

Academic Advising Conference
Penn State Division of Undergraduate Studies
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Financial Aid and Demographics: How Students and College Financing Are Changing

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PENNSTATE



COLLEGE *of* EDUCATION

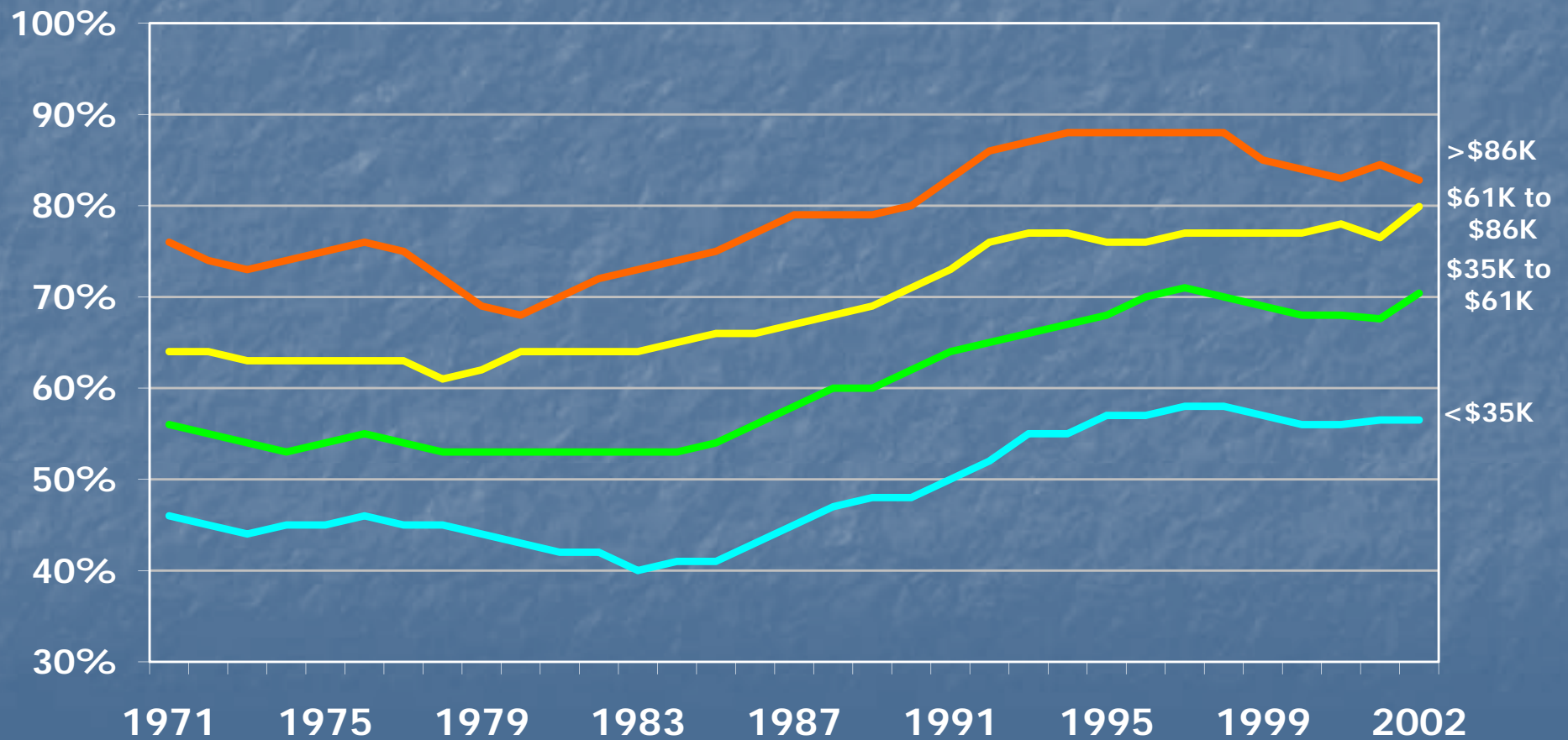
CENTER FOR THE STUDY OF HIGHER EDUCATION

Overview

- Measures of college access
- Determinants of college access
- How financial aid is distributed
- Changing demographics
- Questions and discussion

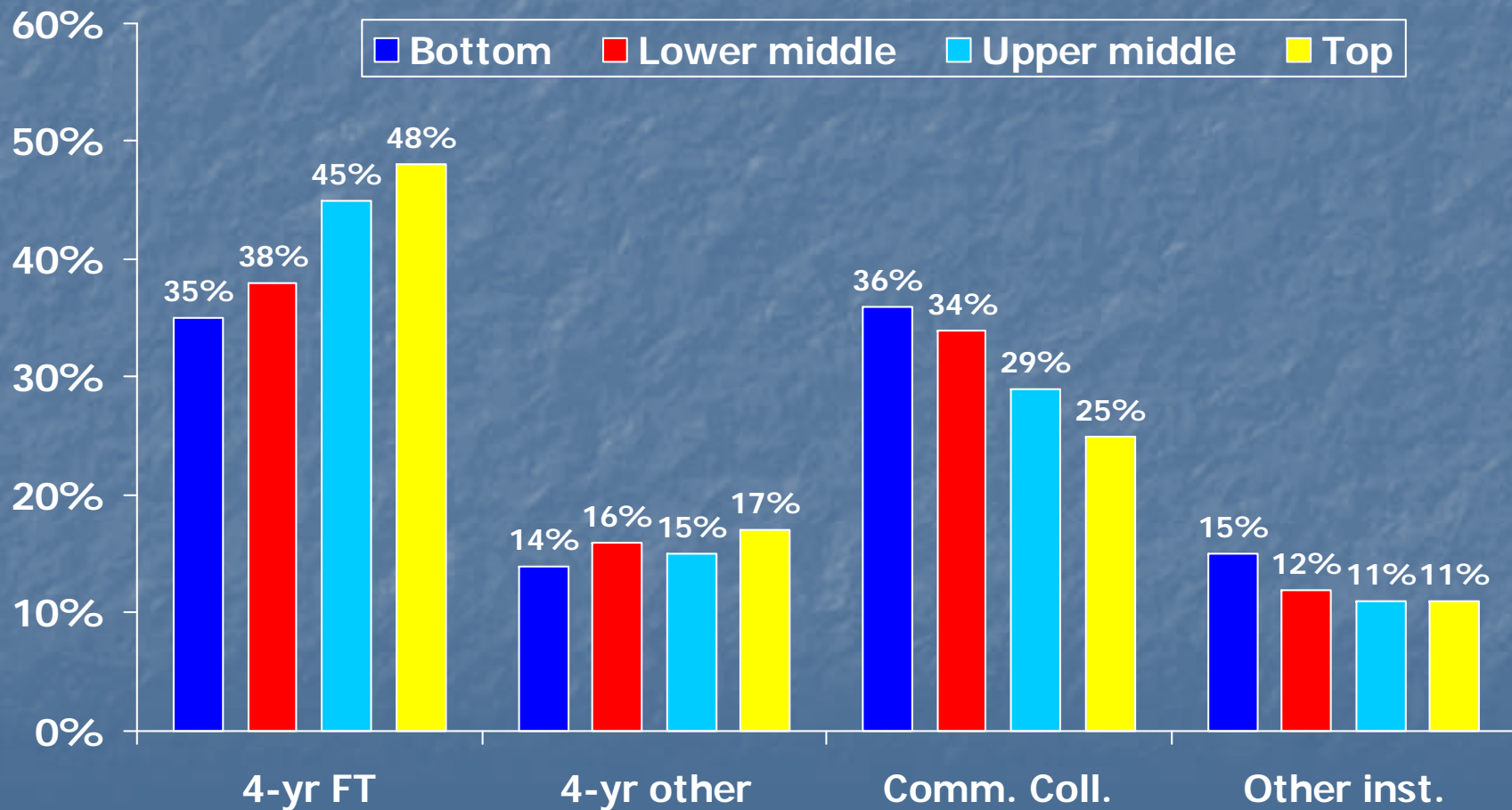
Why worry about college access?

College participation rates of unmarried 18-24 year old HS grads,
by family income quartile



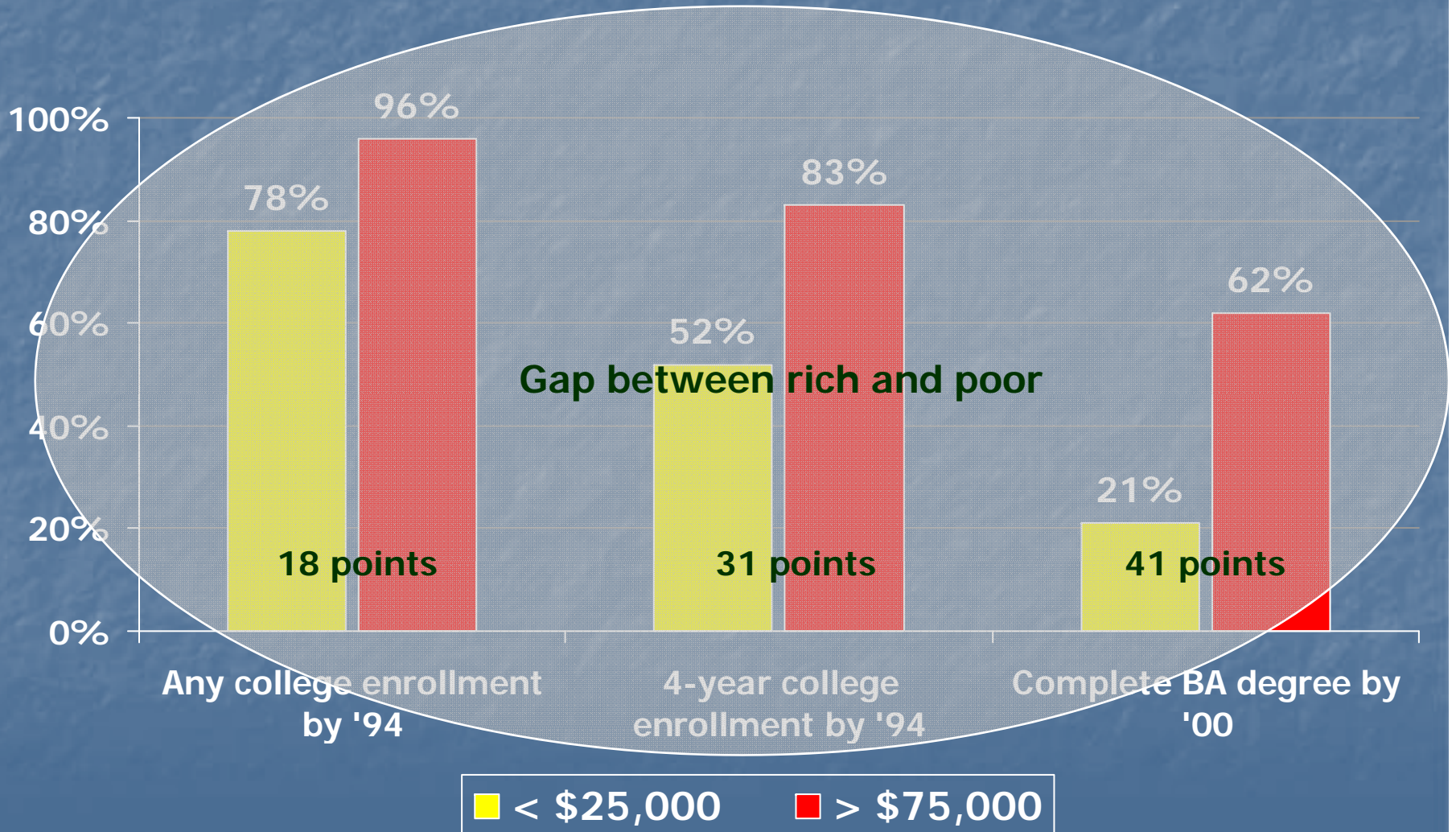
Stratification in higher education

Distribution of each income quartile by sector and attendance
2003-2004 dependent students



The educational pipeline – *college-qualified students*

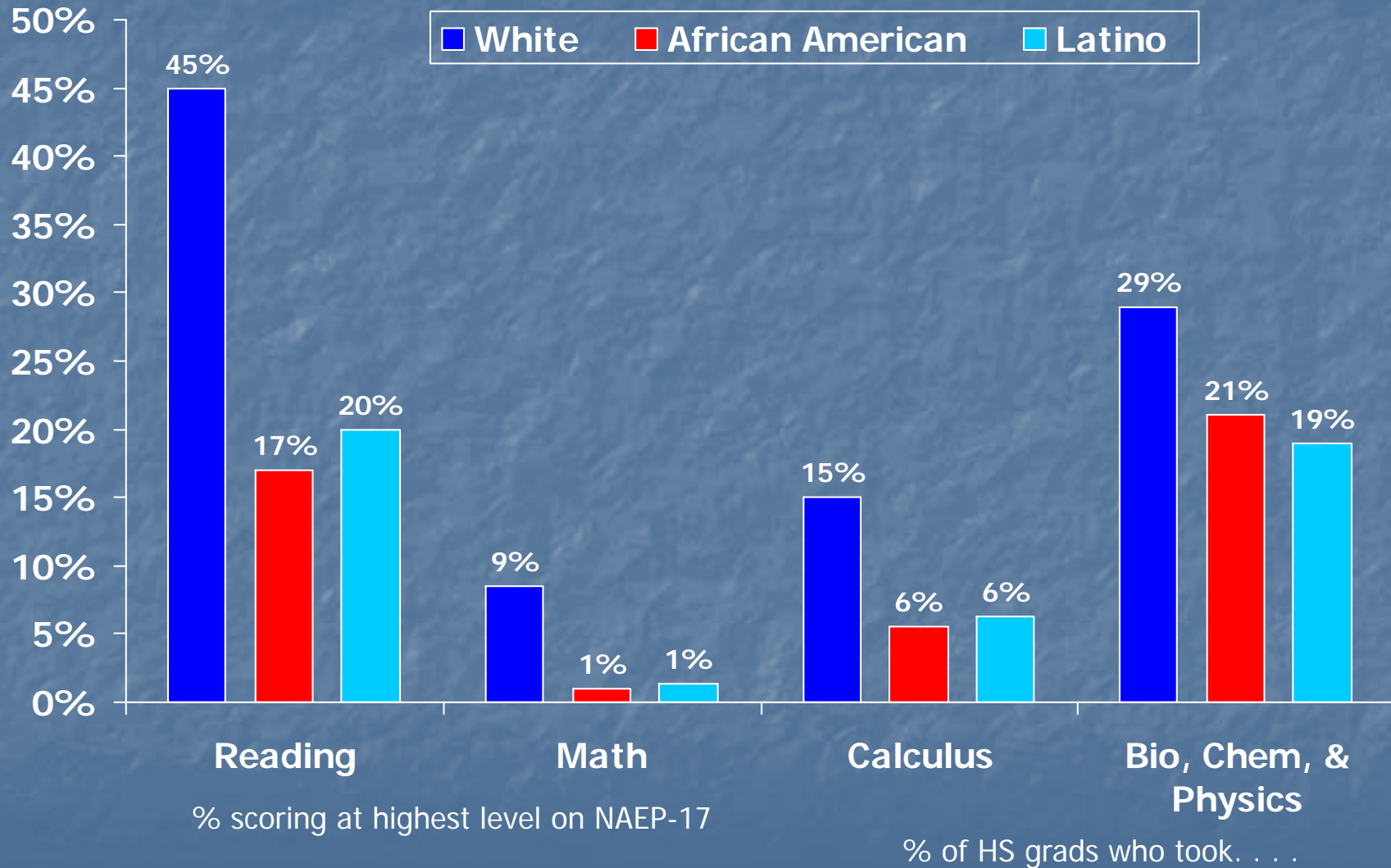
1988 8th graders by family income in 1991



Determinants of access

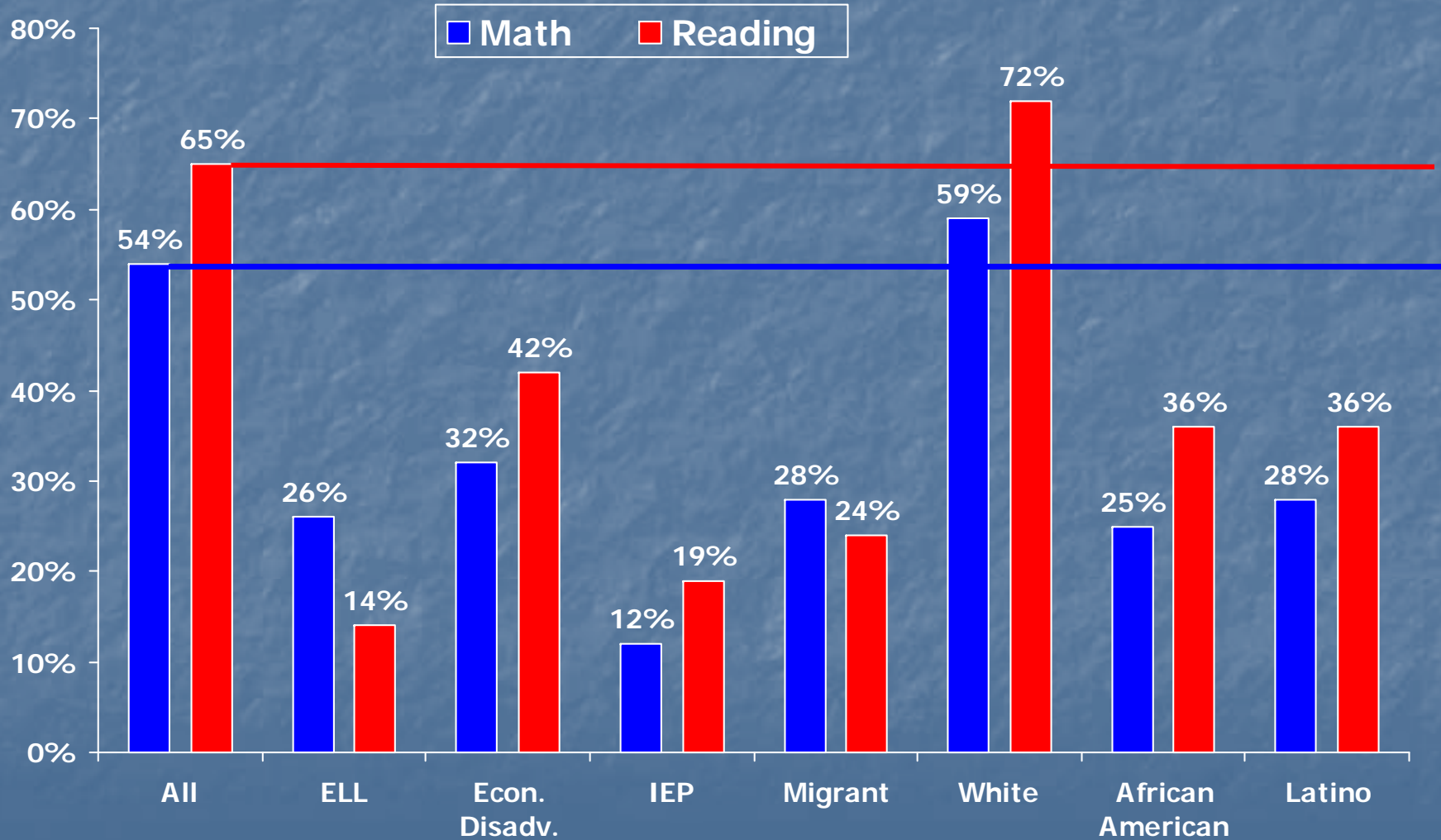
- Academic
- Social and cultural
- Financial

Academic achievement – U.S.



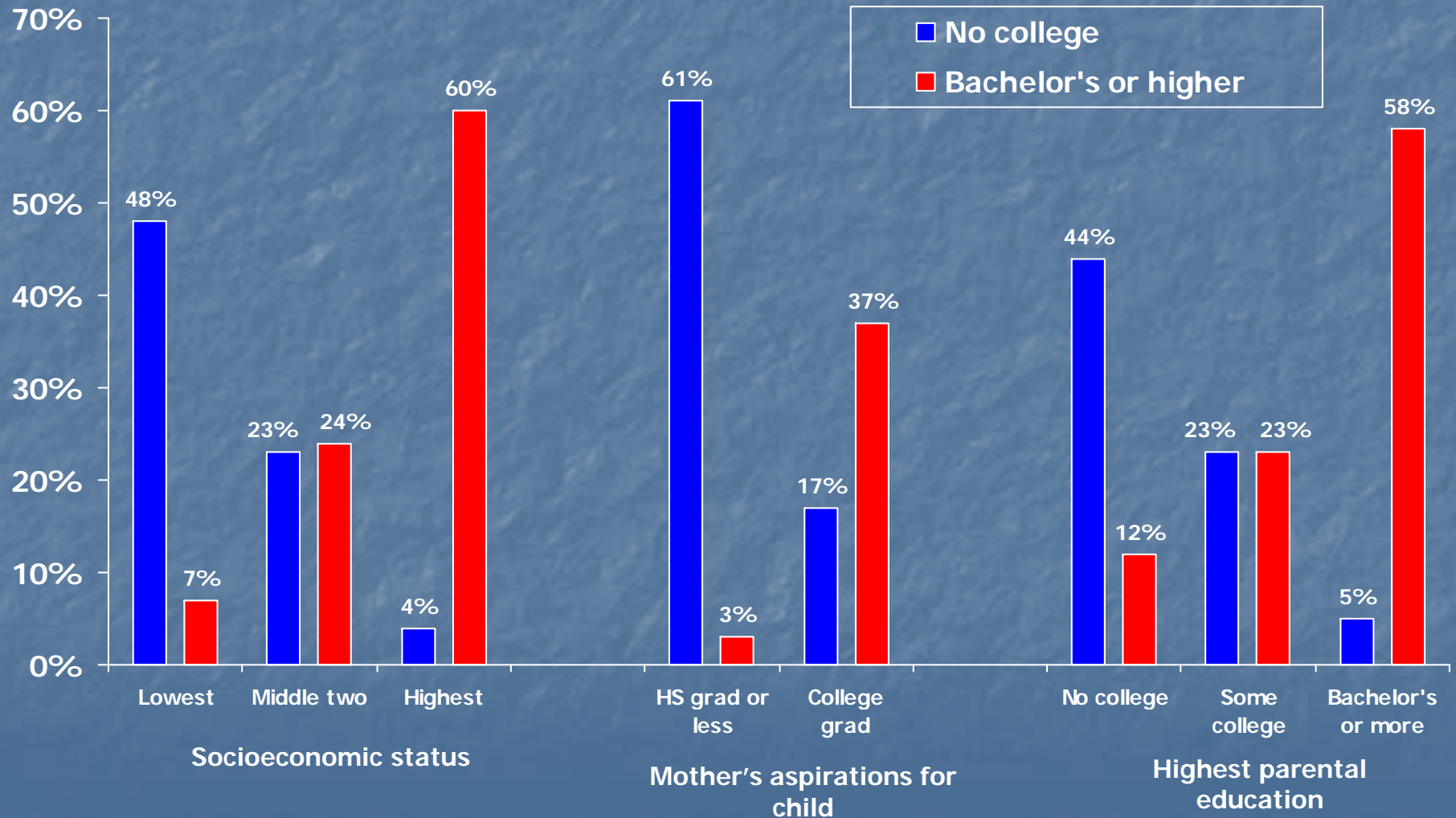
Academic achievement - PSSA

% scoring proficient or advanced (grade 11)



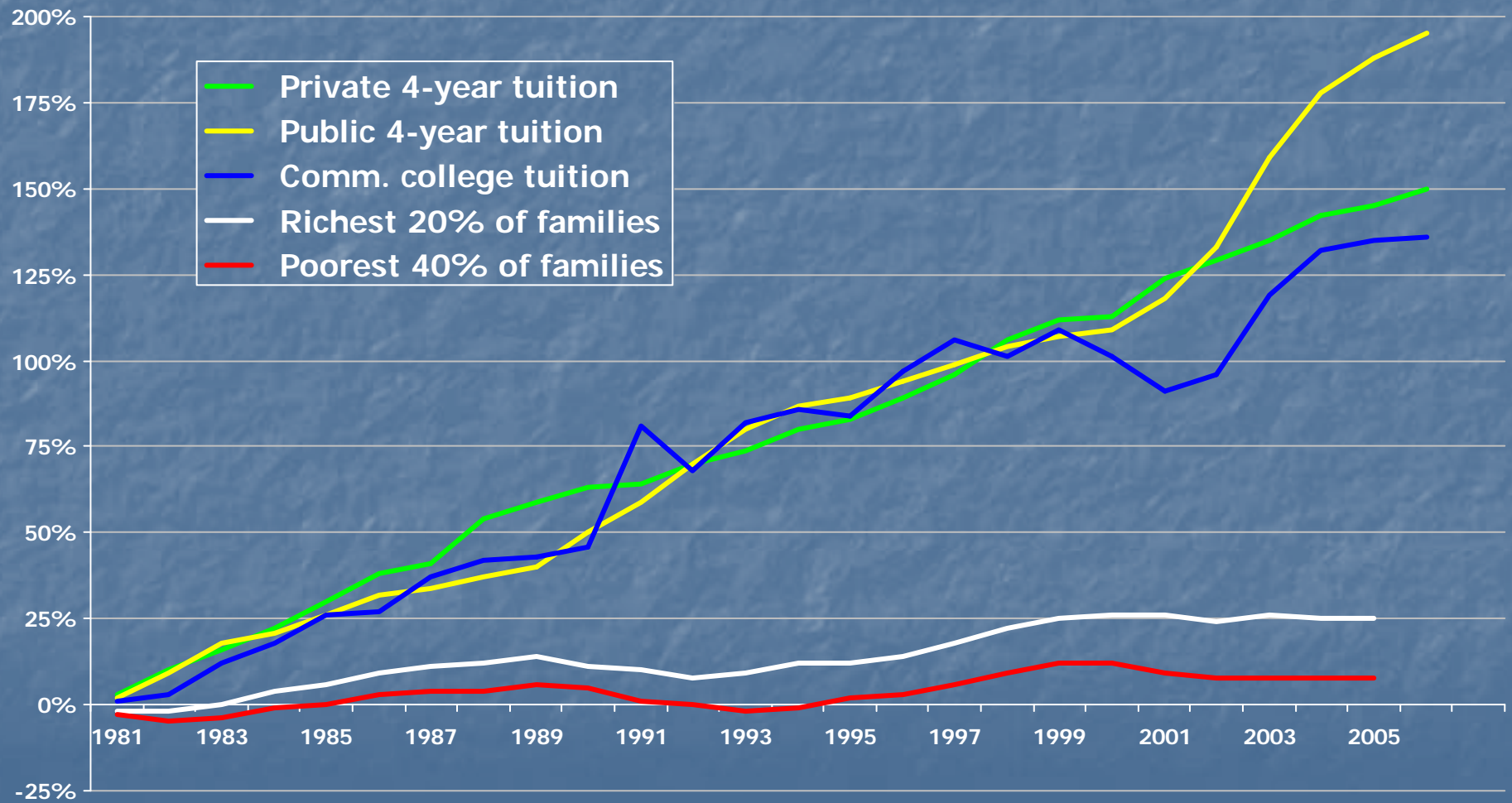
Academic achievement – U.S.

Highest educational attainment level, 1992 HS grads

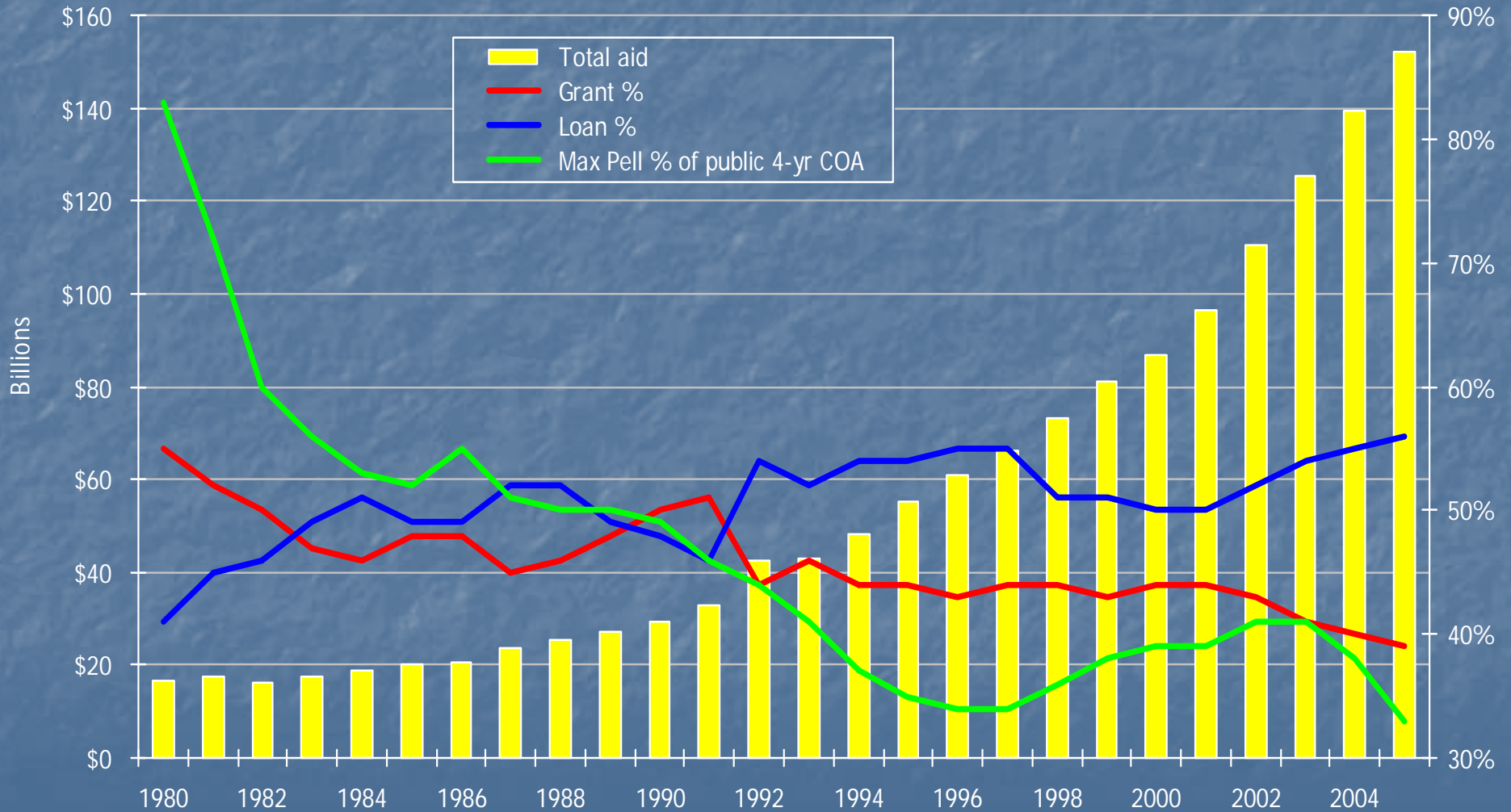


Changes in tuition prices and income

Increase since 1980, **constant** (2006) dollars

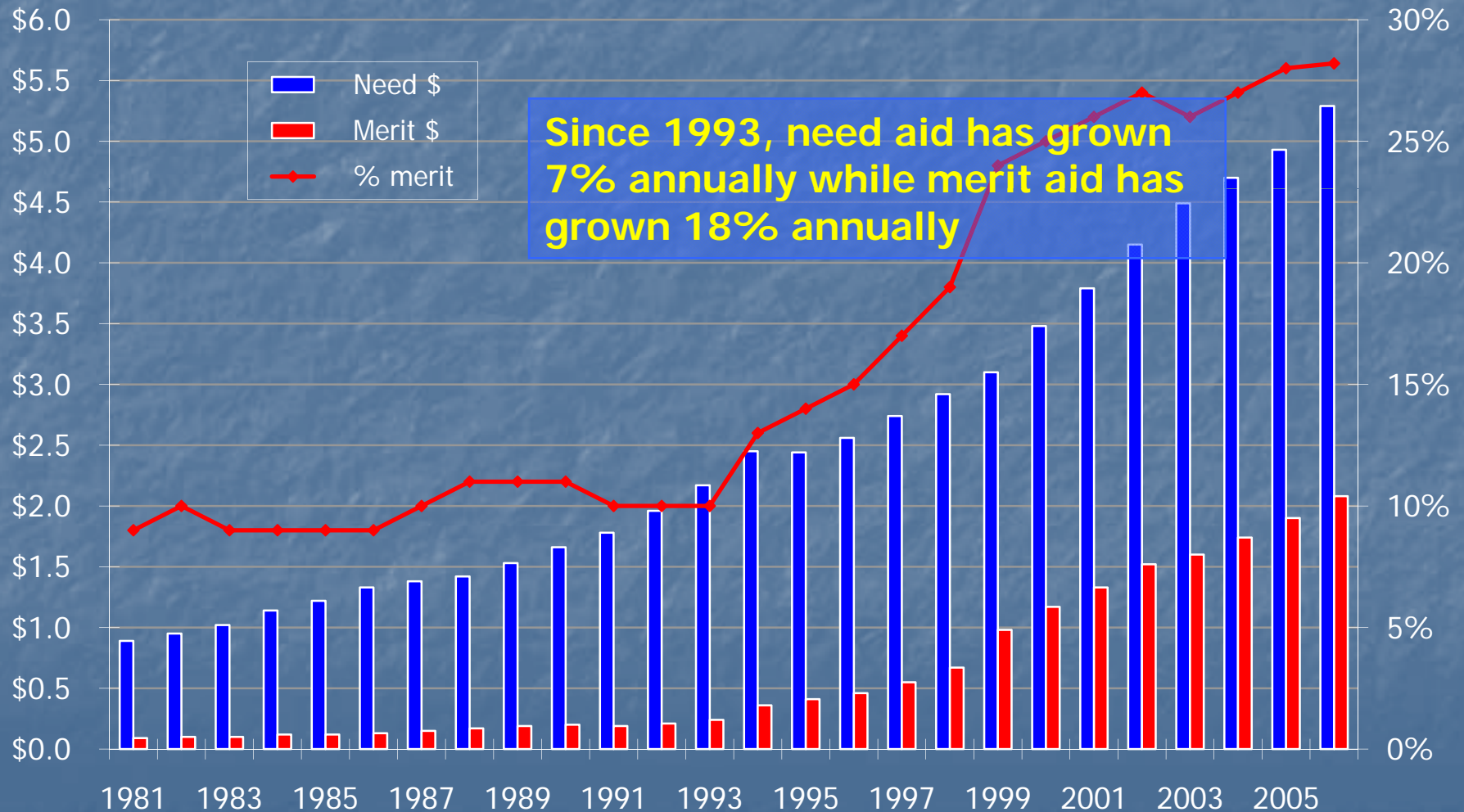


The growth – and shift – in financial aid



State spending on undergraduate grants

Billions of dollars



Distribution of grant dollars by income quartile

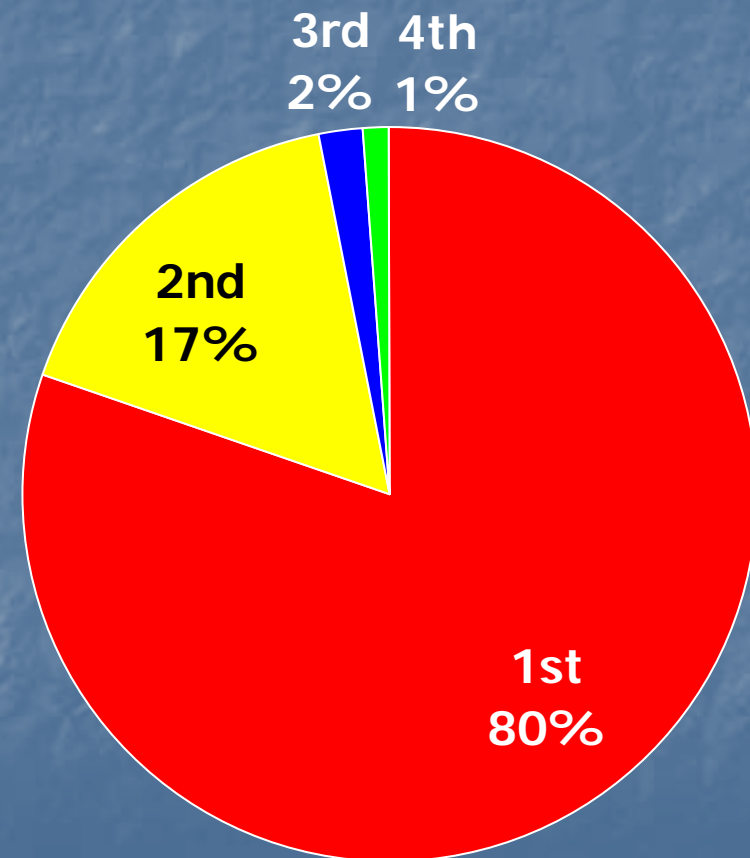
2003-2004 dependent students, all institutions

- Family income quartiles (2002)

- 1st: < \$33,346
- 2nd: \$33,346 - \$60,175
- 3rd: \$60,176 - \$92,433
- 4th: > \$92,433

- Census benchmark – Median income of all families with at least one child ages 6 to 17 in 2002: \$54,249

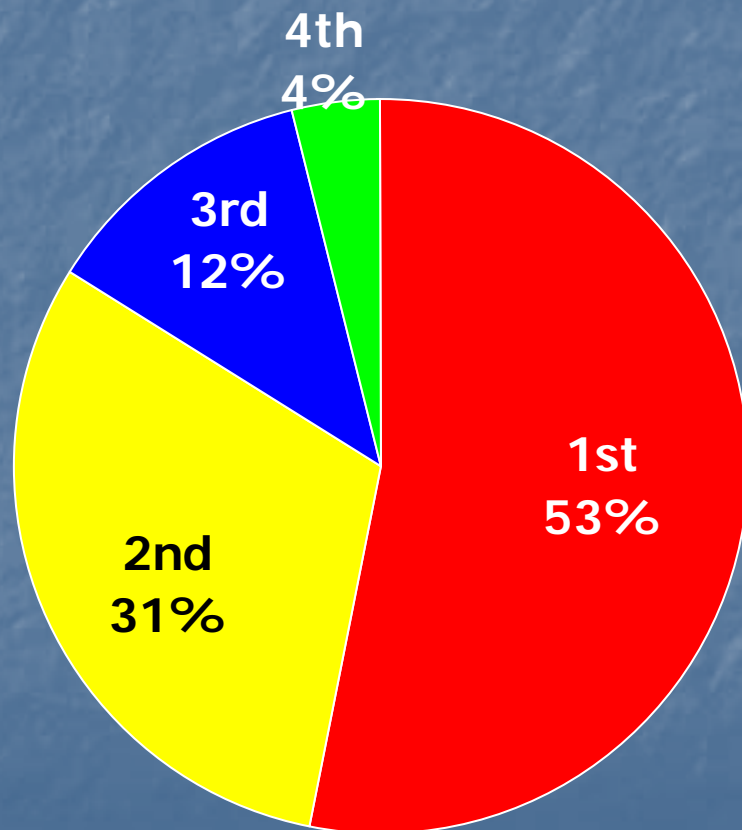
Federal grants, \$4.0B



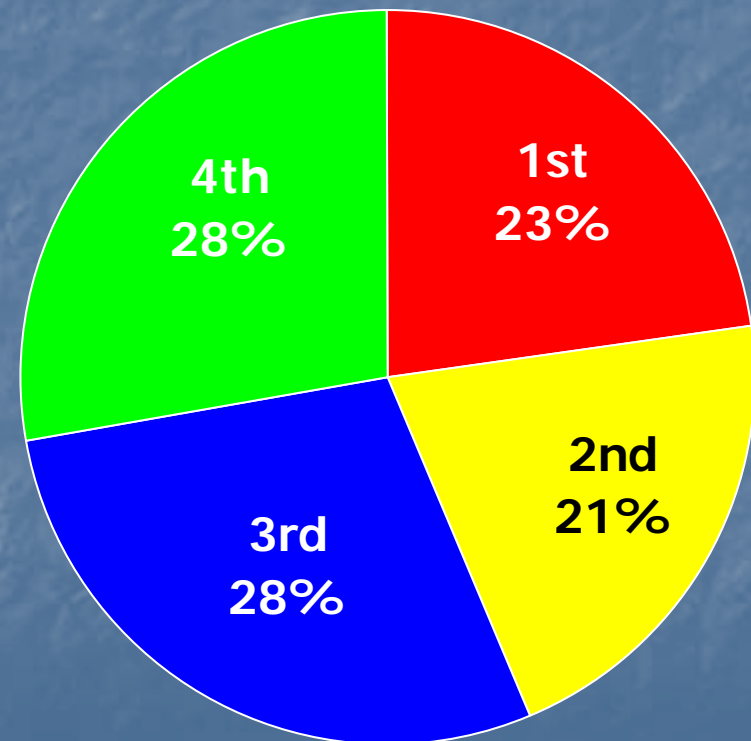
State grant dollars by income quartile

2003-2004 dependent students, all institutions

Need grants, \$2.3B



Merit grants, \$0.7B

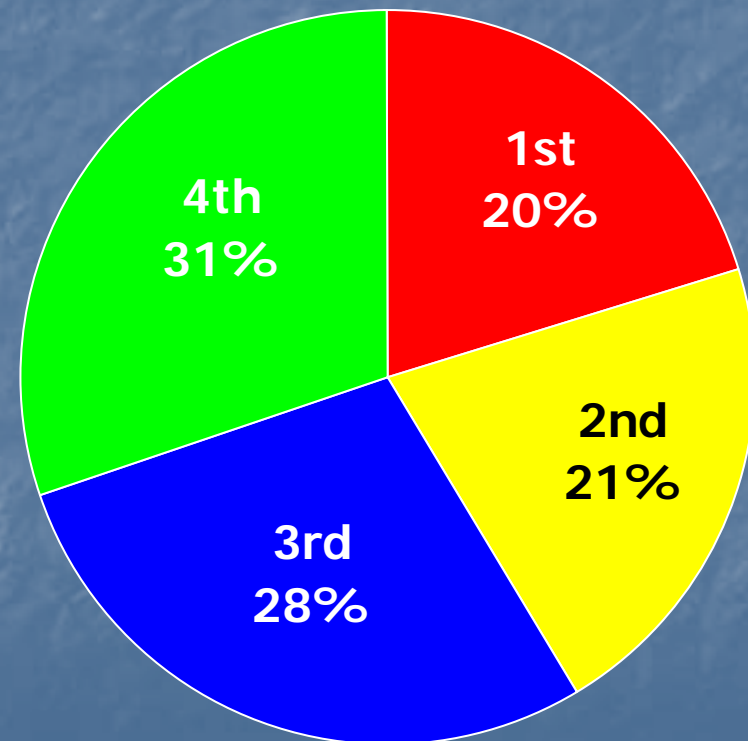
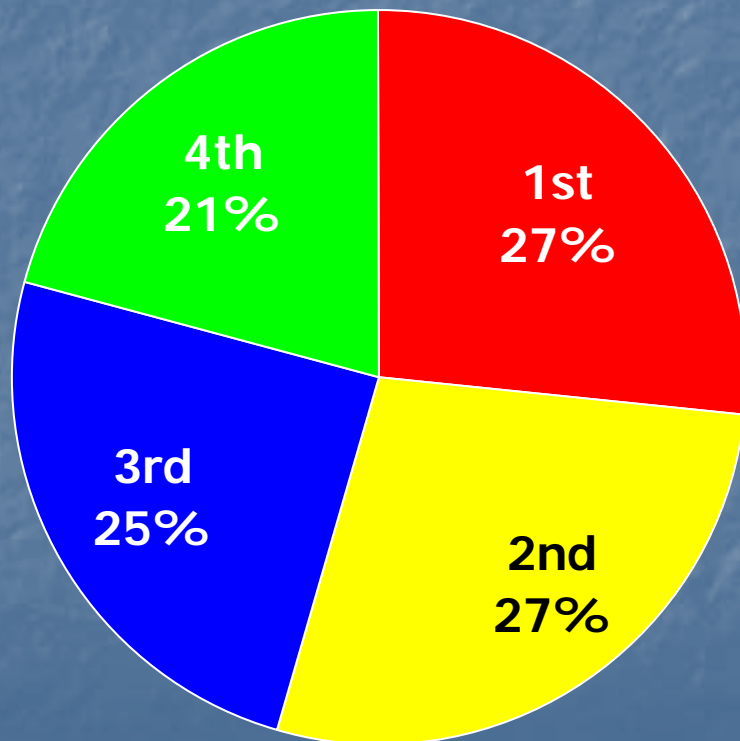


Institutional grant dollars by income quartile

2003-2004 dependent students, all institutions

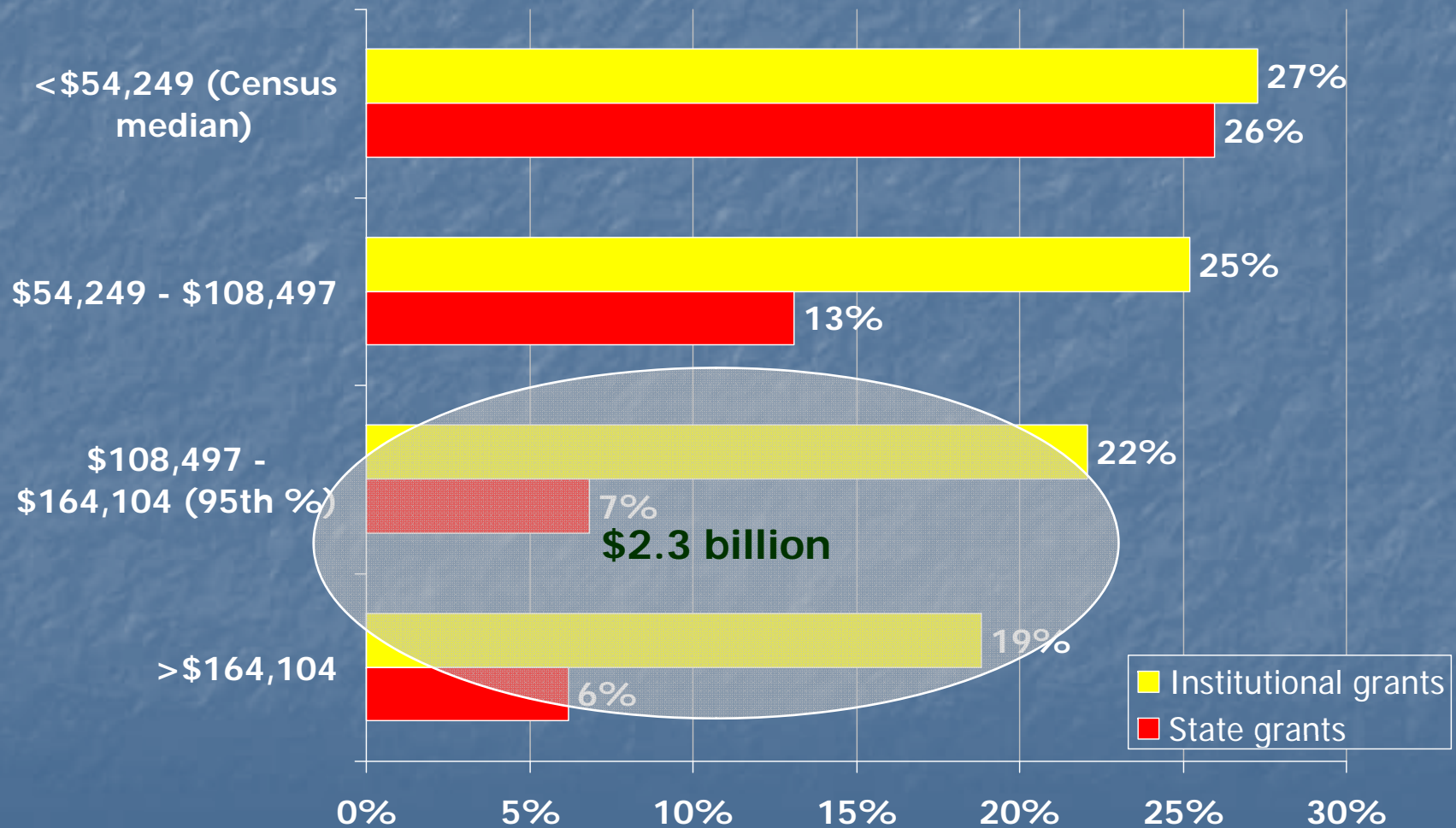
Need grants, \$4.7B

Merit grants, \$5.5B



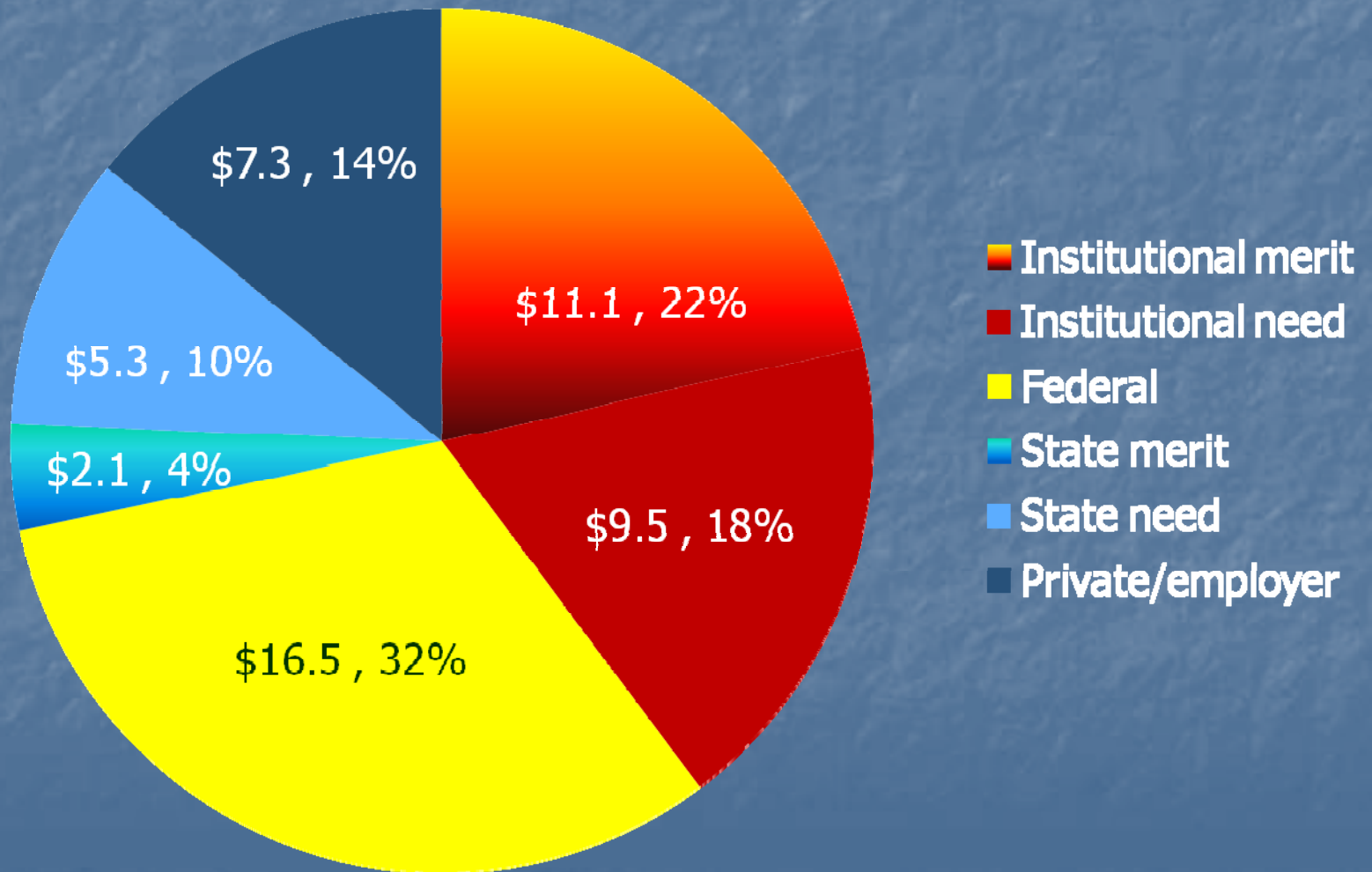
Grants to high-income students

Proportion of dependent students receiving grants, by income group (2003-2004)

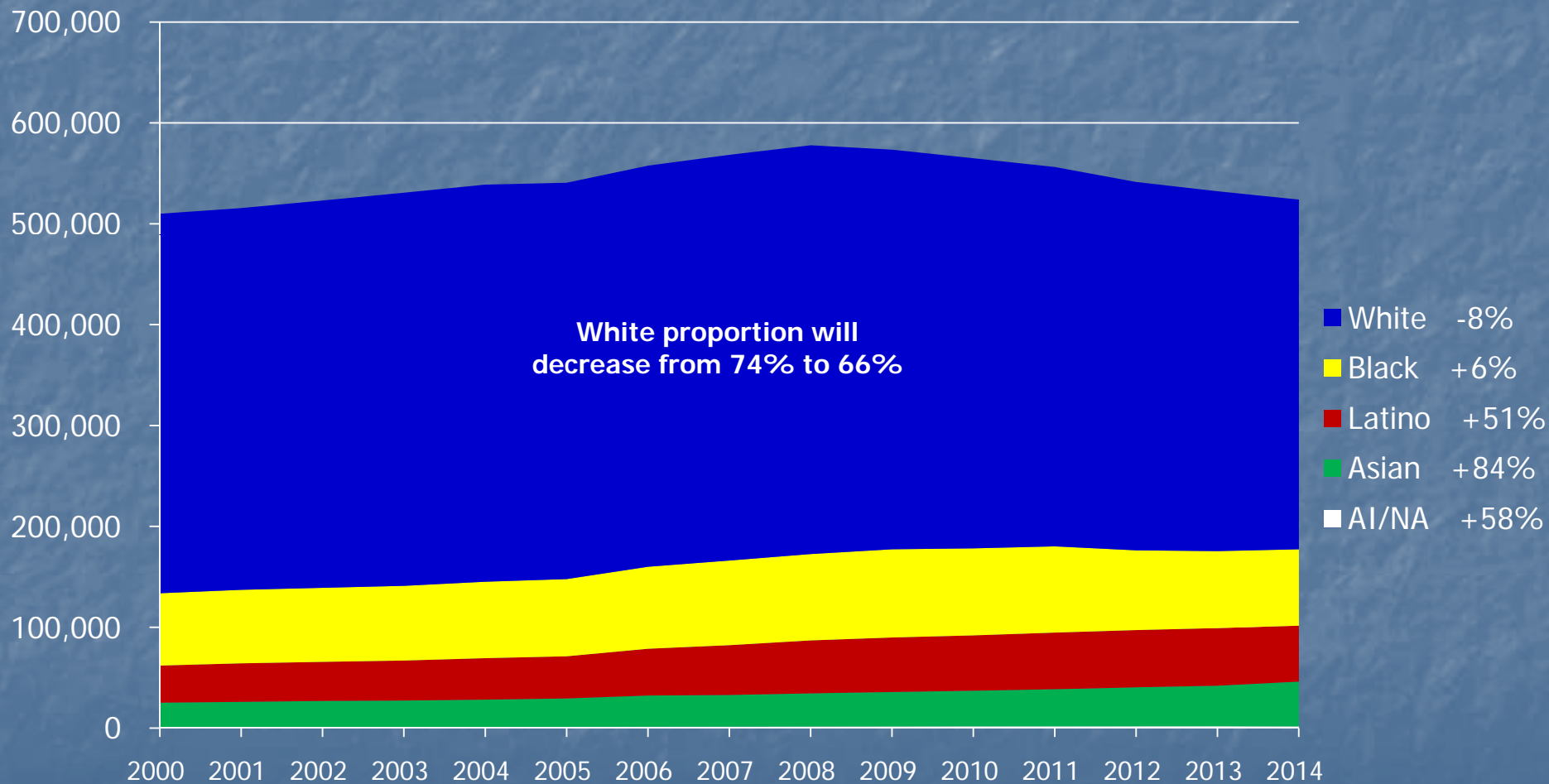


Grant aid to undergraduate students

2006-2007 (\$billions, total \$51.8 billion)



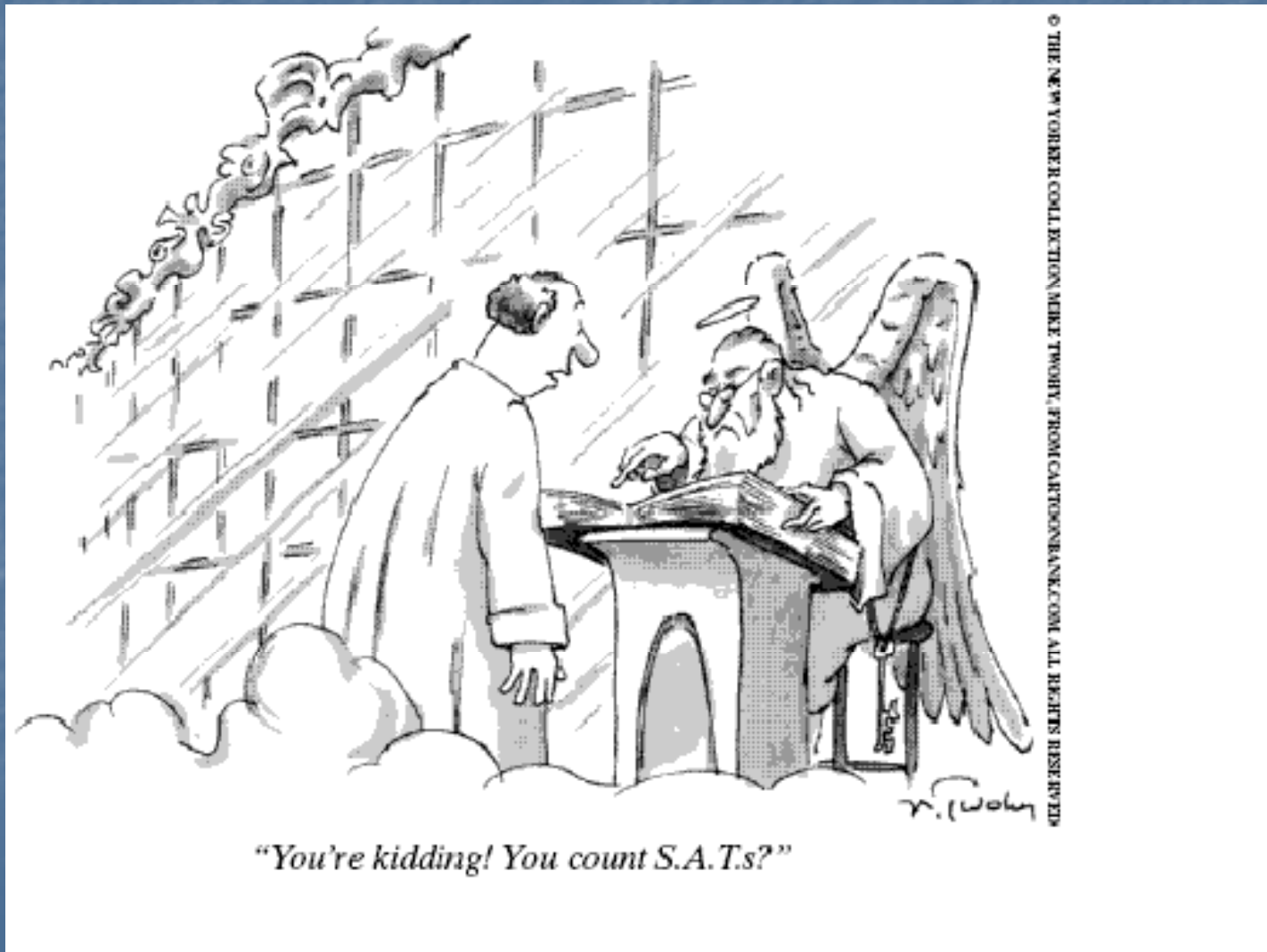
Actual & projected HS graduates, Northeast US



Conclusions

- Gaps in college participation are attributable to academic barriers *and* financial barriers
- Tuition prices have been – and likely will continue – to grow faster than ability to pay
- Institutional aid has become the largest source of grant aid
- Both states and institutions are shifting from need to merit criteria
- Grants are shifting up the income ladder
- Number of HS graduates is decreasing, with minority students representing an increasing share

Just in case you thought that testing and merit ends in college. . . .



Questions and discussion

<http://www.personal.psu.edu/deh29>