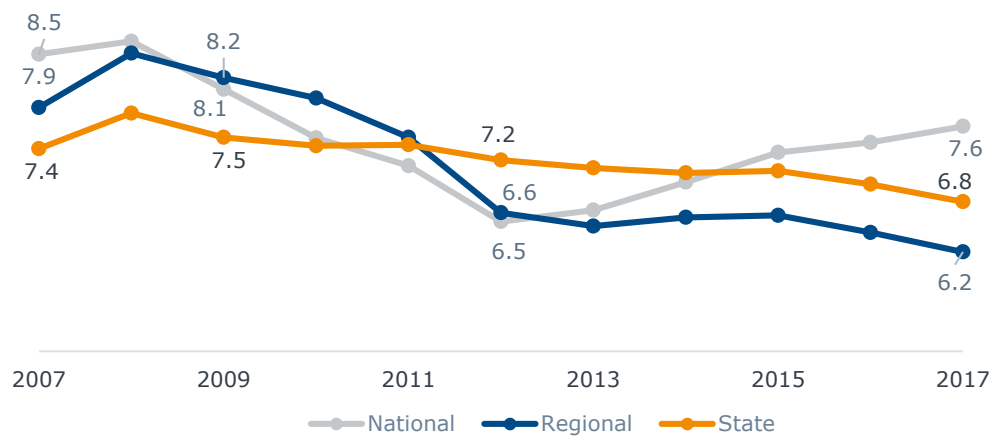
Net Tuition as a Portion of Total Education Revenues, per Student FTE



Small Decline in Educational Appropriations

Arkansas's educational appropriations have decreased slightly over the last decade and now stand in between regional and national averages.

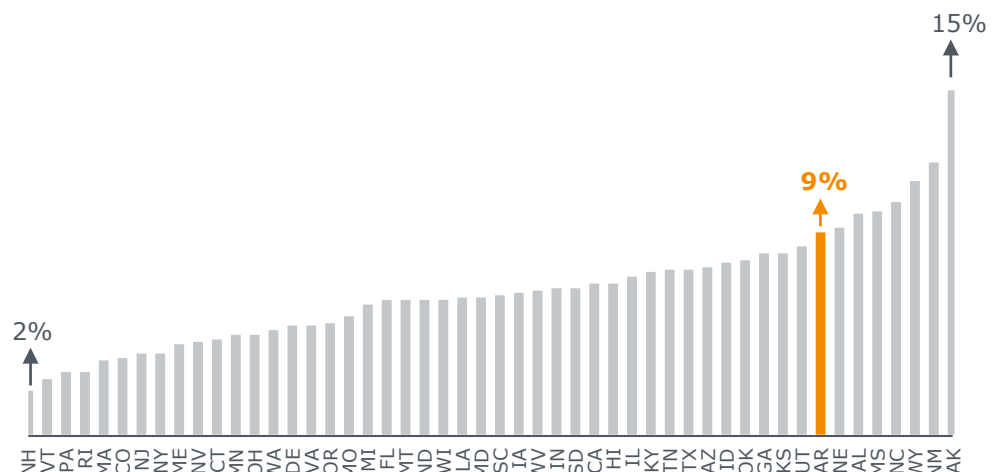
Educational Appropriations per Student FTE in AR, Regionally¹ and Nationally, 2007-2017



Larger Proportion of Tax Revenues Allocated to Higher Education

Arkansas allocates 9% of its tax revenues to higher education – a higher proportion than more than 80% of states in the United States.

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



1) Refers to West South Central region, which includes Arkansas, Louisiana, Oklahoma, and Texas.

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