

# Archived Information

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Objective 3.2: Postsecondary students receive the financial aid and support services they need to enroll in and complete a high-quality educational program.

**Our Role.** Through the student financial assistance programs, the Department of Education makes grants, loans, and Work Study opportunities available to help overcome the financial barriers that make it difficult for lower and middle-income students to attend and complete postsecondary education. More than two-thirds of student aid provided to postsecondary students comes from the Federal student aid programs, amounting to more than \$50 billion in FY 2000. To help overcome non-financial barriers to postsecondary education, the Education Department provides funds through the Title III Strengthening Institutions, International, Howard University, and other programs to help ensure there are high-quality institutions available to serve disadvantaged students. The Education Department also works through TRIO and other programs to provide support services that enable disadvantaged students to complete postsecondary education and enter graduate school. The Education Department plays a strong leadership role in postsecondary education, both through support for innovation provided by programs such as the Fund for the Improvement of Postsecondary Education and Learning Anytime Anywhere Partnerships, and through other numerous outreach activities.

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## Our Performance

**How We Measure.** Performance indicators for Objective 3.2 measure outcomes associated with the postsecondary education system, such as reducing unmet need and debt burden, increasing graduation rates, ensuring that student aid programs remain cost beneficial, and providing effective support programs for postsecondary students. Indicators relating to the Education Department's delivery of the postsecondary education programs are included under Objective 3.3.

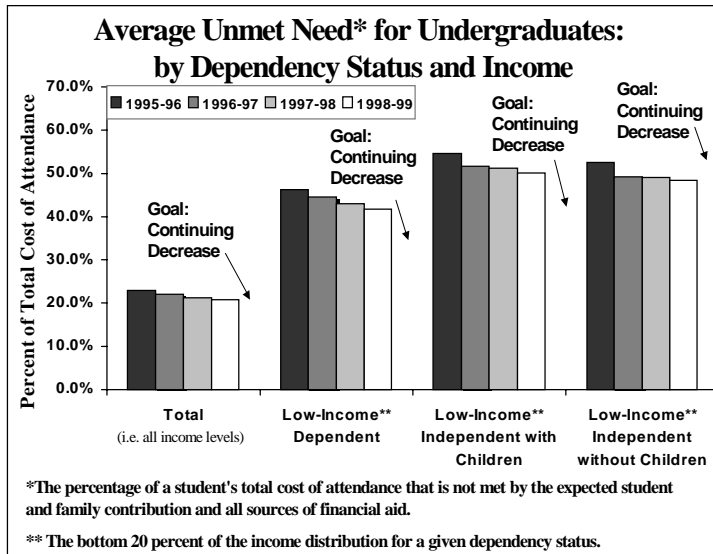
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### **Indicator 3.2.a. Considering all sources of financial aid, the percentage of unmet need, especially for low-income students, will continuously decrease.**

**Assessment of Progress.** The 1999 goal was met, as a continued decrease is evident. As shown in Figure 3.2.a.1, unmet need, as a percentage of total cost of attendance, was estimated to decrease slightly in each succeeding year with somewhat larger decreases for low-income students. Since 1995-96, unmet need is estimated to have decreased two percentage points for undergraduates overall and four or more percentage points for low-income undergraduates.

While Federal student aid is a significant factor affecting unmet need, at least as important are institutional and state decisions regarding the cost of attendance, revenues, and expenditures, which increase the difficulty of meeting the goal of continual decreases in unmet need. It should also be noted that because unmet need represents the amount of additional aid a student could possibly receive under student aid regulations, it does not truly reflect the resources students and their families actually use to pay for college. The data for 2000 are not available.

Figure 3.2.a.1

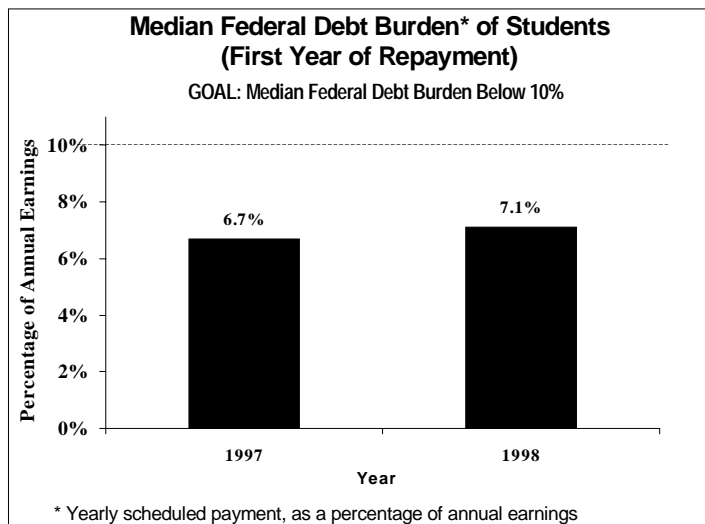


**Source:** 1995-96 National Postsecondary Student Aid Study (NPSAS); 1996-97 and future years based on administrative records and data from the Integrated Postsecondary Education Data System (IPEDS) and College Board. *Frequency:* Annual. *Next Update:* 1997-98 (available in 2001); 1998-99 (available in 2001).  
**Validation procedure:** Data verified by the Education Department data attestation process. **Limitations of data and planned improvements:** NPSAS data are collected only every four years so that estimates are required for the intervening years. These estimates, while done as carefully as possible, will not necessarily exactly represent the circumstances faced by students in the out-years. A change in the methodology used to estimate unmet need in the out-years was implemented this year in order to make the estimates more timely. When the 1999-2000 NPSAS data become available not only will the Education Department have a new baseline, the Education Department can compare our projections with the actual data and, thereby, improve the accuracy of our future projections.

**Indicator 3.2.b. The median Federal debt burden (yearly scheduled payments as a percentage of annual earnings) of borrowers in their first full year of repayment will be less than 10 percent.**

**Assessment of Progress.** Progress towards the goal is likely. As a general rule, it is believed that an educational debt burden of 10 percent or greater will negatively affect a borrower's ability to repay his or her student loan or obtain other credit such as a home mortgage. The Education Department expects the 1999 and 2000 median debt burden rate to remain well below 10 percent. (The 1997 debt burden data presented in figure 3.2.b.1 has been revised from the 1999 Performance Report to reflect the use of Internal Revenue Service (IRS) as opposed to Social Security Administration (SSA) data. Since the SSA data tended to understate household income, the debt burden using IRS data is lower.) The data for 2000 are not available.

Figure 3.2.b.1



**Source:** National Student Loan Data System (NSLDS) and Internal Revenue Service (IRS) records. *Frequency:* Annual. *Next Update:* 2001 for 2000 data. **Validation procedure:** Data verified by the Education Department data attestation process. **Limitations of data and planned improvements:** To overcome limitations with the data from the Social Security Administration (SSA) that were previously used, a switch was made to IRS data on household income for 1998 and future years. The IRS data may slightly understate debt burden for married borrowers where both individuals have student loans.

**Indicator 3.2.c. Completion rates for all full-time degree-seeking students in 4-year and 2-year postsecondary institutions will improve, while the gap in completion rates between minority and non-minority students will decrease.**

**Assessment of Progress.** Some progress is being made toward achieving the target for 2-year schools but no progress is being made for 4-year schools. The data for 2000 are not available.

It should be noted that the completion rates reported here are understated to the extent to which students complete their degree at a different institution from the one at which they began. The extent of the underestimation appears to be about 10 percentage points.

Figure 3.2.c.1

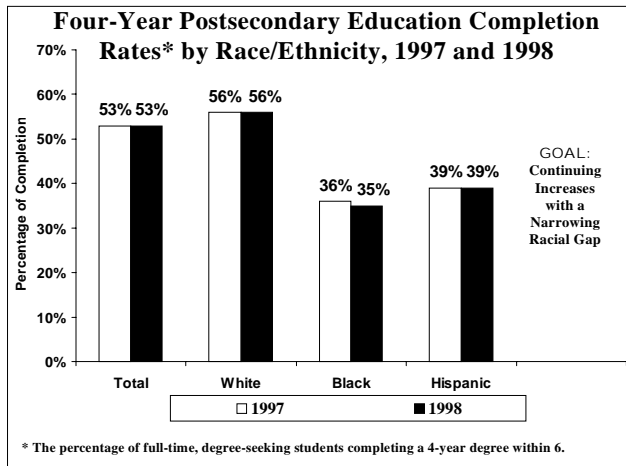
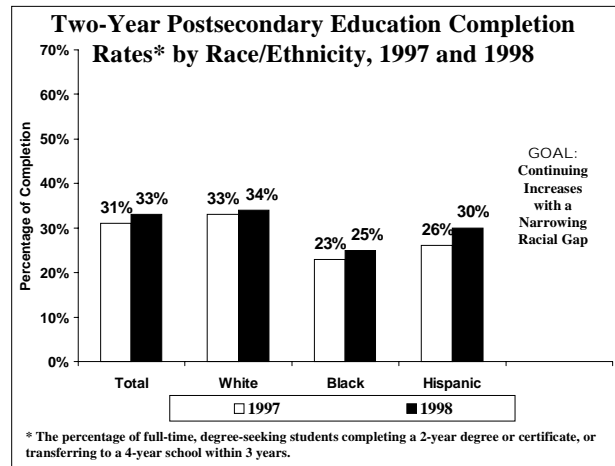


Figure 3.2.c.2



**Source:** Graduation Rate Survey (GRS) conducted as part of the Integrated Postsecondary Education Data System (IPEDS). **Frequency:** Annual. **Next Update:** 1999 (available in 2001). **Validation procedure:** Data verified by the Education Department data attestation process. **Limitations of data and planned improvements:** Postsecondary institutions are not required to report graduation rates until 2002. However, data were voluntarily submitted by institutions representing 87 percent of 4-year students and 77 percent of 2-year students. The Education Department is investigating whether a proxy for graduation rates for student aid recipients can be obtained from administrative records to improve the response rates.

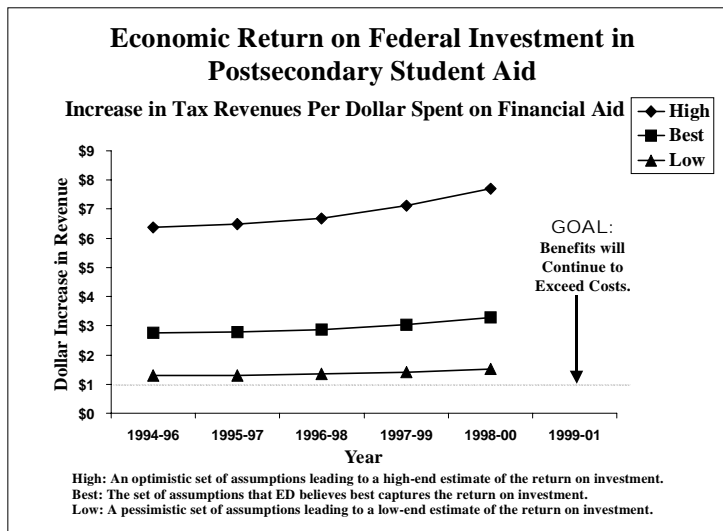
**Indicator 3.2.d. The benefits of the student aid programs, in terms of increased tax revenues, will continue to exceed their costs.**

**Assessment of Progress.** The goal for 1998-2000 was exceeded.

Based on this calculation, the best estimate is that the student aid programs return over \$3 to Federal taxpayers in terms of increased tax revenue and reduced welfare payments for every \$1 spent on the student aid programs. Even using very conservative assumptions, the low estimate is still 50 percent higher than the \$1 break even point.

Figure 3.2.d.1

**Source:** March Current Population Survey (CPS) and Beginning Postsecondary Student (BPS) study with imputations from the National Postsecondary Student Aid Study (NPSAS) and High School and Beyond (HS&B). Behavioral assumptions were derived, where feasible, from meta-analyses conducted by Leslie and Brinkman in their 1988



### Indicator 3.2.e. Participants receiving support services through the TRIO programs will complete postsecondary programs at rates higher than comparable non-participants.

**Assessment of Progress.** In 1997, the goal for students receiving support services in 1991 was met. Students receiving services from the Student Support Services (SSS) Program were more likely to graduate from postsecondary institutions and achieve higher GPAs than were comparable students who did not participate in the program.

Figure 3.2.e.1

#### Findings from the Evaluation of the Student Support Services Program

Preliminary results indicate that among students beginning postsecondary study in 1991, the Student Support Services (SSS) Program had a statistically significant positive effect on the following two key measures of student outcomes:

- SSS recipients were 7 percentage points more likely to continue postsecondary study or complete a degree at the same school within 6 years than were comparable students who did not participate in the program. They were also 11 percentage points more likely to continue postsecondary study or complete a degree at any institution within 6 years.
- SSS recipients, on average, had a Grade Point Average (GPA) that was 0.12 points higher than comparable students who did not participate in SSS.

**Source:** Student Support Services evaluation, 1997. *Frequency:* Periodic. *Next Update:* No future follow-up is planned. **Validation procedure:** Evaluations are subject to strict methodological standards. Data on the performance of the TRIO programs, as reported by grantees on their annual performance reports, will be verified against the evaluation results. **Limitations of data and planned improvements:** Major program evaluations, while providing rigorous information comparing recipients and nonrecipients, are conducted very infrequently. We are currently assessing the feasibility of combining program performance reports with data on student aid recipients to determine the success of the TRIO programs in motivating students to complete postsecondary studies.

