

The Pennsylvania State University
2002 Student Aid and Undergraduate Admissions Fall Conference

**College Access and Affordability:
A National (and Local) View**

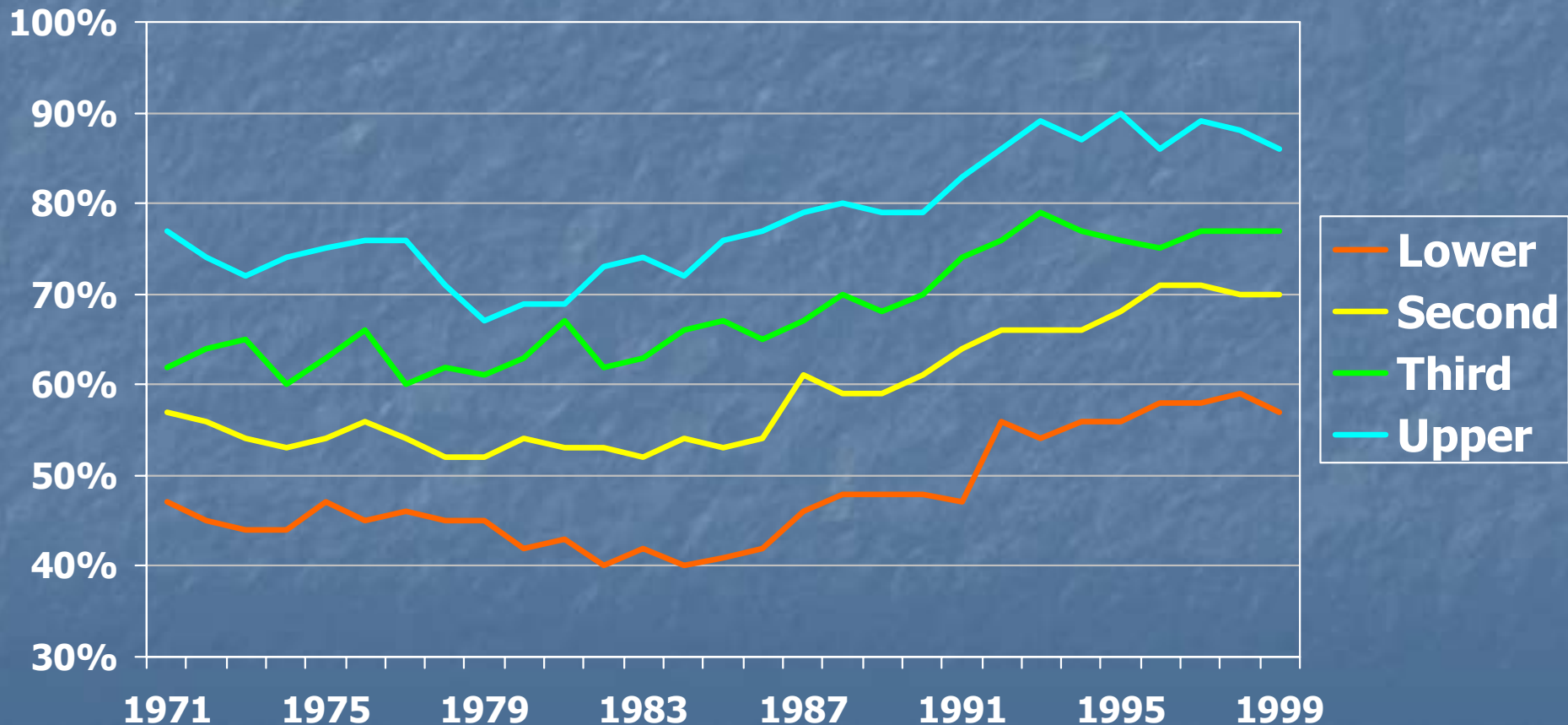
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The Pennsylvania State University

Why Worry About College Access?

College participation rates of 18-24 year olds by income quartile



The Price of College Nationally, 2001-2002

Sector	Tuition	COA
Community College	\$1,738	\$10,367
4-year Public	\$3,754	\$12,771
4-year Private	\$17,123	\$26,070

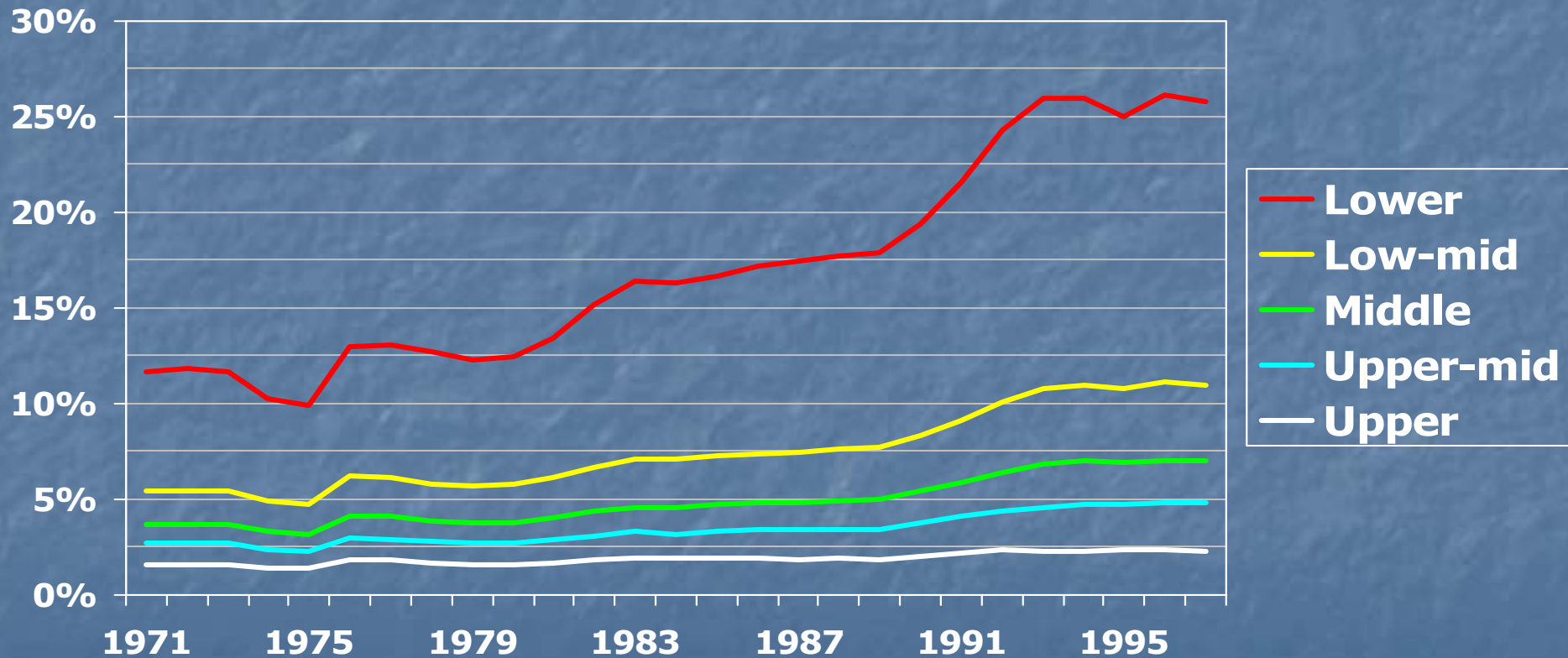
Both students and parents consistently **overestimate** the price of college and **underestimate** the availability of financial aid

More on College Prices

- 85% of students in **public** 4-year institutions paid less than \$5,000 in tuition
- Two-thirds of students in **private** 4-year institutions paid less than \$20,000 in tuition
- Over two-thirds of students in **all** 4-year institutions paid less than \$8,000 in tuition

The Increasing Burden of Paying for College

Public 4-year tuition as a % of family income – by quintiles

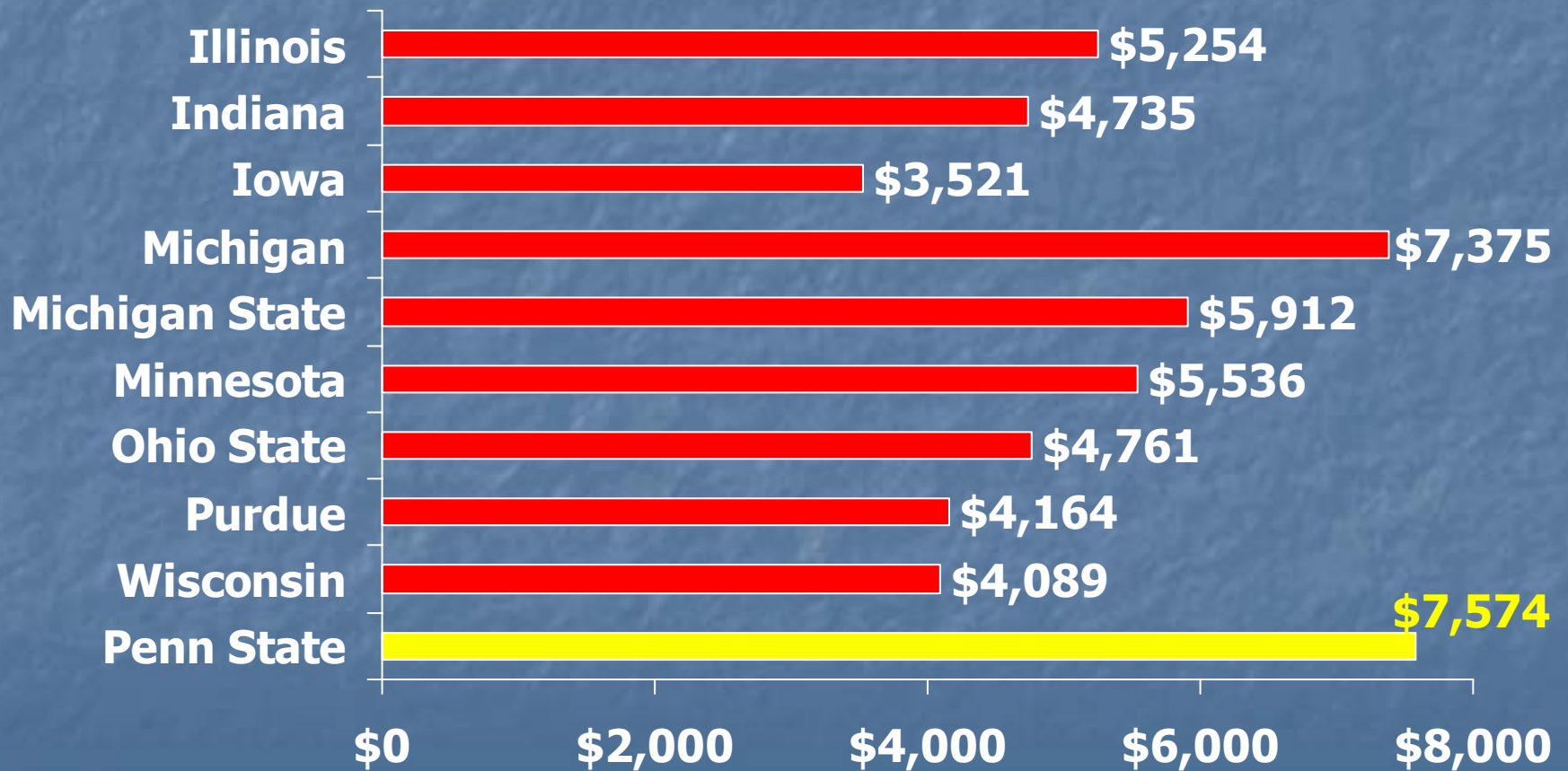


The National Context

- *Empty Promises: The Myth of College Access in America*
 - Over 170,000 **college-qualified** high school graduates will not attend any college this year because of financial barriers
 - Over 400,000 **college-qualified** high school graduates will not attend a 4-year institution this year
 - Low-income students at 4-year public colleges faced unmet need of \$3,800 in 1999-2000, **even after borrowing, work study earnings, and EFC**

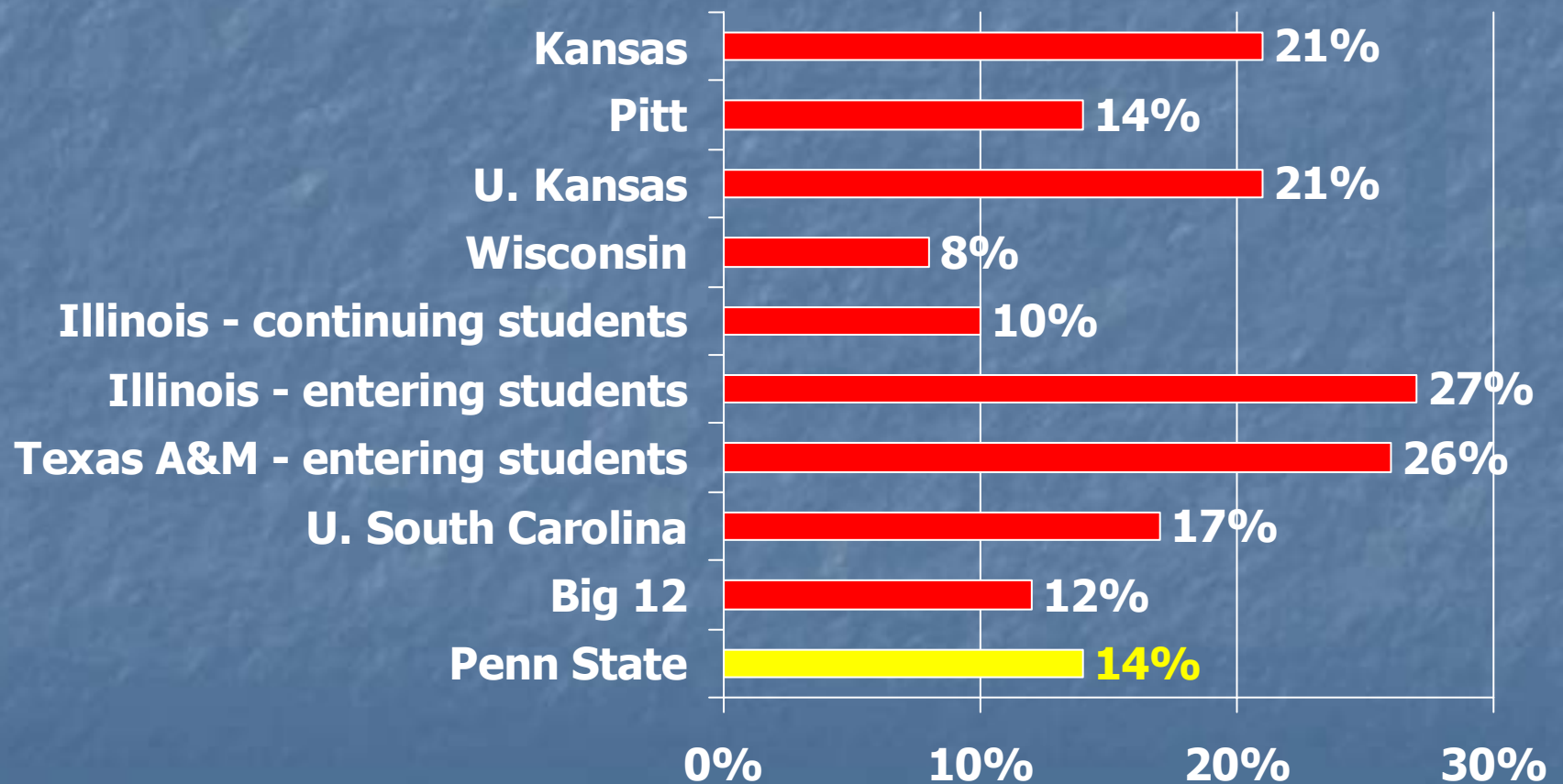
Big 10 Universities

2001-2002 undergraduate tuition (resident students)



What's in Store This Fall?

Tuition increases (resident students)



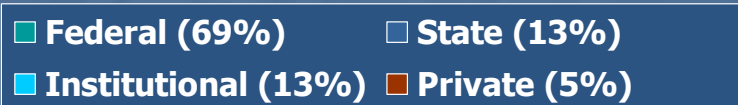
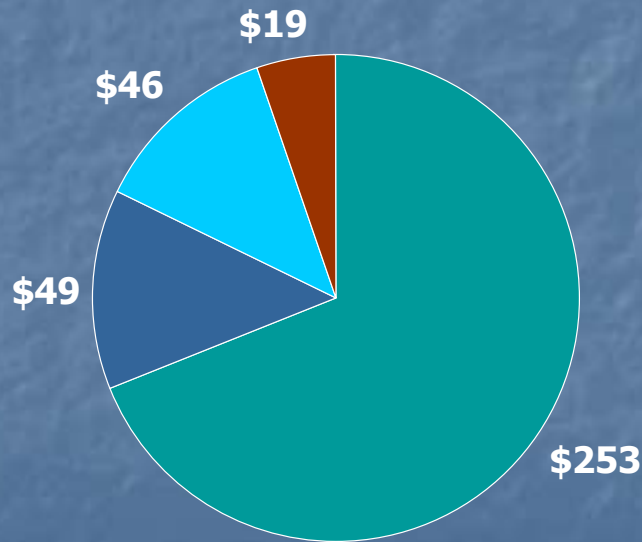
Financial Aid Across the Nation

- **Pell Grants:** likely increase of no more than \$100 this year (to \$4,100)
- **PA:** award 4,000 more grants this year, but keep the maximum at \$3,300
- **IL:** 12,000 fewer awards, and decreases in the amount of awards
- **WV:** need-based program cut \$1.8 million; merit program increased \$7 million
- **Institutional aid:** ????

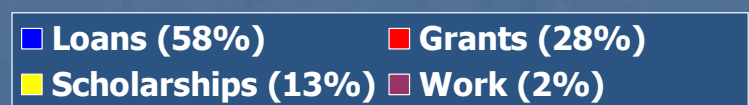
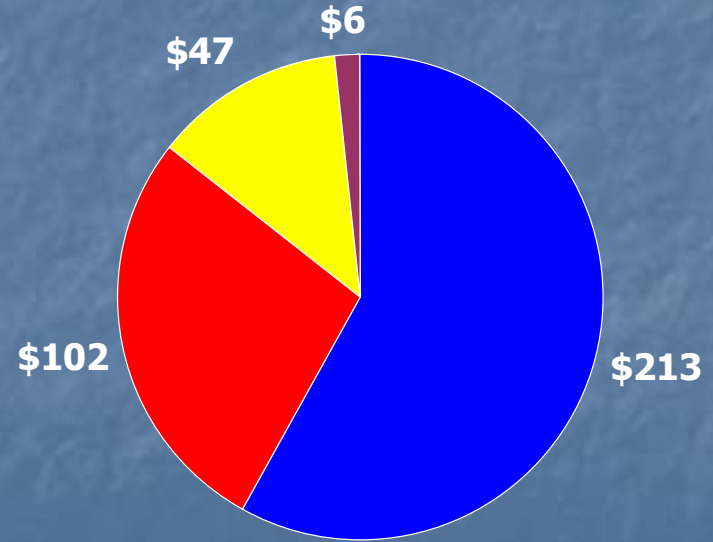
Penn State Undergraduate Financial Aid (2000-01)

- 53% receive some type of grant or scholarship
- 12% receive aid equal to full tuition or more
- \$367 million in total aid distributed (amounts in millions):

Source of Aid



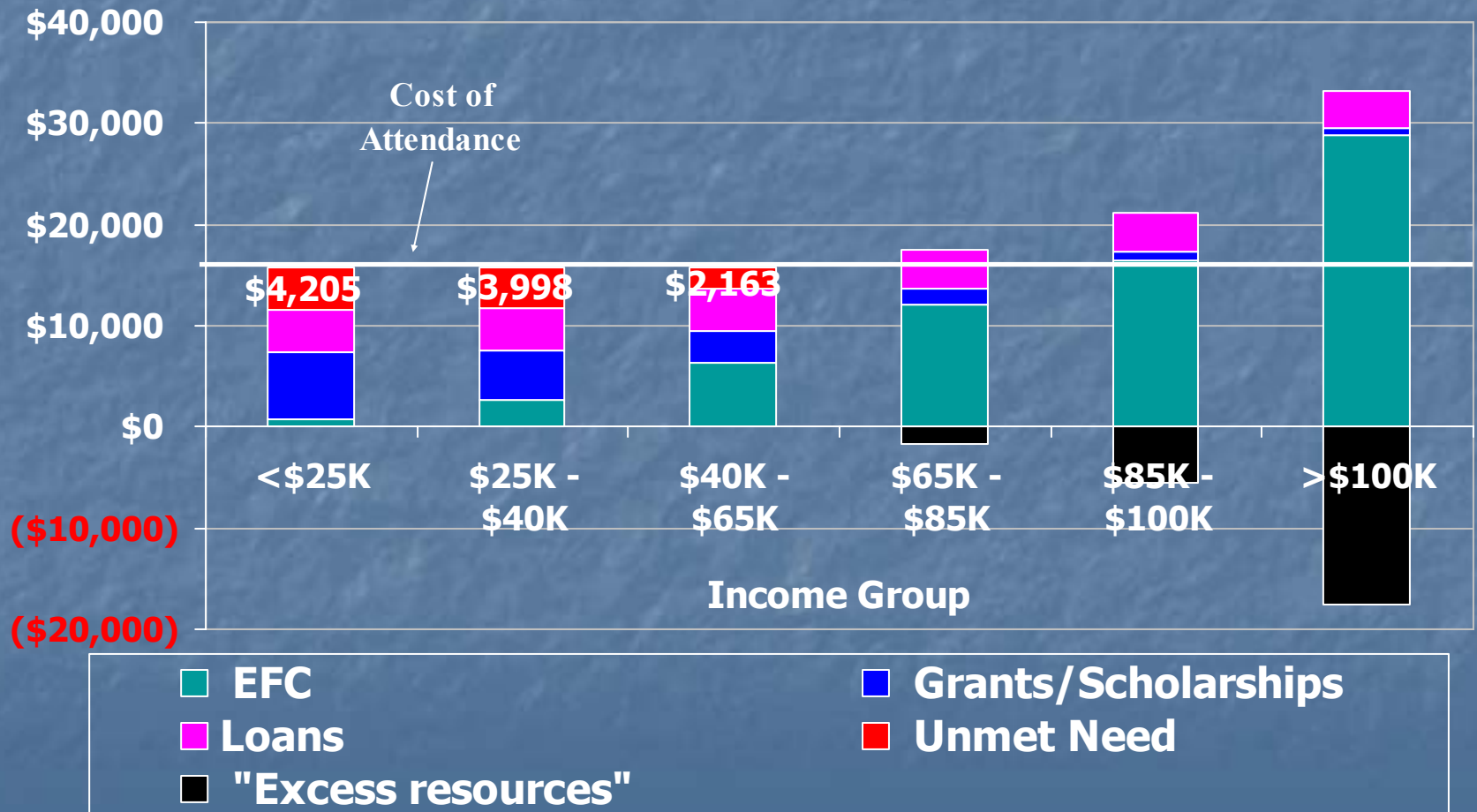
Type of Aid



Penn State Undergraduate Financial Aid

<u>Family Income</u>	<u>Net Price</u>	<u>Net price as % of income</u>	<u>Unmet need as % of income</u>
<\$25,000	\$4,990	35%	23%
\$25,000 - \$40,000	\$6,634	20%	10%
\$40,000 - \$65,000	\$8,565	16%	5%
\$65,000 - \$85,000	\$10,301	14%	1%
\$85,000 - \$100,000	\$10,947	12%	1%
>\$100,000	\$11,347	8%	0%

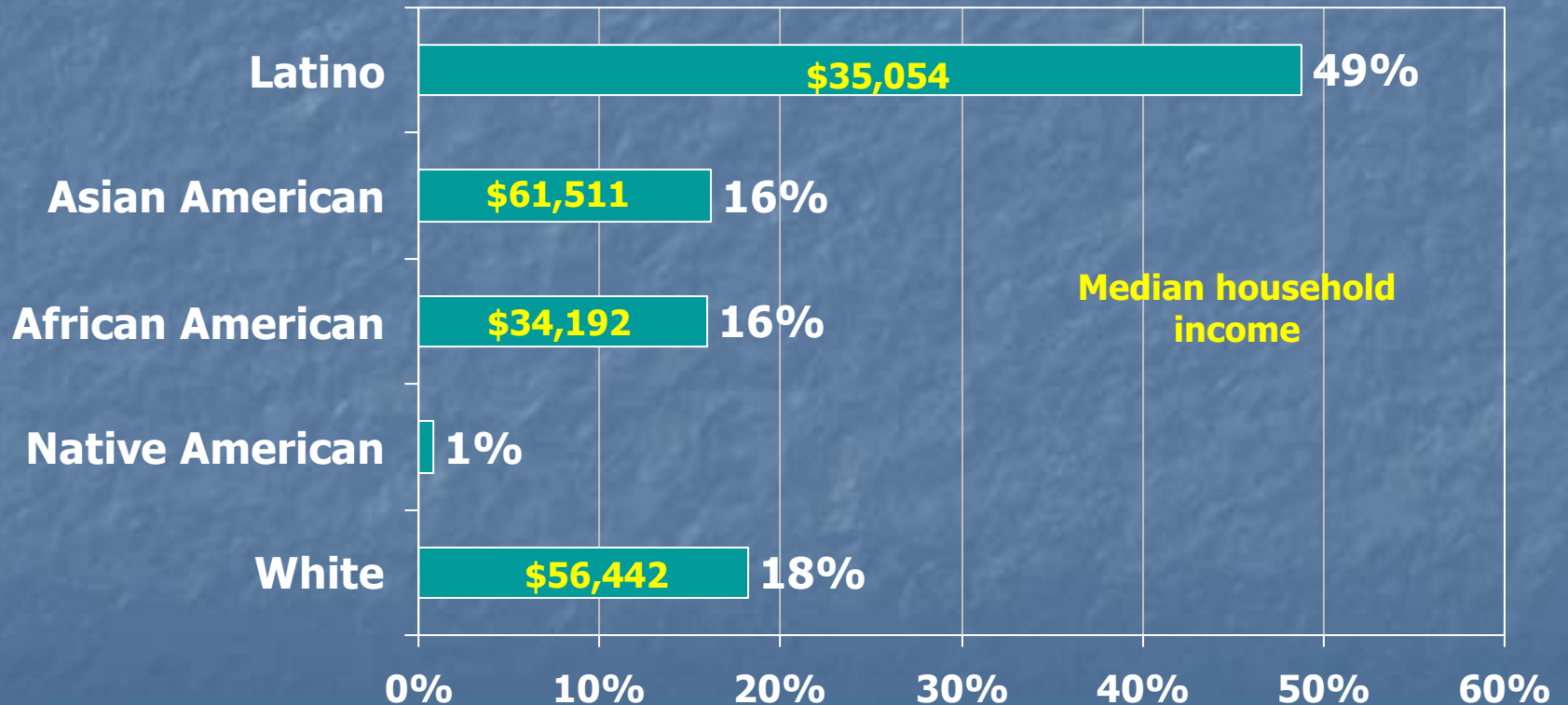
Penn State Undergraduate Packaging



The Future?

4 Million New 18-24 Year Olds by 2015

Share of the Growth, by Race

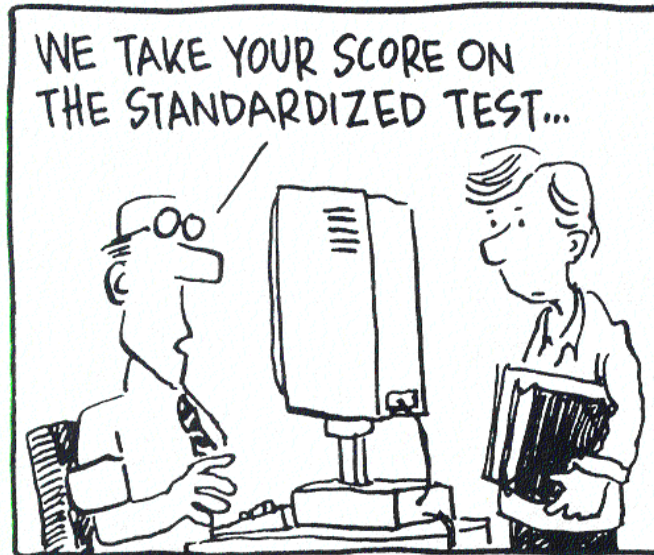


The Future?

- Continuing price increases
- Emphasis on merit aid, rather than need-based aid, by states and institutions
- College affordability tools targeted at middle-class and wealthier families
 - Merit aid
 - Tax credits (Hope and Lifetime Learning)
 - College savings and prepaid tuition plans

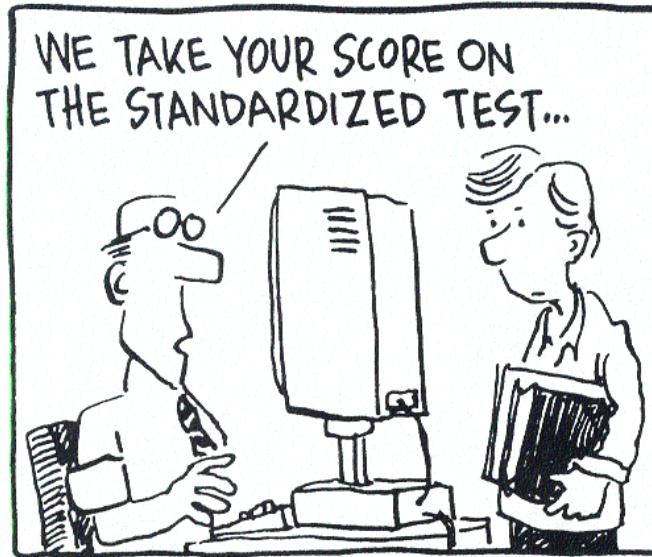
How Do States Assess Merit?

On the Web: www.BerkshireEagle.com



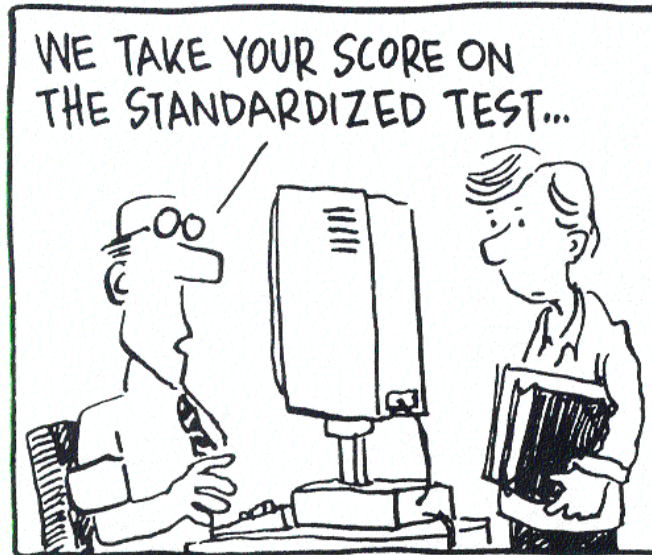
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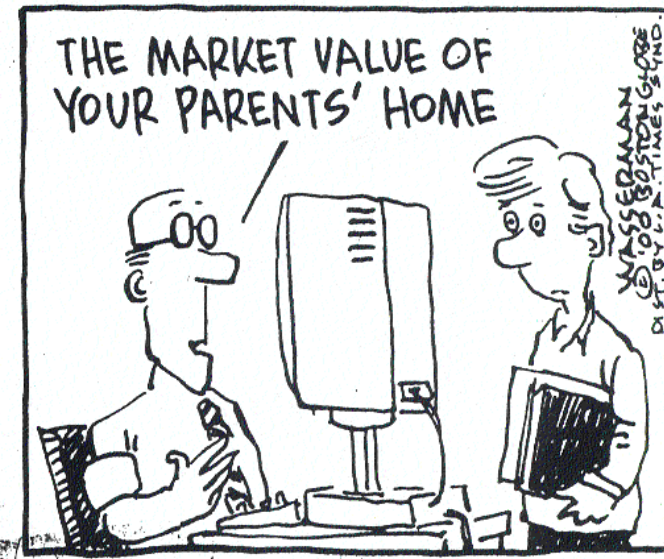
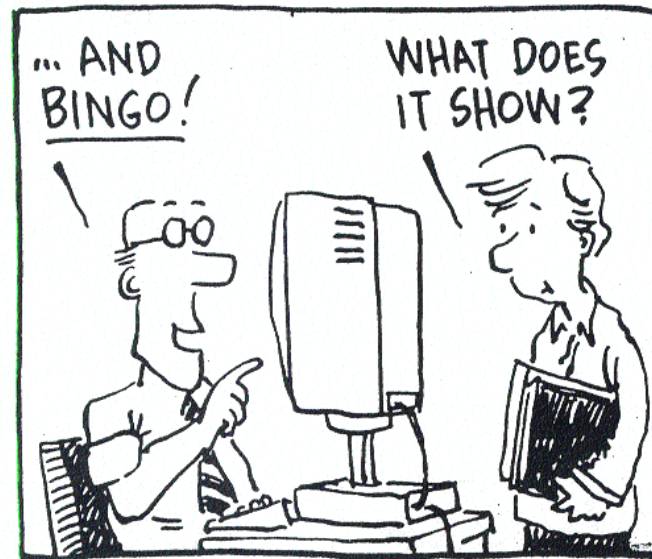
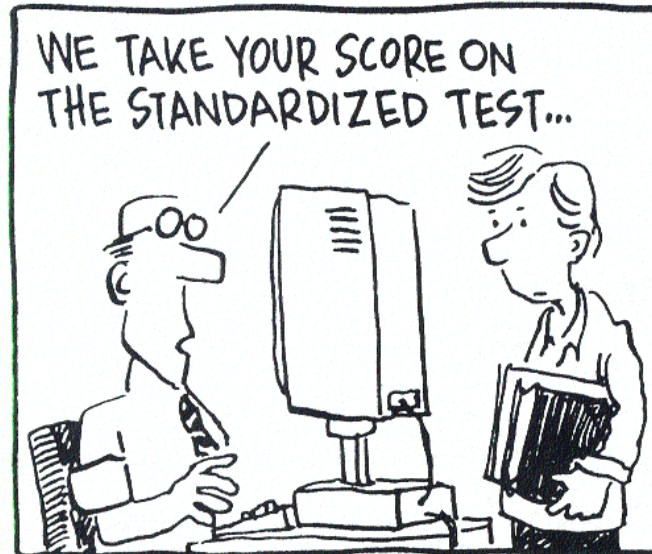
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For more information, visit my website:

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