

# Targeting of Student Aid Programs According to Financial Need

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## EXECUTIVE SUMMARY

A variety of criteria are used in awarding student financial aid. Most often these criteria are policy-driven, such as basing eligibility on financial need, academic merit, public service or national need. For example, the National Science and Mathematics Access to Retain Talent Grant (National SMART Grant) awards need-based grants to talented students majoring in STEM fields or critical foreign languages. The AmeriCorps program provides educational awards to students who participate in community service. However, even when student aid is not based on financial need, it is worthwhile to evaluate the distribution of that aid according to financial need. Each individual program combines with the others to yield an overall targeting of financial aid. The combined targeting might or might not correlate well with national priorities.

In addition, analysis of the distribution of individual aid programs might help identify programs that are redundant, offering opportunities for student aid simplification. For example, one might consider improving efficiency by eliminating redundant programs and rolling the funding into the most effective programs.

This policy paper analyzes the effectiveness of the targeting of undergraduate student aid programs according to financial need. Key findings and recommendations include:

- The Pell Grant and SEOG programs are similarly well-targeted at students with financial need, with 97% of recipients having total income under \$50,000. More SEOG awards are granted to students with a zero EFC, consistent with the requirement in section 413C(c)(2) of the Higher Education Act that SEOG grants be awarded first to students with “exceptional financial need” and that priority be given to Pell Grant recipients. However, the historical allocation formula causes 389,000 Pell Grant recipients with a non-zero EFC to receive SEOG awards while more than 2.2 million Pell Grant recipients with a zero EFC do not. A more systematic, equitable and better-targeted distribution of the funding could be achieved by eliminating the SEOG program, rolling the funding into the Pell Grant program, allowing the EFC to go negative, and increasing the maximum Pell Grant by the absolute value of the EFC for students with a negative EFC.
- The Perkins loan program has a similar profile to the subsidized Stafford loan program, but is not as well-targeted at students with financial need. In 2007-08 64.8% of Perkins loan recipients had total income under \$50,000, compared with 68.8% of subsidized Stafford loan recipients. This is despite a requirement in section 463(a)(8) that Perkins loans be awarded first to students with exceptional financial need. Unlike the similar SEOG requirement, the statute does not define exceptional financial need for the Perkins loan program. In practice colleges appear to be interpreting this requirement as a preference for Pell Grant recipients as opposed to a more targeted emphasis on zero EFC recipients. While Congress could address this by explicitly defining exceptional financial need for the Perkins loan program, the Perkins loan program is redundant and not as

effective at targeting students with the greatest financial need as the subsidized Stafford loan program. Neither the Perkins loan program nor the subsidized Stafford loan program has a measurable impact on access to higher education as compared with the unsubsidized Stafford loan, since most borrowers defer repayment of unsubsidized loans until after graduation. The financial benefits are thus received after graduation, not with enrollment. Moreover, the subsidized interest on these loan programs costs the federal government more than \$4.84 billion for each year's worth of new loans, enough money to increase the maximum Pell Grant by more than \$800. Thus this funding would be more effectively targeted at students with financial need by eliminating the Perkins and subsidized Stafford loan programs (while retaining the unsubsidized Stafford loan program) and rolling the savings into the Pell Grant program.<sup>1</sup>

- The three education tax benefits – the Hope Scholarship, Lifetime Learning Tax Credit and the Tuition and Fees Deduction – are not well-targeted at students with financial need. Less than 10% of recipients have a zero EFC and a third of recipients are eligible for the Pell Grant. Less than 5% of funding is received by students with a zero EFC and less than a quarter of funding is received by Pell Grant recipients. While the changes enacted by the American Recovery and Reinvestment Act of 2009 will benefit lower income students by making the Hope Scholarship partially refundable, the expansion of the income phase-outs will disproportionately benefit middle and upper-income families. This funding would be more effectively targeted at students with financial need by eliminating all three education tax benefits and rolling the savings into the Pell Grant program.
- Institutional loans have a similar profile to private student loans, with 57.2% and 55.6% of recipients having total income under \$50,000. Neither should be characterized as need-based aid in the financial aid package.
- Both institutional need-based grants and merit-based grants provide larger awards to families with greater total income. The average institutional need-based grant to a recipient with total income over \$100,000 is about double the average institutional need-based grant to a recipient with total income under \$50,000. While 62.1% of institutional need-based grants are awarded to students with total income under \$50,000, only 47.3% of the funding is awarded to these students. This spread is not helped by the awarding of institutional merit-based grants. Overall, 51.8% of institutional grants are awarded to recipients with total income under \$50,000, compared with 37.3% of the funding. Funding for institutional merit-based grants grew by 53% since 2003-04, compared with 42% for institutional need-based grants. Most of this growth was at 4-year colleges. The average institutional merit-based grant grew 25% while the average institutional need-based grant grew by only 6%. The number of institutional need-based grants did grow by 34%, faster than the number of institutional merit-based grants at 22%. More money is now awarded in institutional merit-based grants than institutional need-based grants. Public 4-year colleges spend 40% more funding on institutional merit-based grants than institutional need-based grants. While encouraging and rewarding exceptional talent is a

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<sup>1</sup> This would also eliminate the fiction that loans are a form of financial aid. While federal loans are low cost and provide cash flow assistance, the money still needs to be repaid, with interest. Including loans in the financial aid package masks the true out-of-pocket cost of college. While most colleges have a net cost that matches the EFC, there are often substantial differences in the amounts of loans versus grants in the financial aid packages. It is misleading to emphasize the net cost when the true out-of-pocket cost is often much higher.

worthwhile goal, it should not require sacrificing a commitment to ensuring that every qualified student is able to obtain a college education, regardless of ability to pay.

## METHODOLOGY

The analysis was performed using the data analysis systems for the 2003-04 and 2007-08 National Postsecondary Student Aid Study (NPSAS).<sup>2</sup> The NPSAS is a large survey conducted every four years by the National Center for Education Statistics at the US Department of Education. The 2003-04 NPSAS surveyed 80,000 undergraduate students and the 2007-08 NPSAS surveyed 114,000 undergraduate students.

The distribution of each financial aid program was calculated according to the number of recipients and the percentage of total funding. Data was also segmented along three dimensions:

- Total Income. Total income was clustered into four groups: Less than \$50,000, \$50,000 to \$74,999, \$75,000 to \$99,999, and greater than or equal to \$100,000.
- Expected Family Contribution (EFC). The EFC was clustered into eight groups: Zero EFC, 1 to 2500, 2501 to 5000, 5001 to 10000, 10001 to 15000, 15001 to 20000, 20001 to 25000, and greater than 25000.
- Pell Grant Recipient Status. This variable distinguished students who had received a Pell Grant in the study year from those who had not.

Total income was used instead of adjusted gross income (AGI) because AGI data is not yet available for the 2007-08 NPSAS. Financial need is also more closely aligned with total income than AGI in current need analysis formulas. Finally, distributions of aid according to total income and AGI in the 2003-04 NPSAS did not differ much.

The 2007-08 NPSAS also does not yet include data concerning education tax benefits, so an analysis of this variable was performed using only the 2003-04 NPSAS.

## RESULTS

The student aid programs seem to cluster into three groups according to the percentage of recipients with total income under \$50,000:

- Highly-targeted need-based aid, such as the Pell and SEOG grant programs. ( $\geq 90\%$ )
- More diffusely-targeted need-based aid, such as state and college need-based grants, the Stafford and Perkins loan programs, and Federal Work-Study. (55% to 89%)
- Non-need-based aid, such as employer tuition assistance, state, institutional and private student loans and the Parent PLUS loan, and merit-only aid, such as state and college merit grants, private scholarships and athletic scholarships. ( $< 55\%$ )

The following table illustrates the overall distribution of recipients according to type of aid and total income for 2007-08.

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<sup>2</sup> A weighting problem in the 2003-04 NPSAS may have caused federal loan statistics to have been overstated in the 2003-04 NPSAS. The 2003-04 data in this report will be revisited when the problem is corrected in a few months.

<b>2007-08 NPSAS</b>	<b>Total Income - Parents and Independent (Continuous)</b>			
<b>Program</b>	<b>Up to \$50,000</b>	<b>Up to \$75,000</b>	<b>Up to \$100,000</b>	<b>Over \$100,000</b>
Total Aid	60.3%	75.4%	85.9%	14.1%
Total Grants	66.1%	79.2%	87.9%	12.1%
Total Loans	59.7%	75.2%	86.6%	13.4%
Total Federal Aid	68.0%	80.8%	89.6%	10.4%
Total Non-Federal Aid	56.1%	72.8%	84.3%	15.8%

The following table illustrates the overall distribution of funding according to type of aid and total income for 2007-08.

<b>2007-08 NPSAS</b>	<b>Total Income - Parents and Independent (Continuous)</b>			
<b>Program</b>	<b>Up to \$50,000</b>	<b>Up to \$75,000</b>	<b>Up to \$100,000</b>	<b>Over \$100,000</b>
Total Aid	56.5%	71.6%	83.6%	16.4%
Total Grants	60.9%	74.4%	84.8%	15.2%
Total Loans	52.7%	68.7%	82.2%	17.8%
Total Federal Aid	66.4%	78.5%	87.8%	12.2%
Total Non-Federal Aid	45.3%	63.7%	78.8%	21.2%

The next several subsections discuss the targeting of individual student aid programs.

### **Pell Grant and SEOG Programs**

While the Pell Grant and SEOG programs differed slightly in the distribution of recipients according to total income in 2003-04, that gap closed in the 2007-08 NPSAS. However, gaps in the distribution of total funding according to total income grew in 2007-08, with the Pell Grant awarding 98.6% of funding to applicants with total income under \$50,000 and the SEOG program awarding only 93.4% of funding to this group. Differences are also evident in the distribution according to EFC, with SEOG awards more targeted at zero EFC applicants. 68.6% of SEOG recipients had a zero EFC, compared with 54.6% of Pell Grant recipients. However, this difference reversed when considering the distribution of funding, as 65.3% of Pell Grant funding was awarded to zero EFC applicants, compared with 63.3% of SEOG funding. This may be caused by SEOG awards tending to be the same, regardless of EFC, while Pell Grant awards increase with decreasing EFC.

Given the similarity of the two programs, it is worthwhile to assess the impact of merging them into a single program. In 2007-08, a total of 1.27 million students received SEOG awards with an average award of \$695.84 and 5.72 million students received Pell Grants with an average award of \$2,558.50. 99.1% of SEOG recipients also received the Pell Grant while 22.0% of Pell Grant recipients also received a SEOG award. So rolling the SEOG funding into the Pell Grant program would mean that 4.45 million Pell Grant recipients would get a \$154.50 increase in their total grants and 1.27 million Pell Grant recipients would get a \$541.34 decrease in their total grants. (Approximately ten thousand SEOG recipients who do not qualify for the Pell Grant would lose the SEOG entirely.) A greater number of students would benefit from an increase than would be hurt by a decrease, with gainers outnumbering losers 3.5 to 1. However, 869,900 students with a zero EFC received a SEOG award with an average award amount of \$642.10 in 2007-08. These students would experience a \$487.60 decrease in their total grants. These zero-

EFC students represent slightly more than 2/3 of SEOG recipients (68.6%).<sup>3</sup> To the extent that the SEOG program targets students with more extreme financial need, the same effect could be achieved more systematically and efficiently in the Pell Grant program by allowing the EFC to go negative.<sup>4</sup> This would increase the Pell Grant above the appropriated maximum for some of the students who currently have a zero EFC. This would require calculating an EFC for students who are currently receive an automatic zero EFC because their income falls below the \$30,000 threshold.

### **Perkins Loan and Stafford Loan Programs**

Perkins loan recipients and funding were intermediate in distribution between the subsidized and unsubsidized Stafford loan programs, with the subsidized Stafford loan somewhat better targeted according to need. This is despite the Perkins loan program's requirement in section 463(a)(8) to prefer students with exceptional financial need. Unlike the SEOG program, the Higher Education Act of 1965 does not define "exceptional financial need" for the Perkins loan program. In 2007-08, 64.8% of Perkins loan recipients had total income under \$50,000, compared with 68.8% of subsidized Stafford loan recipients and 60.9% of unsubsidized Stafford loan recipients. The distribution of funding is similar, with 65.9% of Perkins loan funding awarded to recipients with total income under \$50,000, compared with 68.9% of subsidized Stafford loan funding and 57.5% of unsubsidized Stafford loan funding. 8.6% of subsidized Stafford loan recipients received a Perkins loan and 91.3% of Perkins loan recipients received a subsidized Stafford loan, with an average subsidized Stafford loan amount of \$3,883 and an average Perkins loan amount of \$2,002.<sup>5</sup> 4.3% of unsubsidized Stafford loan recipients received a Perkins loan and 34.2% of Perkins loan recipients received an unsubsidized Stafford loan, with an average unsubsidized Stafford loan amount of \$3,218.

There is somewhat greater differentiation according to the percentage of recipients who also received a Pell Grant. 61.4% of Perkins Loan recipients received a Pell Grant, compared with 54.8% of subsidized Stafford loan recipients and 46.1% of unsubsidized Stafford loan recipients. 62.1% of Perkins loan funding was awarded to Pell Grant recipients, compared with 55.0% of subsidized Stafford loan funding and 41.9% of unsubsidized Stafford loan funding. A similar spread, however, does not occur in the percentage of recipients who had a zero EFC. 26.6% of Perkins loan recipients had a zero EFC, compared with 31.1% of subsidized Stafford loan

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<sup>3</sup> Section 413C(c)(2)(A) of the Higher Education Act of 1965 specifies that SEOG grants should be awarded first to students with exceptional financial need and that priority should be given to Pell Grant recipients. Section 413C(c)(2)(B) defines "students with exceptional need" as "students with the lowest expected family contributions at the institution". Due to the historical allocation formula, however, SEOG funding at some institutions exceeds the number of zero EFC students. Also, some institutions award smaller grants to a greater number of students, thereby providing funding to more than just the zero EFC students (and in rare cases, to students who are ineligible for the Pell Grant). Of Pell Grant recipients with a zero EFC, 27.9% receive a SEOG grant. Of Pell Grant recipients with a non-zero EFC, 15.0% receive a SEOG grant. So 2,251,500 Pell Grant recipients with a zero EFC do not receive a SEOG while 389,300 Pell Grant recipients with a non-zero EFC receive a SEOG. Colleges with a disproportionate share of SEOG funding would likely protest any change to reallocate funding more equitably among educational institutions and students because this would put added pressure on their financial aid budgets.

<sup>4</sup> Senator Kennedy proposed allowing the EFC to go negative and increasing the maximum Pell Grant by \$750 for these students as part of the Strengthening Student Aid for All Act (110 S. 2815) on April 3, 2008. While some aspects of this legislation were included in the Ensuring Continued Access to Student Loans Act of 2008 (P.L. 110-227), this provision was not included.

<sup>5</sup> This means that 8.7% of Perkins loan recipients did not receive a subsidized Stafford loan. There is insufficient information to determine whether this was because the Perkins loan substituted for the subsidized Stafford loan or because the Perkins loan was awarded to students who did not qualify for the subsidized Stafford loan.

recipients and 28.7% of unsubsidized Stafford loan recipients. 26.9% of Perkins loan funding was awarded to zero EFC recipients, compared with 29.7% of subsidized Stafford loan recipients and 25.9% of unsubsidized Stafford loan recipients. This suggests that colleges are interpreting the exceptional financial need requirement as targeting Pell Grant recipients as opposed to students with a zero EFC.<sup>6</sup>

The Perkins loan program does not appear to be as effective at targeting the students with the greatest financial need as the subsidized Stafford loan program. But there also does not appear to be a significant degree of spread in the distribution of subsidized and unsubsidized Stafford loans and the Perkins loans. The subsidized Stafford loan appears to be distributed in a manner that is much more similar to the unsubsidized Stafford loan than to the Pell Grant, with 68.8% of subsidized Stafford loan recipients with total income under \$50,000 compared with 97.0% of Pell Grant recipients.

Congress may wish to examine whether the Perkins loan program and the subsidized Stafford loan program are fulfilling their objectives for these programs. The subsidized interest on these loans mainly benefit students after they have graduated, since there is no difference from the borrower perspective during the in-school period between an unsubsidized loan with interest deferred until after graduation and a subsidized loan with interest paid by the government. Subsidized interest does not yield a measurable improvement in access to higher education. The funding might be more effectively spent increasing the maximum Pell Grant.

Subsidized interest is very expensive to the federal government. Assuming \$25 billion in new subsidized Stafford loans per year, with an average life per loan dollar in an in-school or grace period of 33 months and an interest rate of 6.8%, the in-school deferment on a year's worth of subsidized Stafford loans costs the federal government about \$4.675 billion. That's enough to increase the maximum Pell Grant by more than \$600. Adding in the subsidized interest from other deferments yields a total increase in the maximum Pell Grant of about \$700. Assuming \$1.1 billion in new Perkins loans per year with an average life per loan dollar in an in-school or grace period of 36 months and an interest rate of 5.0%, the in-school deferment of a year's worth of Perkins loans costs the federal government about \$165 million. That's enough to increase the maximum Pell Grant by \$100.

## **Education Tax Benefits**

The education tax benefits include the Hope Scholarship and Lifetime Learning tax credits, as well as the Tuition and Fees Deduction. 53.2% of recipients of education tax benefits had total income less than \$50,000 in 2003-04. 77.9% had total income under \$75,000 and 91.0% had total income under \$100,000. The distribution of funding is not much different, with 45.0% of funding going to recipients with total income under \$50,000, 74.2% with total income under \$75,000, and 92.2% with total income under \$100,000. This has a similar profile to private student loans. The changes in the Hope Scholarship as enacted by the American Recovery and Reinvestment Act of 2009 will likely shift the distribution toward wealthier families since the expanded income phase-outs and blocking the AMT will yield a greater change in financial benefit to middle and upper income recipients than to lower income recipients.

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<sup>6</sup> This may also be an artefact of the historical allocation formula for the Perkins loan program. Some colleges may have significantly more Perkins loan funding than students with a zero EFC, causing more of the funding to be distributed to Pell Grant recipients or even students who do not qualify for a Pell Grant. Other colleges may be allocating a smaller amount of Perkins loan funding per recipient in order to provide awards to more students.

The education tax benefits are not at all well-distributed according to EFC. Only 9.4% of recipients have a zero EFC, and 33.4% are eligible for the Pell Grant. Two-thirds of recipients are not eligible for the Pell Grant. Only 4.7% of funding is received by students with a zero EFC and 24.6% to students who are eligible for the Pell Grant. Three-quarters of the funding is received by students who are not eligible for the Pell Grant. This is a reflection of the targeting of the program primarily at middle and upper income families, who often complain about being too poor to afford college but too wealthy to qualify for financial aid.<sup>7</sup>

### **Institutional and Private Student Loans**

Institutional and private student loans share a similar profile. 57.2% of recipients of institutional loans have total income under \$50,000, compared with 55.6% of recipients of private student loans. There is some differentiation in the distribution of funding, with 60.7% of funding for institutional loans being awarded to recipients with total income under \$50,000, compared with 46.4% of funding for private student loans. More of the funding for private student loans is awarded to families with greater total income, a reflection of the fact that the average private student loan increases with increases in family income and college tuition. The similarity may also be a reflection of the use of private labeling of private student loan programs by many colleges until actions taken by state legislatures, the US Department of Education and Congress to ban or limit this practice in late 2007.

### **Parent PLUS Loans**

Parent PLUS loans are the least well-targeted according to financial need, with only 24.1% of recipients and 18.3% of funding awarded to recipients with total income under \$50,000. This is partly a result of the eligibility restrictions on the Parent PLUS loan program, since the loans are not available to independent students or to parents with an adverse credit history. The distribution may also be partly a result of self-selection, since the Parent PLUS loan program is one of the main discretionary options available to families who do not qualify for need-based financial aid. Both the unsubsidized Stafford loan program and the PLUS loan program do not depend on financial need, but participation in the Stafford loan program is more widespread among families with financial need.

### **Differences in Distribution by Recipient and by Funding**

The distribution of certain types of funding according to total funding is more skewed toward upper income families than the distribution according to recipients. This is partly because larger awards are granted to wealthier students. This includes private student loan and state loan programs, institutional grants (including need-based and merit-based grants), employer tuition assistance, state merit grants, and parent PLUS loans. For example, 51.8% of institutional grants are awarded to recipients with total income under \$50,000, compared with 37.3% of the funding. Likewise, 62.1% of institutional need-based grants are awarded to recipients with total income under \$50,000, compared with 47.3% of the funding, and 34.5% of institutional merit grants are awarded to recipients with total income under \$50,000, compared with 28.4% of the funding. The average institutional need-based grant is \$5,325 for families with total income over

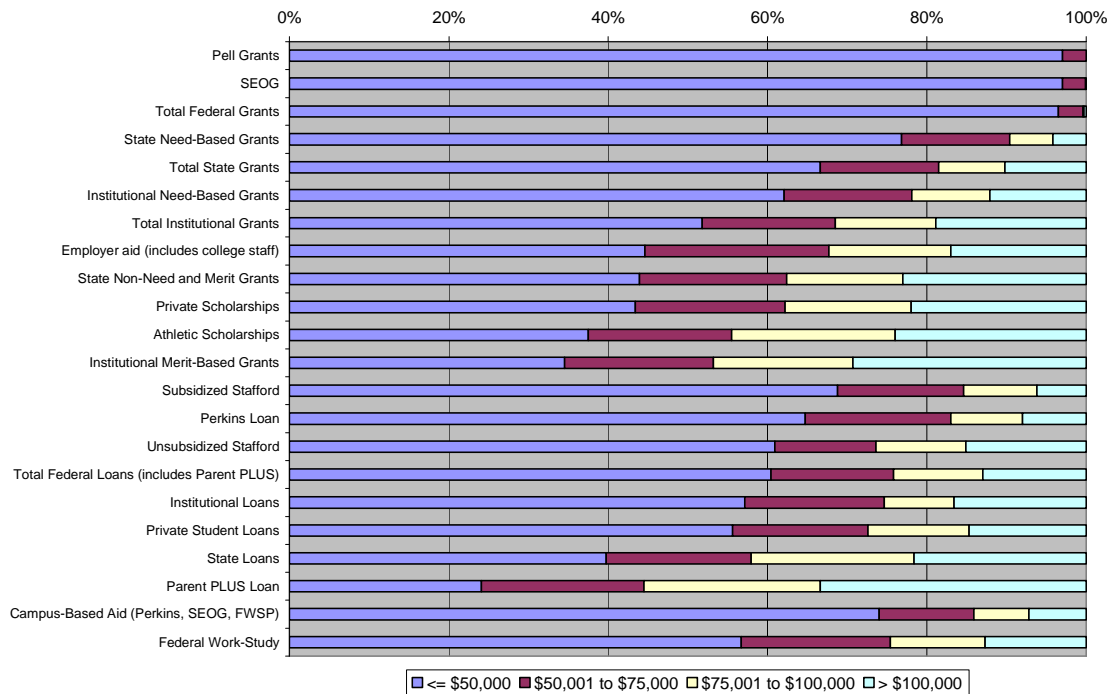
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<sup>7</sup> It is a truism that most families feel poor, regardless of income, because the standard of living often increases with income. College expenses at four-year institutions have also increased enough that even families with low six figure incomes will have to make some sacrifices to be able to afford their children's college education.

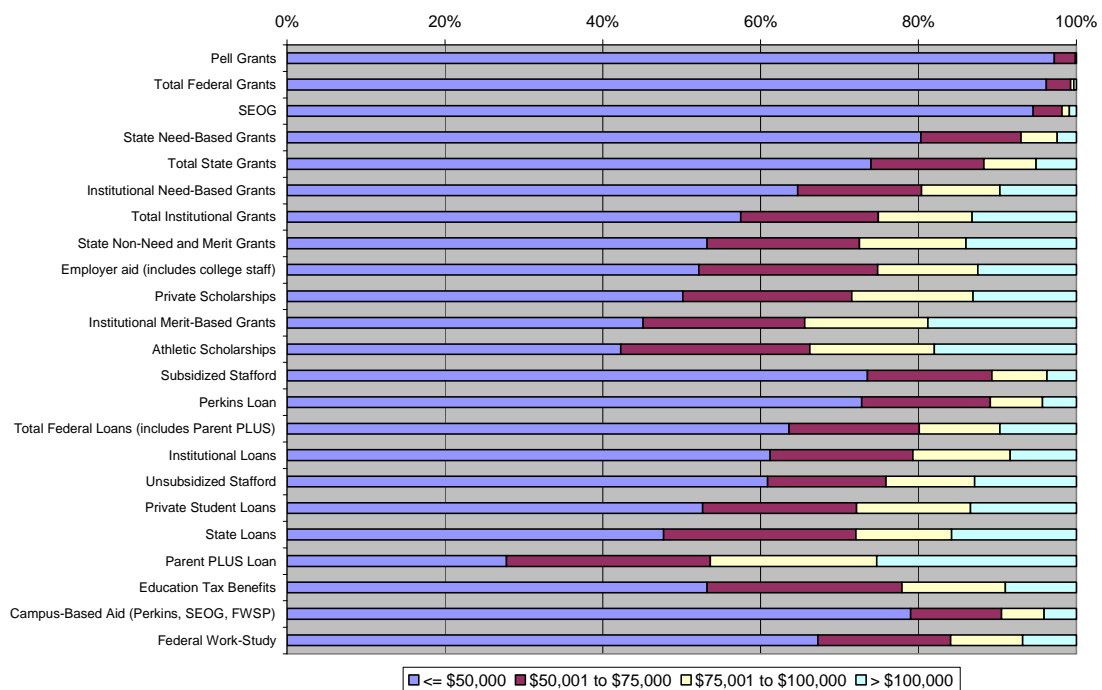
\$100,000, roughly double the \$2,693 average for families with total income under \$50,000. The figures for institutional merit-based grants are \$6,201 and \$4,403, respectively. 39.7% of recipients of state loans have total income under \$50,000, compared with 28.0% of the funding.

## Distribution of Aid Recipients by Recipient Total Income

2007-08 Distribution of Aid Recipients by Total Income (Continuous)



2003-04 Distribution of Aid Recipients by Total Income (Continuous)



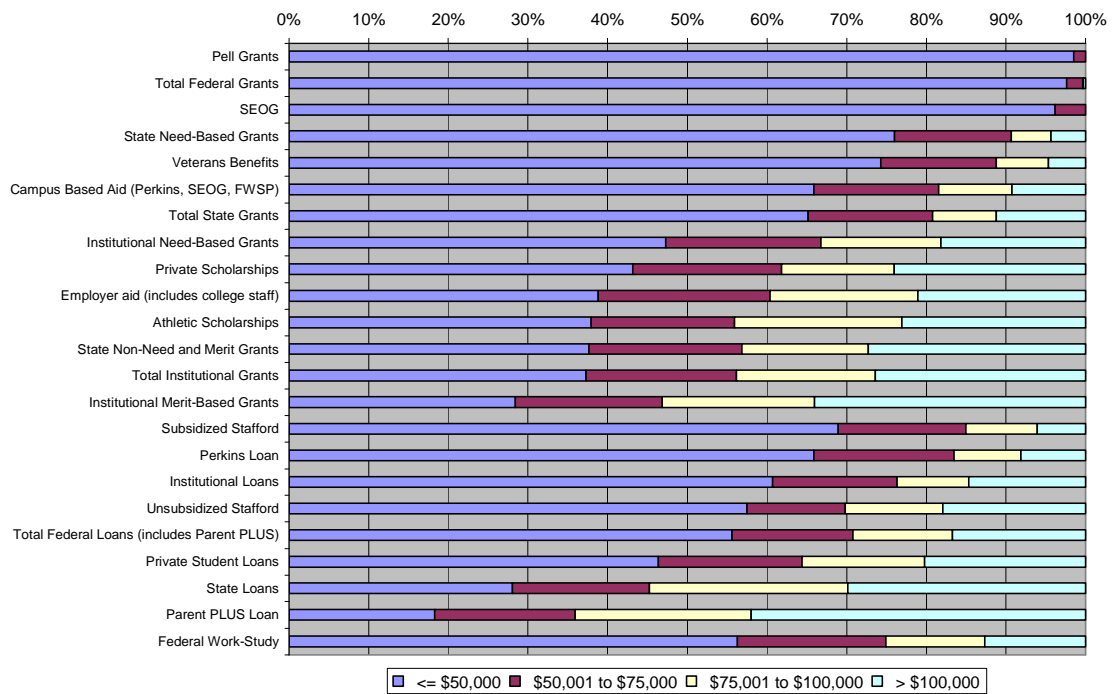


2007-08 NPSAS	Total income-parents and independent (continuous)			
	≤ \$50,000	\$50,001 to \$75,000	\$75,001 to \$100,000	> \$100,000
Program				
Pell Grants	97.0	3.0	0.0	0.0
SEOG	96.9	2.9	0.1	0.0
Total Federal Grants	96.4	3.1	0.1	0.3
State Need-Based Grants	76.9	13.6	5.4	4.2
Total State Grants	66.6	14.9	8.3	10.2
Institutional Need-Based Grants	62.1	16.0	9.8	12.1
Total Institutional Grants	51.8	16.7	12.6	18.9
Employer aid (includes college staff)	44.6	23.1	15.3	17.0
State Non-Need and Merit Grants	43.9	18.5	14.6	23.0
Private Scholarships	43.4	18.8	15.8	22.0
Athletic Scholarships	37.5	18.0	20.5	24.0
Institutional Merit-Based Grants	34.5	18.7	17.5	29.3
Subsidized Stafford	68.8	15.8	9.2	6.2
Perkins Loan	64.8	18.3	9.0	8.0
Unsubsidized Stafford	60.9	12.7	11.3	15.1
Total Federal Loans (includes Parent PLUS)	60.4	15.4	11.2	13.0
Institutional Loans	57.2	17.5	8.8	16.6
Private Student Loans	55.6	17.0	12.7	14.7
State Loans	39.7	18.2	20.4	21.6
Parent PLUS Loan	24.1	20.4	22.1	33.4
Campus-Based Aid (Perkins, SEOG, FWSP)	74.1	11.9	6.9	7.2
Federal Work-Study	56.7	18.7	11.9	12.7

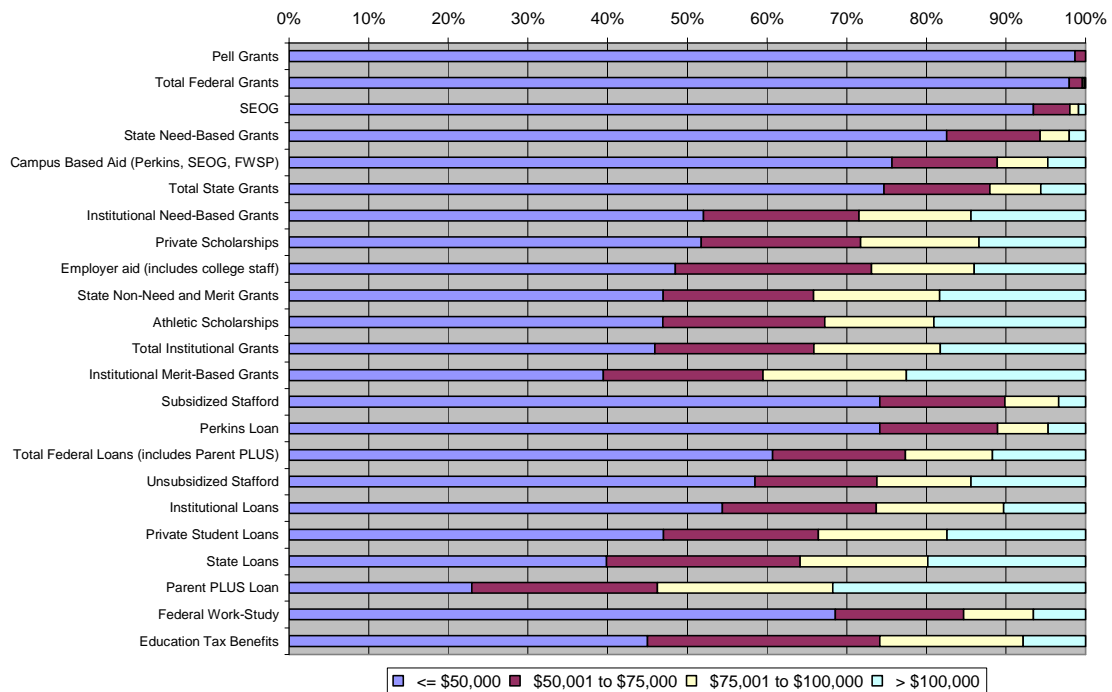
2003-04 NPSAS	Total Income - Parents and Independent (Continuous)			
	≤ \$50,000	\$50,001 to \$75,000	\$75,001 to \$100,000	> \$100,000
Program				
Pell Grants	97.3	2.7	0.1	0.0
Total Federal Grants	96.2	3.1	0.4	0.3
SEOG	94.6	3.7	0.9	0.9
State Need-Based Grants	80.3	12.7	4.6	2.4
Total State Grants	74.0	14.3	6.6	5.1
Institutional Need-Based Grants	64.7	15.7	9.9	9.7
Total Institutional Grants	57.5	17.4	11.9	13.2
State Non-Need and Merit Grants	53.2	19.3	13.5	14.0
Employer aid (includes college staff)	52.2	22.7	12.7	12.5
Private Scholarships	50.1	21.4	15.3	13.1
Institutional Merit-Based Grants	45.1	20.5	15.6	18.8
Athletic Scholarships	42.3	24.0	15.8	18.0
Subsidized Stafford	73.6	15.8	7.0	3.7
Perkins Loan	72.8	16.3	6.6	4.3
Total Federal Loans (includes Parent PLUS)	63.6	16.5	10.2	9.7
Institutional Loans	61.2	18.1	12.3	8.4
Unsubsidized Stafford	60.9	15.0	11.2	12.9
Private Student Loans	52.6	19.5	14.4	13.4
State Loans	47.7	24.4	12.1	15.8
Parent PLUS Loan	27.8	25.8	21.1	25.3
Education Tax Benefits	53.2	24.7	13.1	9.0
Campus-Based Aid (Perkins, SEOG, FWSP)	79.0	11.5	5.4	4.1
Federal Work-Study	67.2	16.8	9.1	6.8

# Distribution of Aid Funding by Recipient Total Income

## 2007-08 Distribution of Aid Funding by Recipient Total Income



## 2003-04 Distribution of Aid Funding by Recipient Total Income

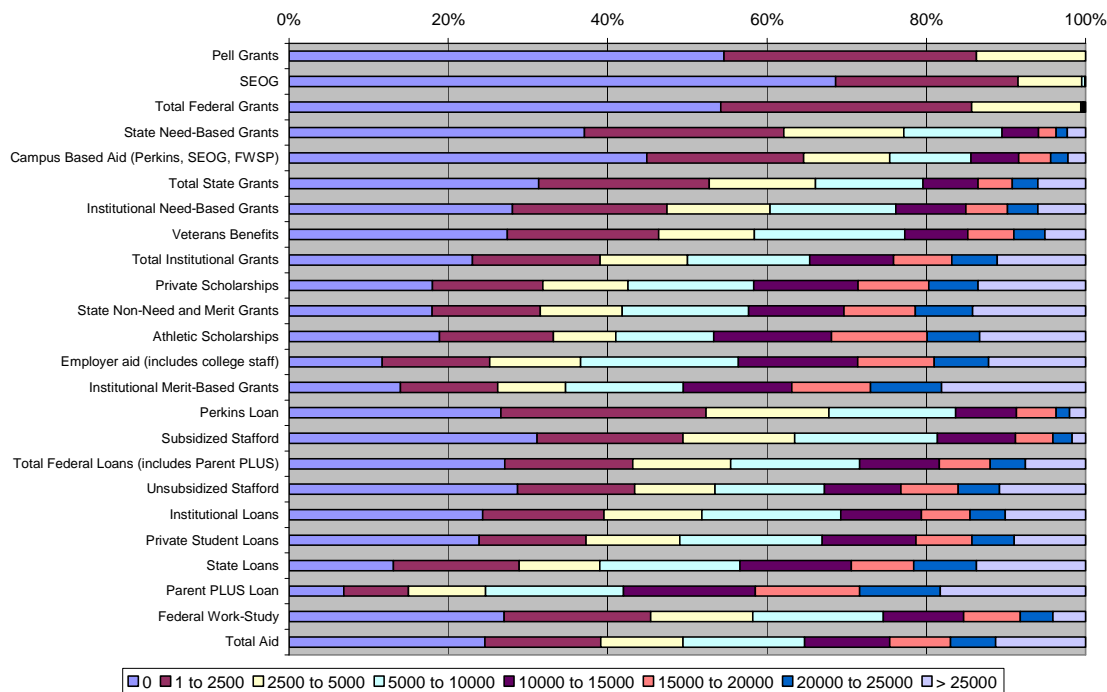


2007-08 NPSAS	Total Income - Parents and Independent (Continuous)			
	≤ \$50,000	\$50,001 to \$75,000	\$75,001 to \$100,000	> \$100,000
Program				
Pell Grants	98.5%	1.5%	0.0%	0.0%
Total Federal Grants	97.6%	2.0%	0.1%	0.3%
SEOG	96.0%	3.8%	0.0%	0.0%
State Need-Based Grants	76.0%	14.6%	5.0%	4.4%
Veterans Benefits	74.3%	14.5%	6.5%	4.7%
Campus Based Aid (Perkins, SEOG, FWSP)	65.9%	15.7%	9.2%	9.2%
Total State Grants	65.2%	15.6%	8.0%	11.2%
Institutional Need-Based Grants	47.3%	19.5%	15.1%	18.2%
Private Scholarships	43.2%	18.7%	14.1%	24.0%
Employer aid (includes college staff)	38.8%	21.6%	18.5%	21.1%
Athletic Scholarships	37.9%	18.0%	21.0%	23.1%
State Non-Need and Merit Grants	37.7%	19.2%	15.8%	27.3%
Total Institutional Grants	37.3%	18.9%	17.4%	26.4%
Institutional Merit-Based Grants	28.4%	18.4%	19.1%	34.0%
Subsidized Stafford	68.9%	16.0%	9.0%	6.1%
Perkins Loan	65.9%	17.6%	8.4%	8.1%
Institutional Loans	60.7%	15.6%	9.0%	14.7%
Unsubsidized Stafford	57.5%	12.4%	12.2%	17.9%
Total Federal Loans (includes Parent PLUS)	55.6%	15.2%	12.5%	16.7%
Private Student Loans	46.4%	18.0%	15.4%	20.2%
State Loans	28.0%	17.2%	24.9%	29.8%
Parent PLUS Loan	18.3%	17.6%	22.1%	42.0%
Federal Work-Study	56.3%	18.6%	12.4%	12.7%

2003-04 NPSAS	Total Income Parents and Independents (Continuous)			
	≤ \$50,000	\$50,001 to \$75,000	\$75,001 to \$100,000	> \$100,000
Program				
Pell Grants	98.6%	1.4%	0.0%	0.0%
Total Federal Grants	97.9%	1.7%	0.2%	0.2%
SEOG	93.4%	4.6%	1.1%	0.9%
State Need-Based Grants	82.6%	11.7%	3.7%	2.0%
Campus Based Aid (Perkins, SEOG, FWSP)	75.7%	13.2%	6.3%	4.8%
Total State Grants	74.7%	13.3%	6.4%	5.7%
Institutional Need-Based Grants	52.0%	19.5%	14.1%	14.4%
Private Scholarships	51.7%	20.0%	14.9%	13.4%
Employer aid (includes college staff)	48.5%	24.6%	12.9%	14.0%
State Non-Need and Merit Grants	47.0%	18.9%	15.8%	18.3%
Athletic Scholarships	46.9%	20.3%	13.7%	19.0%
Total Institutional Grants	45.9%	20.0%	15.9%	18.3%
Institutional Merit-Based Grants	39.5%	20.0%	18.0%	22.5%
Subsidized Stafford	74.1%	15.7%	6.8%	3.4%
Perkins Loan	74.1%	14.8%	6.4%	4.7%
Total Federal Loans (includes Parent PLUS)	60.7%	16.7%	10.9%	11.7%
Unsubsidized Stafford	58.5%	15.3%	11.8%	14.4%
Institutional Loans	54.5%	19.3%	16.0%	10.3%
Private Student Loans	47.0%	19.4%	16.2%	17.4%
State Loans	39.9%	24.4%	16.1%	19.8%
Parent PLUS Loan	23.0%	23.3%	22.0%	31.8%
Federal Work-Study	68.6%	16.1%	8.7%	6.6%
Education Tax Benefits	45.0%	29.2%	18.0%	7.9%

# Distribution of Aid Recipients by Recipient EFC

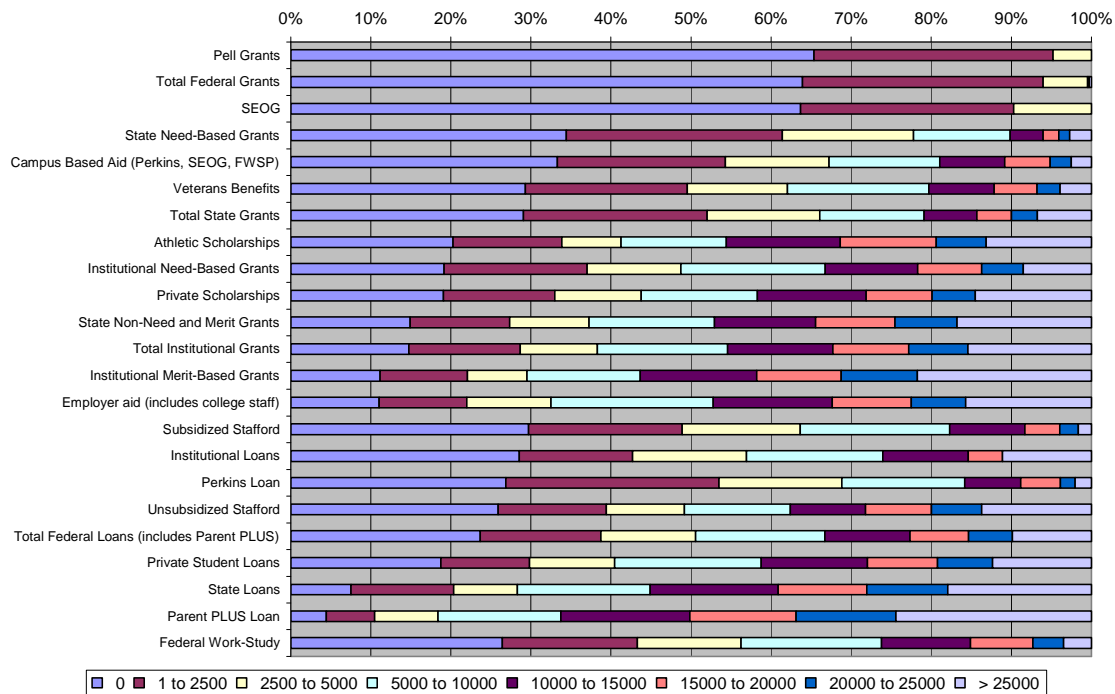
2007-08 Distribution of Aid Recipients by Recipient EFC



2007-08 NPSAS	Expected Family Contribution (EFC)								
	0	1 to 2500	2500 to 5000	5000 to 10000	10000 to 15000	15000 to 20000	20000 to 25000	> 25000	0 to 5000
Pell Grants	54.6	31.7	13.7	0.0	0.0	0.0	0.0	0.0	100.0
SEOG	68.6	22.9	8.0	0.4	0.1	0.0	0.0	0.0	99.5
Total Federal Grants	54.2	31.5	13.7	0.2	0.1	0.0	0.1	0.2	99.4
State Need-Based Grants	37.1	25.0	15.1	12.3	4.6	2.2	1.4	2.3	77.2
Campus Based Aid (Perkins, SEOG, FWS)	44.9	19.7	10.8	10.2	6.0	4.0	2.2	2.2	75.4
Total State Grants	31.3	21.4	13.3	13.5	6.9	4.3	3.2	6.0	66.0
Institutional Need-Based Grants	28.0	19.4	12.9	15.8	8.8	5.2	3.8	6.0	60.3
Veterans Benefits	27.4	19.0	12.0	18.9	7.9	5.8	3.9	5.1	58.4
Total Institutional Grants	23.0	16.0	11.0	15.3	10.5	7.3	5.7	11.1	50.0
Private Scholarships	18.0	13.9	10.7	15.8	13.1	8.9	6.2	13.5	42.6
State Non-Need and Merit Grants	18.0	13.6	10.3	15.9	12.0	9.0	7.2	14.2	41.9
Athletic Scholarships	18.9	14.3	7.8	12.3	14.8	12.0	6.6	13.3	41.0
Employer aid (includes college staff)	11.7	13.5	11.4	19.8	15.0	9.6	6.8	12.2	36.6
Institutional Merit-Based Grants	14.0	12.2	8.5	14.8	13.6	9.9	8.9	18.1	34.7
Perkins Loan	26.6	25.7	15.4	15.9	7.6	5.0	1.7	2.0	67.7
Subsidized Stafford	31.1	18.3	14.0	17.9	9.8	4.7	2.4	1.7	63.4
Total Federal Loans (w/Parent PLUS)	27.1	16.1	12.3	16.2	10.0	6.4	4.4	7.6	55.5
Unsubsidized Stafford	28.7	14.7	10.1	13.7	9.6	7.2	5.2	10.8	53.5
Institutional Loans	24.3	15.2	12.3	17.4	10.1	6.1	4.4	10.1	51.8
Private Student Loans	23.9	13.4	11.8	17.9	11.8	7.0	5.3	9.0	49.1
State Loans	13.1	15.8	10.1	17.6	14.0	7.8	7.9	13.7	39.0
Parent PLUS Loan	6.9	8.1	9.7	17.3	16.6	13.1	10.1	18.3	24.7
Federal Work-Study	27.0	18.4	12.8	16.4	10.1	7.1	4.1	4.1	58.2

# Distribution of Aid Funding by Recipient EFC

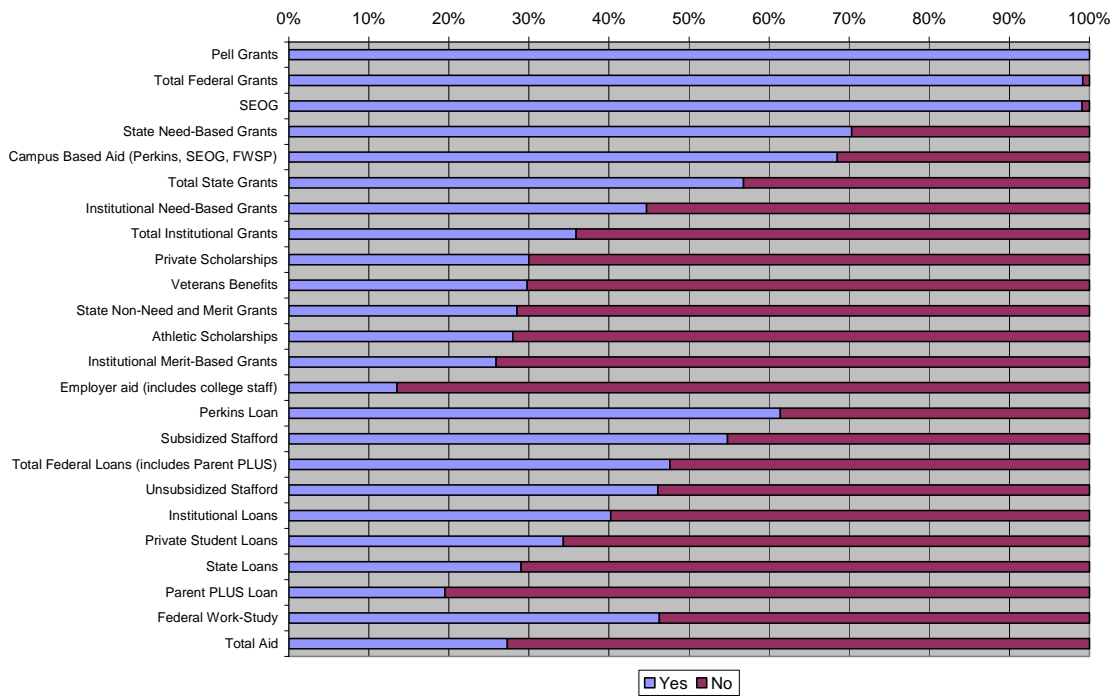
2007-08 Distribution of Aid Funding by Recipient EFC



Program	Expected Family Contribution (EFC)								
	0	1 to 2500	2500 to 5000	5000 to 10000	10000 to 15000	15000 to 20000	20000 to 25000	> 25000	0 to 5000
Pell Grants	65.3%	29.9%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Total Federal Grants	63.9%	30.0%	5.6%	0.1%	0.1%	0.0%	0.0%	0.2%	99.4%
SEOG	63.3%	26.5%	9.7%	0.0%	0.0%	0.0%	0.0%	0.0%	99.4%
State Need-Based Grants	34.4%	27.0%	16.4%	12.1%	4.1%	2.0%	1.3%	2.7%	77.8%
Campus Based Aid (Perkins, SEOG, FWSP)	33.3%	21.0%	12.9%	13.9%	8.1%	5.7%	2.6%	2.5%	67.2%
Veterans Benefits	29.3%	20.2%	12.5%	17.7%	8.1%	5.4%	2.9%	3.9%	62.0%
Total State Grants	29.1%	22.9%	14.1%	13.0%	6.6%	4.3%	3.3%	6.7%	66.1%
Athletic Scholarships	20.2%	13.6%	7.3%	13.2%	14.2%	12.0%	6.2%	13.1%	41.2%
Institutional Need-Based Grants	19.1%	17.9%	11.7%	18.0%	11.6%	8.0%	5.2%	8.5%	48.7%
Private Scholarships	19.1%	13.9%	10.8%	14.5%	13.6%	8.2%	5.4%	14.5%	43.8%
State Non-Need and Merit Grants	14.9%	12.4%	9.9%	15.6%	12.7%	9.9%	7.7%	16.8%	37.3%
Total Institutional Grants	14.8%	13.9%	9.6%	16.3%	13.2%	9.5%	7.4%	15.4%	38.3%
Institutional Merit-Based Grants	11.2%	10.9%	7.5%	14.1%	14.6%	10.6%	9.5%	21.8%	29.5%
Employer aid (includes college staff)	11.0%	11.0%	10.5%	20.3%	14.9%	9.9%	6.8%	15.7%	32.5%
Subsidized Stafford	29.7%	19.2%	14.8%	18.6%	9.4%	4.4%	2.3%	1.6%	63.6%
Institutional Loans	27.1%	13.4%	13.5%	16.2%	10.1%	4.0%	0.0%	10.5%	53.9%
Perkins Loan	26.9%	26.6%	15.3%	15.4%	7.0%	4.9%	1.9%	2.0%	68.8%
Unsubsidized Stafford	25.9%	13.5%	9.8%	13.2%	9.4%	8.2%	6.3%	13.7%	49.2%
Total Federal Loans (w/Parent PLUS)	23.6%	15.1%	11.9%	16.2%	10.6%	7.3%	5.5%	9.8%	50.6%
Private Student Loans	18.7%	11.1%	10.7%	18.3%	13.3%	8.8%	6.9%	12.3%	40.5%
State Loans	7.5%	12.8%	7.9%	16.6%	16.0%	11.0%	10.2%	17.9%	28.3%
Parent PLUS Loan	4.4%	6.1%	7.9%	15.3%	16.1%	13.3%	12.5%	24.4%	18.4%
Federal Work-Study	26.4%	16.9%	13.0%	17.5%	11.1%	7.8%	3.8%	3.5%	56.3%

# Distribution of Aid Recipients by Recipient Pell Grant Status

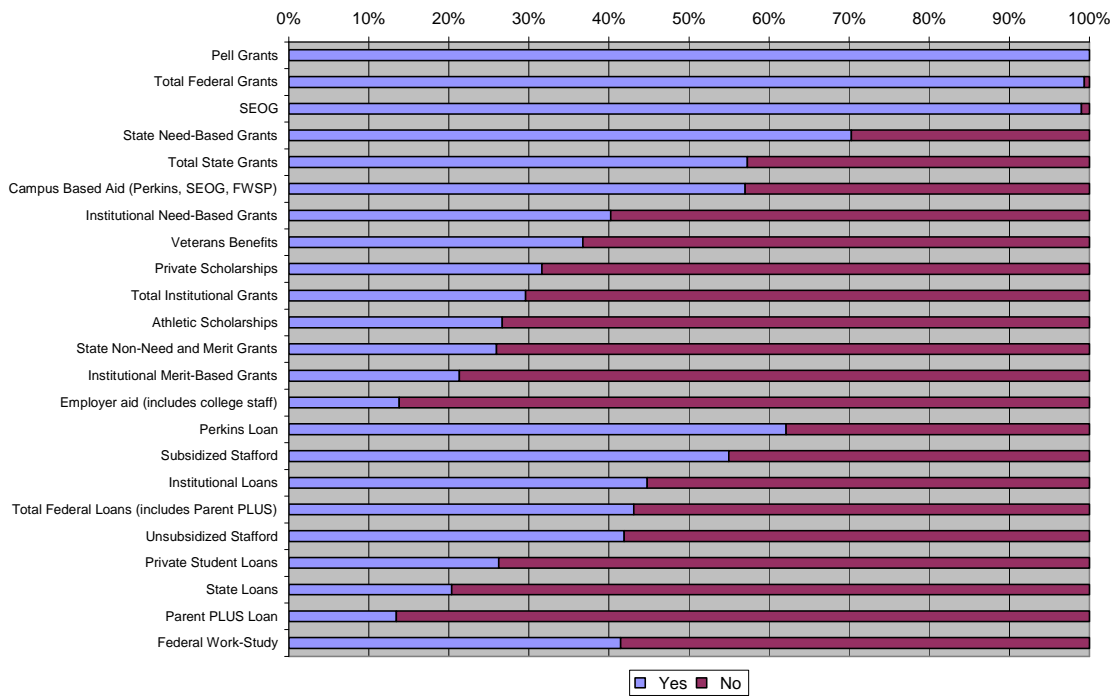
2007-08 Distribution of Aid Recipients by Recipient Pell Grant Recipient Status



2007-08 NPSAS Program	Pell Grant Recipient Status	
	Yes	No
Pell Grants	100.0	0.0
Total Federal Grants	99.2	0.8
SEOG	99.1	0.9
State Need-Based Grants	70.3	29.7
Campus Based Aid (Perkins, SEOG, FWSP)	68.5	31.5
Total State Grants	56.8	43.2
Institutional Need-Based Grants	44.7	55.3
Total Institutional Grants	35.9	64.1
Private Scholarships	30.0	70.0
Veterans Benefits	29.8	70.2
State Non-Need and Merit Grants	28.5	71.5
Athletic Scholarships	28.0	72.0
Institutional Merit-Based Grants	25.9	74.1
Employer aid (includes college staff)	13.5	86.5
Perkins Loan	61.4	38.6
Subsidized Stafford	54.8	45.2
Total Federal Loans (includes Parent PLUS)	47.6	52.4
Unsubsidized Stafford	46.1	53.9
Institutional Loans	40.2	59.8
Private Student Loans	34.3	65.7
State Loans	29.0	71.0
Parent PLUS Loan	19.5	80.5
Federal Work-Study	46.3	53.7

# Distribution of Aid Funding by Recipient Pell Grant Status

2007-08 Distribution of Aid Funding by Recipient Pell Grant Recipient Status



2007-08 NPSAS Program	Pell Grant Recipient Status	
	Yes	No
Pell Grants	100.0%	0.0%
Total Federal Grants	99.4%	0.6%
SEOG	99.0%	1.0%
State Need-Based Grants	70.3%	29.7%
Total State Grants	57.3%	42.7%
Campus Based Aid (Perkins, SEOG, FWSP)	57.0%	43.0%
Institutional Need-Based Grants	40.2%	59.8%
Veterans Benefits	36.7%	63.3%
Private Scholarships	31.6%	68.4%
Total Institutional Grants	29.6%	70.4%
Athletic Scholarships	26.7%	73.3%
State Non-Need and Merit Grants	26.0%	74.0%
Institutional Merit-Based Grants	21.3%	78.7%
Employer aid (includes college staff)	13.8%	86.2%
Perkins Loan	62.1%	37.9%
Subsidized Stafford	55.0%	45.0%
Institutional Loans	44.8%	55.2%
Total Federal Loans (includes Parent PLUS)	43.1%	56.9%
Unsubsidized Stafford	41.9%	58.1%
Private Student Loans	26.2%	73.8%
State Loans	20.3%	79.7%
Parent PLUS Loan	13.4%	86.6%
Federal Work-Study	41.4%	58.6%