TRENDS IN

STUDENT AID 2015

CollegeBoard

TRENDS IN HIGHER EDUCATION SERIES

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Trends in Higher Education

The Trends in Higher Education publications include the annual *Trends in College Pricing* and *Trends in Student Aid* reports and the *Education Pays* series, along with *How College Shapes Lives* and other research reports and topical analysis briefs. These reports are designed to provide a foundation of evidence to strengthen policy discussions and decisions.

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Highlights

As the nation slowly emerges from the Great Recession, the patterns of student aid are returning to the paths they were on before the economy crashed. The federal government, which dramatically stepped up its subsidies to students in 2009-10 and 2010-11, continues to play an expanded role, but not a growing role. Students continue to borrow at levels that are high by historical standards, but that represent a retreat from the soaring debt levels of a few years ago. New data allow a clear focus on the characteristics of students who are most at risk from debt. As *Trends in Student Aid 2015* documents, those who do not graduate are particularly vulnerable. Older, independent students, those who take longer to earn their degrees, African-American students, and those who attend for-profit institutions accumulate more debt than others.

TYPES OF STUDENT AID

In 2014-15, undergraduate students received an average of $14,210 per full-time equivalent (FTE) student in financial aid, including $8,170 in grants from all sources, $4,800 in federal loans, $1,170 in education tax credits and deductions, and $70 in Federal Work-Study (FWS).

- Graduate students received an average of $26,950 per FTE student in financial aid, including $8,840 in grants, $16,570 in federal loans, $1,490 in education tax credits and deductions, and $50 in FWS.
- In 2014-15, undergraduate and graduate students received $238.9 billion in grants from all sources, FWS, federal loans, and federal tax credits and deductions. In addition, students borrowed about $10 billion from private, state, and institutional sources.
- Total loans declined as a percentage of all student aid plus nonfederal loans from 47% in 2010-11 to 43% in 2014-15. This percentage was 51% in 2003-04 and 55% in 2007-08.
- Grants increased as a percentage of all student aid plus nonfederal loans from 45% in 2010-11 to 50% in 2014-15. This percentage was 43% in 2003-04 and 41% in 2007-08.

SOURCES OF GRANT AID

Grant aid per FTE undergraduate student increased by $2,920 (56%) in 2014 dollars between 2004-05 and 2014-15.

- Grant aid per FTE graduate student increased by $2,990 (51%) in 2014 dollars between 2004-05 and 2014-15.
- In 2014-15, 37% of all grant aid came from the federal government, 41% from colleges and universities, 14% from employers and other private sources, and 8% from state governments.
- Federal grant aid rose from 32% of all grants to postsecondary students in 2004-05 to 42% in 2009-10, and was 37% of the total in 2014-15.
- Veterans education benefits for undergraduate and graduate students increased from $4.6 billion (in 2014 dollars) in 2006-07 to $12.1 billion in 2010-11. These awards totaled about $15.2 billion in 2014-15.
- Federal grant aid to postsecondary students increased by 152% in 2014 dollars between 2006-07 and 2010-11, with the largest increase in Pell Grants and veterans/military aid. The total declined by 13% over the four-year period from 2010-11 to 2014-15, when only veterans/military aid increased in real terms.
- State student grant aid, almost all of which is for undergraduate students, increased by 13% in 2014 dollars between 2006-07 and 2010-11. After adjusting for inflation, states provided about the same amount of aid in 2014-15 as they had four years earlier.
- In 2013-14, state grant aid per FTE undergraduate student ranged from under $200 in 11 states to over $1,000 in 11 states.
- Grant aid from colleges and universities in the form of discounts to students grew from an estimated $30.6 billion (in 2014 dollars) in 2006-07 to $41.9 billion in 2010-11, and to about $50.7 billion in 2014-15.

PELL GRANTS

Total Pell Grant expenditures increased from $16.5 billion (in 2014 dollars) in 2004-05 to $39.0 billion in 2010-11, but declined to an estimated $30.3 billion by 2014-15.

- The number of students receiving Pell Grants increased from 3.7 million in 1994-95 to 5.3 million in 2004-05, and to 8.2 million in 2014-15.
- The percentage of undergraduate students receiving Pell Grants increased from 26% in 2004-05 to 35% in 2014-15.
- Only undergraduate students who have an expected family contribution of zero and enroll full time and full year receive the maximum Pell Grant. In 2013-14, 27% of recipients received the maximum $5,645 in Pell funding, up from 22% in 2003-04.
- The average Pell Grant per recipient was $2,411 (in 2014 dollars) in 1994-95, $3,116 in 2004-05, and $3,673 in 2014-15. The average grant peaked at $4,189 (in 2014 dollars) in 2010-11.
- Despite increasing by 17% in inflation-adjusted dollars between 2005-06 and 2015-16, the maximum Pell Grant covered 74% of average public four-year tuition and fees in 2005-06, but only 61% in 2015-16. It covered 19% of average private nonprofit four-year tuition and fees in 2005-06, and 18% in 2015-16.

DISTRIBUTION OF STUDENT AID

In 2013-14, 44% of Pell Grant recipients were dependent students; three-quarters of this group came from families with incomes below $40,000.

– In 2013-14, 23% of all Pell Grant recipients were over the age of 30.

– In 2013, 24% of the savings from education tax credits and deductions went to households with an adjusted gross income (AGI) over $100,000. Another 24% went to households with AGI below $25,000.

– In 1993-94, only 10% of all state grant aid for undergraduates was awarded without regard to students' financial circumstances. By 2003-04, this percentage had risen to 26% and in 2013-14 it was 24%.

– In 2011-12, 12% of full-time undergraduate students at private nonprofit four-year institutions and 9% of those at public four-year institutions received grant aid from all sources combined that exceeded their federally determined financial need.

– In 2011-12, full-time private nonprofit four-year undergraduate students received about two-thirds of their grant aid from their institutions; public four-year students got one-quarter of their grant aid from their institutions.

– In 2011-12, full-time undergraduates in for-profit institutions received 64% of their grant aid from federal grant programs and 21% from aid to veterans and active military members.

STUDENT BORROWING

In 2014-15, total annual education borrowing declined for the fourth consecutive year. Overall, students and parents borrowed 14% less in 2014-15 than in 2010-11.

– In 2014-15, the average undergraduate who borrowed from the Stafford Subsidized Loan Program borrowed $3,750, 9% less than in 2010-11; the average undergraduate who borrowed from the Stafford Unsubsidized Loan Program borrowed $4,125, 11% less than four years earlier.

– The percentage of undergraduate students taking federal subsidized or unsubsidized student loans increased from 28% in 2004-05 to 36% in 2014-15. Just 9% of students (and 24% of borrowers) took only subsidized loans.

– Total borrowing from the federal Direct Subsidized Loan and Unsubsidized Loan Programs fell by 20% ($19 billion in 2014 dollars) between 2010-11 and 2014-15. Total borrowing from the PLUS program for parents of undergraduate students fell by 9% ($1 billion); Grad PLUS borrowing increased by 2% ($200 million).

– Nonfederal education loans (loans from banks, credit unions, states, and institutions) grew from an estimated $17.7 billion (in 2014 dollars) in 2004-05 to $25.6 billion in 2007-08. In 2014-15, the volume of these loans was about $10.1 billion.

STUDENT DEBT

Among borrowers who entered repayment in 2011-12, 9% of those who completed their programs and 24% of those who did not graduate defaulted on their student loans within two years of entering repayment.

– Student loan default rates are consistently two to three times as high for borrowers who attend for-profit and public two-year institutions as for those who attend private nonprofit and public four-year institutions.

– In the third quarter of 2014-15, 14% of borrowers with outstanding federal student loans were in default. These borrowers held 9% of total outstanding debt.

– In 2013, 47% of outstanding education debt was held by households currently in the top quartile of the income distribution and 11% was held by the lowest income quartile.

– In 2014, 39% of borrowers with outstanding education debt owed less than $10,000, and another 28% owed between $10,000 and $25,000; 4% of borrowers owed $100,000 or more. This debt includes borrowing for both undergraduate and graduate studies.

– In 2015, 3.9 million federal Direct Loan borrowers were in repayment plans that limit their payments to a specified percentage of their incomes. These borrowers constituted 20% of those in repayment plans; they held 37% of the total outstanding debt in repayment plans.

– Only 11% of dependent 2011-12 bachelor's degree recipients borrowed $40,000 or more, compared to 25% of independent students without dependents and 29% of independent students with dependents.

– Ten percent of 2011-12 bachelor's degree recipients who graduated within four years borrowed $40,000 or more. Among those who were in school for six years, 17% borrowed this much.

– In 2011-12, 32% of black bachelor's degree recipients accrued $40,000 or more in student debt, compared to 7% of Asian graduates, 16% of whites, and 17% of Hispanics.

– Among 2011-12 bachelor's degree recipients, 48% of those from the for-profit sector borrowed $40,000 or more, compared to 20% from private nonprofit institutions and 12% of those who earned their degrees in the public sector.

– Loans issued to students enrolled in for-profit institutions increased from 13% of total outstanding federal student loan balances in 2003-04 to 21% in 2013-14.

– About 61% of students who earned bachelor's degrees in 2013-14 from the public and private nonprofit four-year institutions at which they began their studies graduated with debt. They borrowed an average of $26,900, an increase of 17% over a decade, after adjusting for inflation.

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Figures and tables that are available online only at trends.collegeboard.org.

Introduction

As *Trends in Student Aid 2015* goes to press, college financing and student aid issues are prominent on the national agenda. Notably, the president of the United States has gotten into the weeds, issuing an executive order requiring the use of earlier income information on applications for federal student aid. Many in the financial aid community have long advocated such a move, which will allow students to apply and know about their federal aid eligibility several months earlier than in the past.

Presidential candidates are making clear statements about the importance of college affordability, with proposals ranging from tuition-free public colleges to automatic enrollment of borrowers in income-driven loan repayment plans to increased accountability for institutions and support for cost-saving innovations.

Moreover, the issue of student debt and its impact on borrowers, as well as on the economy as a whole, is never far from the headlines. Many anecdotes and a few widely cited pieces of information provide the basis for most conclusions.

As it has for over 30 years, *Trends in Student Aid* provides detailed information about the aid that undergraduate and graduate students receive from federal and state governments, their institutions, and their employers and other private sources. Together with its companion publication, *Trends in College Pricing*, this report should inform the public discourse about how students pay for college.

THE VARIED CONTEXTS OF COLLEGE FINANCE

The data in the 2014 Trends reports suggested that the recovering economy was modifying the paths of college prices and student aid. College prices grew slowly in 2013-14 and 2014-15, student borrowing declined slightly, both overall and on a per student basis, and the Pell Grant program, whose expenditures had skyrocketed during the recession, served fewer students and spent less overall as enrollment declined and fewer families were facing financial distress.

This year's Trends reports document a continuation of the patterns associated with a return to a more stable economy. Several years of slow declines in the number of postsecondary students, particularly in the for-profit sector, have followed the rapid growth in postsecondary enrollment between 2007-08 and 2010-11.

Total education borrowing declined in 2014-15 for the fourth consecutive year, generating a 14% decline from the 2010-11 peak. Undergraduates borrowed 16% less in 2014-15 than four years earlier; graduate students borrowed 11% less. The Pell Grant program, which was a subject of concern among budget hawks during the recession, distributed 22% less in inflation-adjusted dollars in 2014-15 than in 2010-11 — but still 83% more than in 2004-05.

In addition to documenting these trends, *Trends in Student Aid 2015* focuses on the varying circumstances of students. With about 60% of postsecondary students age 24 or younger and 25% age 30 or older,[1] it is clear that students have very different needs, opportunities, and educational paths. Over a third of all students enroll part time, requiring them to persist for a longer time if they are to earn degrees. Students who attend for-profit institutions have very different experiences before, during, and after college than those who attend public or private nonprofit four-year colleges and universities. Graduate students begin from the strong position of having completed a bachelor's degree, but many borrow much more than typical undergraduates.

Students come to postsecondary education from very different backgrounds. Three-quarters of the 3.8 million dependent Pell Grant recipients in 2013-14 came from families with incomes under $40,000. In contrast, about a quarter of all dependent undergraduates, and 30% of those enrolled in public and private nonprofit four-year institutions, came from families earning more than $110,000.[2]

It is important that we know more about the variation in characteristics, goals, and outcomes across postsecondary students. The information in this report focuses on the question of differences in student debt patterns. We compare students who graduate to those who leave school without a credential, as well as students with different demographic characteristics and those who are enrolled in different postsecondary sectors. It quickly becomes clear that problems with student debt vary quite a bit across these different groups, and addressing the problems will require a more nuanced view than general statements about student debt can provide.

STUDENT BORROWING AND STUDENT DEBT

Perhaps the most dramatic figure in this report is Figure 14A, which shows that among federal student loan borrowers who entered repayment in 2011-12, 9% of those who completed their programs and 24% of those who did not graduate defaulted on their student loans within two years of entering repayment. For students who begin college but do not graduate, the issue is not high debt levels but the absence of the significant earnings premium associated with a college degree.

Although defaulters have lower average debt levels than borrowers who successfully repay their loans, high debt levels for certain groups of students can lead to difficulties, even among those who earn bachelor's degrees. Among 2011-12 bachelor's degree recipients, 11% of those age 23 or younger had borrowed $40,000 or more, compared to 33% of those who earned their degrees between the ages of 30 and 39 (Figure 16A). Not surprisingly, time to degree is highly correlated

1. NCES, *Digest of Education Statistics 2014*, Table 303.40.
2. NCES, NPSAS 2012, calculations by the authors.

with debt levels. Among 2011-12 bachelor's degree recipients who earned their degrees within four years of first enrolling, 10% had borrowed $40,000 or more. A significant number of students earned their degrees 10 years or more after first enrolling, and among this group 31% had borrowed $40,000 or more (Figure 17A).

Although only 9% of 2011-12 four-year college graduates earned their degrees in the for-profit sector, 48% of this group had borrowed $40,000 or more, compared to 12% of those who attended public four-year institutions (Figure 17B). The percentage of outstanding student debt attributable to students from the for-profit sector increased from 13% to 21% between 2003-04 and 2013-14 (Figure 14B).

While we do not have adequate information to determine what causes these differences, we also find that 32% of black graduates, compared to less than 20% of white and Hispanic graduates, had debt exceeding $40,000 (Figure 18).

High debt levels are less of a risk for borrowers — and more of a risk for taxpayers — than they were just a few years ago because 20% of borrowers in repayment participate in income-driven plans, which limit their payments to a manageable percentage of their current incomes and forgive remaining debt after 20 or 25 years (Figure 11B).

Trends in Student Aid 2015 also includes information on annual borrowing from federal and nonfederal sources and on the distribution of outstanding debt. As Figure 8B reveals, graduate students on average borrow much larger amounts than undergraduate students. This reality is consistent with the fact that borrowers currently in the top quartile of the income distribution hold almost half of the outstanding student debt, while those in the lowest income quartile hold only 11% (Figure 19A). It is students who stay in school to earn more advanced degrees who are the most likely to accumulate high levels of debt, and those years in school pay off in the labor market. The lower-income borrowers have less debt, but may struggle most to repay that debt.

TYPES OF STUDENT AID

Trends in Student Aid reports on a complex array of grant, loan, tax-based, and work programs that support postsecondary students. Although the Federal Work-Study program gets quite a bit of attention and is highly valued by many students and institutions, only 638,000 students benefited from the $960 million federal allocation to this program in 2014-15. In contrast, federal subsidies to students through tax credits and deductions were projected to be almost 40% of the total amount of federal grant aid in 2014-15.

THE DISTRIBUTION OF STUDENT AID

The effectiveness of student aid in increasing educational opportunities depends to a great extent on how the funds are distributed across students in different financial circumstances. For some students, aid is a pure subsidy, reducing the price of the educational paths they would take even without assistance. For other students, grant aid means the difference between a high-tuition private institution and a public university or between a public four-year institution and a community college. For still others, the amount of grant aid they receive determines whether or not they will enroll in postsecondary education at all.

The distribution of student aid across students with different characteristics and in different financial circumstances is most critical for understanding the effectiveness of the system. However, differences across sectors of postsecondary education are also important. Drawing clear lines between sectors has become more difficult, particularly as many community colleges have started awarding some bachelor's degrees. Historically, we have relied on the NCES breakdown of institutions to examine these patterns. However, that breakdown categorizes all institutions awarding any bachelor's degrees as four-year institutions. In *Trends in Student Aid 2015* we have, where possible, included only institutions where more than half of the degrees awarded are bachelor's degrees or higher in the four-year category. Notes on each indicator page clarify this issue.

As documented in *Trends in College Pricing 2015*, the net prices students pay after taking grant aid into consideration increase with family income levels. Federal Pell Grants, which are well targeted to low-income students, constituted 29% of the grant aid received by undergraduates in 2014-15 (Figure 2A).

The distribution of federal education tax credits and deductions is quite different. As Figure 31B reveals, 24% of tax credits and 55% of the benefits of the tuition tax deduction go to taxpayers with incomes of $100,000 or higher.

A significant portion of state grant dollars are allocated on the basis of academic qualifications or other personal characteristics, but patterns vary considerably across states, with 25 states considering students' financial circumstances in allocating at least 95% of their state grant aid in 2013-14, while 15 states considered financial circumstances for less than half of their state grant aid (Figure 28B). The percentage of all state grant aid distributed on the basis of financial need declined from 77% in 2002-03 to 71% in 2010-11, but was 76% in 2013-14 (Figure 28A).

Both colleges and universities and employers and other private sources allocate larger proportions of their aid without regard to financial circumstances than state and federal governments. As Figure 20 shows, a very high percentage of the non-need-based

aid nonetheless helps to meet the documented financial need of recipients. Still, 12% of full-time students in private nonprofit four-year institutions and 9% of those in public four-year institutions receive grant aid in excess of their federal need.

Monitoring the distribution of student aid is at least as important as monitoring its level in assessing how well these funds serve to help students overcome the financial barriers to postsecondary access and success.

THE STUDENT AID SYSTEM

Grant aid and tax benefits lower the overall price of education for students and families, making the net price of college less than the published price. Education loans do not lower the price, but they do make it possible to spread payments out over time. Work-study earnings frequently replace other earnings, but may increase the availability of employment for students.

Understanding what the components of the system are; how grants, loans, tax benefits, and work-study aid are distributed; and how they have changed over time is critical, but the growth in aid dollars has meaning only in the context of the growth in the price of college and in the number of students enrolling — information included in *Trends in College Pricing 2015*.

The information in both publications is a prerequisite for improving the student aid system, but it is also important to examine evidence about what makes aid programs effective in supporting college access and success. If successful, current efforts to simplify the array of programs, the application processes, and the eligibility criteria are promising improvements. It is also critical to focus on directing subsidies to students whose educational outcomes are most likely to be improved by the receipt of student aid.

The student aid system is a vital component of efforts to increase economic mobility, the quality of the labor force, and the long-run strength of the economy. The information in *Trends in Student Aid* provides valuable perspective on how that system is operating.

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Total Student Aid

In 2014-15, undergraduate and graduate students received $238.9 billion in student aid in the form of grants from all sources, Federal Work-Study, federal loans, and federal tax credits and deductions.

TABLE 1 Student Aid and Nonfederal Loans in 2014 Dollars (in Millions), 2004-05 to 2014-15

	Academic Year											
	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	Preliminary 14-15	10-Year % Change
Federal Aid												
Grants												
Pell Grants	$16,542	$15,477	$15,006	$16,787	$19,812	$33,182	$38,989	$35,407	$33,341	$32,104	$30,293	83%
FSEOG	$969	$949	$902	$882	$820	$814	$828	$776	$762	$747	$728	–25%
LEAP	$83	$79	$75	$74	$69	$70	$67	—	—	—	—	
Academic Competitiveness Grants	—	—	$283	$353	$368	$530	$605	—	—	—	—	
SMART Grants	—	—	$240	$234	$216	$397	$473	—	—	—	—	
Veterans and Military	$4,424	$4,493	$4,557	$4,686	$5,156	$9,942	$12,118	$11,904	$13,481	$13,530	$15,160	243%
Total Federal Grants	**$22,017**	**$20,998**	**$21,064**	**$23,016**	**$26,442**	**$44,935**	**$53,079**	**$48,087**	**$47,584**	**$46,382**	**$46,180**	**110%**
Loans												
Perkins Loans	$2,078	$1,943	$1,895	$1,582	$1,041	$905	$936	$1,000	$1,051	$1,195	$1,215	–42%
Subsidized Stafford	$29,971	$29,799	$29,285	$33,282	$35,774	$42,118	$44,382	$42,789	$28,911	$26,970	$24,674	–18%
Unsubsidized Stafford	$27,479	$28,786	$28,507	$31,328	$43,785	$51,519	$51,561	$49,520	$58,749	$56,431	$51,737	88%
Parent PLUS	$9,262	$9,978	$9,519	$8,801	$8,327	$9,849	$11,575	$11,681	$10,213	$10,488	$10,564	14%
Grad PLUS	—	—	$2,448	$3,522	$4,686	$6,289	$7,605	$7,888	$7,907	$8,268	$7,768	
Total Federal Loans	**$68,790**	**$70,507**	**$71,653**	**$78,515**	**$93,614**	**$110,681**	**$116,059**	**$112,877**	**$106,831**	**$103,353**	**$95,959**	**39%**
Federal Work-Study	$1,250	$1,200	$1,140	$1,114	$1,055	$1,076	$1,065	$1,025	$1,004	$1,000	$960	–23%
Education Tax Benefits	$7,711	$7,800	$7,708	$7,637	$11,603	$18,161	$21,652	$20,508	$18,404	$18,505	$18,215	136%
Total Federal Aid	**$99,768**	**$100,505**	**$101,566**	**$110,282**	**$132,714**	**$174,852**	**$191,855**	**$182,498**	**$173,822**	**$169,240**	**$161,314**	**62%**
State Grants	$8,408	$8,588	$8,948	$9,205	$9,172	$9,818	$10,100	$9,912	$9,974	$10,136	$10,136	21%
Institutional Grants	$27,209	$29,031	$30,627	$32,644	$34,314	$38,777	$41,888	$43,933	$46,360	$48,559	$50,660	86%
Private and Employer Grants	$10,717	$11,498	$12,223	$13,176	$13,463	$13,763	$14,524	$14,859	$15,162	$16,370	$16,800	57%
Total Federal, State, Institutional, and Other Aid	**$146,103**	**$149,622**	**$153,364**	**$165,307**	**$189,663**	**$237,209**	**$258,367**	**$251,202**	**$245,318**	**$244,304**	**$238,910**	**64%**
Nonfederal Loans	$17,674	$20,838	$23,685	$25,564	$12,532	$8,961	$7,934	$7,973	$9,453	$9,710	$10,120	–43%
State- and Institution-Sponsored	$1,321	$1,329	$1,440	$1,430	$1,376	$1,438	$1,344	$1,276	$1,196	$1,163	$1,120	–15%
Private Sector	$16,353	$19,509	$22,244	$24,134	$11,156	$7,523	$6,590	$6,697	$8,257	$8,547	$9,000	–45%
Total Student Aid and Nonfederal Loans	**$163,776**	**$170,460**	**$177,048**	**$190,871**	**$202,195**	**$246,171**	**$266,301**	**$259,175**	**$254,771**	**$254,014**	**$249,030**	**52%**

NOTES: Table 1 excludes a variety of small federal grant and loan programs. The latest available data for education tax benefits are for calendar year 2013 and the latest available data for state grant aid are for 2013-14. Later figures are projected. Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Work-Study (FWS) funds reflect federal allocations and do not include the required matching funds from institutions. Components may not sum to totals because of rounding.

SOURCES: See page 42 for a list of sources for data included in Table 1.

– Total student aid peaked at $258.4 billion (in 2014 dollars) in 2010-11.

– The federal government's share of total student aid increased from 68% in 2004-05 to 74% in 2009-10 and 2010-11, but had fallen back to 68% by 2014-15.

– The share of federal student aid in the form of grants increased from 22% in 2004-05 to 26% in 2009-10 and to 29% in 2014-15. Loans declined from 69% to 63% to 59% of federal aid over these years.

– Nonfederal education loans are loans students borrow from banks, credit unions, and other private lenders, including some states and postsecondary institutions. These loans, which are not part of the student aid system and typically do not involve subsidies, grew from $17.7 billion (in 2014 dollars) in 2004-05 to $25.6 billion in 2007-08, but fell to $12.5 billion in 2008-09 and to $10.1 billion in 2014-15.

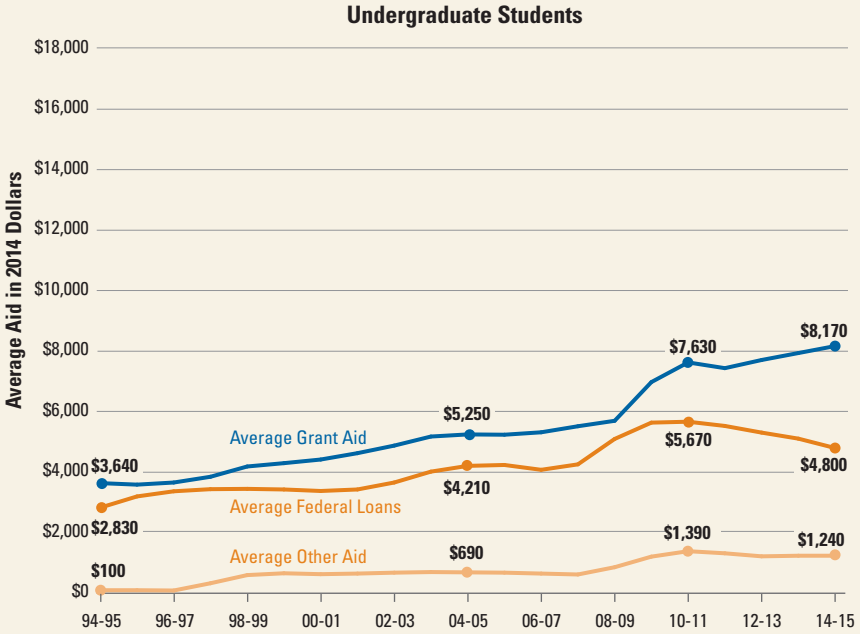
ALSO IMPORTANT:

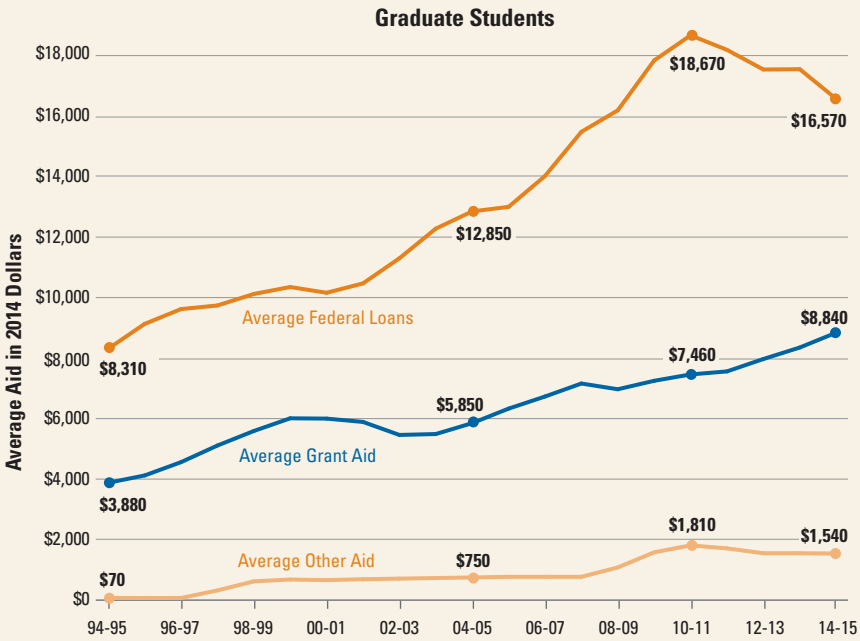
– In 2014-15, graduate students received only about 3% of all federal grant aid, but borrowed 35% of all federal loans. (Tables 1 and 1B)

Aid per Student

In 2014-15, undergraduate students received an average of $14,210 in aid per full-time equivalent (FTE) student, including $8,170 in grants from all sources, $4,800 in federal loans, and $1,240 in a combination of tax credits and deductions and Federal Work-Study (FWS).

FIGURE 1 Average Aid per Full-Time Equivalent (FTE) Student in 2014 Dollars, 1994-95 to 2014-15





NOTES: Loans reported here include only federal loans to students and parents. Grants from all sources are included. "Other Aid" includes federal education tax credits and deductions and Federal Work-Study. Dollar values are rounded to the nearest $10.

SOURCE: *Trends in Student Aid* website (trends.collegeboard.org), Table 3.

– Between 2010-11 and 2014-15, federal loans per FTE undergraduate student declined by $870, from $5,670 (in 2014 dollars) to $4,800.

– Grant aid per undergraduate student increased by $540 (in 2014 dollars) between 2010-11 and 2014-15.

– In 2014-15, graduate students received an average of $26,950 in aid per FTE student, including $8,840 in grants from all sources, $16,570 in federal loans, and $1,540 in a combination of tax credits and deductions and FWS.

– Between 2010-11 and 2014-15, federal loans per FTE graduate student declined by $2,100, from $18,670 (in 2014 dollars) to $16,570.

– Grant aid per graduate student increased by $1,380 (in 2014 dollars) between 2010-11 and 2014-15, primarily because of large increases in veterans and military benefits and institutional grant aid.

ALSO IMPORTANT:

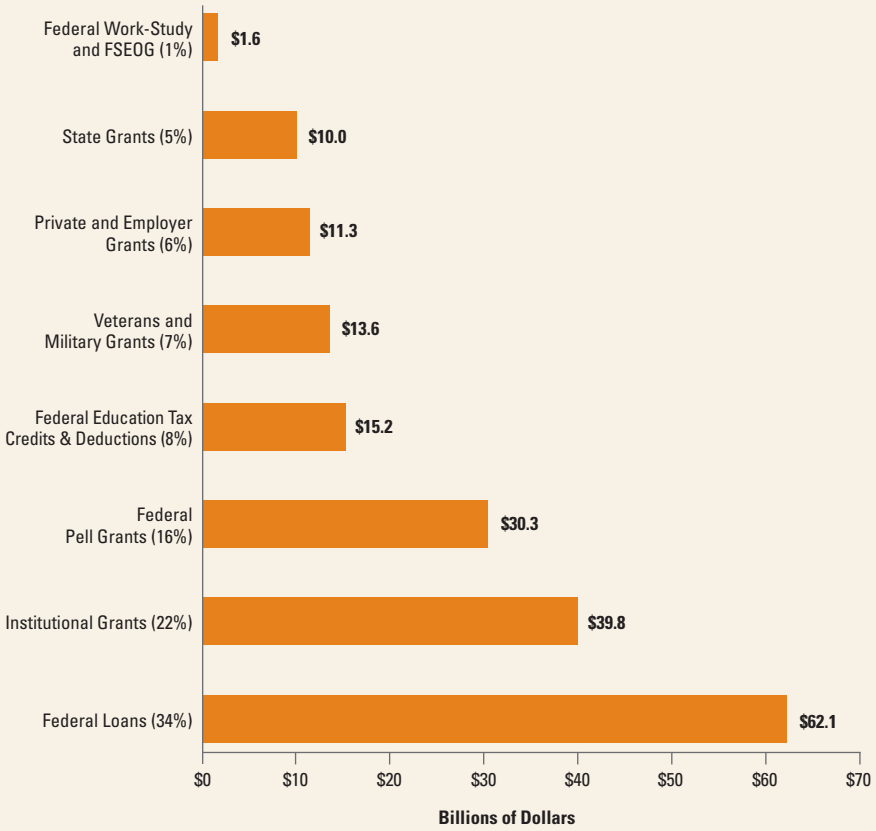
– The $100 of "Other Aid" per FTE undergraduate student in 1994-95 was from FWS. In 2004-05, 86% of "Other Aid" ($590 out of $690) was from education tax credits and deductions and 14% ($100) was from FWS. In 2014-15, 94% ($1,170) was from tax benefits and 6% ($70) was from FWS.

– The $70 of "Other Aid" per FTE graduate student in 1994-95 was from FWS. In 2004-05, 88% of "Other Aid" ($660 out of $750) was from education tax credits and deductions and 12% ($90) was from FWS. In 2014-15, 97% ($1,490) was from tax benefits and 3% ($50) was from FWS.

Total Undergraduate Student Aid by Type

In 2014-15, the $30.3 billion in Federal Pell Grants and $13.6 billion in federal education grants for veterans and members of the military comprised 24% of the total financial aid received by undergraduate students.

FIGURE 2A Total Undergraduate Student Aid by Source and Type (in Billions), 2014-15



NOTES: Loans reported here include only federal loans to students and parents. Percentages may not sum to 100 because of rounding.

SOURCE: *Trends in Student Aid* website (trends.collegeboard.org), Table 1A.

– The federal government also provided $62.1 billion in federal loans and $15.2 billion in education tax credits and deductions for undergraduate students, which constituted 34% and 8%, respectively, of undergraduate aid in 2014-15.

– Total federal grants to undergraduate students more than doubled (after adjusting for inflation) between 2004-05 and 2009-10, but increased by only 1% between 2009-10 and 2014-15. Total federal loans to undergraduates increased by 60% over the first five years of the decade and declined by 17% over the next five years.

– In 2014-15, institutions provided an estimated $39.8 billion in grant aid to undergraduate students. This constituted 22% of total undergraduate aid and 38% of undergraduate grant aid.

– Between 2009-10 and 2014-15, the largest increase in aid to undergraduate students, both in dollars and in percentage terms, was in institutional grant aid, which increased by $9.6 billion (32%).

ALSO IMPORTANT:

– In fall 2013, 13.1 million (86%) of the 15.2 million full-time equivalent postsecondary students were undergraduates. (*Digest of Education Statistics 2014*, Table 303.70)

– Undergraduate students are considered dependent, with their aid eligibility being a function of their own and their parents' financial circumstances, unless they are at least 24 years of age, are married, have legal dependents, are veterans or on active duty, or are orphans, wards of the court, or homeless unaccompanied youth.

TABLE 1A Total Undergraduate Student Aid in 2014 Dollars (in Millions), 1994-95 to 2014-15, Selected Years

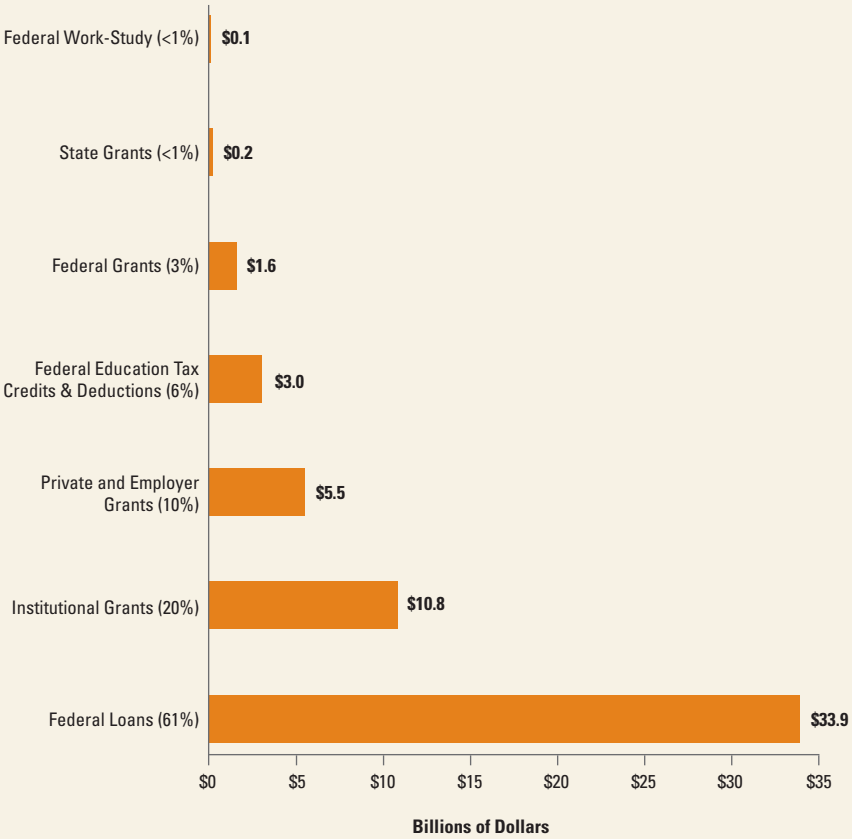
	1994-95	1999-00	2004-05	2009-10	2010-11	2011-12	2012-13	2013-14	Preliminary 2014-15
Total Federal Grants	$12,059	$13,377	$21,603	$43,942	$51,836	$46,816	$46,149	$44,945	$44,573
Total Federal Loans	$25,035	$32,277	$46,763	$74,878	$77,481	$75,185	$70,655	$66,979	$62,063
Federal Work-Study	$891	$1,096	$1,105	$948	$944	$916	$897	$893	$858
Education Tax Benefits	$0	$5,090	$6,572	$15,120	$18,028	$17,075	$15,323	$15,407	$15,166
Total Federal Aid	**$37,986**	**$51,840**	**$76,043**	**$134,889**	**$148,289**	**$139,992**	**$133,023**	**$128,224**	**$122,660**
State Grants	$4,899	$5,699	$8,195	$9,682	$9,966	$9,758	$9,814	$9,973	$9,973
Institutional Grants	$12,078	$16,302	$21,156	$30,235	$32,793	$34,533	$36,440	$38,168	$39,820
Private and Employer Grants	$3,203	$5,119	$7,361	$8,887	$9,588	$10,024	$10,228	$11,043	$11,333
Total Federal, State, Institutional, and Private Aid	**$58,166**	**$78,959**	**$112,756**	**$183,693**	**$200,635**	**$194,306**	**$189,505**	**$187,409**	**$183,786**

NOTE: Components may not sum to totals because of rounding.

Total Graduate Student Aid by Type

In 2014-15, graduate students borrowed $33.9 billion in federal loans, which accounted for 61% of all the financial aid they received.

FIGURE 2B Total Graduate Student Aid by Source and Type (in Billions), 2014-15



NOTES: Loans reported here include only federal loans to students. Percentages may not sum to 100 because of rounding.

SOURCE: *Trends in Student Aid* website (trends.collegeboard.org), Table 1B.

– Graduate student borrowing increased from $22.0 billion in 2004-05 (in 2014 dollars) to $38.6 billion in 2010-11, but fell to $33.9 billion in 2014-15.

– Some graduate students rely on assistantships provided by their universities, which were not included in the $10.8 billion of institutional grant aid they received in 2014-15.

– Although federal grants accounted for only 3% of the aid received by graduate students in 2014-15, this funding increased from $414 million (in 2014 dollars) in 2004-05 to $1.6 billion a decade later as a result of the implementation of the Post-9/11 GI Bill.

– The estimated $5.5 billion in employer and private grants constituted 30% of the grant aid supporting graduate students in 2014-15.

ALSO IMPORTANT:

– In fall 2013, 2.1 million (14%) of the 15.2 million full-time equivalent postsecondary students were graduate students. (*Digest of Education Statistics 2014*, Table 303.80)

– In 2004-05, 43% of federal loans to graduate students were subsidized Stafford Loans and 54% were unsubsidized Stafford Loans. A decade later, 76% of federal loans to graduate students were unsubsidized Stafford Loans and 23% were Grad PLUS loans.

– All graduate students are considered independent for federal financial aid purposes, so their eligibility for need-based aid depends only on their own income and assets (and those of their spouses if married). However, the elimination of subsidized Stafford Loans for graduate students in 2012-13 eliminated virtually all need-based federal aid for these students.

TABLE 1B Total Graduate Student Aid in 2014 Dollars (in Millions), 1994-95 to 2014-15, Selected Years

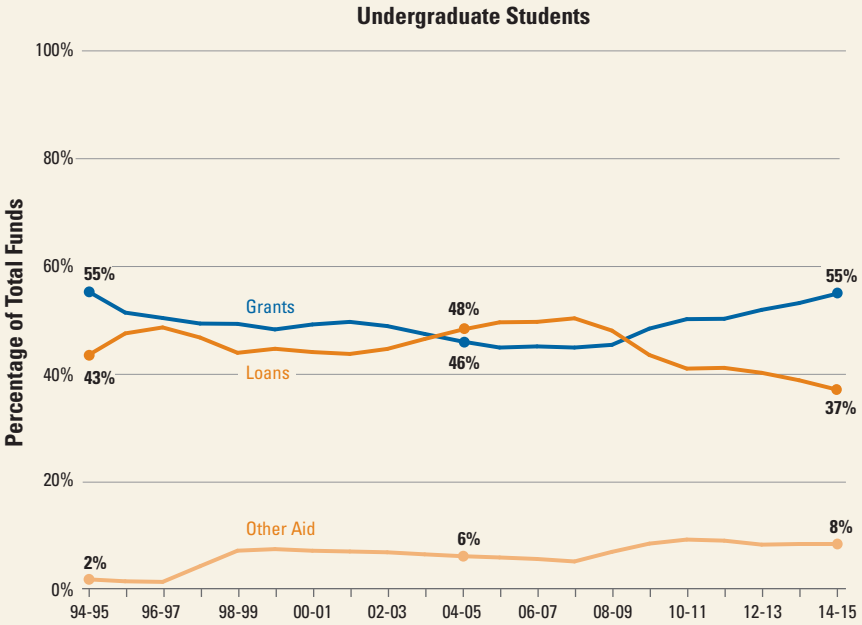
	1994-95	1999-00	2004-05	2009-10	2010-11	2011-12	2012-13	2013-14	Preliminary 2014-15
Total Federal Grants	$169	$209	$414	$993	$1,243	$1,271	$1,434	$1,437	$1,607
Total Federal Loans	$10,951	$14,518	$22,027	$35,802	$38,578	$37,692	$36,177	$36,374	$33,896
Federal Work-Study	$97	$119	$145	$127	$120	$109	$107	$107	$103
Education Tax Benefits	$0	$836	$1,139	$3,040	$3,625	$3,433	$3,081	$3,098	$3,049
Total Federal Aid	**$11,218**	**$15,683**	**$23,725**	**$39,963**	**$43,566**	**$42,506**	**$40,799**	**$41,016**	**$38,655**
State Grants	$164	$146	$213	$136	$134	$154	$160	$163	$163
Institutional Grants	$3,447	$5,580	$6,053	$8,542	$9,095	$9,401	$9,920	$10,390	$10,840
Private and Employer Grants	$1,340	$2,499	$3,356	$4,876	$4,936	$4,835	$4,934	$5,327	$5,467
Total Federal, State, Institutional, and Private Aid	**$16,168**	**$23,907**	**$33,347**	**$53,517**	**$57,731**	**$56,896**	**$55,813**	**$56,896**	**$55,125**

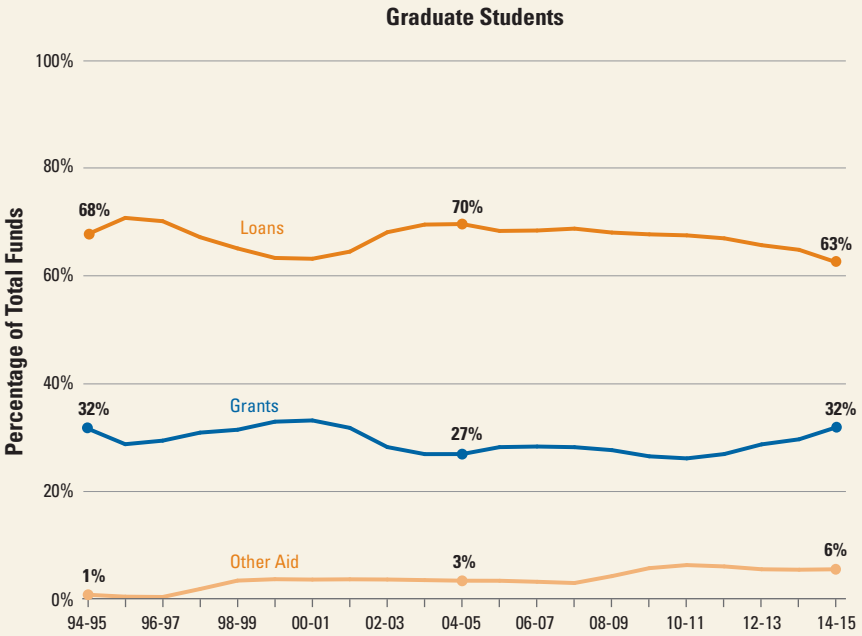
NOTE: Components may not sum to totals because of rounding.

Composition of Grants, Loans, and Other Aid

In 2014-15, grants constituted 55% of the funds used by undergraduates to supplement student and family resources. This percentage was 55% in 1994-95, but had fallen to 46% in 2004-05.

FIGURE 3 Composition of Total Aid and Nonfederal Loans, 1994-95 to 2014-15





NOTES: Nonfederal loans are included as an indication of the total amounts that students and parents borrow through education loans. "Other Aid" includes Federal Work-Study (FWS) and federal education tax credits and deductions.

SOURCE: *Trends in Student Aid* website (trends.collegeboard.org), Table 4.

– In 2014-15, grants constituted 32% of the funds used by graduate students to supplement personal resources. This percentage was 32% in 1994-95 and 27% in 2004-05.

– Loans from federal and nonfederal sources combined declined from a peak of 50% of funding for undergraduates in 2007-08 to 37% in 2014-15.

– Loans from federal and nonfederal sources combined declined from 69% of funding for graduate students in 2007-08 to 63% in 2014-15.

– In 2014-15, the combination of federal tax credits and deductions and Federal Work-Study constituted 8% of all student aid and nonfederal funds for undergraduate students and 6% for graduate students.

ALSO IMPORTANT:

– Grant aid often fails to increase rapidly enough to close the growing gap between the cost of attending college or graduate school and the ability of students and families to pay those costs.

– For undergraduate students, the increase in the share of funds from grant aid between 2007-08 and 2014-15 was the result of a 63% increase in total grant aid. After adjusting for inflation, total undergraduate loan volume was 2% lower in 2014-15 than in 2007-08.

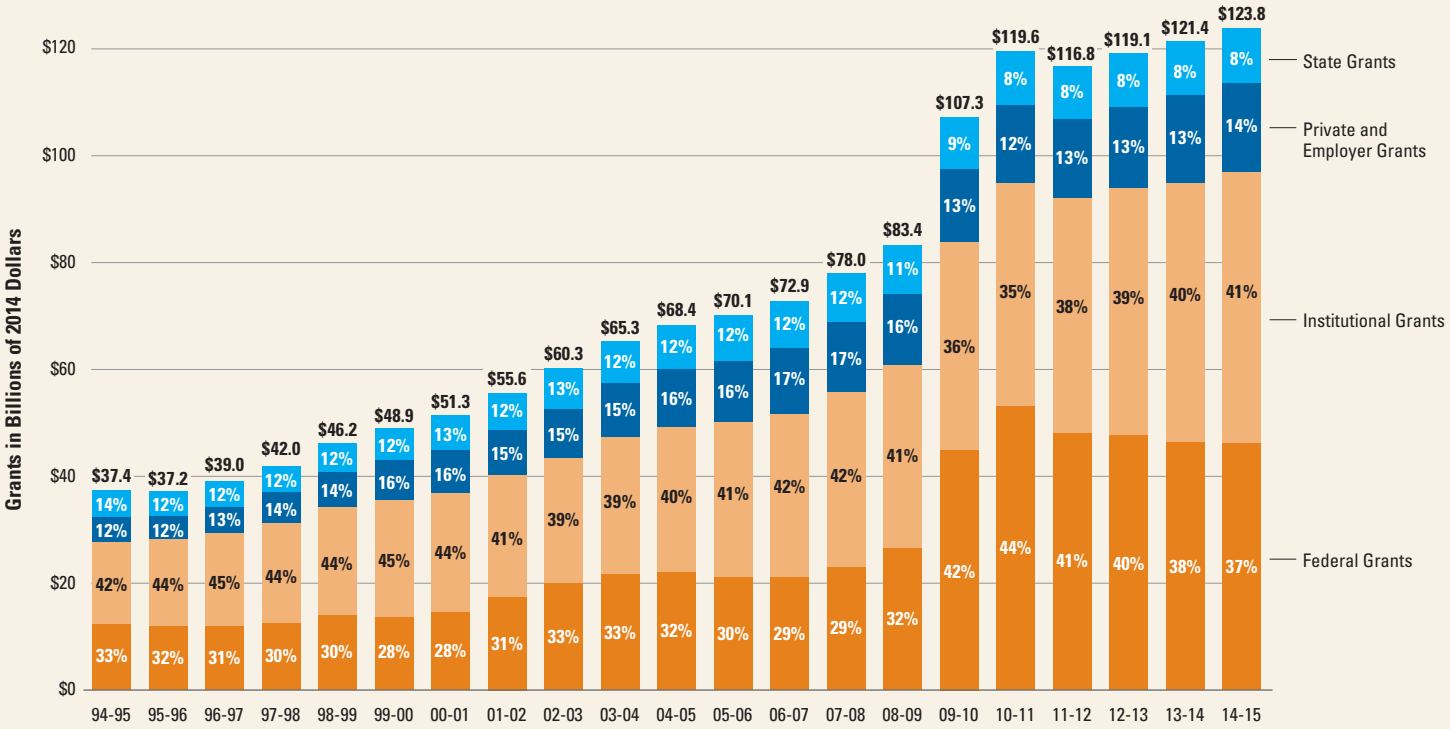
– For graduate students, total grant aid increased by 38% and total loan volume increased by 11% between 2007-08 and 2014-15.

For detailed data behind the graphs and additional information, please visit: **trends.collegeboard.org**.

Sources of Grant Aid

In 2014-15, when postsecondary students received $123.8 billion in grant aid, 41% of this aid — the largest portion from any source — came from the colleges and universities in which the students were enrolled.

FIGURE 4 Total Grant Aid in 2014 Dollars by Source, 1994-95 to 2014-15



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

SOURCES: See page 42 for a list of sources for grants included in Figure 4.

– The total amount of grant aid supporting postsecondary students increased by 83% between 1994-95 and 2004-05 (after adjusting for inflation) and by another 81% between 2004-05 and 2014-15.

– The federal government provided 33% of all grant aid in 1994-95, 32% in 2004-05, 42% in 2009-10, and 37% in 2014-15.

– State governments provided 14% of all grant aid in 1994-95, 12% in 2004-05, 9% in 2009-10, and 8% in 2014-15.

ALSO IMPORTANT:

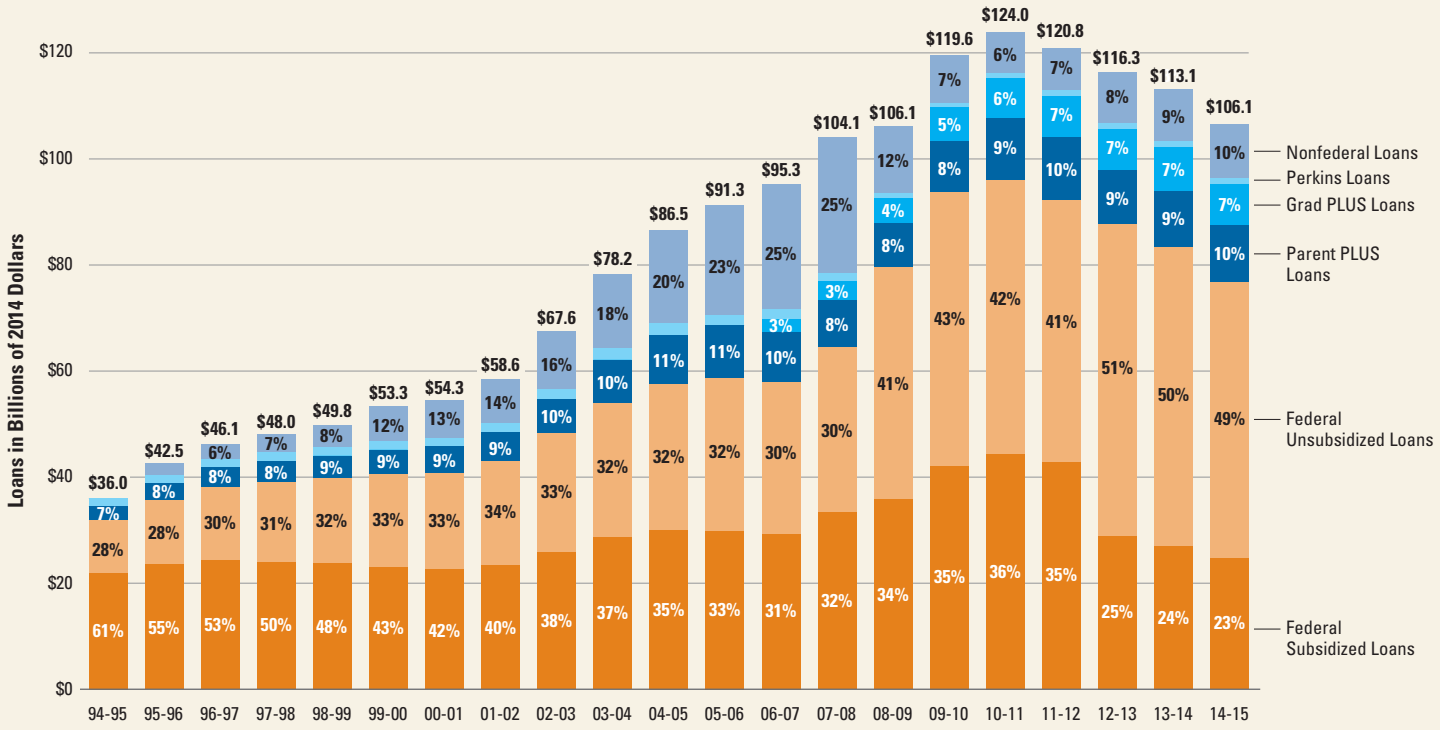
– Pell Grants declined from 75% of total federal grant aid in 2008-09 to 66% in 2014-15. Veterans and military aid increased from 20% to 33%. (Table 1)

– The composition of grant aid for graduate students is quite different from that for undergraduate students — and from the totals in Figure 4. In 2014-15, 9% of graduate student grant aid came from the federal government, 60% from institutions, 30% from employers and other private sources, and 1% from states. (Figure 2B)

Types of Loans

Students and parents borrowed $106.1 billion in education loans in 2014-15, down from a peak of $124.0 billion (in 2014 dollars) in 2010-11.

FIGURE 5 Total Federal and Nonfederal Loans in 2014 Dollars by Type, 1994-95 to 2014-15



NOTES: Nonfederal loans include loans to students from states and institutions in addition to private loans issued by banks, credit unions, and Sallie Mae. Values for all types of nonfederal loans are best estimates and are less precise than federal loan amounts.

SOURCES: See page 42 for a list of sources for loans included in Figure 5.

– In 1994-95, 69% of Stafford Loans were subsidized, with the government paying the interest while students were in school. This percentage declined to 52% in 2004-05 and to 46% in 2011-12. With graduate students no longer eligible for the program, subsidized loans fell to 33% of the total Stafford Loans in 2012-13 and to 32% in 2014-15.

– Federal student loan borrowing from the subsidized and unsubsidized Stafford Loan Programs, the Perkins Loan Program, and the Grad PLUS Program grew from $33.4 billion (in 2014 dollars) in 1994-95 to $59.5 billion in 2004-05, and to a peak of $104.5 billion in 2010-11. In 2014-15, students borrowed $85.4 billion from these programs and parents of dependent students borrowed $10.6 billion in Parent PLUS Loans.

– The largest decline in loan volume between 2010-11 and 2014-15 was in the subsidized loan program, where borrowing fell by 44%, from $44.4 billion (in 2014 dollars) to $24.7 billion.

– In 2014-15, graduate students borrowed $7.8 billion from the Grad PLUS Program.

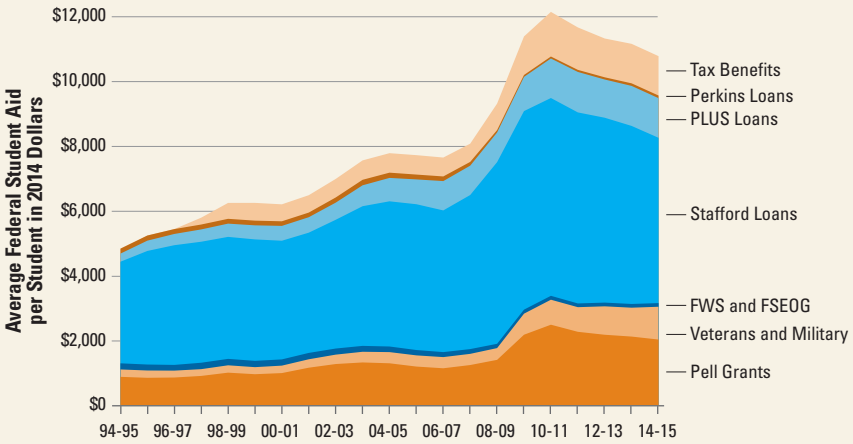
ALSO IMPORTANT:

– Congress has allowed the Perkins Loan program to lapse. No new loans will be made to new borrowers after October 1, 2015.

Federal Aid

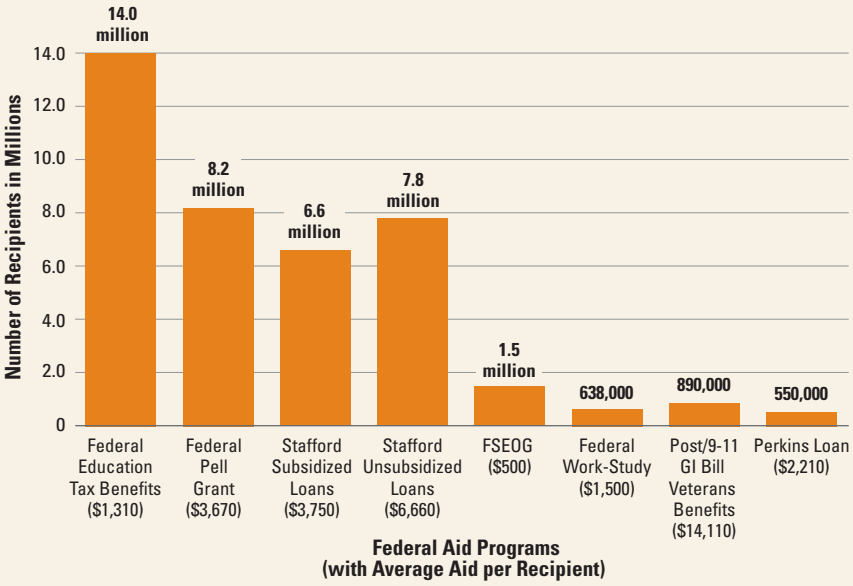
Total federal aid per full-time equivalent (FTE) postsecondary student increased by about $3,000 (in 2014 dollars) between 1994-95 and 2004-05 and by another $3,000 between 2004-05 and 2014-15.

FIGURE 6 Federal Student Aid per Full-Time Equivalent (FTE) Student in 2014 Dollars, 1994-95 to 2014-15



SOURCES: See page 42 for a list of sources for federal aid programs; NCES, IPEDS enrollment data.

FIGURE 7 Number of Recipients by Federal Aid Program (with Average Aid Received), 2014-15



NOTES: Data on tax benefits are for 2013-14. Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Work-Study (FWS) amounts in Figures 6 and 7 represent federal funds only. Institutions provide matching funds so the awards that students receive under these programs are larger than these federal aid amounts. Perkins Loans are made from revolving funds on campus. No new federal outlays were provided in 2014-15, but originally the funds partly came partly from federal and partly from institutional sources.

SOURCES: See page 42 for a list of sources for federal aid programs; NCES, IPEDS enrollment data.

– Pell Grants (for which only undergraduate students are eligible) per FTE student increased by $420 (in 2014 dollars) between 1994-95 and 2004-05 and by $880 between 2004-05 and 2009-10. In 2014-15, Pell Grants per student were $150 lower than five years earlier.

– Federal loans per FTE student, including Stafford, PLUS, and Perkins, increased by $1,820 (in 2014 dollars) between 1994-95 and 2004-05 and by $1,880 between 2004-05 and 2009-10. In 2014-15, federal loans per student were $840 less than five years earlier.

– An estimated 14 million students benefited from federal education tax credits and deductions in 2013-14. Pell Grants were awarded to 8.2 million students in 2014-15.

ALSO IMPORTANT:

– The 8.2 million students receiving Pell Grants in 2014-15 compares to 5.3 million a decade earlier. (Figure 25)

– The number of students receiving Federal Work-Study (FWS) declined from 811,000 in 2004-05 to 733,000 in 2009-10 and to 638,000 in 2014-15. On average, FWS recipients earned $1,734 in 2014-15, including both federal allocations and institutional matching funds. (Online Table 5)

Federal Loans

After increasing by more than 60% in inflation-adjusted dollars between 2006-07 and 2010-11, total federal borrowing declined by 20% among undergraduates and by 12% among graduate students between 2010-11 and 2014-15.

FIGURE 8A Total Amount Borrowed from Federal Subsidized, Unsubsidized, and PLUS Loans in Millions of 2014 Dollars, 2002-03 to 2014-15, Selected Years

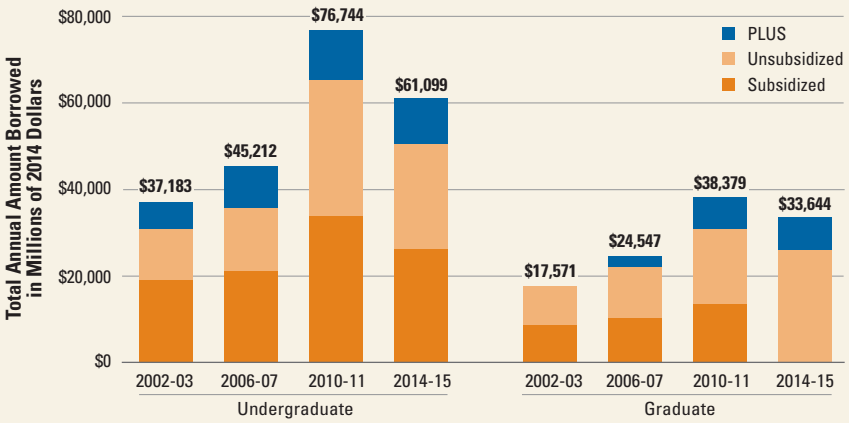
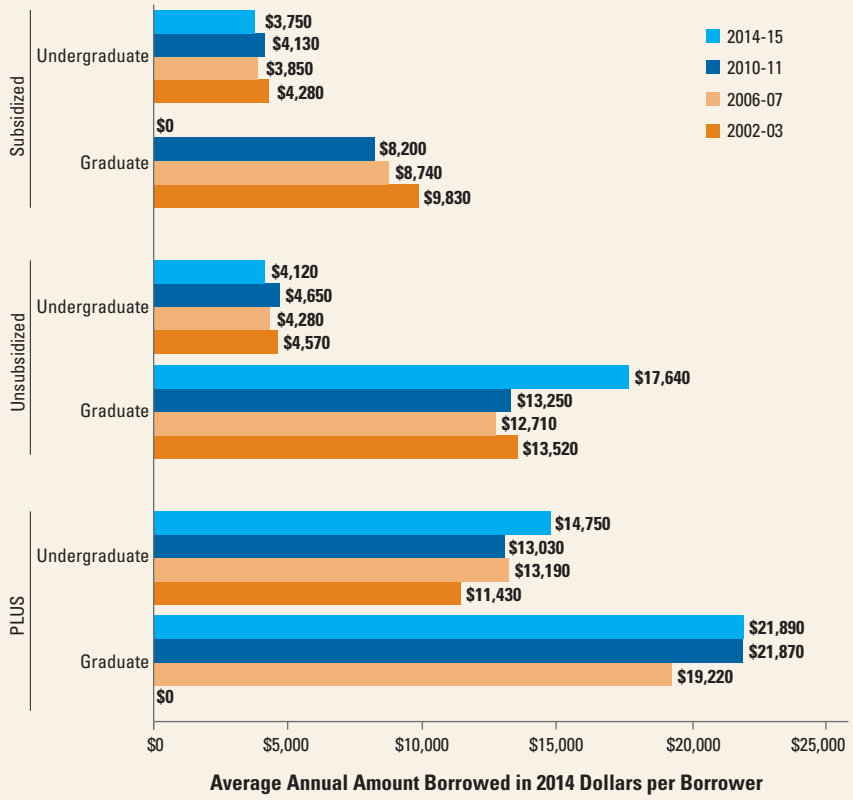


FIGURE 8B Average Annual Amount Borrowed per Borrower in Federal Subsidized, Unsubsidized, and PLUS Loans in 2014 Dollars, 2002-03 to 2014-15, Selected Years



SOURCE: *Trends in Student Aid* website (trends.collegeboard.org), Table 6.

– Between 2002-03 and 2014-15, when total annual federal undergraduate borrowing increased by 64% in inflation-adjusted dollars, total graduate student federal borrowing increased by 91%, from $17.6 billion to $33.6 billion.

– After adjusting for inflation, the average amounts borrowed by undergraduate borrowers in both the subsidized and the unsubsidized federal student loan programs were lower in 2014-15 than in 2002-03.

– Parents of 716,000 dependent undergraduate students borrowed through the Parent PLUS program in 2014-15, down from 888,000 in 2010-11, but 27% higher than the 563,000 who borrowed in 2002-03.

ALSO IMPORTANT:

– The total number of subsidized and unsubsidized borrowers is smaller than the sum of the number of borrowers in each program because some students participate in both programs.

– In 2014-15, 6.6 million undergraduates borrowed subsidized Stafford Loans and 6.3 million borrowed unsubsidized Stafford Loans. Overall, 8.3 million participated in at least one of the programs, with 24% borrowing only subsidized loans, 21% borrowing only unsubsidized loans, and 55% borrowing both.

– In 2014-15, 1.47 million graduate students borrowed unsubsidized Stafford Loans and 355,000 borrowed Grad PLUS loans. Overall, about 1.5 million graduate students participated in at least one of the programs, with 76% borrowing only unsubsidized loans, 2% borrowing only Grad PLUS, and 23% borrowing both. (U.S. Department of Education, Federal Student Aid Data Center, Award Year Aid Recipients Summary)

Number of Borrowers (in Thousands), 2002-03 to 2014-15, Selected Years

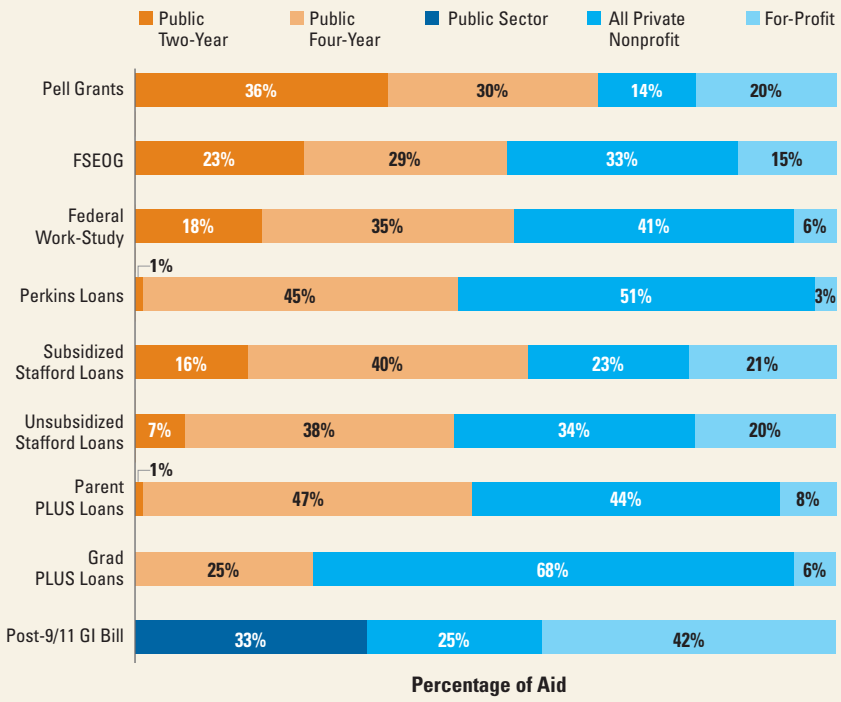
		2002-03	2006-07	2010-11	2014-15
Subsidized	Undergraduate	4,154	5,126	7,665	6,584
	Graduate	803	1,069	1,500	0
	TOTAL	4,957	6,195	9,165	6,584
Unsubsidized	Undergraduate	2,836	3,732	7,219	6,269
	Graduate	704	986	1,361	1,467
	TOTAL	3,540	4,718	8,580	7,736
PLUS	Undergraduate	563	722	888	716
	Graduate	0	127	348	355
	TOTAL	563	849	1,236	1,071

 For detailed data behind the graphs and additional information, please visit: **trends.collegeboard.org**.

Federal Aid by Sector

In 2013-14, public two-year college students, constituting 34% of full-time equivalent (FTE) undergraduate enrollments, received 36% of Pell Grant funds. Students in this sector received less than their proportionate share of funds from all other federal student aid programs.

FIGURE 9 Percentage Distribution of Federal Aid Funds by Sector, 2013-14



NOTES: Four-year institution categories include only those institutions where more than 50% of degrees/certificates awarded are bachelor's degrees or higher. The breakdown between the public four-year and public two-year sectors is not available for Post-9/11 GI Bill benefits. Distribution of Post-9/11 GI Bill benefits is based on FY11 data. Excludes aid to students enrolled in public less-than-two-year colleges and to students enrolled in foreign institutions. Percentages may not sum to 100 because of rounding.

SOURCES: U.S. Department of Education, Federal Student Aid Data Center, Title IV Program Volume by School; U.S. Government Accountability Office, VA Education Benefits: Student Characteristics and Outcomes Vary Across Schools, 2013; calculations by the authors.

Distribution of Fall 2013 Enrollment by Sector

	FTE Undergraduate Students	All FTE Students
Public Two-Year	34%	29%
Public Four-Year	40%	41%
Private Nonprofit Four-Year	18%	22%
For-Profit	9%	9%

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

SOURCES: NCES, IPEDS fall 2013 enrollment data; calculations by the authors.

– The for-profit sector accounted for 9% of FTE undergraduate enrollment and 9% of total postsecondary FTE enrollment in 2013-14. Students in this sector received 42% of Post-9/11 GI Bill benefits and about 20% of Pell Grants and subsidized and unsubsidized Federal Direct Student Loans.

– The private nonprofit sector accounted for 18% of FTE undergraduate enrollment and 22% of total postsecondary FTE enrollment in 2013-14. Students in this sector received 68% of Grad PLUS Loans, 51% of Perkins Loans, and 41% of Federal Work-Study funds.

– In 2013-14, students in the public four-year and for-profit sectors took about the same shares of all Subsidized Stafford Loans as of Unsubsidized Stafford Loans. In contrast, public two-year college students borrowed 16% of subsidized loans, but only 7% of unsubsidized loans in 2013-14. Students in private nonprofit institutions borrowed 23% of subsidized and 34% of unsubsidized loans.

ALSO IMPORTANT:

– Pell Grants, FSEOG, and Direct Subsidized Loans are available only to undergraduate students. Grad PLUS Loans are available only to graduate students. Parent PLUS Loans are for parents of undergraduate students. Federal Work-Study, Perkins Loans, Direct Unsubsidized Loans, and Post-9/11 GI Bill benefits are available to both undergraduate and graduate students.

– In Figure 9, institutions are categorized as four-year if at least 50% of the degrees awarded are bachelor's degrees or higher. The NCES definition, counting any institution awarding bachelor's degrees as a four-year institution, would increase the share of both enrollments and financial aid in public four-year institutions, and reduce the share in public two-year institutions.

Federal Aid by Sector

The percentage of both Pell Grants and Stafford Loans going to students in the for-profit sector declined from 25% in 2010-11 to 20% in 2013-14.

FIGURE 10A Distribution of Pell Grant Funds by Sector, 2004-05 to 2013-14, Selected Years

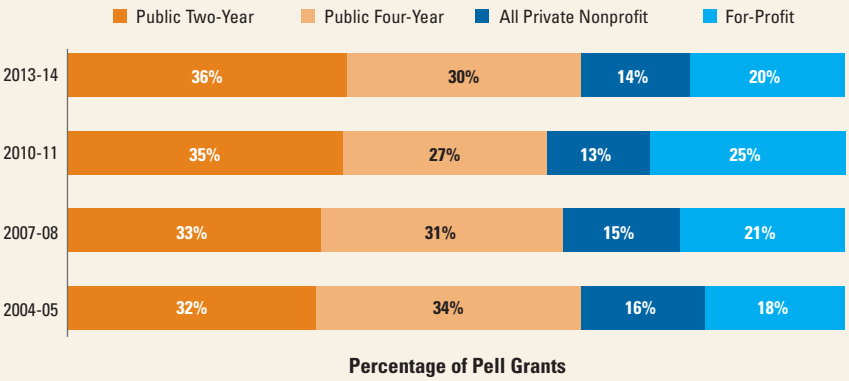
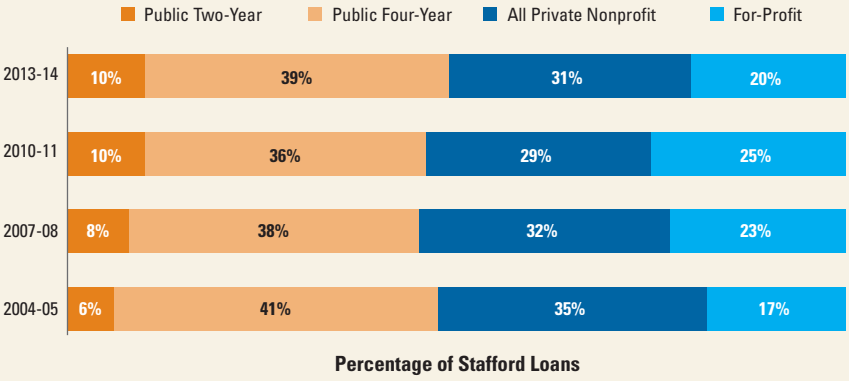


FIGURE 10B Distribution of Federal Subsidized and Unsubsidized Student Loan Funds by Sector, 2004-05 to 2013-14, Selected Years



NOTES: Four-year institution categories include only those institutions where more than 50% of degrees/certificates awarded are bachelor's degrees or higher. Excludes less-than-two-year institutions and foreign institutions. Percentages may not sum to 100 because of rounding.

SOURCES: U.S. Department of Education, Federal Student Aid Data Center, Title IV Program Volume by School; Federal Pell Grant Program 2004-05 End-of-Year Report, Table 18; calculations by the authors.

– The percentage of Stafford Loan dollars borrowed by public two-year college students increased from 6% in 2004-05 to 10% in 2010-11 and 2013-14. This sector accounted for 29% of the total and 34% of undergraduate FTE enrollments in 2013-14.

– In 2013-14, students in the for-profit sector received similar percentages of Pell Grant and Stafford Loan funds. Students in public two-year colleges received a larger share of Pell Grants (36% in 2013-14) than of Stafford Loan funds (10% in 2013-14). Students in private nonprofit institutions received a smaller share of Pell Grants (14% in 2013-14) than of Stafford Loan funds (31% in 2013-14).

ALSO IMPORTANT:

– Pell Grants to students in public and private nonprofit four-year institutions increased by 67% in inflation-adjusted dollars between 2004-05 and 2013-14. Pell Grants to students in for-profit and public two-year institutions increased by more than 110% over these years.

– Increases in Stafford Loan dollars between 2004-05 and 2013-14 ranged from 26% (from $19.8 billion in 2014 dollars to $25.0 billion) in the private nonprofit sector to 113% (from $3.9 billion to $8.3 billion) in the public two-year sector.

Distribution of Fall Full-Time Equivalent (FTE) Enrollment by Sector, 2004-05 to 2013-14, Selected Years

	Undergraduate FTE Enrollment				Total FTE Enrollment			
	2004-05	2007-08	2010-11	2013-14	2004-05	2007-08	2010-11	2013-14
Public Four-Year	42%	40%	38%	40%	43%	41%	38%	41%
Public Two-Year	33%	34%	35%	34%	29%	30%	31%	29%
Private Nonprofit	19%	19%	17%	18%	22%	22%	21%	22%
For-Profit	6%	7%	10%	9%	6%	7%	10%	9%

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

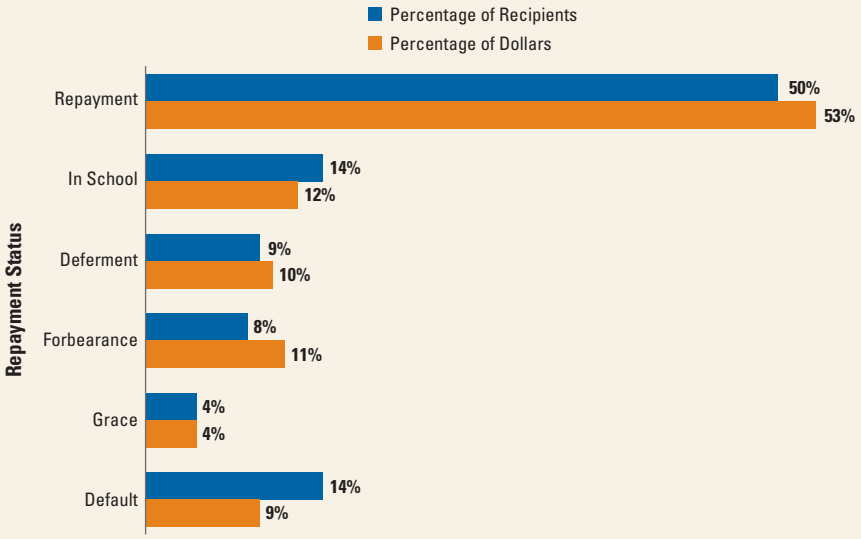
SOURCES: NCES, IPEDS fall enrollment data; calculations by the authors.

For detailed data behind the graphs and additional information, please visit: **trends.collegeboard.org**.

Outstanding Federal Loans

In 2015, 50% of borrowers with outstanding federal education loans (and 53% of the dollars owed) were in repayment, 14% of borrowers were in default, and about 35% of borrowers were in school or another status not requiring payments.

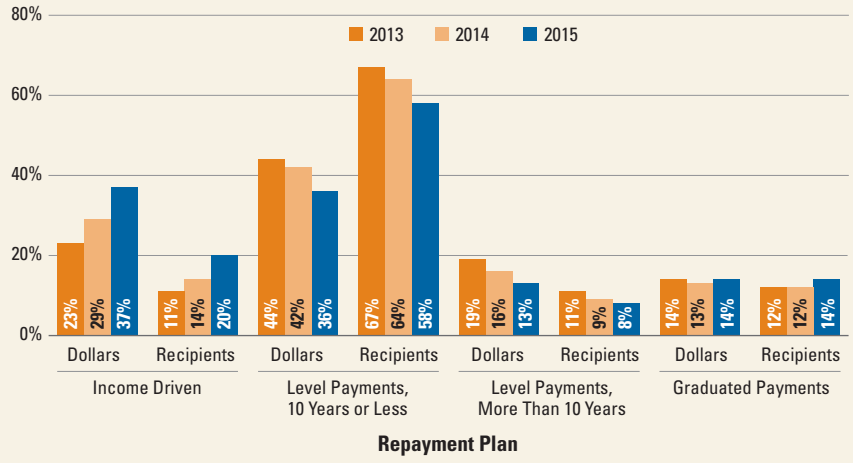
FIGURE 11A Repayment Status of Federal Education Loan Portfolio, Third Quarter 2014-15



NOTE: Includes both loans made under the Federal Direct Loan Program and loans made under the Federal Family Education Loan Program, which ended in 2009-10.

SOURCE: U.S. Department of Education, Federal Student Aid Data Center, Federal Student Loan Portfolio.

FIGURE 11B Distribution of Outstanding Federal Direct Loan Dollars and Recipients by Repayment Plan, Third Quarter 2013, 2014, and 2015



NOTES: Includes Direct Loan borrowers in repayment, deferment, and forbearance categories. Because some borrowers have multiple loans, recipients may be counted multiple times across varying loan statuses. Income-driven plans include Pay As You Earn and Income-Contingent Repayment in addition to Income-Based Repayment. Level payment plans require monthly payments that are the same over 10 years or a different period of time. Under the graduated payment plan, monthly payments increase over time. Percentages may not sum to 100 because of rounding.

SOURCE: U.S. Department of Education, Federal Student Aid Data Center, Federal Student Loan Portfolio.

– The 14% of recipients in default was higher than the 9% of dollars in default because the defaulters had lower average balances than other borrowers. In the third quarter of 2015, those in default owed an average of $14,900, compared to $24,100 for those in repayment (values not shown in Figure 11A).

– The percentage of loan dollars currently in repayment held by students participating in income-driven repayment plans increased from 23% in 2013 to 37% in 2015. The percentage of borrowers participating in these plans increased from 11% to 20% over these two years.

– In 2015, borrowers holding 37% of outstanding federal education loan debt currently in repayment were enrolled in income-driven repayment plans where their required payments were limited to a specified manageable percentage of their incomes.

ALSO IMPORTANT:

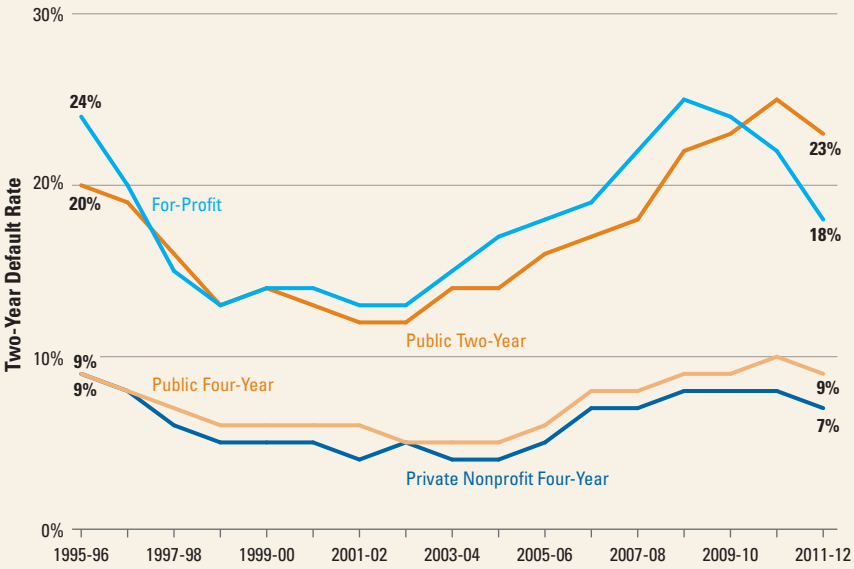
– The Income-Based Repayment plan limits payments to 15% of income above 150% of the poverty level and forgives the remaining debt after 25 years. The Pay As You Earn plan limits payments to 10% of income above 150% of the poverty level and forgives the remaining debt after 20 years.

– In the third quarter of 2015, 68% of the outstanding federal loan dollars and 63% of the borrowers were in the Direct Loan program. Thirty-two percent of the dollars and 37% of the borrowers were in the Federal Family Education Loan Program, which ended in 2009. (Federal Student Aid Data Center, Federal Student Loan Portfolio)

Student Loans: Borrowing and Default

Student loan default rates are consistently two to three times as high for borrowers who attend for-profit and public two-year institutions as for those who attend private nonprofit and public four-year institutions.

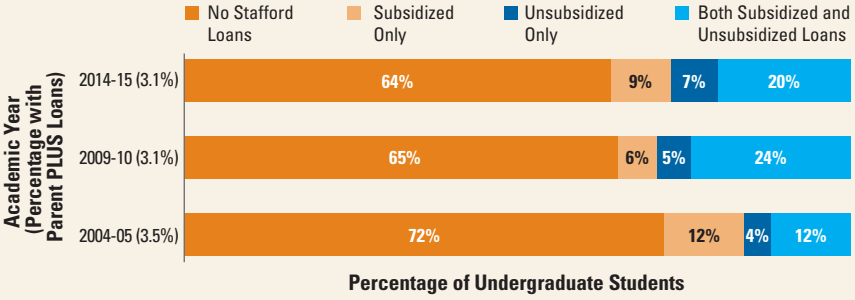
FIGURE 12 Federal Student Loan Default Rates After Two Calendar Years, Borrowers Entering Repayment, 1995-96 to 2011-12



NOTES: Default rates are based on defaults occurring within two calendar years of the date of entering repayment and do not correspond exactly to official two-year cohort default rates, which are based on defaults before the end of the fiscal year following the year in which the borrower enters repayment. Based on sector in which students were enrolled at the time the first federal student loan was issued. Does not include Perkins or Parent PLUS Loan balances.

SOURCE: U.S. Department of Treasury calculations based on sample data from the National Student Loan Data System.

FIGURE 13 Percentage of Undergraduate Students Borrowing Federal Subsidized and Unsubsidized Student Loans, 2004-05, 2009-10, and 2014-15



NOTES: IPEDS headcount enrollments are adjusted for the difference between total and unduplicated headcounts reported by the National Student Clearinghouse (NSC). Twelve-month undergraduate headcount for 2014-15 is estimated from NSC data. The count does not adjust for students who may be counted twice because they transfer from one institution to another during the academic year.

SOURCES: NCES, *Postsecondary Institutions and Cost of Attendance in 2014-15; Degrees and Other Awards Conferred, 2013-14*, and *12-Month Enrollment, 2013-14: First Look (Preliminary Data)* and earlier editions; National Student Clearinghouse, *Current Term Enrollment Estimates: Spring 2015*; Federal Student Aid Data Center, Title IV Program Volume Reports; calculations by the authors.

– Two-year default rates were lower in all sectors for borrowers entering repayment in 2011-12 than for those entering repayment the preceding year, but remained higher than they were in the late 1990s and early 2000s.

– The percentage of undergraduate students who did not borrow federal subsidized or unsubsidized student loans declined from 72% in 2004-05 to 64% in 2014-15.

– In 2014-15, more than half of the undergraduates borrowing federal student loans took both subsidized and unsubsidized loans.

ALSO IMPORTANT:

– The similar default rates among borrowers in the for-profit and public two-year sectors represent very different proportions of the students attending these institutions because a relatively small percentage of public two-year college students borrow, while most for-profit students take federal loans.

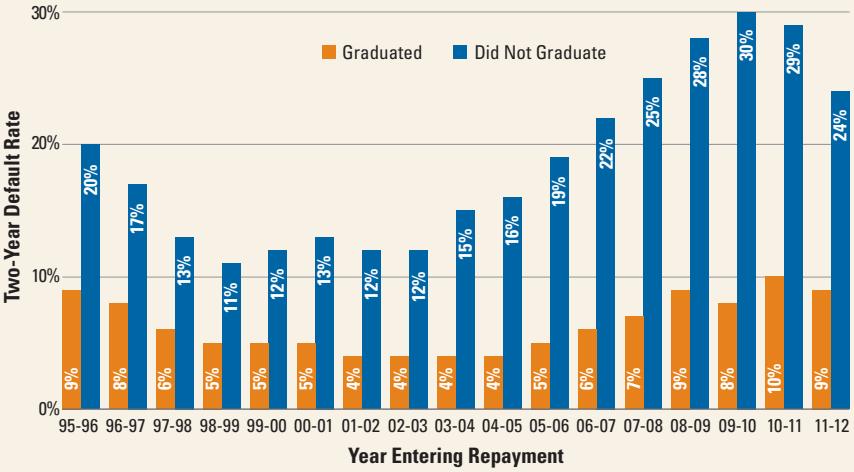
– In 2011-12, 17% of public two-year students borrowed, compared to 71% of those enrolled in for-profit institutions. (NCES, NPSAS, 2012)

– The percentage of full-time students who do not borrow federal student loans is much lower than the percentage of all undergraduates reported in Figure 13 as not borrowing. In 2011-12, 52% of full-time students borrowed federal student loans. (NCES, NPSAS, 2012)

Federal Student Loans: Balances and Default

Among borrowers who entered repayment in 2011-12, 9% of those who completed their programs and 24% of those who did not graduate defaulted on their student loans within two years of entering repayment.

FIGURE 14A Two-Year Student Loan Default Rates by Degree Completion Status, 1995-96 to 2011-12



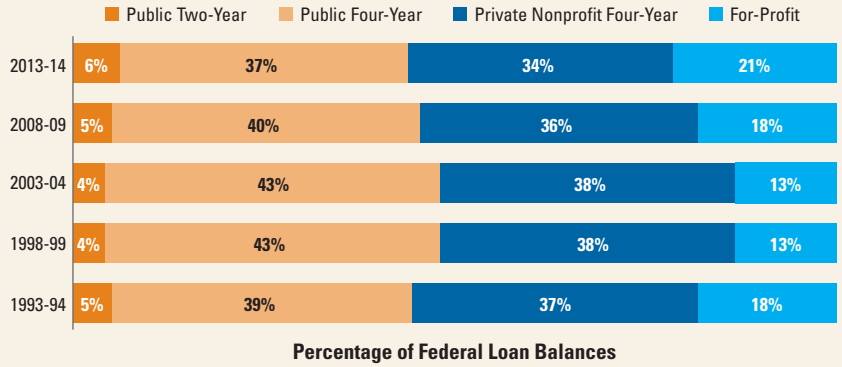
Two-Year Cohort Default Rates, Borrowers Entering Repayment in 2011-12

	Public Two-Year	Public Four-Year	Private Nonprofit Four-Year	For-Profit	All
All Borrowers	23%	9%	7%	18%	14%
Borrowers Who Graduated	17%	6%	5%	14%	9%
Borrowers Who Did Not Graduate	29%	18%	15%	28%	24%

NOTES: Default rates are based on defaults occurring within two calendar years of the date of entering repayment and do not correspond exactly to official two-year cohort default rates, which are based on defaults before the end of the fiscal year following the year in which the borrower enters repayment. Based on sector in which students were enrolled at the time the first federal student loan was issued. Does not include Perkins Loan or Parent PLUS Loan balances. Individual graduation outcomes are as reported by institutions.

SOURCE: U.S. Department of Treasury calculations based on sample data from the National Student Loan Data System.

FIGURE 14B Aggregate Outstanding Federal Student Loan Balances by Sector, 1993-94 to 2013-14, Selected Years



NOTES: Based on sector in which students were enrolled at the time the first federal student loan was issued. Does not include Perkins or Parent PLUS Loan balances. Percentages may not sum to 100 because of rounding.

SOURCE: U.S. Department of Treasury calculations based on National Student Loan Data System.

– The default rates of borrowers in the 2011-12 repayment cohort who first borrowed at public and private nonprofit four-year institutions and completed degrees were 6% and 5%, respectively. For those who left school with no credential, the default rates were 18% and 15%, respectively.

– The default rates of borrowers who first borrowed at for-profit and public two-year institutions and completed their programs were 14% and 17%, respectively. For those who did not graduate, the default rates were 28% and 29%, respectively.

– The largest gap between the default rates of graduates and nongraduates was 22 percentage points in the 2009-10 repayment cohort, among whom 8% of graduates and 30% of nongraduates defaulted within two years. The smallest gap was 6 percentage points in 1998-99, when 5% of graduates and 11% of nongraduates defaulted.

– Loans issued to students enrolled in for-profit institutions increased from 13% of total outstanding student loan balances in 2003-04 to 21% in 2013-14.

ALSO IMPORTANT:

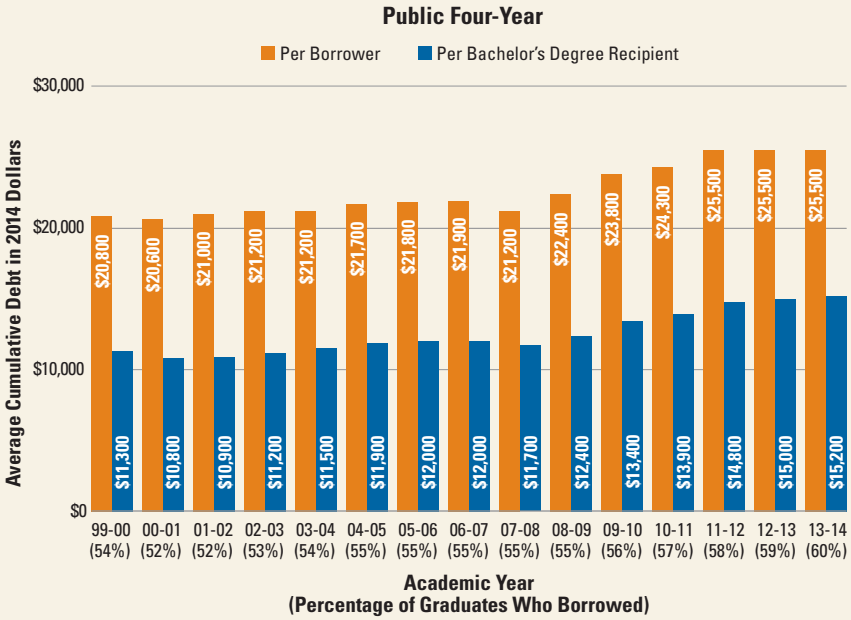
– The number of borrowers entering repayment increased from 1.1 million in 1995-96 to 1.5 million in 2003-04 and to 3.7 million in 2013-14. (U.S. Department of Treasury data)

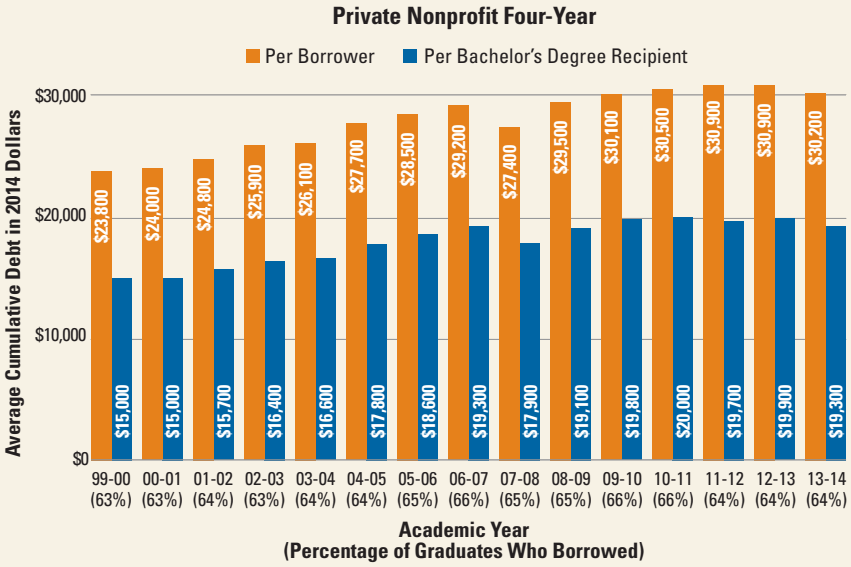
– The percentage of borrowers entering repayment who first borrowed at a for-profit institution increased from 20% in 1995-96 to 23% in 2003-04 and to 29% in 2011-12, but was 25% in 2013-14. The percentage of borrowers entering repayment from public two-year colleges increased from 11% in 1995-96 and 2003-04 to 17% in 2011-12 and to 19% in 2013-14. (U.S. Department of Treasury data)

Cumulative Debt: Bachelor's Degree Recipients

Debt levels of public four-year college graduates grew much more rapidly between 2008-09 and 2013-14 than between 2003-04 and 2008-09, but debt levels of private nonprofit four-year college graduates grew more rapidly over the first half of the decade.

FIGURE 15 Average Cumulative Debt Levels in 2014 Dollars: Bachelor's Degree Recipients at Four-Year Institutions, 1999-2000 to 2013-14





NOTES: Figures include federal and nonfederal loans taken by students who began their studies at the institution from which they graduated. The orange bars represent the average cumulative debt levels of bachelor's degree recipients who took student loans. The blue bars represent the average debt per bachelor's degree recipient, including those who graduated without student debt. Calculations are based on the number of bachelor's degrees awarded, which may exceed the number of students receiving degrees. Reported amounts are estimates and should be interpreted with caution. The available data are not adequate to allow comparable calculations for for-profit institutions.

SOURCES: The College Board, Annual Survey of Colleges, 2001 to 2015; calculations by the authors.

– Between 2003-04 and 2008-09, the percentage of bachelor's degree recipients from public four-year colleges who graduated with debt increased from 54% to 55%; by 2013-14, it was 60%. Average debt per borrower increased from $21,200 (in 2014 dollars) in 2003-04 to $22,400 in 2008-09 and to $25,500 in 2013-14.

– The percentage of bachelor's degree recipients from private nonprofit colleges graduating with debt fluctuated between 64% and 66% over the decade from 2003-04 to 2013-14. Average debt per borrower increased from $26,100 (in 2014 dollars) in 2003-04 to $29,500 in 2008-09 and to $30,200 in 2013-14.

– Average debt per public four-year college graduate, including those who did not borrow, increased by 8% (from $11,500 to $12,400 in 2014 dollars) between 2003-04 and 2008-09, and by 23% (from $12,400 to $15,200) over the next five years.

– Average debt per private nonprofit four-year college graduate, including those who did not borrow, increased by 15% (from $16,600 to $19,100 in 2014 dollars) between 2003-04 and 2008-09 but by only 1% (from $19,100 to $19,300) over the next five years.

ALSO IMPORTANT:

– Students who earn their bachelor's degrees at for-profit institutions are more likely to borrow and tend to accumulate higher average levels of debt than those who graduate from public and private nonprofit colleges.

Average Cumulative Debt in 2014 Dollars: Bachelor's Degree Recipients at Public and Private Nonprofit Four-Year Institutions, 2003-04, 2008-09, and 2013-14

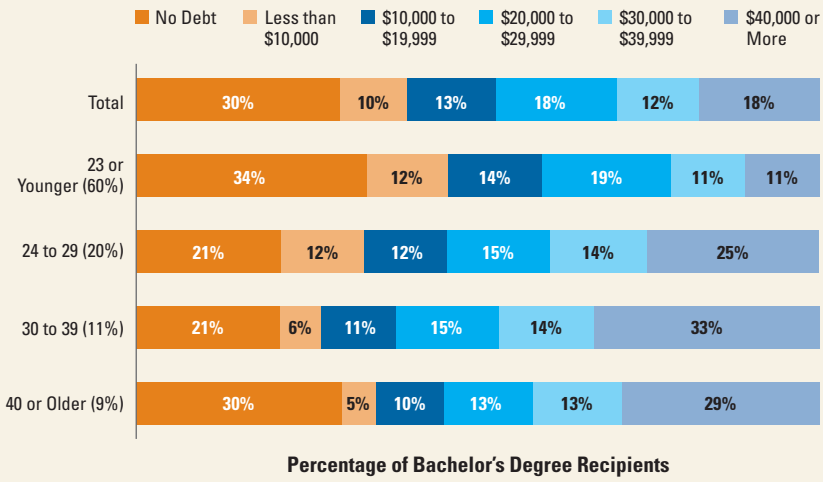
	Percentage with Debt	Average Debt per Borrower	Average Debt per Graduate
2003-04	57%	$22,900	$13,100
2008-09	58%	$24,700	$14,400
2013-14	61%	$26,900	$16,300

For detailed data behind the graphs and additional information, please visit: **trends.collegeboard.org**.

Cumulative Debt by Age and Dependency Status

Students who earn their bachelor's degrees when they are age 24 or older are more likely to borrow and to have higher levels of debt than those who complete college at a younger age.

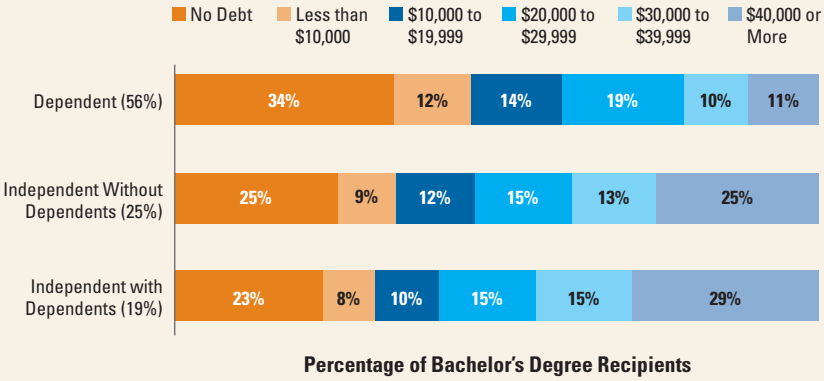
FIGURE 16A Cumulative Debt of 2011-12 Bachelor's Degree Recipients by Age



NOTES: Percentages on the vertical axis are percentages of bachelor's degree recipients in each age group. Age was as of December 2011. Includes: 1) 2011-12 bachelor's degree recipients regardless of when they first enrolled, 2) students who were U.S. citizens or permanent residents, and 3) both federal and nonfederal borrowing. Percentages may not sum to 100 because of rounding.

SOURCES: NCES, National Postsecondary Student Aid Study, 2012; PowerStats calculations by the authors.

FIGURE 16B Cumulative Debt of 2011-12 Bachelor's Degree Recipients by Dependency Status



NOTES: Percentages on the vertical axis are percentages of bachelor's degree recipients in each dependency category for the 2011-12 academic year. Includes: 1) 2011-12 bachelor's degree recipients regardless of when they first enrolled, 2) students who were U.S. citizens or permanent residents, and 3) both federal and nonfederal borrowing. Percentages may not sum to 100 because of rounding.

SOURCES: NCES, National Postsecondary Student Aid Study, 2012; PowerStats calculations by the authors.

– Among the 60% of 2011-12 bachelor's degree recipients who were age 23 or younger, 34% did not have education debt; 11% borrowed $40,000 or more.

– About 21% of those who graduated between the ages of 24 and 39 did not borrow. Twenty-five percent of those who were between the ages of 24 and 29 and 33% of those who were ages 30 to 39 borrowed $40,000 or more.

– The 9% of bachelor's degree recipients who were age 40 or older graduated with less debt than those between the ages of 24 and 39.

– Only 11% of dependent 2011-12 bachelor's degree recipients borrowed $40,000 or more, compared to 25% of independent students without dependents and 29% of independent students with dependents.

ALSO IMPORTANT:

– Among bachelor's degree recipients age 23 or younger, 60% earned their degrees at public institutions, 29% at private nonprofit institutions, and 2% at for-profit institutions. (NCES, NPSAS, 2012)

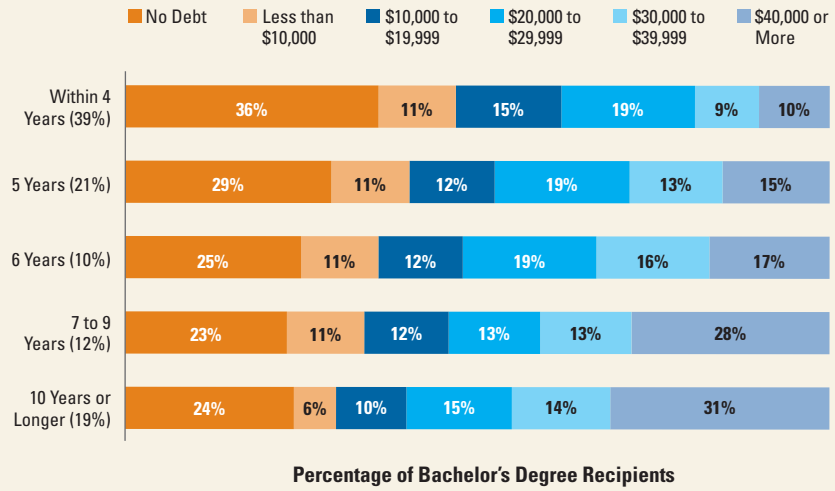
– Among bachelor's degree recipients ages 24 to 39, 55% earned their degrees at public institutions, 19% at private nonprofit institutions, and 17% at for-profit institutions. (NCES, NPSAS, 2012)

– Dependent students can borrow a lifetime maximum of $31,000 in Direct Loans for undergraduate study. Independent students (and undergraduate students whose parents are not eligible for PLUS Loans) can borrow up to $57,500. (NCES, NPSAS, 2012)

Cumulative Debt by Time in School and Sector

The amount of time students spend earning a bachelor's degree is highly correlated with cumulative debt levels.

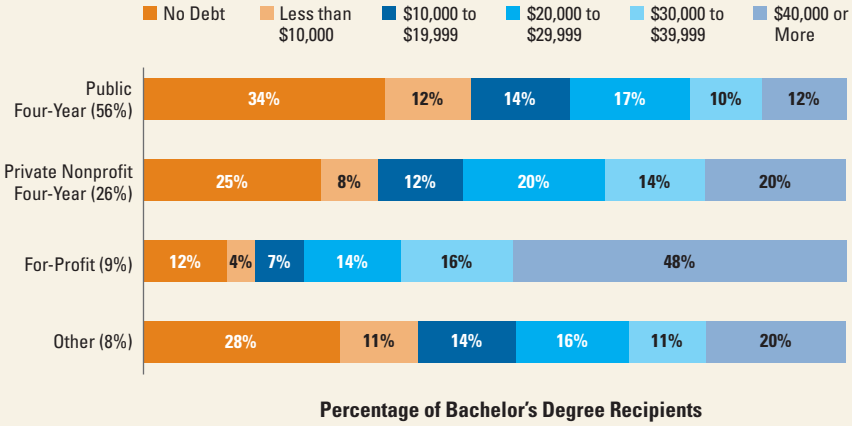
FIGURE 17A Cumulative Debt of 2011-12 Bachelor's Degree Recipients by Time Elapsed Between First Enrollment and Degree Completion



NOTES: Percentages on the vertical axis are percentages of bachelor's degree recipients in each category. Includes: 1) 2011-12 bachelor's degree recipients regardless of when they first enrolled, 2) students who were U.S. citizens or permanent residents, and 3) both federal and nonfederal borrowing. Percentages may not sum to 100 because of rounding.

SOURCES: NCES, National Postsecondary Student Aid Study, 2012; PowerStats calculations by the authors.

FIGURE 17B Cumulative Debt of 2011-12 Bachelor's Degree Recipients by Sector



NOTES: Percentages on the vertical axis are percentages of bachelor's degree recipients in each sector. The "Other" category includes students who attended other sectors and those who attended more than one institution in 2011-12. Includes: 1) 2011-12 bachelor's degree recipients regardless of when they first enrolled, 2) students who were U.S. citizens or permanent residents, and 3) both federal and nonfederal borrowing. Percentages may not sum to 100 because of rounding.

SOURCES: NCES, National Postsecondary Student Aid Study, 2012; PowerStats calculations by the authors.

- Among students who earned bachelor's degrees in 2011-12, 19% of those who completed their degrees within four years borrowed $30,000 or more.
- In contrast, 33% of those who completed their degrees six years after first enrolling and more than 40% of those who completed their degrees seven or more years after first enrolling borrowed at this level.
- Among the 9% of 2011-12 bachelor's degree recipients who earned their degrees from for-profit institutions, 12% did not borrow and 48% accumulated $40,000 or more in debt.
- Among the 26% who earned their degrees from private nonprofit institutions, 25% did not borrow and 20% accumulated $40,000 or more in debt.
- Among the 56% of 2011-12 bachelor's degree recipients who earned their degrees from public institutions, 34% did not borrow and 12% accumulated $40,000 or more in debt.

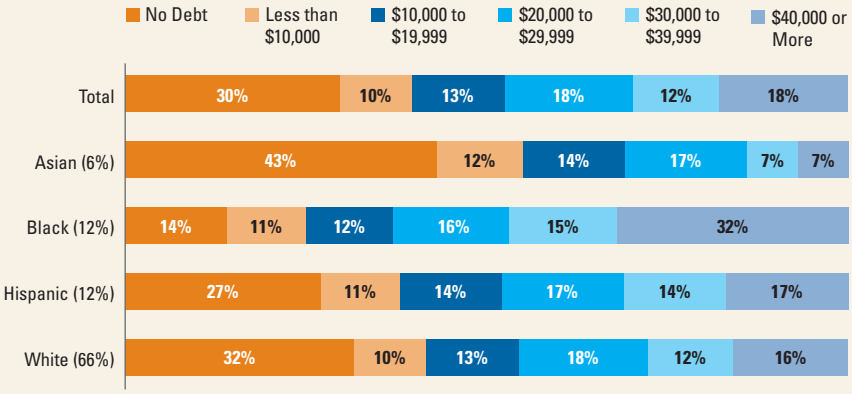
ALSO IMPORTANT:

- Thirty-three percent of 2011-12 bachelor's degree recipients who borrowed $40,000 or more graduated 10 years or more after beginning college. For 19% of all graduates, 10 years or more elapsed between initial enrollment and degree completion. (NCES, NPSAS, 2012)
- Twenty-one percent of 2011-12 bachelor's degree recipients who borrowed $40,000 or more graduated within four years of beginning college; 39% of all graduates completed their degrees this quickly. (NCES, NPSAS, 2012)
- Twenty-five percent of 2011-12 bachelor's degree recipients who borrowed $40,000 or more attended for-profit institutions; 9% of all graduates were from this sector. (NCES, NPSAS, 2012)
- Thirty-seven percent of 2011-12 bachelor's degree recipients who borrowed $40,000 or more attended public institutions; 56% of all graduates were from this sector. (NCES, NPSAS, 2012)

Cumulative Debt by Race

In 2011-12, 32% of black bachelor's degree recipients accrued $40,000 or more in student debt, compared to 7% of Asian graduates, 16% of whites, and 17% of Hispanics.

FIGURE 18 Cumulative Debt of 2011-12 Bachelor's Degree Recipients by Race/Ethnicity



NOTES: Percentages on the vertical axis are percentages of bachelor's degree recipients in each racial/ethnic group. Includes: 1) 2011-12 bachelor's degree recipients regardless of when they first enrolled, 2) students who were U.S. citizens or permanent residents, and 3) both federal and nonfederal borrowing. Percentages may not sum to 100 because of rounding.

SOURCES: NCES, National Postsecondary Student Aid Study, 2012; PowerStats calculations by the authors.

Characteristics of 2011-12 Bachelor's Degree Recipients by Race/Ethnicity

	All	Asian	Black	Hispanic	White
Sector of Bachelor's Degree					
Public Four-Year	57%	63%	52%	59%	56%
Private Nonprofit Four-Year	26%	23%	21%	23%	28%
For-Profit	9%	5%	19%	11%	7%
Others or Attended More Than One School	8%	9%	8%	7%	8%
Age in December 2011					
23 or Younger	60%	68%	44%	53%	64%
24 to 29	19%	21%	22%	24%	18%
30 to 39	11%	8%	17%	14%	10%
40 or Older	9%	2%	18%	8%	8%
Dependency Status					
Dependent	56%	66%	39%	50%	60%
Independent Without Dependents	25%	21%	27%	29%	24%
Independent with Dependents	19%	13%	34%	21%	16%
Parents' Income for Dependent Students					
Less than $30,000	16%	27%	34%	28%	11%
$30,000 to $64,999	22%	28%	28%	27%	19%
$65,000 to $105,999	27%	19%	20%	25%	29%
$106,000 or More	36%	26%	18%	21%	41%
Time Elapsed Between First Enrollment and Degree Completion					
Within 4 Years	39%	46%	28%	31%	42%
5 Years	21%	19%	19%	21%	22%
6 Years	10%	11%	11%	13%	9%
7 to 9 Years	12%	11%	14%	15%	10%
10 Years or Longer	19%	14%	29%	20%	17%

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

SOURCES: NCES, National Postsecondary Student Aid Study, 2012; PowerStats calculations by the authors.

- While 30% of all 2011-12 bachelor's degree recipients graduated without education debt, only 14% of black graduates did not borrow.
- The circumstances of black graduates differ from other racial groups in ways that may make them more likely to rely on student debt to fund their education. In 2011-12:
  - Black graduates were disproportionately represented in the for-profit sector, where debt levels were highest, as indicated in Figure 17B. Approximately 19% of black graduates earned their degrees in the for-profit sector, while only 5% of Asian graduates and 7% of white graduates earned their degrees in this sector.
  - On average, black graduates were older than members of other racial and ethnic groups and were more likely to be independent students and to have dependents of their own. Those who were dependent students came disproportionately from lower-income families. In addition, on average, the time between beginning postsecondary study and earning a bachelor's degree was longer for black students than for others. As indicated in Figures 16A, 16B, and 17A, older students, independent students, and students who take longer to obtain a degree tend to accumulate higher debt levels.

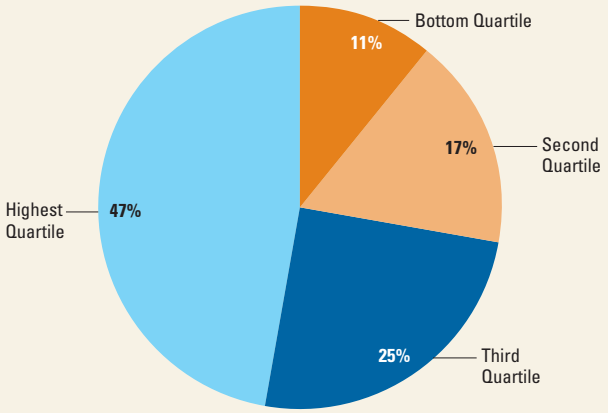
ALSO IMPORTANT:

- Because of small sample sizes, it is not possible to report separately on American Indian students.
- On average, black and Hispanic households have less wealth than those from other racial and ethnic groups. In 2011, when median net worth was $110,500 for white households and $89,339 for Asian households, it was $7,683 for Hispanic households and $6,314 for black households. (U.S. Census Bureau, Wealth and Asset Ownership, Survey of Income and Program Participation, http://www.census.gov/people/wealth/data/debttables.html)
- Differences in borrowing patterns across racial/ethnic groups are larger among dependent students than among independent students. For example, 10% of white and 20% of black 2011-12 dependent bachelor's degree recipients borrowed $40,000 or more. Among independent graduates, these percentages were 25% and 39%, respectively. (NCES, NPSAS, 2012)

Outstanding Education Debt

Individuals currently living in households in the top quartile of the income distribution hold a disproportionate amount of education debt. Those in low-income households, who are less likely to have gone to college, hold much less education debt.

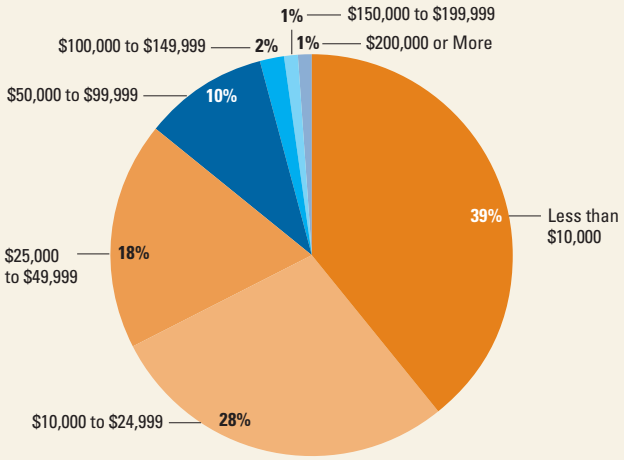
FIGURE 19A Distribution of Outstanding Education Debt by Income Quartile, 2013



NOTES: Income quartiles are based on 2012 household income. The upper limits for the first three quartiles are: $25,000, $48,000, and $90,000.

SOURCES: Federal Reserve Board, Survey of Consumer Finances 2013; calculations by Matthew Chingos, the Urban Institute.

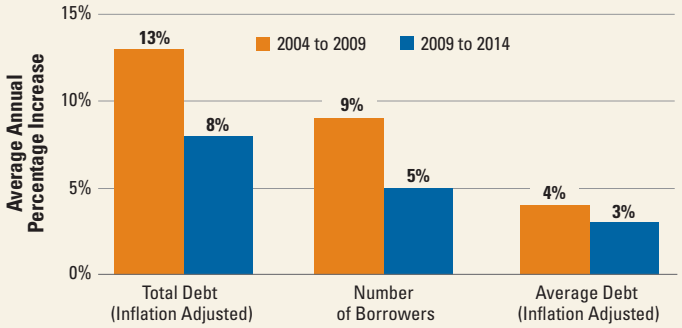
FIGURE 19B Distribution of Outstanding Education Debt by Average Balance, 2014



NOTES: Balances are as of the end of each year. The Federal Reserve Bank of New York (FRBNY) estimates education debt balances from a nationally representative sample of adults with credit reports. Percentages may not sum to 100 because of rounding.

SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

FIGURE 19C Average Annual Percentage Increase in Outstanding Education Debt, Number of Borrowers, and Average Balance, 2004 to 2009 and 2009 to 2014



Total Outstanding Debt, Number of Borrowers, and Average Debt, 2004, 2009, and 2014

	Total Debt (Billions of 2014 Dollars)	Number of Borrowers (Millions)	Average Debt (in 2014 Dollars)
2004	$435	22.7	$19,200
2009	$798	34.2	$23,100
2014	$1,157	43.3	$26,700

NOTES: Each bar in Figure 19C shows the average annual rate of growth over a five-year period. Balances are as of the end of each year. The Federal Reserve Bank of New York (FRBNY) estimates education debt balances from a nationally representative sample of adults with credit reports.

SOURCE: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.

– In 2013, households in the top quartile of the income distribution held 47% of outstanding education debt and those in the lowest income quartile held 11%.

– In 2014, 39% of borrowers with education debt owed less than $10,000 for undergraduate and graduate study combined, while 14% owed $50,000 or more.

– Total outstanding debt grew at an average rate of 8% per year, from $798 billion (in 2014 dollars) in 2009 to $1.16 trillion in 2014. It had grown at a more rapid rate of 13% per year between 2004 and 2009. Growth in the number of borrowers and in the average debt per borrower also slowed over the second half of the decade. The average outstanding debt per borrower increased by 4% per year from 2004 to 2009, and by 3% per year from 2009 to 2014, when it reached $26,700.

ALSO IMPORTANT:

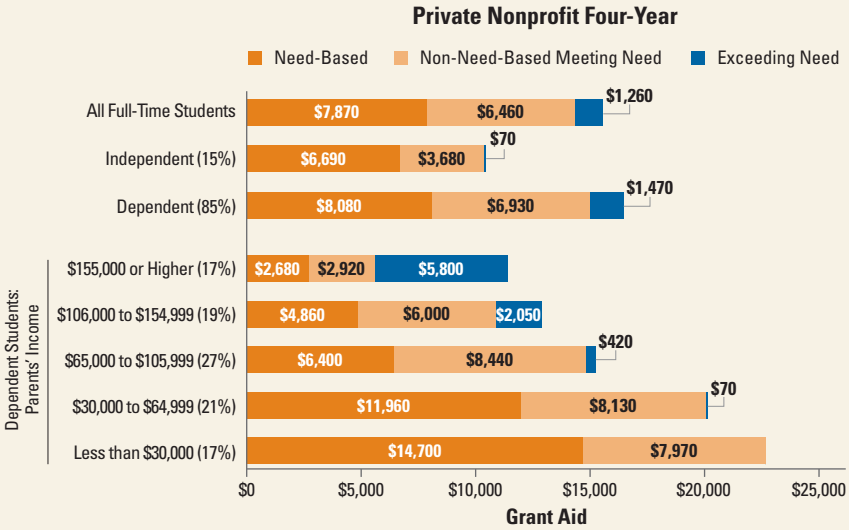
– Outstanding education debt includes loans taken by students, parents, and others. The balance decreases as borrowers repay their loans and increases as more debt is incurred or interest and other charges accrue.

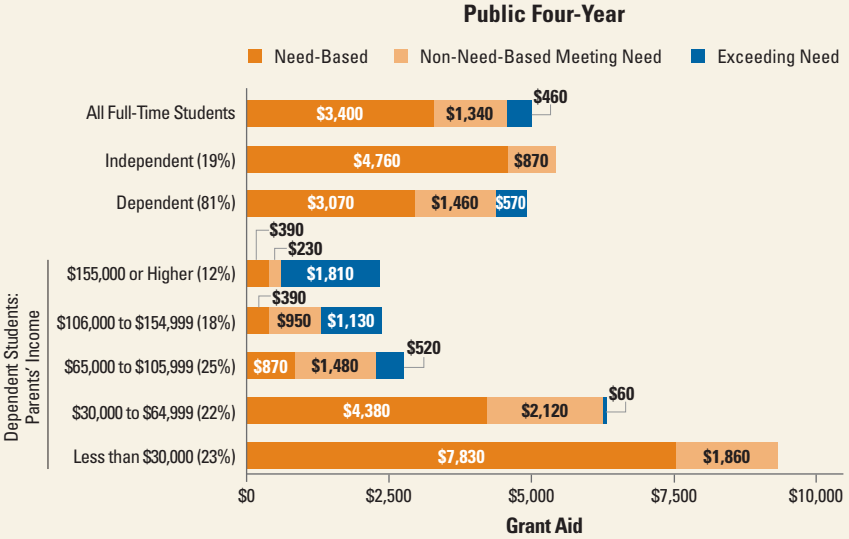
For detailed data behind the graphs and additional information, please visit: **trends.collegeboard.org**.

Grant Aid: Meeting Need

Some grant aid from nonfederal sources is allocated without regard to financial need. In 2011-12, most of this non-need-based aid helped to meet students' financial need.

FIGURE 20 Average Total Grant Aid at Four-Year Institutions: Need-Based, Non-Need-Based Meeting Need, and Exceeding Need, 2011-12





Percentages of Full-Time Full-Year Students Receiving Grants and Grant Aid Exceeding Need

	Public Four-Year		Private Nonprofit Four-Year	
	Grants	Grants Exceeding Need	Grants	Grants Exceeding Need
All	69%	9%	87%	12%
Independent Students	80%	0%	83%	1%
Dependent Students	67%	11%	87%	14%
Dependent Students: Parents' Income				
Less than $ 30,000	97%	0%	96%	0%
$30,000 to $64,999	84%	2%	97%	1%
$65,000 to $105,999	53%	11%	87%	6%
$106,000 to $154,999	44%	23%	80%	23%
$155,000 or Higher	41%	32%	76%	45%

– In 2011-12, full-time dependent students from families with incomes between $106,000 and $155,000 enrolled in private nonprofit four-year institutions received an average of $2,050 per student in grant aid exceeding their federal financial need. Those from families with higher incomes received an average of $5,800 in grant aid exceeding need.

– Full-time dependent students from families with incomes between $106,000 and $155,000 enrolled in public four-year institutions received an average of $1,130 per student in grant aid exceeding their federal financial need. Those from families with higher incomes received an average of $1,810 in grant aid exceeding need.

– In 2011-12, 12% of full-time private nonprofit four-year college students received grant aid exceeding their need, including 23% of dependent students from families with incomes between $106,000 and $155,000 and 45% of those with higher incomes.

– In 2011-12, 9% of full-time public four-year college students received grant aid exceeding their need, including 23% of dependent students from families with incomes between $106,000 and $155,000 and 32% of those with higher incomes.

ALSO IMPORTANT:

– In 2011-12, 71% of the non-need-based grant aid received by private nonprofit four-year college students was from their institutions, compared to 26% from employers and other private sources and 2% from states. At public four-year institutions, 44% of non-need-based grant aid was from institutions, compared to 38% from employers and other private sources and 18% from states. (NCES, NPSAS, 2012)

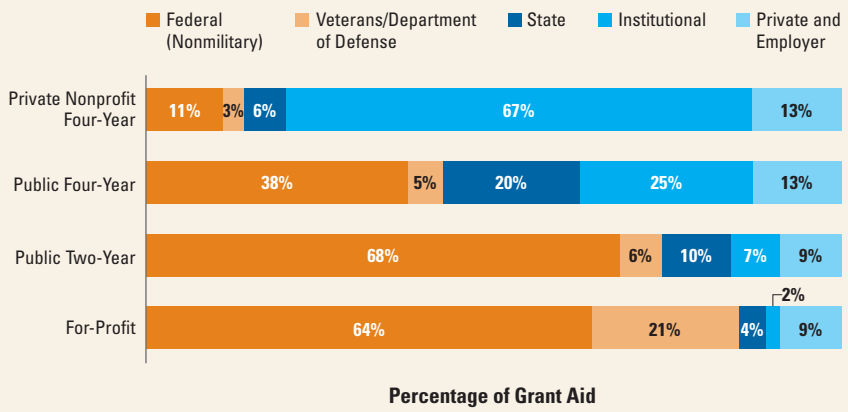
NOTES: Percentages on the vertical axis are percentages of students in each category. Includes full-time full-year students who were enrolled in one institution and who were U.S. citizens or permanent residents. Excludes veterans and military grant aid. Percentages may not sum to 100 because of rounding.

SOURCES: NCES, National Postsecondary Student Aid Study, 2012; PowerStats calculations by the authors.

Sources of Grant Aid

Full-time private nonprofit four-year college students receive about two-thirds of their grant aid from their institutions; public four-year students get one-quarter of their grant aid from their institutions.

FIGURE 21A Sources of Grant Aid for Full-Time Undergraduates by Sector, 2011-12



NOTES: Includes full-time students who were U.S. citizens or permanent residents. Percentages may not sum to 100 because of rounding.

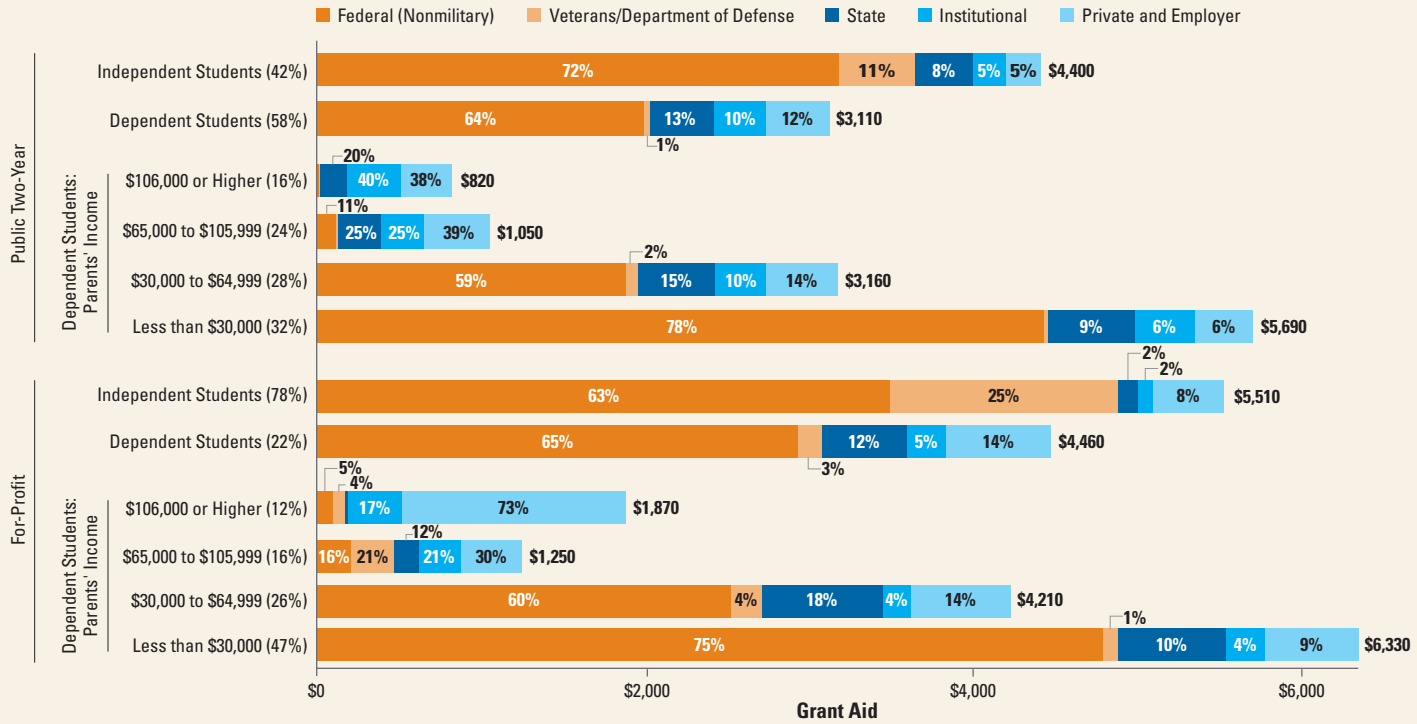
SOURCES: NCES, National Postsecondary Student Aid Study, 2012; PowerStats calculations by the authors.

– In 2011-12, 21% of the grant aid received by full-time students enrolled in for-profit institutions came from federal military and veterans assistance and another 64% came from other federal programs, primarily Pell Grants; 9% came from employers and other outside sources.

– In both the public two-year and the for-profit sectors, average grant aid is higher for independent students than for dependent students. Independent students receive almost all of the military and veterans benefits; they also receive more other federal grant aid than dependent students.

– The relatively small number of dependent students from families with incomes of $106,000 or higher received an average of about $820 in grant aid at public two-year colleges in 2011-12; those enrolled at for-profit institutions received an average of $1,870, including $1,360 from employers and other outside sources.

FIGURE 21B Sources of Grant Aid by Dependency Status and Family Income, Public Two-Year and For-Profit Institutions, 2011-12



NOTES: Percentages on the vertical axis in Figure 21B are percentages of students in each group. Income groups represent quartiles of parents' income of all dependent students. Distribution of students by income differs by sector. Includes full-time students who were U.S. citizens or permanent residents. Percentages may not sum to 100 because of rounding.

SOURCES: NCES, National Postsecondary Student Aid Study, 2012; PowerStats calculations by the authors.

For detailed data behind the graphs and additional information, please visit: **trends.collegeboard.org**.

Sources of Grant Aid

Full-time private nonprofit four-year students with family incomes below $30,000 received an average of $22,830 in grant aid in 2011-12, with 56% coming from their institutions and 24% from the federal government.

FIGURE 22A Sources of Grant Aid by Dependency Status and Family Income, Private Nonprofit Four-Year Institutions, 2011-12

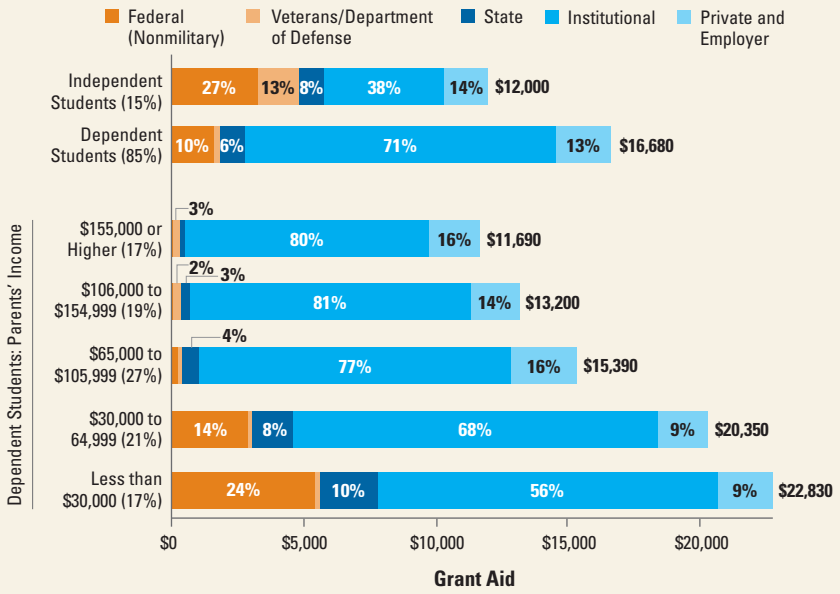
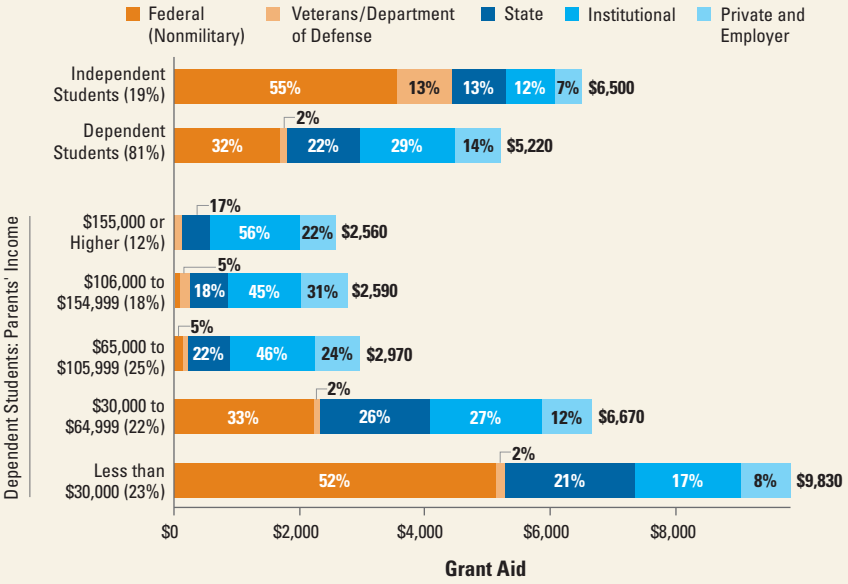


FIGURE 22B Sources of Grant Aid by Dependency Status and Family Income, Public Four-Year Institutions, 2011-12



NOTES: Percentages on the vertical axis are percentages of students in each group. The three lowest income groups represent the three lowest quartiles of parents' income of all dependent students. The top two groups represent the top 10% and the next 15% of family income. Distribution of students by income varies by sector. Includes full-time students who were U.S. citizens or permanent residents. Percentages may not sum to 100 because of rounding.

SOURCES: NCES, National Postsecondary Student Aid Study, 2012; PowerStats calculations by the authors.

– Full-time private nonprofit four-year college students from families with incomes of $155,000 or higher received an average of $11,690 in grant aid in 2011-12, with 80% coming from their institutions and 16% from outside private sources, including employers.

– Full-time dependent public four-year college students from families with incomes below $30,000 received an average of $9,830 in grant aid in 2011-12, with 52% coming from the federal government, 21% from state governments, and 17% from their institutions.

– Full-time dependent public four-year college students from families with incomes of $155,000 or higher received an average of $2,560 in grant aid in 2011-12, with 56% coming from their institutions, 22% from outside private sources including employers, and 17% from state aid.

ALSO IMPORTANT:

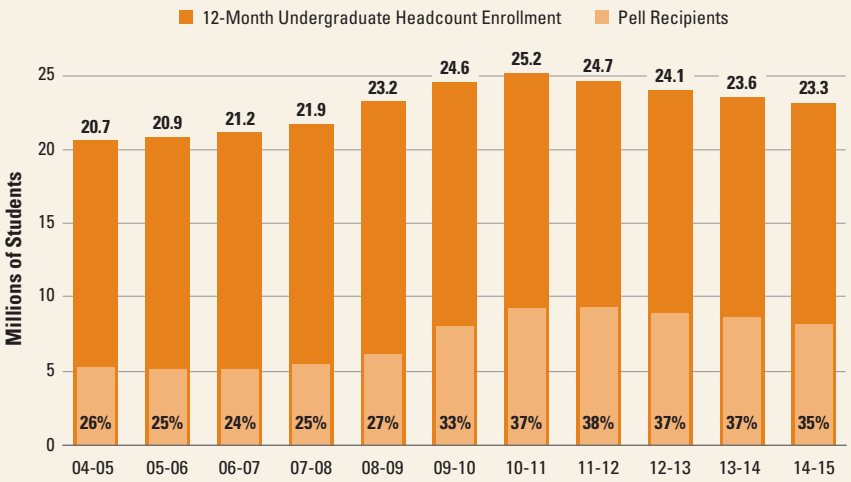
– These data, averaged across institutions within the sector, do not account for differences among institutions in prices, income levels of the student body, and generosity of grant aid. Higher-income students disproportionately enroll in more expensive institutions with more grant aid.

– In 2011-12, full-time dependent students from families with incomes of $155,000 or higher at private nonprofit colleges received 72% of the institutional grant aid received by those from families with incomes below $30,000 ($9,300 vs. $12,900). However, at institutions with tuition and fees of $41,000 or more, the highest-income students received only 32% of the average amount of institutional grant aid awarded to the lowest-income students ($8,100 vs. $25,400). (NCES, NPSAS, 2012)

Pell Grants

The total number of undergraduate students in the U.S. increased from 20.7 million in 2004-05 to 25.2 million in 2010-11 and was 23.3 million in 2014-15. The percentage of these students receiving Pell Grants increased from 26% in 2004-05 to 37% in 2010-11 and was 35% in 2014-15.

FIGURE 23 Undergraduate Enrollment and Percentage of Undergraduate Students Receiving Pell Grants, 2004-05 to 2014-15

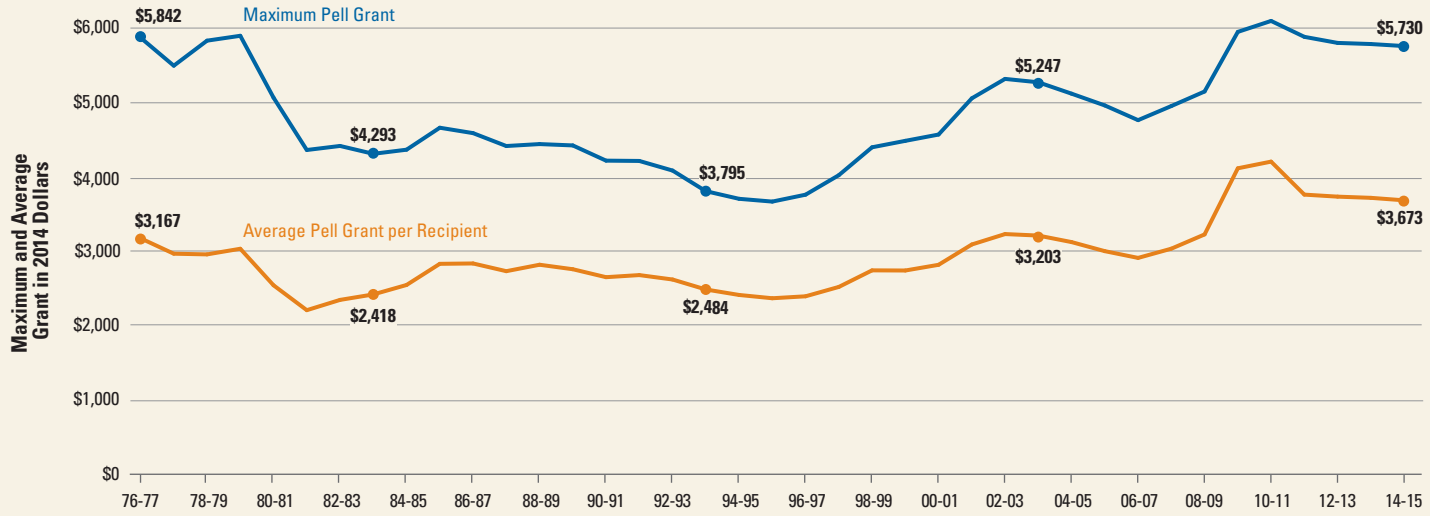


NOTES: IPEDS headcount enrollments are adjusted for the difference between total headcount, which counts students more than once if they are enrolled in more than one institution at the same time, and unduplicated headcount reported by the National Student Clearinghouse (NSC). Twelve-month undergraduate headcount for 2014-15 is estimated from NSC data.

SOURCES: NCES, *Postsecondary Institutions and Cost of Attendance in 2014-15; Degrees and Other Awards Conferred, 2013-14*, and *12-Month Enrollment, 2013-14: First Look (Preliminary Data)* and earlier editions; National Student Clearinghouse, *Current Term Enrollment Estimates: Spring 2015; Federal Pell Grant Program End-of-Year Report 2013-14*; Federal Student Aid Data Center, Title IV Program Volume Reports and Aid Recipients Summary; calculations by the authors.

- In 2004-05, 5.3 million students received Pell Grants. The number of recipients peaked at 9.4 million in 2011-12 and was 8.2 million in 2014-15.
- The level of the maximum Pell Grant, which is legislated by Congress, has fluctuated over time. For example, the maximum grant fell by 10% ($505 in 2014 dollars) between 2003-04 and 2006-07. It increased by 25% ($1,177 in 2014 dollars) between 2006-07 and 2009-10.
- Between 2010-11 and 2014-15, the maximum Pell Grant fell from a peak of $6,065 (in 2014 dollars) to $5,730, a 6% decline over four years.
- The maximum Pell Grant is the most frequently cited measure of the subsidies provided by the program. However, most students receive smaller grants because they are enrolled part time or because their incomes and assets (or those of their parents or spouses) reduce their aid eligibility. In 2014-15, when the maximum Pell Grant was $5,730, the average grant was $3,673.

FIGURE 24 Maximum and Average Pell Grants in 2014 Dollars, 1976-77 to 2014-15



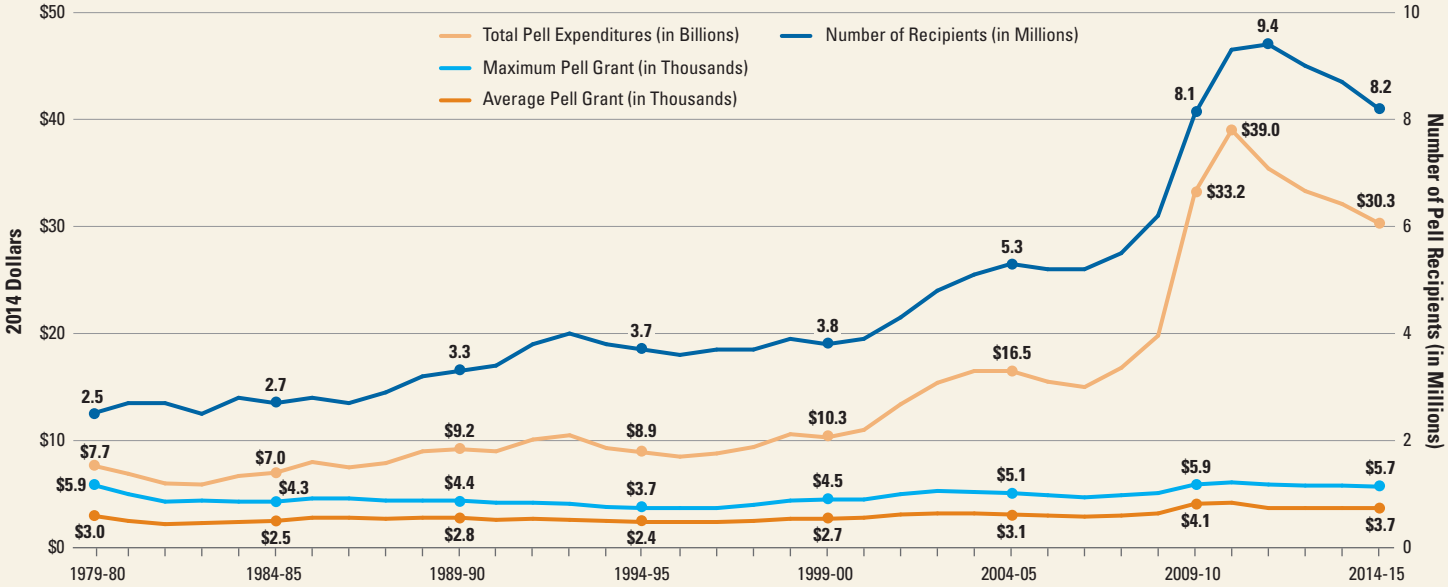
SOURCES: U.S. Department of Education, *Federal Pell Grant Program End-of-Year Report, 1976-77 through 2013-14*; Federal Student Aid Data Center, Title IV Program Volume Reports and Aid Recipients Summary; calculations by the authors.

For detailed data behind the graphs and additional information, please visit: **trends.collegeboard.org**.

Pell Grants

Total Pell Grant expenditures increased from $16.5 billion (in 2014 dollars) in 2004-05 to a peak of $39.0 billion in 2010-11. In 2014-15, $30.3 billion in Pell Grants funded 8.2 million undergraduate students.

FIGURE 25 Total Pell Grant Expenditures, Maximum and Average Pell Grant in 2014 Dollars, and Number of Recipients, 1979-80 to 2014-15



SOURCES: U.S. Department of Education, *The Federal Pell Grant Program End-of-Year Report, 1979-80 through 2013-14*; Federal Student Aid Data Center, Title IV Program Volume Reports; calculations by the authors.

Federal Pell Grant Awards in 2014 Dollars, 1979-80 to 2014-15, Selected Years

	Total Expenditures (in Billions of 2014 Dollars)	Maximum Pell Grant (in 2014 Dollars)	Average Pell Grant (in 2014 Dollars)	Number of Recipients (in Millions)	Percentage of Recipients Who Were Independent
1979-80	$7.7	$5,867	$3,027	2.5	34%
1984-85	$7.0	$4,348	$2,544	2.7	49%
1989-90	$9.2	$4,405	$2,754	3.3	59%
1994-95	$8.9	$3,693	$2,411	3.7	59%
1999-00	$10.3	$4,466	$2,737	3.8	56%
2004-05	$16.5	$5,095	$3,116	5.3	58%
2009-10	$33.2	$5,919	$4,100	8.1	61%
2010-11	$39.0	$6,065	$4,189	9.3	60%
2011-12	$35.4	$5,853	$3,749	9.4	59%
2012-13	$33.3	$5,772	$3,722	9.0	58%
2013-14	$32.1	$5,757	$3,706	8.7	56%
2014-15	$30.3	$5,730	$3,673	8.2	—

– Growth in Pell Grant expenditures is driven primarily by growth in the number of recipients.

– Between 2004-05 and 2014-15, the number of students receiving Pell Grants grew by 55%, from 5.3 million to 8.2 million.

– Over that time, the maximum grant increased by 12%, from $5,095 (in 2014 dollars) to $5,730.

– The average grant increased by 18%, from $3,116 (in 2014 dollars) to $3,673 over the decade.

– The percentage of Pell Grant recipients who are independent students, with eligibility determined by their own financial circumstances rather than those of their parents, declined from 61% in 2009-10 to 56% in 2013-14.

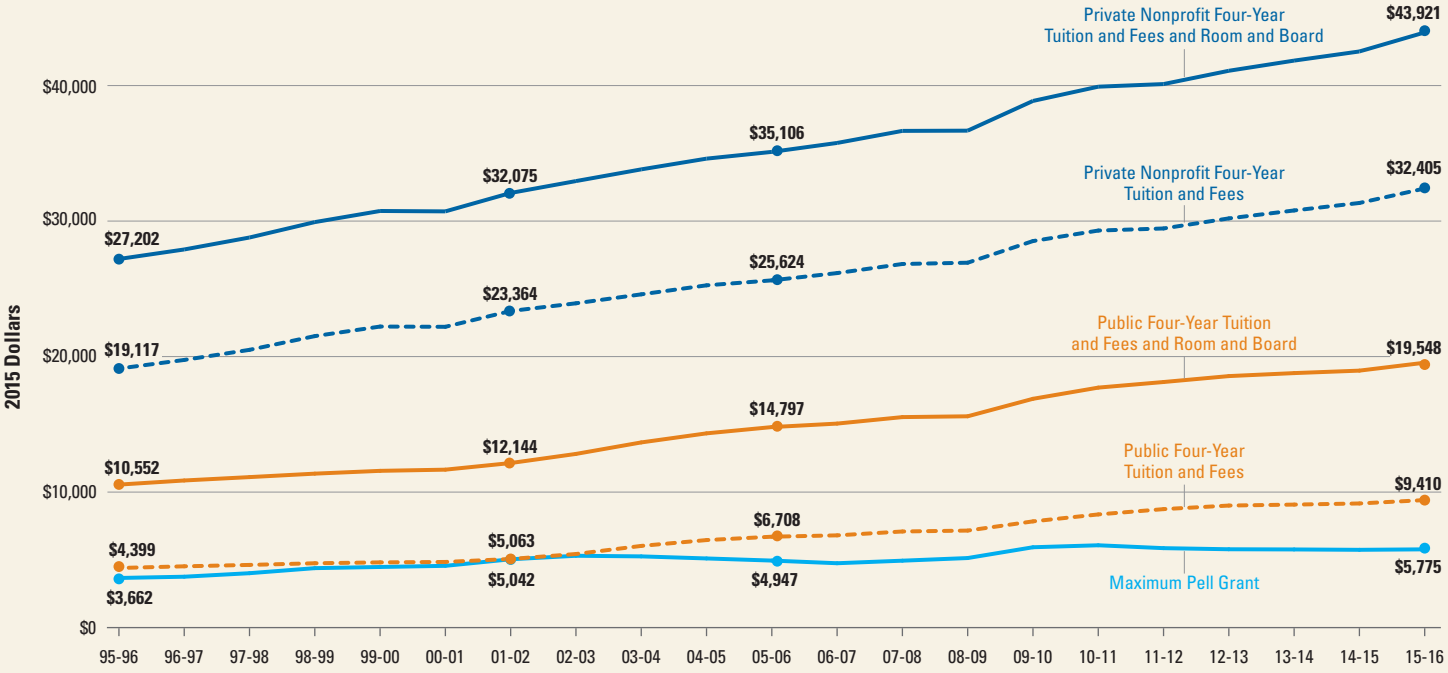
ALSO IMPORTANT:

– Recipients who do not have the resources to contribute at all to their own education and who are enrolled full time for a full year receive the maximum Pell Grant. The percentage of students receiving the maximum grant increased from 22% in 2003-04 to 25% in 2008-09 and to 27% in 2013-14. (*Pell Grant End-of-Year Reports, 2003-04, 2008-09, 2013-14*)

Pell Grants

In 2015-16 the maximum Pell Grant covers 61% of the average published tuition and fees of $9,410 at public four-year colleges and universities and 30% of the average tuition and fees and room and board.

FIGURE 26 Inflation-Adjusted Maximum Pell Grant and Published Prices at Public and Private Nonprofit Four-Year Institutions in 2015 Dollars, 1995-96 to 2015-16



NOTE: Published prices, sometimes called "sticker prices," differ from the net prices that students actually pay because they get discounts (grant aid) from their institutions, as well as from federal and state governments and other sources.

SOURCES: *The Federal Pell Grant Program End-of-Year Report, 2013-14* and earlier years; Federal Student Aid Data Center; The College Board, *Trends in College Pricing 2015.*

– In 2001-02, the maximum Pell Grant was $5,042 (in 2015 dollars) and published tuition and fees at public four-year institutions averaged $5,063.

– In 2015-16, the maximum Pell Grant covers 18% of the average published tuition and fees of $32,405 at private nonprofit four-year colleges and universities and 13% of the average tuition and fees and room and board.

– Between 1995-96 and 2015-16, the maximum Pell Grant covered 18% to 22% of the average published tuition and fees at private nonprofit four-year institutions.

Maximum Pell Grant as a Percentage of Published Prices, 1995-96 to 2015-16, Selected Years

	Public Four-Year		Private Nonprofit Four-Year	
	Tuition and Fees	Tuition and Fees and Room and Board	Tuition and Fees	Tuition and Fees and Room and Board
1995-96	83%	35%	19%	13%
2000-01	94%	39%	21%	15%
2005-06	74%	33%	19%	14%
2010-11	73%	34%	21%	15%
2015-16	61%	30%	18%	13%

ALSO IMPORTANT:

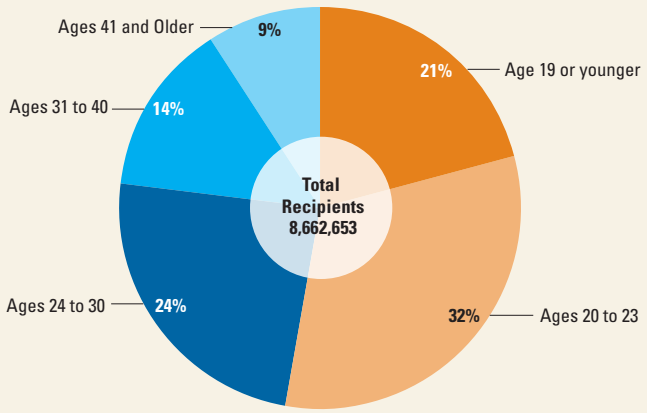
– The increase in published tuition and fees at public four-year colleges and universities between 2005-06 and 2015-16 represented an average annual increase of 3.4% in inflation-adjusted dollars. The real rate of increase at private nonprofit four-year institutions was 2.4% per year. The maximum Pell Grant increased by an average annual rate of 1.6% per year in constant dollars over the decade.

For detailed data behind the graphs and additional information, please visit: **trends.collegeboard.org**.

Pell Grants

In 2013-14, 53% of Pell Grant recipients were age 23 or younger; 23% were over the age of 30.

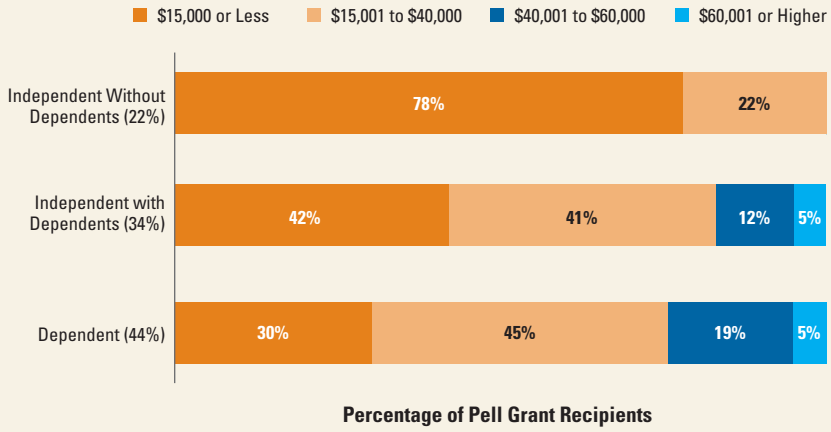
FIGURE 27A Distribution of Pell Grant Recipients by Age, 2013-14



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

SOURCE: *2013-14 Federal Pell Grant Program End-of-Year Report,* Table 11A.

FIGURE 27B Distribution of Pell Grant Recipients by Dependency Status and Family Income, 2013-14



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

SOURCE: *2013-14 Federal Pell Grant Program End-of-Year Report,* Tables 11B, 11C, and 11D.

– In 2013-14, 44% of Pell Grant recipients were dependent students; three-quarters of these students came from families with incomes of $40,000 or less, including 30% with family incomes of $15,000 or less.

– Fifty-six percent of 2013-14 Pell Grant recipients were independent students; 34% had dependents of their own and 22% were independent students without dependents.

– Among independent Pell Grant recipients with dependents, 83% had family incomes of $40,000 or less, including 42% with incomes of $15,000 or less.

– Over three-quarters of independent Pell Grant recipients without dependents had incomes of $15,000 or less and almost all had incomes of $40,000 or less.

ALSO IMPORTANT:

– The percentage of Pell Grant recipients who were over the age of 30 was 22% in 1993-94, 21% in 2003-04, and 23% in 2013-14. (*The Federal Pell Grant Program End-of-Year Reports*)

– In 2013-14, 66% of Pell Grant recipients had zero expected family contribution (EFC). This included 53% of dependent recipients, 65% of independent recipients without dependents, and 84% of independent recipients with dependents. (*2013-14 Federal Pell Grant Program End-of-Year Report*, Table 2)

– Among Pell Grant recipients with zero EFC, 55% were eligible for the Automatic Zero EFC and 45% had calculated zero EFC. (*2013-14 Federal Pell Grant Program End-of-Year Report*, Table 2)

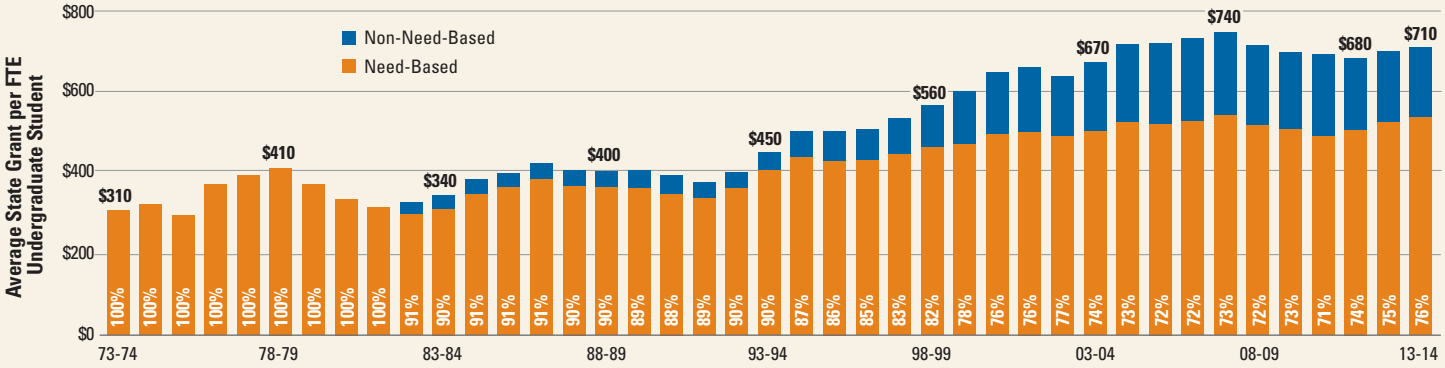
– The size of a recipient's Pell Grant depends on both EFC and enrollment intensity (full-time, ¾ time, ½ time, or less than ½ time).

– In 2013-14, 8% of dependent students' Pell Grants were $1,200 or less and 38% were $5,100 or more. Among those from families with incomes of $15,000 or less, 4% were $1,200 or less and 54% were $5,100 or more. Among those from families with incomes of $40,000 or higher, these proportions were 21% and 4%, respectively. (*2013-14 Federal Pell Grant Program End-of-Year Report*, Table 3)

State Grants

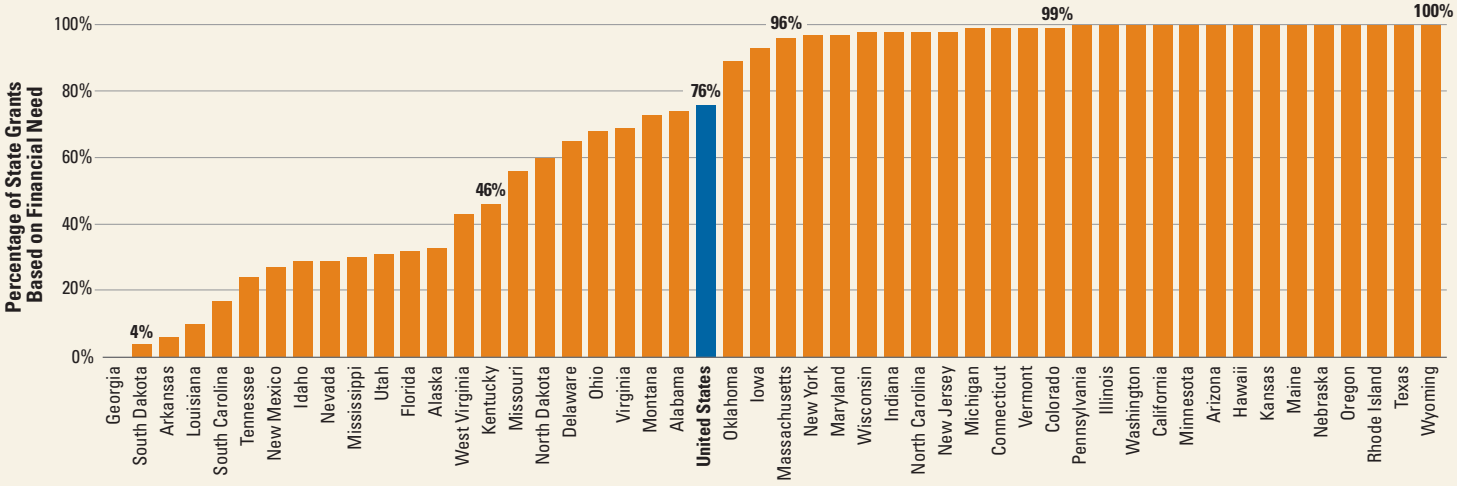
State grant aid per full-time equivalent (FTE) student has partially recovered from its decline during the recession, rising to $710 in 2013-14 from $680 (in 2013 dollars) in 2011-12, but not yet reaching the 2007-08 peak of $740.

FIGURE 28A Need-Based and Non-Need-Based State Grants per Full-Time Equivalent (FTE) Undergraduate Student in 2013 Dollars, 1973-74 to 2013-14



NOTE: Percentages displayed represent percentages of total undergraduate state grant aid for which students' financial circumstances were considered.

FIGURE 28B Need-Based State Grant Aid as a Percentage of Total Undergraduate State Grant Aid by State, 2013-14



NOTES: 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. New Hampshire did not award state grant aid to undergraduate students in 2013-14.

SOURCES: National Association of State Student Grant and Aid Programs (NASSGAP) Annual Survey, 1973-74 to 2013-14, Tables 1 and 12.

– In 1981-82 and earlier years, virtually all state grant aid was based on students' financial circumstances. From 2004-05 to 2010-11, only 71% to 73% of state grant aid was need-based. In 2013-14, that percentage was 76%.

– In 2013-14, 25 states considered students' financial circumstances in allocating at least 95% of their state grant aid. Fifteen states considered financial circumstances for less than half of their state grant aid.

ALSO IMPORTANT:

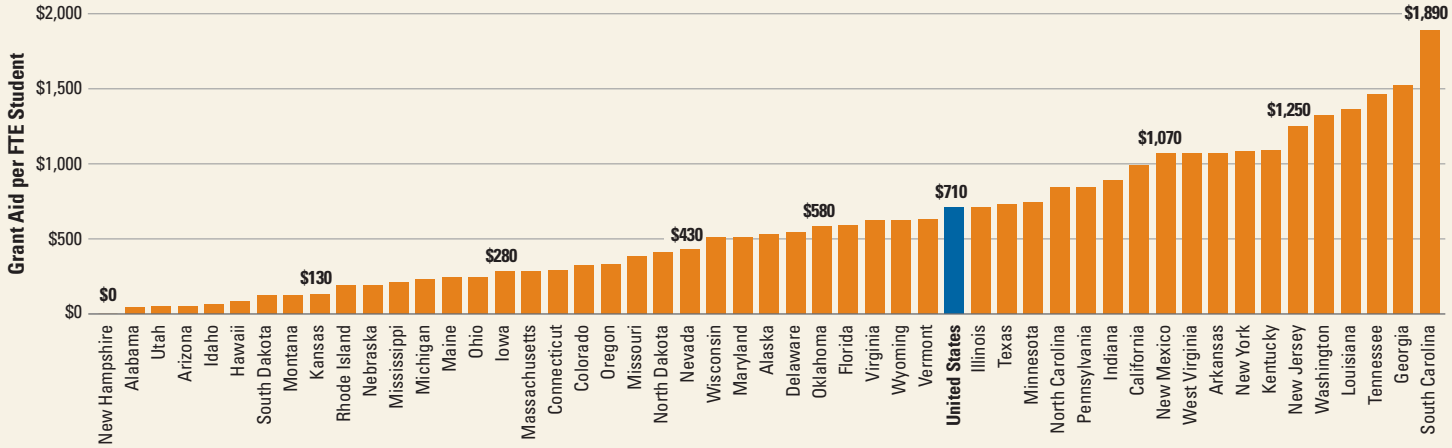
– Total spending on state grant aid increased from $7.8 billion (in 2013 dollars) in 2003-04 to $9.0 billion in 2008-09, and to $9.9 billion in 2013-14. (NASSGAP Annual Survey, 2003-04, 2008-09, and 2013-14)

For detailed data behind the graphs and additional information, please visit: **trends.collegeboard.org**.

State Grants

In 2013-14, state grant aid per full-time equivalent (FTE) undergraduate student ranged from under $200 in 11 states to over $1,000 in 11 states.

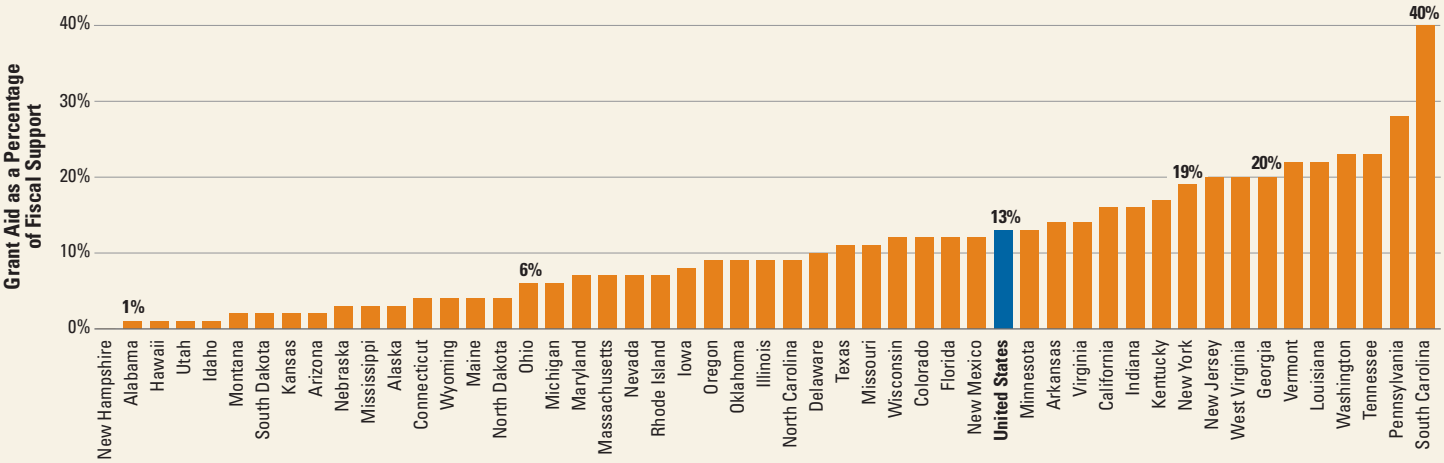
FIGURE 29A State Grant Aid per Full-Time Equivalent (FTE) Undergraduate Student by State, 2013-14



NOTES: Full-time equivalent students include both state residents and out-of-state students who are not eligible for state grants. State grant aid per FTE student is influenced both by the generosity of state grant programs and by the variation across states in the percentage of students who are residents.

SOURCE: NASSGAP Annual Survey, 2013-14, Table 12.

FIGURE 29B State Grant Expenditures as a Percentage of Total State Support for Higher Education by State, 2013-14



NOTE: State grant expenditures include funding for both undergraduate and graduate students.

SOURCE: NASSGAP Annual Survey, 2013-14, Table 14.

– South Carolina, with the highest grant aid per FTE undergraduate, considered the financial circumstances of recipients for only 17% of state grant funds in 2013-14. Georgia, the second most generous state, allocates its grant funds without regard to students' financial circumstances.

– Of the 11 states awarding over $1,000 per FTE undergraduate in grant aid, only New Jersey, New York, and Washington allocated more than half of their state grant dollars based on students' financial circumstances. (Figure 28B)

– Overall, state grant expenditures constituted 13% of total state support for higher education in 2013-14, an increase from 10% in 2003-04 and 11% in 2008-09. (NASSGAP Annual Survey, 2003-04 and 2008-09, Table 14)

ALSO IMPORTANT:

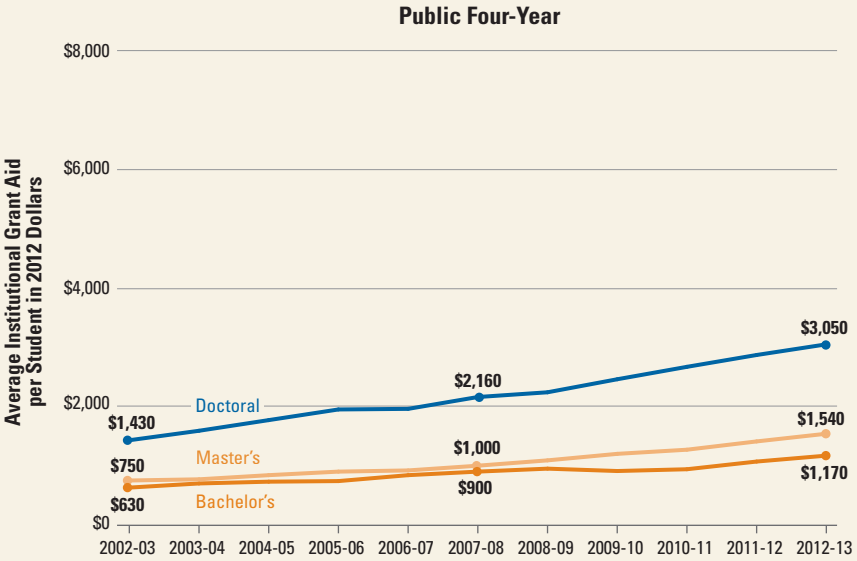
– Six states provided 50% of all state grant dollars in 2013-14, with California contributing 17% and New York 10%.

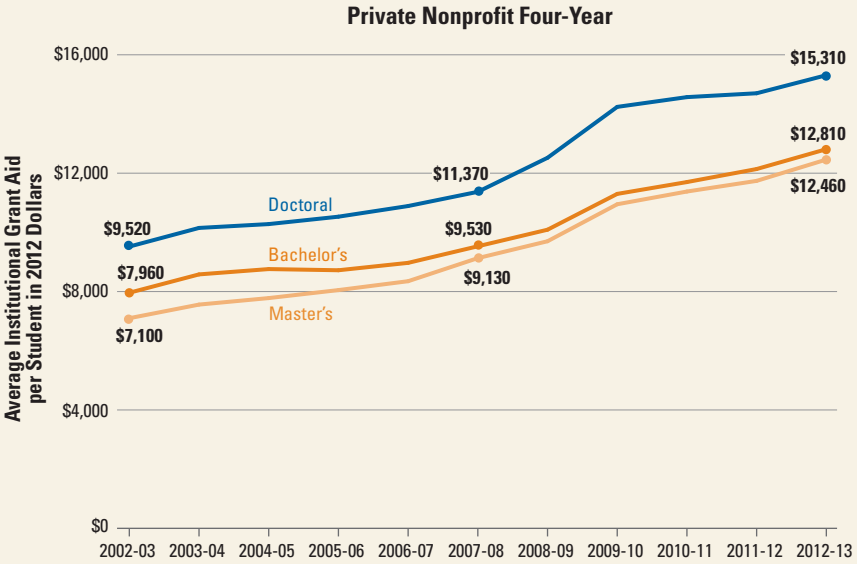
– Some state-funded grant aid is in the form of "tuition set-aside" programs through which a portion of tuition revenues at public institutions — or of increases in tuition — is dedicated to grant aid. Some of these funds are included in reported state grant aid, but others are not. Tuition remission dollars, not always reported as state grant aid, are sizable in several states.

Institutional Grants

Average institutional grant aid per first-time full-time student grew faster than tuition and fees at both public and private nonprofit four-year institutions between 2007-08 and 2012-13.

FIGURE 30 Average Institutional Grant Aid per First-Time Full-Time Undergraduate Student, 2002-03 to 2012-13





– At public doctoral universities, average tuition and fees rose by 25%, from $7,600 (in 2012 dollars) in 2007-08 to $9,530 in 2012-13. Average institutional grant aid per first-time full-time student increased by 41%, from $2,160 to $3,050. The percentage of these students receiving this aid increased from 43% to 51%.

– At private bachelor's colleges, average tuition and fees rose by 14% between 2007-08 and 2012-13, from $24,090 (in 2012 dollars) to $27,530. Average institutional grant aid per first-time full-time student increased by 34%, from $9,530 to $12,810. The percentage of these students receiving this aid increased from 78% to 83%.

– In 2012-13, the average published tuition and fee price at public doctoral universities was $2,000 higher than the average price at public master's universities; the difference between the sectors in average institutional grant aid was $1,510. In other words, the difference in average grant aid covered 76% of the difference in published tuition and fees.

ALSO IMPORTANT:

– On average, institutional grant aid for first-time full-time students is higher than grant aid for students as a whole.

Percentage of Students Receiving Institutional Grant Aid, 2002-03 to 2012-13, Selected Years

		2002-03	2007-08	2012-13
Public	Doctoral	36%	43%	51%
	Master's	28%	29%	39%
	Bachelor's	23%	30%	38%
Private Nonprofit	Doctoral	64%	66%	70%
	Master's	78%	84%	90%
	Bachelor's	76%	78%	83%

SOURCES: NCES, IPEDS student financial aid data, 2002-03 through 2012-13; calculations by the authors.

Tuition and Fees at Public and Private Nonprofit Four-Year Institutions by Carnegie Classification, 2007-08 to 2012-13, in 2012 Dollars

		2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	5-Year % Change
Public	Doctoral	$7,600	$7,800	$8,360	$8,940	$9,310	$9,530	26%
	Master's	$5,950	$6,090	$6,620	$6,950	$7,360	$7,530	27%
	Bachelor's	$5,860	$5,960	$6,300	$6,540	$6,570	$6,730	16%
Private Nonprofit	Doctoral	$32,590	$33,140	$34,560	$35,480	$34,940	$35,750	10%
	Master's	$23,700	$24,190	$24,990	$26,000	$25,420	$25,830	10%
	Bachelor's	$24,090	$24,560	$25,170	$26,090	$26,970	$27,530	15%

SOURCE: The College Board, *Trends in College Pricing*, 2008 through 2013.

For detailed data behind the graphs and additional information, please visit: **trends.collegeboard.org**.

Education Tax Credits and Deductions

In 2013, students and parents saved about $17.9 billion on their federal income taxes through tax credits and deductions for education expenses.

FIGURE 31A Total Education Tax Credits and Deductions in Billions of 2013 Dollars, 1998 to 2013

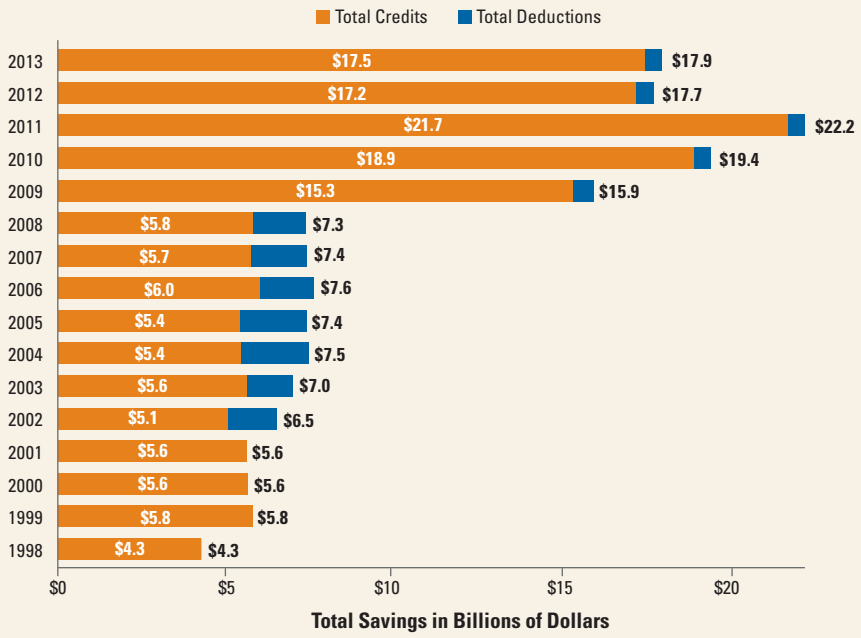
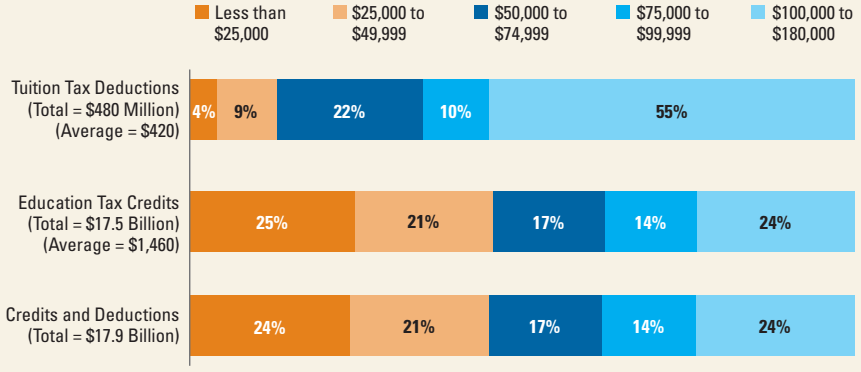


FIGURE 31B Distribution of Education Tax Credits and Savings from Tuition Deductions by Adjusted Gross Income (AGI), 2013



NOTES: The total and average values of tax credits and deductions are best estimates based on data from the Internal Revenue Service. A portion of nonrefundable dollars claimed on nontaxable returns is excluded to account for credits and deductions that do not reduce tax liability. The value of tax deductions is estimated based on applicable marginal tax rates. Percentages may not sum to 100 because of rounding.

SOURCES: Internal Revenue Service, Statistics of Income 1998 to 2014, Tables 1.3, 1.4, 2, 3.3; calculations by the authors.

– Education tax credits and deductions are "tax expenditures." They reduce federal income tax liabilities and federal tax revenues, and have the same impact on the federal budget as direct expenditures.

– Tax savings for students and parents who claimed education tax credits averaged about $1,460 in 2013.

– In 2013, savings from the tuition tax deductions were only about 3% of the value of the education tax credits. The number of filers benefiting from the deduction was about 10% of the number benefiting from the credit.

– In 2013, about one-quarter of the benefits of the education tax credits and deductions went to tax filers with incomes of $100,000 or higher. One-quarter went to those with incomes below $25,000.

ALSO IMPORTANT:

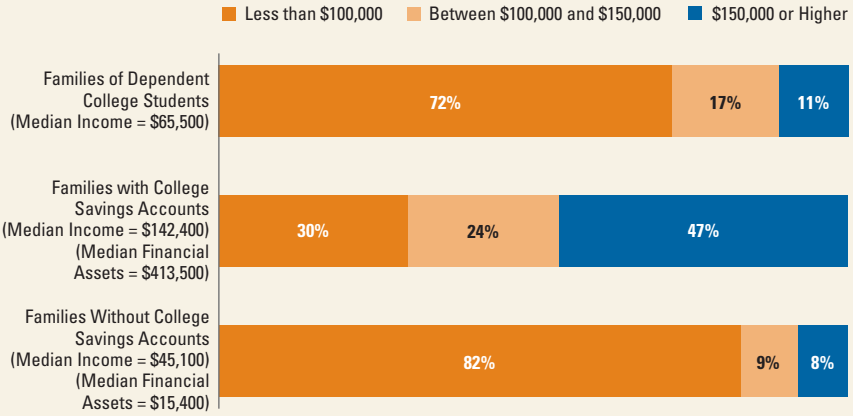
– The American Opportunity Tax Credit is available to taxpayers with adjusted gross incomes as high as $180,000 and accounts for about 86% of the total credits and deductions (Fiscal Year 2016, Analytical Perspectives, Budget of the U.S. Government). The maximum benefit per filer is $2,500, with up to $1,000 of that amount available as a refund to filers with no tax liability.

– In 2013, 11.5 million taxpayers deducted $11.6 billion in student loan interest, generating about $1.7 billion in tax savings. (Statistics of Income, 2013, Table 1.4; Fiscal Year 2016, Analytical Perspectives, Budget of the U.S. Government)

College Savings Plans

Median income for families with children in college in 2010 was $65,500. Median income was $142,400 for families with college savings accounts and $45,100 for families without these accounts.

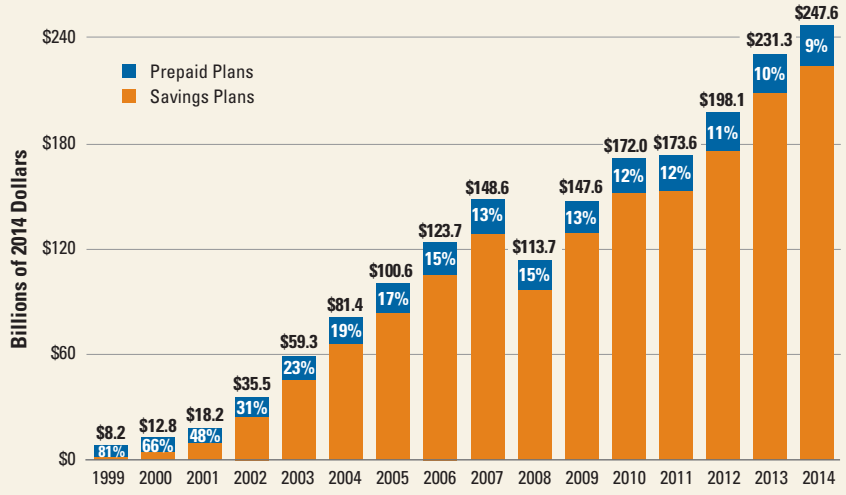
FIGURE 32A Income Distribution of Families With and Without College Savings Accounts, 2010



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

SOURCES: United States Government Accountability Office (GAO), *Higher Education: A Small Percentage of Families Save in 529 Plans*, GAO-13-64, 2012, Figure 4; NCES, National Postsecondary Student Aid Study, 2012; PowerStats calculations by the authors.

FIGURE 32B Total Assets in State-Sponsored Section 529 College Savings Plans in 2014 Dollars (in Billions), 1999 to 2014



State-Sponsored 529 College Savings Plans, 2014

Number of Accounts	Average Account Size	Number of Contributions	Average Contribution	Number of Withdrawals	Average Withdrawal
12.1 million	$20,500	6.42 million	$3,802	1.45 million	$10,900

SOURCE: College Savings Plan Network (collegesavings.org).

– While only 11% of families of dependent college students had 2010 incomes over $150,000, 47% of families with college savings plans had incomes this high.

– Total assets in state-sponsored 529 college savings accounts grew 68% in inflation-adjusted dollars from 2009 to 2014, rising from $147.6 billion (in 2014 dollars) to $247.6 billion. The number of accounts increased by 20%, from 10.1 million in 2009 to 12.1 million in 2014.

– In 2014, 1.5 million holders of 529 college savings accounts withdrew an average of $10,900 to help pay college expenses.

– Funds in state-sponsored 529 accounts grow tax free, and distributions to pay qualified college expenses are exempt from federal taxation. Changes in the value of regular 529 savings plans depend on market performance. The value of prepaid plans is fixed relative to the price of in-state public colleges.

ALSO IMPORTANT:

– The value of the federal tax exemption for earnings on assets in 529 college savings accounts was about $1.9 billion in 2014-15. (Fiscal Year 2015 Analytical Perspectives, Budget of the U.S. Government, https://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/spec.pdf)

– Although 17 states have prepaid tuition plans, 45% of the total assets in these accounts are in Florida. Virginia has the largest 529 savings plan, with 23% of the total assets. (College Savings Plan Network)

– Thirteen states provide matching grants or other subsidies for some families who contribute to 529 savings accounts. (www.savingforcollege.com)

– More than 270 private colleges and universities have joined a prepaid tuition plan that carries the same tax benefits as the state-sponsored 529 plans. As of December 2014, the assets in the 8,154 accounts in this plan, which are not included in Figure 32B, were $308.5 million. (College Savings Plan Network)

– Other forms of saving 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

Federal Aid:

FSEOG. Federal aid amounts include only federal funds allocated for the Federal Supplemental Educational Opportunity Grant (FSEOG) Program. Institutional matching funds required 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 program 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. The Iraq and Afghanistan Service Grants program began in 2010-11. These grants provide non-need-based grants for students whose parent or guardian was a member of the Armed Forces who died in Iraq or Afghanistan as a result of performing military service after Sept. 11, 2001.

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.

Perkins Loans. Since FY06, no funds have been appropriated for new federal capital contributions. Perkins Loans are funded from past federal and institutional capital contributions as well as collections from borrowers. All Perkins Loans awarded are included as federal loans.

Subsidized and Unsubsidized Stafford Loans. Prior to 1993-94, Stafford Loans for students were made by banks and other private lenders and guaranteed by the federal government. From 1994-95 through 2009-10, the guaranteed loan program, known as the Federal Family Education Loan Program (FFELP), continued as part of the Stafford Loan program, alongside the Federal Direct Loan Program (FDLP), which lends federal funds to students. Beginning in 2010-11, all of the loans are Federal Direct Subsidized or Federal Direct Unsubsidized Loans. The term "Stafford Loans" refers to whichever of these programs were in effect at the date in question.

Direct Subsidized Loans are 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 June 2012, these loans were available to both undergraduate and graduate students, but the Budget Control Act of 2011 eliminated the program for graduate students, whose federal loans are now all unsubsidized or Grad PLUS loans. Interest accrues on Direct Unsubsidized Loans from the time they are disbursed.

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. A portion of nonrefundable dollars claimed on nontaxable returns is excluded to account for credits that do not reduce tax liability. Tax deductions are based on IRS Statistics of Income Table 1.4, with associated savings estimated by the authors 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.

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.

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 the U.S. Department of Labor's Bureau of Labor Statistics Consumer Price Index table for changes in the CPI-U over time.

Loan Totals: Nonfederal loans from private lenders, states, and institutions are included in Table 1 and several other figures and tables as an important source of funding for students, but are not considered financial aid because they provide no subsidy to students.

SOURCES

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

Education Tax Benefits: Income Tax Returns, All Returns, Tables 1.3, 1.4, 2, and 3.3, and additional Statistics of Income sources.

Federal Direct Subsidized and Unsubsidized Student Loans: 2009-10 and prior: unpublished data from U.S. Department of Education staff and the National Student Loan Data System (NSLDS); 2010-11 and after: Federal Student Aid Data Center, Title IV Volume Reports.

Full-Time Equivalent (FTE) Enrollment: Based on authors' computations using Integrated Postsecondary Education Data System (IPEDS) data.

Institutional Grants: IPEDS finance survey; estimated for 2013-14 and 2014-15. Estimated figures represent best approximations and are updated each year as additional information becomes available.

Military: Estimates based on available data from F. Edward Hebert Armed Forces Health Professions Scholarship Program 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 for 2011-12 through 2014-15 provided by the Consumer Bankers Association, MeasureOne, and the Consumer Financial Protection Bureau. Earlier data based on information provided by lenders 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 2012, as well as 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 NASSGAP.

Pell Grant Program: 2013-14 and prior: *The Federal Pell Grant Program End-of-Year Report*; 2014-15: Federal Student Aid Data Center, Title IV Program Volume Reports.

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, data from institutional financial aid offices, and the College Board's Annual Survey of Colleges.

State Grant Programs: 20th through 44th Annual Survey Reports of the National Association of State Student Grant and Aid Programs (NASSGAP) for 1988-89 to 2013-14 and estimated for 2014-15.

State Savings Plans: Data on assets in state savings plans and guaranteed tuition plans from the College Savings Plans Network.

Veterans Benefits: Benefits Program series (annual publication for each fiscal year), Office of Budget and Finance, U.S. Veterans Administration.

Trends in Student Aid was authored by Sandy Baum, senior fellow at the Urban Institute; Jennifer Ma, policy research scientist at the College Board; Matea Pender, assistant policy research scientist at the College Board; and D'Wayne Bell, research statistician II at the College Board.

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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: **trends.collegeboard.org**.

Hard copies may be requested by contacting trends@collegeboard.org.

www.collegeboard.org

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