

# State Outlook: Tennessee

## Demographics Trends

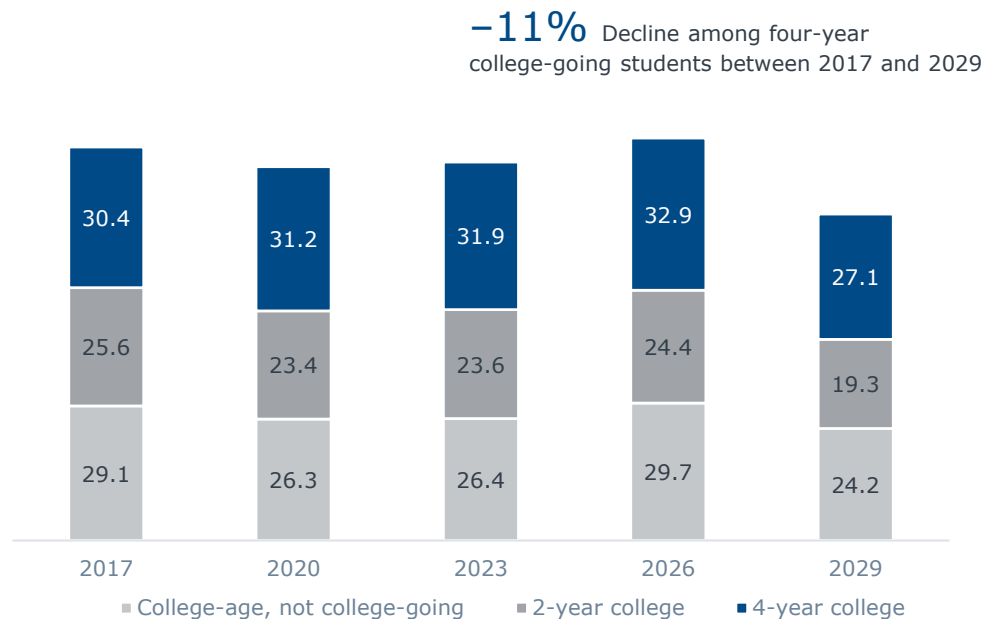
### Recruitment Pool to Shrink in the Next Decade

Small changes in enrollment of Tennessee's four-year college-going students until 2026 will be followed by a sharp decline post-2026 (18% decline within three years).

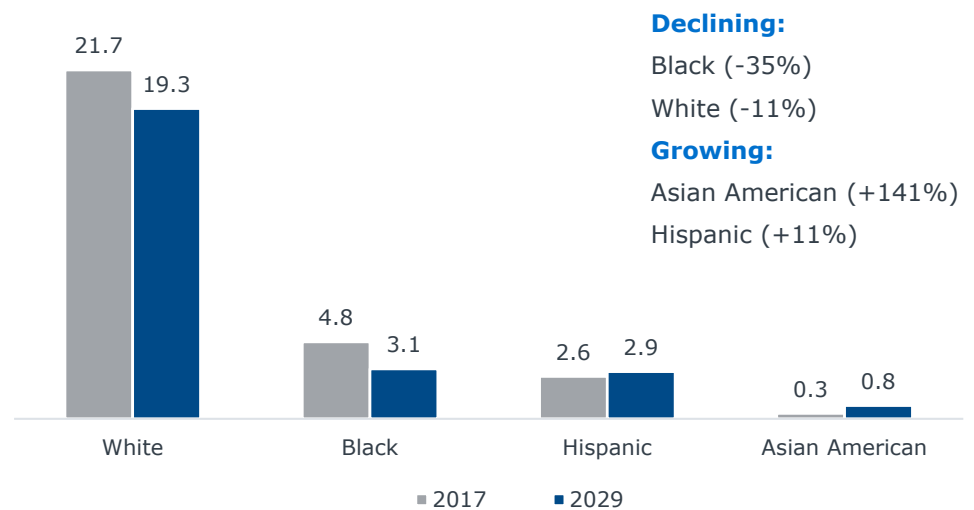
### Changing Profiles of College-Going Students

White and Black student populations in Tennessee will decrease in size over the next decade, while the Hispanic and Asian American segments will continue to grow.

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



### Projected Number of Four-Year College-Going Students in Tennessee (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

53% of Tennessee's households make less than \$50,000 per year compared to 46% nationally in the same income category. Similarly, Tennessee has a smaller proportion of wealthy households making over \$100,000 per annum.

### TN's Public Institutions Less Affordable Than Most States'

The average net price at Tennessee's public institutions is 28% of the state's median household income, making it one of the less economical states to enroll in public education in the United States.

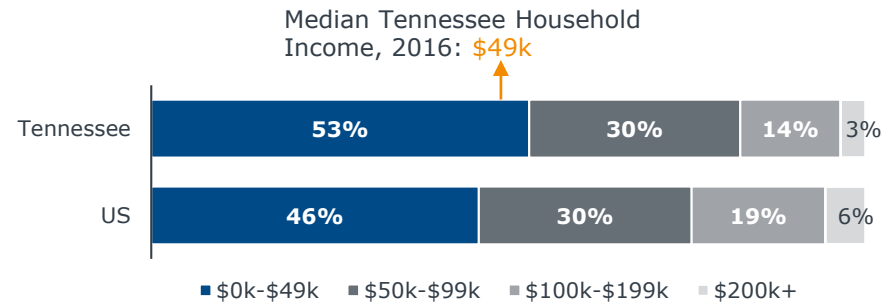
### TN's Private Institutions Less Affordable Than Most States'

Similar to the publics, the average net price in Tennessee's privates as a percentage of median household income is higher than the net price of private institutions in the majority of states.

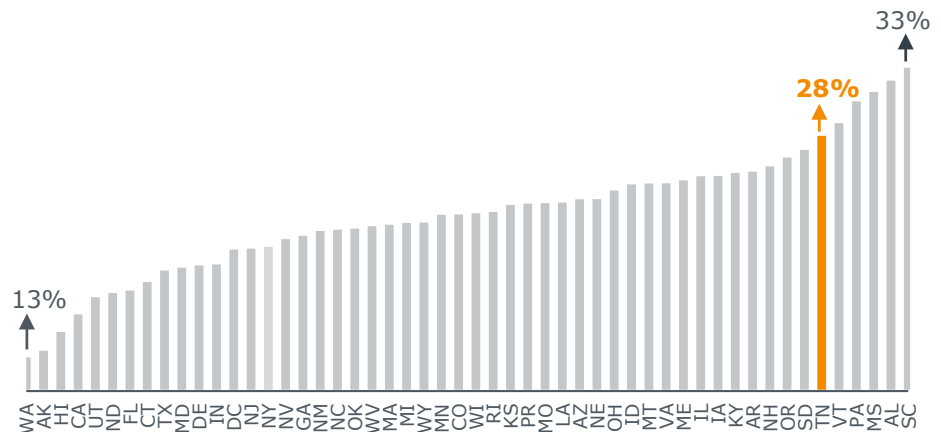
### Less Debt Among Graduates

Fewer college graduates are in debt in Tennessee compared to the national average. Average debt per borrower is also slightly lower than that of the average US borrower.

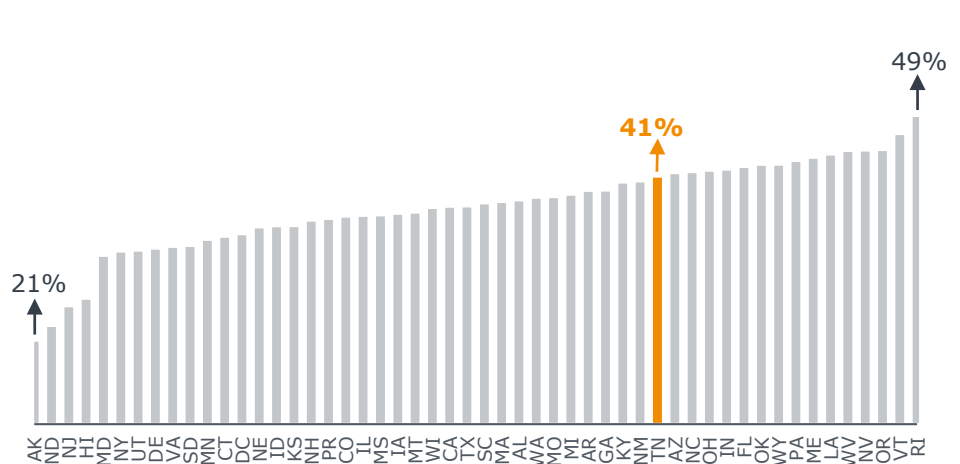
### Number of Households by Income Segment (Thousands), 2016



### Average Public Institution Net Price as % of Median Household Income



### Average Private Institution Net Price as % of Median Household Income



### Student Loan Statistics, 2016

	Tennessee	US
Percentage of College Graduates with Student Debt	57%	60%
Average Debt per Borrower	\$26,611	\$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.

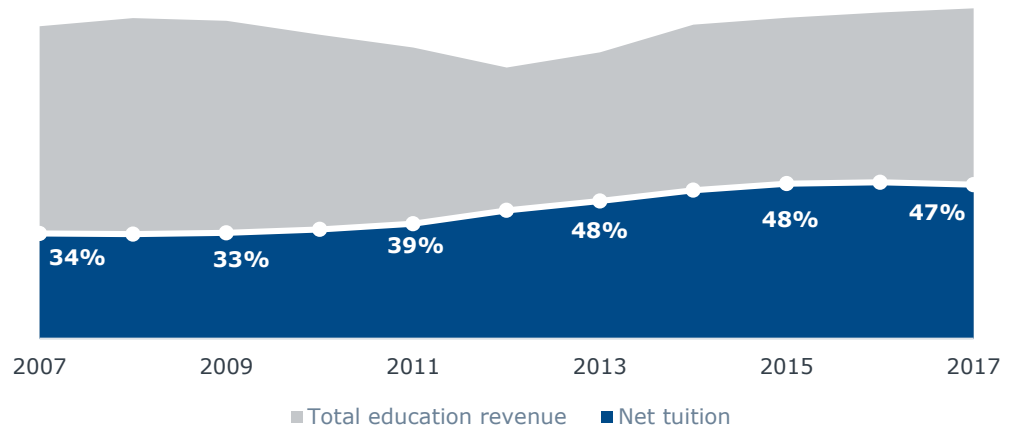
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## Funding and Appropriations Trends

### Reliance on Net Tuition Increased Post-Recession

Net tuition now comprises almost half of Tennessee's total education revenue, an increase of 13 percentage points since 2007.

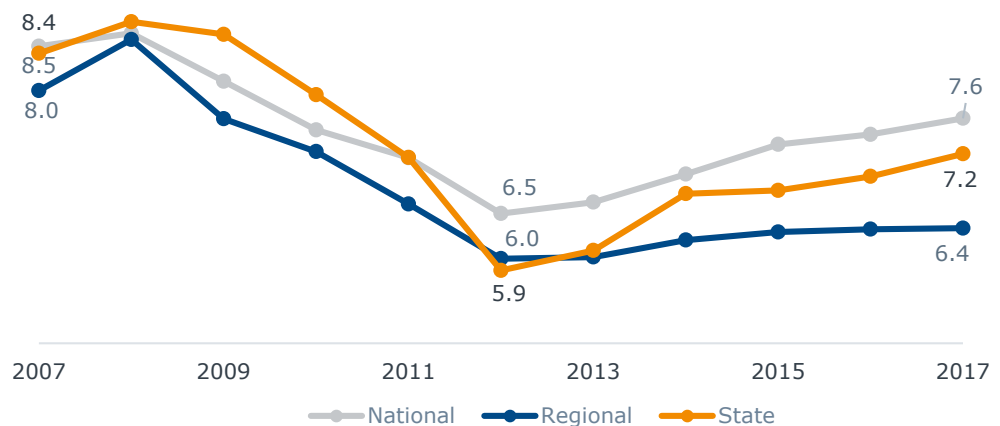
Net Tuition as a Portion of Total Education Revenues, per Student FTE



### TN's Educational Appropriations Below National Average

Educational appropriations per student in Tennessee have bounced back post-recession following a downward trend until 2012. Currently, educational appropriations fall between national and regional levels.

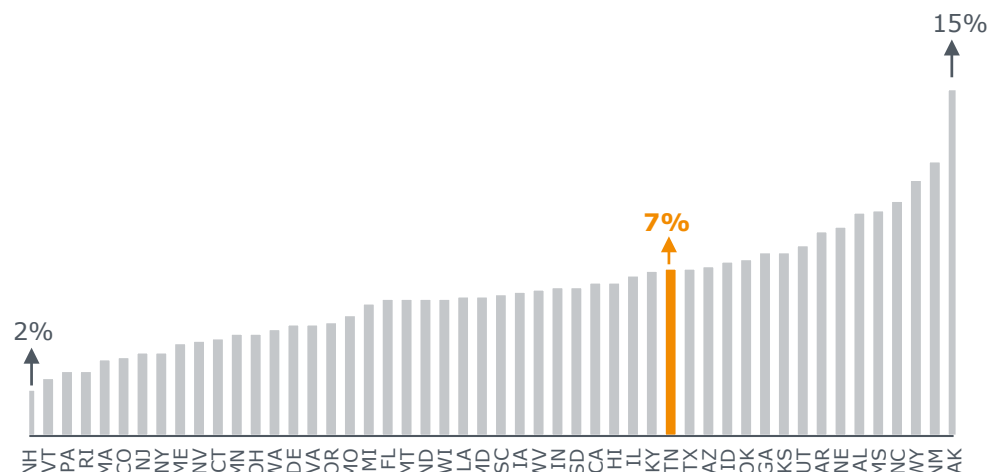
Educational Appropriations per Student FTE in TN, Regionally<sup>1</sup> and Nationally, 2007-2017



### Higher Proportion of Tax Revenues Allocated to Higher Education

Tennessee allocates 7% of its tax revenues to higher education—a larger proportion than is allocated by 66% of US 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.