

the condition of education 2007



INDICATOR 46

Federal Grants and Loans to Undergraduate Students

The indicator and corresponding tables are taken directly from *The Condition of Education 2007*. Therefore, the page numbers may not be sequential.

Additional information about the survey data and supplementary notes can be found in the full report. For a copy of *The Condition of Education 2007*, visit the NCES website (<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2007064>) or contact ED PUBs at 1-877-4ED-PUBS.

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Finance

Federal Grants and Loans to Undergraduate Students

From 1992–93 to 1999–2000, the percentage of full-time, full-year undergraduates with federal loans increased, while the percentage with federal grants did not. There were increases for both loans and grants from 1999–2000 to 2003–04.

¹ Calculated from The College Board (2003,2005), *Trends in Student Aid*. From the 2003 report, the data for 1992–93 were adjusted to constant 2003–04 dollars. Only Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Perkins loans, and subsidized and unsubsidized Stafford loans are included in the federal grant and loan amounts cited.

NOTE: Federal loans include Perkins, subsidized and unsubsidized Stafford, and Supplemental Loans to Students (SLS); federal grants are primarily Pell Grants and Supplemental Educational Opportunity Grants (SEOG) but also include Byrd scholarships. Total federal aid includes federal work-study aid as well as grants and loans. Parent Loans for Undergraduate Students (PLUS) loans to parents, veterans' benefits, and tax credits are not included in any of the totals. Loans as a percentage of federal aid is determined by dividing the amount of federal loans received (including zero loan amounts) by the amount of total federal aid received for each case. Income for financially dependent students is based on parents' annual income in the prior year. Low-income students were defined as those with family incomes below the 25th percentile. Adjusted to constant 2003–04 dollars, the cutoff points for each survey year were in 1992–93, \$39,200; in 1999–2000, \$35,700; and in 2003–04, \$34,200. Data adjusted by the Consumer Price Index for All Urban Consumers (CPI-U) to 2003–04 dollars. See *supplemental note 11* for more information about the CPI-U.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1992–93, 1999–2000, and 2003–04 National Postsecondary Student Aid Studies (NPSAS:93, NPSAS:2000, and NPSAS:04).



FOR MORE INFORMATION:
Supplemental Notes 3, 11
Supplemental Table 46-1
The College Board 2003, 2005

Grants and loans are the major forms of federal financial support to postsecondary students. Federal grants are available to undergraduates who qualify by income, whereas loans are available to all students. In 1992, the federal government increased loan limits, extended eligibility for subsidized loans for middle- and high-income students, and introduced unsubsidized loans for students regardless of income. From 1992–93 to 2003–04, the annual amount of federal loans borrowed by both undergraduates and graduates grew from about \$19 billion to \$50 billion, while federal grants received by undergraduates grew from about \$9 billion to \$13 billion.¹

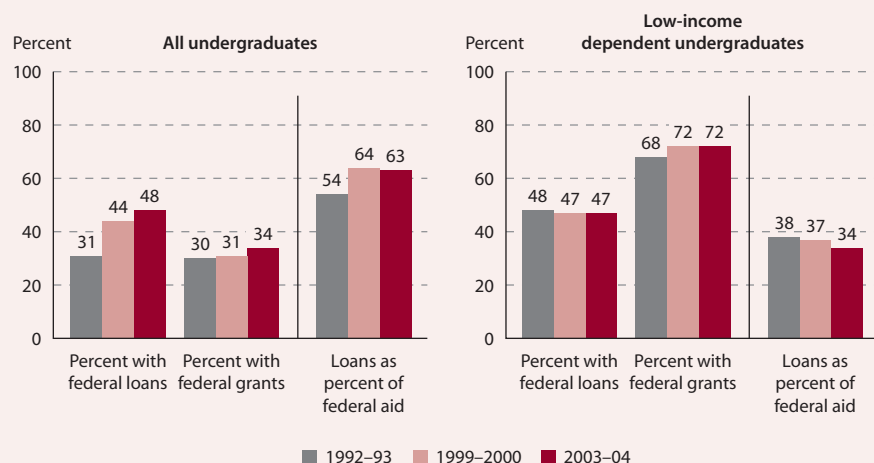
This indicator examines the percentage of full-time, full-year undergraduates who borrowed through federal loan programs between 1992–93 (the last year before the changes took effect) and 2003–04, the percentage receiving federal grants, and the average annual amounts received by recipients in constant 2003–04 dollars (see supplemental table 46-1).

From 1992–93 to 1999–2000, the percentage of full-time, full-year undergraduates who had federal loans increased from 31 to 44 percent, while the percentage receiving grants remained near 30 per-

cent. By 2003–04, both the percentage with loans (48 percent) and the percentage receiving grants (34 percent) had increased. As a result of the relative changes in grants and loans received over these periods, the average percentage of federal aid received as loans increased from 54 percent in 1992–93 to 64 percent in 1999–2000, with no substantial change observed in 2003–04 (63 percent).

Among low-income dependent undergraduates, the percentage taking out federal loans remained between 47 and 48 percent from 1992–93 to 2003–04, while the percentage receiving federal grants increased from 68 percent in 1992–93 to 72 percent in 1999–2000 and 2003–04. As a result of these changes, the average proportion of federal aid these students received as loans decreased from 38 to 34 percent from 1992–93 to 2003–04. In contrast, among high-income dependent undergraduates, the percentage taking out federal loans increased from 13 percent in 1992–93 to 32 percent in 1999–2000 to 38 percent in 2003–04, while no measurable change was observed in the percentage receiving grants (about 1 percent) between 1992–93 and 2003–04. Thus, the percentage of federal aid that high-income dependent undergraduates received as loans increased from 88 to 92 percent.

FEDERAL AID: Percentage of full-time, full-year undergraduates who received federal loans and grants and the average percentage of federal aid received as loans, for all undergraduates and low-income dependent undergraduates: 1992–93, 1999–2000, and 2003–04



Federal Grants and Loans to Undergraduate Students

Table 46-1. Percentage of full-time, full-year undergraduates who received loans and grants, average annual amounts received by recipients, and average percentage of aid received as loans, by source of aid, dependency status, income, and type of institution: 1992–93, 1999–2000, and 2003–04

Dependency status, income, and type of institution	[In constant 2003–04 dollars]									
	Total					Federal				
	Loans Percent	Average dollars	Grants Percent	Average dollars	Loans as percent of total aid	Loans Percent	Average dollars	Grants Percent	Average dollars	Loans as percent of federal aid
1992–93										
Total	32.4	\$4,600	49.3	\$4,600	33.7	31.5	\$4,400	29.7	\$2,600	53.7
Dependency status and income										
Dependent undergraduates	28.3	4,100	43.2	5,000	32.2	27.2	3,900	20.6	2,500	59.2
Low-income	48.8	3,900	79.2	5,200	27.5	48.4	3,800	68.3	2,800	38.1
Middle-income	32.0	4,200	42.9	5,000	37.3	30.9	4,000	15.1	1,700	72.1
High-income	15.1	4,600	25.4	4,800	31.4	13.3	4,100	1.0	1,900	88.0
Independent undergraduates	43.1	5,200	64.9	3,800	36.5	42.5	5,200	53.1	2,800	45.9
Type of institution										
Public 2-year	11.8	3,100	42.5	2,500	16.1	11.4	3,100	30.3	2,300	23.1
Public 4-year	31.7	4,200	44.1	3,400	38.3	30.8	4,100	27.2	2,600	57.1
Private not-for-profit 4-year	45.8	5,100	63.2	7,900	30.7	44.0	4,800	27.0	3,000	65.1
1999–2000										
Total	45.1	\$6,000	58.8	\$5,500	40.6	43.9	\$5,300	30.5	\$2,800	64.0
Dependency status and income										
Dependent undergraduates	43.8	5,400	56.2	6,000	39.6	42.6	4,600	23.1	2,700	68.4
Low-income	47.8	5,300	83.2	6,100	26.1	46.9	4,700	72.4	3,000	36.6
Middle-income	47.9	5,400	53.7	6,000	45.1	46.6	4,600	13.1	1,800	81.2
High-income	33.4	5,700	38.7	5,800	44.4	31.9	4,700	0.7	1,800	94.6
Independent undergraduates	48.5	7,500	65.9	4,200	43.1	47.6	7,000	51.1	2,900	54.5
Type of institution										
Public 2-year	17.1	4,300	49.7	2,900	21.0	16.3	3,700	32.4	2,700	30.5
Public 4-year	48.4	5,500	54.5	4,200	48.3	47.4	5,200	28.9	2,700	70.2
Private not-for-profit 4-year	59.9	6,900	75.0	9,200	35.9	58.2	5,600	27.5	3,000	71.9
2003–04										
Total	49.5	\$6,200	63.1	\$5,700	41.2	47.9	\$5,300	33.6	\$3,300	62.8
Dependency status and income										
Dependent undergraduates	46.8	5,600	60.3	6,100	39.1	45.0	4,400	25.2	3,100	66.3
Low-income	49.0	5,400	85.5	7,000	24.2	47.5	4,700	72.4	3,700	33.8
Middle-income	49.5	5,700	58.0	5,600	44.1	47.7	4,400	16.7	2,000	77.2
High-income	39.8	5,800	43.5	5,900	46.1	37.9	4,200	1.1	1,800	92.4
Independent undergraduates	56.5	7,500	70.2	4,600	46.0	55.4	7,000	55.3	3,400	56.0
Type of institution										
Public 2-year	22.8	4,100	52.7	3,400	24.7	21.6	3,800	35.4	3,200	34.1
Public 4-year	51.4	5,800	59.1	4,600	46.9	49.7	5,200	30.2	3,200	68.7
Private not-for-profit 4-year	65.8	7,200	81.5	9,400	35.8	64.1	5,400	31.6	3,400	70.3

NOTE: Total loans include federal, state, institutional, and private loans. Total grants include federal, state, institutional, and private grants, including employer reimbursements. Federal loans include Perkins, subsidized and unsubsidized Stafford, and Supplemental Loans to Students (SLS). Federal grants are primarily Pell Grants and Supplemental Educational Opportunity Grants (SEOG) but also include Byrd scholarships. Parent Loans for Undergraduate Students (PLUS) loans to parents, veterans' benefits, and tax credits are not included in this table. Loans as a percentage of aid is determined by dividing the amount of loans received (including zero loan amounts) by the amount of total aid (or federal aid) received for each case. Income for financially dependent students is based on parents' annual income in the prior year. The cutoff points for low, middle, and high income were obtained by identifying the incomes at the 25th and 75th percentiles. Adjusted to constant 2003–04 dollars, the values were in 1992–93, \$39,200 and \$84,900; in 1999–2000, \$35,700 and \$94,100; and in 2003–04, \$34,200 and \$94,400. Data adjusted by the Consumer Price Index for All Urban Consumers (CPI-U) to constant 2003–04 dollars. See *supplemental note 11* for more information about the CPI-U.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1992–93, 1999–2000, and 2003–04 National Postsecondary Student Aid Studies (NPSAS:93, NPSAS:2000, and NPSAS:04).

Federal Grants and Loans to Undergraduate Students

Table S46-1. Standard errors for the percentage of full-time, full-year undergraduates who received loans and grants, average annual amounts received by recipients, and average percentage of aid received as loans, by source of aid, dependency status, income, and type of institution: 1992–93, 1999–2000, and 2003–04

Dependency status, income, and type of institution	[In constant 2003–04 dollars]									
	Total					Federal				
	Loans		Grants		Loans as percent of total aid	Loans		Grants		Loans as percent of federal aid
Percent	Average dollars	Percent	Average dollars	Percent		Average dollars	Percent	Average dollars		
1992–93										
Total	0.60	\$70	0.46	\$80	0.66	0.60	\$60	0.42	\$20	0.80
Dependency status and income										
Dependent undergraduates	0.62	60	0.53	100	0.63	0.60	50	0.48	30	0.84
Low-income	1.61	80	1.17	140	0.88	1.59	70	1.36	30	1.08
Middle-income	0.97	60	0.97	140	0.78	0.94	60	0.60	50	0.75
High-income	0.66	120	0.79	200	1.35	0.59	90	0.13	250	0.79
Independent undergraduates	1.32	110	1.17	90	1.14	1.30	110	1.03	30	1.18
Type of institution										
Public 2-year	1.22	170	1.72	80	1.36	1.16	160	1.45	60	1.79
Public 4-year	0.62	50	0.50	50	0.76	0.59	50	0.42	20	0.97
Private not-for-profit 4-year	1.47	110	1.25	250	1.05	1.55	90	1.21	50	1.03
1999–2000										
Total	0.66	\$50	1.36	\$80	0.58	0.73	\$40	0.70	\$20	0.47
Dependency status and income										
Dependent undergraduates	0.61	60	1.39	110	0.57	0.69	50	0.41	40	0.52
Low-income	1.36	90	0.95	180	0.83	1.46	60	1.04	30	1.13
Middle-income	1.22	100	2.12	100	0.72	1.37	70	0.55	20	0.55
High-income	1.06	120	0.82	150	1.44	1.13	50	0.14	260	0.55
Independent undergraduates	1.06	90	1.50	40	0.96	1.12	70	1.74	20	1.01
Type of institution										
Public 2-year	0.71	160	1.94	90	1.11	0.75	130	1.71	30	1.11
Public 4-year	0.79	60	0.97	60	0.74	0.81	70	0.60	20	0.66
Private not-for-profit 4-year	1.19	80	1.58	330	0.67	1.08	50	0.50	70	0.67
2003–04										
Total	0.46	\$60	0.51	\$100	0.37	0.46	\$40	0.34	\$30	0.33
Dependency status and income										
Dependent undergraduates	0.55	70	0.60	120	0.48	0.57	30	0.33	30	0.44
Low-income	0.98	120	0.89	140	0.59	1.00	70	0.88	30	0.68
Middle-income	0.73	80	0.76	130	0.61	0.73	40	0.45	30	0.59
High-income	0.78	110	0.98	170	1.02	0.76	50	0.16	410	0.54
Independent undergraduates	1.00	110	0.88	70	0.63	0.98	70	0.87	40	0.67
Type of institution										
Public 2-year	0.96	90	1.35	60	0.97	0.97	100	0.94	40	1.16
Public 4-year	0.49	40	0.58	70	0.44	0.50	40	0.35	30	0.43
Private not-for-profit 4-year	1.12	130	0.99	270	0.84	1.13	70	0.77	50	0.68

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1992–93, 1999–2000, and 2003–04 National Postsecondary Student Aid Studies (NPSAS:93, NPSAS:2000, and NPSAS:04).