



Trends in Higher Education Series

**2007**

# Trends in Student Aid



# Executive Summary

## Total Aid

*During the 2006-07 academic year, more than \$130 billion in financial aid was distributed to undergraduate and graduate students in the form of grants from all sources and federal loans, work-study, and tax credits and deductions. In addition, these students borrowed more than \$18 billion from state and private sources to help finance their education.*

- Total student aid increased by about 82 percent in inflation-adjusted dollars over the decade from 1996-97 to 2006-07. Aid to undergraduate and graduate students increased at similar rates.
- Loans have declined from 76 percent to 69 percent of total federal aid over the decade, as education tax credits and deductions have come to constitute 7 percent of federal aid to students.
- The increase in grant dollars between 1996-97 and 2006-07 covered an average of about a third of the increase in private college tuition and fees and half of the increase in average public four-year college tuition and fees. The increase in total aid, including both grant aid from all sources and federal loans, covered about two-thirds of the increase in tuition and fees at private four-year colleges and almost all of the increase in tuition and fees (but none of the additional increase in costs of attendance) at public four-year institutions.

## Grant Aid

*Grant aid from all sources averaged \$4,648 per full-time equivalent (FTE) student—\$4,218 per undergraduate (90 percent of all FTE students) and \$8,343 per graduate student (10 percent of all FTE students).*

- Total grant dollars to undergraduates increased by 7 percent in inflation-adjusted dollars between 2005-06 and 2006-07, and grant dollars to graduate students increased slightly more. Grant aid per student increased by 4 percent over the same period.
- The number of Pell Grant recipients increased by 41 percent, from 3.7 million to 5.2 million, over the decade from 1996-97 to 2006-07, after growing 38 percent the preceding decade.
- In 2005, 36 percent of all Pell Grant recipients were age 26 or older and 59 percent were independent of their parents. Among dependent Pell Grant recipients, two-thirds came from families with incomes below \$30,000.
- Total Pell Grant expenditures, which rose by 73 percent in inflation-adjusted dollars over the decade from 1996-97 to 2006-07, declined in real terms for the second year in a row in 2006-07, by \$141 million in 2006 dollars. The highest annual expenditures were in 2004-05, when total Pell Grants equaled \$14 billion in 2006 dollars.
- The average Pell Grant per recipient, \$2,494 in 2006-07, was 23 percent higher in inflation-adjusted dollars than it had been a decade earlier, but 5.3 percent lower than it was in 2001-02.
- The percentage of tuition and fees and room and board at the average public four-year college covered by the maximum Pell Grant declined from 35 percent in 1996-97 and 42 percent in 2001-02 to 32 percent in 2006-07. The amount covered in 1986-87 was 52 percent.

- In 2006-07, the first year of the Academic Competitiveness Grant (ACG) program, 400,000 students received awards averaging \$850. Eighty thousand students received SMART Grants averaging \$3,875.
- Institutions provide the largest source of grant aid, with these discounts to students comprising 21 percent of student aid to undergraduates and 17 percent of graduate aid. Institutional grants represent 41 percent of all grant aid, while federal grants are 31 percent of the total.

## Student Borrowing

*Stafford Loan volume did not keep pace with inflation between 2005-06 and 2006-07. Increases in student borrowing occurred in the new Graduate PLUS (Parent Loans for Undergraduate Students) program and in nonfederal loans.*

- Undergraduate federal borrowing grew 51 percent in inflation-adjusted dollars over the decade from 1996-97 to 2006-07, but declined between 2005-06 and 2006-07. However, private undergraduate loans grew 12 percent, to \$14.5 billion, and borrowing through state programs grew 20 percent, to \$1.1 billion.
- Real growth in both subsidized and unsubsidized Stafford borrowing in recent years has been the result of increases in the number of loans issued, not the average size of the loans.
- Subsidized Stafford Loans declined from 54 percent of total education loans in 1996-97 to 32 percent in 2006-07.
- Stafford Loan borrowing through the William D. Ford Federal Direct Student Loan Program (FDSLSP) declined by \$1 billion in 2006 dollars between 1996-97 and 2006-07. Stafford Loan borrowing through the Federal Family Education Loan Program (FFELP) increased by \$17 billion in the same time period.
- While undergraduate borrowing in the PLUS (Parent Loans for Undergraduate Students) program did not keep up with inflation between 2005-06 and 2006-07, total PLUS borrowing grew 19 percent in inflation-adjusted dollars, as graduate students became eligible for these loans.
- Graduate students had access to PLUS Loans for the first time in 2006-07 and borrowed almost \$2 billion from this program, with 127,000 students borrowing an average of \$15,747 each. Graduate borrowing from private sources declined about 10 percent or \$280 million.

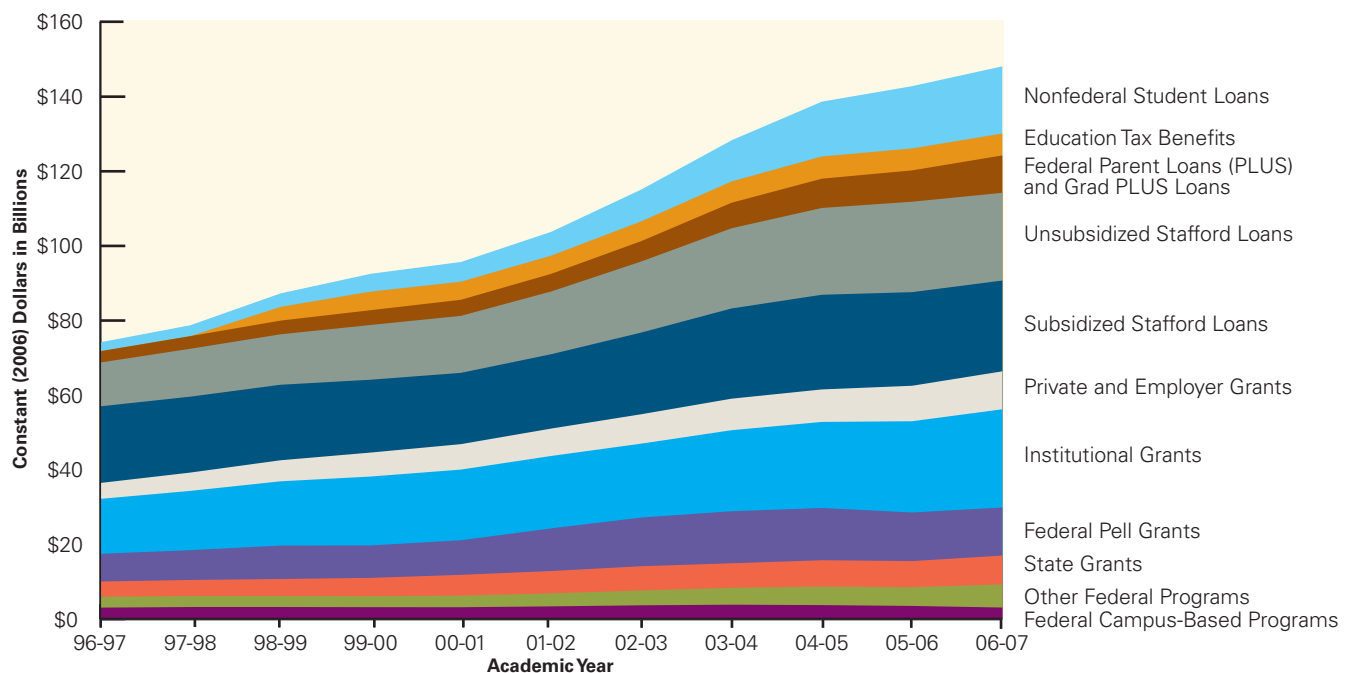
## Other College Funding

- Assets in 529 college savings plans grew from \$2.4 billion at the end of 1996 to \$15.1 billion in 2001 and \$122 billion in 2007. The 10 million accounts hold an average of \$12,757. Fourteen percent of the funds are in prepaid tuition plans and the remainder are in standard state-sponsored savings accounts.
- Federal education tax credits and the federal tuition tax deductions generated \$5.9 billion in savings for taxpayers in 2006. About 42 percent of the benefit of the tax credits went to taxpayers with incomes below \$50,000. Only 17 percent of the benefit of the tuition tax deduction went to taxpayers with incomes below \$50,000; 47 percent went to those with incomes between \$100,000 and \$160,000.

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**Figure 1:** Ten-Year Trend in Funds Used to Finance Postsecondary Education Expenses in Constant (2006) Dollars (in Billions), 1996-97 to 2006-07



**Note:** See Notes and Sources for lists of programs included in Other Federal Programs.

Over the decade from 1996-97 to 2006-07, federal grant aid to undergraduate and graduate students increased by 82 percent in inflation-adjusted dollars, and federal loans increased by 61 percent. However, total federal aid declined from 66 percent to 58 percent of the total funds used to help finance postsecondary education, as alternative private loans grew from 3 percent to 12 percent.



# Introduction

*Trends in Student Aid* presents annual data on the amount of financial assistance—grants, loans, work-study, and education tax benefits—distributed to students to help them pay for postsecondary education. The College Board began this data series in 1983 to track trends in financial aid from federal, state, and institutional sources. Much of the data reported here relate to aggregate amounts of student aid. Because of increases in the price of college, growth of enrollments in higher education over time, and changes in the structure of aid programs, increases in these totals do not necessarily make college more affordable for individual students. Focusing on average amounts of aid available and on the distribution of that aid among students in different circumstances is particularly important for evaluating the adequacy of student funding.

*Trends in College Pricing*, released together with this report, presents data from the College Board's *Annual Survey of Colleges* on undergraduate charges for tuition and fees, room and board, and other estimated expenses related to attending colleges and universities. Although the most recent data in *Trends in Student Aid 2007* are for the 2006-07 academic year, while the data in *Trends in College Pricing 2007* extend to 2007-08, we publish the reports together to emphasize the relationship between how much colleges and universities charge and the assistance available to students to pay these charges. The net prices actually paid by students and families are more important for understanding college access and affordability than the higher published prices alone.

Earlier this year, we issued the 2007 edition of *Education Pays: The Benefits of Higher Education for Individuals and Society*. This publication updates the original 2004 report and provides additional information on the economic and social benefits of higher education. It also continues our focus on the distribution of these benefits by examining both the progress and the persistent gaps in participation in postsecondary education.

As always, we continue to improve our coverage of programs and update previously reported statistics when better data become available. Therefore, this update replaces previous *Trends in Student Aid* publications.

## Defining Student Aid

Students and their families pay only a fraction of the cost of higher education; funding for the remainder comes from a variety of sources. At public colleges and universities, tuition levels are significantly lower than institutional costs because state and local governments provide about \$70 billion per year in funding for college and university instruction. In recent years, the share of total costs covered by public appropriations has declined, while the share covered by tuition and fees has increased. Private colleges and universities charge significantly higher levels of tuition, but tuition is still almost always lower than the cost to the institution of educating students. It is subsidized primarily by revenues from private philanthropic sources. *Trends in Student Aid* does not address these general subsidies to students. We focus only on aid that is provided directly to students to help them meet the published prices and other expenses associated with enrolling in postsecondary education.

In recent years student financing has become more complex, and the line between student aid and other sources of funds has become less clear-cut. Over half of the funds on which students rely to supplement family resources are in the form of loans. Some loans, particularly federal subsidized Stafford Loans and Perkins Loans, do provide valuable subsidies and are clearly a form of student aid. At the other end of the spectrum, the rapidly expanding private

bank loans for education are not subsidized at all. Their value is only in providing liquidity for students who have no other means of accessing funds. Between these two extremes are unsubsidized Stafford Loans, which are federally guaranteed, but accrue interest from the time they are issued.

Because of this continuum of funding types, we use two different measures to describe how students pay for college. We define student aid as grants from all sources, loans and work-study assistance from the federal government, and federal education tax credits and deductions. We have excluded private loans from all calculations identified as student aid. However, we combine private education loans with student aid when we describe student borrowing and funding.

As the price of attending college has increased and family incomes, grant aid, and federal loans have failed to keep pace, student borrowing from private sources has skyrocketed and now equals about 24 percent of total education loan volume. Counting these dollars as student aid would cause our estimates of student aid to rise automatically as students are increasingly forced to rely on this unsubsidized funding source, concealing the growing gap between available aid and the need for resources.

The student aid documented in this report includes funds distributed to both undergraduate and graduate students, but this year we have included more separate documentation of aid to undergraduates than in previous years. Tables 1a and 1b report financial aid to all postsecondary students. Table 2 provides similar information for undergraduate funding, and we report federal loans separately for graduate and undergraduate students in Table 4. In Figure 2, we have replaced the traditional pie chart illustrating the sources of student aid to all postsecondary students with two graphs, one for undergraduates and one for graduate students. The difference in the relative roles of grants and loans for the two groups of students is reported in Figure 6 and Table 6.

From the students' perspective, grant aid, which is a pure subsidy not requiring repayment, is most desirable and is the one form of aid that unambiguously increases the financial accessibility of college. Education tax credits and the tax savings arising from the federal tuition and fee deduction are also pure subsidies. The fact that the tax savings generally materialize months after the bills have been paid leads some to exclude tax benefits from the definition of student aid, but their value in reducing the total cost to students makes them fall clearly within our definition.

## Grants, Loans, Work Aid, and Tax Benefits

This report documents the recent stagnation in the Pell Grant dollars available to individual students. It also reveals increases in the total amount of Pell funding that resulted from increased participation in the program between 1999 and 2004 (Tables 8a and 8b; Figure 8, Figures 9a, 9b, 9c, and 9d, and Figures 10a, 10b, and 10c). Recently legislated increases in the maximum Pell Grant will be reflected in future editions of *Trends in Student Aid*. This year we include additional data about the 5.2 million Pell recipients, including information about age, income, and dependency status.

Pell Grants constitute 65 percent of federal grants to students and are supplemented by the new Academic Competitiveness and SMART Grants, available for the first time to some Pell Grant recipients in 2006-07, in addition to veterans benefits and other smaller programs. All together, these federal grants compose only 31 percent of the total grant aid on which postsecondary students rely. The largest portion of grant aid comes from colleges and

universities themselves, which provide 41 percent of the total, with the remainder funded by states and private sources.

Our measure of student aid includes all education loans involving any federal funding. About 41 percent of federal education loans come through the federal government's subsidized Stafford Loan program. Although these funds must be repaid after students complete their education, the government pays the interest while the student is in school and subsidizes the interest throughout the life of the loan. The unsubsidized Stafford Loan program, comparable in size to the subsidized Stafford program, has a much smaller subsidy component because interest accrues while the student is in school. The difference between the two types of loans will be greater in the future, as the interest rate on subsidized Stafford Loans declines gradually to reach 3.4 percent in 2011-12, while the rate on unsubsidized Stafford Loans remains fixed at 6.8 percent. Like subsidized Stafford Loans, these loans are guaranteed by the federal government and the interest rates are often below market levels. Interest rates on Parent Loans to Undergraduate Students (PLUS) are also limited by statute.

There are two types of funding for federal education loans. Under the William D. Ford Federal Direct Student Loan Program (FDSLP), students borrow directly from the government. Under the Federal Family Education Loan Program (FFELP), the federal government guarantees loans issued by private lenders. The division of loans between these two programs can be found in Tables 1a, 1b, and 2. The volume of federal loans reported in these tables is lower than the volume for the same years reported last year. This is because our reporting has switched from loan commitments to loan disbursements, which provide a more accurate representation of the amount of loans actually issued to students. Another improvement in our reporting on federal student loans is the inclusion in Table 4 of the total number of Stafford Loan borrowers and the average amount each of these students borrowed. Because some students participate in both the subsidized and the unsubsidized Stafford programs, adding together the number of borrowers in the two programs would yield an overestimate of the number of borrowers, while the average loan size for each program is an underestimate of the total amount borrowed by individual students.

Alternative education loans from banks and other private lenders are not included in our measure of total student aid but we report on them because of their increasing importance in student financing. These loans generally must be certified by the financial aid office and in some cases are included in the financial aid packages institutions award to students. However, an increasing proportion of private education loans are direct-to-consumer loans, of which institutions may not even be aware. Among graduate students, there was a decline in private borrowing this year, in response to the new availability of PLUS Loans for these students.

This year we include information on the annual amounts borrowed by individual students over time (Figures 4a and 4b). Like the aggregate data, these data on student debt omit credit card financing, conventional consumer loans, and home equity loans and lines of credit.

Work-study funds constitute only about 1 percent of student aid. Some work-study jobs are off-campus. On-campus jobs involve subsidies to institutions in the form of matching funds for student wages. This year we report on the overall employment patterns of students in Figures 11a, 11b, and 11c.

Although education tax credits and tax savings from the deduction for tuition and fees are the only subsidies of this form included in our total measure of student aid, students benefit from several other provisions of the tax code. In 2005, 6.7 million taxpayers claimed about \$4.2 billion in deductions for interest paid on student loans.

Other exemptions from income taxation include education benefits from employers; the interest on education savings bonds; returns on savings in Coverdell Education Savings Accounts, 529 savings plans, and prepaid tuition programs; work-related education expenses; and the personal exemption granted parents of students over age 19. Figures 13a and 13b include information on assets in state-sponsored Section 529 college savings plans and prepaid tuition plans.

## Need-Based and Non-Need-Based Aid

The student aid described in this report serves a variety of purposes. In the 1970s and 1980s, most aid programs were designed to increase access to college for students who would otherwise be unable to afford to enroll. In recent years, student aid programs have been focused increasingly on affecting students' choice of institutions and on reducing the financial strain on middle-income families.

Our data on federal grant aid, almost all of which is need based, and on education tax benefits, which are concentrated on middle- and upper-income families, provide an indicator of the changing focus at the federal level. We also include information that distinguishes state need-based and non-need-based grant aid. However, there is no simple way to draw a line between these two forms of aid. Some state grants are based only on need and some only on merit, but many are based on a combination of these criteria.

The ambiguity is even greater for institutional grant aid. Some institutions, particularly the most selective private colleges and universities, award aid only on the basis of financial need, and attempt to meet as much of the need as possible for all accepted candidates. Other institutions award grants only to students who have financial need, but use academic merit or other relevant characteristics to ration their limited funds. In contrast, many institutions, both public and private, award grant aid not only to students with insufficient resources to meet the cost of attendance, but also to students who have the ability to pay, but whom the school is particularly interested in enrolling. Most non-need-based aid is based at least partially on either academic qualifications or athletic ability. We report on the distribution of institutional aid by family income levels in Figures 10a, 10b, and 10c. The patterns vary considerably across types of institutions.

## Acknowledgments

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# Total Student Aid

**Table 1a:** Funds Used to Finance Postsecondary Education Expenses in Current Dollars (in Millions), 1996-97 to 2006-07

	Academic Year											10-Year* % Change
	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	Preliminary 06-07	
<b>Federal Programs</b>												
<b>Grants</b>												
Pell Grants	\$5,780	\$6,331	\$7,233	\$7,208	\$7,956	\$9,975	\$11,642	\$12,708	\$13,150	\$12,693	\$12,881	123%
SEOG	\$583	\$583	\$614	\$619	\$631	\$691	\$725	\$760	\$771	\$779	\$771	32%
LEAP	\$32	\$50	\$25	\$25	\$40	\$55	\$66	\$64	\$65	\$72	\$74	132%
ACG	—	—	—	—	—	—	—	—	—	—	\$340	—
SMART Grants	—	—	—	—	—	—	—	—	—	—	\$310	—
Veterans	\$1,279	\$1,347	\$1,484	\$1,491	\$1,644	\$1,883	\$2,313	\$2,657	\$3,012	\$3,177	\$3,644	185%
Military/Other Grants	\$692	\$729	\$752	\$822	\$876	\$994	\$1,050	\$1,280	\$1,458	\$1,491	\$1,619	134%
<b>Total Federal Grants</b>	<b>\$8,366</b>	<b>\$9,040</b>	<b>\$10,108</b>	<b>\$10,165</b>	<b>\$11,147</b>	<b>\$13,598</b>	<b>\$15,796</b>	<b>\$17,468</b>	<b>\$18,456</b>	<b>\$18,212</b>	<b>\$19,639</b>	<b>135%</b>
<b>Federal Work-Study</b>	\$776	\$906	\$913	\$917	\$939	\$1,032	\$1,097	\$1,107	\$1,082	\$1,050	\$1,175	51%
<b>Loans</b>												
Perkins Loans	\$1,022	\$1,062	\$1,070	\$1,101	\$1,144	\$1,239	\$1,460	\$1,639	\$1,652	\$1,594	\$1,135	11%
Subsidized Stafford	\$15,984	\$16,119	\$16,309	\$16,190	\$16,383	\$17,391	\$19,530	\$22,039	\$23,826	\$24,452	\$24,507	53%
FDSLP	\$5,361	\$5,569	\$5,549	\$5,367	\$5,097	\$5,124	\$5,485	\$5,673	\$5,694	\$5,471	\$5,159	-4%
FFELP	\$10,623	\$10,550	\$10,760	\$10,823	\$11,286	\$12,267	\$14,045	\$16,366	\$18,132	\$18,982	\$19,349	82%
Unsubsidized Stafford	\$9,137	\$10,174	\$10,900	\$12,166	\$13,108	\$14,681	\$16,996	\$19,599	\$21,845	\$23,625	\$23,708	159%
FDSLP	\$2,885	\$3,301	\$3,415	\$3,691	\$3,701	\$3,937	\$4,308	\$4,435	\$4,564	\$4,643	\$4,417	53%
FFELP	\$6,251	\$6,873	\$7,485	\$8,475	\$9,406	\$10,744	\$12,688	\$15,164	\$17,281	\$18,981	\$19,291	209%
PLUS	\$2,362	\$2,678	\$2,957	\$3,285	\$3,691	\$4,122	\$4,864	\$6,233	\$7,363	\$8,185	\$10,071	326%
Other Loans	\$281	\$217	\$117	\$113	\$116	\$118	\$125	\$125	\$141	\$157	\$171	-39%
<b>Total Federal Loans</b>	<b>\$28,786</b>	<b>\$30,249</b>	<b>\$31,353</b>	<b>\$32,855</b>	<b>\$34,442</b>	<b>\$37,551</b>	<b>\$42,976</b>	<b>\$49,635</b>	<b>\$54,826</b>	<b>\$58,012</b>	<b>\$59,593</b>	<b>107%</b>
<b>Education Tax Benefits</b>	—	—	\$2,970	\$4,130	\$4,160	\$4,260	\$4,730	\$5,210	\$5,600	\$5,740	\$5,880	98%
<b>Total Federal Aid</b>	<b>\$37,928</b>	<b>\$40,195</b>	<b>\$45,344</b>	<b>\$48,068</b>	<b>\$50,688</b>	<b>\$56,441</b>	<b>\$64,599</b>	<b>\$73,420</b>	<b>\$79,964</b>	<b>\$83,015</b>	<b>\$86,288</b>	<b>128%</b>
<b>State Grant Programs</b>	\$3,163	\$3,404	\$3,669	\$4,064	\$4,766	\$5,223	\$5,792	\$5,993	\$6,620	\$6,829	\$7,730	144%
<b>Institutional Grants</b>	\$11,450	\$12,580	\$13,870	\$15,310	\$16,240	\$16,938	\$17,664	\$19,806	\$21,652	\$23,836	\$26,323	130%
<b>Private/Employer Grants</b>	\$3,320	\$3,890	\$4,550	\$5,330	\$5,850	\$6,410	\$7,030	\$7,700	\$8,180	\$9,270	\$10,170	206%
<b>Total Federal, State, Institutional Aid</b>	<b>\$55,861</b>	<b>\$60,069</b>	<b>\$67,434</b>	<b>\$72,772</b>	<b>\$77,545</b>	<b>\$85,012</b>	<b>\$95,085</b>	<b>\$106,919</b>	<b>\$116,416</b>	<b>\$122,950</b>	<b>\$130,511</b>	<b>134%</b>
<b>Nonfederal Loans</b>	\$1,860	\$2,310	\$2,910	\$3,960	\$4,530	\$5,570	\$7,610	\$10,050	\$13,790	\$17,000	\$18,490	894%
State Sponsored	\$290	\$350	\$440	\$500	\$540	\$620	\$640	\$670	\$810	\$1,130	\$1,390	379%
Private Sector	\$1,570	\$1,960	\$2,470	\$3,460	\$3,990	\$4,950	\$6,970	\$9,380	\$12,980	\$15,870	\$17,100	989%
<b>Total Funds Used to Finance Postsecondary Expenses</b>	<b>\$57,721</b>	<b>\$62,379</b>	<b>\$70,344</b>	<b>\$76,732</b>	<b>\$82,075</b>	<b>\$90,582</b>	<b>\$102,695</b>	<b>\$116,969</b>	<b>\$130,206</b>	<b>\$139,950</b>	<b>\$149,001</b>	<b>158%</b>

\*Where programs have been in existence for less than 10 years, percent change is calculated from the first year of the program.

**Note:** Components may not sum exactly to totals due to rounding. Federal loan dollars reflect disbursements. Previous editions of *Trends in Student Aid* have reported loan commitments, which are 10 to 20 percent higher.

During the 2006-07 academic year, about \$131 billion in financial aid was distributed to undergraduate and graduate students in the form of grants from all sources, work-study, federal loans, and federal tax credits and deductions. In addition, these students borrowed more than \$18 billion in loans from state and private sources to help finance their education.

- Each form of student aid carries a different benefit for students. Grants are pure subsidies that do not have to be repaid. They may be based either on financial need or on other student characteristics.
- The tax benefits reported here include Hope and Lifetime Learning tax credits and the tuition tax deduction. These are subsidies that do not have to be repaid, but are not awarded at the time tuition payments must be made.
- Some work-study jobs are off-campus. Funding for on-campus jobs subsidizes institutions to assure student employment.
- The government pays the interest on subsidized Stafford Loans while the student is in school, unlike other types of loans where interest accrues upon receipt.
- For the entire decade reported, dependent students could borrow up to \$2,625 in the first year of study, \$3,500 in the second year of study, and \$5,500 in succeeding years, up to a total of \$23,000. Limits are \$4,000 to \$5,000 a year higher for independent students, who can borrow up to \$46,000 as undergraduates. Annual loan limits have been raised slightly beginning in 2007-08.

# Total Student Aid—Adjusted for Inflation

**Table 1b:** Funds Used to Finance Postsecondary Education Expenses in Constant (2006) Dollars (in Millions), 1996-97 to 2006-07

	Academic Year										Preliminary 06-07	10-Year* % Change
	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06		
<b>Federal Programs</b>												
<b>Grants</b>												
Pell Grants	\$7,426	\$7,991	\$8,974	\$8,692	\$9,277	\$11,428	\$13,051	\$13,941	\$14,004	\$13,022	\$12,881	73%
SEOG	\$749	\$736	\$762	\$746	\$736	\$792	\$813	\$834	\$821	\$799	\$771	3%
LEAP	\$41	\$63	\$31	\$30	\$47	\$63	\$74	\$70	\$70	\$74	\$74	81%
ACG	—	—	—	—	—	—	—	—	—	—	\$340	—
SMART Grants	—	—	—	—	—	—	—	—	—	—	\$310	—
Veterans	\$1,644	\$1,700	\$1,841	\$1,798	\$1,917	\$2,157	\$2,593	\$2,914	\$3,208	\$3,260	\$3,644	122%
Military/Other Grants	\$889	\$920	\$933	\$991	\$1,021	\$1,139	\$1,177	\$1,404	\$1,552	\$1,529	\$1,619	82%
<b>Total Federal Grants</b>	<b>\$10,749</b>	<b>\$11,409</b>	<b>\$12,541</b>	<b>\$12,258</b>	<b>\$12,997</b>	<b>\$15,579</b>	<b>\$17,709</b>	<b>\$19,163</b>	<b>\$19,655</b>	<b>\$18,684</b>	<b>\$19,639</b>	<b>83%</b>
<b>Federal Work-Study</b>	<b>\$997</b>	<b>\$1,144</b>	<b>\$1,133</b>	<b>\$1,106</b>	<b>\$1,095</b>	<b>\$1,182</b>	<b>\$1,230</b>	<b>\$1,214</b>	<b>\$1,152</b>	<b>\$1,078</b>	<b>\$1,175</b>	<b>18%</b>
<b>Loans</b>												
Perkins Loans	\$1,313	\$1,340	\$1,328	\$1,327	\$1,334	\$1,420	\$1,637	\$1,797	\$1,759	\$1,635	\$1,135	-14%
Subsidized Stafford	\$20,536	\$20,344	\$20,234	\$19,523	\$19,101	\$19,924	\$21,896	\$24,177	\$25,374	\$25,086	\$24,507	19%
FDSLP	\$6,887	\$7,029	\$6,884	\$6,472	\$5,942	\$5,870	\$6,150	\$6,224	\$6,063	\$5,612	\$5,159	-25%
FFELP	\$13,649	\$13,315	\$13,350	\$13,051	\$13,159	\$14,054	\$15,746	\$17,954	\$19,310	\$19,473	\$19,349	42%
Unsubsidized Stafford	\$11,739	\$12,842	\$13,524	\$14,671	\$15,283	\$16,819	\$19,055	\$21,501	\$23,264	\$24,237	\$23,708	102%
FDSLP	\$3,707	\$4,167	\$4,237	\$4,451	\$4,315	\$4,510	\$4,830	\$4,865	\$4,861	\$4,764	\$4,417	19%
FFELP	\$8,032	\$8,675	\$9,287	\$10,220	\$10,967	\$12,309	\$14,225	\$16,636	\$18,403	\$19,473	\$19,291	140%
PLUS	\$3,035	\$3,380	\$3,668	\$3,962	\$4,304	\$4,722	\$5,453	\$6,837	\$7,841	\$8,397	\$10,071	232%
Other Loans	\$361	\$273	\$145	\$137	\$135	\$135	\$141	\$138	\$150	\$161	\$171	-53%
<b>Total Federal Loans</b>	<b>\$36,984</b>	<b>\$38,179</b>	<b>\$38,899</b>	<b>\$39,619</b>	<b>\$40,157</b>	<b>\$43,020</b>	<b>\$48,181</b>	<b>\$54,450</b>	<b>\$58,388</b>	<b>\$59,515</b>	<b>\$59,593</b>	<b>61%</b>
<b>Education Tax Benefits</b>	—	—	\$3,685	\$4,980	\$4,850	\$4,880	\$5,303	\$5,715	\$5,964	\$5,889	\$5,880	60%
<b>Total Federal Aid</b>	<b>\$48,729</b>	<b>\$50,733</b>	<b>\$56,258</b>	<b>\$57,964</b>	<b>\$59,099</b>	<b>\$64,662</b>	<b>\$72,423</b>	<b>\$80,543</b>	<b>\$85,159</b>	<b>\$85,165</b>	<b>\$86,288</b>	<b>77%</b>
<b>State Grant Programs</b>	<b>\$4,064</b>	<b>\$4,296</b>	<b>\$4,552</b>	<b>\$4,901</b>	<b>\$5,557</b>	<b>\$5,983</b>	<b>\$6,493</b>	<b>\$6,575</b>	<b>\$7,050</b>	<b>\$7,006</b>	<b>\$7,730</b>	<b>90%</b>
<b>Institutional Grants</b>	<b>\$14,711</b>	<b>\$15,878</b>	<b>\$17,208</b>	<b>\$18,462</b>	<b>\$18,935</b>	<b>\$19,405</b>	<b>\$19,803</b>	<b>\$21,727</b>	<b>\$23,059</b>	<b>\$24,453</b>	<b>\$26,323</b>	<b>79%</b>
<b>Private/Employer Grants</b>	<b>\$4,266</b>	<b>\$4,910</b>	<b>\$5,645</b>	<b>\$6,427</b>	<b>\$6,821</b>	<b>\$7,344</b>	<b>\$7,881</b>	<b>\$8,447</b>	<b>\$8,711</b>	<b>\$9,510</b>	<b>\$10,170</b>	<b>138%</b>
<b>Total Federal, State, Institutional Aid</b>	<b>\$71,770</b>	<b>\$75,817</b>	<b>\$83,664</b>	<b>\$87,754</b>	<b>\$90,412</b>	<b>\$97,394</b>	<b>\$106,600</b>	<b>\$117,292</b>	<b>\$123,979</b>	<b>\$126,134</b>	<b>\$130,511</b>	<b>82%</b>
<b>Nonfederal Loans</b>	<b>\$2,390</b>	<b>\$2,916</b>	<b>\$3,610</b>	<b>\$4,775</b>	<b>\$5,282</b>	<b>\$6,381</b>	<b>\$8,532</b>	<b>\$11,025</b>	<b>\$14,686</b>	<b>\$17,440</b>	<b>\$18,490</b>	<b>674%</b>
State Sponsored	\$373	\$442	\$546	\$603	\$630	\$710	\$718	\$735	\$863	\$1,159	\$1,390	273%
Private Sector	\$2,017	\$2,474	\$3,064	\$4,172	\$4,652	\$5,671	\$7,814	\$10,290	\$13,823	\$16,281	\$17,100	748%
<b>Total Funds Used to Finance Postsecondary Expenses</b>	<b>\$74,160</b>	<b>\$78,733</b>	<b>\$87,274</b>	<b>\$92,529</b>	<b>\$95,693</b>	<b>\$103,776</b>	<b>\$115,132</b>	<b>\$128,317</b>	<b>\$138,665</b>	<b>\$143,575</b>	<b>\$149,001</b>	<b>101%</b>

\*Where programs have been in existence for less than 10 years, percent change is calculated from the first year of the program.

**Note:** Components may not sum exactly to totals due to rounding. Federal loan dollars reflect disbursements. Previous editions of *Trends in Student Aid* have reported loan commitments, which are 10 to 20 percent higher.

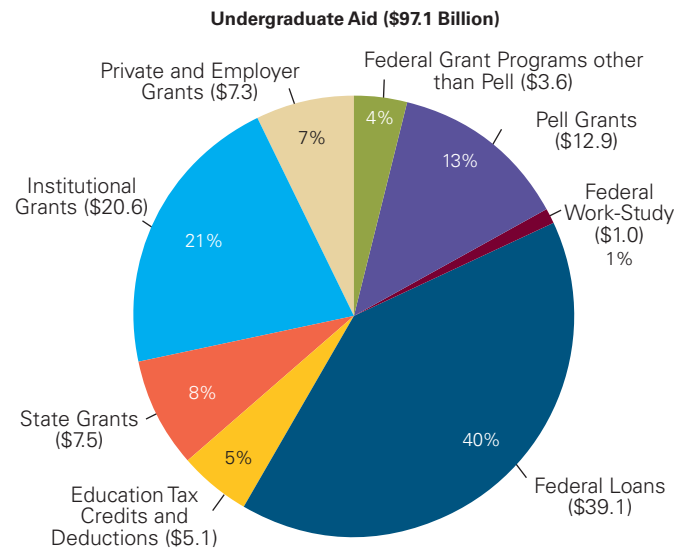
After adjusting the amounts of student aid reported in Table 1a for inflation, total aid to undergraduate and graduate students increased by 82 percent between 1996-97 and 2006-07.

- The amounts of grant aid from the largest sources, institutions and the federal government, were 79 percent and 83 percent higher in constant dollars, respectively, in 2006-07 than they were a decade earlier. Grants from states and from employers and other private sources grew more rapidly than institutional and federal grants, leading to an increase of 89 percent in total grant aid (Table 6).
- Federal loans have declined from 76 percent to 69 percent of total federal aid over the decade, as education tax credits and deductions have come to constitute 7 percent of federal aid to students. The decline in the share of federal loans resulted from declines in subsidized Stafford borrowing at the beginning of the decade and again in 2005-06 and 2006-07.
- In 2006-07, the interest rate on Stafford Loans, which previously varied with market interest rates, was fixed at 6.8 percent. The rate on subsidized Stafford Loans will decline to 3.4 percent by 2011-12. Interest rates on PLUS Loans are now fixed at 8.5 percent (7.9 percent for PLUS from the FDSLP). Rates on private education loans are generally higher and vary considerably across students and across lenders.
- In 2006-07, for the first time, PLUS Loans were available not only to parents of undergraduate students, but also to graduate students. Two billion of the \$10.1 billion in PLUS Loans reported here were awarded under this new program.

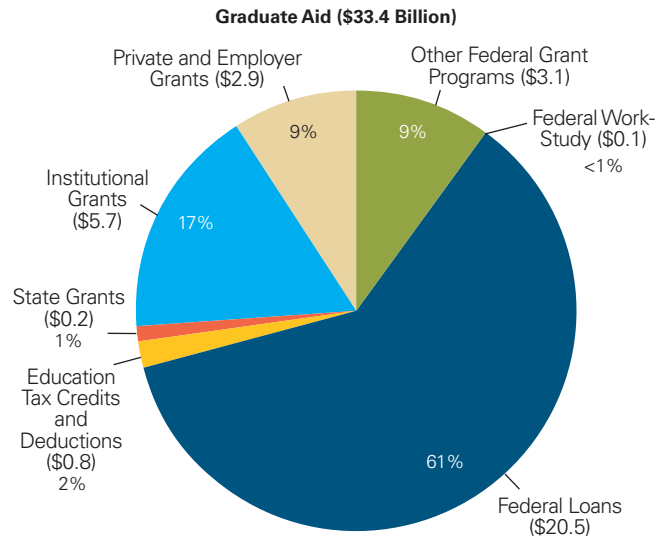


# Total Undergraduate and Graduate Student Aid by Type

**Figure 2a:** Undergraduate Student Aid (in Billions) by Source, 2006-07



**Figure 2b:** Graduate Student Aid (in Billions) by Source, 2006-07



**Note:** Components may not sum to 100 percent due to rounding. See Notes and Sources for lists of programs included in other federal grants.

**Sources:** Tables 2, 3, 8a, and 8b.

Undergraduate student aid patterns are very different from those of graduate students, who rely more heavily on federal loans and receive less of their aid in the form of federal grants.

- Institutional grant aid constitutes a discount off the published price. This aid was the second-largest component of student aid for both undergraduate students (21 percent) and graduate students (17 percent) in 2006-07. Graduate students also receive funding from teaching and research assistantships, which are considered compensation, not student aid.
- Forty percent of undergraduate aid was in the form of federal loans in 2006-07, compared to 61 percent of aid to graduate students.
- Nonfederal loans are not included in Figures 2a and 2b because they are not part of the student aid system. However, these loans from private and state sources constituted about 29 percent of the loans taken by undergraduates and 12 percent of the loans taken by graduate students in 2006-07. Loans comprise 49 percent of the total funds used by undergraduates and 64 percent of the funds used by graduate students to supplement their own resources in paying for education.

## Also important:

In 2006-07, 12.3 million (90 percent) of the 13.7 million full-time equivalent postsecondary students were undergraduates and 1.4 million (10 percent) were graduate students. (NCES, unpublished IPEDS data)



# Total Undergraduate Student Aid— Adjusted for Inflation

**Table 2:** Funds Used to Finance Undergraduate Postsecondary Education Expenses in Constant (2006) Dollars (in Millions), 1996-97 to 2006-07

	Academic Year											10-Year* % Change
	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	
Preliminary												
Federal Programs												
Grants												
Pell Grants	\$7,426	\$7,991	\$8,974	\$8,692	\$9,277	\$11,428	\$13,051	\$13,941	\$14,004	\$13,022	\$12,881	73%
SEOG	\$749	\$736	\$762	\$746	\$736	\$792	\$813	\$834	\$821	\$799	\$771	3%
LEAP	\$41	\$63	\$31	\$30	\$47	\$63	\$74	\$70	\$70	\$74	\$74	81%
ACG	—	—	—	—	—	—	—	—	—	—	\$340	—
SMART Grants	—	—	—	—	—	—	—	—	—	—	\$310	—
Veterans	\$529	\$547	\$593	\$579	\$653	\$778	\$989	\$1,176	\$1,297	\$1,318	\$1,473	178%
Military / Other Grants	\$286	\$296	\$301	\$319	\$348	\$411	\$449	\$567	\$628	\$618	\$655	129%
Total Federal Grants	\$9,032	\$9,633	\$10,660	\$10,367	\$11,060	\$13,471	\$15,377	\$16,588	\$16,819	\$15,831	\$16,504	83%
Federal Work-Study	\$901	\$1,032	\$1,024	\$998	\$980	\$1,056	\$1,092	\$1,072	\$1,019	\$953	\$1,039	15%
Loans												
Perkins Loans	\$1,072	\$1,086	\$1,071	\$1,071	\$1,063	\$1,119	\$1,267	\$1,362	\$1,023	\$1,246	\$865	-19%
Subsidized Stafford	\$14,490	\$14,453	\$14,268	\$13,644	\$13,278	\$13,831	\$15,065	\$16,557	\$17,314	\$16,993	\$16,640	15%
FDSLP	\$4,986	\$5,198	\$5,058	\$4,692	\$4,254	\$4,169	\$4,328	\$4,367	\$4,287	\$3,922	\$3,610	-28%
FFELP	\$9,504	\$9,255	\$9,210	\$8,952	\$9,024	\$9,662	\$10,737	\$12,190	\$13,027	\$13,070	\$13,030	37%
Unsubsidized Stafford	\$7,030	\$7,694	\$7,931	\$8,557	\$8,982	\$9,952	\$10,994	\$12,245	\$13,104	\$13,665	\$13,486	92%
FDSLP	\$2,443	\$2,795	\$2,799	\$2,884	\$2,791	\$2,897	\$2,987	\$2,912	\$2,861	\$2,756	\$2,562	5%
FFELP	\$4,587	\$4,899	\$5,133	\$5,672	\$6,191	\$7,055	\$8,006	\$9,333	\$10,243	\$10,909	\$10,924	138%
PLUS	\$3,035	\$3,380	\$3,668	\$3,962	\$4,304	\$4,722	\$5,453	\$6,837	\$7,841	\$8,397	\$8,066	166%
Other Loans	\$235	\$155	\$64	\$42	\$42	\$42	\$44	\$43	\$46	\$50	\$53	-77%
Total Federal Loans	\$25,863	\$26,767	\$27,002	\$27,276	\$27,668	\$29,666	\$32,823	\$37,044	\$39,330	\$40,351	\$39,111	51%
Education Tax Benefits	—	—	\$3,165	\$4,278	\$4,166	\$4,192	\$4,555	\$4,910	\$5,123	\$5,058	\$5,051	60%
Total Federal Aid	\$35,796	\$37,432	\$41,851	\$42,918	\$43,874	\$48,386	\$53,847	\$59,613	\$62,290	\$62,193	\$61,705	72%
State Grant Programs	\$3,963	\$4,189	\$4,439	\$4,778	\$5,418	\$5,834	\$6,331	\$6,410	\$6,871	\$6,828	\$7,534	90%
Institutional Grants	\$11,151	\$11,829	\$12,614	\$13,291	\$13,936	\$14,573	\$15,189	\$17,011	\$18,055	\$19,147	\$20,611	85%
Private/Employer Grants	\$2,866	\$3,299	\$3,794	\$4,319	\$4,655	\$5,091	\$5,550	\$6,041	\$6,225	\$6,796	\$7,267	154%
Total Federal, State, Institutional Aid	\$53,776	\$56,750	\$62,697	\$65,307	\$67,884	\$73,884	\$80,916	\$89,075	\$93,441	\$94,964	\$97,118	81%
Nonfederal Loans	\$1,644	\$2,047	\$2,603	\$3,503	\$3,923	\$4,742	\$6,355	\$8,429	\$11,631	\$13,980	\$15,680	854%
State Sponsored	\$181	\$241	\$335	\$415	\$434	\$489	\$494	\$506	\$711	\$955	\$1,145	531%
Private Sector	\$1,462	\$1,806	\$2,268	\$3,088	\$3,489	\$4,253	\$5,861	\$7,923	\$10,920	\$13,025	\$14,535	894%
Total Funds Used to Finance Postsecondary Expenses	\$55,419	\$58,797	\$65,300	\$68,810	\$71,807	\$78,627	\$87,271	\$97,505	\$105,072	\$108,944	\$112,798	104%

\*Where programs have been in existence for less than 10 years, percent change is calculated from the first year of the program.

**Note:** Components may not sum exactly to totals due to rounding. Where precise data are not available, the division of aid between undergraduate and graduate students is based on the *National Postsecondary Student Aid Study (NPSAS)*. Federal loan dollars reflect disbursements.

During the 2006-07 academic year, more than \$97 billion in financial aid was distributed to undergraduates in the form of grants from all sources, work-study, federal loans, and tax credits and deductions. In addition, these students borrowed almost \$16 billion in loans from state and private sources to help finance their education.

- In 2006-07 undergraduates received about three-quarters of all financial aid to postsecondary students.
- After adjusting for inflation, total aid to undergraduate students increased by 81 percent between 1996-97 and 2006-07.
- The amounts of grant aid from the largest sources of grant aid for undergraduates, institutions and the federal government, were 85 percent and 83 percent higher in constant dollars, respectively, in 2006-07 than they were a decade earlier. Grants from states and from employers and other private sources grew more rapidly than institutional and federal grants, leading to an increase of 92 percent in total grant aid to undergraduate students.
- Federal loans have declined from 72 percent to 63 percent of total federal aid to undergraduates over the decade, as education tax credits and deductions have come to constitute 7 percent of federal aid to undergraduates. Because of slow growth in subsidized Stafford Loans, the decline in the share of federal loans occurred despite rapid growth in unsubsidized Stafford and PLUS borrowing.

# Federal Aid Recipients

**Table 3:** Number of Recipients (in Thousands) and Aid per Recipient for Federal Grant, Campus-Based, and Education Tax Benefit Programs in Constant (2006) Dollars, 1996-97 to 2006-07

	Academic Year											10-Year* % Change
	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	
Pell Grants												
Recipients (000)	3,666	3,733	3,855	3,764	3,899	4,341	4,779	5,140	5,308	5,168	5,165	41%
Aid per Recipient (Constant \$)	\$2,026	\$2,141	\$2,328	\$2,310	\$2,379	\$2,633	\$2,731	\$2,712	\$2,638	\$2,520	\$2,494	23%
SEOG												
Recipients (000)	1,191	1,116	1,163	1,170	1,174	1,295	1,355	1,390	1,409	1,419	1,291	8%
Aid per Recipient (Constant \$)	\$629	\$660	\$655	\$638	\$627	\$611	\$600	\$600	\$583	\$563	\$597	-5%
ACG												
Recipients (000)	—	—	—	—	—	—	—	—	—	—	400	—
Aid per Recipient (Constant \$)	—	—	—	—	—	—	—	—	—	—	\$850	—
SMART Grants												
Recipients (000)	—	—	—	—	—	—	—	—	—	—	80	—
Aid per Recipient (Constant \$)	—	—	—	—	—	—	—	—	—	—	\$3,875	—
Federal Work-Study												
Recipients (000)	691	746	744	733	713	741	759	765	739	711	880	27%
Aid per Recipient (Constant \$)	\$1,443	\$1,534	\$1,524	\$1,509	\$1,536	\$1,597	\$1,621	\$1,588	\$1,559	\$1,516	\$1,335	-7%
Perkins Loans												
Recipients (000)	674	679	669	655	639	661	729	756	749	728	514	-24%
Aid per Recipient (Constant \$)	\$1,947	\$1,974	\$1,986	\$2,027	\$2,087	\$2,148	\$2,246	\$2,377	\$2,349	\$2,247	\$2,208	13%
Education Tax Benefits												
Recipients (000)	—	—	4,033	5,492	5,830	5,950	7,725	8,122	8,630	8,519	8,519	111%
Aid per Recipient (Constant \$)	—	—	\$914	\$907	\$832	\$820	\$686	\$704	\$691	\$691	\$690	-24%

\* Where programs have been in existence for less than 10 years, percent change is calculated from the first year of the program.

**Note:** Education tax credit amounts equal the dollar value of the credits claimed on taxable returns; tax deduction amounts are estimated tax savings from deductions claimed on taxable returns. IRS data for 2006-07 are not yet available; values are estimated based on data from earlier years.

The average Pell Grant increased 23 percent in inflation-adjusted dollars between 1996-97 and 2006-07. However, after increasing from \$2,026 in 1996-97 to \$2,731 in 2002-03, the average grant per recipient had declined 9 percent in real terms to \$2,494 by 2006-07.

- Between 1996-97 and 2006-07, the number of Pell Grant recipients increased 41 percent, from 3.7 million to 5.2 million.
- Awarded for the first time in 2006-07, Academic Competitiveness Grants (ACG) go to selected first- and second-year Pell Grant recipients who are U.S. citizens enrolled full-time in degree-granting programs. Eligibility is based on curricular and grade point average requirements. In the first year of the program, 400,000 students received awards averaging \$850.
- Also awarded for the first time in 2006-07, Science and Mathematics Access to Retain Talent (SMART) Grants go to third- and fourth-year Pell Grant recipients who are U.S. citizens enrolled full-time in degree-granting programs and majoring in physical, life, or computer science, engineering, mathematics, technology, or a specified foreign language. In the first year of the program, 80,000 students received awards averaging \$3,875.

# Undergraduate and Graduate Borrowers

**Table 4:** Number of Borrowers (in Thousands) and Average Amount Borrowed Through Federal Loan Programs in Constant (2006) Dollars, 1996-97 to 2006-07

## Undergraduate Students

	Academic Year										Preliminary	10-Year % Change
	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06		
All Stafford Loans												
# of Borrowers (000)	3,956	4,100	4,153	4,198	4,279	4,582	5,003	5,493	5,839	6,018	6,121	55%
Average Amount Borrowed (Constant \$)	\$5,440	\$5,402	\$5,349	\$5,288	\$5,201	\$5,190	\$5,209	\$5,243	\$5,209	\$5,095	\$4,922	-10%
Stafford Subsidized												
# of Borrowers (000)	3,501	3,574	3,589	3,530	3,545	3,764	4,154	4,619	4,938	5,024	5,135	47%
Average Amount Borrowed (Constant \$)	\$4,139	\$4,044	\$3,975	\$3,865	\$3,745	\$3,674	\$3,626	\$3,585	\$3,506	\$3,382	\$3,240	-22%
Stafford Unsubsidized												
# of Borrowers (000)	1,759	1,925	1,993	2,150	2,292	2,552	2,836	3,173	3,438	3,662	3,754	113%
Average Amount Borrowed (Constant \$)	\$3,996	\$3,997	\$3,980	\$3,979	\$3,919	\$3,899	\$3,876	\$3,859	\$3,811	\$3,732	\$3,593	-10%
PLUS												
# of Borrowers (000)	376	406	436	460	483	508	563	665	730	759	722	92%
Average Amount Borrowed (Constant \$)	\$8,069	\$8,314	\$8,405	\$8,621	\$8,914	\$9,304	\$9,689	\$10,284	\$10,738	\$11,056	\$11,179	39%

## Graduate Students

	Academic Year										10-Year % Change	
	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	Preliminary 05-06 06-07		
All Stafford Loans												
# of Borrowers (000)	685	671	690	700	712	771	881	999	1,085	1,135	1,177	72%
Average Amount Borrowed (Constant \$)	\$15,697	\$16,438	\$16,777	\$17,137	\$17,022	\$16,817	\$16,902	\$16,895	\$16,792	\$16,446	\$17,091	9%
Stafford Subsidized												
# of Borrowers (000)	644	629	643	644	656	705	803	912	989	1,030	1,069	66%
Average Amount Borrowed (Constant \$)	\$9,384	\$9,372	\$9,283	\$9,125	\$8,877	\$8,645	\$8,508	\$8,351	\$8,148	\$7,857	\$7,358	-22%
Stafford Unsubsidized												
# of Borrowers (000)	470	481	503	530	547	601	704	816	902	954	989	110%
Average Amount Borrowed (Constant \$)	\$10,020	\$10,712	\$11,125	\$11,543	\$11,528	\$11,423	\$11,455	\$11,345	\$11,262	\$11,087	\$10,344	3%
PLUS												
# of Borrowers (000)	—	—	—	—	—	—	—	—	—	—	127	—
Average Amount Borrowed (Constant \$)	—	—	—	—	—	—	—	—	—	—	\$15,747	—

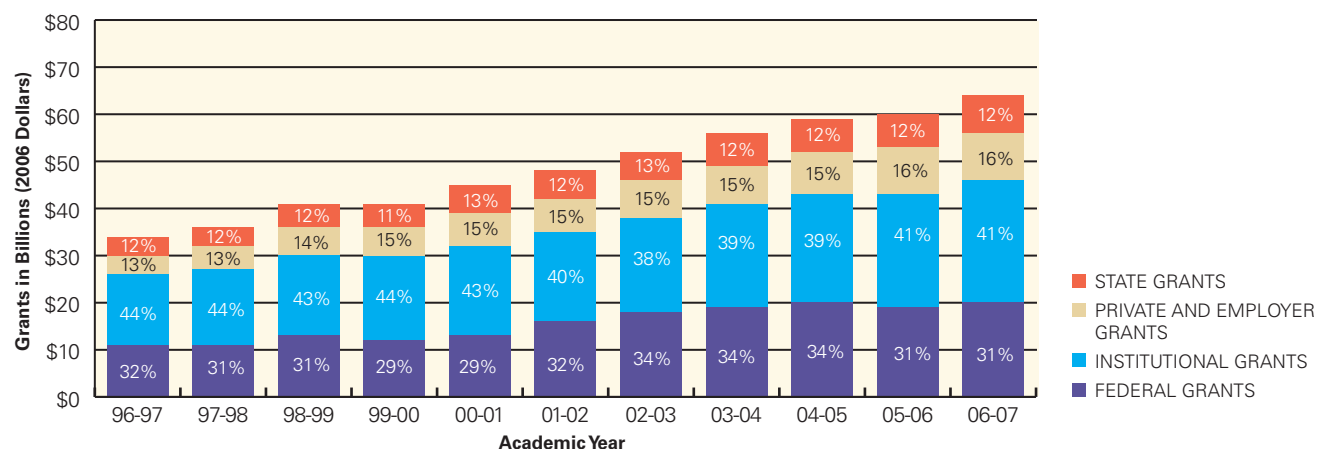
**Note:** The average Stafford Loan per borrower, reported in the top sections of the undergraduate and graduate portions of Table 4, combines all Stafford Loans issued to individual students. Average amounts borrowed in the subsidized Stafford, unsubsidized Stafford, and PLUS sections of the table reflect borrowing in the individual programs.

The number of undergraduate subsidized Stafford Loan borrowers increased by 47 percent to 5.1 million between 1996-97 and 2006-07, and the number of unsubsidized Stafford Loan borrowers increased by 113 percent to 3.8 million. The value of the average loans in both programs declined, after adjusting for inflation.

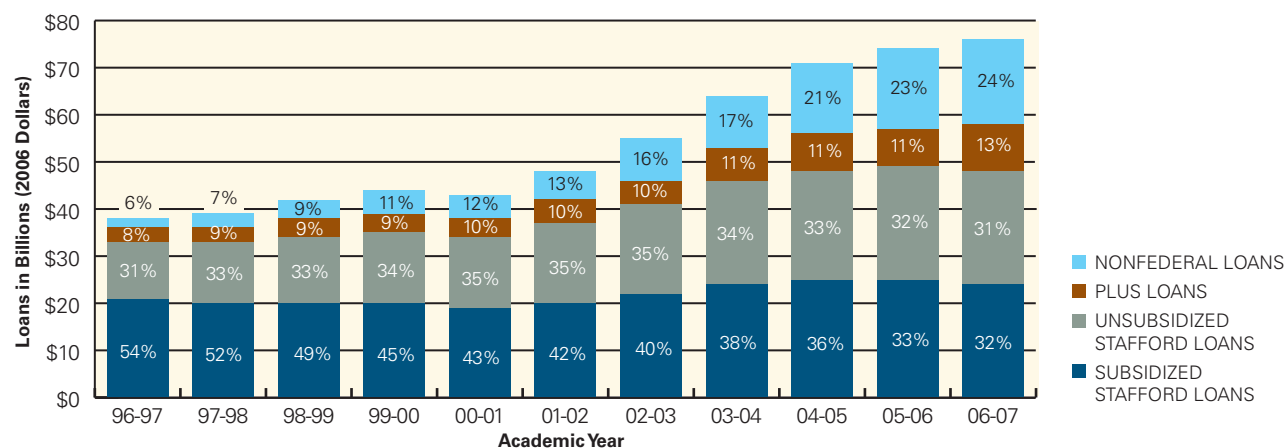
- The number of parents of undergraduates taking PLUS Loans increased 92 percent to 722,000 over the decade, and the size of the average loan increased by 39 percent in real terms.
- The number of graduate subsidized Stafford Loans increased by 66 percent to 1.1 million between 1996-97 and 2006-07, and the number of unsubsidized Stafford Loans increased by 110 percent to 989,000.
- 127,000 graduate students borrowed an average of \$15,747 in PLUS Loans in 2006-07.
- Of the 6.1 million undergraduate Stafford Loan borrowers in 2006-07, 2.8 million (45 percent) took both subsidized and unsubsidized loans. Three-quarters of graduate Stafford Loan borrowers took both subsidized and unsubsidized loans.

# Types of Grants and Loans

**Figure 3a:** Growth of Federal, Institutional, and State Grant Dollars in Constant (2006) Dollars (in Billions), 1996-97 to 2006-07



**Figure 3b:** Growth of Stafford, PLUS, and Nonfederal Loan Dollars in Constant (2006) Dollars (in Billions), 1996-97 to 2006-07



**Note:** Components may not sum to 100 percent due to rounding.

In 1996-97, 32 percent of the \$34 billion (in 2006 dollars) in grant aid to undergraduate and graduate students came from the federal government. A decade later, 31 percent of the \$64 billion in grant aid was federal.

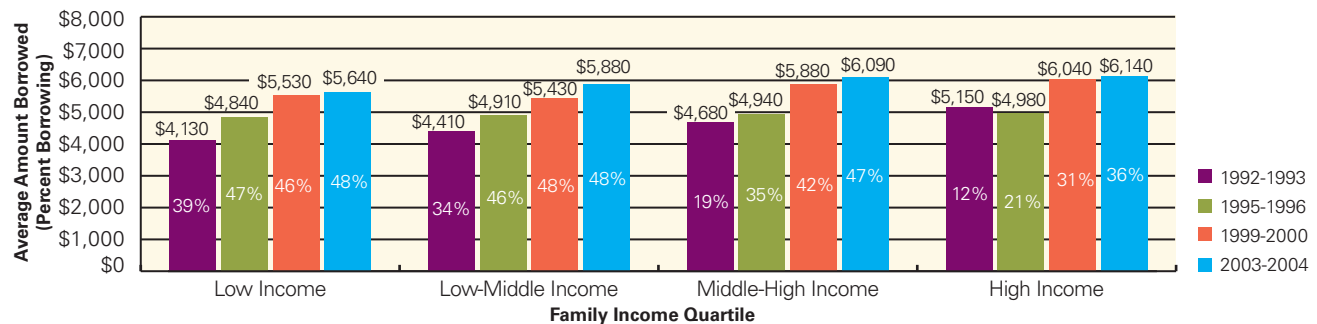
In 1996-97, 93 percent of the \$38 billion (in 2006 dollars) in loans to undergraduate and graduate students came from the federal government. A decade later, 76 percent of the \$77 billion in education loans was federal.

- Throughout the decade, students have relied more heavily on institutional grant aid than on federal grant aid and have received more grant dollars from employers and other private sources than from state governments.
- Subsidized Stafford Loans, which are based on financial need and on which the government pays the interest while students are in school, declined from 54 percent of total education loans in 1996-97 to 32 percent in 2006-07. The volume of these loans was 75 percent higher than the volume of unsubsidized Stafford Loans in 1996-97, but only 3 percent higher in 2006-07.
- Nonfederal loans, which are not part of the student aid system, constituted 24 percent of education loans in 2006-07. Credit card debt and home equity loans used to finance higher education are not included in these figures.

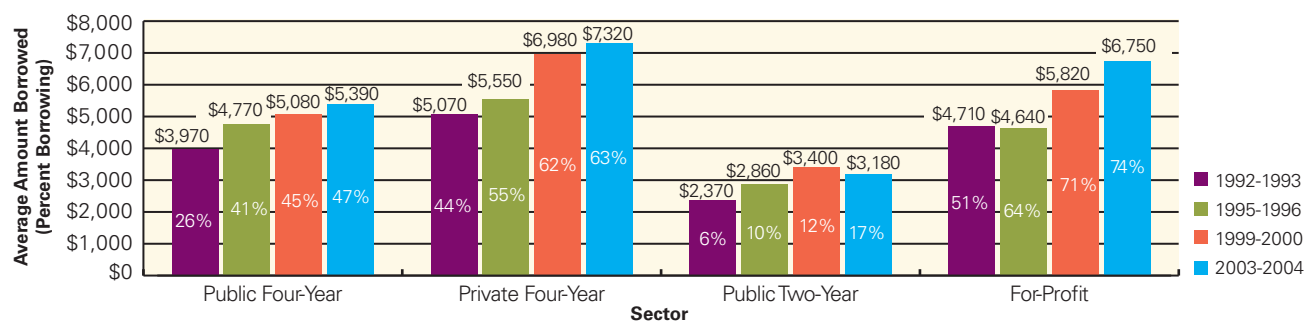


# Student Borrowing

**Figure 4a:** Average Amount Borrowed (and Percent Borrowing) from Federal and Private Sources by Full-Time Dependent Undergraduates by Family Income in Constant (2006) Dollars, 1992-93 to 2003-04



**Figure 4b:** Average Amount Borrowed (and Percent Borrowing) from Federal and Private Sources by Full-Time Dependent Undergraduates by Sector in Constant (2006) Dollars, 1992-93 to 2003-04



**Notes:** Income categories are based on 1991, 1994, 1998, and 2002 quartiles of families in U.S. Census Bureau data with heads of households ages 45–54. For 2002, low income is less than \$40,000, low–middle income is between \$40,000 and \$69,999, middle–high income is between \$70,000 and \$99,999, and high income is \$100,000 and higher. For details about earlier years, see Notes and Sources. Student loans from both federal and nonfederal sources are included. In 1992-93 and 1995-96 data include loans from friends and family.

**Sources:** NPSAS: 1993, 1996, 2000, and 2004; calculations by authors. U.S. Census Bureau, *Current Population Survey*, Annual Social and Economic Supplement, 1992, 1995, 1999, and 2003.

Between 1992-93 and 2003-04 the percentage of full-time dependent students taking out student loans increased most rapidly in the upper half of the income distribution, but the average loan amount of those who borrowed increased least for the wealthiest students.

- In 2003-04, 36 percent of students from families with incomes of \$100,000 or more in 2002 borrowed from federal and private sources, compared to 12 percent of similar students in 1992-93. The average amount borrowed by these students increased by almost \$1,000 in 2006 dollars.
- Forty-eight percent of students from families with 2002 incomes below \$40,000 borrowed from federal and private sources, compared to 39 percent of similar students in 1992-93. The average amount borrowed by these students increased by about \$1,500 in 2006 dollars.
- Borrowing increased most for full-time dependent students enrolled in for-profit institutions. In 1992-93, 51 percent of these students borrowed an average of \$4,710 in 2006 dollars. In 2003-04, 74 percent borrowed an average of \$6,750.

## Also important:

- Nonfederal loans played the largest role for students enrolled in private four-year colleges, for whom almost a third of their loans (not including parent borrowing) came from nonfederal sources in 2003-04. (NPSAS: 2004; calculations by authors)
- The proportion of borrowing that came from private sources in 2003-04 declined with family income, ranging from about 17 percent of the loans taken by full-time students from families with incomes below \$40,000 to about 32 percent of the loans taken by those from families with incomes of \$100,000 or higher. (NPSAS: 2004; calculations by authors)

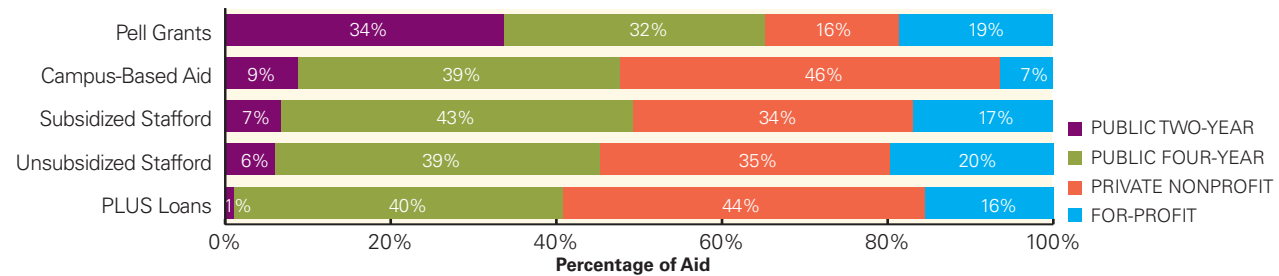
# Distribution of Federal Aid by Sector

**Table 5:** Distribution of Federal Aid Funds by Sector, 1995-96 to 2005-06

	Academic Year											10-Year % Change
	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	
<b>Pell Grants</b>												
Public Two-Year	32.7 %	33.0%	32.8%	32.4%	33.4%	33.7%	35.0%	34.7%	32.8%	32.4%	33.6%	0.9
Public Four-Year	36.0 %	36.0%	36.4%	36.4%	34.8%	34.4%	33.0%	33.0%	34.0%	33.6%	31.6%	-4.3
Private Nonprofit	18.8 %	18.5%	18.6%	18.6%	18.6%	18.3%	17.9%	16.9%	16.7%	16.3%	16.1%	-2.7
For-Profit	12.5 %	12.5%	12.2%	12.5%	13.1%	13.6%	14.2%	15.4%	16.5%	17.7%	18.6%	6.1
<b>Campus-Based Aid Programs</b>												
Public Two-Year	9.6 %	9.8%	9.9%	9.9%	9.8%	9.8%	9.8%	9.0%	8.5%	8.6%	8.7%	-0.8
Public Four-Year	40.9 %	41.1%	40.7%	40.5%	40.3%	40.1%	39.4%	40.1%	39.4%	38.6%	38.9%	-2.0
Private Nonprofit	45.6 %	45.1%	45.5%	45.5%	45.7%	45.9%	46.0%	45.7%	46.5%	46.7%	45.9%	0.4
For-Profit	4.0 %	4.1%	3.9%	4.0%	4.2%	4.2%	4.8%	5.3%	5.6%	6.1%	6.5%	2.5
<b>Stafford Subsidized Loans</b>												
Public Two-Year	5.4 %	5.4%	5.4%	5.2%	5.1%	5.0%	5.4%	5.9%	6.3%	6.6%	6.7%	1.3
Public Four-Year	48.5 %	48.7%	48.5%	48.0%	47.0%	45.9%	45.0%	44.4%	43.9%	43.3%	42.6%	-5.9
Private Nonprofit	38.9 %	38.1%	38.4%	38.2%	38.4%	38.4%	37.6%	36.6%	35.2%	34.1%	33.7%	-5.2
For-Profit	7.2 %	7.8%	7.7%	8.6%	9.5%	10.7%	12.0%	13.1%	14.6%	16.0%	17.0%	9.8
<b>Stafford Unsubsidized Loans</b>												
Public Two-Year	4.8 %	4.7%	4.7%	4.3%	4.1%	4.1%	4.5%	5.1%	5.6%	5.9%	6.0%	1.2
Public Four-Year	42.7 %	43.3%	43.4%	42.7%	42.9%	42.2%	41.8%	40.8%	40.1%	39.4%	39.2%	-3.5
Private Nonprofit	42.3 %	41.5%	41.9%	42.0%	41.3%	41.0%	39.7%	38.7%	36.9%	35.8%	35.1%	-7.2
For-Profit	10.2 %	10.5%	10.0%	11.0%	11.7%	12.7%	14.0%	15.4%	17.4%	18.9%	19.7%	9.5
<b>PLUS Loans</b>												
Public Two-Year	0.9 %	0.9%	0.9%	0.9%	0.8%	0.7%	0.8%	0.8%	0.9%	1.0%	1.0%	0.1
Public Four-Year	37.7 %	37.9%	38.2%	39.2%	38.4%	37.5%	37.5%	38.7%	39.5%	39.3%	39.8%	2.1
Private Nonprofit	50.3 %	49.9%	49.1%	47.0%	46.1%	45.9%	44.7%	43.9%	43.2%	43.1%	43.6%	-6.7
For-Profit	11.1 %	11.3%	11.8%	12.9%	14.7%	15.9%	17.0%	16.6%	16.4%	16.6%	15.6%	4.5

**Note:** Components may not sum to 100 percent due to rounding.

**Figure 5:** Distribution of Federal Aid Funds by Sector, 2005-06



In 2005-06, the 7 percent of students enrolled in for-profit institutions received a disproportionate amount of aid from all federal programs, with the exception of campus-based programs.

- The only federal student aid program from which two-year public college students receive a significant share of the dollars is the Pell Grant program.
- Private nonprofit institutions, with 19 percent of undergraduate enrollments, distribute 46 percent of federal campus-based aid, which includes Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study, and Perkins Loans.

Distribution of Full-Time Equivalent (FTE) Enrollment, Fall 2005		
Sector	% of Undergraduate FTE	% of Total FTE
Public Two-Year	32%	28%
Public Four-Year	42%	43%
Private Four-Year	19%	22%
For-Profit	7%	7%

**Note:** Full-time equivalent enrollment is based on a formula that counts approximately three part-time students as one full-time student. Total FTE includes both undergraduate and graduate students.

# Total Funding by Type

**Table 6:** Total Funds for Undergraduate and Graduate Students in Constant (2006) Dollars (in Millions) and As a Percentage of Total Aid, Five-Year Intervals, 1991-92 to 2006-07

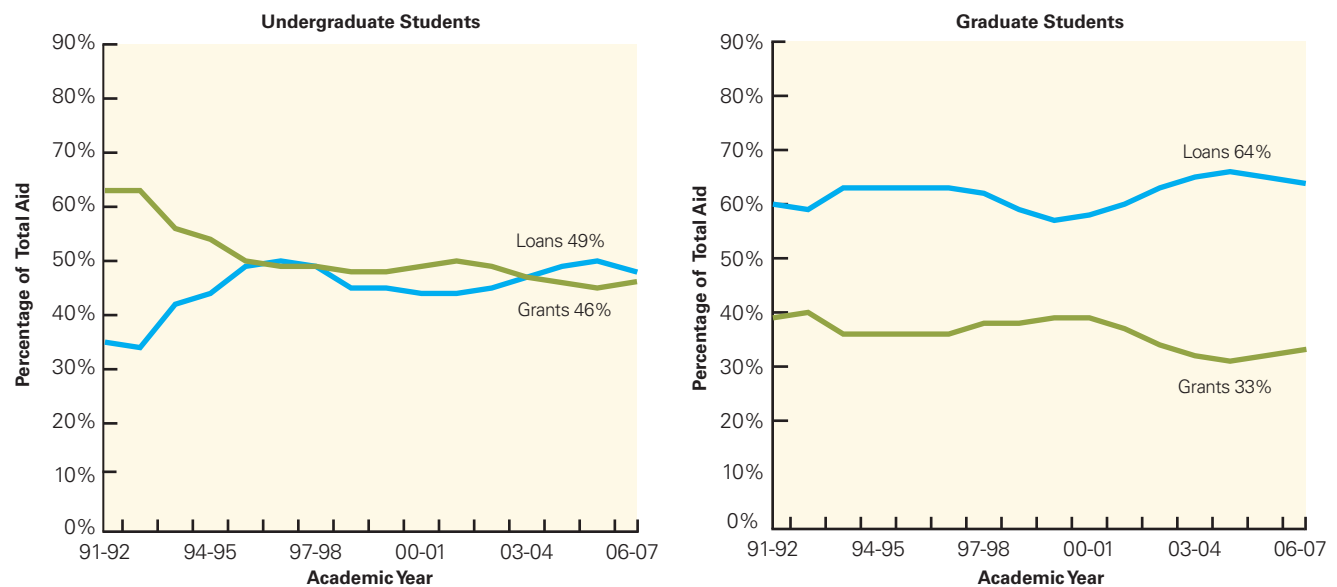
All Students (Constant 2006 Dollars)					All Students (Percentage)				
	91-92	96-97	01-02	06-07		91-92	96-97	01-02	06-07
Grants	\$28,485	\$33,789	\$48,311	\$63,863		57%	46%	47%	43%
Loans	\$19,936	\$39,373	\$49,402	\$78,083		40%	53%	48%	52%
Work-Study	\$1,122	\$997	\$1,182	\$1,175		2%	1%	1%	1%
Education Tax Benefits	—	—	\$4,880	\$5,880		0%	0%	5%	4%
<b>Total</b>	<b>\$49,543</b>	<b>\$74,160</b>	<b>\$103,776</b>	<b>\$149,001</b>					

Undergraduate Students (Percentage)					Graduate Students (Percentage)				
	91-92	96-97	01-02	06-07		91-92	96-97	01-02	06-07
Grants	63%	49%	50%	46%		39%	36%	37%	33%
Loans	35%	50%	44%	49%		60%	63%	60%	64%
Work-Study	3%	2%	1%	1%		1%	1%	1%	0%
Education Tax Benefits	0%	0%	5%	4%		0%	0%	3%	2%

**Note:** Components may not sum to 100 percent due to rounding. Graduate student aid does not include teaching and research assistantships. Nonfederal loans are included in the loan amounts reported in Table 6.

**Figure 6:** Grants and Loans As a Percentage of Total Aid, 1991-92 to 2006-07



In 2006-07, undergraduate students received 46 percent of their funding in the form of grants and 49 percent in the form of loans, including alternative nonfederal loans. The proportions for graduate students were 33 percent grants and 64 percent loans.

- The ratio of grants to loans for undergraduates declined in the early 1990s with the implementation of the unsubsidized Stafford Loan program. The proportion of aid in the form of grants held steady from 1995-96 through 2002-03, with the proportion in loans declining with the implementation of the federal education tax credit in 1998. After declining from 49 percent in 2002-03 to 45 percent in 2005-06, the grant share rose slightly to 46 percent for undergraduates in 2006-07.
- Graduate students, who comprise about 13 percent of full-time equivalent enrollments in postsecondary institutions, received 19 percent of all grant aid in 2006-07 and borrowed 30 percent of education loan funds.

# Total Aid per Full-Time Equivalent Student

**Table 7a:** Total Aid, Grant Aid, Loan Aid, and Education Tax Benefits per Full-Time Equivalent (FTE) Student in Constant (2006) Dollars, Five-Year Intervals, 1986-87 to 2006-07

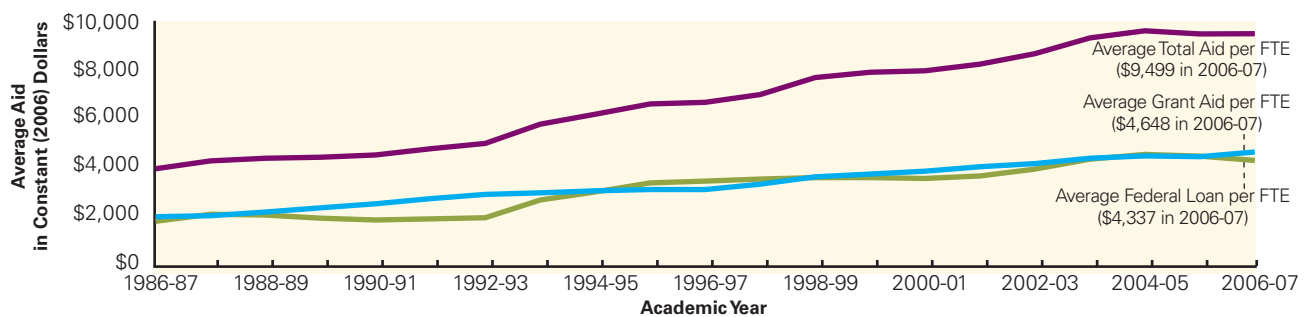
	FTE	Total Aid (in Millions)	Average Total Aid per FTE	Total Grant Aid (in Millions)	Average Grant Aid per FTE	Total Federal Loan Aid (in Millions)	Average Federal Loans per FTE	Total Education Tax Benefits (in Millions)	Average Education Tax Benefits per FTE
1986-87	9,064,165	\$35,961	\$3,967	\$18,253	\$2,014	\$16,554	\$1,826	—	—
1991-92	10,360,997	\$49,543	\$4,782	\$28,485	\$2,749	\$19,936	\$1,924	—	—
1996-97	10,830,744	\$71,770	\$6,627	\$33,789	\$3,120	\$36,984	\$3,415	—	—
2001-02	11,929,331	\$98,206	\$8,164	\$48,311	\$4,050	\$43,020	\$3,606	\$4,880	\$409
2006-07	13,739,199	\$130,511	\$9,499	\$63,863	\$4,648	\$59,593	\$4,337	\$5,880	\$428

**Table 7b:** Total Aid, Grant Aid, Loan Aid, and Education Tax Benefits per Full-Time Equivalent (FTE) Student in Constant (2006) Dollars, 1996-97 to 2006-07

	FTE	Total Aid (in Millions)	Average Total Aid per FTE	Total Grant Aid (in Millions)	Average Grant Aid per FTE	Total Federal Loan Aid (in Millions)	Average Federal Loans per FTE	Total Education Tax Benefits (in Millions)	Average Education Tax Benefits per FTE
1996-97	10,830,744	\$71,770	\$6,627	\$33,789	\$3,120	\$36,984	\$3,415	—	—
1997-98	10,931,168	\$75,817	\$6,936	\$36,494	\$3,339	\$38,179	\$3,493	—	—
1998-99	10,979,902	\$83,664	\$7,620	\$39,947	\$3,638	\$38,899	\$3,543	\$3,685	\$336
1999-00	11,210,532	\$87,754	\$7,828	\$42,048	\$3,751	\$39,619	\$3,534	\$4,980	\$444
2000-01	11,451,162	\$90,412	\$7,895	\$44,310	\$3,869	\$40,157	\$3,507	\$4,850	\$424
2001-02	11,929,331	\$97,394	\$8,164	\$48,311	\$4,050	\$43,020	\$3,606	\$4,880	\$409
2002-03	12,417,690	\$106,600	\$8,585	\$51,886	\$4,178	\$48,181	\$3,880	\$5,303	\$427
2003-04	12,715,448	\$117,292	\$9,224	\$55,912	\$4,397	\$54,450	\$4,282	\$5,715	\$449
2004-05	13,019,646	\$123,979	\$9,522	\$58,475	\$4,491	\$58,388	\$4,485	\$5,964	\$458
2005-06	13,373,055	\$126,134	\$9,432	\$59,653	\$4,461	\$59,515	\$4,450	\$5,889	\$440
2006-07	13,739,199	\$130,511	\$9,499	\$63,863	\$4,648	\$59,593	\$4,337	\$5,880	\$428

**Note:** The figures reported here reflect total student aid amounts divided across all students, including nonrecipients. Tax credit and deduction amounts are College Board estimates based on IRS data. Only credits and deductions claimed on taxable returns are included. Loan numbers do not include private nonfederal loans, which provide funding for students but do not involve subsidies. See Notes and Sources for more detail. FTE include both undergraduates and graduate students.

**Figure 7:** Average Aid per Full-Time Equivalent (FTE) Student in Constant (2006) Dollars, 1986-87 to 2006-07



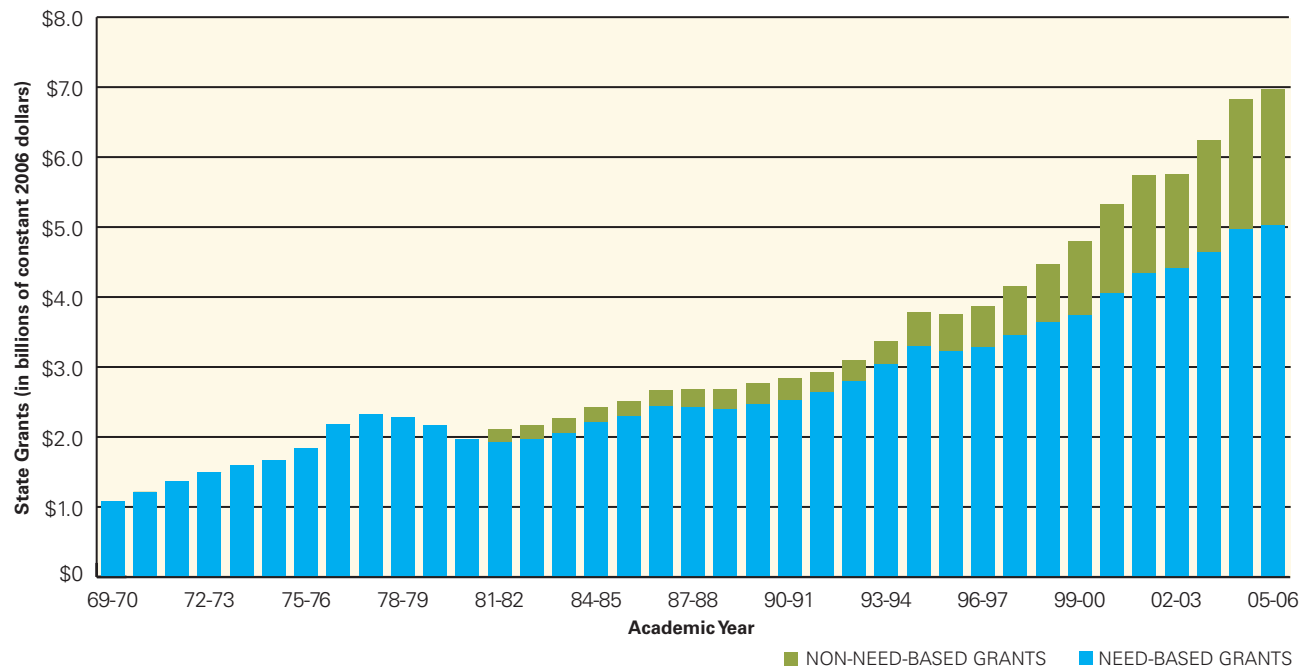
Between 1996-97 and 2006-07, total student aid increased 82 percent and total grant aid increased 89 percent in real terms. The number of FTE students increased by 27 percent over the decade, so total aid per student increased by only 43 percent in constant dollars, while grant aid per student increased by 49 percent.

- In 2006-07, postsecondary students received an average of \$4,648 in grants, \$4,337 in federal loans, and \$428 in tax benefits per student.
- Grant aid per student increased at an average rate of about 4.5 percent a year in inflation-adjusted dollars from 1986-87 to 1996-97, and 4.1 percent a year from 1996-97 to 2006-07.
- Federal loan aid per student increased at an average rate of 2.4 percent a year in inflation-adjusted dollars over the decade from 1996-97 to 2006-07, significantly more slowly than the 6.5 percent annual rate over the 10 years beginning in 1986-87. Average federal loan aid declined between 2005-06 and 2006-07.
- For undergraduates alone, average student aid in 2006-07 was \$7,891, including \$4,218 in grants, \$3,178 in loans, and \$410 in tax benefits per student. (These figures are not shown in Table 7.) These amounts were lower than the average amounts of aid received by graduate students.



# State Grants to Undergraduate Students

**Figure 8:** Total Need-Based and Non-Need-Based State Grants in Constant (2006) Dollars (in Billions), 1969-70 to 2005-06



**Note:** Students must meet some standard of financial need to be eligible for need-based grants. Non-need-based grants do not have this requirement. These data are based on undergraduate state grants, excluding Puerto Rico.

**Source:** National Association of State Student Grant and Aid Programs (NASSGAP) Survey.

Over the decade from 1995-96 to 2005-06, state grant aid to undergraduates increased by 85 percent in inflation-adjusted dollars. Need-based grants rose by 56 percent (\$1.8 billion in 2006 dollars) while non-need-based state grants increased by more than 250 percent (\$1.4 billion in 2006 dollars) over the decade.

- In 1985-86, 9 percent of state grant aid to undergraduate students was based on criteria other than financial need. By 1995-96, that proportion had risen to 14 percent and in 2005-06, it was 28 percent. Some need-based state grants require minimum academic qualifications.
- In 2005-06, states awarded an average of \$575 in total grant aid per full-time equivalent undergraduate. South Carolina awarded \$1,700 per student. Georgia, Kentucky, and New York also gave more than \$1,000 per student. Arizona, Hawaii, and Wyoming awarded less than \$10 per student.
- In 2005-06, the states awarded an average of \$415 in need-based grant aid per FTE undergraduate. New York awarded \$1,100 per student. New Jersey and Pennsylvania gave more than \$800 per student. South Dakota did not give need-based state grants. Arizona, Georgia, Hawaii, Louisiana, and Wyoming awarded less than \$10 per student in need-based grant aid.
- States that award only need-based grant aid increased their need-based grants by 169 percent between 1995-96 and 2005-06. States that award both need-based and non-need-based grant aid increased their need-based aid more slowly. In those states where less than half of the grant aid is need based, need-based grant dollars more than doubled over the decade; in those states where more than half of the aid is need based, need-based grant dollars increased by only 90 percent. (NASSGAP; calculations by the authors)
- Between 1994-95 and 2005-06, the proportion of state grant aid to undergraduates that was based on need increased in 12 states and decreased in 23 states.

# Pell Grants

**Table 8a:** Federal Pell Grant Awards in Current and Constant (2006) Dollars, Five-Year Intervals, 1976-77 to 2006-07

	Expenditures (in Millions)		Actual Maximum Awards		Actual Minimum Awards		Maximum Percent of Costs	Number of Recipients (in Thousands)	Percent of Recipients Independent
	Current	Constant	Current	Constant	Current	Constant			
1976-77	\$1,475	\$5,132	\$1,400	\$4,870	\$200	\$696	50%	1,944	38.3%
1981-82	\$2,300	\$4,989	\$1,670	\$3,623	\$120	\$260	50%	2,709	41.9%
1986-87	\$3,460	\$6,349	\$2,100	\$3,854	\$100	\$184	60%	2,660	53.9%
1991-92	\$5,793	\$8,557	\$2,400	\$3,545	\$200	\$295	60%	3,786	61.5%
1996-97	\$5,780	\$7,426	\$2,470	\$3,173	\$400	\$514	—	3,666	57.6%
2001-02	\$9,975	\$11,428	\$3,750	\$4,296	\$400	\$458	—	4,341	57.1%
2006-07	\$12,881	\$12,881	\$4,050	\$4,050	\$400	\$400	—	5,165	58.9%

**Table 8b:** Federal Pell Grant Awards in Current and Constant (2006) Dollars, 1996-97 to 2006-07

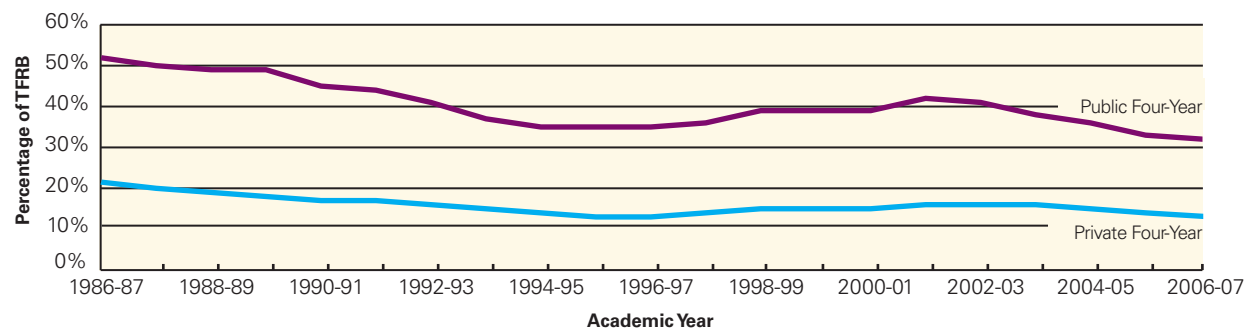
	Expenditures (in Millions)		Actual Maximum Awards		Actual Minimum Awards		Maximum Percent of Costs	Number of Recipients (in Thousands)	Percent of Recipients Independent
	Current	Constant	Current	Constant	Current	Constant			
1996-97	\$5,780	\$7,426	\$2,470	\$3,173	\$400	\$514	—	3,666	57.6%
1997-98	\$6,331	\$7,991	\$2,700	\$3,408	\$400	\$505	—	3,733	56.6%
1998-99	\$7,233	\$8,974	\$3,000	\$3,722	\$400	\$496	—	3,855	55.3%
1999-00	\$7,208	\$8,692	\$3,125	\$3,768	\$400	\$482	—	3,764	55.5%
2000-01	\$7,956	\$9,277	\$3,300	\$3,848	\$400	\$466	—	3,899	56.2%
2001-02	\$9,975	\$11,428	\$3,750	\$4,296	\$400	\$458	—	4,341	57.1%
2002-03	\$11,642	\$13,051	\$4,000	\$4,484	\$400	\$448	—	4,779	57.5%
2003-04	\$12,708	\$13,941	\$4,050	\$4,443	\$400	\$439	—	5,140	57.8%
2004-05	\$13,150	\$14,004	\$4,050	\$4,313	\$400	\$426	—	5,308	58.3%
2005-06	\$12,693	\$13,022	\$4,050	\$4,155	\$400	\$410	—	5,168	59.0%
2006-07	\$12,881	\$12,881	\$4,050	\$4,050	\$400	\$400	—	5,165	58.9%

**Note:** Until 1980, individual Pell Grants were capped at 50 percent of the student's cost of attendance. The cap was raised to 60 percent of the cost of attendance in 1980 and removed entirely in 1993.

The maximum Pell Grant was \$4,050 from 2003-04 through 2006-07. However, it has been increased to \$4,310 for 2007-08. The maximum Pell Grant covers about 32 percent of average total tuition and fees and room and board at public four-year colleges and universities, and 13 percent at the average private four-year institution.

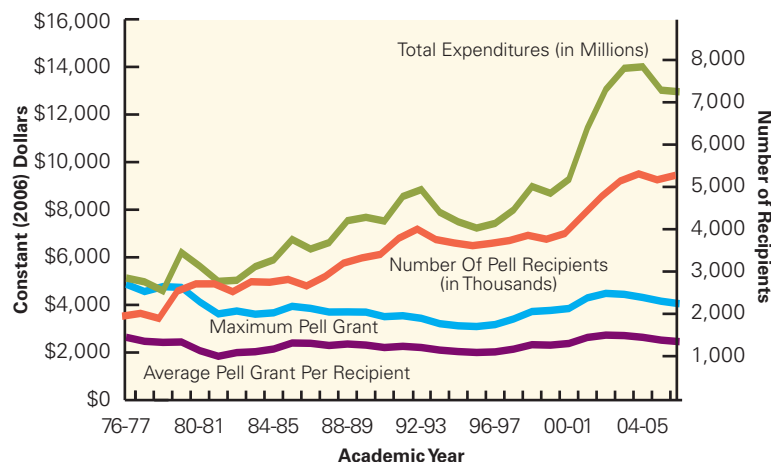
- In 1986-87, the maximum Pell Grant covered 52 percent of average tuition and fees and room and board at public four-year colleges and universities, and 21 percent at the average private four-year institution. These figures had declined to 35 percent and 13 percent, respectively, by 1996-97.
- By 1996-97, the maximum Pell Grant had declined to 80 percent of its 1986-87 value. It peaked at 116 percent of the 1986-87 value in 2002-03. In 2006-07, the maximum Pell Grant was 5 percent higher in inflation-adjusted dollars than it had been 20 years earlier.

**Figure 9a:** Maximum Pell Grant As a Percentage of Tuition and Fees and Room and Board, 1986-87 to 2006-07

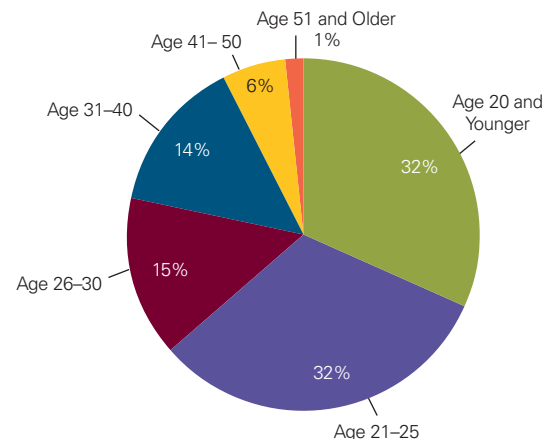


# Pell Grants

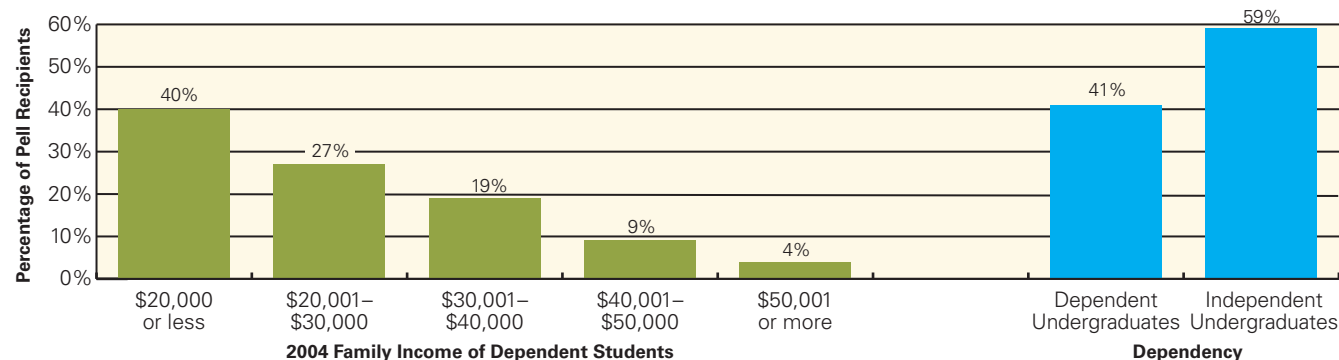
**Figure 9b:** Total Pell Expenditures (in Millions), Maximum Pell Grant, and Average Pell Grant in Constant (2006) Dollars, and Number of Recipients (in Thousands), 1976-77 to 2006-07



**Figure 9c:** Distribution of Pell Grant Recipients by Age, 2005-06



**Figure 9d:** Distribution of Pell Grant Recipients by Family Income and Dependency Status, 2005-06



**Note:** Components may not sum to 100 percent due to rounding.

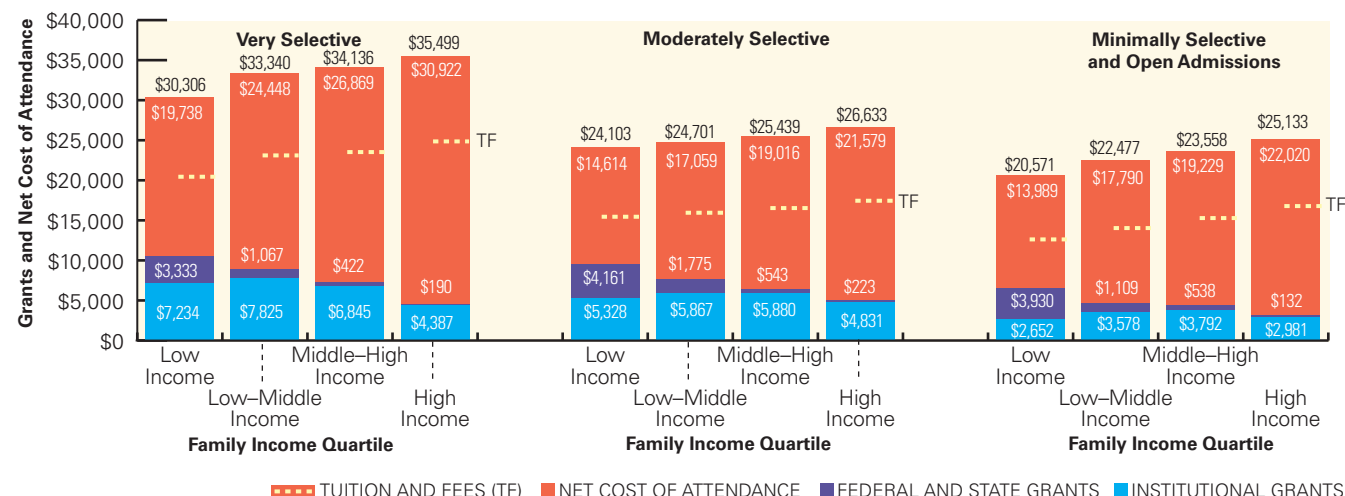
**Source:** Figure 9b is based on Table 8a. Figure 9c and 9d data are from the *Federal Pell Grant Program End-of-Year Report, 2005-06*.

Among dependent Pell Grant recipients in 2005-06, two-thirds came from families with incomes below \$30,000.

- The number of Pell Grant recipients grew 19 percent from 1996-97 to 2001-02, and by another 18 percent from 2001-02 to 2006-07. Total Pell expenditures grew by 54 percent in inflation-adjusted dollars over the first five-year period, but by only 13 percent over the second five years.
- The 2006-07 average Pell Grant of \$2,494 was at its lowest level, after adjusting for inflation, since 2000-01.
- In 1986-87 the value of the average Pell Grant was \$2,387 in 2006 dollars. It had declined to \$2,026 by 1996-97, but increased to \$2,731 by 2002-03. The average Pell Grant declined in real terms in each of the four following years, reaching \$2,494 in 2006-07.
- In 2005-06, 37 percent of Pell Grant recipients were age 26 or older.
- Fifty-nine percent of 2005-06 Pell Grant recipients were independent and qualified for student aid based on their own financial circumstances, while 41 percent were dependent on their parents. Independent students received 57 percent of the Pell Grant funds (*Federal Pell Grant Program End-of-Year Report, 2005-06, Table 19*).

# Institutional Grants: Private Institutions

**Figure 10a:** Average Institutional, and Federal and State Grants per Full-Time Dependent Student at Private Four-Year Colleges and Universities by Family Income Quartile, Grouped by Admissions Selectivity, in Constant (2006) Dollars, 2003-04



**Notes:** Selectivity is defined according to an index developed by NCES based on average SAT/ACT scores and percentage of applicants accepted. Income categories are based on 2002 quartiles of families in U.S. Census Bureau data with heads of households ages 45–54. Low income is less than \$40,000, low–middle income is between \$40,000 and \$69,999, middle–high income is between \$70,000 and \$99,999, and high income is \$100,000 and higher.

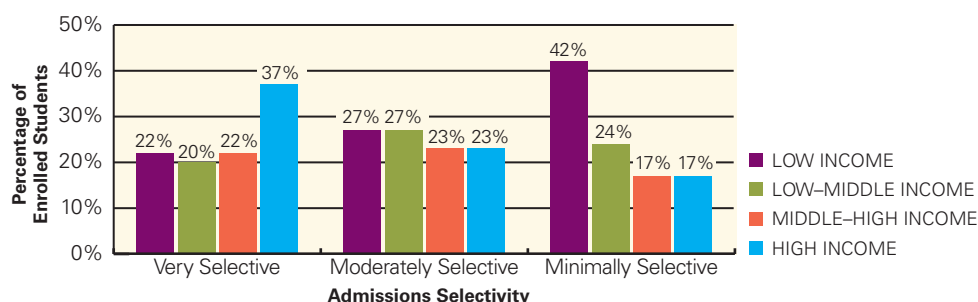
**Sources:** NPSAS: 2004; U.S. Census Bureau, *Current Population Survey*, Annual Social and Economic Supplement, 2003; calculations by authors.

*Net cost of attendance is the total student budget, including tuition and fees, room and board, and other living expenses less all grant aid. The dotted line on each bar corresponds to the average published tuition and fees for students in the specified income bracket in the type of institution described.*

Institutional grants cover over one-third of tuition and fees for students from families in the lower half of the income distribution at very selective and moderately selective private institutions.

- Within each level of institutional selectivity, affluent students attend colleges with higher published levels of tuition and fees than those attended by lower-income students. However, institutional grant aid allows lower-income students to pay a significantly lower net price than wealthier students pay.
- The distribution of institutional aid favors low-income students most at very selective institutions, where in 2003-04 only about 22 percent of dependent students were from families with incomes below \$40,000 and 37 percent were from families with incomes of \$100,000 or higher.
- At the least-selective private four-year colleges, where in 2003-04, 42 percent of the dependent students were from families with incomes below \$40,000 and only 17 percent were from families with incomes of \$100,000 or higher, lower-income students received less institutional grant aid, on average, than did wealthier students. However, because of federal and state grant aid, net prices paid increased with income.

Income Distribution of Families Within Private Colleges and Universities by Admissions Selectivity, 2003-04

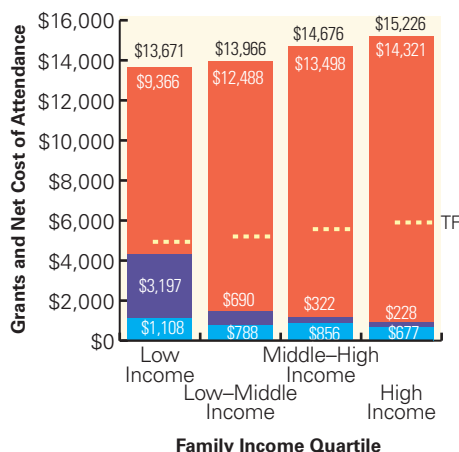


**Note:** Components may not sum to 100 percent due to rounding.

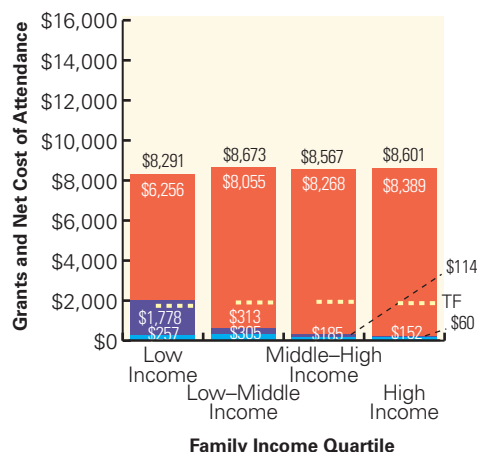


# Institutional Grants: Public Institutions

**Figure 10b:** Average Institutional, and Federal and State Grants per Full-Time Dependent Student at Public Four-Year Colleges and Universities by Family Income Quartile in Constant (2006) Dollars, 2003-04



**Figure 10c:** Average Institutional, and Federal and State Grants per Full-Time Dependent Student at Public Two-Year Colleges by Family Income Quartile in Constant (2006) Dollars, 2003-04



--- TUITION AND FEES (TF) ■ NET COST OF ATTENDANCE ■ FEDERAL AND STATE GRANTS ■ INSTITUTIONAL GRANTS

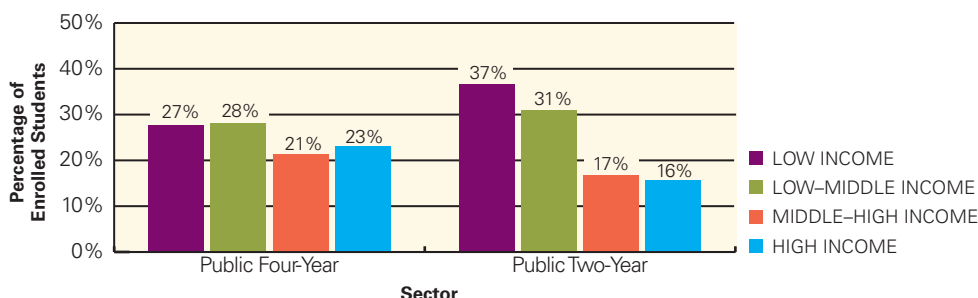
**Note:** Income categories are based on 2002 quartiles of families in U.S. Census Bureau data with heads of households ages 45–54. Low income is less than \$40,000, low-middle income is between \$40,000 and \$69,999, middle-high income is between \$70,000 and \$99,999, and high income is \$100,000 and higher.  
**Sources:** NPSAS: 2004; U.S. Census Bureau, *Current Population Survey, Annual Social and Economic Supplement*, 2003; calculations by authors.

*Net cost of attendance is the total student budget, including tuition and fees, room and board, and other living expenses less all grant aid. The dotted line on each bar corresponds to the average published tuition and fees for students in the specified income bracket in the type of institution described.*

Institutional grants cover about a quarter of tuition and fees for low-income students at public four-year colleges and universities. Total grants cover almost 90 percent of tuition and fees and about 30 percent of the total budget, including room and board and other living costs for these students.

- For students at all income levels, institutional grant aid constitutes a much lower proportion of total grant aid at public two-year and four-year colleges than is the case at private institutions.
- In 2003-04, students from families with 2002 incomes below \$40,000 enrolled in public four-year colleges received significantly larger institutional grants than students from wealthier families. In public two-year colleges, where both tuition and fees and grant aid are lower, students from families with incomes between \$40,000 and \$70,000 also received much more generous grant aid than those with higher incomes.

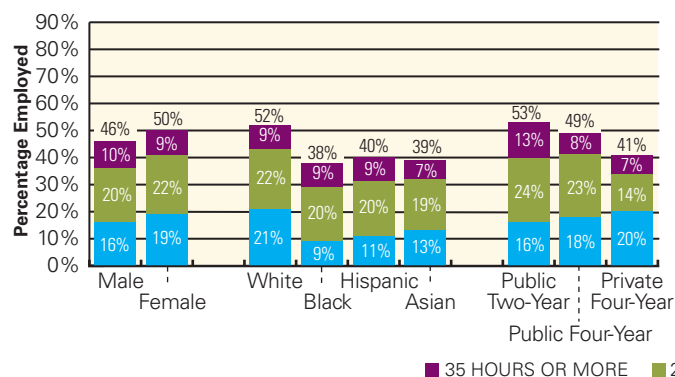
Income Distribution of Families Within Public Colleges and Universities, 2003-04



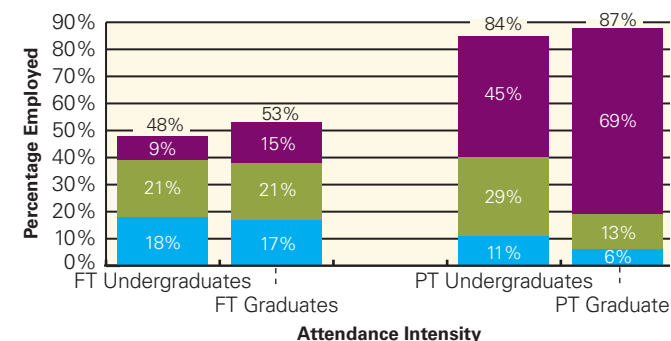
**Note:** Components may not sum to 100 percent due to rounding.

# Student Employment

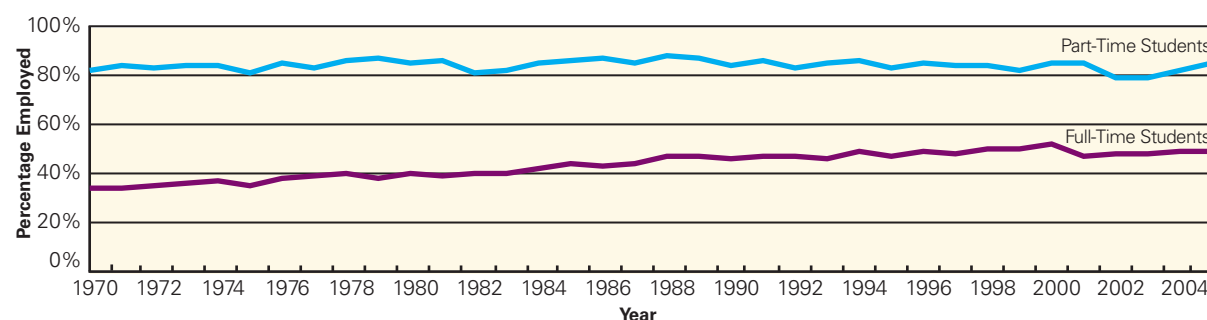
**Figure 11a:** Percentage of Full-Time Students Under Age 25 Employed and Hours of Employment per Week by Gender, Race/Ethnicity, and Sector, 2005



**Figure 11b:** Hours of Employment per Week for Full-Time and Part-Time Students Under Age 25, 2005



**Figure 11c:** Percentage of Full-Time and Part-Time Students Under Age 25 Who Were Employed, 1970–2005



**Note:** Employment totals exclude those who were employed but did not work during the survey week. Employment data do not distinguish between work-study and other employment. Components may not sum to 100 percent due to rounding.

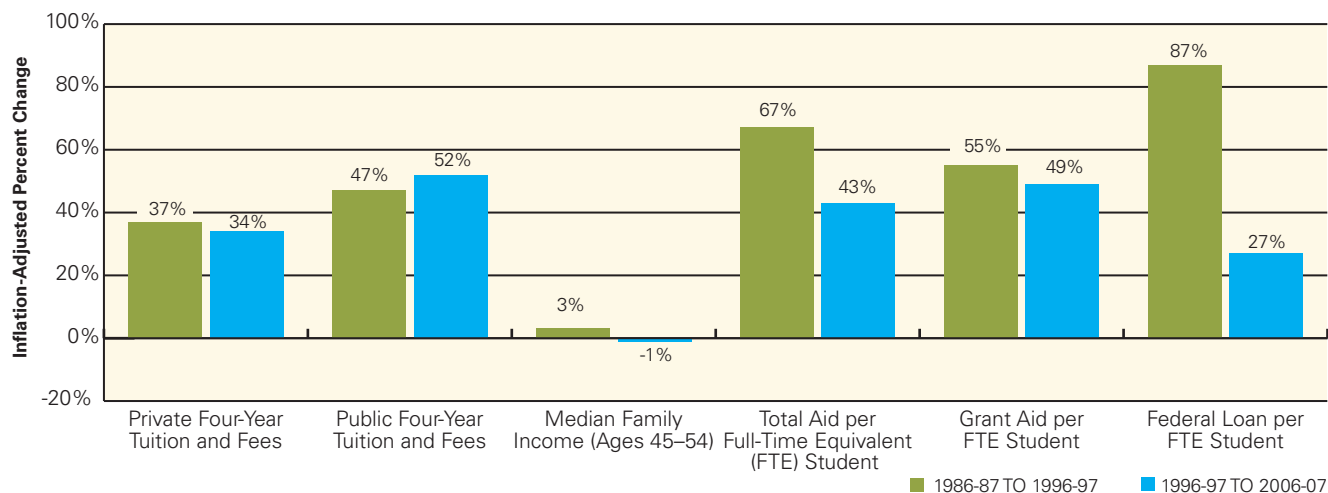
**Source:** NCES, *Condition of Education*, 2007, Tables 45-1 and 45-2, based on *Current Population Survey*, October Supplement, 1970–2005

In 2005, almost half of all full-time undergraduate students under age 25 were employed. Eighteen percent worked 20 hours per week or less, 21 percent worked 20 to 34 hours, and 9 percent worked 35 or more hours per week.

- In 2005, the 84 percent of part-time undergraduates who were employed was similar to the 87 percent of part-time graduate students under age 25 who were employed. Forty-eight percent of full-time undergraduates were employed, compared to 53 percent of full-time graduate students.
- Sixty-nine percent of part-time graduate students under age 25, 45 percent of part-time undergraduates, 15 percent of full-time graduate students, and 9 percent of full-time undergraduates worked 35 or more hours per week.
- The proportion of part-time students under age 25 who were employed fluctuated between 79 percent and 88 percent between 1970 and 2005.
- The proportion of full-time students under age 25 who were employed increased from about one-third in 1970 to one-half in 2005. This change occurred from the 1970s through the mid-1980s. Since 1988, this percentage has fluctuated between 47 percent and 52 percent.
- Fifty percent of full-time female undergraduate students under age 25 worked in 2005, compared to 46 percent of males. A slightly higher percentage of males than females worked full-time.
- Just over half of all white full-time students under age 25 worked, compared to about 40 percent of Asian, black, and Hispanic students. Among those who were employed, white students were more likely to work less than 20 hours per week.
- Forty-one percent of full-time private four-year college students under age 25 were employed in 2005, compared to 49 percent of those enrolled in public four-year institutions and 53 percent of similar students at public two-year colleges.

# Changes in Tuition and Fees, Income, and Aid

**Figure 12:** Inflation-Adjusted Changes in Tuition and Fees, Family Income, and Student Aid, 1986-87 to 1996-97 and 1996-97 to 2006-07



**Note:** Loan aid includes federal loans only, not private nonfederal loans.

Grant aid per student rose 49 percent in inflation-adjusted dollars over the decade from 1996-97 to 2006-07, compared to 27 percent for federal loans per FTE student. Public four-year tuition and fees rose 52 percent and private four-year tuition and fees rose 34 percent over the decade. The gap between average tuition and fees and average grant aid, as well as the gap between average tuition and fees and average total aid, increased in both sectors.

- Stagnation in family incomes during a period of rapid escalation in college prices has increased reliance on grants and loans to finance higher education.
- The average increases in grant dollars between 1996-97 and 2006-07 covered an average of about a third of the increase in private college tuition and fees, and half of the increase in average public four-year college tuition and fees.
- The average increases in total aid, including both grant aid from all sources and federal loans, covered about two-thirds of the increase in tuition and fees at private four-year institutions and almost all of the increase in tuition and fees (but none of the additional increase in costs of attendance) at public four-year institutions.

Tuition and Fees, Family Income, and Aid, 1986-87, 1996-97, and 2006-07 in Constant (2006) Dollars

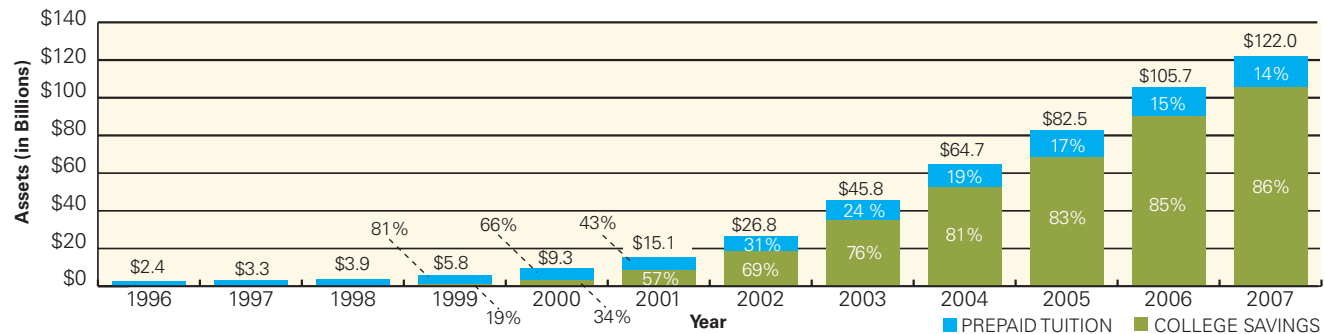
	Private Four-Year Tuition and Fees	Public Four-Year Tuition and Fees	Median Family Income (Ages 45-54)	Total Aid per FTE Student	Grant Aid per FTE Student	Federal Loan per FTE Student
1986-87	\$12,218	\$2,595	\$71,482	\$3,967	\$2,014	\$1,826
1996-97	\$16,695	\$3,822	\$73,446	\$6,627	\$3,120	\$3,415
2006-07	\$22,308	\$5,804	\$72,881	\$9,499	\$4,648	\$4,337

## Also important:

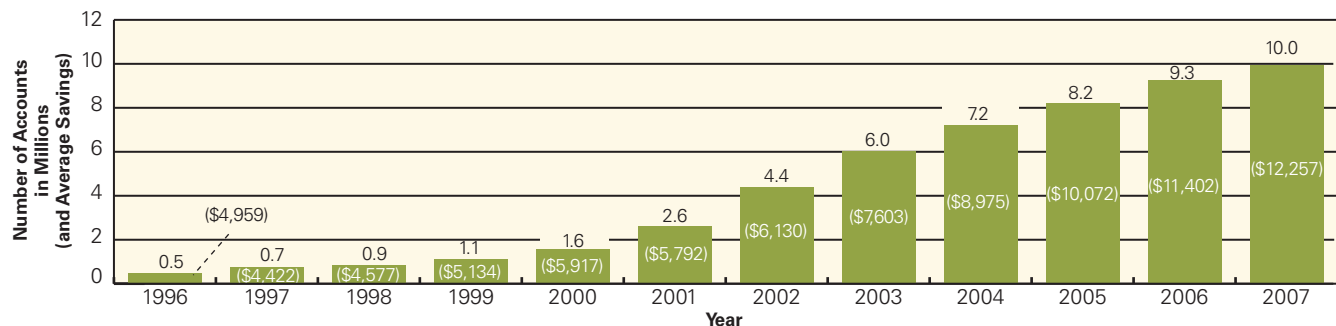
In addition to the stagnation in median family income shown in Figure 12, increases in inequality in the distribution of income over these two decades affected college affordability. The share of total income accruing to the 40 percent of families with the lowest incomes declined from 15.8 percent in 1985 to 14.5 percent in 1995, and to 13.6 percent in 2004. The share of total income accruing to the 5 percent of families with the highest incomes increased from 16.1 percent in 1985, to 20 percent in 1995, and to 20.9 percent in 2004. (*Statistical Abstract of the United States*, 2007, Table 678)

# College Savings Plans

**Figure 13a:** Total Assets in State-Sponsored Section 529 Savings Plans in Current Dollars (in Billions), 1996 to 2007



**Figure 13b:** Number of State-Sponsored Section 529 Accounts in Millions (with Average Savings in Current Dollars), 1996 to 2007



**Note:** Information on type of account is not available for years before 1999, although the majority of accounts were prepaid tuition plans. 2007 data are as of June 30, 2007. Data for earlier years are as of December 31.

**Source:** College Savings Plans Network ([collegesavings.org](http://collegesavings.org)), National Association of State Treasurers.

In 2007, 10 million state-sponsored college savings accounts held an average of \$12,257. The proportion of these tax-preferred savings funds in the form of prepaid tuition plans declined from 81 percent in 1999 to 24 percent in 2003, and to 14 percent in 2007.

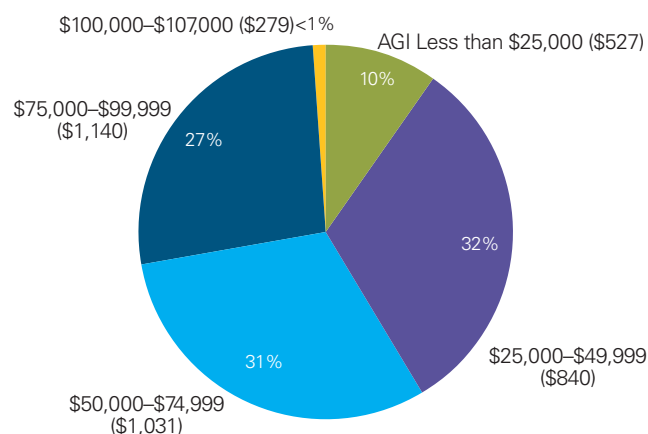
- Assets in Section 529 college savings plans accumulate tax free and if used for postsecondary education expenses, can be redeemed tax free. Standard 529 savings plans are simply tax-preferred investments in mutual funds and other financial assets. Prepaid tuition plans are guaranteed to cover fixed proportions of tuition prices in the future, regardless of price increases.
- In 2006, Congress modified the treatment of prepaid tuition plans in the federal student aid system. Because 529 plans are no longer treated as student assets, they have less impact on eligibility for student aid than was previously the case.
- Congress made the tax-free treatment of withdrawals from Section 529 college savings accounts permanent in 2006.

## Also important:

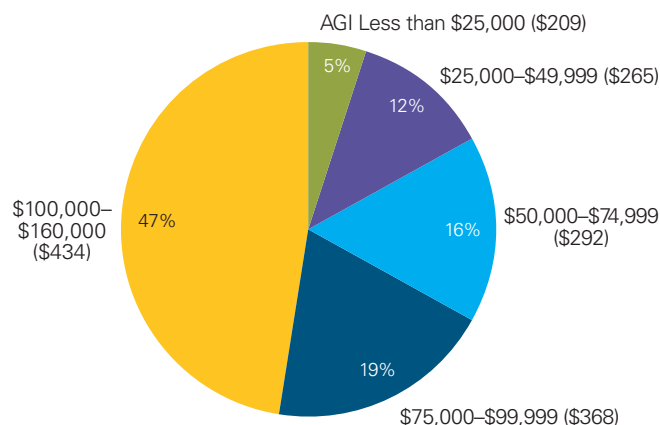
- More than 260 private colleges and universities have joined together in a prepaid tuition plan that carries the same tax benefits as the state-sponsored 529 plans. The assets in this plan, not included in Figures 13a and 13b, exceed \$100 million. The average size of these accounts exceeds \$20,000. ([www.independent529plan.org](http://www.independent529plan.org))
- Taxpayers saved an estimated \$690 million in federal income taxes by saving in 529 plans in 2006. (U.S. Budget 2008, *Analytical Perspectives*)
- Other forms of savings for education that are granted special tax status by the federal government include Series EE and Series I Savings Bonds and Coverdell Education Savings Accounts.

# Federal Education Tax Credits and Tuition Deductions

**Figure 14a:** Federal Education Tax Credits: Distribution of Savings by Adjusted Gross Income (AGI) Level, 2005



**Figure 14b:** Federal Tuition and Fee Deduction: Distribution of Savings by Adjusted Gross Income (AGI) Level, 2005



**Notes:** Only tax credits and deductions claimed on taxable income tax returns are included. Value of tax deductions is estimated based on applicable marginal tax rates. Available data do not allow separation of independent students from parents of dependent students claiming tax credits and deductions. Components may not sum to 100 percent due to rounding.

**Sources:** <http://www.irs.gov/pub/irs-soi/05in33ar.xls>; <http://www.irs.gov/pub/irs-soi/05in14ar.xls>; <http://www.irs.gov/pub/irs-soi/05in35tr.xls>; calculations by authors.

In 2005, about 42 percent of the benefit of the federal education tax credits went to taxpayers with incomes below \$50,000. Only 17 percent of the benefit of the tuition tax deduction went to taxpayers with incomes below \$50,000; 47 percent went to those with incomes of \$100,000 or more.

- In 2005, parents and students were granted about \$4.5 billion in Hope and Lifetime Learning tax credits. The federal tuition and fee tax deduction reduced tax liabilities by about \$1.2 billion.
- Tax credits and deductions are less likely than other forms of student aid to benefit the lowest income students because they are available only to students and families who have positive federal tax liabilities. In addition, they cover only tuition and fee expenses net of grant aid, not room and board or other education-related expenses. These policies also provide larger subsidies to students paying higher tuition and fees than to those enrolled in the lowest price institutions.
- The Hope and Lifetime Learning tax credits were available to single taxpayers with adjusted gross income (AGI) up to \$53,000 in 2005 and \$55,000 in 2006, and to married taxpayers with incomes up to \$107,000 in 2005 and \$110,000 in 2006. The maximum credit under Hope increased from \$1,500 to \$1,650 in 2006, and is \$2,000 under Lifetime Learning.
- The tuition tax deduction cannot be claimed for the same student for whom an education tax credit is claimed. Married taxpayers with incomes of up to \$130,000 can deduct \$4,000 in tuition and fees payments and those with incomes between \$130,000 and \$160,000 can deduct \$2,000. For single taxpayers, the corresponding income limits are \$65,000 and \$80,000. The benefit of the deduction depends on the applicable marginal tax rate and is larger for those with higher incomes.

## Also important:

- The federal government also allows a tax deduction for interest paid on student loans. In 2005, 6.7 million taxpayers with taxable returns deducted about \$4.2 billion in student loan interest, generating between \$600 million and \$800 million in savings. (U.S. Budget 2008, *Analytical Perspectives*; IRS, *Individual Income Tax Returns*, Table 1.4, 2005; calculations by authors)
- Other significant subsidies to students through the tax code include the personal exemption allowed for students age 19 and over, which saved parents about \$3.8 billion in 2005, and the excludability of tuition assistance from employers, which saved students about \$600 million. (U.S. Budget 2008, *Analytical Perspectives*)



# Notes and Sources

**TABLE 1a**

## **Federally Supported Programs**

Several of the federally supported programs include small amounts of funding from sources other than the federal government. For example, Federal Work-Study (FWS) includes contributions by institutions, although most of the funds in the program are federal. Perkins Loans (until 1987 called National Direct Student Loans or NDSL) are funded from federal and institutional capital contributions as well as collections from borrowers. Institutional matching funds required by the Supplemental Educational Opportunity Grant (SEOG) program since 1989-90 are reported under institutional grants.

**LEAP.** Formerly known as the State Student Incentive Grant (SSIG) program, the Leveraging Educational Assistance Partnerships (LEAP) monies reported under federally supported aid include federal monies only; the state share is included in the state grants category.

**Veterans.** Benefits are payments for postsecondary education and training to veterans and their dependents authorized under Chapters 30, 31, 32, 34, 35, and 106 of the U.S. Code.

**Military.** Expenditures for education are reported for three types of programs: the F. Edward Hebert Armed Forces Health Professions Scholarship Program; Reserve Officers' Training Corps programs for the Air Force, Army, and Navy/Marines; and higher education tuition assistance for the active duty Armed Forces.

**Other Grants.** Includes Higher Education Grants for Indian Students; American Indian Scholarships; Indian Health Service Scholarships; National Science Foundation predoctoral fellowships (minority and general graduate); National Health Service Corps Scholarships; National Institutes of Health predoctoral individual awards; the Jacob K. Javits Fellowship Program; and college grants provided to volunteers in the AmeriCorps national service programs (funding began in 1994-95).

**Other Loans.** Includes amounts loaned under the Health Professions Student Loan Program, the Health Education Assistance Loan Program, and the Nursing Student Loan Program.

**Education Tax Benefits.** Data on education tax credits are Internal Revenue Service estimates of the volume of Hope and Lifetime Learning credits for tax years 1998 and later. Only amounts claimed on taxable returns are included in *Trends*. Beginning in 2002, estimates of tax benefits also include the federal tuition and fees deduction. Amounts deducted are reported annually in the IRS *Statistics of Income*. Associated tax savings are estimated by the College Board based on the marginal tax rates applying to the taxable income of the taxpayers in each income bracket claiming the deduction. Amounts are attributed to the academic year beginning in the calendar year during which the tax benefit was claimed. For example, the tax benefit counted as student aid in 2005-06 is the amount claimed on 2005 tax forms. Estimates for 2006 are based on earlier data.

## **State Grant Programs**

The state grant amount for 2006-07 is based on projections by the 20 states that award approximately 90 percent of state grant funds and estimates made by the College Board for the remaining 30 states and the District of Columbia. Previous data are updated using the National Association of State Student Grant and Aid Programs (NASSGAP) *Annual Survey*.

## **Institutional Grants**

Estimates of institutional grant amounts are based on Integrated Postsecondary Education Data System (IPEDS) data through FY 2006 and data from the College Board's *Annual Survey of Colleges*. These figures represent best approximations and are updated each year as additional information becomes available.

## **Private and Employer Grants**

Private and employer grant amounts are based on data included in the 1992-93 through 2003-04 *National Postsecondary Student Aid Study* (NPSAS) and a 2006 survey of major private student grant providers with the assistance of the National Scholarship Provider's Association; information from annual reports of selected scholarship providers, and data from institutional financial aid officers.

## **Nonfederal Loans**

Nonfederal loan volumes are based on an informal annual College Board survey of major private education loan providers and on information collected from staff of state-sponsored private loan programs.

## **TABLE 1b**

Constant dollar figures are based on data from Table 1a. See page 27 for a more complete explanation of constant-dollar conversions.

## **TABLE 2**

The breakdown of aid between undergraduate and graduate students is based on the NPSAS when not available from other sources.

## **TABLE 4**

A section on combined unsubsidized and subsidized Stafford Loans has been added at the beginning of both the undergraduate and graduate sections of Table 4. The figures reported here are based on the total number of individual Stafford borrowers, eliminating the double counting of students participating in both programs.

## **TABLE 5**

Four-year institutions include public institutions offering bachelor's and/or graduate degrees. Two-year institutions include public institutions of any other program length from six months to three years. For-profit institutions may be of any program length.

Loan figures include Stafford subsidized, Stafford unsubsidized, and PLUS Loans made through both the Federal Family Education Loan Program (FFELP) and the William D. Ford Federal Direct Student Loan Program (FDSLSP). For the first time this year, loan dollars reported here are based on disbursements rather than gross commitments.

**TABLE 6**

Based on data from Table 1b. The grants category includes Pell Grants, SEOG, LEAP, Academic Competitiveness Grants (ACG), National Science and Mathematics Access to Retain Talent (SMART) Grants, Veterans Benefits, Military Expenditures, Other Grants, State Grant Programs, Institutional Grants, and Private and Employer Grants. Loans include loans from all sources, including private loans, which are reported in Tables 1a and 1b and Table 2, but not included in the calculation of the total amount of student aid or in Figures 2a and 2b. The work component is FWS. Tax benefits include Hope and Lifetime Learning federal tax credits and estimated tax savings from the federal tuition and fees deduction. Pell, SEOG, ACG, and SMART Grants are exclusively for undergraduate students. Breakdown of other grants by level of study is based on NPSAS data. Breakdown of federal loans is based on information provided by the U.S. Department of Education. Breakdown of private loans is based on reporting by the lenders and NPSAS.

## **TABLES 7a and 7b**

Full-time equivalent (FTE) enrollment data are based on unpublished computations by IPEDS staff at the National Center for Education Statistics (NCES).

## **TABLES 8a and 8b**

The 1992 reauthorization of the Higher Education Act eliminated the percent cap on college costs beginning in 1993-94. The constant-dollar values reflect an academic year Consumer Price Index (CPI) adjustment.

## **FIGURE 1**

Based on Tables 1a and 1b, and Table 2.  
*Academic Year 2006 = 2006-07*

Federal Campus-Based aid includes SEOG, FWS, and Perkins Loans.

Other Federal Programs include LEAP, Military and Veterans Aid, Other Grants, and Other Loans.

Education Tax Benefits include federal Hope and Lifetime Learning credits and estimated tax savings from the federal tuition and fees deduction.

## **FIGURES 2a and 2b**

Nonfederal student loans are not included in Figures 2a and 2b, which include only funds involving at least minimal subsidy. Federal Loans include Perkins Loans together with Stafford and PLUS Loans.

## **FIGURES 3a and 3b**

Based on data from Table 1b.

## **FIGURES 4a and 4b**

Income categories are based on quartiles of families with heads ages 45-54 in U.S. Census data. Aid for 1992-93 is based on 1991 income: Low income equals less than \$30,000, low-middle income equals \$30,000 to \$49,999, middle-high income equals \$50,000 to \$69,999, high income equals \$70,000 or higher. Aid for 1995-96 is based on 1994 income: Low income equals less than \$32,500, low-middle income equals \$32,500 to \$54,999, middle-high income equals \$55,000 to \$79,999, high income equals

\$80,000 or higher. Aid for 1999-00 is based on 1998 income: Low income equals less than \$37,500, low-middle income equals \$37,500 to \$62,499; middle-high income equals \$62,500 to \$92,499, high income equals \$92,500 or higher. Aid for 2003-04 is based on 2002 income: Low income equals less than \$40,000, low-middle income equals \$40,000 to \$69,999, middle-high income equals \$70,000 to \$99,999, high income equals \$100,000 or higher.

#### FIGURE 6

Loans include FFELP, FDSLP, Perkins Loans, other federal loans, and nonfederal loans as surveyed for this report. Although not included in the student aid total, nonfederal loans are included here to represent total student borrowing.

Grants include Pell, SEOG, ACG, SMART, LEAP, Veterans, military and other grants, state grants, institutional grants, and private and employer grants.

Grant and loan amounts for graduate and undergraduate students are based on data in Table 6.

#### FIGURE 7

Based on Tables 7a and 7b data and data online at collegeboard.com/trends.

#### FIGURE 8

Based on NASSGAP annual survey results.

#### FIGURES 9a and 9b

Based on Table 3 and Tables 8a and 8b. Tuition and fees and room and board data are from *Trends in College Pricing 2007*.

#### FIGURES 10a, 10b, and 10c

Data on institutional grant aid by sector, selectivity, and family income levels are from the NPSAS: 2004. Calculations by the College Board.

#### FIGURE 12

Tuition and fee data are from the College Board *Annual Survey of Colleges*.

Median family income data for the 45-54 age category are used because they are most representative of families with dependents in college. This statistic is not representative of independent students.

#### FIGURES 13a and 13b

Data on assets in state savings plans and guaranteed tuition plans were provided by the National Association of State Treasurers, College Savings Plans Network.

#### FIGURES 14a and 14b

Distribution of education tax credits and tuition and fee deductions by adjusted gross income levels is from *Statistics of Income*, Individual Income Tax Returns, Preliminary Data, 2005; Table 3.3, Individual Income Tax Returns, Tax Year 2005; and estimations by the College Board. Tax savings from the tuition and fee deduction are based on the marginal tax rates applicable to filers with the levels of taxable income associated with the returns on which the deduction was claimed (<http://www.irs.gov/pub/irs-soi/05inrate.pdf>). Only credits and deductions reported on taxable returns are included. This results in estimates of tax benefits that are lower than those found in some other sources.

#### Terminology

FWS	=	Federal Work-Study
FFELP	=	Federal Family Education Loan Program
FDSLP	=	William D. Ford Federal Direct Student Loan Program
PLUS	=	Parent Loans for Undergraduate Students
SEOG	=	Federal Supplemental Educational Opportunity Grant
LEAP	=	Leveraging Educational Assistance Partnerships
ACG	=	Academic Competitiveness Grants
SMART	=	National Science and Mathematics Access to Retain Talent Grants

Academic year: July 1 to June 30

Subsidized Stafford Loans = Need-based federal student loans for which the federal government pays the interest while the student is in school and during a six-month grace period thereafter.

Unsubsidized Stafford Loans = Non-need-based federal student loans guaranteed by the federal government but with interest accruing during the in-school time period.

Current dollars: Actual dollar amounts in the relevant year.

Constant dollars: Dollar amounts adjusted for inflation. For example, a dollar amount from 2000 reported in constant 2006 dollars is increased by the amount by which the Consumer Price Index rose between 2000 and 2006. This adjustment removes spending increases attributable only to inflation.

Full-Time Equivalent (FTE) Students: Enrollment numbers based on a federal formula that counts each part-time student as equivalent to approximately one-third of a full-time student.

#### General Notes

- Components may not sum to totals due to rounding.
- Aid is reported by the academic year in which it is awarded.
- For more detailed historical data, see the Excel files on the College Board's Web site at [www.collegeboard.com/trends](http://www.collegeboard.com/trends).

#### A Note on Conversion

The Consumer Price Index for all urban dwellers (the CPI-U) is used to adjust for inflation. Updated CPI data are available from the Bureau of Labor Statistics Web site (<http://stats.bls.gov/cpihome.htm>). We have used an academic base-year calculation for 2006-07 based on the average CPI from July 2006 through June 2007.

In the following CPI Table, the factor column provides the user with a multiplication factor equal to that of CPI (base year) divided by CPI (current year). Multiplication of the current-year figure by the associated factor yields a constant-dollar result.

#### CPI Table

Academic Year	CPI (1982-84=100)	Factor
1996-97	158.9	1.2848
1997-98	161.8	1.2622
1998-99	164.6	1.2407
1999-00	169.3	1.2059
2000-01	175.1	1.1659
2001-02	178.2	1.1456
2002-03	182.1	1.1211
2003-04	186.1	1.0970
2004-05	191.7	1.0650
2005-06	199.0	1.0259
2006-07	204.2	1.0000

#### Sources

##### Campus-Based Aid (FWS, Perkins, and SEOG)

U.S. Department of Education, Office of Postsecondary Education Policy, Budget, and Analysis staff. *Federal Campus-Based Programs Databook*.

##### Education Tax Benefits

Internal Revenue Service, *Individual Income Tax Returns, Preliminary Data 2004*; *Individual Income Tax Returns*, All Returns, Table 3.3 and additional Statistics of Income sources; Lutz Berkner and Christina Wei, *Student Financing of Undergraduate Education 2003-04*, NCES 2006-186.

##### Federal Family Education Loan and Ford Direct Student Loan Programs

Unpublished data from the U.S. Department of Education, Policy, Budget, and Analysis staff and the National Student Loan Data System (NSLDS).

##### LEAP and State Grant Programs

2006-07: Preliminary figures reported by 20 states with largest grant appropriations. Figures for remaining 30 states, the District of Columbia, and Puerto Rico were estimated by the College Board.

1988-89 to 2005-06: 20th through 39th Annual Survey Reports of the National Association of State Student Grant and Aid Programs.

##### Military

F. Edward Hebert Armed Forces Health Professions Scholarship amounts were obtained from the Office of the Assistant Secretary for Defense (Health Affairs). ROTC program data were obtained separately from the Air Force, Army, and Navy program offices. The Education Policy Directorate of the Office of the Secretary of Defense provided Armed Forces tuition assistance amounts.

##### Other Grants and Loans

The data were collected through conversations and correspondence with the officials of the agencies that sponsor the programs.

##### Pell Grant Program

Data from Policy, Budget, and Analysis Staff, U.S. Department of Education. Other data from Pell Grant End-of-Year Reports.

##### Veterans Benefits

Benefits Program series (annual publication for each fiscal year), Office of Budget and Finance, U.S. Veterans Administration, and unpublished data from the same agency.

This report provides the most recent and complete statistics available on student aid in the United States. Detailed historical data are available in annual *Trends in Student Aid* publications since 1983 and online at **[www.collegeboard.com/trends](http://www.collegeboard.com/trends)**. Data in this report include updates of some previously published data, in addition to estimates for the 2006-07 academic year.

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