

SENATE COMMITTEE ON ADMISSIONS, RECORDS,
SCHEDULING, AND STUDENT AID

Financial Aid Report

(Informational Report)

As Faculty Senators know from earlier reports on demographics (presented by President Spanier) and graduate admissions (presented by Eva Pell, Vice President for Research and Dean of the Graduate School) and budgetary concerns (presented by Provost Erickson), there are a number of challenges facing the University. This report on Financial Aid presented by Donald E. Heller, Associate Professor and Senior Research Associate, Center for the Study of Higher Education, and Anna Griswold, Assistant Vice Provost for Enrollment Management and Student Aid, will provide a comprehensive look at the challenges facing students in financing an education at Penn State and nationally.

SENATE COMMITTEE ON ADMISSIONS, RECORDS,
SCHEDULING, AND STUDENT AID

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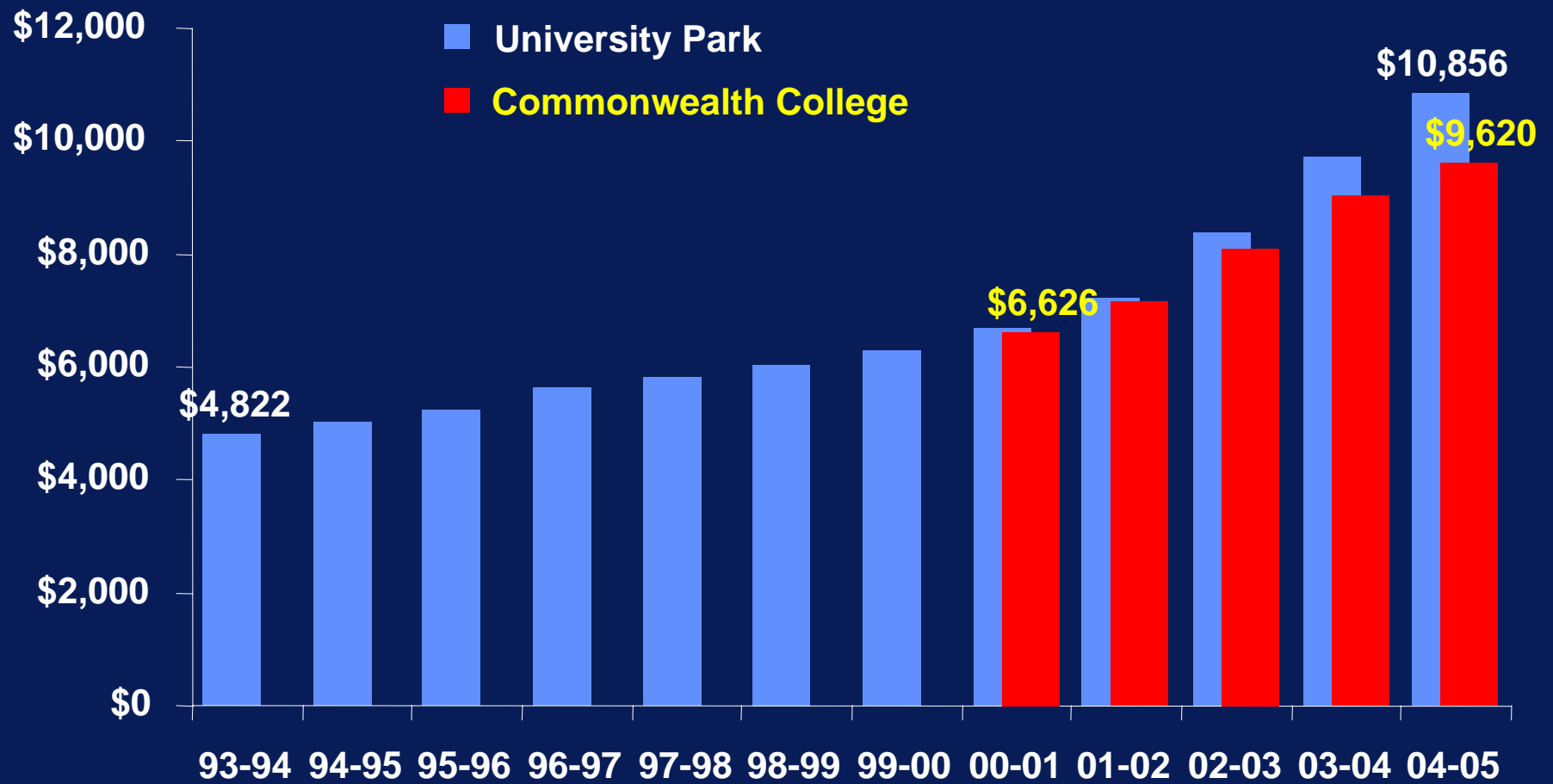


**Informational Report on
Student Financial Aid**

November 19, 2004

Costs at Penn State

Pennsylvania Undergraduate Tuition and Fees 1993-94 to 2004-05



Total Costs PA Resident 2004-05

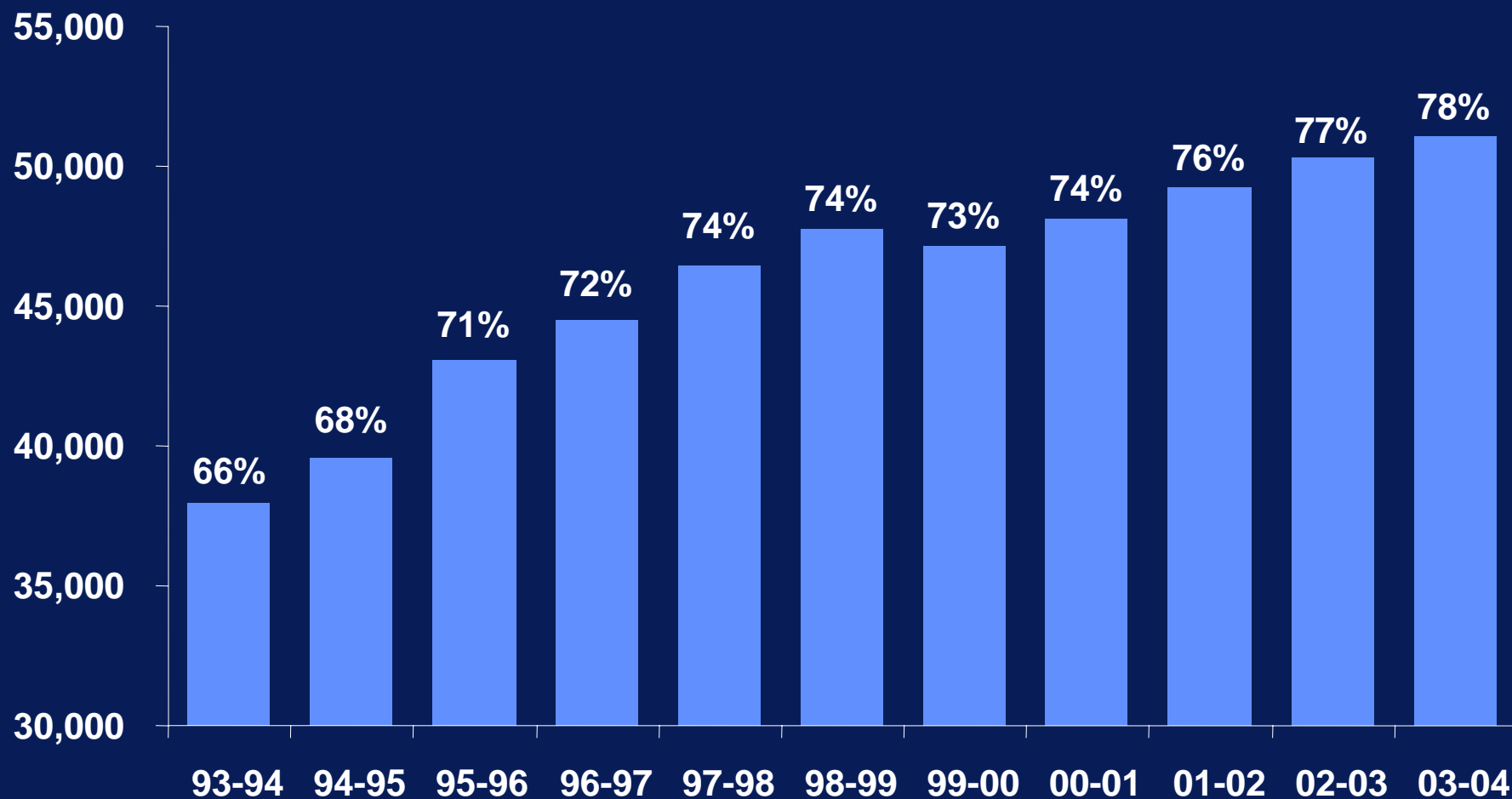
Tuition and Fees	\$10,856
Room and Board	6,238
Books	<u>992</u>
Total	\$18,086

Total Costs Non-Resident 2004-05

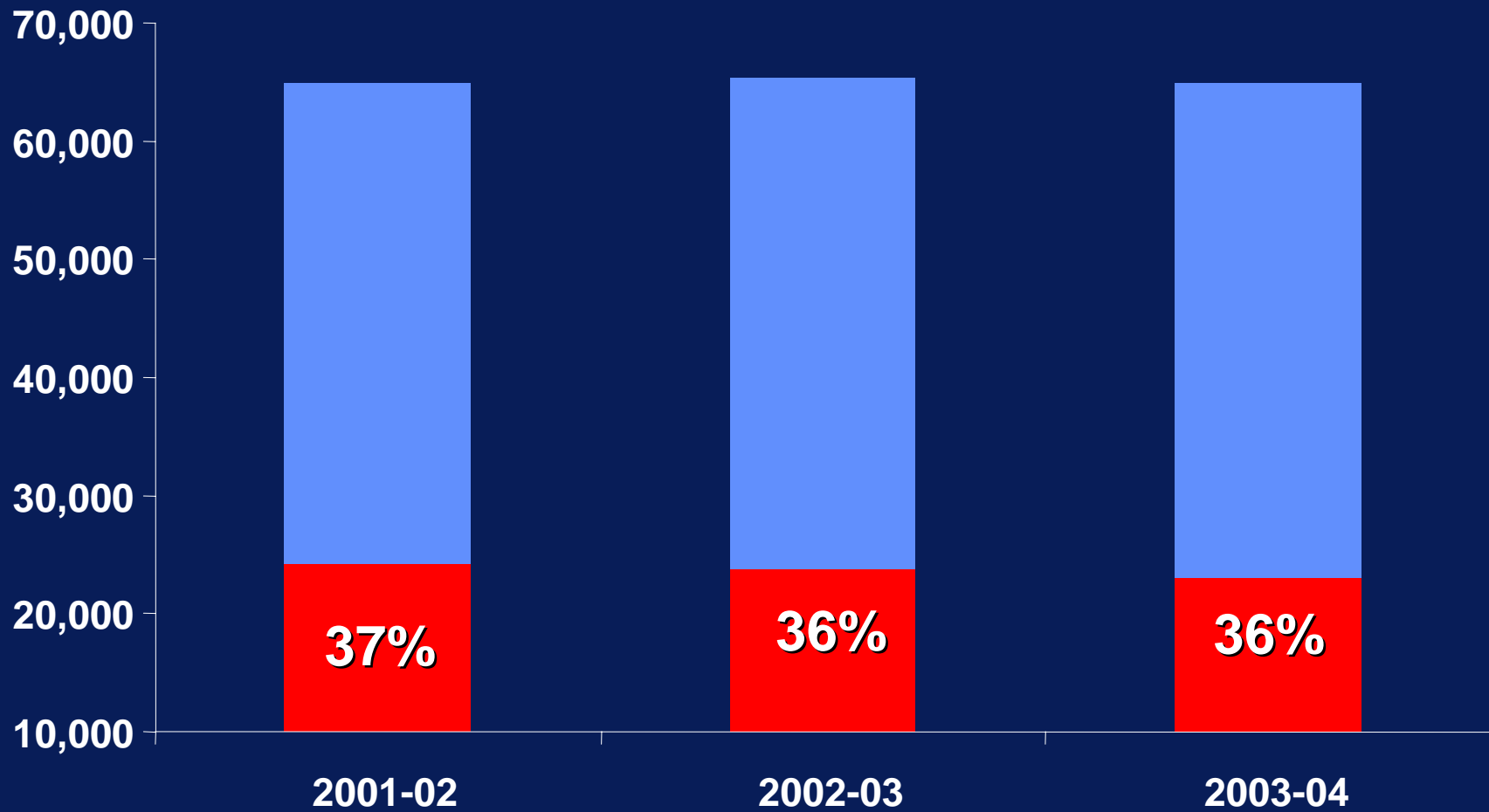
Tuition and Fees	\$20,784
Room and Board	6,238
Books	<u>992</u>
Total	\$28,014

Student Aid Recipients

Growth in Undergraduate Aid Recipients 1993-94 to 2003-04

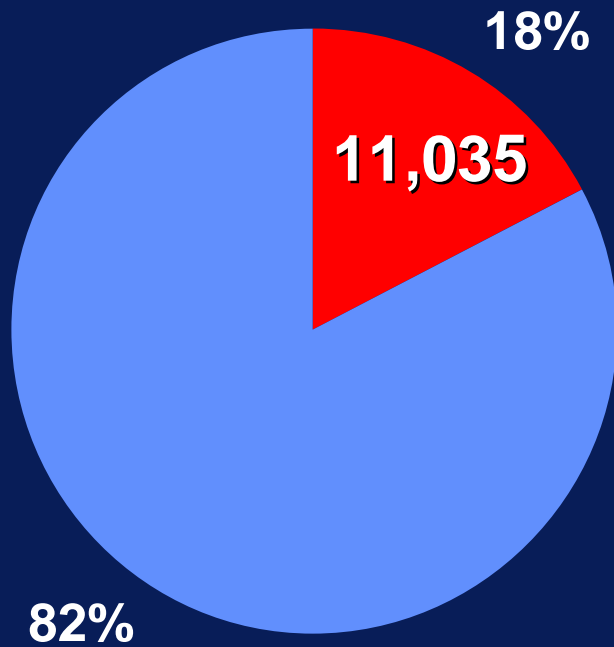


First Generation Students at Penn State

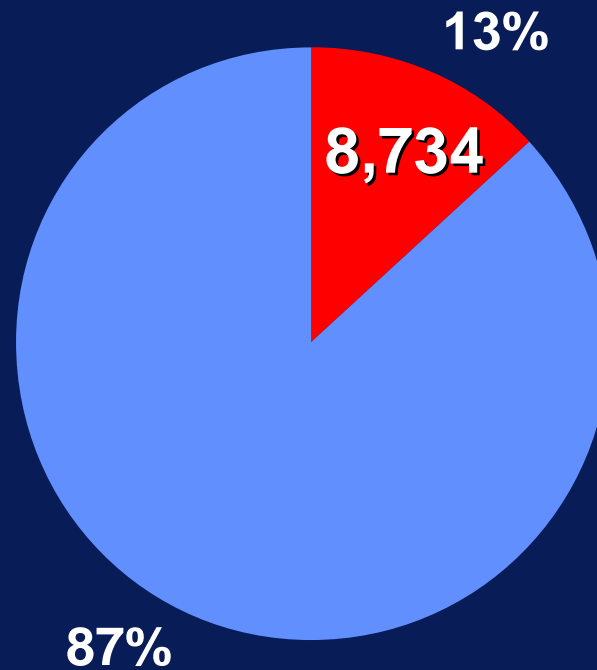


Lowest Income Students at Penn State

1997-98



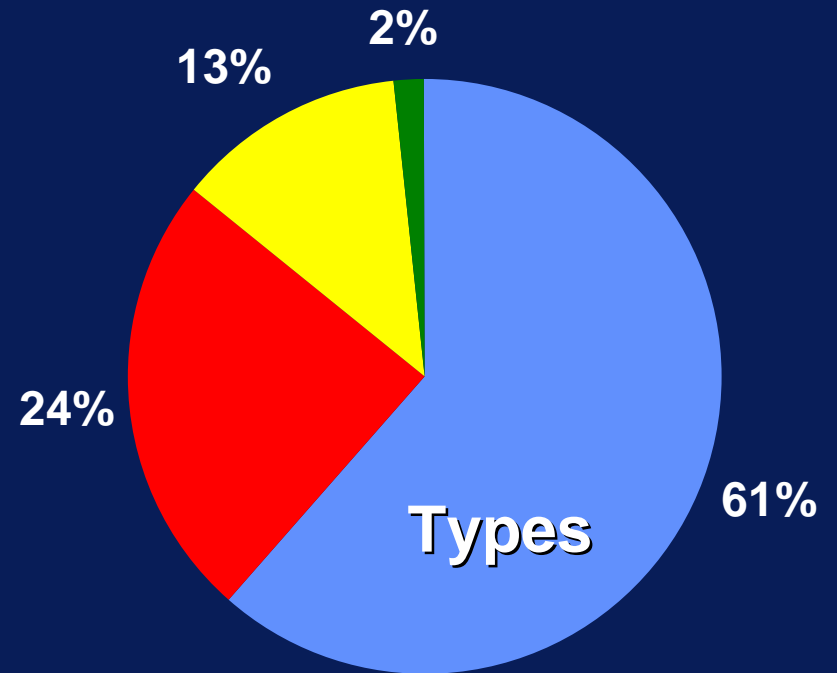
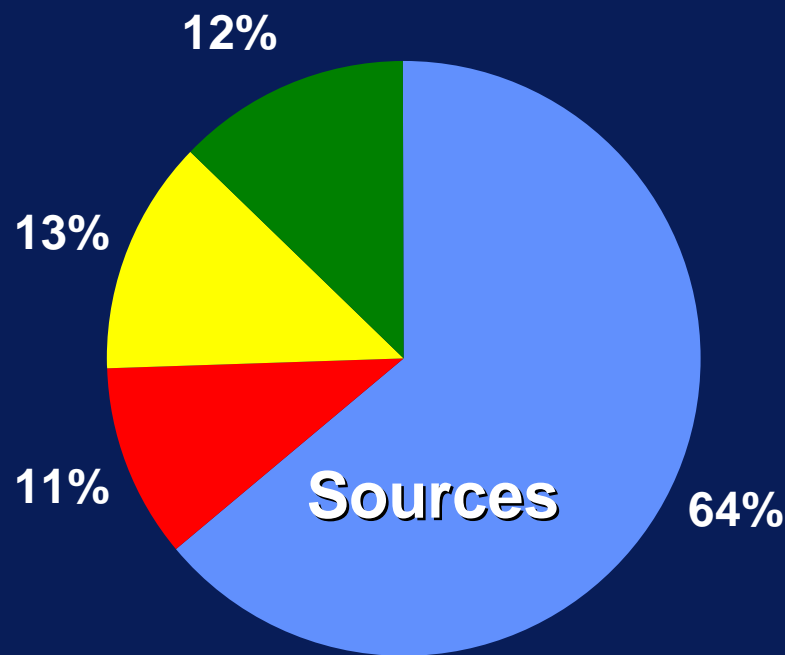
2003-04



■ Lowest Income

Student Aid Funding

Sources and Types of Student Aid Funding for Undergraduates 2003-04

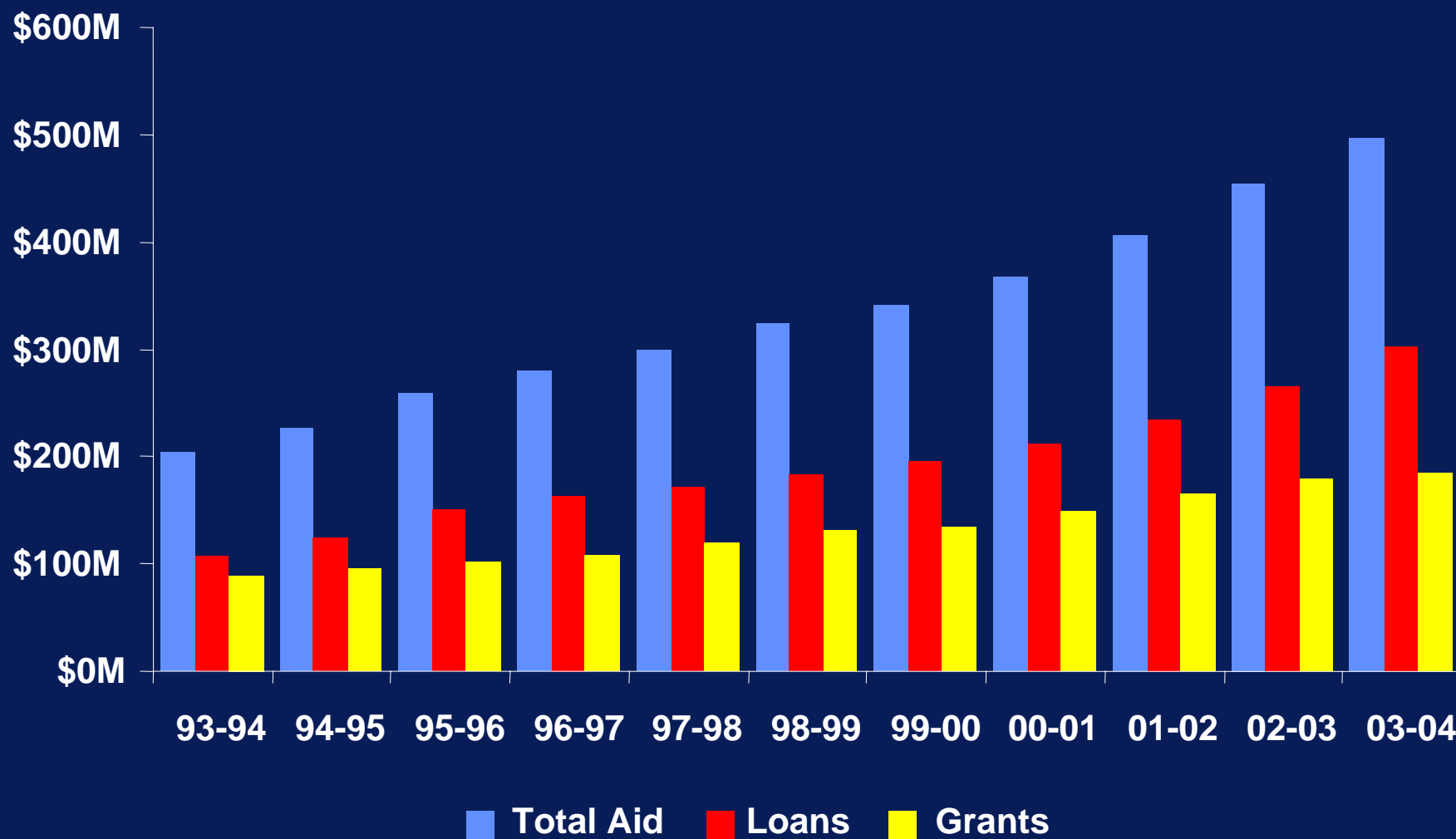


■ Federal ■ State ■ Penn State ■ Other

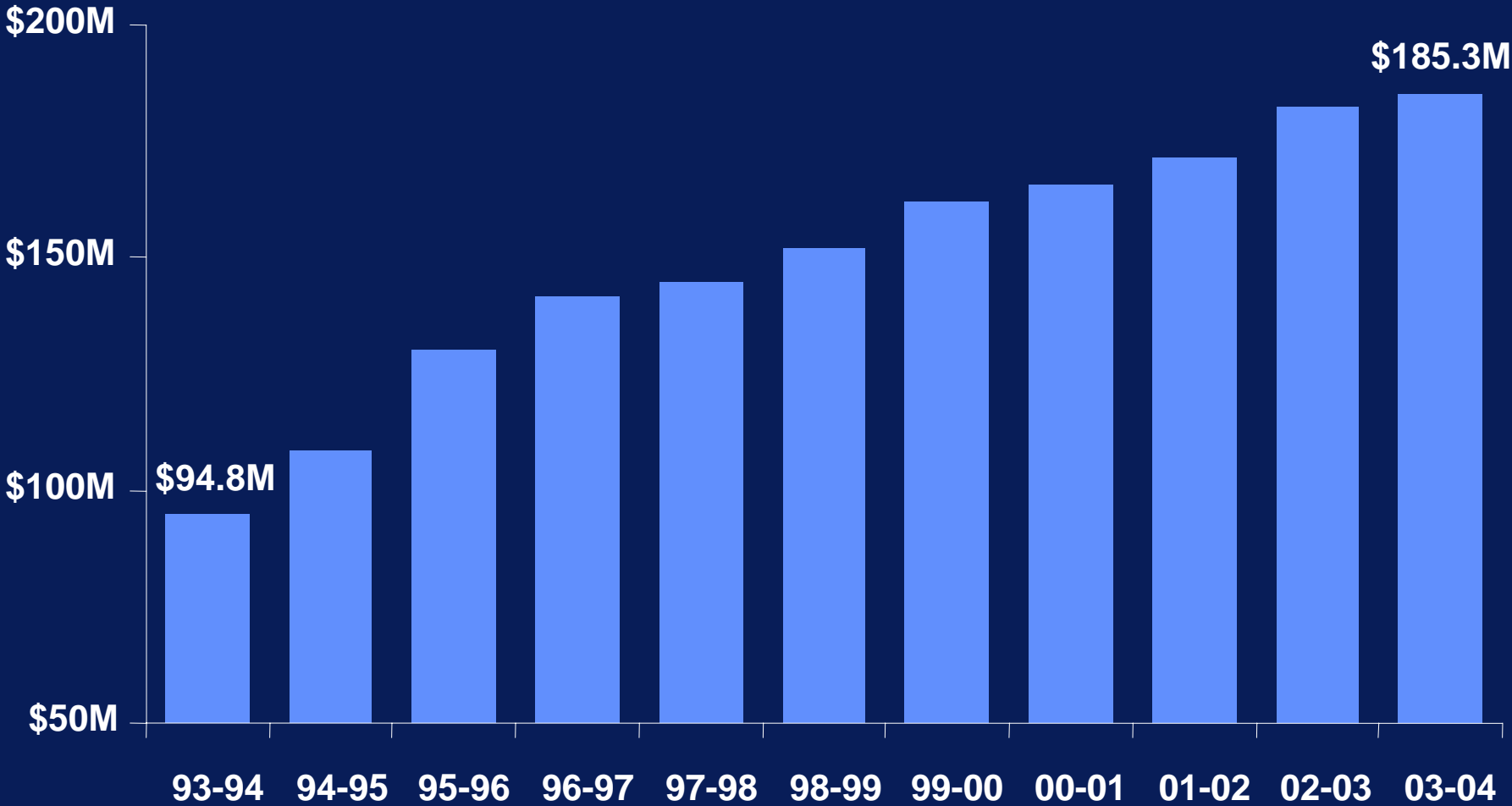
■ Loans ■ Grants ■ Scholarships ■ Work

Total = \$497M

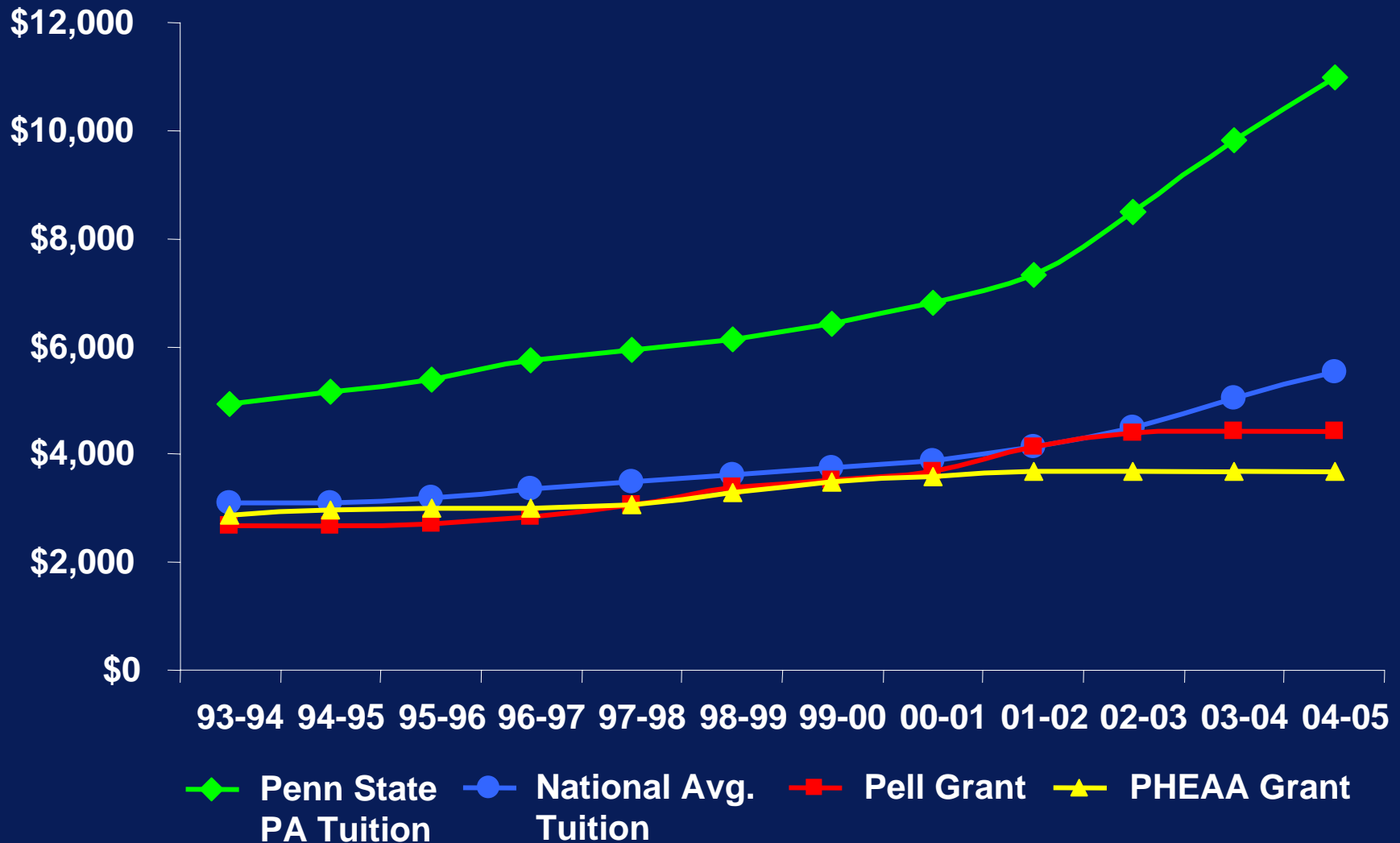
Growth in Total Aid for Undergraduates 1993-94 to 2003-04



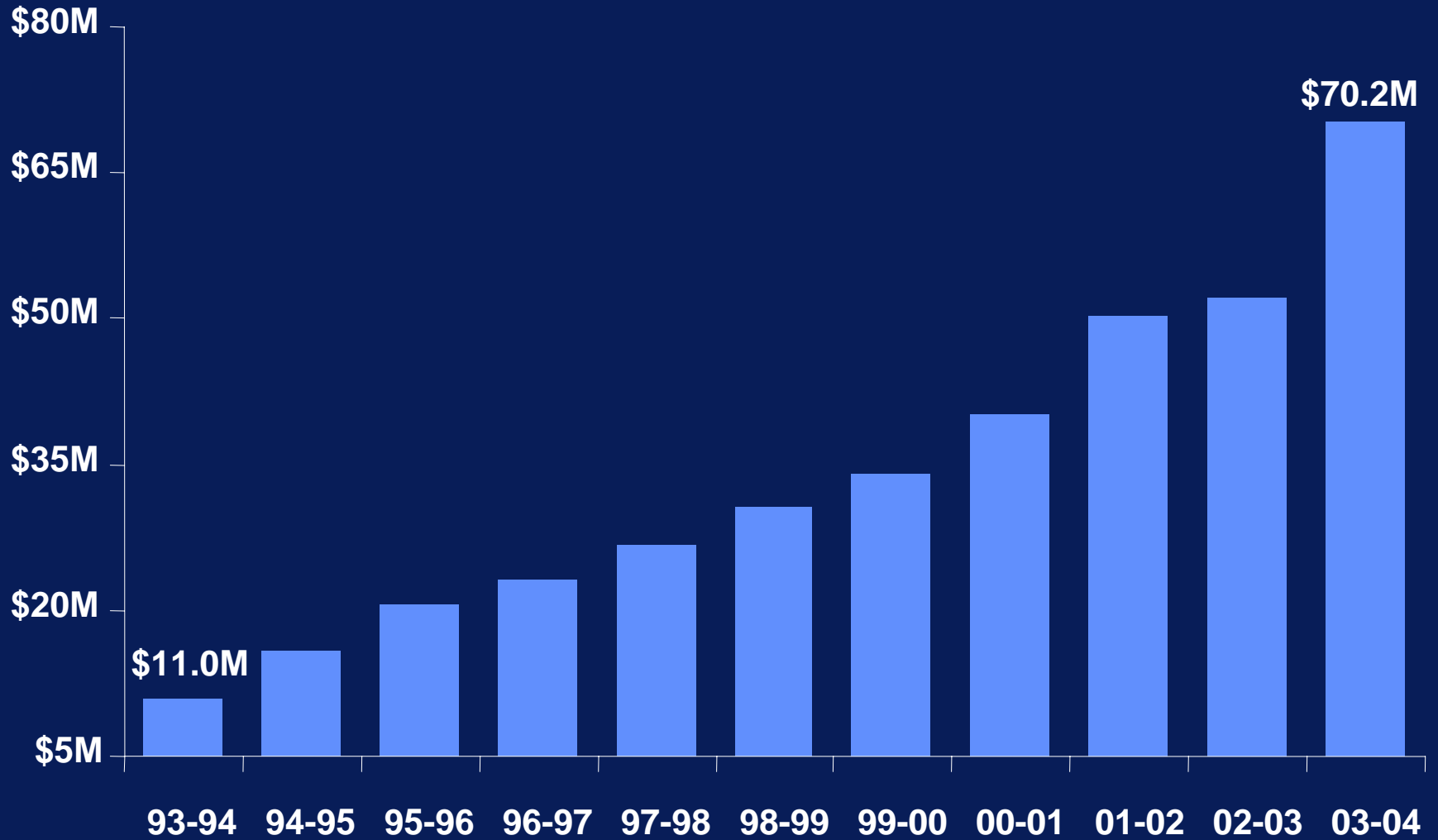
Growth in Federal Student Loans 1993-94 to 2003-04



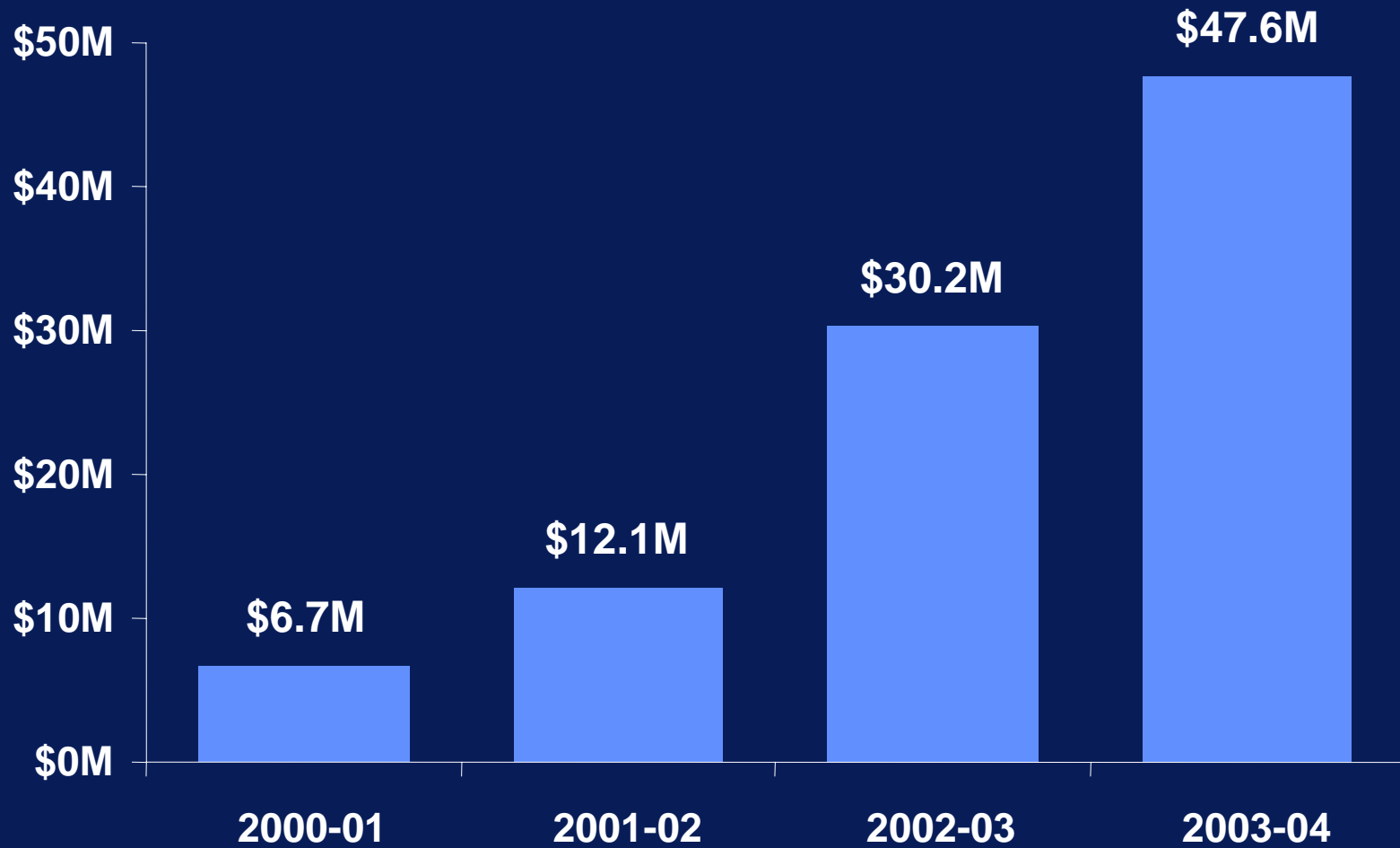
Purchasing Power of Federal and State Grant Awards



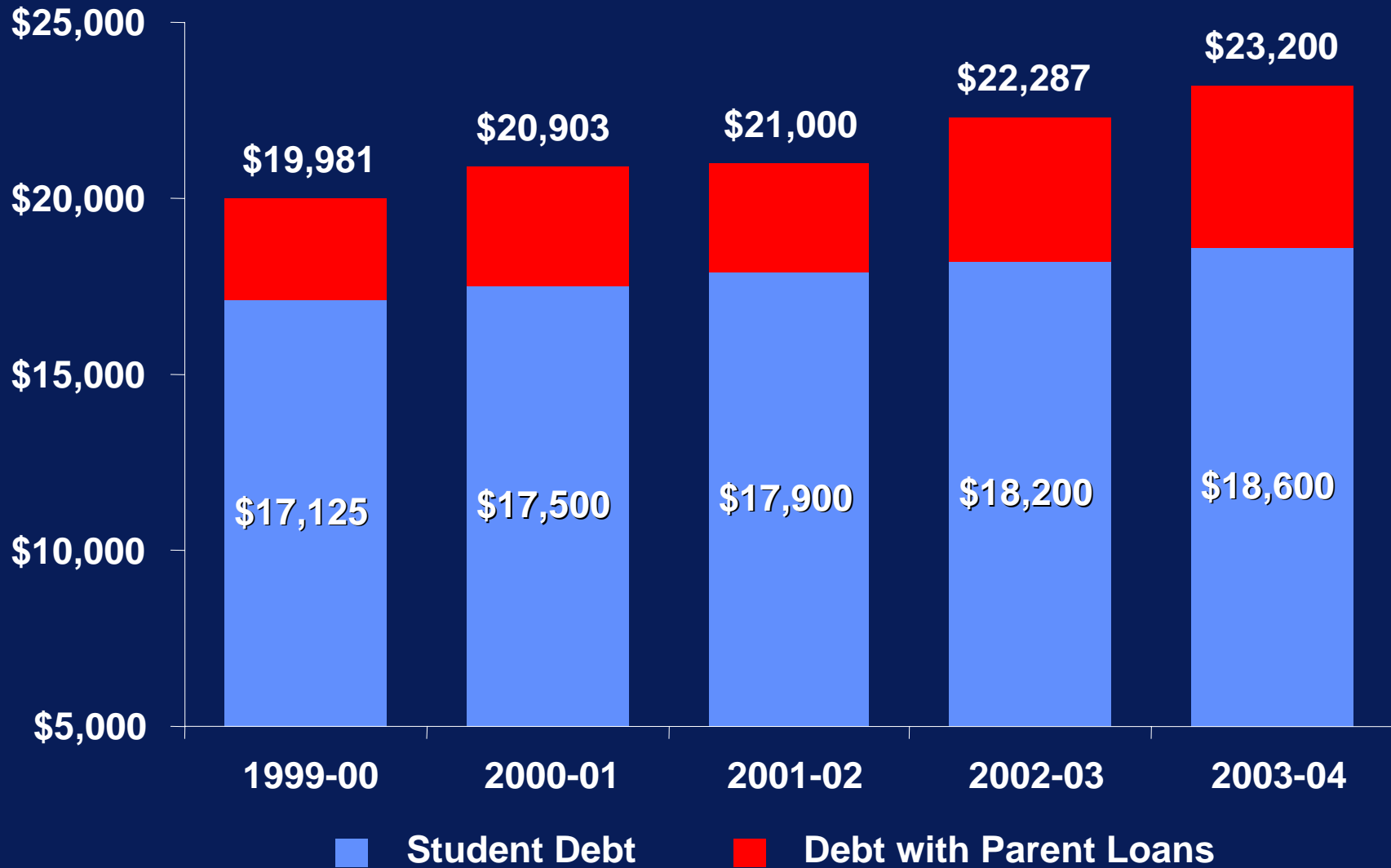
Growth in Parent Loans 1993-94 to 2003-04



Growth in Private Educational Loans 2000-01 to 2003-04



Graduating Seniors Average Loan Debt 1999-00 to 2003-04



Average loan for student and parent loans combined.

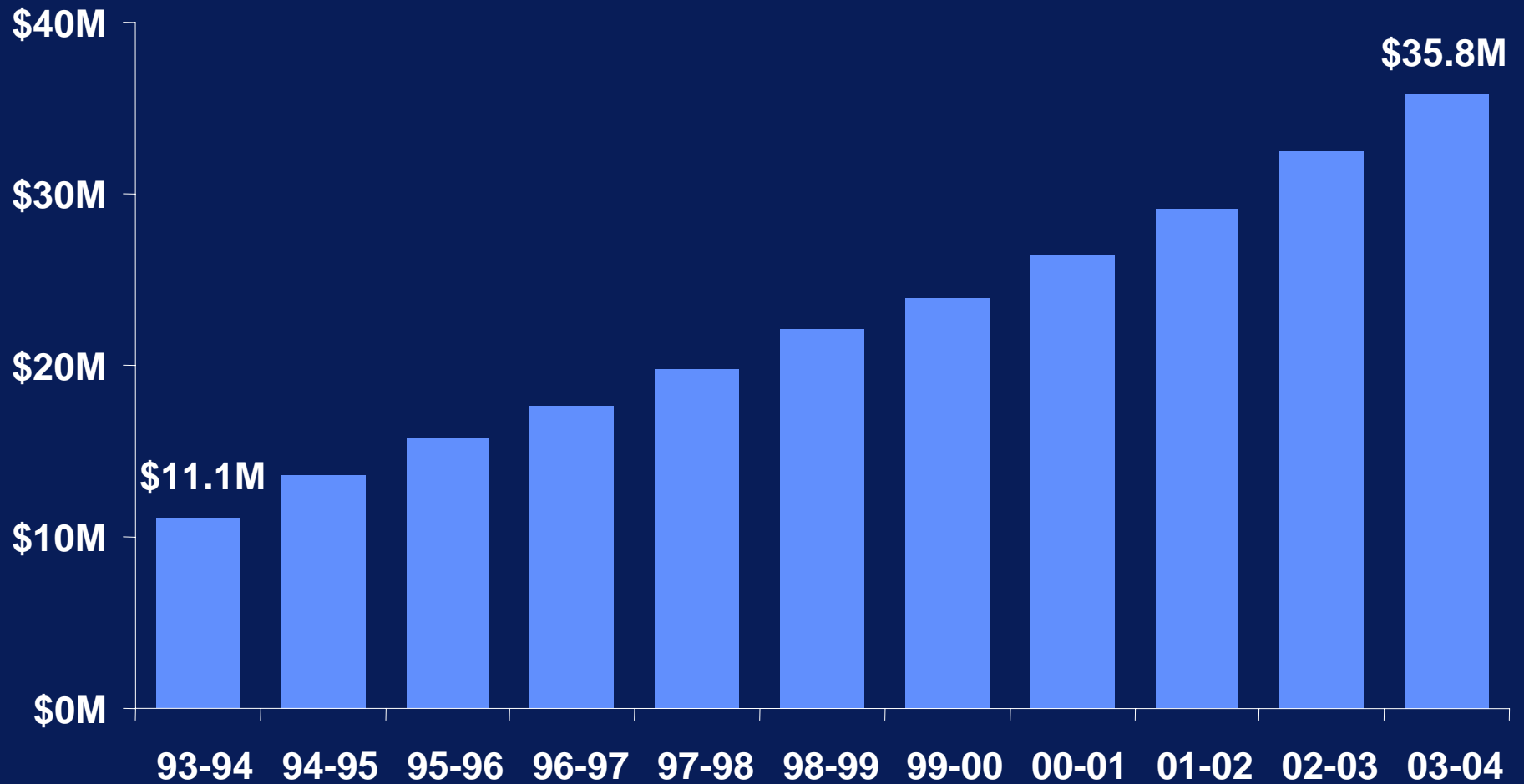
Average Loan Debt by Income

<u>Income Range</u>	<u>PA 03-04</u>	<u>Non-PA 03-04</u>
\$0 - \$40,000	\$22,728	\$29,832
\$40,001 - \$85,000	\$18,756	\$23,482
\$85,001 +	\$14,856	\$16,929

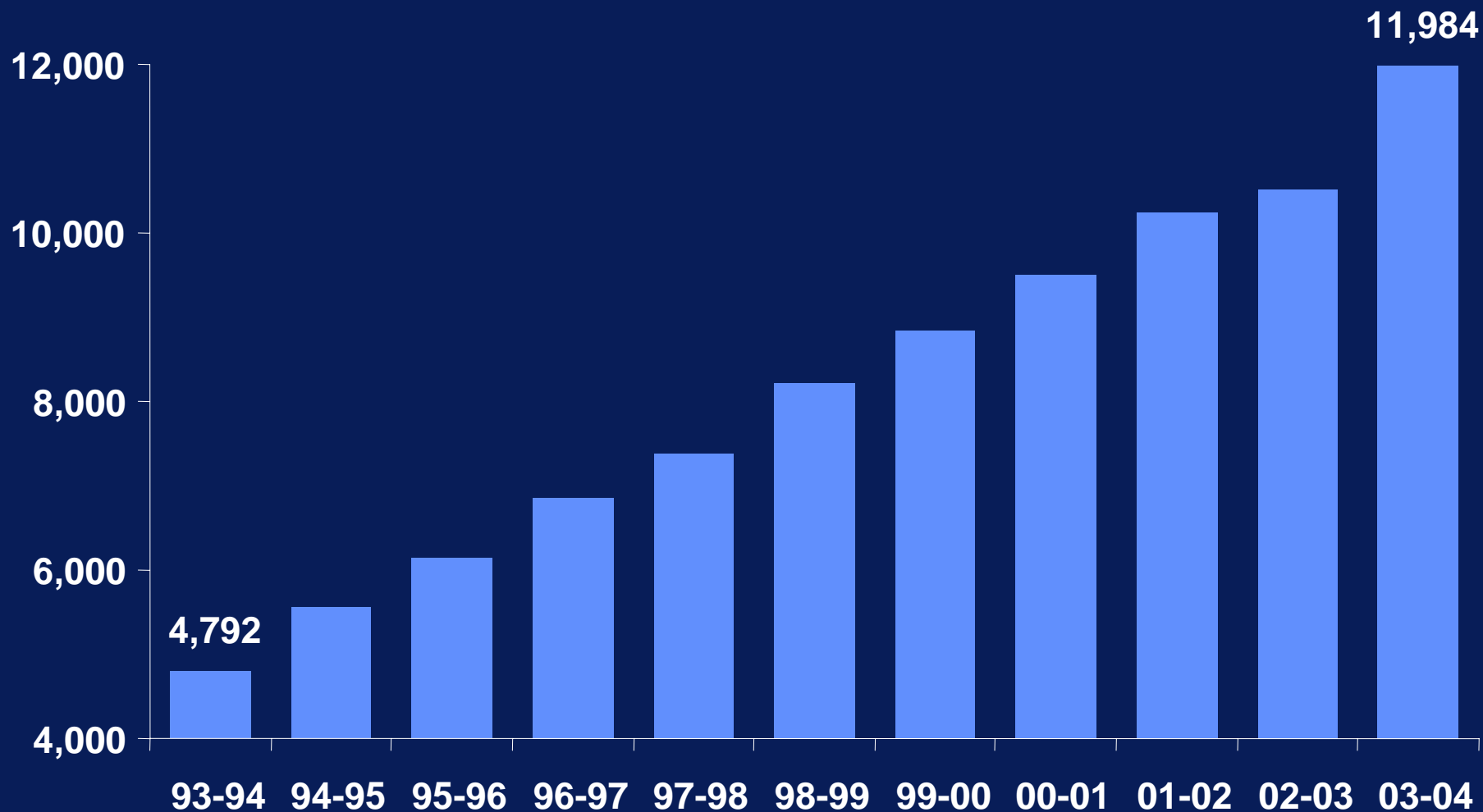
2003-04 Overall Average PSU Undergraduate Debt: \$18,600

Scholarships at Penn State

University Scholarship Spending for Undergraduates 1993-94 to 2003-04

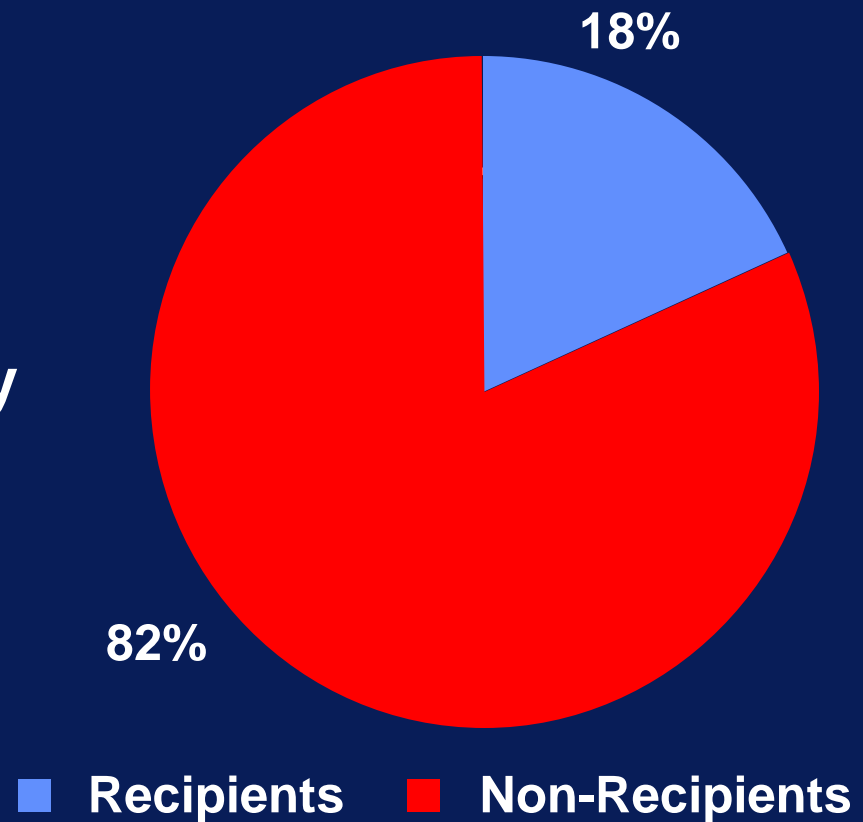


Undergraduate Students Assisted from University Scholarships 1993-94 to 2003-04



University Scholarship Recipients 2003-04

Out of 64,882
Undergraduates
11,984 received University
Scholarships



The Trustee Scholarship Program

Status of Fund Raising and 2004-05 Awards

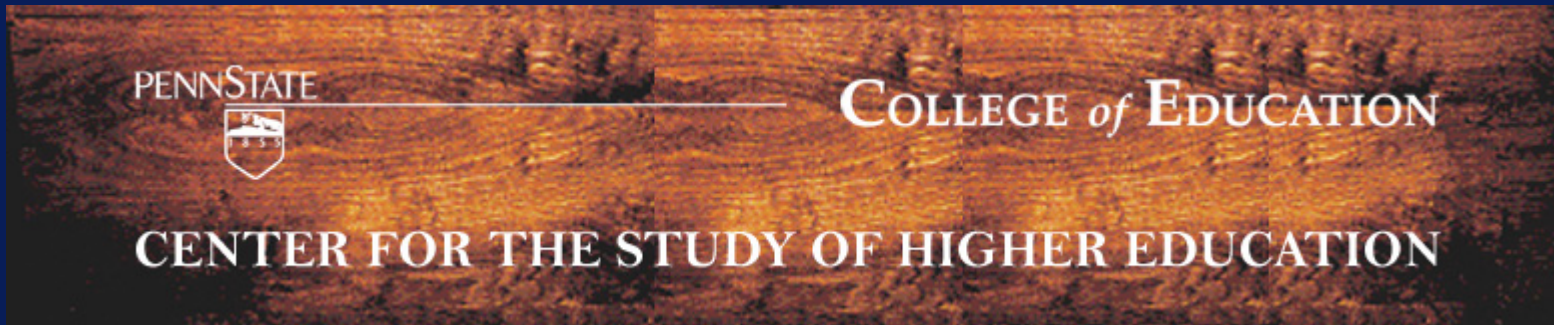
Program Goal	\$ 100M
Current Pledges	\$15.5M
No. Active Endowments	158
Available Awards	\$ 3.9M
Number of Awards	2,503

Profile of Trustee Scholarship Recipients

- 58% are first generation students
- 20% are low income (150% of poverty)
- 76% residents/24% non-residents
- Median GPA 3.35
- 22% are under-represented students
- All are Pell Grant recipients (family incomes primarily below \$40,000)

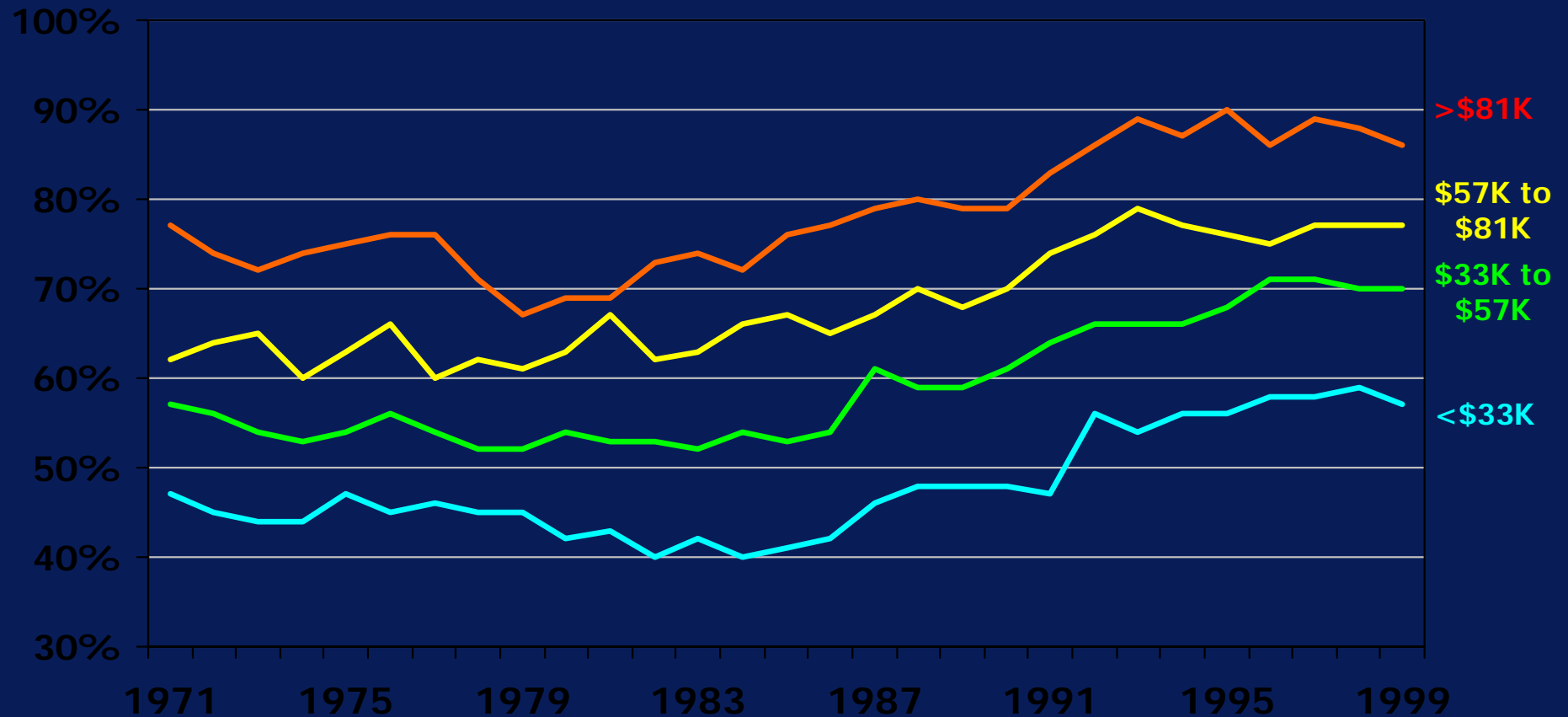
**University Faculty Senate
December 7, 2004**

**Trends in College Access and
Affordability:
The National Perspective**
Donald E. Heller



Why worry about college access?

College participation rates of unmarried 18-24 year old HS grads

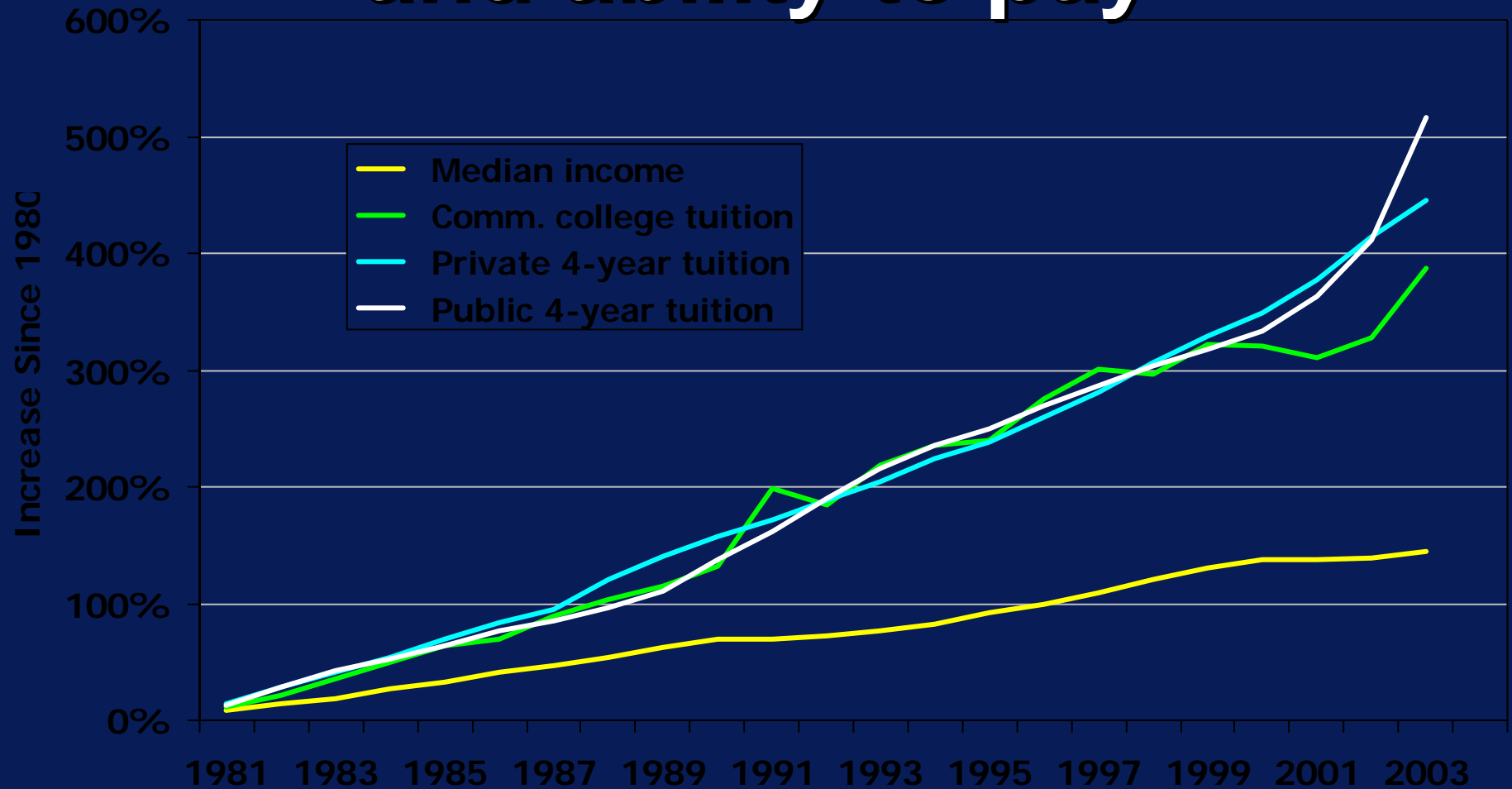


Academic barriers vs. financial barriers?

Percentage of 1992 High School Graduates Attending College by 1994

		<u>SES Quartile</u>	
		Lowest	Highest
<u>Test Quartile</u>	Lowest	36%	77% Not-so-smart rich kids
	Highest	78% Smart poor kids	97%

Changes in tuition prices and ability to pay



Research on financial aid

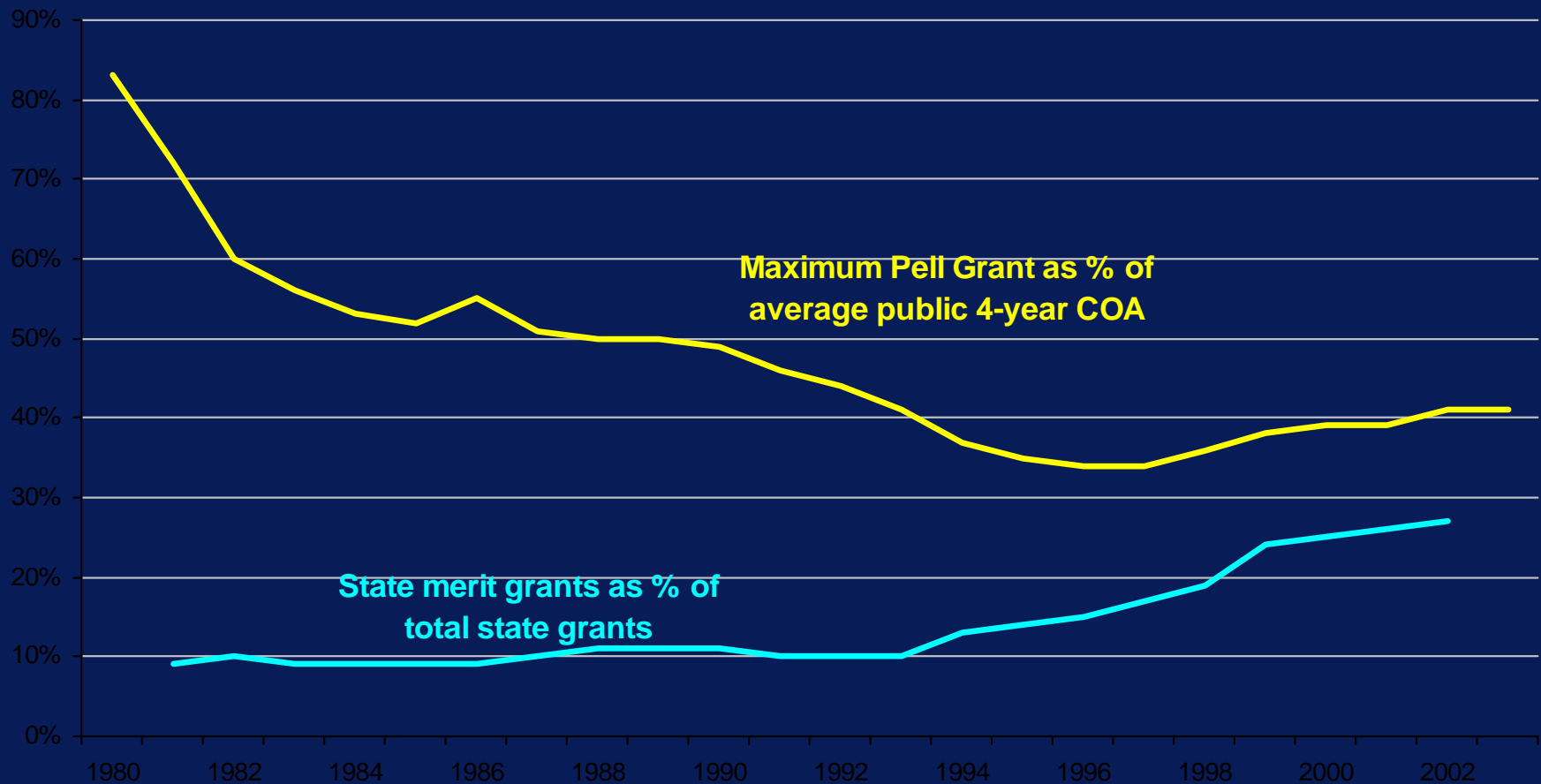
Most influential on the college entry decisions of lower-income students

Lower-income students are more responsive to tuition changes than changes in aid awards

Higher-income students are largely unresponsive to aid in terms of college entry, but can be influenced in terms of college choice

Grants are more influential than loans

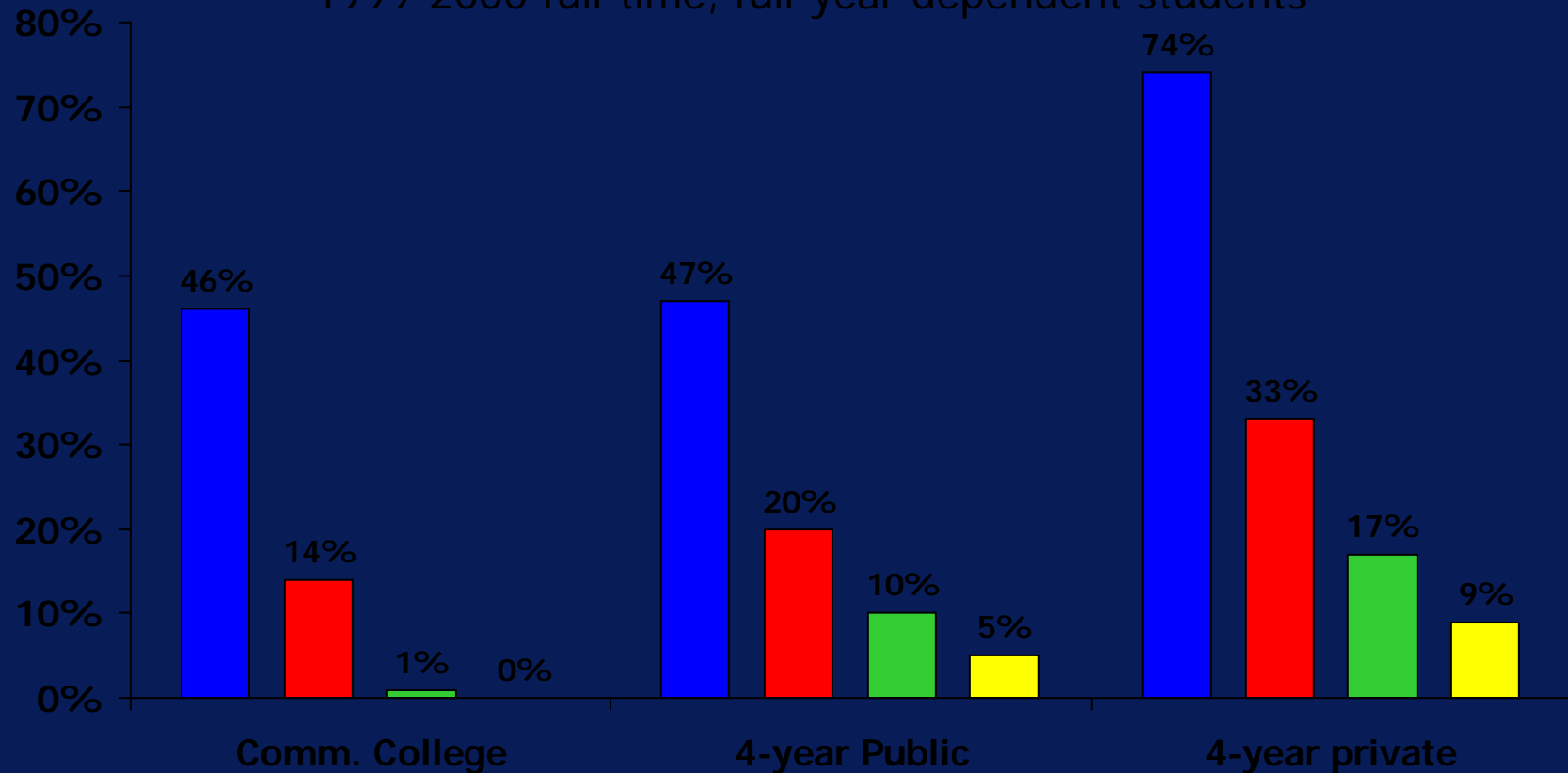
Changes in federal and state financial aid



The impact of borrowing & unmet need

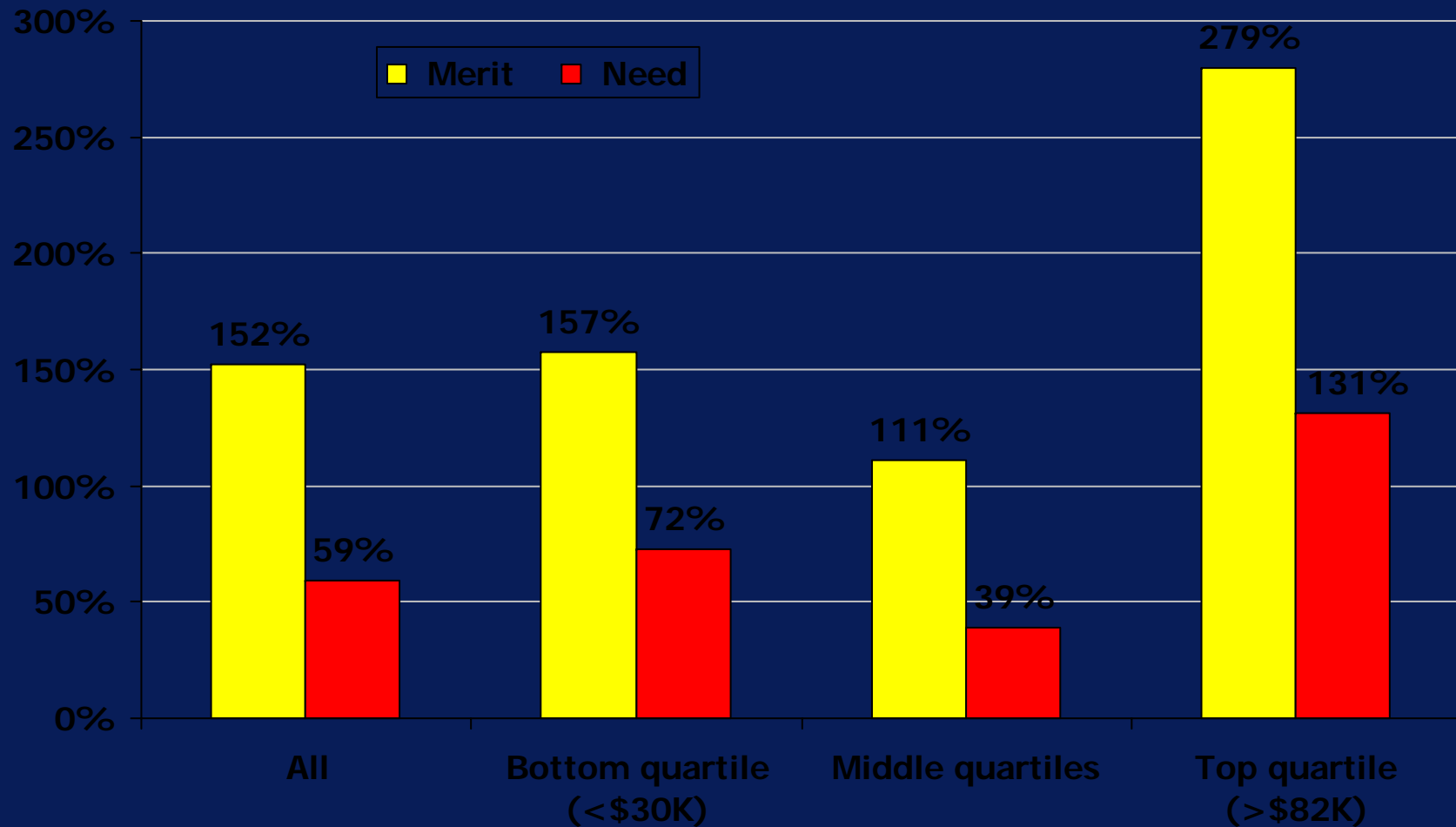
Cost of attendance – family contribution – grants – CWS – **loans** = **unmet need**

Loans + unmet need as a percentage of family income
1999-2000 full-time, full-year dependent students



Income groups: ■ <\$27,500 ■ \$27,500 - \$55,000 ■ \$55,000 - \$82,500 ■ >\$82,500

Growth of institutional grant dollars, 1993 to 2000



Full time, dependent students in 4-year institutions

Author's calculations from NPSAS

The challenges – a “perfect storm”

Increasing demand

- HS grads to increase 5% over next decade, 50% nationally will be Latino
- 700,000 more students at current participation rates

Lagging resources

- Operating expenditures
- Capital expenditures
- The promise of technology?

Unknown impact of NCLB on preparation, demand, and participation