

# the condition of education 2003



## INDICATOR 42

### Federal Grants and Loans

The indicator and corresponding tables are taken directly from *The Condition of Education 2003*. Therefore, the page numbers may not be sequential.

Additional information about the survey data and supplementary notes can be found in the full report. For a copy of *The Condition of Education 2003*, visit the NCES web site (<http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2003067>) or contact ED PUBs at 1-877-4ED-PUBS.

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# Financing for Postsecondary Education

## Federal Grants and Loans

*The percentage of full-time undergraduates with federal loans increased between 1992–93 and 1999–2000, but no change was observed in the percentage with federal grants.*

Grants and loans are the major forms of federal financial support to postsecondary students. Federal grants are typically available only to undergraduates from low-income families, whereas loans are available to all undergraduates and to graduate students as well. Federal loan programs were expanded in 1992 by extending eligibility for subsidized loans to more middle- and high-income students, introducing unsubsidized loans for students regardless of income, and allowing students to borrow larger amounts. Between 1992–93 (the last financial aid year before the changes took effect) and 1999–2000, the annual amounts borrowed by undergraduate and graduate students through federal loan programs grew (in constant 1999 dollars), from about \$18 billion to \$33 billion, while federal grant aid to undergraduates remained relatively stable at about \$8 billion (The College Board 2002).

During this same period, the percentage of undergraduates enrolled full time for the full academic year who had federal student loans increased from 31 to 44 percent, and the average amount they borrowed per year grew (in constant 1999 dollars) from \$4,000 to \$4,800 (see

supplemental table 42-1). About 30 percent of undergraduates received federal grants in both 1992–93 and 1999–2000, but the average amount of these grants grew from \$2,400 to \$2,500. The average percentage of federal aid received as loans increased from 54 to 64 percent.

The percentage with federal loans increased for full-time dependent undergraduates from middle-income families (from 31 to 47 percent) and high-income families (from 13 to 32 percent), and for full-time independent undergraduates (from 43 to 48 percent). For each of these groups, the average amount borrowed and the average percentage of federal aid received as loans also increased. For their low-income dependent counterparts, the percentage with federal loans was about 48 percent in both years, but the average loan amount increased from \$3,500 to \$4,300. The percentage receiving grants increased from 68 to 72 percent, and the average grant amount increased from \$2,600 to \$2,800. In both years, loans represented about 38 percent of federal financial aid and about 27 percent of all financial aid (from any source) received by low-income dependent students (see supplemental tables 42-1 and 42-2).

NOTE: Federal loans include Perkins, Stafford subsidized and unsubsidized, and Supplemental Loans to Students (SLS); federal grants are primarily Pell Grants and Supplemental Educational Opportunity Grants (SEOG) but also include Byrd scholarships. Total federal aid includes federal work-study aid as well as grants and loans. PLUS loans to parents, veteran's benefits, and tax credits are not included in any of the totals. Income for dependent students is based on parents' annual income in the prior year.

SOURCE: U.S. Department of Education, NCES, 1992–93 and 1999–2000 National Postsecondary Student Aid Study (NPSAS:1993 and NPSAS:2000).

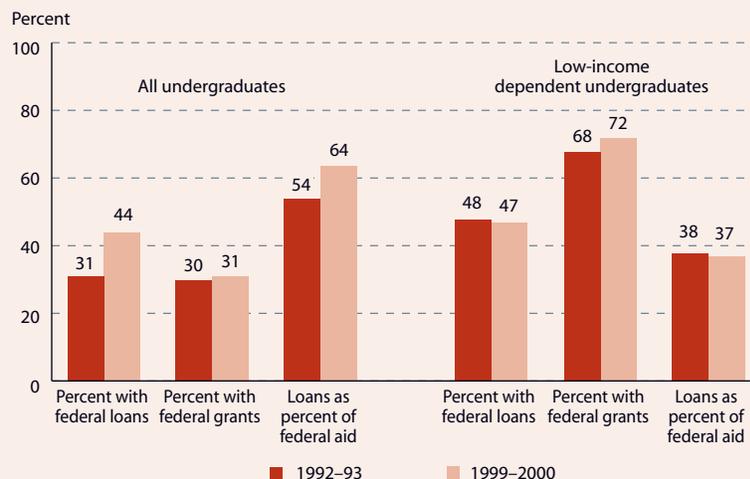


FOR MORE INFORMATION:  
Supplemental Notes 3, 8, 9, 10  
Supplemental Tables 42-1,  
42-2

NCES 2000–151

The College Board 2002

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



## Federal Grants and Loans

**Table 42-1.** Percentage of full-time, full-year undergraduates who received loans and grants, average annual amounts received by recipients (in constant 1999 dollars), and average percentage of aid received as loans, by source of aid, dependency status, and income: 1992–93 and 1999–2000

| Dependency status and income | Federal     |                 |             |                 |                                 | Total       |                 |             |                 |                               |
|------------------------------|-------------|-----------------|-------------|-----------------|---------------------------------|-------------|-----------------|-------------|-----------------|-------------------------------|
|                              | Loans       |                 | Grants      |                 | Loans as percent of federal aid | Loans       |                 | Grants      |                 | Loans as percent of total aid |
|                              | Percent     | Average dollars | Percent     | Average dollars |                                 | Percent     | Average dollars | Percent     | Average dollars |                               |
| <b>1992–93</b>               |             |                 |             |                 |                                 |             |                 |             |                 |                               |
| <b>Total</b>                 | <b>31.5</b> | <b>\$4,000</b>  | <b>29.7</b> | <b>\$2,400</b>  | <b>53.7</b>                     | <b>32.5</b> | <b>\$4,100</b>  | <b>49.3</b> | <b>\$4,200</b>  | <b>33.7</b>                   |
| Dependent undergraduates     | 27.2        | 3,600           | 20.6        | 2,200           | 59.2                            | 28.3        | 3,800           | 43.2        | 4,500           | 32.2                          |
| Low-income quartile          | 48.4        | 3,500           | 68.3        | 2,600           | 38.1                            | 48.8        | 3,500           | 79.2        | 4,700           | 27.5                          |
| Middle-income quartiles      | 30.9        | 3,600           | 15.1        | 1,600           | 72.1                            | 32.0        | 3,800           | 42.9        | 4,600           | 37.3                          |
| High-income quartile         | 13.3        | 3,800           | 1.0         | 1,700           | 88.0                            | 15.1        | 4,200           | 25.4        | 4,400           | 31.4                          |
| Independent undergraduates   | 42.5        | 4,700           | 53.1        | 2,500           | 45.9                            | 43.1        | 4,800           | 64.9        | 3,500           | 36.5                          |
| <b>1999–2000</b>             |             |                 |             |                 |                                 |             |                 |             |                 |                               |
| <b>Total</b>                 | <b>43.9</b> | <b>\$4,800</b>  | <b>30.5</b> | <b>\$2,500</b>  | <b>64.0</b>                     | <b>45.1</b> | <b>\$5,500</b>  | <b>58.8</b> | <b>\$5,000</b>  | <b>40.6</b>                   |
| Dependent undergraduates     | 42.6        | 4,200           | 23.1        | 2,400           | 68.4                            | 43.8        | 4,900           | 56.2        | 5,500           | 39.6                          |
| Low-income quartile          | 46.9        | 4,300           | 72.4        | 2,800           | 36.6                            | 47.8        | 4,800           | 83.2        | 5,500           | 26.1                          |
| Middle-income quartiles      | 46.6        | 4,200           | 13.1        | 1,600           | 81.2                            | 47.9        | 4,900           | 53.7        | 5,400           | 45.1                          |
| High-income quartile         | 31.9        | 4,200           | 0.7         | 1,600           | 94.6                            | 33.4        | 5,200           | 38.7        | 5,300           | 44.4                          |
| Independent undergraduates   | 47.6        | 6,400           | 51.1        | 2,700           | 54.5                            | 48.5        | 6,800           | 65.9        | 3,800           | 43.1                          |

NOTE: Federal loans include Perkins, Stafford subsidized and unsubsidized, and Supplemental Loans to Students (SLS). Total loans include federal, state, institutional, and private loans. PLUS loans to parents are not included in either the federal or total loan categories. Federal grants are primarily Pell Grants and Supplemental Educational Opportunity Grants (SEOG) but also include Byrd scholarships. Total grants include federal, state, institutional, and private grants, including employer reimbursements. Income for dependent students is based on parents' annual income in the prior year. Income quartiles are described in *supplemental note 9*. Estimates for the 1992–93 academic year were converted to 1999 dollars using the average annual Consumer Price Index for All Urban Consumers (CPI-U).

SOURCE: U.S. Department of Education, NCES, 1992–93 and 1999–2000 National Postsecondary Student Aid Study (NPSAS:93 and NPSAS:2000).

**Table 42-2.** Percentage of full-time, full-year undergraduates who received loans and grants, average annual amounts received by recipients (in constant 1999 dollars), and average percentage of aid received as loans, by source of aid and type of institution: 1992–93 and 1999–2000

| Type of institution           | Federal     |                 |             |                 |                                 | Total       |                 |             |                 |                               |
|-------------------------------|-------------|-----------------|-------------|-----------------|---------------------------------|-------------|-----------------|-------------|-----------------|-------------------------------|
|                               | Loans       |                 | Grants      |                 | Loans as percent of federal aid | Loans       |                 | Grants      |                 | Loans as percent of total aid |
|                               | Percent     | Average dollars | Percent     | Average dollars |                                 | Percent     | Average dollars | Percent     | Average dollars |                               |
| <b>1992–93</b>                |             |                 |             |                 |                                 |             |                 |             |                 |                               |
| <b>Total</b>                  | <b>31.5</b> | <b>\$4,000</b>  | <b>29.7</b> | <b>\$2,400</b>  | <b>53.7</b>                     | <b>32.5</b> | <b>\$4,100</b>  | <b>49.3</b> | <b>\$4,200</b>  | <b>33.7</b>                   |
| Public 2-year                 | 11.4        | 2,800           | 30.3        | 2,100           | 23.1                            | 11.8        | 2,800           | 42.5        | 2,300           | 16.1                          |
| Public 4-year                 | 30.8        | 3,700           | 27.2        | 2,300           | 57.1                            | 31.7        | 3,800           | 44.1        | 3,100           | 38.3                          |
| Private not-for-profit 4-year | 44.0        | 4,400           | 27.0        | 2,800           | 65.1                            | 45.8        | 4,600           | 63.2        | 7,200           | 30.7                          |
| <b>1999–2000</b>              |             |                 |             |                 |                                 |             |                 |             |                 |                               |
| <b>Total</b>                  | <b>43.9</b> | <b>\$4,800</b>  | <b>30.5</b> | <b>\$2,500</b>  | <b>64.0</b>                     | <b>45.1</b> | <b>\$5,500</b>  | <b>58.8</b> | <b>\$5,000</b>  | <b>40.6</b>                   |
| Public 2-year                 | 16.3        | 3,400           | 32.4        | 2,500           | 30.5                            | 17.1        | 3,900           | 49.7        | 2,600           | 21.0                          |
| Public 4-year                 | 47.4        | 4,700           | 28.9        | 2,500           | 70.2                            | 48.4        | 5,000           | 54.5        | 3,800           | 48.3                          |
| Private not-for-profit 4-year | 58.2        | 5,100           | 27.5        | 2,700           | 71.9                            | 59.9        | 6,300           | 75.0        | 8,400           | 35.9                          |

NOTE: Federal loans include Perkins, Stafford subsidized and unsubsidized, and Supplemental Loans to Students (SLS). Total loans include federal, state, institutional, and private loans. PLUS loans to parents are not included in either the federal or total loan categories. Federal grants are primarily Pell Grants and Supplemental Educational Opportunity Grants (SEOG) but also include Byrd scholarships. Total grants include federal, state, institutional, and private grants, including employer reimbursements. Income for dependent students is based on parents' annual income in the prior year. See *supplemental note 8* for a description of types of institutions. Estimates for the 1992–93 academic year were converted to 1999 dollars using the average annual Consumer Price Index for All Urban Consumers (CPI-U).

SOURCE: U.S. Department of Education, NCES, 1992–93 and 1999–2000 National Postsecondary Student Aid Study (NPSAS:93 and NPSAS:2000).

## Federal Grants and Loans

**Table S42.** Standard errors for the percentage of all undergraduates and low-income dependent undergraduates, among full-time, full-year undergraduates, who received federal loans and grants, and the average percentage of federal aid received as loans: 1992–93 and 1999–2000

| Financial aid status                | 1992–93 | 1999–2000 |
|-------------------------------------|---------|-----------|
| All undergraduates                  |         |           |
| Percent with federal loans          | 0.8     | 0.7       |
| Percent with federal grants         | 0.8     | 0.6       |
| Loans as percent of federal aid     | 1.1     | 0.8       |
| Low-income dependent undergraduates |         |           |
| Percent with federal loans          | 1.8     | 1.6       |
| Percent with federal grants         | 1.5     | 1.2       |
| Loans as percent of federal aid     | 1.4     | 1.2       |

SOURCE: U.S. Department of Education, NCES, 1992–93 and 1999–2000 National Postsecondary Student Aid Study (NPSAS:93 and NPSAS:2000).

## Federal Grants and Loans

**Table S42-1.** Standard errors for the percentage of full-time, full-year undergraduates who received loans and grants, average annual amounts received by recipients (in constant 1999 dollars), and average percentage of aid received as loans, by source of aid, dependency status, and income: 1992–93 and 1999–2000

| Dependency status and income | Federal         |                 |                 |                 |                                 | Total           |                 |                 |                 |                               |
|------------------------------|-----------------|-----------------|-----------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|
|                              | Loans           |                 | Grants          |                 | Loans as percent of federal aid | Loans           |                 | Grants          |                 | Loans as percent of total aid |
|                              | Average Percent | Average dollars | Average Percent | Average dollars |                                 | Average Percent | Average dollars | Average Percent | Average dollars |                               |
| <b>1992–93</b>               |                 |                 |                 |                 |                                 |                 |                 |                 |                 |                               |
| <b>Total</b>                 | <b>0.78</b>     | <b>\$50</b>     | <b>0.77</b>     | <b>\$20</b>     | <b>1.13</b>                     | <b>0.79</b>     | <b>\$50</b>     | <b>0.77</b>     | <b>\$100</b>    | <b>0.78</b>                   |
| Dependent undergraduates     | 0.79            | 50              | 0.71            | 30              | 1.23                            | 0.81            | 50              | 0.83            | 140             | 0.87                          |
| Low-income quartile          | 1.76            | 60              | 1.49            | 30              | 1.40                            | 1.77            | 60              | 1.26            | 160             | 1.10                          |
| Middle-income quartiles      | 1.10            | 60              | 0.62            | 40              | 1.05                            | 1.12            | 60              | 1.15            | 190             | 1.18                          |
| High-income quartile         | 0.73            | 90              | 0.18            | 200             | 1.24                            | 0.81            | 120             | 0.97            | 180             | 1.51                          |
| Independent undergraduates   | 1.32            | 90              | 1.15            | 30              | 1.36                            | 1.32            | 90              | 1.10            | 70              | 1.14                          |
| <b>1999–2000</b>             |                 |                 |                 |                 |                                 |                 |                 |                 |                 |                               |
| <b>Total</b>                 | <b>0.65</b>     | <b>\$40</b>     | <b>0.62</b>     | <b>\$20</b>     | <b>0.78</b>                     | <b>0.64</b>     | <b>\$50</b>     | <b>0.61</b>     | <b>\$90</b>     | <b>0.64</b>                   |
| Dependent undergraduates     | 0.68            | 40              | 0.61            | 30              | 0.87                            | 0.68            | 50              | 0.70            | 110             | 0.69                          |
| Low-income quartile          | 1.56            | 80              | 1.22            | 30              | 1.19                            | 1.54            | 100             | 1.00            | 140             | 0.97                          |
| Middle-income quartiles      | 0.92            | 40              | 0.52            | 40              | 0.78                            | 0.90            | 70              | 0.92            | 160             | 0.86                          |
| High-income quartile         | 0.90            | 60              | 0.15            | 270             | 0.60                            | 0.91            | 110             | 1.01            | 170             | 1.18                          |
| Independent undergraduates   | 1.30            | 90              | 1.06            | 30              | 1.17                            | 1.30            | 110             | 1.08            | 70              | 1.16                          |

SOURCE: U.S. Department of Education, NCES, 1992–93 and 1999–2000 National Postsecondary Student Aid Study (NPSAS:93 and NPSAS:2000).

**Table S42-2.** Standard errors for the percentage of full-time, full-year undergraduates who received loans and grants, average annual amounts received by recipients (in constant 1999 dollars), and average percentage of aid received as loans, by source of aid and type of institution: 1992–93 and 1999–2000

| Type of institution           | Federal         |                 |                 |                 |                                 | Total           |                 |                 |                 |                               |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|-------------------------------|
|                               | Loans           |                 | Grants          |                 | Loans as percent of federal aid | Loans           |                 | Grants          |                 | Loans as percent of total aid |
|                               | Average Percent | Average dollars | Average Percent | Average dollars |                                 | Average Percent | Average dollars | Average Percent | Average dollars |                               |
| <b>1992–93</b>                |                 |                 |                 |                 |                                 |                 |                 |                 |                 |                               |
| <b>Total</b>                  | <b>0.78</b>     | <b>\$50</b>     | <b>0.77</b>     | <b>\$20</b>     | <b>1.13</b>                     | <b>0.79</b>     | <b>\$50</b>     | <b>0.77</b>     | <b>\$100</b>    | <b>0.78</b>                   |
| Public 2-year                 | 1.39            | 140             | 1.89            | 60              | 2.11                            | 1.42            | 140             | 2.29            | 80              | 1.56                          |
| Public 4-year                 | 0.87            | 50              | 0.90            | 20              | 1.25                            | 0.88            | 50              | 0.90            | 50              | 0.94                          |
| Private not-for-profit 4-year | 1.34            | 70              | 1.83            | 50              | 2.05                            | 1.36            | 80              | 1.56            | 240             | 0.93                          |
| <b>1999–2000</b>              |                 |                 |                 |                 |                                 |                 |                 |                 |                 |                               |
| <b>Total</b>                  | <b>0.65</b>     | <b>\$40</b>     | <b>0.62</b>     | <b>\$20</b>     | <b>0.78</b>                     | <b>0.64</b>     | <b>\$50</b>     | <b>0.61</b>     | <b>\$90</b>     | <b>0.64</b>                   |
| Public 2-year                 | 1.34            | 110             | 1.26            | 50              | 2.34                            | 1.37            | 220             | 1.58            | 80              | 1.99                          |
| Public 4-year                 | 0.80            | 50              | 0.91            | 20              | 1.01                            | 0.79            | 60              | 0.78            | 60              | 0.73                          |
| Private not-for-profit 4-year | 1.25            | 70              | 1.33            | 50              | 1.60                            | 1.21            | 100             | 1.17            | 220             | 1.09                          |

SOURCE: U.S. Department of Education, NCES, 1992–93 and 1999–2000 National Postsecondary Student Aid Study (NPSAS:93 and NPSAS:2000).