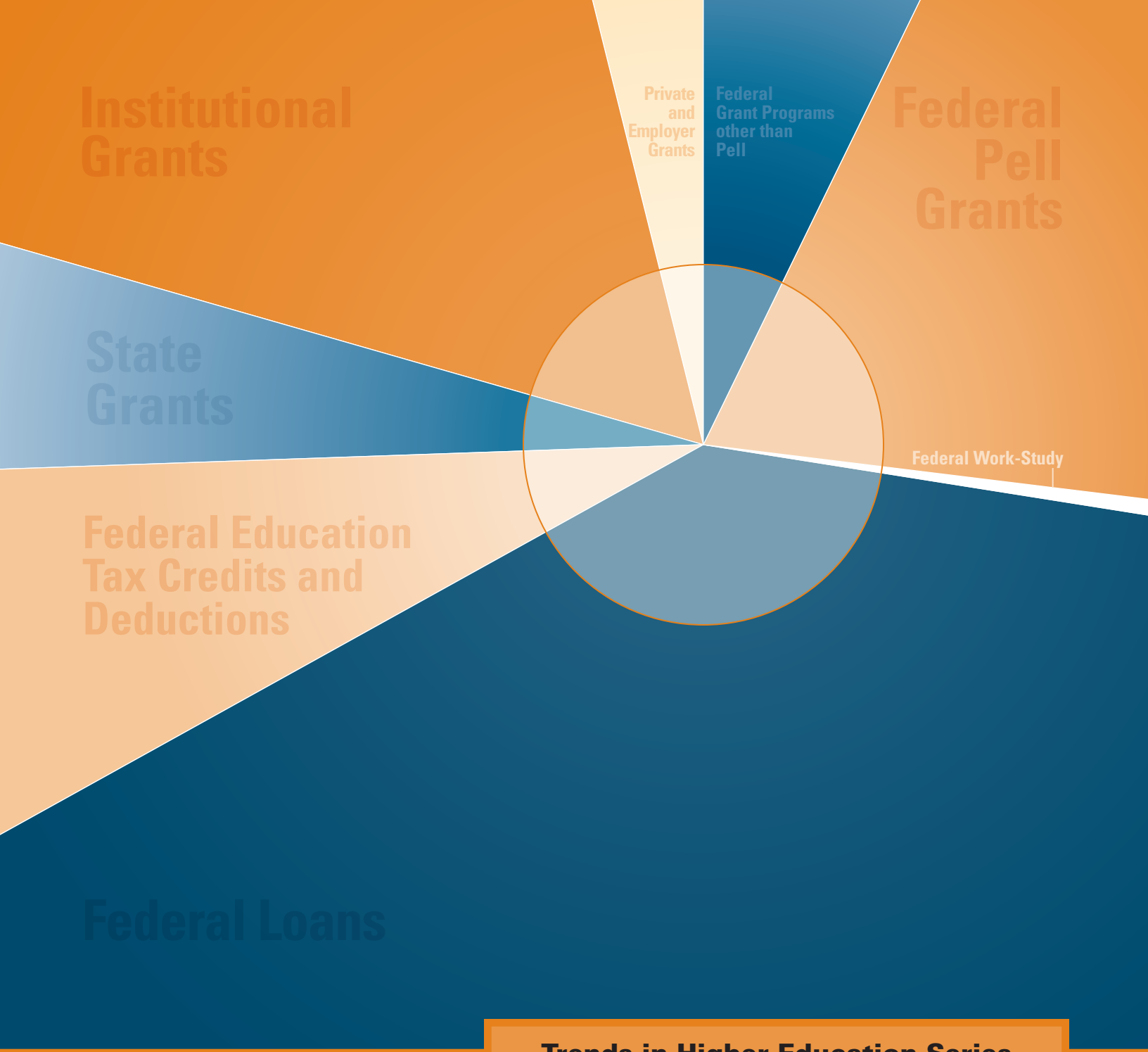

Trends in Higher Education Series

Trends in Student Aid 2011

CollegeBoard Advocacy & Policy Center

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College Board Advocacy & Policy Center

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Highlights

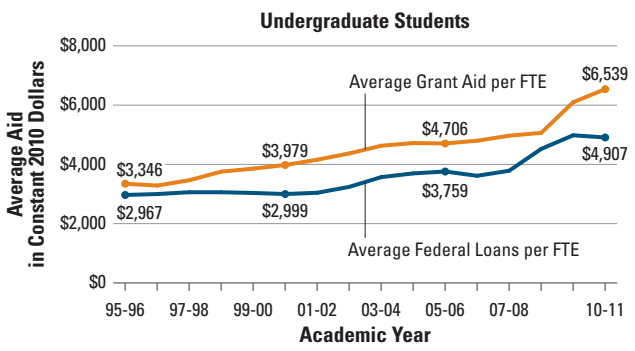
The American Opportunity Tax Credit (AOTC), implemented in 2009, increased the subsidies provided to students and families through the combination of education tax credits and deductions from about $7 billion in 2007-08 to an estimated $14.8 billion in 2009-10 and 2010-11. Like the 2009-10 increases in Pell Grants and veterans benefits reported in *Trends in Student Aid 2010*, these funds help students meet the rising costs of attending college in an era of persistent economic difficulties. However, state grant aid, grants from employers and other private sources, and federal campus-based aid all provided fewer inflation-adjusted dollars per student in 2010-11 than they had three years earlier.

TYPES OF STUDENT AID

In 2010-11, undergraduate students received an average of $12,455 per full-time equivalent (FTE) student in financial aid, including $6,539 in grant aid, $4,907 in federal loans, and $1,009 in a combination of tax credits and deductions and Federal Work-Study (FWS).

- As a result of the introduction of the American Opportunity Tax Credit in 2009, education tax credits and tuition deductions per student increased by more than 80% in inflation-adjusted dollars between 2007-08 and 2010-11.
- In 2010-11, $227.2 billion in financial aid was distributed to undergraduate and graduate students in the form of grants from all sources, Federal Work-Study, federal loans, and federal tax credits and deductions. In addition, students borrowed an estimated $7.9 billion in loans from state and private sources.
- Graduate students received an average (per FTE) of $23,955 in aid, including $6,750 in grant aid, $16,423 in federal loans, and $782 in a combination of tax credits and deductions and Federal Work-Study.

AVERAGE AID PER FTE UNDERGRADUATE STUDENT
in Constant 2010 Dollars, 1995-96 to 2010-11



- From 2009-10 to 2010-11, grant aid per FTE undergraduate student increased by an estimated 7% ($441 in 2010 dollars), while the average amount of federal loans borrowed per FTE student declined by 2% ($76 in 2010 dollars).
- These changes followed increases of 20% in average grant aid per FTE undergraduate student and 10% in average federal loans between 2008-09 and 2009-10. Over the three years from 2007-08 to 2010-11, both grant aid and federal loans per student increased by about 30% in inflation-adjusted dollars.
- Over the decade from 2000-01 through 2010-11, both grant aid and federal loans per FTE undergraduate student increased at an average rate of about 5% per year after adjusting for inflation.
- About 12 million taxpayers benefited from education tax credits and deductions in 2009, and a similar number received this aid in 2010. In 2010-11, 10.3 million postsecondary students borrowed Stafford Loans and 9.1 million received Pell Grants. Federal campus-based programs reached many fewer students. There were 1.3 million Federal Supplemental Educational Opportunity Grant (FSEOG), 713,000 Federal Work-Study (FWS), and 493,000 Perkins Loan recipients in 2010-11.

SOURCES OF GRANT AID

In 2010-11, 46% of all grant aid (and 51% of undergraduate grant aid) came from the federal government. Ten years earlier, only 29% of all grant aid (and 34% of undergraduate grant aid) was federal.

- In 2010-11, 36% of all grant aid came from colleges and universities, 9% came from state governments, and 10% came from employers and other private sources.
- The maximum federal Pell Grant of $5,550 was $134 (2%) higher in constant 2010 dollars in 2010-11 than in 2009-10. It was $1,387 (33%) higher in 2010-11 than in 2000-01. The maximum grant did not increase for the 2011-12 academic year.
- Although the maximum Pell Grant is the most frequently discussed descriptor of these grants, students must have $0 expected family contributions and enroll full-time/full-year in order to receive this amount. About 28% of recipients received the maximum grant of $5,350 in 2009-10. In 2010-11, when the maximum grant was $5,550, the average grant was $3,828.
- Institutional grant aid dollars per FTE undergraduate student increased at an average rate of about 3.1% per year over the 2000-01 to 2010-11 decade, after adjusting for inflation.

DISTRIBUTION OF STUDENT AID

The distribution of subsidies from federal education tax benefits changed considerably with the introduction of the American Opportunity Tax Credit in 2009. The percentage of savings from credits and deductions going to taxpayers with incomes below $25,000 increased from 5% in 2008 to 17% in 2009. The percentage of savings going to those with incomes above $100,000 increased from 18% in 2008 to 26% in 2009.

- Unlike other education tax credits, the American Opportunity Tax Credit is partially refundable for filers who do not owe taxes. This increases the benefits for low-income students and families. At the other end of the spectrum, the income limit is higher on the new credit, reducing the tax liability of many higher-income taxpayers.

- The 31% of FTE undergraduate students enrolled in public two-year colleges received 32% of the total Pell Grant funds in 2009-10. The 12% enrolled in for-profit institutions received 25% of all Pell Grant funds.

- In 2009-10, 39% of Pell Grant recipients were dependent on their parents for support, and 63% of these students came from families with incomes of $30,000 or less.

- In 1985-86, 9% of all state grant aid for undergraduate students was awarded without regard to the students' financial circumstances. By 2005-06, this percentage had risen to 28%; it remained constant through the 2009-10 academic year.

- State grant programs differ considerably across states. In 14 states (and Puerto Rico), financial circumstances influence the distribution of all state grant aid. Georgia, South Dakota, and the District of Columbia consider financial circumstances for less than 10% of their state grant aid dollars.

- Between 90% and 93% of institutional grant aid at the most selective private nonprofit four-year colleges and universities was used to meet students' financial need in each year from 2007-08 through 2010-11. At less selective institutions in this sector, more of the grant aid goes to students without financial need.

STUDENT BORROWING

Total education borrowing, including federal student and parent loans, as well as nonfederal loans, increased by about 2% from 2009-10 to 2010-11. Borrowing per FTE student declined by about 2% overall, after adjusting for inflation.

- Over the decade from 2000-01 to 2010-11, total borrowing per FTE student for undergraduate and graduate students combined increased by 57% in inflation-adjusted dollars. Undergraduate borrowing increased by 56% per FTE student.

- Estimated education loan borrowing from private sources declined for a third consecutive year, and totaled about $6 billion in 2010-11, 66% lower than in 2005-06. Other nonfederal borrowing, including loans from states and institutions, increased slightly, but total nonfederal loans declined from about $19.9 billion in 2005-06 to $7.9 billion in 2010-11.

- In 2010-11, 34% of undergraduates took out Stafford Loans. Twenty-five percent used both subsidized and unsubsidized loans. In other words, almost three-quarters of all undergraduate Stafford borrowers had both types of loans — and 83% of subsidized borrowers also had unsubsidized loans.

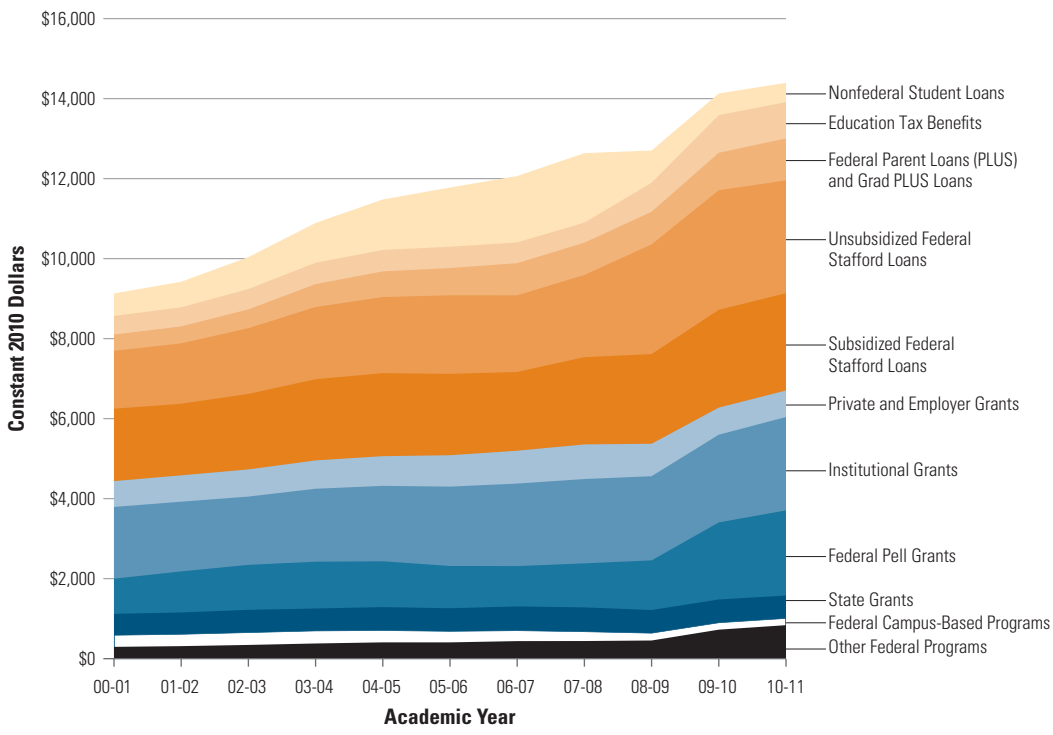
- In 2009-10, about 55% of public four-year college students who graduated from the institutions at which they began their studies graduated with debt. They had borrowed an average of $22,000. About two-thirds of those earning bachelor's degrees from private nonprofit institutions had debt averaging $28,100.

Contents

Contents — Continued

Total financial aid per full-time equivalent (FTE) student increased 62%, from $8,567 (in constant 2010 dollars) in 2000-01 to $13,914 in 2010-11. In addition, students borrowed an average of about $563 per FTE in 2000-01 and about $482 in 2010-11 from nonfederal sources.

FIGURE 1 Ten-Year Trend in Student Aid and Nonfederal Loans per Full-Time Equivalent (FTE) Student Used to Finance Postsecondary Education Expenses in Constant 2010 Dollars, 2000-01 to 2010-11



NOTE: See Notes and Sources for a list of programs included in other federal programs.

SOURCE: Table 1.

Introduction

In an era of persistently high unemployment, family incomes that fail to keep up with inflation, savings that have been eroded by declining stock market values, and rising college prices, student financial aid is more important than ever. Despite prevalent questions about whether and for whom college is really "worth it," most people agree that their lives and their children's lives will be much easier if they successfully complete postsecondary credentials. Without a strong and well-designed system of subsidies for students, these opportunities are out of reach for many who could benefit from them. Moreover, it is increasingly evident that the complexities of existing financial aid policies and programs make it difficult for many of those who most need the help to understand and navigate the system.

The array of programs that provide financial aid has evolved in recent years, with some of the changes receiving considerable attention and others going relatively unnoticed. *Trends in Student Aid 2010* reported on a 67% increase in expenditures (in constant dollars) for the Pell Grant program, the federal government's foundation funding for low-income college students. The increase resulted from a combination of legislated changes designed to cushion the impact of the recession on students, deterioration in the financial circumstances of students and families that generated increased financial need, and growth in enrollments as a result of weakened labor market opportunities. Over the past year, Pell Grants have received quite a bit of attention from Congress, from the Obama administration, and from the media. Questions about the sustainability of this program as currently structured must be addressed even as the centrality of the program in supporting the national goals for increasing educational attainment becomes clearer.

This year, the most notable increase in subsidies for students on which we report came through changes in the tax code. Since 1998, students and parents have benefited from education tax credits, through which the federal government reimburses them for part of the tuition they have paid. Since 2002, there has also been a deduction in the federal income tax code that subsidizes tuition payments for some taxpayers. With the introduction of the American Opportunity Tax Credit in 2009, the subsidies available through the tax code — a contribution of the federal government to college expenses — increased from an estimated $6.6 billion (in 2009 dollars) in 2008 to $14.7 billion in 2009 (the latest tax year for which data are available). Unlike Pell Grants, the subsidies the federal government provides through the tax code are not based on ability to pay. The new tax credit increased the proportion of the benefits going to low-income students by introducing refundability, allowing those with no tax liability to benefit. But taxpayers with incomes up to $180,000 are eligible for the new credit, and the percentage of the tax savings going to taxpayers with incomes above $100,000 increased from 18% to 26% in one year.

Trends in Student Aid provides information on these and other developments in college financing patterns.

TRENDS IN STUDENT AID

Trends in Student Aid, an annual College Board publication since 1983, is a compendium of detailed, up-to-date information on the funding that is available to help students pay for college. This report sorts aid into grants, loans, tax benefits, and Federal Work-Study assistance. It documents funding from federal and state governments, colleges and universities, employers, and other private sources. It examines changes in funding levels over time, reports on the distribution of aid across students with different incomes and attending different types of institutions, and tracks the debt students incur as they pursue the educational opportunities that can increase their earnings, open doors to new experiences, and improve their ability to adapt to an ever-changing society.

Trends in Student Aid does not attempt to evaluate student aid programs or policies; rather, it provides detailed information that can inform policymakers, researchers, and others in their efforts to assess and improve the effectiveness of student aid. The accompanying website makes data easily available for reference and downloading. The text that accompanies the graphs and tables in *Trends in Student Aid* does not summarize all of the information reported, but it points to key ideas and should help readers to interpret the data.

Trends in College Pricing, a companion report, relies on data from the College Board's *Annual Survey of Colleges* (*ASC*) to provide information on changes in undergraduate tuition and fees, room and board, and other estimated expenses related to attending colleges and universities. Although data for *Trends in Student Aid 2011* extend through the 2010-11 academic year, *Trends in College Pricing 2011* includes information on published prices for the 2011-12 academic year.

TOTAL STUDENT AID

Table 1 reports on the total funds available to postsecondary students, both undergraduate and graduate, to supplement family and student payments over the decade from 2000-01 to 2010-11. Together with students' savings and earnings, as well as support from parental earnings, savings, and borrowing from other sources, these funds contribute to making higher education financially accessible. Increases in total funds are important indicators of the resources being devoted to student assistance. But these figures may create an overly optimistic view of the benefits available to individual students because they don't account for increases in the number of students.

Figure 1 shows the funds detailed in Table 1 — both student aid dollars and the money students borrow from nonfederal sources — on a per-FTE-student basis. Between 2000-01 and 2010-11, total FTE postsecondary enrollment increased by 43%, with 4.3 million more FTE undergraduates and over 600,000 more graduate students enrolled at the end of the decade. The 132% increase (after adjusting for inflation) in total financial aid over the decade amounted to a 62% increase in aid per FTE student.

The figures in Table 1 have been adjusted for inflation. Similar tables in current dollars (unadjusted), broken down between undergraduate and graduate students, and including data back to 1963, are available online.

TYPES OF STUDENT AID

From the student's perspective, grant aid, which is a pure subsidy not requiring repayment, is the most desirable form of financial aid. Education tax credits and deductions are also

pure subsidies, although the fact that the savings generally materialize months after the bills have been paid makes them less effective in facilitating college access.

A variety of forms of loans are described in this publication. Subsidized Stafford Loans and Perkins Loans provide the greatest benefit for students because the government pays the interest while the student is in school. Unsubsidized Stafford Loans and PLUS Loans for parents of undergraduate students and for graduate students also carry a federal guarantee and interest rates that are controlled by legislation. In contrast, nonfederal education loans from banks and other lending institutions and, on a smaller scale, states and postsecondary institutions, are generally not subsidized at all. Their value is in providing liquidity for students who have no other means of accessing funds. We report on nonfederal student loans because of their importance, but we do not include them in our measures of student aid because they do not carry subsidies.

A small amount of student aid comes from the Federal Work-Study (FWS) Program, under which the federal government provides funds to institutions to subsidize the wages they pay to some student workers with documented financial need. Although these funds are packaged along with grants and loans to help students pay their bills, from the students' perspective, they are wages received for services performed.

As Figures 2A and 2B reveal, the composition of aid received by graduate students is quite different from the composition of the aid on which undergraduates rely. Grants constituted 53% of the aid received by undergraduates in 2010-11, but only 28% of the aid received by graduate students. Federal loans made up 69% of graduate student aid, compared to 39% of undergraduate aid. The teaching and research assistantships from which many graduate students benefit are a form of compensation and are not included here.

FEDERAL AID

The allocation of federal student aid funds differs across programs. Need-based aid relies on the information provided by students and parents on the Free Application for Federal Student Aid (FAFSA) and the formula known as Federal Methodology (FM). Pell Grants are distributed based on the expected family contribution (EFC) determined by this formula and do not depend on the charges at the particular school attended. Subsidized Stafford Loan eligibility is based on both the EFC and the cost of attendance at the student's institution. A subsidized Stafford Loan recipient attending a high-priced institution might not have received that loan had she opted instead for a less expensive institution. Campus-based federal funds including FWS, Federal Supplemental Educational Opportunity Grants (FSEOG), and Perkins Loans are also need-based. However, these funds are distributed to institutions based on a complex formula, and the institutions allocate them to students with financial need. Unsubsidized Stafford Loans are available to all students regardless of their financial circumstances; PLUS Loans require only the absence of adverse credit, a criterion that has affected more applicants in recent years. Figure 7 illustrates the distribution of these various forms of aid to students at different types of institutions.

GRANT AID

Grant aid comes from the federal government, state governments, employers and other private sources, and from colleges and universities in the form of discounts from the published price. As Figure 3 shows, federal grants, which accounted for 29% to 34% of total grant aid from 2000-01 through 2008-09, increased to 44% in 2009-10 and 46% in 2010-11. Despite increasing by 86% (in constant dollars) over the decade, institutional grants declined from 43% of the total in 2000-01 to 41% in 2005-06, and to 36% in 2010-11. Even with strained state budgets and declining funding for higher education in many states, total state grant funds, which declined by 1% (in constant dollars) between 2007-08 and 2008-09, increased by 9% between 2008-09 and 2009-10, and by 2% between 2009-10 and 2010-11. Figures 15B and 16B detail some of the variation across states in their grant funding for college students.

Students whose family incomes are too low to generate any expected family contribution qualify for the maximum Pell Grant, which is the most frequently cited descriptor of Pell funding levels. About two-thirds of 2009-10 Pell Grant recipients qualified for the maximum grant of $5,350, but only about 28% both qualified and enrolled full-time, full-year, actually receiving this amount. The average grant is a better representation of the subsidy received by the typical Pell Grant recipient. In 2010-11, when the maximum Pell Grant was $5,550, 9.1 million students received an average of $3,828 from the program. This distinction will be particularly important to keep in mind as discussions continue about how to protect the Pell program as the federal government seeks deficit-reducing savings.

In addition to total and per-student amounts of grant aid, *Trends in Student Aid* reports on the distribution of grant aid among students. Some students have the financial resources necessary to pay tuition and fees, as well as other costs associated with going to college, without serious difficulty. For many others, postsecondary education would be out of the question without generous subsidies. As both college prices and the other expenses associated with college attendance continue to rise more rapidly than income, more students and potential students fall into the second category.

Federal grants are targeted at low- and moderate-income students, but both states and institutions frequently consider factors other than, or in addition to, financial circumstances in allocating their aid. Figures 15A and 15B show changes over time and variation across states in the distribution of need-based and non-need-based grant aid. The trend toward allocating state grants without regard to financial circumstances has leveled off, and 14 states consider ability to pay in the allocation of all of their grant funds. Figures 17A and 17B put a similar focus on institutional grants.

LOANS

The federal government is the primary source of education loans and offers several different types of loans. As of July 1, 2010, the federal government no longer guarantees education loans made by banks and other private lenders, but funds these loans through the Federal Direct Student Loan Program (FDSLP). Major federal education loan programs include those for undergraduate

students with documented financial need (subsidized Stafford Loans), for all undergraduate and graduate students (unsubsidized Stafford Loans), for graduate students only (GradPLUS), for parents (PLUS), and for students with high need at some institutions (Perkins). The conditions and interest rates vary by program. As part of the August 2011 debt ceiling deal, the federal government eliminated in-school interest subsidies on Stafford Loans for graduate students. Although a portion of Stafford Loans for some undergraduates will still be interest-free while they are in school, beginning in 2012-13 interest will accrue on all of the loans taken by graduate students.

Of particular importance are the available repayment options and consumer protections. The Income-Based Repayment (IBR) plan limits required payments to a manageable percentage of income above 150% of the poverty line. If more students took advantage of this option, inadequate earnings would not lead them to default on their student loans.

The private loan market is an important supplementary source of funds for students, but the loans generally have higher interest rates over the long term and less favorable repayment provisions than federal loans. For example, they are not covered by the federal IBR plan. The recent difficulties facing credit markets in general, combined with increases in the availability of federal student loans, are reflected in diminished use of private education loans. There is no reliable source for exact information on total borrowing from these sources. Since 1995-96, the College Board *Trends* staff has conducted an annual survey of private lenders to compile the best possible estimate of this lending. This year, we benefited from the assistance of the Consumer Bankers Association, which provided the information on total private student loans compiled through MeasureOne. We also surveyed the major credit unions that extend student loans to obtain a national estimate from these lenders. The totals for nonfederal loans also include information from states on the loans they make to students.

This year, for the first time, we include an estimate of the loans that institutions provide to their students. The National Association of Student Financial Aid Administrators (NASFAA) worked with us to survey its members and to collect data on the volume of institutional lending in recent years. Combining these data with information from the *National Postsecondary Student Aid Study* (*NPSAS*), we estimate that students borrowed about $720 million from their institutions in 2010-11. Like our estimates of institutional grant aid and grants from private sources (compiled with the assistance of the National Scholarship Providers Association) our estimates in this area are less precise than most of the data we report on student financial aid.

Interpreting the growth in total education loan volume is difficult because it is in part a reflection of increases in enrollment and declines in the availability of other appealing sources of borrowing, such as home equity loans. The real concern about student loans is the amount of debt that individual students accumulate. Student loans make it possible for many students who could not otherwise pay for college to gain the postsecondary experience they need to improve their life prospects. Just as most small business start-ups would be impossible to launch without loans that can be repaid out of future earnings, many students would be unable to invest in themselves without debt financing. Although postsecondary education has a higher success rate in terms of future earnings than small businesses, excessive debt and barriers to managing that debt create major difficulties for many students. The Income-Based Repayment plan has the potential to significantly diminish the hardships facing students. However, even if all students for whom it would be helpful participated, at least as currently structured, IBR would not eliminate all of the problems related to student debt.

New data from the NCES *Beginning Postsecondary Students Longitudinal Study* (*BPS*) allow us to examine not only the debt levels of college graduates, but also of those who left school without a degree. Figure 9 reports that among students beginning their studies in 2003-04, about 19% of bachelor's degree completers — and about 13% of students who last attended a four-year institution but did not complete a bachelor's degree — accumulated more than $28,000 in student debt. There is considerable variation across sectors, both in terms of how many students complete their degrees and in terms of debt levels. Among dependent students who last attended a four-year for-profit institution, 15% had earned bachelor's degrees by 2009. Two-thirds of these graduates had at least $28,000 in education debt. About 15% of dependent and 16% of independent students who last attended a four-year for-profit institution, but did not earn a bachelor's degree, borrowed more than $28,000.

Figures 10A and 10B track over time the average debt levels of bachelor's degree recipients in the public and private nonprofit sectors who earned their degrees at the institutions at which they began their studies, and indicates that about 56% of these public four-year college graduates now complete their undergraduate studies with student debt averaging about $22,000.

THE CONSUMER PRICE INDEX

We provide much of our data in constant dollars, adjusting values for changes in the Consumer Price Index (CPI). We use the change in the CPI from July 2009 to July 2010 to compare the value of aid in 2009-10 to the value in 2010-11. While the CPI adjustment is necessary to make meaningful comparisons of values over long periods of time, comparisons of one-year changes in constant dollars may be confusing. Recent large fluctuations in energy prices have led to an unusually volatile CPI. The 5.6% increase in the CPI from July 2007 to July 2008 was the highest annual inflation rate since 1982. As a result, constant dollar increases for 2008 were small relative to current dollar increases. Between July 2008 and July 2009, the CPI declined by 2.1%, which resulted in constant dollar increases that were larger than current dollar increases. The CPI increased by 1.2% between July 2009 and July 2010, and by 3.6% from 2010 to 2011.

The tables supporting all of the graphs in the Trends *publications, PDF versions of the publications, PowerPoint files containing individual slides for all of the graphs, and other detailed data on student aid and college pricing are available on our website at* ***http://trends.collegeboard.org****. Please feel free to cite or reproduce the data in* Trends *for noncommercial purposes with proper attribution.*

Total Student Aid — Adjusted for Inflation

The federal government provided 65% of all student aid in 2000-01, 68% in 2005-06, and 74% in 2010-11. The federal aid programs that have grown most rapidly in recent years are Pell Grants, grants to veterans, and education tax credits. Borrowing through the unsubsidized Stafford and PLUS Loan programs also increased sharply over the decade.

- During the 2010-11 academic year, $227.2 billion in financial aid was distributed to undergraduate and graduate students in the form of grants from all sources, Federal Work-Study, federal loans, and federal tax credits and deductions. In addition, students borrowed about $7.9 billion from private, state, and institutional sources to help finance their education.
- Between 2005-06 and 2010-11, federal grant aid to undergraduate and graduate students increased by 141% after adjusting for inflation, and savings to taxpayers through federal tax credits and deductions for education increased by 108%.
- Subsidies to parents and students from federal education tax credits and deductions more than doubled, from almost $7 billion in 2007-08 to an estimated $14.8 billion in 2009-10, as a result of the introduction of the partially refundable American Opportunity Tax Credit.
- The Federal Family Education Loan Program (FFELP), through which banks and other private lenders received subsidies to issue federally guaranteed education loans, was discontinued as of June 30, 2010. The loan volume from this program moved to the Federal Direct Loan Program (FDLP). Total Stafford student loans under the two programs combined were $85.7 billion (in 2010 dollars) in 2009-10 and $85.8 billion in 2010-11.
- Private education loans, which are not part of the student aid system and do not involve subsidies, grew from $5.1 billion in 2000-01 to $22.1 billion in 2007-08. Since that year, student loan volume from banks, credit unions, and other private lenders has declined to $6 billion.

TABLE 1 Total Student Aid and Nonfederal Loans Used to Finance Postsecondary Education Expenses in Constant 2010 Dollars (in Millions), 2000-01 to 2010-11

	Academic Year											
	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	*Preliminary* 10-11	10-Year % Change
Federal Programs												
Grants												
Pell Grants	$10,038	$12,252	$14,092	$15,065	$15,136	$14,162	$13,731	$15,361	$18,129	$30,362	$34,762	246%
SEOG	$796	$849	$878	$901	$887	$869	$826	$807	$751	$767	$758	-5%
LEAP	$50	$68	$80	$78	$76	$73	$69	$68	$63	$64	$64	26%
Academic Competitiveness Grants	—	—	—	—	—	—	$259	$323	$337	$485	$548	
SMART Grants	—	—	—	—	—	—	$220	$214	$198	$363	$384	
Veterans	$2,074	$2,313	$2,800	$3,149	$3,467	$3,544	$3,530	$3,639	$4,147	$8,621	$10,872	424%
Military and Other Grants	$1,105	$1,221	$1,271	$1,517	$1,685	$1,674	$1,729	$1,790	$1,775	$1,785	$1,678	52%
Total Federal Grants	**$14,064**	**$16,702**	**$19,120**	**$20,711**	**$21,251**	**$20,321**	**$20,364**	**$22,202**	**$25,399**	**$42,448**	**$49,065**	**249%**
Loans												
Perkins Loans	$1,444	$1,522	$1,768	$1,942	$1,901	$1,778	$1,734	$1,448	$953	$828	$971	-33%
Subsidized Stafford	$20,669	$21,361	$23,641	$26,127	$27,425	$27,268	$26,798	$30,455	$32,735	$38,530	$39,692	92%
(FDLP)	*($6,430)*	*($6,294)*	*($6,640)*	*($6,726)*	*($6,554)*	*($6,105)*	*($5,569)*	*($6,135)*	*($8,209)*	*($15,158)*	*($39,692)*	517%
(FFELP)	*($14,239)*	*($15,067)*	*($17,001)*	*($19,402)*	*($20,871)*	*($21,163)*	*($21,228)*	*($24,320)*	*($24,527)*	*($23,373)*	*($0)*	-100%
Unsubsidized Stafford	$16,537	$18,032	$20,574	$23,235	$25,145	$26,341	$26,085	$28,667	$40,065	$47,136	$46,088	179%
(FDLP)	*($4,670)*	*($4,836)*	*($5,215)*	*($5,257)*	*($5,254)*	*($5,181)*	*($4,767)*	*($5,156)*	*($9,240)*	*($18,052)*	*($46,088)*	887%
(FFELP)	*($11,867)*	*($13,196)*	*($15,359)*	*($17,977)*	*($19,891)*	*($21,160)*	*($21,318)*	*($23,511)*	*($30,825)*	*($29,084)*	*($0)*	-100%
PLUS	$4,657	$5,063	$5,888	$7,389	$8,475	$9,130	$10,950	$11,276	$11,908	$14,766	$17,113	267%
(FDLP)	*($1,492)*	*($1,554)*	*($1,847)*	*($2,148)*	*($2,303)*	*($2,367)*	*($2,400)*	*($2,415)*	*($3,445)*	*($6,348)*	*($17,113)*	1047%
(FFELP)	*($3,165)*	*($3,509)*	*($4,041)*	*($5,241)*	*($6,173)*	*($6,764)*	*($8,551)*	*($8,861)*	*($8,463)*	*($8,418)*	*($0)*	-100%
Other Loans	$146	$144	$152	$149	$162	$175	$172	$130	$118	$118	$131	-11%
Total Federal Loans	**$43,453**	**$46,121**	**$52,023**	**$58,842**	**$63,108**	**$64,692**	**$65,738**	**$71,976**	**$85,779**	**$101,379**	**$103,995**	**139%**
Federal Work-Study	$1,185	$1,268	$1,329	$1,312	$1,245	$1,172	$1,117	$1,113	$1,103	$1,261	$1,171	-1%
Education Tax Benefits	$5,310	$5,690	$6,370	$6,860	$7,060	$7,140	$7,050	$6,990	$10,620	$14,830	$14,830	179%
Total Federal Aid	**$64,012**	**$69,781**	**$78,842**	**$87,724**	**$92,665**	**$93,326**	**$94,269**	**$102,280**	**$122,902**	**$159,918**	**$169,061**	**164%**
State Grants	$6,013	$6,415	$7,011	$7,103	$7,613	$7,627	$8,122	$8,371	$8,326	$9,036	$9,207	53%
Institutional Grants	$20,490	$20,810	$21,380	$23,480	$24,920	$26,600	$28,080	$29,430	$30,740	$34,580	$38,110	86%
Private and Employer Grants	$7,380	$7,870	$8,510	$9,130	$9,810	$10,520	$11,180	$12,090	$11,850	$10,680	$10,840	47%
Total Federal, State, Institutional, and Private Aid	**$97,895**	**$104,875**	**$115,742**	**$127,437**	**$135,008**	**$138,073**	**$141,651**	**$152,171**	**$173,817**	**$214,214**	**$227,219**	**132%**
Nonfederal Loans	$6,430	$7,640	$10,000	$12,820	$16,700	$19,850	$22,600	$24,270	$11,760	$8,550	$7,870	22%
(State- and Institution-Sponsored)	*($1,380)*	*($1,500)*	*($1,530)*	*($1,680)*	*($1,740)*	*($2,000)*	*($2,250)*	*($2,190)*	*($1,560)*	*($1,670)*	*($1,870)*	36%
(Private Sector)	*($5,050)*	*($6,140)*	*($8,470)*	*($11,140)*	*($14,960)*	*($17,850)*	*($20,350)*	*($22,080)*	*($10,210)*	*($6,880)*	*($6,000)*	19%
Total Funds Used to Finance Postsecondary Expenses	**$104,325**	**$112,515**	**$125,742**	**$140,257**	**$151,708**	**$157,923**	**$164,251**	**$176,441**	**$185,577**	**$222,764**	**$235,089**	**125%**

NOTE: The latest available data for education tax benefits are for calendar year 2009. Estimates for later years are based on these data. Components may not sum to totals because of rounding.

Total Undergraduate and Graduate Student Aid by Type

In 2010-11, federal loans constituted 39% of student aid received by undergraduates and 69% of total graduate student aid. Federal grants constituted 27% of the financial aid on which undergraduate students relied and only 2% of the aid provided to graduate students.

FIGURE 2A
Undergraduate Student Aid by Source and Type (in Billions), 2010-11

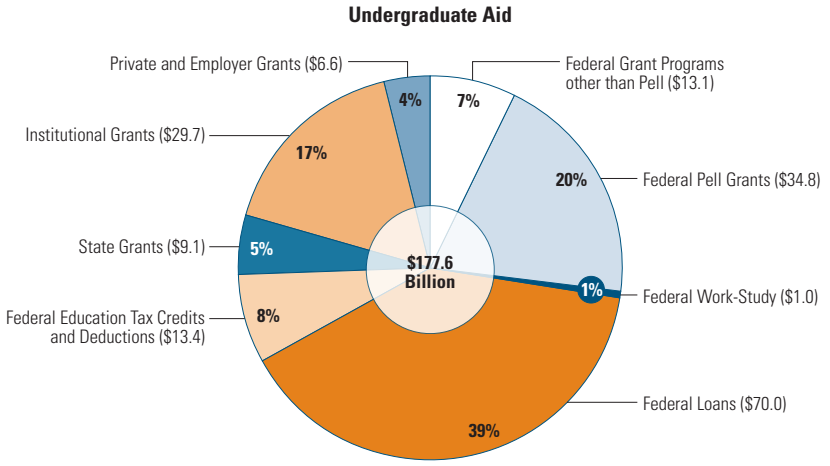
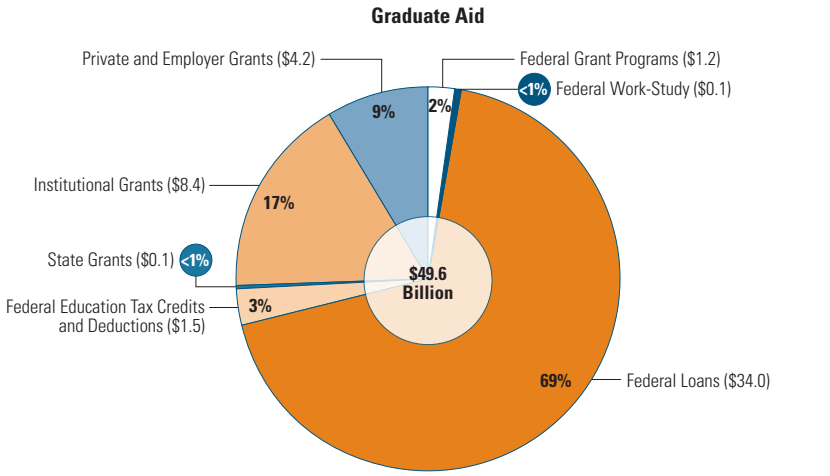


FIGURE 2B
Graduate Student Aid by Source and Type (in Billions), 2010-11



NOTE: Percentages may not sum to 100 and components may not sum to total because of rounding. See Notes and Sources for a list of programs included in Federal Grant Programs. Nonfederal loans are not included in Figures 2A and 2B because they involve no subsidy and are not actually a form of financial aid.

SOURCE: Trends in Student Aid website (http://trends.collegeboard.org), Tables 1A and 1B.

- The 17% of undergraduate aid in the form of institutional grants in 2010-11 constituted 32% of all undergraduate grant aid. The federal government provided 51% of undergraduate grant aid.
- The 17% of graduate student aid in the form of institutional grants in 2010-11 constituted 60% of all grant aid for graduate students. Colleges and universities also provided fellowships and assistantships to many graduate students.
- The 9% of graduate student aid in the form of grants from employers and other private sources constituted 30% of all grants to graduate students.

ALSO IMPORTANT:

- In fall 2010, an estimated 14.3 million (87%) of the 16.3 million full-time equivalent (FTE) postsecondary students were undergraduates, and 2.1 million (13%) were graduate students.
- Graduate students include both those enrolled in master's or doctoral programs and those in professional programs in fields such as law and medicine, who are much more dependent on student loans.
- Undergraduate and graduate students are distributed differently across sectors. Thirty-nine percent of FTE undergraduate enrollment is in the public four-year sector, 31% is in public two-year colleges, 16% is in private nonprofit four-year institutions, and 12% is in the for-profit sector, with a small share in other institutions. Forty-eight percent of FTE graduate enrollment is in the public four-year sector, 41% is in private nonprofit four-year institutions, and 10% is in the for-profit sector.
- Undergraduate students are considered dependent, with their aid eligibility a function of their own and their parents' financial circumstances, unless they are at least 24 years of age or are orphans or wards of the court, homeless unaccompanied youth, married, veterans, on active duty, or have legal dependents. In contrast, all graduate students are independent for purposes of federal financial aid, so their eligibility for need-based aid depends only on their own income and assets for most programs.

Types of Grants

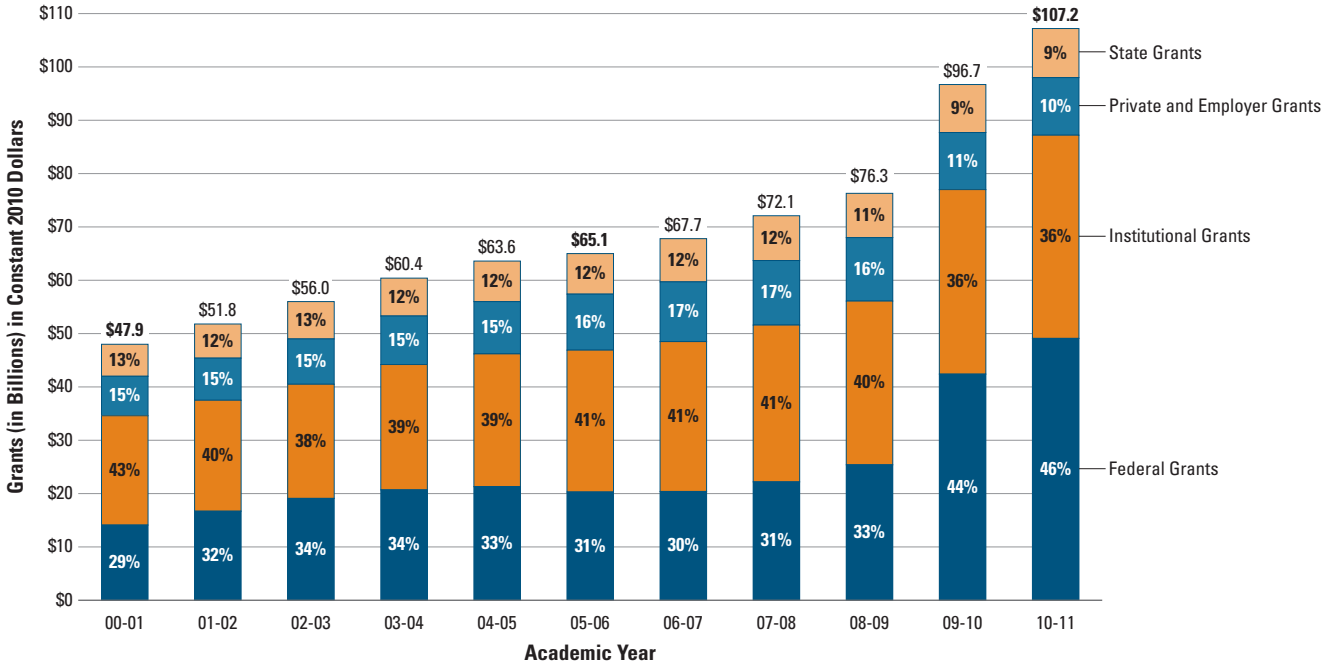
After adjusting for inflation, federal grant aid was about two and a half times greater in 2010-11 than a decade earlier. Total grant aid increased from $47.9 billion (in 2010 dollars) in 2000-01 to $107.2 billion in 2010-11.

- Because postsecondary enrollment increased by 43% over the decade, the 124% increase in total grant aid generated a 58% increase in inflation-adjusted grant dollars per FTE student.
- Federal grant aid increased from 29% of all grants to postsecondary students in 2000-01 to 31% in 2005-06 and 46% in 2010-11.
- After declining for two consecutive years, grants to students from employers and private sources increased slightly in inflation-adjusted dollars in 2010-11, to an estimated $10.8 billion.
- Total state grant aid to students grew 2% in inflation-adjusted dollars in 2010-11, following an increase of 9% in 2009-10. State grant aid grew by 21% (in constant dollars) from 2005-06 to 2010-11, compared to 27% from 2000-01 to 2005-06.

ALSO IMPORTANT:

- Pell Grants constituted about 70% of federal grant aid over the entire 2000-01 to 2010-11 decade. Veterans and military aid increased from 20% to 25% of total federal grants over these years.
- The large increase in federal grant aid in 2009-10 resulted from a combination of policy changes, growth in enrollment, and economic conditions that increased unemployment and reduced family and student financial capacity.

FIGURE 3 Growth of Federal, Institutional, Private and Employer, and State Grant Dollars in Constant 2010 Dollars, 2000-01 to 2010-11



NOTE: Percentages may not sum to 100 because of rounding.

SOURCE: Table 1.

Types of Loans

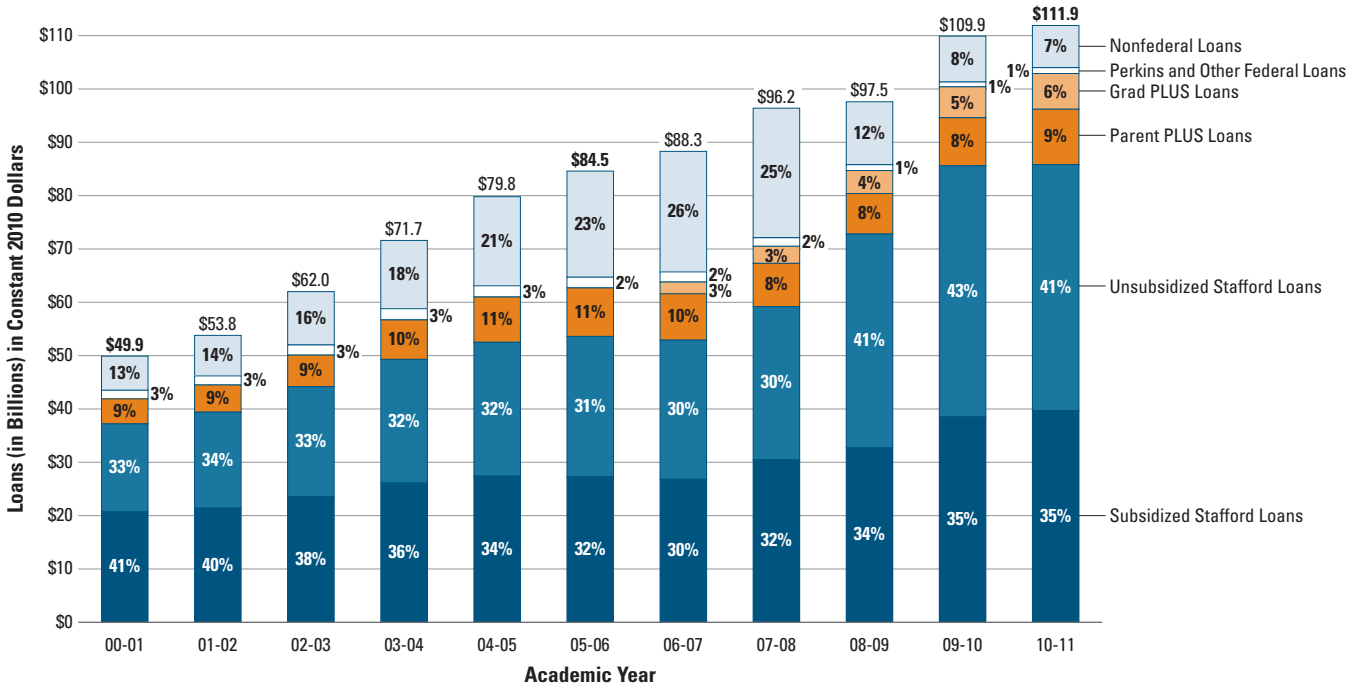
In 2010-11, nonfederal loans, which usually have less favorable repayment terms than federal loans, constituted only about 7% of education borrowing. From 2005-06 through 2007-08, nonfederal loans accounted for about a quarter of this borrowing.

- Over the course of the decade from 2000-01 to 2010-11, subsidized loans, on which the government pays the interest while students are in school, declined from 41% to 35% of all education borrowing, and from 56% to 46% of all Stafford Loans.
- Some colleges and universities make loans to students and parents to supplement their federal loans. While no precise measure of these loans is available, reports from institutions indicate that institutional loans have grown from about $500 million in 2007-08 to about $720 million in 2010-11. For-profit institutions have increased their lending to students over this time period, while other institutions have reduced this activity.
- After growing at an average annual rate of about 17% for three years (from $52.9 billion in 2010 dollars in 2006-07 to $85.7 billion in 2009-10), total Stafford Loan volume grew by only an estimated 0.1% in 2010-11, to $85.8 billion.

ALSO IMPORTANT:

- The private student loan market has consolidated in recent years, with a number of smaller lenders leaving the business and some larger lenders selling their loans to others. The estimate of $6 billion of private loans for 2010-11 combines information from the Consumer Bankers Association/MeasureOne with data from credit unions.
- Dependent undergraduate students can borrow up to $5,500 in Stafford Loans (including a maximum of $3,500 in subsidized loans) in their first year of study, and up to $6,500 (including up to $4,500 in subsidized loans) in their second year. The limit for the third year and beyond is $7,500 (including up to $5,500 in subsidized loans).
- Graduate students can borrow up to $20,500 per year in Stafford Loans. The lifetime maximum for graduate students is $138,500, including their undergraduate borrowing. The total limit for subsidized loans is $65,500. Beginning in 2012-13, all Stafford Loans for graduate students will be unsubsidized.

FIGURE 4 Growth of Federal and Nonfederal Loan Dollars in Constant 2010 Dollars, 2000-01 to 2010-11



NOTE: Nonfederal loans include loans to students from states and from institutions, in addition to private loans issued by banks, credit unions, and Sallie Mae. Earlier editions of *Trends in Student Aid* have not included estimates of institutional loan volume and have excluded some types of student loans made by states. However, Figure 4 includes estimates for these loan sources for all years. Percentages may not sum to 100 because of rounding.

SOURCE: Table 1.

Federal Aid Recipients

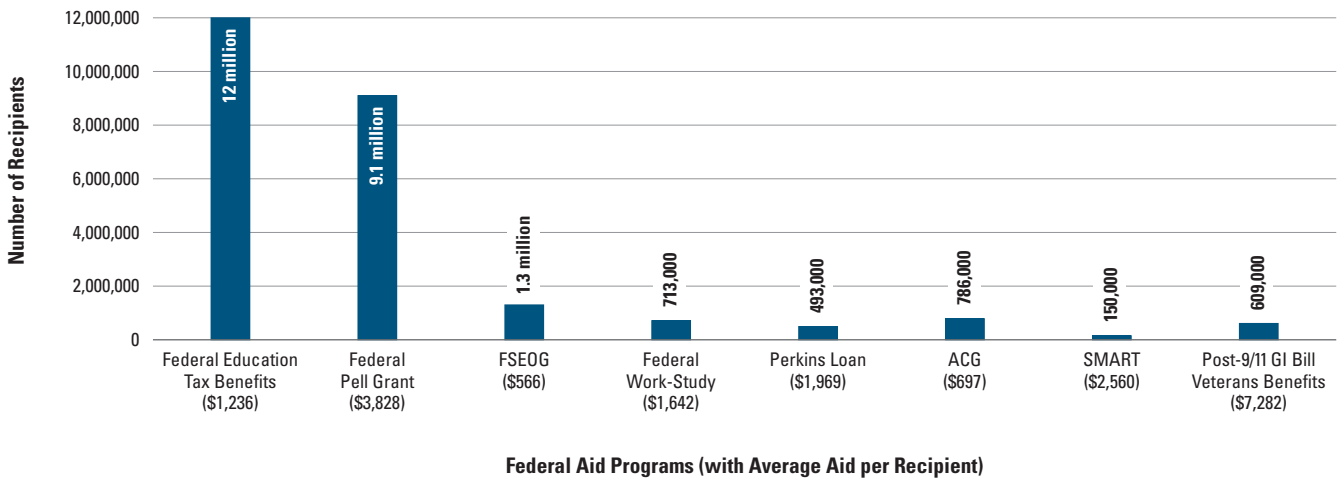
Federal education tax credits and deductions benefited about 12 million tax filers in 2009-10. The Pell Grant program reached 9.1 million students in 2010-11, but other federal grant and work programs assisted many fewer students.

- Pell Grants aided 9.1 million students in 2010-11, compared to 8.1 million in 2009-10 and 6.2 million in 2008-09. The number of Pell Grant recipients was 2.3 times as high in 2010-11 as in 2000-01.
- In 2010-11, 9% of Pell Grant recipients also received an Academic Competitiveness Grant (ACG), averaging $697 per recipient. About 2% of Pell Grant recipients received a SMART Grant, averaging $2,560 per recipient. As of the 2011-12 academic year, these grants are no longer available.
- FSEOG aided 1.3 million students in 2010-11, compared to 1.2 million in 2000-01. The average federal grant under this program decreased from $678 (in 2010 dollars) to $566 over the decade.
- After declining from 713,000 in 2000-01 to 678,000 in 2008-09, the number of Federal Work-Study (FWS) recipients increased to 733,000 in 2009-10 as a result of federal stimulus funds provided by the American Recovery and Reinvestment Act of 2009 (ARRA). The number of program participants declined again to 713,000 in 2010-11.
- Perkins Loans aided 493,000 students in 2010-11, down from a peak of 756,000 in 2003-04. The average loan per recipient declined from $2,568 (in 2010 dollars) in 2003-04 to $1,969 in 2010-11.

ALSO IMPORTANT:

- In addition to the $758 million of Federal Supplemental Educational Opportunity Grant dollars reported here, colleges and universities distributed about $200 million to students in institutional matching funds under this program. These dollars are included in the institutional grant figures reported in Table 1.
- In 2009-10, only 105,000 of the 19.5 million students who completed the Free Application for Federal Student Aid (FAFSA) submitted the paper application rather than filing electronically. (*The Federal Pell Grant Program End-of-Year Report, 2009-10*, Table 16)

FIGURE 5 Number of Recipients of Federal Aid by Program (with Average Aid Received), 2010-11



NOTE: Both undergraduate and graduate students are eligible for tax benefits, Perkins Loans, and Federal Work-Study (FWS). Federal Pell Grants, Federal Supplemental Educational Opportunity Grants (FSEOG), Academic Competitiveness Grants (ACG), and SMART Grants go to undergraduates only. Data on tax benefits are for 2009-10 (in 2010 dollars) and are based on data for tax year 2009. Data on post-9/11 veterans benefits are based on benefits paid from Aug. 1, 2009 through June 15, 2011.

SOURCES: Internal Revenue Service, *Statistics of Income*; Annual Publications, U.S. Department of Education, Office of Postsecondary Education; unpublished data from the Veterans Administration.

Federal Aid Recipients

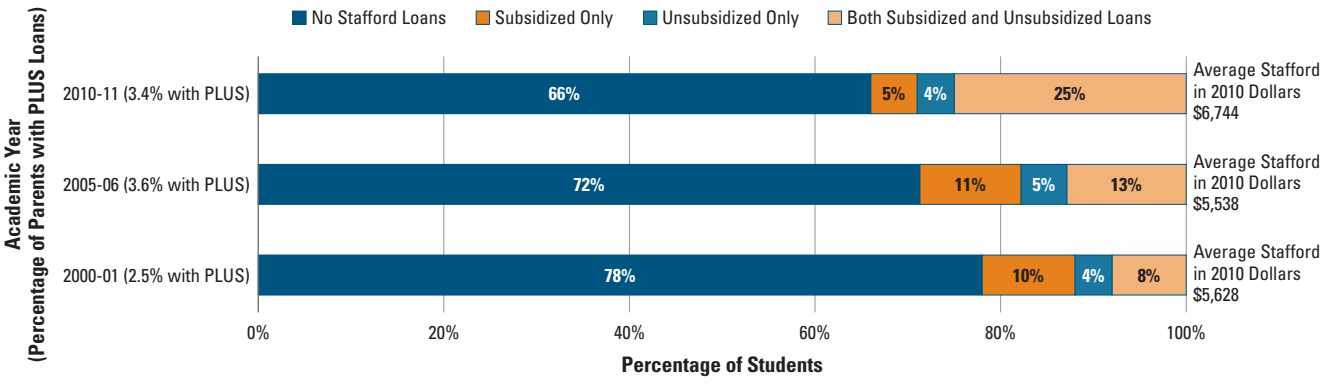
In 2010-11, 34% of undergraduates took out federal Stafford Loans. Twenty-five percent of students — or 74% of all Stafford borrowers — used both subsidized and unsubsidized loans. Of the 30% of students who took out subsidized Stafford Loans, 83% also took out unsubsidized loans.

- Subsidized loans are available only to students with documented financial need, and the government pays the interest on these loans while the student is in school. Unsubsidized Stafford Loans are available to all undergraduate and graduate students.
- The percentage of undergraduate students taking out federal Stafford Loans during the academic year increased from 22% in 2000-01 to 28% in 2005-06, and to 34% in 2010-11.
- On average, undergraduate students who took out Stafford Loans borrowed $5,628 (in 2010 dollars) in 2000-01, $5,538 in 2005-06, and $6,744 in 2010-11.

ALSO IMPORTANT:

- In 2010-11, the parents of about 3.4% of undergraduate students took out PLUS Loans averaging $11,784.
- Most student borrowers hold loans with a variety of interest rates. Interest rates on unsubsidized Stafford Loans are fixed at 6.8%. The interest rate on subsidized Stafford Loans declined from 6.8% to 6.0% for loans issued in 2008-09, 5.6% in 2009-10, 4.5% in 2010-11, and 3.4% for loans issued in 2011-12. Without further Congressional action, the rate will return to 6.8% in 2012-13.
- Subsidized and unsubsidized Stafford Loans carry different repayment protections. For example, under Income-Based Repayment, the government will pay the interest for up to three years for borrowers whose incomes are too low to cover interest payments on their subsidized loans, but this is not the case for unsubsidized Stafford Loans.
- The Budget Control Act of 2011 eliminated the in-school interest subsidy on Stafford Loans for graduate students, effective July 1, 2012.

FIGURE 6 Percentage of Undergraduate Students Borrowing Federal Stafford Loans, 2000-01, 2005-06, and 2010-11



NOTE: Based on unduplicated undergraduate headcount enrollment, which counts each student only once even if they enroll in more than one institution and each borrower only once, even if they take multiple loans. Enrollment for 2010-11 is estimated based on preliminary *IPEDS* numbers. Percentages may not sum to 100 because of rounding.

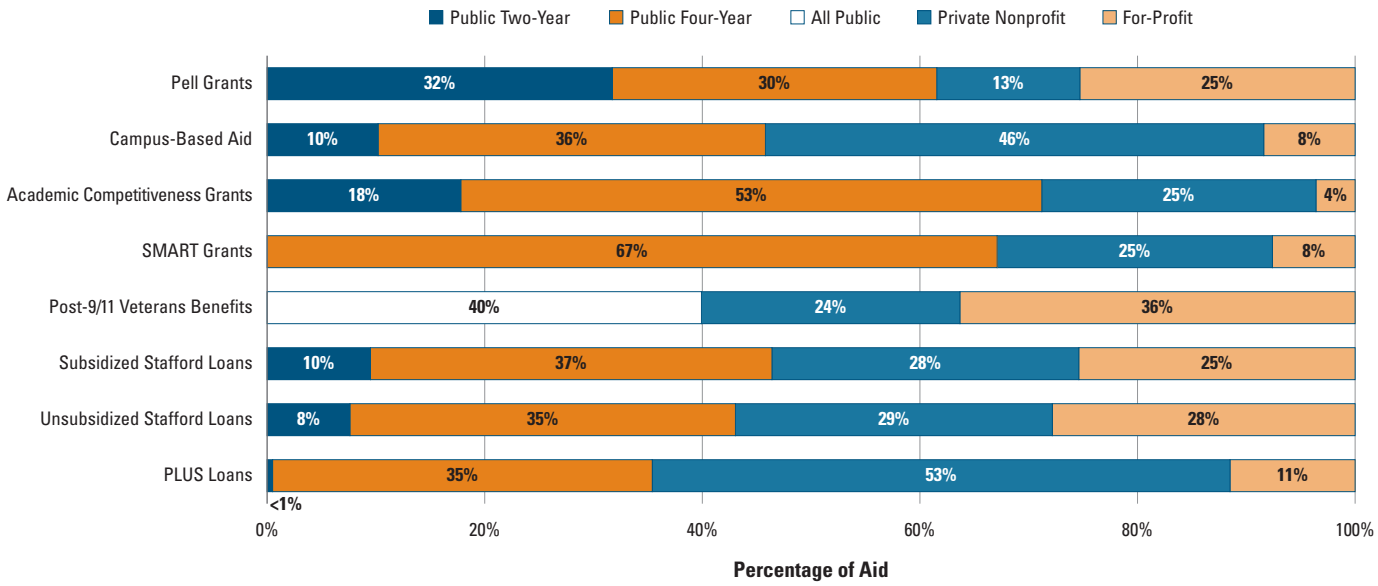
SOURCES: NCES, *Enrollment in Postsecondary Institutions and Financial Statistics* and *Postsecondary Institutions and Price of Attendance in the United States*, Annual Publications, U.S. Department of Education, Office of Postsecondary Education; NSLDS; calculations by the authors.

Federal Aid by Sector

Since its inception in 2009, the Post-9/11 GI Bill provided 36% of its benefits to the 12% of FTE students enrolled in for-profit institutions. Students in this sector received less than 10% of the federal funds provided through the Academic Competitiveness Grant, SMART Grant, and campus-based programs.

- Students in for-profit institutions received 25% of all Pell Grant dollars in 2009-10, compared to 13% a decade earlier (not shown in Figure 7).
- In 2009-10, the 12% of FTE students enrolled in for-profit institutions received 25% of the subsidized and 28% of the unsubsidized Stafford Loans, compared to 10% and 8%, respectively, for the 27% of all FTE students enrolled in public two-year colleges.
- The 31% of FTE undergraduate students in public two-year colleges received 32% of Pell Grant funds in 2009-10, but much lower percentages of other forms of federal aid.
- The 20% of FTE postsecondary students enrolled in private nonprofit colleges and universities received 46% of all campus-based aid in 2009-10. Graduate students and parents of undergraduate students in these institutions borrowed 53% of all PLUS Loans.

FIGURE 7 Percentage Distribution of Federal Aid Funds by Sector, 2009-10



NOTE: Data are unavailable to divide post-9/11 veterans benefits between the public two-year and public four-year sectors. The breakdown of these funds is based on all benefits paid from Aug. 1, 2009, through June 15, 2011. The private nonprofit sector includes both four-year and less-than-four-year institutions. SMART Grants were available only to students in the third and fourth years of undergraduate study (or the fifth year of a five-year program). Percentages may not sum to 100 because of rounding.

SOURCES: Annual Publications, U.S. Department of Education, Office of Postsecondary Education; unpublished data, Veterans Administration; *NSLDS*.

Percentage Distribution of FTE Enrollment, Fall 2009

Institution Type	% of UG FTEs	% of Total FTEs
Public Four-Year	39%	40%
Private Nonprofit	17%	20%
Public Two-Year	31%	27%
For-Profit	12%	12%

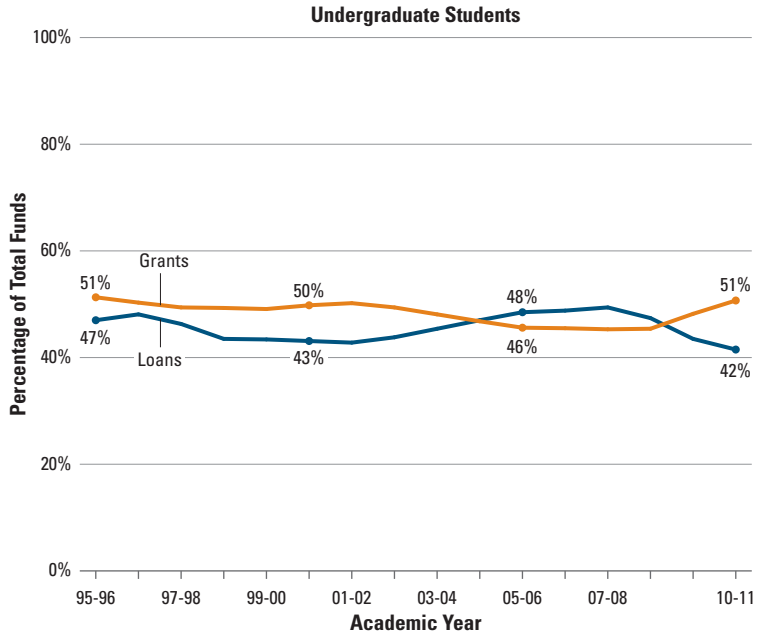
NOTE: FTE enrollment is the sum of full-time enrollment and one-third of part-time enrollment. Total FTE students include both graduate and undergraduate students. The 1% of FTE undergraduate and total FTE students in public and private nonprofit less-than-two-year institutions are not included in the table. Private nonprofit includes both two-year and four-year students.

SOURCES: NCES, unpublished data provided by *IPEDS* staff.

Total Grants and Total Loans

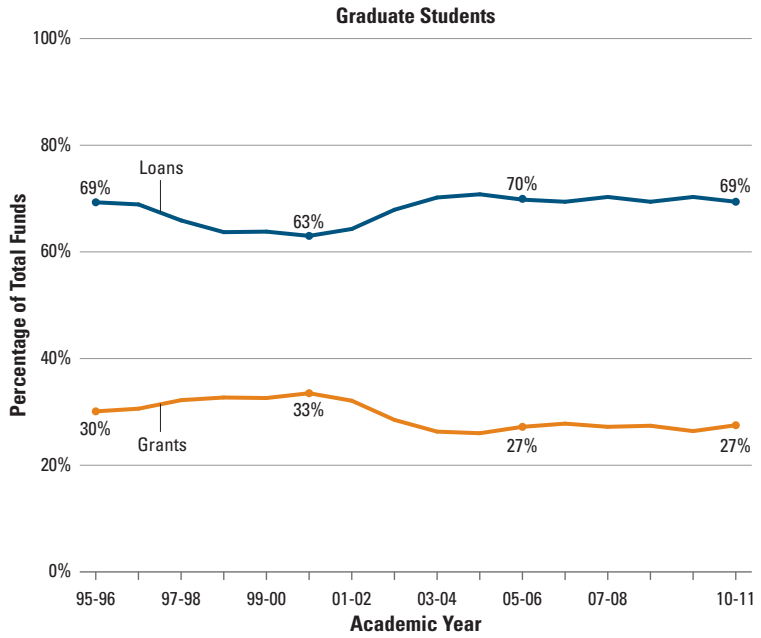
From 2000-01 to 2005-06, loans increased from 43% to 48% of the student aid from all sources plus nonfederal loans that undergraduate students used to finance their education. By 2010-11, that share had declined to 42%.

FIGURE 8A
Grants and Loans as a Percentage of Funds from Total Aid and Nonfederal Loans for Undergraduate Students, 1995-96 to 2010-11



- In 2010-11, grants provided 51% of undergraduate funding. Federal education tax credits and deductions, and a small amount of Federal Work-Study funding, accounted for about 7% of total funds.
- Rapid increases in federal grant aid since 2008-09, combined with very small increases in education loans in both 2008-09 and 2010-11, explain the increasing grant-to-loan ratio for undergraduate students since 2007-08.
- Over the five years from 2005-06 to 2010-11, federal education tax credits and deductions for undergraduate students increased by an estimated 117% in inflation-adjusted dollars. Grant aid rose 70%, compared to 31% for federal and nonfederal loans combined.
- Grant aid comprised 33% of the funds used by graduate students in 2000-01, but has fluctuated between 26% and 28% of the total from 2003-04 through 2010-11.

FIGURE 8B
Grants and Loans as a Percentage of Funds from Total Aid and Nonfederal Loans for Graduate Students, 1995-96 to 2010-11



ALSO IMPORTANT:

- The relative stability of the ratio of grants to loans over time indicates that loans have not replaced grants in funding postsecondary education. Rather, grant aid often fails to increase rapidly enough to fill the growing gap between the costs of attending college or graduate school and the ability of students and families to pay those costs.

Percentages in Figures 8A and 8B are shown as a portion of the total amount of postsecondary funding described in Table 1, including nonfederal loans in addition to financial aid (grants, federal loans, tax credits and deductions, and Federal Work-Study). In addition to the sources included here, students rely on funds from their families and from their own earnings and savings; they also borrow from other sources. Graduate students also receive fellowships and research assistantships, which are considered compensation.

SOURCE: Trends in Student Aid website (http://trends.collegeboard.org), Tables 4A and 4B.

Student Debt

Among students beginning their studies in 2003-04, about 19% of bachelor's degree completers — and about 13% of students who last attended a four-year institution but did not complete a bachelor's degree — accumulated more than $28,000 in student debt.

FIGURE 9A
Distribution of Cumulative Debt Among 2009 Bachelor's Degree Completers, by Last Institutional Sector Attended

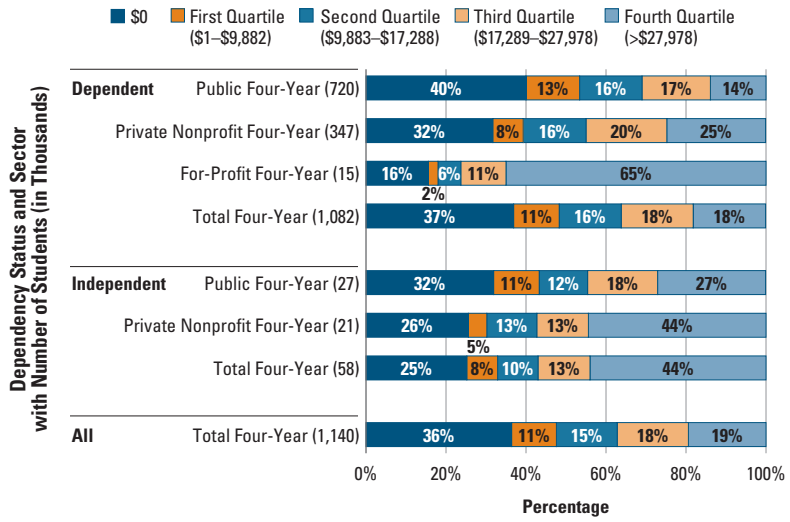
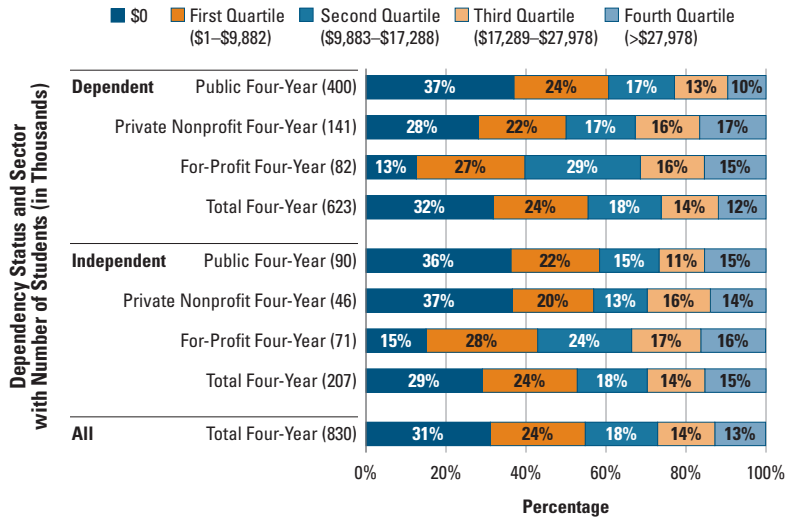


FIGURE 9B
Distribution of Cumulative Debt Among 2009 Four-Year College Students Not Completing a Bachelor's Degree, by Last Institutional Sector Attended



NOTE: *Beginning Postsecondary Students Longitudinal Study* (*BPS*) reports on a nationally representative sample of students who began their studies in 2003-04. Figures 9A and 9B are based on students whose last institution attended was a four-year college or university. Debt categories are based on quartiles of total debt for the 66% of students meeting this criterion who took out student loans. Debt amounts include both federal and nonfederal student loans. The "All" category includes both dependent and independent students. For independent bachelor's degree recipients, the sample size in the for-profit four-year sector is too small to obtain accurate estimates, and therefore was omitted from Figure 9A. In the for-profit sector, many four-year institutions enroll students in shorter-term certificate and associate degree programs. This is less common in public and private nonprofit four-year institutions.

SOURCES: *Beginning Postsecondary Students Longitudinal Study* (*BPS*), 2009; calculations by the authors.

- Bachelor's degree completers are more likely than those who did not graduate to have accumulated large amounts of student debt, but overall they are also somewhat more likely to have no debt at all.
- Among dependent students beginning their postsecondary studies in 2003-04 who last attended a for-profit four-year institution, 15% had earned bachelor's degrees by 2009. Two-thirds of these graduates had at least $28,000 in education debt. About 15% of dependent and 16% of independent students who last attended a for-profit four-year institution, but did not earn a bachelor's degree, borrowed more than $28,000.
- Among dependent students who last attended a public four-year institution, 64% had earned bachelor's degrees by 2009. Fourteen percent of these graduates had at least $28,000 in education debt. Over a quarter of the independent public four-year graduates had this much debt.
- About 10% of dependent and 15% of independent students who last attended a public four-year institution, but did not earn a bachelor's degree, borrowed more than $28,000.

ALSO IMPORTANT:

- Among bachelor's degree recipients, 15% of dependent students and 39% of independent students began their studies in 2003-04 at a two-year (or less) institution.
- Among students who last attended a four-year institution but did not complete a bachelor's degree by 2008-09, 35% of dependent students and 41% of independent students began their studies in 2003-04 at a two-year (or less) institution.

Percentages of 2003-04 Beginning Postsecondary Students Who Last Attended a Four-Year Institution Receiving Bachelor's Degrees by 2009

	Dependent		Independent	
	Bachelor's Degree	No Bachelor's Degree	Bachelor's Degree	No Bachelor's Degree
Total	63%	37%	22%	78%
Public Four-Year	64%	36%	23%	77%
Private Nonprofit Four-Year	71%	29%	31%	69%
For-Profit Four-Year	15%	85%	13%	87%

Student Debt

About 56% of students who earned bachelor's degrees in 2009-10 from the public four-year colleges at which they began their studies graduated with debt. Average debt per borrower was $22,000, up from $19,800 (in 2010 dollars) a decade earlier.

FIGURE 10A
Average Total Debt Levels of Bachelor's Degree Recipients, Public Four-Year Colleges and Universities, in Constant 2010 Dollars, 1999-2000 to 2009-10

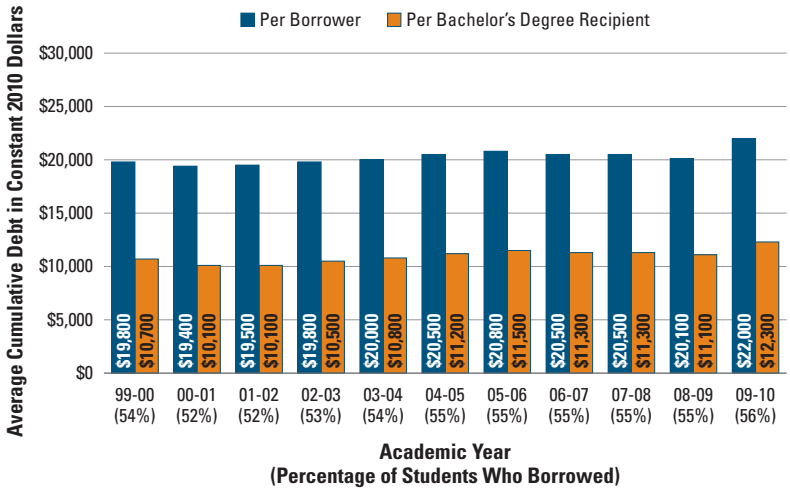
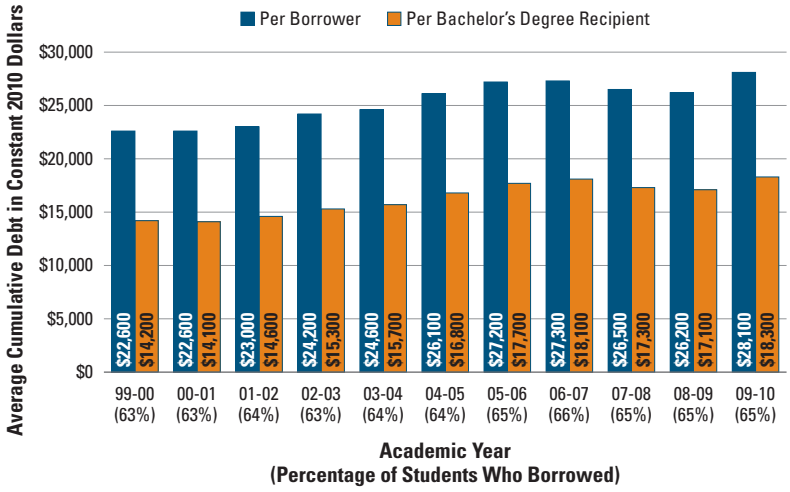


FIGURE 10B
Average Total Debt Levels of Bachelor's Degree Recipients, Private Nonprofit Four-Year Colleges and Universities, in Constant 2010 Dollars, 1999-2000 to 2009-10



Only students who began their studies at the institution from which they graduated are included in the data reported here. The blue bars represent the average debt levels of bachelor's degree recipients who relied on student loans. The orange bars represent average debt per degree recipient, including those who graduated without student debt. The percentages along the base of the axis represent the percentage of degree recipients who borrowed.

NOTE: Debt figures include both federal loans and loans from nonfederal sources that have been reported to the institutions. Transfer students are excluded. Debt figures are based on institutional reporting to the College Board and are best approximations. Estimates for 2010-11 incorporate both the responses for that year and the change from 2009-10 for schools reporting for both years. Exact dollar amounts should be interpreted with caution. The data are not adequate to allow comparable calculations for for-profit institutions.

SOURCES: *Annual Survey of Colleges*, 2001 to 2011; calculations by the authors.

- Spread across all public four-year college graduates who earned degrees from the institution at which they began their studies, average debt per bachelor's degree recipient was $12,300 in 2009-10.
- About 65% of students who earned bachelor's degrees in 2009-10 from the private nonprofit four-year colleges at which they began their studies graduated with debt. Average debt per borrower was $28,100, up from $22,600 (in 2010 dollars), a decade earlier.
- Spread across all private nonprofit four-year college graduates who earned degrees from the institution at which they began their studies, average debt per bachelor's degree recipient was $18,300 in 2009-10.
- From 1999-2000 to 2009-10, average debt per borrower among public college bachelor's degree recipients increased at an average annual rate of 1.1% beyond inflation. The percentage of nontransfer graduates with debt increased from 54% to 56%. Average debt grew by 1.4% per year over the most recent five years of the decade.
- From 1999-2000 to 2009-10, average debt per borrower among private nonprofit bachelor's degree recipients increased at an average annual rate of 2.2% beyond inflation. The percentage of nontransfer graduates with debt increased from 63% to 65%. Average debt grew by 1.5% per year over the most recent five years of the decade.

ALSO IMPORTANT:

- As Figures 9A and 9B reveal, students who earn their bachelor's degrees at for-profit institutions are more likely to borrow than those who attend public and private nonprofit colleges, and those who borrow accumulate higher average levels of debt.

Total Aid per Full-Time Equivalent Student

FIGURE 11A
Average Aid per Full-Time Equivalent (FTE) Undergraduate Student in Constant 2010 Dollars, 1995-96 to 2010-11

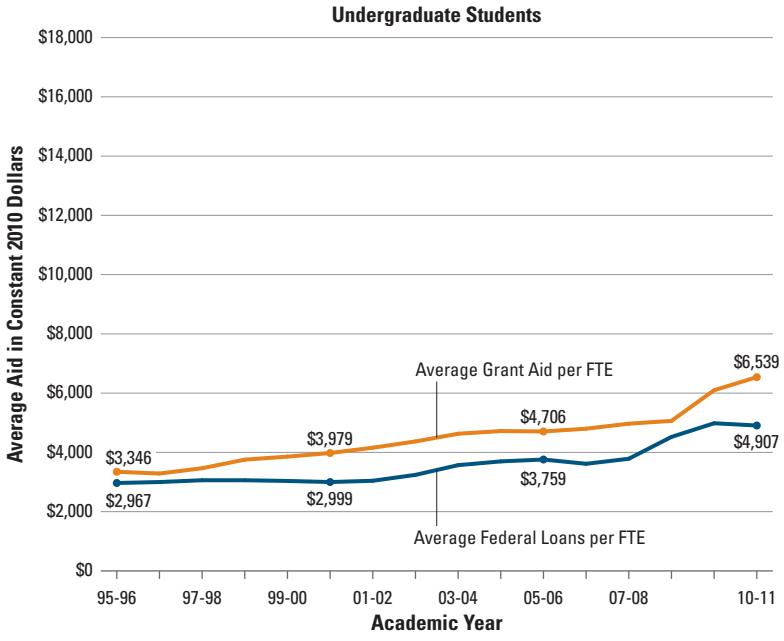
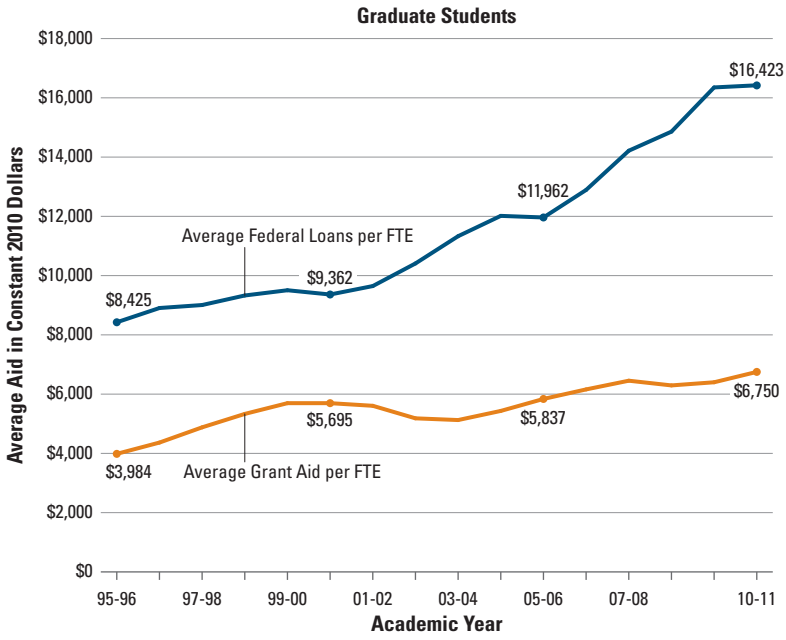


FIGURE 11B
Average Aid per Full-Time Equivalent (FTE) Graduate Student in Constant 2010 Dollars, 1995-96 to 2010-11



NOTE: Loans reported here include only federal loans to students and parents. Grants from all sources are included.

SOURCE: Trends in Student Aid website (http://trends.collegeboard.org), Tables 3A and 3B.

In 2010-11, undergraduate students received an average of $12,455 in aid per full-time equivalent (FTE) student, including $6,539 in grants from all sources, $4,907 in federal loans, and $1,009 in a combination of tax credits and deductions and Federal Work-Study (FWS).

- Total grant aid per full-time equivalent undergraduate student increased at an average rate of 3.5% per year in inflation-adjusted dollars from 1995-96 to 2000-01, 3.4% per year from 2000-01 to 2005-06, and a much more rapid rate of 6.8% per year from 2005-06 to 2010-11.

- Federal loans per FTE undergraduate student have grown at an increasing rate, rising at an average rate of 0.2% per year in inflation-adjusted dollars from 1995-96 to 2000-01, 4.6% per year from 2000-01 to 2005-06, and 5.5% per year from 2005-06 to 2010-11.

- FTE graduate students received an average of $23,995 in aid, including $6,750 in grant aid, $16,423 in federal loans, and $782 in a combination of tax credits and deductions and Federal Work-Study.

- In 2010-11, graduate students received about $200 more in grant aid per student than undergraduates and borrowed about $11,500 more in federal loans.

- In 2010-11, graduate students received 19% more in grant aid per FTE student (after adjusting for inflation) than they had a decade earlier. They borrowed 75% more per student in federal loans in 2010-11 than in 2000-01.

ALSO IMPORTANT:

- Overall, postsecondary students received an average of $443 more (in 2010 dollars) per student in benefits from federal tax credits and deductions in 2010-11 than in 2000-01. They earned $32 less per student from Federal Work-Study jobs.

Education Tax Credits and Tuition Deductions

FIGURE 12A
Distribution of Total Tax Savings from Education Tax Credits and Tuition Deductions by Adjusted Gross Income (AGI), 2008 and 2009 (and Average Tax Savings per Recipient)

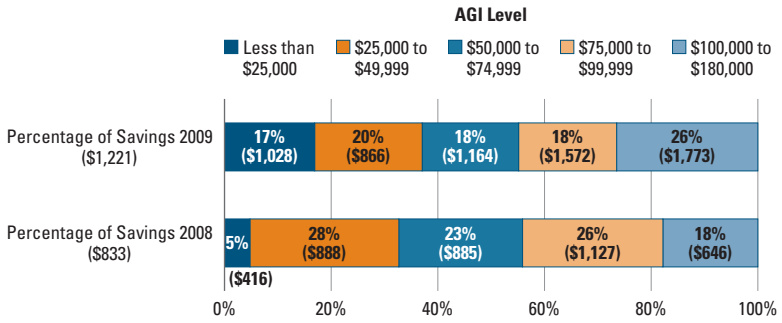
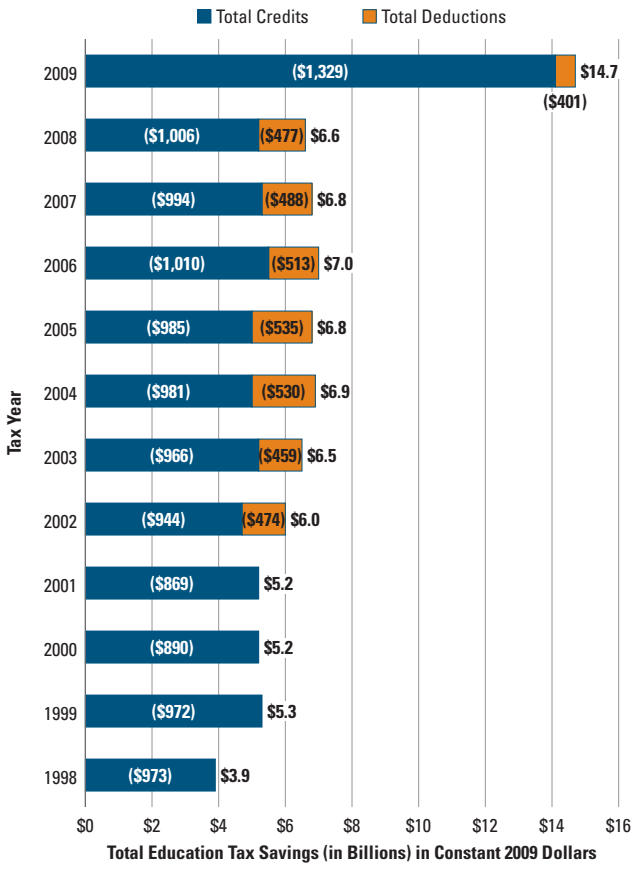


FIGURE 12B
Total Education Tax Credits and Tuition Deductions in Constant 2009 Dollars, 1998 to 2009 (and Average Tax Savings per Recipient)



NOTE: Refundable tax credits claimed on all returns are included. For nonrefundable credits and for deductions, only amounts claimed on taxable income tax returns are included. The 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. The tax deduction was first implemented for the 2002 tax year. Percentages may not sum to 100 because of rounding.

SOURCES: Internal Revenue Service, *Statistics of Income*, http://www.irs.gov/taxstats/indtaxstats/article/0,,id=96981,00.html, Tables 1.3, 1.4, 3.3 (1998–2009); calculations by the authors.

The American Opportunity Tax Credit (AOTC), introduced in 2009, increased the total tax savings for college students and their parents claiming education credits and tuition deductions from $6.6 billion (in 2009 dollars) in 2008 to $14.7 billion in 2009.

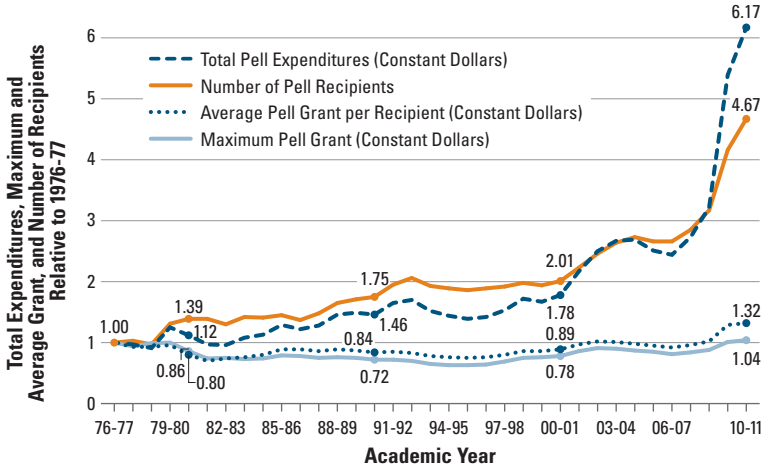
- Education tax credits and deductions are "tax expenditures." They reduce federal income tax liabilities — and federal tax revenues. Their impact on the federal budget is the same as the impact of direct expenditures.
- The maximum income level for which joint filers were eligible for the AOTC was $180,000 in 2009 — higher than the $160,000 limit for filers claiming the tuition deduction and the $120,000 limit for those claiming the preexisting tax credits.
- Because of the increase in the income limits for education tax credits, the percentage of total tax savings from education credits and deductions going to filers with incomes of $100,000 or higher increased from 18% in 2008 to 26% in 2009.
- Unlike the Hope and Lifetime Learning tax credits in existence since 1998, the AOTC is partially refundable. Taxpayers receive a credit of up to $2,500 for tuition, fees, and course materials. Filers who do not owe taxes can receive a refund of 40% of their credit (up to a maximum of $1,000).
- Because of the refundability of the AOTC, the percentage of total tax savings from education credits and deductions going to filers with an AGI below $25,000 increased from 5% in 2008 to 17% in 2009.

ALSO IMPORTANT:

- The federal government allows a tax deduction for interest paid on student loans. In 2009, 7.2 million taxpayers with taxable returns deducted $6.4 billion in student loan interest, generating over $1 billion in savings.
- Other significant subsidies to students through the tax code include the personal exemption allowed for students ages 19 and over, which saved parents about $3 billion in 2009, and the excludability of tuition assistance from employers, which saved students about $680 million. Taxpayers saved about $1.5 billion in taxes on the earnings from earmarked savings for education. (*Analytical Perspectives, Budget of the U.S. Government, FY 2012*, Table 17-1, http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/spec.pdf)

Pell Grants

FIGURE 13A
Total Pell Expenditures, Maximum Pell Grant and Average Pell Grant in Constant 2010 Dollars and Number of Recipients Relative to 1976-77 Level



Each line in Figure 13A shows how one aspect of the Pell Grant program has changed since 1976-77. A value of 2 indicates a doubling since that year. The value of 6.17 for total expenditures in 2010-11 indicates that total Pell dollars were 6.17 times as high in 2010-11 as in 1976-77, after adjusting for inflation.

FIGURE 13B
Maximum and Average Pell Grant in Constant 2010 Dollars, 1976-77 to 2010-11

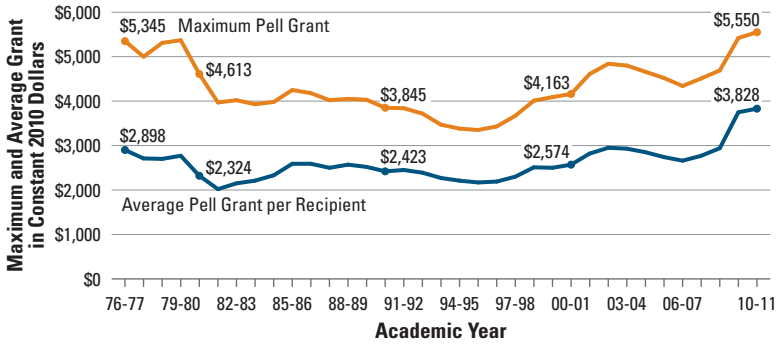
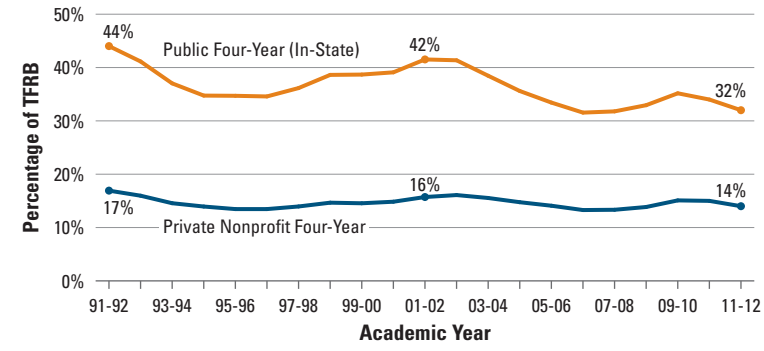


FIGURE 13C
Maximum Pell Grant as a Percentage of Tuition and Fees and Room and Board (TFRB), 1991-92 to 2011-12



SOURCES: *The Federal Pell Grant Program End-of-Year Report*, 2009-10; projections from the U.S. Department of Education, Office of Postsecondary Education; *Trends in College Pricing*, The College Board.

Total Pell Grant expenditures increased by 16% between 2009-10 and 2010-11, leading expenditures in this program to almost double over two years, from $18.1 billion (in 2010 dollars) in 2008-09 to $34.8 in 2010-11.

- The number of Pell Grant recipients increased from 3.9 million in 2000-01 to 5.2 million in 2005-06 and 6.2 million in 2008-09. In 2009-10, 8.1 million students received Pell Grants and the number grew to 9.1 million in 2010-11.
- The average Pell Grant awarded increased from $2,945 (in 2010 dollars) in 2008-09 to $3,828 in 2010-11. If the number of recipients had not increased over this two year period, total expenditures would have increased by 30% or $5.4 billion.
- If the 2010-11 Pell recipients had received the same average grant (adjusted for inflation) as students two years earlier, total expenditures would have increased by 48%, or $8.6 billion, over two years.

ALSO IMPORTANT:

- In 2009-10, about 28% of Pell Grant recipients received the maximum Pell Grant. (Unpublished calculations by the Department of Education)
- In 2009-10, students became eligible to receive more than one full Pell Grant during a single year if they were enrolled full-time for more than two semesters. The second Pell provision was eliminated as of the 2011-12 academic year.

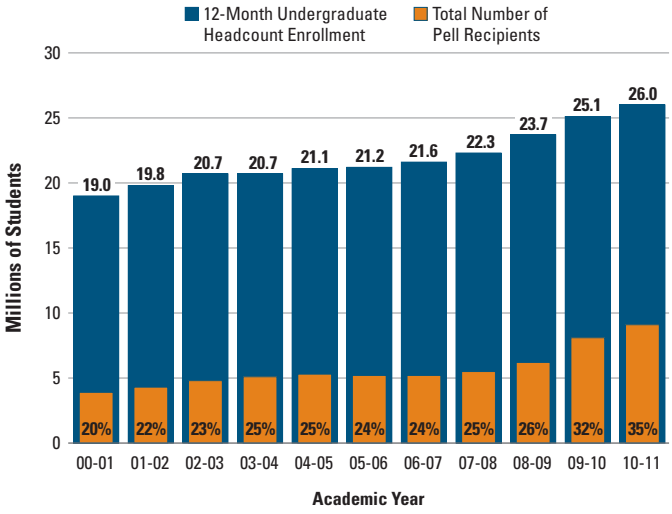
Federal Pell Grant Awards in Constant 2010 Dollars, 1976-77 to 2010-11, Selected Years

	Constant 2010 Dollars			Number of Pell Recipients (in Millions)
	Total Pell Expenditures (in Billions)	Maximum Pell Grant	Average Pell Grant per Recipient	
1976-77	$5.6	$5,345	$2,898	1.9
1980-81	$6.3	$4,613	$2,324	2.7
1990-91	$8.3	$3,845	$2,423	3.4
2000-01	$10.0	$4,163	$2,574	3.9
2005-06	$14.2	$4,519	$2,740	5.2
2006-07	$13.7	$4,339	$2,659	5.2
2007-08	$15.4	$4,511	$2,771	5.5
2008-09	$18.1	$4,689	$2,945	6.2
2009-10	$30.4	$5,416	$3,751	8.1
2010-11	$34.8	$5,550	$3,828	9.1

Pell Grants

The total number of undergraduate students in the U.S. increased from 19.0 million in 2000-01 to 21.2 million in 2005-06, and to 26.0 million in 2010-11. The percentage of these students receiving Pell Grants increased from 20% in 2000-01 to 24% in 2005-06, and to 35% in 2010-11.

FIGURE 14A
Total Undergraduate Enrollment and Percentage of Students Receiving Pell Grants: 2000-01 to 2010-11

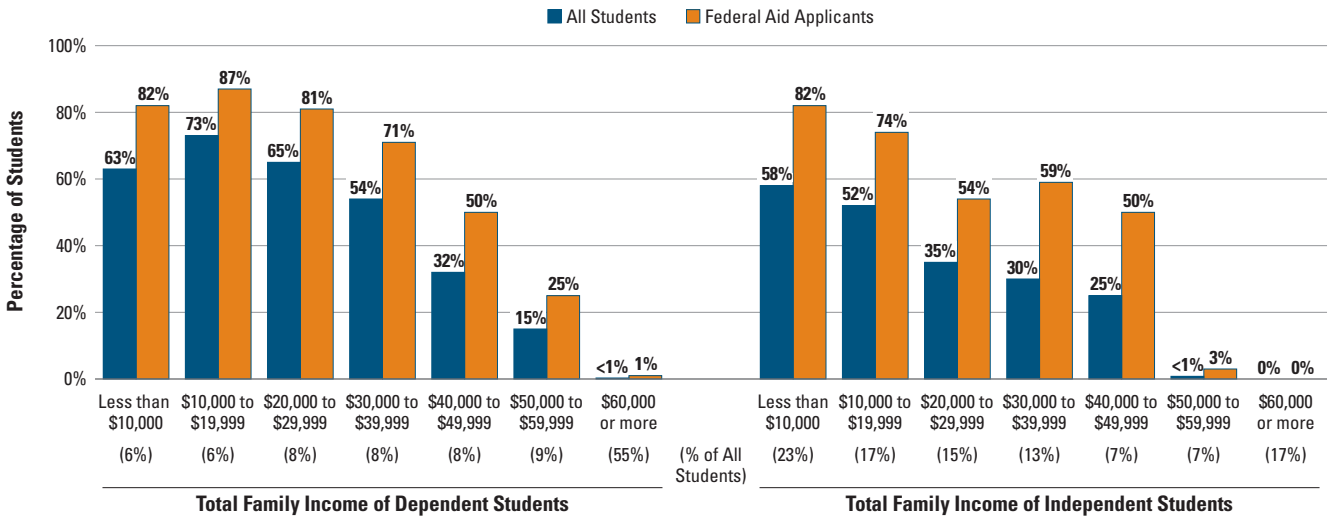


NOTE: Twelve-month undergraduate headcount for 2010-11 is estimated based on preliminary *IPEDS* numbers.

SOURCES: NCES, *Enrollment in Postsecondary Institutions and Financial Statistics* and *Postsecondary Institutions and Price of Attendance in the United States*; *The Federal Pell Grant End-of-Year Report*, 2009-10; projections from the U.S. Department of Education, Office of Postsecondary Education.

- In 2007-08, about 66% of dependent undergraduates from families with incomes below $30,000 — and about 83% of those who applied for federal financial aid — received Pell Grants. (About 20% of dependent students were in this income range.)
- Fifteen percent of dependent undergraduates from families with incomes between $50,000 and $59,999 — and 25% of those who applied for federal financial aid — received Pell Grants. Less than 1% of the 55% of dependent students from families with incomes of $60,000 or higher received Pell Grants.
- In 2007-08, 58% of the independent students with incomes below $10,000 — and 82% of those who applied for federal financial aid — received Pell Grants. (About 23% of independent students were in this income range.)
- Less than 1% of the 24% of independent students with incomes of $50,000 or higher received Pell Grants.

FIGURE 14B
Percentages of Undergraduate Students and Aid Applicants Receiving Pell Grants by Dependency Status and Income Level, 2007-08



SOURCES: *NPSAS 2008*, calculations by the authors.

State Grants

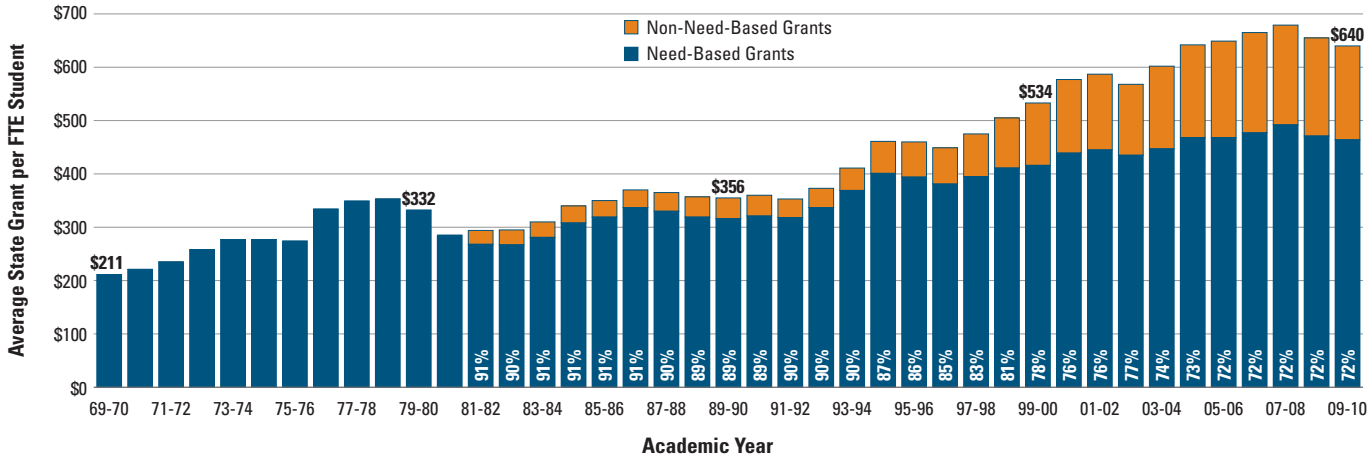
The percentage of state grant dollars for undergraduate students distributed without regard to students' financial circumstances increased from 9% in 1985-86 to 14% in 1995-96, and to 28% in 2005-06. It remained at 28% in 2009-10.

- Between 1989-90 and 1999-2000, state grant aid per FTE student increased by 50% after adjusting for inflation, from $356 to $534 in 2010 dollars.
- Between 1999-2000 and 2009-10, state grant aid per FTE student increased by 20% after adjusting for inflation, from $534 to $640 in 2010 dollars.
- State grant aid declined from a high of $679 per FTE student (in 2010 dollars) in 2007-08 to $640 in 2009-10.
- State grant programs differ considerably across states. In 14 states, financial circumstances influence the distribution of all state grant aid. Georgia, South Dakota, and the District of Columbia consider financial circumstances for less than 10% of their aid dollars.

ALSO IMPORTANT:

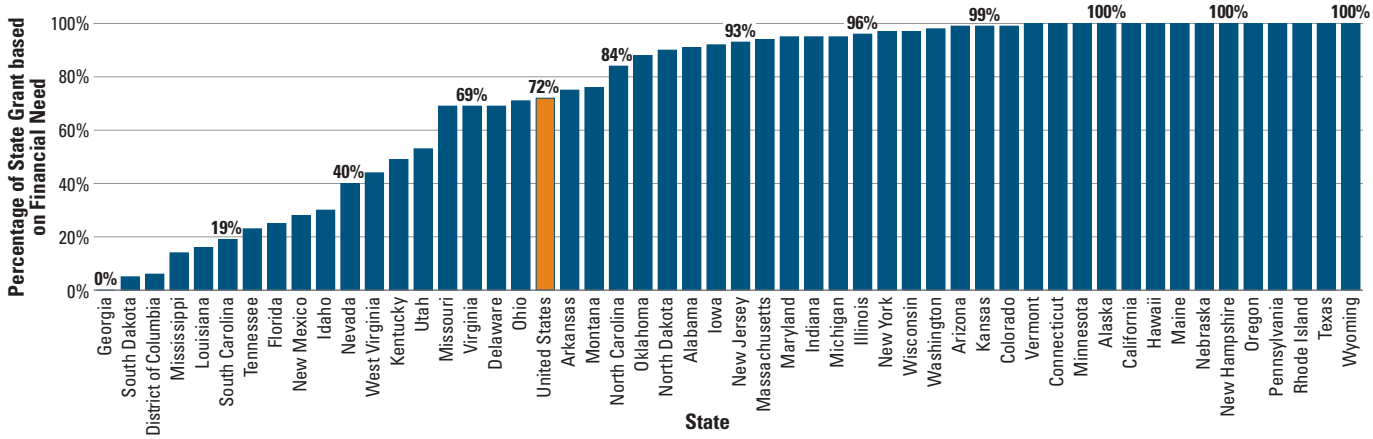
- Some need-based state grant programs use a combination of financial circumstances and other characteristics to determine aid awards. Others rely primarily or exclusively on merit-based aid. In 2009-10, New York, Oregon, Pennsylvania, Rhode Island, Vermont, Wisconsin, and Wyoming allocated 95% or more of their state grants based on need alone. (*NASSGAP Survey*, Table 8)
- Between 2008-09 and 2009-10, total state grant aid increased by 19% in California and Georgia, but declined by 62% in Ohio and by 72% in Michigan in one year. (*NASSGAP Survey*, Table 7)

FIGURE 15A Need-Based and Non-Need-Based State Grants per Full-Time Equivalent (FTE) Undergraduate Student in Constant 2010 Dollars, 1969-70 to 2009-10



Percentages displayed represent percentage of total state grant aid for which students' financial circumstances were considered.

FIGURE 15B Percentage of State Grant Aid for Which Students' Financial Circumstances Were Considered, 2009-10



NOTE: Need-based aid includes any grants for which financial circumstances contribute to eligibility. Non-need-based aid refers to grants for which financial circumstances have no influence on eligibility. These data are based on undergraduate state grants. Including Puerto Rico in the total would increase the percentage of state grant aid that is based on financial circumstances from 72% to 73%.

SOURCES: *National Association of State Student Grant and Aid Programs (NASSGAP) Survey*, 2011; NCES, unpublished enrollment data provided by *IPEDS* staff.

State Grants

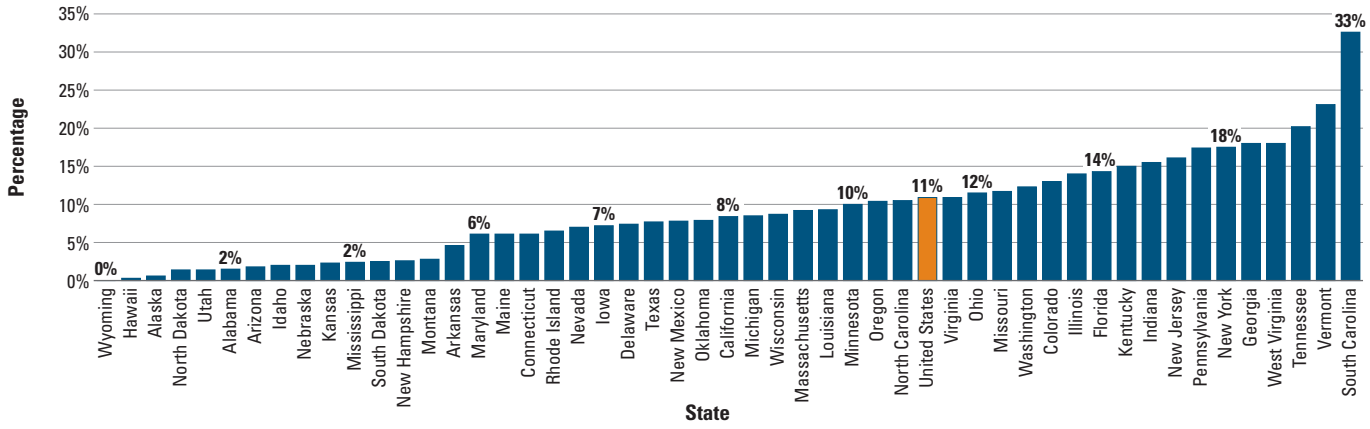
In 2009-10, state grant aid per full-time equivalent (FTE) undergraduate student ranged from under $100 in Alaska, Arizona, Hawaii, Idaho, New Hampshire, Utah, and Wyoming to over $1,000 in Georgia, Kentucky, New Jersey, New York, South Carolina, Tennessee, and West Virginia.

- In 2009-10, when 15 states spent less than 5% of their funding for higher education on grants, grant aid constituted 33% of state support for higher education in South Carolina, 23% in Vermont, and 20% in Tennessee.
- In 2009-10, the five states with the lowest proportion of their total higher education funding in the form of grant aid (Figure 16A), provided from $7 (Wyoming) to $234 (North Dakota) in grant aid per FTE student. The five states with the highest proportion of their total funding in the form of grant aid provided from $599 (Vermont) to $1,780 (South Carolina) in grant aid per FTE student.

ALSO IMPORTANT:

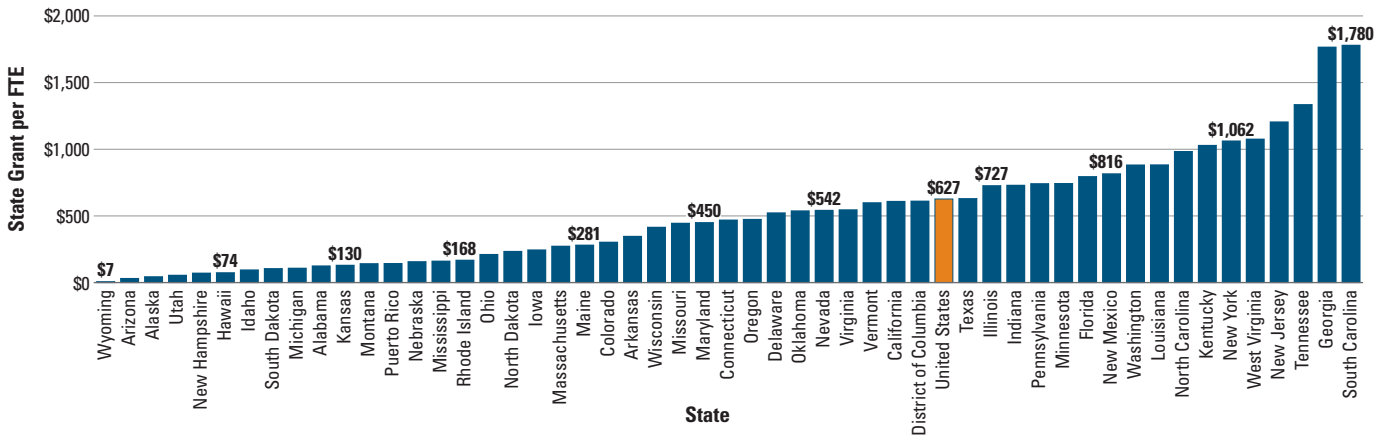
- Eleven states provided 70% of all state grant dollars in 2009-10, with California contributing 12% and New York 11%.

FIGURE 16A State Grant Expenditures as a Percentage of Total State Support for Higher Education, 2009-10



SOURCE: *NASSGAP Survey*, 2011, Table 14.

FIGURE 16B State Grant Aid per Full-Time Equivalent (FTE) Undergraduate Student, 2009-10



Full-time equivalent students include all undergraduates enrolled in the state. The values in Figure 16B are more representative of the generosity of state grant programs in states that do not have large enrollments of out-of-state students who are ineligible for state grants. In fall 2008, more than 90% of the first-year students enrolled in Alaska, California, Michigan, Nevada, New Jersey, and Texas were residents. But in the District of Columbia, Rhode Island, and Vermont, all of which are atypical in providing state grants to residents enrolled out-of-state, fewer than half of the first-year students were residents.

SOURCE: *NASSGAP Survey*, 2011, Table 12.

Institutional Grant Aid — Public Institutions

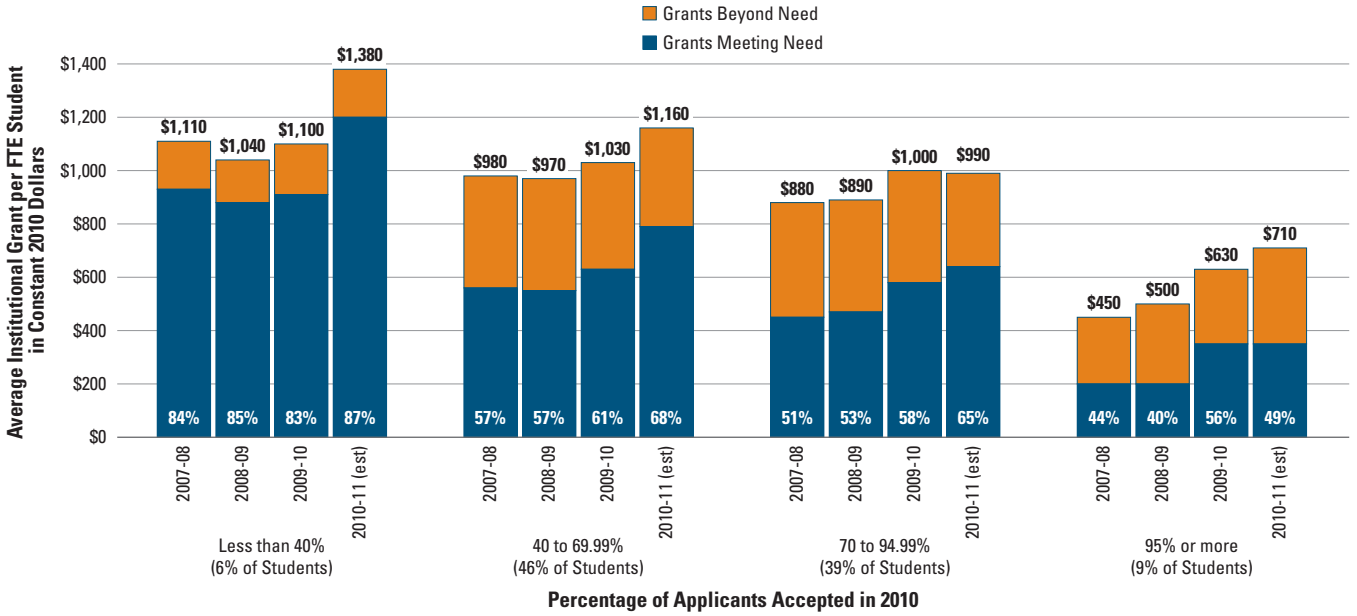
From 2007-08 through 2010-11, the percentage of institutional grant aid that helped to meet students' financial need at public four-year colleges and universities that accept less than 40% of their applicants ranged from a low of 83% to a high of 87%.

- At public four-year colleges accepting 40% to 70% of their applicants, the percentage of institutional grant funds helping to meet financial need ranged from 57% to 68% between 2007-08 and 2010-11; at institutions accepting 70% to 95% of their applicants, the range was from 51% to 65%.
- The percentage of aid meeting need increased at public four-year institutions between 2007-08 and 2010-11. This may be either because of institutional policies focusing on need-based aid or because a combination of rising prices and deteriorating economic conditions have created additional financial need.
- Estimated 2010-11 institutional grant aid per full-time equivalent (FTE) undergraduate ranged from $1,380 at public four-year institutions accepting less than 40% of their applicants, to $710 per student at those accepting 95% or more.

ALSO IMPORTANT:

- Like private colleges and universities, public institutions use their financial aid dollars for multiple purposes. In addition to making it possible for students with inadequate financial resources to enroll, they seek to attract students with strong academic credentials and other characteristics they consider important.
- Both published tuition prices and family incomes tend to be higher at more selective institutions. Based on a definition of selectivity that includes both percentage of applicants admitted and SAT®/ACT scores, according to *NPSAS* 2008, in 2007-08, median family income for dependent students at public four-year institutions with open admission was about $57,000, compared to $66,000 at minimally selective, $77,000 at moderately selective, and $87,000 at very selective public four-year institutions. (*NPSAS*, 2008)
- Published tuition and fees at the median student's institution in 2007-08 ranged from $3,100 at open admission public four-year colleges and $4,900 at minimally selective institutions, to $5,600 at moderately selective and $6,900 at very selective public colleges and universities. (*NPSAS*, 2008)

FIGURE 17A Institutional Grant Aid per Full-Time Equivalent (FTE) Student by Institutional Selectivity and Student Financial Need, Public Four-Year Colleges and Universities in Constant 2010 Dollars, 2007-08 to 2010-11



Grants meeting need may be awarded according to financial circumstances or on the basis of other criteria. The estimates reported here reflect the best efforts of respondents to the College Board's Annual Survey of Colleges to identify aid that fills the gap between a student's available resources and the cost of attendance. Grants awarded to students without financial need or awarded in excess of need are "grants beyond need."

NOTE: Data on institutional grant aid are available for approximately 70% of the public four-year institutions reporting tuition and fees in the *Annual Survey of Colleges* (*ASC*). Estimates should be interpreted with caution. Estimates for 2010-11 incorporate both the responses for that year and the change from 2009-10 for schools reporting for both years. Athletic aid and tuition waivers are not included in the totals reported here. Selectivity is defined by the percentage of applicants accepted to the institution in 2010. The percentage of FTE students enrolled in 2009-10 in each category, as reported by institutions on the ASC within the sector, is shown in parentheses. Note that the scale of Figure 17A is one-tenth that of Figure 17B on page 27.

SOURCES: *Annual Survey of Colleges*, 2008 to 2011; calculations by the authors.

Institutional Grant Aid — Private Institutions

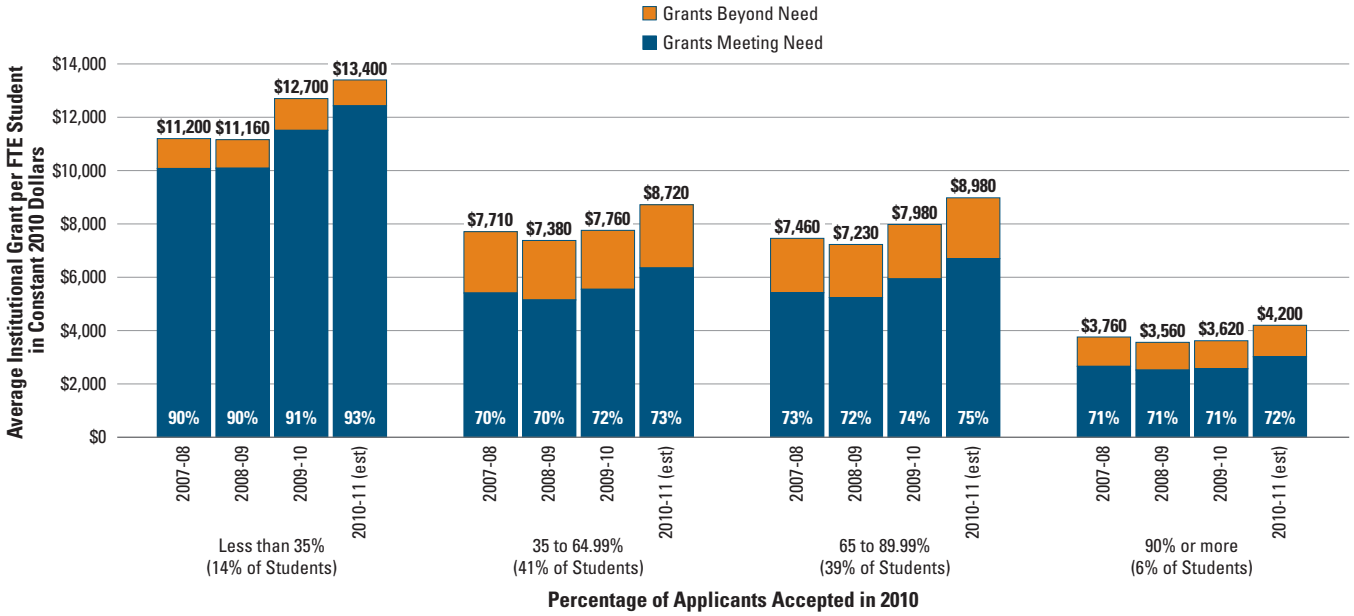
From 2007-08 through 2010-11, the percentage of institutional grant aid that helped to meet students' financial need at private nonprofit four-year colleges and universities that accept less than 35% of their applicants ranged from a low of 90% to a high of 93%.

- At less selective colleges and universities in this sector, 70% to 75% of institutional grant aid helped meet financial need, while 25% to 30% either went to students with no documented financial need or exceeded the recipients' need.
- The percentage of aid meeting need may increase either because of institutional policies focusing on need-based aid or because a combination of rising prices and deteriorating economic conditions creates additional financial need.
- Estimated 2010-11 institutional grant aid per full-time equivalent (FTE) undergraduate ranged from $13,400 at institutions accepting less than 35% of their applicants, to $4,200 per student at those accepting 90% or more.

ALSO IMPORTANT:

- Both published tuition prices and family incomes tend to be higher at more selective institutions. Based on a definition of selectivity that includes both percentage of applicants admitted and SAT®/ACT scores, according to *NPSAS* 2008, in 2007-08, median family income for dependent students at private colleges with open admission was about $53,000, compared to $65,000 at minimally selective, $80,000 at moderately selective, and $97,000 at very selective private nonprofit four-year institutions. (*NPSAS*, 2008)
- Published tuition and fees at the median student's institution in 2007-08 ranged from $15,800 at open admission private nonprofit four-year colleges and $18,900 at minimally selective institutions, to $22,100 at moderately selective and $30,200 at very selective private nonprofit four-year colleges and universities. (*NPSAS*, 2008)

FIGURE 17B Institutional Grant Aid per Full-Time Equivalent (FTE) Student by Institutional Selectivity and Student Financial Need, Private Nonprofit Four-Year Colleges and Universities in Constant 2010 Dollars, 2007-08 to 2010-11



Grants meeting need may be awarded according to financial circumstances or on the basis of other criteria. The estimates reported here reflect the best efforts of respondents to the College Board's Annual Survey of Colleges to identify aid that fills the gap between a student's available resources and the cost of attendance. Grants awarded to students without financial need or awarded in excess of need are "grants beyond need."

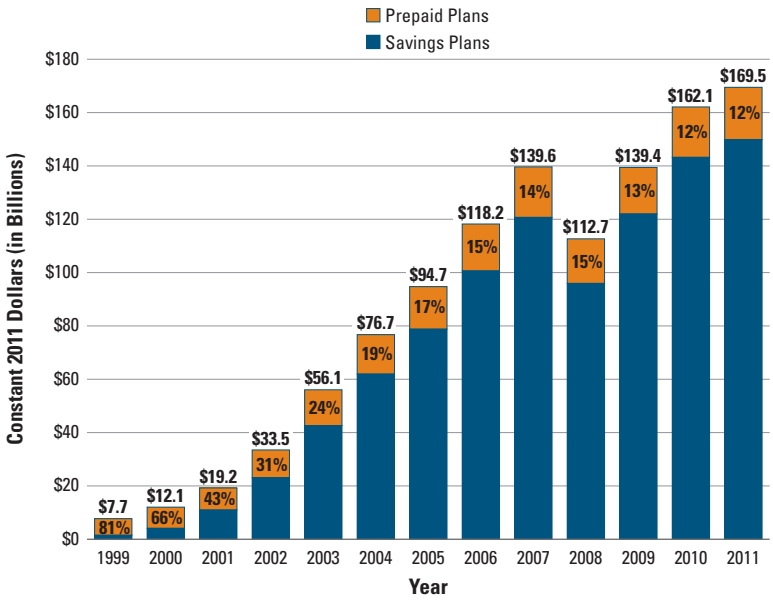
NOTE: Data on institutional grant aid are available for approximately 80% of the private nonprofit four-year institutions reporting tuition and fees in the *Annual Survey of Colleges* (*ASC*). Estimates should be interpreted with caution. Estimates for 2010-11 incorporate both the responses for that year and the change from 2009-10 for schools reporting for both years. Selectivity is defined by the percentage of applicants accepted to the institution in 2010. The percentage of FTE students enrolled in 2009-10 in each category, as reported by institutions on the ASC within the sector, is shown in parentheses. Note that the scale of Figure 17B is 10 times that of Figure 17A on page 26.

SOURCES: *Annual Survey of Colleges*, 2008 to 2011; calculations by the authors.

College Savings Plans

As of June 2011, total assets in Section 529 state college savings plans totaled $169.5 billion. Ten million open accounts held an average of $16,950.

FIGURE 18
Total Assets in State-Sponsored Section 529 Savings Plans (and Percentage of Funds in Prepaid Tuition Accounts) in Constant 2011 Dollars (in Billions), December 1999 to June 2011



Section 529 College Savings Plans by Account Type: Number of Accounts and Average Value in Constant 2011 Dollars, 2009 to 2011

	All Accounts		Prepaid Accounts		Savings Accounts	
	Number of Open Accounts (in Millions)	Average Value	Number of Open Accounts (in Millions)	Average Value	Number of Open Accounts (in Millions)	Average Value
December 2009	9.5	$15,710	1.2	$15,270	8.3	$15,780
December 2010	10.2	$16,680	1.2	$16,240	8.9	$16,730
June 2011	10.0	$16,950	1.3	$15,640	8.8	$17,140

Assets in Section 529 college savings plans accumulate tax-free and, if used for postsecondary education expenses, can (since 2001) be redeemed tax-free. Standard 529 savings plans are 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 many states, there are tax credits or deductions for contributions to 529 plans.

NOTE: The value of prepaid tuition plans corresponds to the current assets being managed and does not necessarily reflect the value of the savings to the account holders, which depends on college prices.

SOURCE: Data provided by College Savings Plan Network (www.collegesavings.org).

- As of June 30, 2011, there were 1.3 million active state prepaid tuition plan accounts with an average value of $15,640, and 8.8 million 529 savings accounts with an average value of $17,140.
- Total assets in state 529 accounts grew at an average annual rate of 64% (in constant dollars) from December 1999 to December 2003. The growth rate slowed to 26% per year over the next four years.
- Between December 2007 and December 2008, total 529 assets declined by 19%, but were 21% higher by June 2011 than they had been before the decline.
- Although 17 states have prepaid tuition plans, 43% of the total assets in these accounts are in Florida.
- Virginia has the largest 529 savings plan, with 21% of total assets.

ALSO IMPORTANT:

- Arkansas, Colorado, Kansas, Louisiana, Maine, Minnesota, Nebraska, Nevada, North Dakota, Rhode Island, Utah, and West Virginia provide matching grants for low- and middle-income families who contribute to 529 savings accounts. (www.savingforcollege.com)
- More than 270 private colleges and universities have joined together in a prepaid tuition plan that carries the same tax benefits as the state-sponsored 529 savings plans. The assets in the 8 million accounts in this plan, not included in Figure 18, were $221 million as of June 30, 2011.
- 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, as well as IRA withdrawals for education expenses.

Notes and Sources

DATA DEFINITIONS

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 and off-campus employers, although most of the funds in the program are federal. Perkins Loans are funded from past federal and institutional capital contributions as well as collections from borrowers. Since FY 2006, no funds have been appropriated for new federal capital contributions. Institutional matching funds required by the Federal Supplemental Educational Opportunity Grant (FSEOG) program since 1989-90 are reported under institutional grants.

LEAP. Formerly known as the State Student Incentive Grant (SSIG) program, the Leveraging Educational Assistance Partnership (LEAP) monies reported under federally supported aid include federal monies only; the state share is included in the state grant category. Funding for the LEAP programs ended with the 2010-11 academic year.

Veterans. Benefits are payments for postsecondary education and training to veterans and their dependents, including the Post-9/11 Veterans Educational Assistance program established in 2009-10 and all programs established earlier.

Military. Includes educational expenditures under the F. Edward Hebert Armed Forces Health Professions Scholarship Program; Reserve Officers' Training Corps (ROTC) programs for the Air Force, Army, and Navy/Marines; and higher education tuition assistance for the active duty Armed Forces.

Other Federal 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).

Stafford, PLUS, and Perkins Loans. Data provided by the Department of Education on education loan disbursements.

Other Federal Loans. Includes loans from the Health Professions Student Loan Program, Disadvantaged Student Loans, the Nursing Student Loan Program, and the Teacher Education Assistance for College and Higher Education (TEACH) grant program. The TEACH grant program is operated as a loan program with 100 percent loan forgiveness upon completion of a service requirement. Current estimates suggest that approximately 80 percent of participating students will not complete the required service and thus will have their grants converted to Direct Unsubsidized Stafford Loans.

Education Tax Benefits. Data on education tax credits are IRS estimates of the volume of Hope, Lifetime Learning, and American Opportunity credits for tax years 1998 and later. For nonrefundable credits, only those claimed on taxable returns are included. Tax deductions are based on IRS *Statistics of Income*, with associated savings estimated by the College Board based on the marginal tax rates applied to the taxable income of the taxpayers in each income bracket claiming the deduction on taxable returns. Calendar year amounts are split between the two associated academic years.

Subsidized Stafford Loans: Need-based student loans for which the federal government pays the interest while the student is in school and during a six-month grace period thereafter. Prior to the 2010-11 academic year, these loans were available to both undergraduate and graduate students, but the Budget Control Act of 2011 eliminated the program for graduate students, whose Stafford Loans are now all unsubsidized.

Unsubsidized Stafford Loans: Unsubsidized Stafford Loans are issued by the federal government through the Federal Direct Student Loan Program (FDSLP). Prior to July 2010, loans were issued either through the FDSLP or by private lenders and guaranteed by the federal government.

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

Graduate and Undergraduate Aid: The breakdown of aid between undergraduate and graduate students is estimated based on the *National Postsecondary Student Aid Study* (*NPSAS*) when not available from other sources.

Loan Totals: Nonfederal loans from private lenders are included in Table 1 as an important source of funding for students, but are not considered financial aid because they provide no subsidy to students. Figures 1, 4, 7, 8, 9, and 10 include nonfederal loans to give a more complete picture of student borrowing. Figures 2A, 2B, 11A, and 11B measure financial aid amounts and therefore exclude nonfederal loans.

Inflation Adjustment: The Consumer Price Index for all urban dwellers (CPI-U) is used to adjust for inflation. We use the CPI-U in July of the year in which the academic year begins. See ftp://ftp.bls.gov/pub/special.requests/cpi/cpiai.txt for changes in the CPI-U over time.

SOURCES

Campus-Based Aid (FWS, Perkins, and FSEOG) and ACG/SMART Grants: U.S. Department of Education, Annual Federal Program Databooks.

Cumulative Debt for Undergraduate Students: Distribution of cumulative debt levels reported in Figure 9 come from the *Beginning Postsecondary Students Longitudinal Study*, 2009. Average debt levels reported in Figures 8A and 8B are based on the *Annual Survey of Colleges*, 2001 to 2011.

Education Tax Benefits: *Income Tax Returns*, All Returns, Tables 1.3, 1.4, and 3.3 and additional *Statistics of Income* sources.

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).

Full-Time Equivalent (FTE) Enrollment: Based on unpublished computations by *Integrated Postsecondary Education Data System* (*IPEDS*) staff at the National Center for Education Statistics (NCES).

Institutional Grants: Estimates based on *IPEDS* data through FY 2009, information from *NPSAS*, 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.

LEAP and State Grant Programs: 2010-11: Estimates based on an annual College Board survey of all states. 1988-89 to 2009-10: 20th through 41st *Annual Survey Reports* of the National Association of State Student Grant and Aid Programs. LEAP figures are from unpublished data from the LEAP program manager at the U.S. Department of Education, Federal Student Aid Business Operations.

Military: F. Edward Hebert Armed Forces Health Professions Scholarship amounts from the Office of the Assistant Secretary for Defense (Health Affairs). ROTC program data from the Air Force, Army, and Navy/Marines program offices.

Nonfederal Loans: Estimates based on data for 2009-10 and 2010-11 provided by the Consumer Bankers Association and MeasureOne in addition to an informal annual College Board survey of major private education loan providers, supplemented by data from annual reports and from *NPSAS*, 2008. Data on lending also collected from the major credit unions and their associations. Estimates of institutional lending are based on *NPSAS*, 2008 and a survey of institutions conducted for the College Board by the National Association of Student Financial Aid Administrators (NASFAA). Data on loans from states are based on information collected from staff of state-sponsored private loan programs or state grant agencies, in addition to the National Association of State Scholarship and Grant Programs (NASSGAP).

Other Grants and Loans: Data 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 *Federal Pell Grant End-of-Year Reports* and from the Federal Student Aid Data Center (http://federalstudentaid.ed.gov/datacenter/index.html).

Private and Employer Grants: Estimates based on data included in *NPSAS* and on National Scholarship Providers Association surveys of major private student grant providers, supplemented by information from annual reports of selected scholarship providers and data from institutional financial aid offices.

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

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.

For more details on data sources and methodology, please see the *Trends in Student Aid* website at **http://trends.collegeboard.org**.

This report provides the most recent and complete statistics available on student aid in the United States. Detailed historical data are available online at **http://trends.collegeboard.org**.

Trends in Student Aid was authored by independent policy analyst Sandy Baum and College Board policy analyst Kathleen Payea, with invaluable assistance from Michael Hurwitz, Kathleen Little, Jennifer Ma, and Anne Sturtevant.

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Trends in Student Aid and its companion report, *Trends in College Pricing*, are supplemented by a website that makes detailed data available for reference and downloading. The PDF versions of these reports, along with PowerPoint slides of all the graphs, are available on the Web: **http://trends.collegeboard.org**.

Hard copies may be ordered by contacting cbadvocacy@collegeboard.org.

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