National Center for Education Statistics

PEDAR

U.S. Department of Education
Institute of Education Sciences
NCES 2004–158

# A Decade of Undergraduate Student Aid: 1989–90 to 1999–2000

## Postsecondary Education Descriptive Analysis Reports

**Executive Summary**
The complete report is available at
http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2004158

**September 2004**

Christina Chang Wei
Xiaojie Li
Lutz Berkner
**MPR Associates, Inc.**

C. Dennis Carroll
*Project Officer*
**National Center for Education Statistics**

**U.S. DEPARTMENT OF EDUCATION**
Rod Paige
*Secretary*

**INSTITUTE OF EDUCATION SCIENCES**
Grover J. Whitehurst
*Director*

**NATIONAL CENTER FOR EDUCATION STATISTICS**
Robert Lerner
*Commissioner*

The National Center for Education Statistics (NCES) is the primary federal entity for collecting, analyzing, and reporting data related to education in the United States and other nations. It fulfills a congressional mandate to collect, collate, analyze, and report full and complete statistics on the condition of education in the United States; conduct and publish reports and specialized analyses of the meaning and significance of such statistics; assist state and local education agencies in improving their statistical systems; and review and report on education activities in foreign countries.

NCES activities are designed to address high priority education data needs; provide consistent, reliable, complete, and accurate indicators of education status and trends; and report timely, useful, and high quality data to the U.S. Department of Education, the Congress, the states, other education policymakers, practitioners, data users, and the general public.

We strive to make our products available in a variety of formats and in language that is appropriate to a variety of audiences. You, as our customer, are the best judge of our success in communicating information effectively. If you have any comments or suggestions about this or any other NCES product or report, we would like to hear from you. Please direct your comments to:

National Center for Education Statistics
Institute of Education Sciences
U.S. Department of Education
1990 K Street NW
Washington, DC 20006–5651

September 2004

The NCES World Wide Web Home Page is: http://nces.ed.gov
The NCES World Wide Web Electronic Catalog is: http://nces.ed.gov/pubsearch

**Suggested Citation**

Wei, C.C., Li, X., and Berkner, L. (2004). *A Decade of Undergraduate Student Aid: 1989–90 to 1999–2000* (NCES 2004–158). U.S. Department of Education, National Center for Education Statistics. Washington, DC: U.S. Government Printing Office.

**For ordering information on this report, write:**

U.S. Department of Education
ED Pubs
P.O. Box 1398
Jessup, MD 20794–1398

or call toll free 1–877–4ED–PUBS; or order online at http://www.edpubs.org

**Content Contact:**
Aurora D'Amico
(202) 502–7334
**Aurora.D'Amico@ed.gov**

# Executive Summary

The decade of the 1990s saw growth in tuition at the postsecondary level and in the amount of financial aid available, particularly student loans (U.S. General Accounting Office 1998; College Board 2002). Since public funding was constrained in the early part of the decade, tuition increases were of growing concern. At the same time, federal financial aid programs and policies as we know them today were being shaped by the 1992 Reauthorization of the Higher Education Act (HEA-92). Growth in tuition, the increased availability of federal student loans (especially unsubsidized Stafford loans), and increases in grant aid from non-federal sources were among the major driving forces of change in undergraduate student financing during this decade.

This study examines changes in many of the major aspects of undergraduate financing during the 1990s for full-time, full-year undergraduates enrolled in the four major institutional sectors located in the 50 states, the District of Columbia, and Puerto Rico: public 2-year, public 4-year, private not-for-profit 4-year, and private for-profit less-than-4-year. Tuition, total price of attendance, various net price measures, need, total aid, remaining need after aid, grants, loans, and work-study[1] are compared using data from the four National Postsecondary Student Aid Studies (NPSAS[2]) conducted in 1989–1990, 1992–1993, 1995–1996, and 1999–2000. The main purpose of this report is to provide a convenient and readily accessible reference to the data most frequently used for trend analysis from the NPSAS surveys.

## Overview

During the 1990s, tuition increased faster than inflation and median household income (U.S. General Accounting Office 1996, 1998). Financial aid also increased, particularly in the form of federal loans. The 1992 Reauthorization of the Higher Education Act (HEA-92) was a defining moment in the history of federal financial aid because it established the direction in which the federal government would support postsecondary education in subsequent years.[3] As a result of its passage, many middle-income students who were previously ineligible for need-based student aid were able to receive it, primarily in the form of subsidized student loans. HEA-92 also increased the amounts students were permitted to borrow and for the first time allowed dependent students to take out federally guaranteed unsubsidized loans.

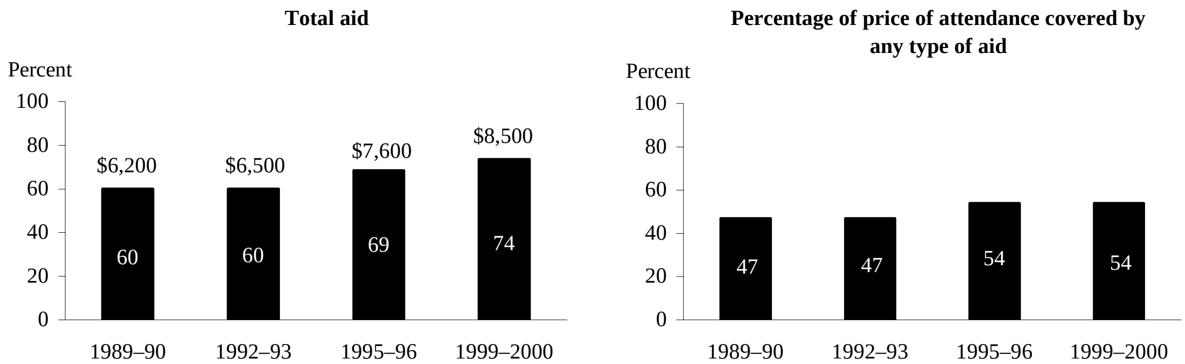
NPSAS data from 1989–90 and 1992–93 reflect the federal financial aid policies in effect prior to HEA-92, while the 1995–96 and 1999–

[1]Federal tax subsidies provided through the Hope and Lifetime Learning Credits are not included as financial aid. This study focuses only on the types of assistance that are offered as part of a student's financial aid package.

[2]NPSAS is a nationwide study conducted by the U.S. Department of Education's National Center for Education Statistics (NCES) primarily to determine how undergraduate and graduate students and their families pay for postsecondary education. For more information on NPSAS surveys, consult the NPSAS website http://nces.ed.gov/npsas.

[3]Reauthorization also took place in 1998 (HEA-98) with relatively minor changes. Reauthorization for 2004 was under consideration at the time of this publication.

**Figure A. Among full-time, full-year undergraduates, percentage who received financial aid, and among those receiving aid, average amount of aid received (in constant 1999 dollars) and the percentage of the price of attendance that was covered by any type of aid: 1989–90, 1992–93, 1995–96, and 1999–2000**




NOTE: Limited to undergraduate students who were U.S. citizens or permanent residents and attended only one institution in the 50 states, the District of Columbia, or Puerto Rico. Excluded are students enrolled at institutions other than the four major sectors (i.e., public 2-year, public 4-year, private not-for-profit 4-year, and private for-profit less-than 4-year) who constituted no more than 5 percent of the undergraduate population across the four NPSAS years. To have full-time, full-year status, students must be enrolled full time during the academic year for 8 or more months at public 2-year, public 4-year, and private not-for-profit 4-year institutions, or 6 or more months at private for-profit less-than-4-year institutions. Estimates for the 1989–90, 1992–93, and 1995–96 academic years were adjusted for inflation using the Consumer Price Index for All Urban Consumers (CPI-U). "Total aid" includes all types of financial aid: grants, loans, work-study, and other (such as employer's benefits and veteran's benefits). The price of attendance is equal to the total amount of tuition plus estimated living expenses for the academic year.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1992–93, 1995–96, and 1999–2000 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:93, NPSAS:96, and NPSAS:2000).

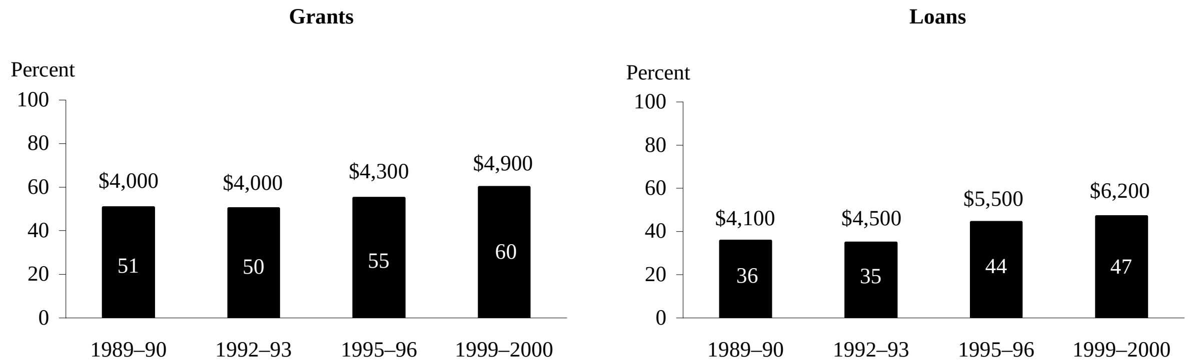
2000 data reflect the changes introduced by that legislation. Between 1989–90 and 1999–2000, the average net tuition (tuition minus grant aid)[4] increased at public 2-year, public 4-year, and private not-for-profit 4-year institutions, indicating that among those types of institutions, increases in grant aid did not keep pace with increases in tuition over time. As the decade progressed, the proportion of full-time[5] undergraduates who received any type of financial aid (grants, loans, work-study, or other) increased among all of the institutional sectors included in this study, from an overall average of 60 percent to 74 percent between 1989–90 and 1999–2000 (figure A). Among those who received aid, the percentage of the price of attendance that was covered by any type of aid also increased over time, from 47 percent to 54 percent. Increases between 1989–90 and 1999–2000 were seen in the percentage of students who received at least one of the two major types of aid: grants (51 percent to 60 percent) and loans (36 percent to 47 percent) (figure B).

Single parents, however, were one group of students for whom financial aid declined. While as

[4]Grants are not necessarily limited to paying for tuition, but may cover other educational expenses as well. If the grant amount is greater than the tuition charges, the excess is applied to room and board or other expenses. In calculating the average net tuition, negative values (when the grant amount exceeds tuition) were set to zero.

[5]In this study, students were considered to have full-time, full-year status, if they were enrolled full time during the academic year for 8 or more months at public 2-year, public 4-year, and private not-for-profit 4-year institutions, or 6 or more months at private for-profit less-than-4-year institutions. For ease of presentation the term "full time" will be used throughout the report to refer to students enrolled full-time for the full academic year.

**Figure B. Among full-time, full-year undergraduates, percentage who received grants, percentage who received loans, and the average amount of grant and loan aid received by those receiving grant and loan aid, respectively (in constant 1999 dollars): 1989–90, 1992–93, 1995–96, and 1999–2000**




NOTE: Limited to undergraduate students who were U.S. citizens or permanent residents and attended only one institution in the 50 states, the District of Columbia, or Puerto Rico. Excluded are students enrolled at institutions other than the four major sectors (i.e., public 2-year, public 4-year, private not-for-profit 4-year, and private for-profit less-than 4-year) who constituted no more than 5 percent of the undergraduate population across the four NPSAS years. To have full-time, full-year status, students must be enrolled full time during the academic year for 8 or more months at public 2-year, public 4-year, and private not-for-profit 4-year institutions, or 6 or more months at private for-profit less-than-4-year institutions. Estimates for the 1989–90, 1992–93, and 1995–96 academic years were adjusted for inflation using the Consumer Price Index for All Urban Consumers (CPI-U). “Grants” include all federal, state, institutional, and privately funded grants. “Loans” include all federal, state, institutional, and privately funded loans, as well as Parent Loans for Undergraduate Students (PLUS), a federal loan that is taken out by parents of dependent undergraduates, and do not include loans from friends or family. Students who received both grants and loans are represented in both figures.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90, 1992–93, 1995–96, and 1999–2000 National Postsecondary Student Aid Studies (NPSAS:90, NPSAS:93, NPSAS:96, and NPSAS:2000).

many as 94 percent of single parents who were enrolled full time received some form of financial aid in 1989–90, the proportion had dropped to 79 percent by 1999–2000.[6] This may have reflected several changes in the characteristics of single parents enrolled full time in postsecondary education. Between 1989–90 and 1999–2000, the average expected family contribution (EFC) among single parents had increased from $800 to $1,300 even though it had decreased among all independent students with incomes at or below the median (table 2). In 1989–90, about one-half (48 percent) of all single parents worked while they were enrolled full time; in 1999–2000 this proportion had increased to about three-fourths (77 percent).[7] While 87 percent of single parents were females in 1989–90, this proportion had dropped to 76 percent in 1999–2000. The socioeconomic backgrounds of single parents also appear to have changed. In 1989–90 and 1995–96, about 35 to 38 percent had a parent with at least some postsecondary education; in 1999–2000 about one-half (51 percent) of all single parents came from families with one or more parents who had some postsecondary education.[8] In addition, the proportion of single parents receiving public

[6]These figures represent all institutions, including private for-profit less-than-4-year institutions where no measurable difference was detected in the rate at which single parents received aid in 1989–90 and 1999–2000 (table A-4.4).

[7]1989–90 National Postsecondary Student Aid Study Data Analysis System and 1999–2000 National Postsecondary Student Aid Study Data Analysis System (data not shown in tables).

[8]1989–90 National Postsecondary Student Aid Study Data Analysis System, 1995–96 National Postsecondary Student Aid Study Data Analysis System, and 1999–2000 National Postsecondary Student Aid Study Data Analysis System (data not shown in tables).

assistance while enrolled full time decreased from 34 percent in 1995–96 to 9 percent in 1999–2000. Compared to the earlier years, single parents enrolled full time at the end of the decade were less likely to be receiving public assistance, more likely to have parents with some postsecondary education, and more likely to be working while they were enrolled. These changes may have been related to a reduced eligibility for need-based financial aid among single parents.

Among the different types of financial aid that are available to postsecondary students, the growth in federal unsubsidized loans has been most prominent.[9] After the restriction on dependent students was lifted by HEA-92, the overall rate at which full-time undergraduates borrowed unsubsidized loans increased from 3 percent to 23 percent between 1989–90 and 1999–2000.[10] However, the inclusion of dependent students was not the sole driving force behind this increase. Independent undergraduates also were more likely to borrow federal unsubsidized loans in 1999–2000 than in 1989–90 (35 percent vs.11 percent). In addition to the increase in unsubsidized loans, the average annual total loan amount from all sources combined (both subsidized and unsubsidized loans from federal, state, institutional, and private agencies) also increased during this time for both independent and dependent loan recipients ($4,100 to $6,200).

[9]Unsubsidized Stafford loans are available to students who are enrolled at least half time, and the amount borrowed may not exceed the price of attendance, minus any other aid. Unlike subsidized Stafford loans, the federal government does not pay any interest on the loans while the student is enrolled and eligibility for unsubsidized Stafford loans is not restricted by need.

[10]1989–90 National Postsecondary Student Aid Study Data Analysis System and 1999–2000 National Postsecondary Student Aid Study Data Analysis System (data not shown in tables).

## Key Definitions and Data Issues

There are several components and types of price, net price, and financial need analyzed in this study. The definitions are as follows: “total price of attendance” (or “student budget”) is equal to tuition plus estimated living expenses; “net tuition” is defined as tuition minus total grants received (up to the tuition amount)[11]; “net price of attendance” is the total price of attendance minus all grants and loans received; “financial need” is equal to the total price of attendance minus the federal expected family contribution (EFC)—which is the federal estimate of the student’s and family’s ability to pay based on the formula (need analysis) prescribed by law; and “remaining financial need” (or “unmet need”) is the amount of financial need that remains after all financial aid, including loans, is subtracted from the total financial need.

The two net price variables used in this study—net tuition and net price of attendance—measure the different levels of cost to students and families. The net tuition variable (tuition and fees minus grant aid) represents the amount of tuition paid after grants are received, while the net price of attendance (price of attendance minus all grant and loan aid) represents the amount paid for both tuition and living expenses after all aid is taken into account.

Researchers who are interested in changes in tuition and grant aid can utilize the “net tuition” variables included in this report for further study. Because net tuition is equal to the amount of tuition that is paid after all grants have been

[11]Grants are not necessarily limited to paying for tuition, but may cover other educational expenses as well. If the grant amount is greater than the tuition charges, the excess is applied to room and board or other expenses. In calculating the average net tuition, negative values (when the grant amount exceeds tuition) were set to zero.

received, and does not subtract loans, it represents the amount of tuition for which students and families are responsible. In some cases, however, grants will exceed the amount of tuition (and would therefore be used to offset the cost of living), resulting in a negative net tuition amount. In calculating the average net tuition, all negative net tuition values were set to zero. In 1999–2000, the percentage of full-time, full-year undergraduates with zero net tuition was 5 percent at private for-profit less-than-4-year institutions, 12 percent at private not-for-profit 4-year institutions, 26 percent at public 4-year institutions, and 34 percent at public 2-year institutions.

Analysis of changes in the net price of attendance can help determine whether total aid—which includes loans that must be repaid—has kept up with changes in total price over time. However, the net price of attendance does not equal the actual price that must be paid for a postsecondary education because loans were subtracted from the total price to achieve this estimate. While grants reduce the amount to be paid, loans only postpone the actual cost since loans must be repaid eventually and with interest. The net price of attendance represents only the immediate, out-of-pocket costs upon enrollment. The actual cost of a postsecondary education over the lifetime of the student (or parent) who has taken out a loan will be higher. Any increases or decreases in average net price should be viewed with caution. A reduction in net price over time may only signify that students and/or parents have taken out more loans rather than received more grant aid or paid less in tuition.

Dependency and income are important considerations when financial aid is awarded. Most students under age 24 are dependent, and their income quartiles are based on their parents' income. Most independent students are 24 or older, and their income quartiles are based on their own income (and that of their spouse, if married). In addition, independent students are disaggregated by their marital status and whether they had children, factors that are also considered in determining financial aid eligibility. In this report, comparisons of average amounts over time are made using constant (1999) dollars. In most cases, comparisons in constant (1999) dollars were made only between the two survey years at the beginning and end of the decade (1989–90 and 1999–2000), although estimates from the interim NPSAS years (1992–93 and 1995–96) are presented to provide the reader with complete information. Throughout the report, statistical conclusions are drawn at the $p<0.05$ significance level.

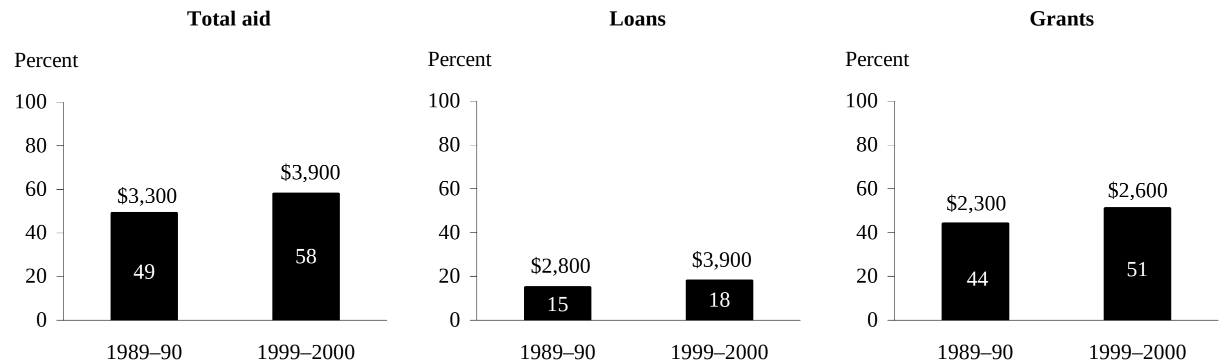
## Changes in Financial Aid by Type of Institution

The wide variation in level of tuition charged by the different institutional sectors necessitates an analysis of trends by institution type. Following are summaries of the detailed findings from each of the institutional sectors in this study. Comparisons of average amounts are presented in constant (1999) dollars.

### *Public 2-Year Institutions*

Among full-time undergraduates enrolled in public 2-year institutions, the average tuition increased from $1,100 to $1,500 and the average net tuition (tuition minus grants) increased from $700 to $900 between 1989–90 and 1999–2000. The percentage of all full-time students receiving financial aid also grew (49 percent to 58 percent), as did the average amount of total aid received ($3,300 to $3,900) (figure C). Middle-income

**Figure C. Among full-time, full-year undergraduates enrolled at public 2-year institutions, percentage who received aid and average amount of aid received by those receiving aid (in constant 1999 dollars), by type of aid: 1989–90 and 1999–2000**




NOTE: Limited to undergraduate students who were U.S. citizens or permanent residents and attended only one institution in the 50 states, the District of Columbia, or Puerto Rico. Excluded are students enrolled at institutions other than the four major sectors (i.e., public 2-year, public 4-year, private not-for-profit 4-year, and private for-profit less-than 4-year) who constituted no more than 5 percent of the undergraduate population across the four NPSAS years. To have full-time, full-year status, students must be enrolled full time during the academic year for 8 or more months to have full-time, full-year status. Estimates for the 1989–90 academic year were adjusted for inflation using the Consumer Price Index for All Urban Consumers (CPI-U). “Total aid” includes all types of financial aid: grants, loans, work-study, and other (such as employer’s benefits and veteran’s benefits). “Loans” include all federal, state, institutional, and privately funded loans, as well as Parent Loans for Undergraduate Students (PLUS), a federal loan that is taken out by parents of dependent undergraduates, and do not include loans from friends or family. “Grants” include all federal, state, institutional, and privately funded grants. Figures include students who received both loans and grants.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90 and 1999–2000 National Postsecondary Student Aid Studies (NPSAS:90 and NPSAS:2000).

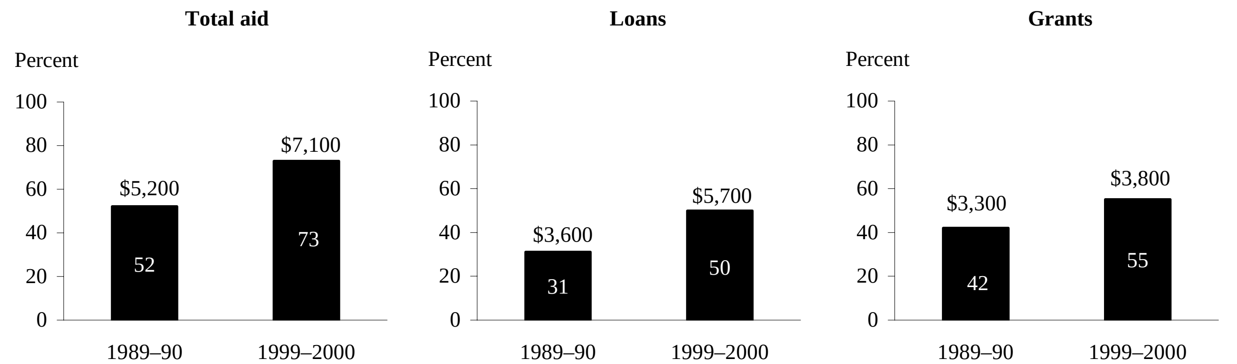
dependent students were more likely to take out loans at the end of the decade than at the beginning (lower middle: 9 percent to 19 percent; upper middle: 6 percent to 13 percent), although no measurable change was detected in the overall rate of borrowing among all full-time students. The percentage of those who received unsubsidized Stafford loans increased from 1 percent to 9 percent. Also contributing to the overall increase in aid between 1989–90 and 1999–2000 was growth in the percentage of all full-time students receiving grants (44 percent to 51 percent). The percentage of dependent students who received federal Supplemental Educational Opportunity Grants (SEOGs) increased for those in the lowest income quarter[12] (7 percent to 16 percent). Dependent students were more likely to receive state grants (12 percent vs. 18 percent), and both dependent and independent students were more likely to receive institutional grants (16 percent vs. 9 percent).

### *Public 4-Year Institutions*

Among full-time undergraduates enrolled in public 4-year institutions, the average tuition increased from $2,800 to $4,200 and the average net tuition (tuition minus grants) grew from $1,900 to $2,700 between 1989–90 and 1999–2000. Gains during this period were seen in the

[12]Hereafter referred to as “low-income students” for ease of presentation.

**Figure D. Among full-time, full-year undergraduates enrolled at public 4-year institutions, percentage who received aid and average amount of aid received by those receiving aid (in constant 1999 dollars), by type of aid: 1989–90 and 1999–2000**




NOTE: Limited to undergraduate students who were U.S. citizens or permanent residents and attended only one institution in the 50 states, the District of Columbia, or Puerto Rico. Excluded are students enrolled at institutions other than the four major sectors (i.e., public 2-year, public 4-year, private not-for-profit 4-year, and private for-profit less-than 4-year) who constituted no more than 5 percent of the undergraduate population across the four NPSAS years. To have full-time, full-year status, students must be enrolled full time during the academic year for 8 or more months to have full-time, full-year status. Estimates for the 1989–90 academic year were adjusted for inflation using the Consumer Price Index for All Urban Consumers (CPI-U). "Total aid" includes all types of financial aid: grants, loans, work-study, and other (such as employer's benefits and veteran's benefits). "Loans" include all federal, state, institutional, and privately funded loans, as well as Parent Loans for Undergraduate Students (PLUS), a federal loan that is taken out by parents of dependent undergraduates, and do not include loans from friends or family. "Grants" include all federal, state, institutional, and privately funded grants. Figures include students who received both loans and grants.

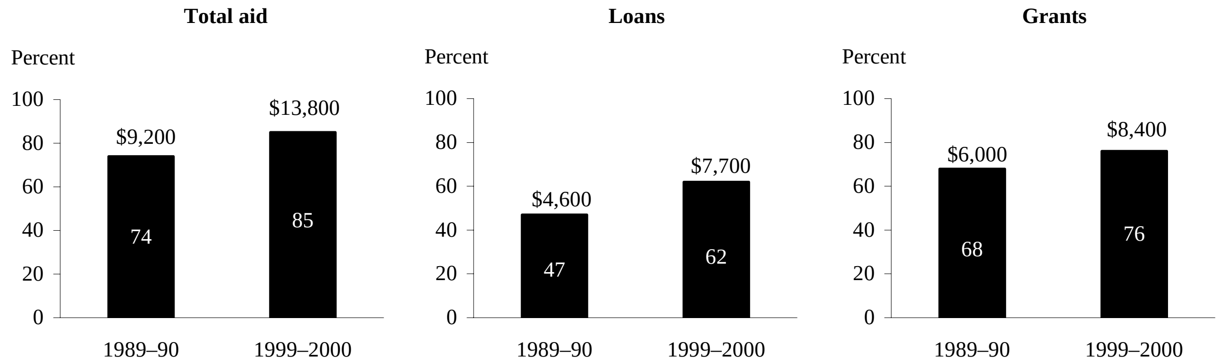
SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90 and 1999–2000 National Postsecondary Student Aid Studies (NPSAS:90 and NPSAS:2000).

percentage receiving any type of financial aid (52 percent to 73 percent) and in the average amount of total financial aid received ($5,200 to $7,100) (figure D). Loans, in particular, became an increasingly important source of financing for students in this sector. In 1999–2000, one-half (50 percent) of all full-time undergraduates in public 4-year institutions were taking out loans, compared to about one-third (31 percent) 10 years earlier. The percentage receiving subsidized Stafford loans increased from 24 percent to 38 percent and the percentage receiving unsubsidized Stafford loans increased from 1 percent to 25 percent. There were gains in Parent Loans for Undergraduate Students (PLUS), a federal loan taken out by parents of dependent undergraduates, and non-federal loan borrowing as well. Increases in aid were also driven by growth in the percentage of undergraduates receiving grants (42 percent to 55 percent). In 1999–2000 (compared with 1989–90), both dependent and independent low-income students were more likely to receive federal Pell Grants (low-income dependent students: 73 percent vs. 65 percent; low-income independent students: 76 percent vs. 63 percent); low-income independent students were more likely to receive federal SEOGs (16 percent vs. 24 percent); and all full-time students were more likely to receive state or institutional grants.

### *Private Not-for-Profit 4-Year Institutions*

Among full-time undergraduates enrolled in private not-for-profit 4-year institutions, the average tuition increased from $11,500 to $14,800 and the average net tuition (tuition minus grants) grew from $7,600 to $8,800 between 1989–90 and 1999–2000. The percentage of all full-time undergraduates receiving financial aid increased

**Figure E. Among full-time, full-year undergraduates enrolled at private not-for-profit 4-year institutions, percentage who received aid and average amount of aid received by those receiving aid (in constant 1999 dollars), by type of aid: 1989–90 and 1999–2000**

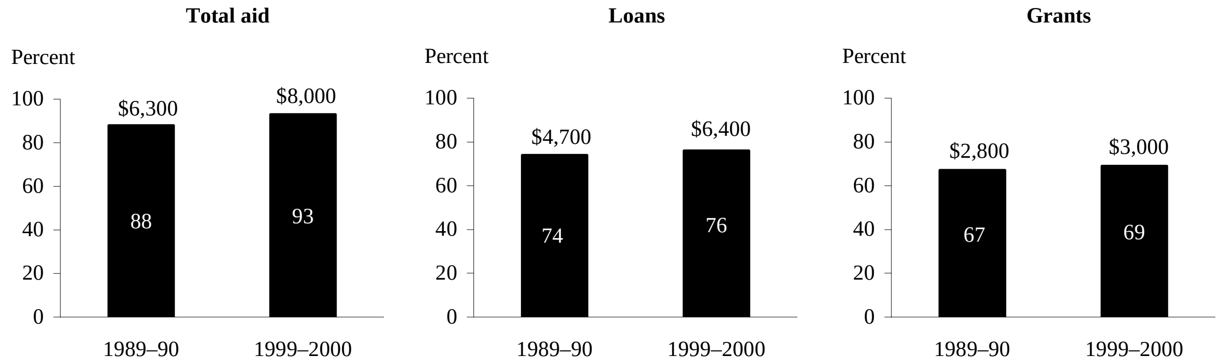



NOTE: Limited to undergraduate students who were U.S. citizens or permanent residents and attended only one institution in the 50 states, the District of Columbia, or Puerto Rico. Excluded are students enrolled at institutions other than the four major sectors (i.e., public 2-year, public 4-year, private not-for-profit 4-year, and private for-profit less-than 4-year) who constituted no more than 5 percent of the undergraduate population across the four NPSAS years. To have full-time, full-year status, students must be enrolled full time during the academic year for 8 or more months to have full-time, full-year status. Estimates for the 1989–90 academic year were adjusted for inflation using the Consumer Price Index for All Urban Consumers (CPI-U). "Total aid" includes all types of financial aid: grants, loans, work-study, and other (such as employer's benefits and veteran's benefits). "Loans" include all federal, state, institutional, and privately funded loans, as well as Parent Loans for Undergraduate Students (PLUS), a federal loan that is taken out by parents of dependent undergraduates, and do not include loans from friends or family. "Grants" include all federal, state, institutional, and privately funded grants. Figures include students who received both loans and grants.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90 and 1999–2000 National Postsecondary Student Aid Studies (NPSAS:90 and NPSAS:2000).

from 74 percent to 85 percent and the average amount of total aid received grew from $9,200 to $13,800 between 1989–90 and 1999–2000 (figure E). Changes in financial aid were related to dependency status, as dependent students had a higher average tuition than independent students in both 1989–90 and 1999–2000. The percentage of dependent students who received any type of financial aid increased from 71 percent to 85 percent, but 85 percent of independent students were already receiving aid in 1989–90 and no measurable change from this percentage was detected in 1999–2000. Borrowing increased among dependent students during this period (45 percent to 63 percent). Dependent students were also more likely to receive subsidized Stafford loans (50 percent vs. 37 percent) and their parents were more likely to take out PLUS loans (12 percent vs. 6 percent) in 1999–2000 than in 1989–90. Although no change was detected in the overall rate of borrowing among independent students (58 percent in both years), both independent and dependent students were more likely to take out unsubsidized loans (24 percent vs. 2 percent), and non-federal loans (14 percent vs. 3 percent) in 1999–2000 than in 1989–90. Low-income dependent students were more likely to receive federal Pell Grants, and both dependent and independent low-income students were more likely to receive federal SEOGs in 1999–2000 than in 1989–90. Dependent students were more likely to receive institutional grant aid in 1999–2000 than in 1989–90, while no significant difference was found among independent students. The percentage of full-time dependent students who received work-study aid grew from 21 percent to 29 percent between 1989–90 and 1999–2000.

**Figure F. Among full-time, full-year undergraduates enrolled at private for-profit less-than-4-year institutions, percentage who received aid and average amount of aid received by those receiving aid (in constant 1999 dollars), by type of aid: 1989–90 and 1999–2000**




NOTE: Limited to undergraduate students who were U.S. citizens or permanent residents and attended only one institution in the 50 states, the District of Columbia, or Puerto Rico. Excluded are students enrolled at institutions other than the four major sectors (i.e., public 2-year, public 4-year, private not-for-profit 4-year, and private for-profit less-than 4-year) who constituted no more than 5 percent of the undergraduate population across the four NPSAS years. To have full-time, full-year status, students must be enrolled full time during the academic year for 6 or more months to have full-time, full-year status. Estimates for the 1989–90 academic year were adjusted for inflation using the Consumer Price Index for All Urban Consumers (CPI-U). “Total aid” includes all types of financial aid: grants, loans, work-study, and other (such as employer’s benefits and veteran’s benefits). “Loans” include all federal, state, institutional, and privately funded loans, as well as Parent Loans for Undergraduate Students (PLUS), a federal loan that is taken out by parents of dependent undergraduates, and do not include loans from friends or family. “Grants” include all federal, state, institutional, and privately funded grants. Figures include students who received both loans and grants.

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1989–90 and 1999–2000 National Postsecondary Student Aid Studies (NPSAS:90 and NPSAS:2000).

## *Private for-Profit Less-Than-4-Year Institutions*

Among full-time undergraduates enrolled for 6 or more months in private for-profit less-than-4-year institutions, no statistical difference was detected in average tuition between 1989–90 and 1999–2000 (about $7,400 in both years).[13] The percentage of full-time undergraduates who received any type of financial aid increased from 88 to 93 percent and the average amount they received grew from $6,300 to $8,000 between 1989–90 and 1999–2000 (figure F). This study did not detect a difference in the overall percentage of full-time students who took out student loans in 1989–90 and 1999–2000 (about 75 percent), but dependent students with incomes above the lowest quarter were more likely to take out loans in 1999–2000 than in 1989–90. This study also did not detect a difference in the overall percentage of full-time students receiving grants in 1989–90 and 1999–2000 (about 68 percent). However, low-income students were more likely to receive grants in 1999–2000 than in 1989–90 (dependent students: 90 percent vs. 81 percent; independent students: 92 percent vs. 85 percent), including federal Pell Grants and state grants. Independent students with incomes at or below the median were more likely to receive federal SEOGs in 1999–2000 compared to 1989–90 (30 percent vs. 12 percent).

[13]The definition of full-time, full-year status is different for students enrolled in private for-profit less-than-4-year institutions where certificates can be attained within a shorter time frame. Unlike those enrolled in other sectors where full-time, full-year status was defined as full-time enrollment for 8 or more months, students at private for-profit less-than-4-year institutions were considered to be enrolled full time, full year if they attended full time for 6 or more months.