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ABSTRACT

This report presents annual data on the amount of financial assistance--grants, loans, and work-study--available to students to help pay for postsecondary education. The College Board began this data series in 1983 to track the value of financial aid over time from federal, state, and institutional sources. The report also contains information on federal education tax credits and unsubsidized loans to students. Students received more than \$105 billion in financial aid for undergraduate and graduate study in 2002-2003, an increase of 12% after adjusting for inflation. Grant aid grew by 10% in real terms, while education loan volume rose by 14%. Grant aid per full-time equivalent (FTE) grew 9% in constant dollars, compared to a 13% increase in loans per FTE. Part of the increase is an increase in enrollment, but aid itself has increased. Aid from every source has more than doubled in constant dollars over the decade. Federal aid increased 120% in real terms, compared to 107% for state grants and 122% for institutional grant aid. In 2002-2003, loans constituted 54% of total aid; grants, 40%; work, 1%; and education tax credits, 5%. The federal government provides more than \$70 billion in student aid during 2002-2003. Of this loans represented 69%, down from 78% in 1997-1998, but higher than the 64% a decade ago. More detailed information is presented about federal direct loan programs, parent loans, nonfederal loans, Pell grants, state programs, and institutional aid. The affordability gap and the distinction between need-based and nonneed-based aid are discussed. Four appendixes present supplemental data in table form. (Contains 15 tables and 12 figures.) (SLD)

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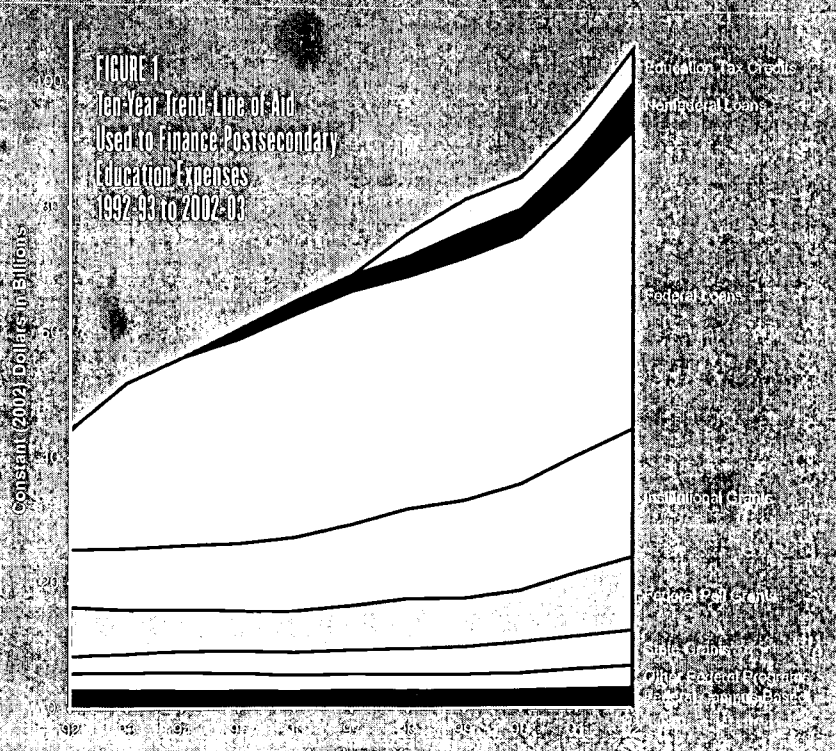
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trends in student aid

2002



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INTRODUCTION

Trends in Student Aid presents annual data on the amount of financial assistance — grants, loans, work-study, and education tax credits — distributed to students to help them pay for postsecondary education. The College Board began this data series in 1983 to track the value of student financial aid over time from federal, state, and institutional sources. In the intervening years, student financing has become more complex and the line between student aid and other sources of funds has become less clear-cut. This report counts federal education tax credits and unsubsidized loans to students, including those from private commercial sources, as student aid and also includes information on educational savings accounts, in addition to more traditional forms of assistance.

We are releasing *Trends in Student Aid* along with a companion report, *Trends in College Pricing*, which presents data from the College Board's Annual Survey of Colleges on undergraduate charges for tuition, fees, room and board, and other estimated expenses related to attending colleges and universities. Although the most recent data in *Trends in Student Aid* are for the 2002-03 academic year, while the data in *Trends in College Pricing* extend to 2003-04, we publish the reports together to emphasize the relationship between how much colleges and universities charge and the assistance available to students to pay these charges. The net prices actually paid by students and families are more important for college access and affordability than the higher published prices.

The objective of this report is to assemble the most complete and reliable statistics on student financial aid that are consistent over time. Tables 1 to 8 and Figures 1 to 15 provide a variety of data for the period 1992-93 through 2002-03. Basic program statistics for all years in our database back to 1963-64 are available in the Appendices. To put financial aid into context, we also provide selected data from *Trends in College Pricing*, including changes in undergraduate tuition and fees relative to changes in the incomes of families most likely to have children in college and to changes in grants, loans, and total student aid. Additional information on college affordability is available in *Trends in College Pricing*.

As always, we continue to refine our coverage of programs and update previously reported statistics when better data become available. Therefore, this update replaces previous *Trends in Student Aid* publications.

Defining Student Aid

Students and their families pay only a fraction of the cost of higher education; the balance comes from a variety of sources. At public colleges and universities, tuition levels are significantly lower than institutional costs because state governments provide about \$64 billion per year in funding to colleges and universities. In recent years, the share of total costs covered by state appropriations has declined, while the share covered by tuition and fees has increased. Private colleges and universities charge significantly higher levels of tuition, but tuition is still almost always lower than the cost to the institution of educating students. It is subsidized primarily by revenues from private philanthropic sources. *Trends in Student Aid* does not address these general subsidies to students, focusing instead on direct aid to students, which comes from federal, state, institutional, and other private sources in a variety of forms including grants, loans, work-study, and tax relief.

Federal and State Roles

The federal government provides 68 percent of the direct aid to students as described in this survey. Federal matching funds also leverage state and institutional funds in the form of grants and work-study. Most federal spending on higher education is in the form of grants, loan guarantees and subsidies, and tax benefits for students and parents. The states, on the other hand, provide the bulk of their subsidies in the form of operating support for institutions of higher education, which is not covered by this survey. Overall, the federal government contributes about 12 percent of current fund revenues of colleges and universities, while state governments contribute twice that amount.

From the students' perspective, grant aid, which is a pure subsidy not requiring repayment, is most desirable and is the one form of aid that unambiguously increases the financial accessibility of college. Education tax credits, first available in 1998, are also pure subsidies. However, their timing, which involves reimbursement after tuition and fees have been paid, causes some observers to question their comparability to grants.

In addition to grants and tax credits, our measure of student aid includes virtually all education loans. About 40 percent of education loans come through the federal government's subsidized Stafford Loan Program. Although these funds must be repaid after students complete their education, they involve significant subsidies since the federal government pays the interest while the student is in school and subsidizes the interest throughout the life of the loans. The unsubsidized Stafford Loan Program has a much smaller subsidy component because interest accrues while the student is in school, but like the subsidized Stafford loans, these loans are guaranteed by the federal government and the interest rates are below market levels. The same is true of Parent Loans to Undergraduate Students (PLUS). Alternative education loans from banks and other private lenders, on which students are increasingly relying, do not provide any subsidy to students. They are included in our measure of total student aid because for students, they substitute for other education loans. These loans generally must be certified by the financial aid office, and in some cases are included in the financial aid packages institutions award to students.

Work-study funds constitute only about 1 percent of student aid. These funds are actually subsidies to institutions, in the form of matching funds for student wages. However, they assure students of gainful employment and are included in the student aid packages colleges and universities award to students.

Tax benefits for higher education expenses have grown considerably in recent years. Although education tax credits are the only subsidy of this form included in our total measure of student aid, we do include information on assets in state-sponsored Section 529 college savings plans and prepaid tuition plans. Tax savings to students and families from the deduction of interest on student loans, the deductibility of higher education expenses, and the tax exemption for earnings from state prepaid tuition plans and education IRAs totaled about \$1.2 billion in fiscal year 2002, but are not included in our measure of student aid dollars.

Need-Based and Non-Need-Based Aid

The student aid described in this report serves a variety of purposes. In the 1970s and 1980s, most aid programs were designed to increase access to college for students who would otherwise be unable to afford to enroll. Over the past decade, student aid programs have been focused increasingly on affecting students' choice of institutions, on rewarding academic achievement, and on reducing the financial strain on middle-income families. Our data on federal grant aid, almost all of which is need-based, and on education tax credits, document this trend at the federal level. We also include information that separates state need-based and non-need-based grant aid. While we do not make the same distinction for institutional aid, we do document the changing distribution of institutional grants by income levels.

Student Debt

Since the early 1980s, this survey has tracked the growing reliance on borrowing for higher education. However, over the past five years, from 1997-98 to 2002-03, grant aid has risen more rapidly than loan aid. It is also important to note that a disproportionate amount of the loan aid documented in this report is used by graduate students. Graduate students receive a much lower proportion of available grant aid. Therefore, the loan/grant ratio reported in the total aid figures in this report does not accurately represent the circumstances of undergraduates.

Nonetheless, about half of the student aid undergraduate students receive is in the form of loans. Private and state loan programs for students and parents have skyrocketed in recent years, while average Stafford loan amounts have remained relatively constant since the borrowing limits in the federal loan programs have not increased. The terms of private loans are less favorable and debt burdens, as measured by monthly payment amounts, vary depending on the types of loans used.

As documented in *Trends in College Pricing*, the earnings premium accompanying college degrees makes this borrowing a sound investment for the typical student. Nonetheless, concern is mounting over rapidly rising levels of debt for students. The loan

volume estimates reported here do not include credit card financing, conventional consumer loans, or home equity loans and lines of credit. While home equity financing may be a financially sound decision for many families, this can rarely be said of credit card financing. Recent estimates suggest that as many as 25 percent of college students may be relying on credit card debt to help finance their education, but we have no way to document trends in this type of borrowing for inclusion in this report.

Limitations of the Data Collection

This report does not separate assistance for graduate and undergraduate students, since the available data for current years are not broken out this way for some programs. However, this year we do include information on the difference in the role of grants and loans for undergraduate and graduate students. This is an important addition to our report because concern over affordability is generally focused on undergraduate students, who are significantly less dependent on loans than the aggregate data might suggest.

We are unable to include all of the forms of grant aid available to students, but the omissions are relatively small. Our measure does not include tuition assistance that students receive from their employers or scholarships from a variety of private sources. Our definition of student aid is, however, consistent over time, with private loans and education tax credits recent additions representing new forms of student financing.

As always, we welcome reader comments and suggestions on ways to broaden the coverage and increase the usefulness of the *Trends in Student Aid* data series. Visit the College Board Web site at www.collegeboard.com and click on Education Professionals for an electronic version of this document and the companion report, *Trends in College Pricing, 2003*.

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Thanks to all those who contributed to the data collection and update of this publication, including state agency and special-aid program contacts, private lenders, and experts from the U.S. Department of Education. Special thanks to Dan Madzellan, Maria Rojzman, Mary Miller, and Steve Carter of the Policy, Budget, and Analysis Office of the U.S. Department of Education for their assistance.

Total Aid

Students received over \$105 billion in financial aid for undergraduate and graduate study in 2002-03, an increase of 12 percent after adjusting for inflation. Grant aid grew by 10 percent in real terms, while education loan volume rose by 14 percent. Grant aid per full-time equivalent (FTE) student grew 9 percent in constant dollars, compared to a 13 percent increase in loans per FTE. (Tables 1, 2, and 8; Figure 1)

10-Year Trend

Over the past decade, grant aid has increased by 85 percent in real terms, while education loan volume has grown by 173 percent. Part of the increase in aid is a result of increased enrollments, but grants per FTE rose 67 percent, and loans per student rose even more rapidly — 147 percent in constant dollars. However, over the past five years, from 1997-98 to 2002-03, grant aid per student grew 43 percent in inflation-adjusted dollars, compared to just 26 percent for loans per FTE.

Aid from every source has more than doubled in constant dollars over the decade. Federal aid increased 120 percent in real terms, compared to 107 percent for state grant aid and 122 percent for institutional grant aid. (Tables 1, 2, 6, and 8; Figure 1)

Loans vs. Grants

In 2002-03, loans constituted 54 percent of total aid, grants 40 percent, work 1 percent, and education tax credits 5 percent. Between 1992-93 and 1996-97, loans as a share of total student aid rose from 47 percent to 60 percent, but their share has since declined. If tax credits which, like grants, are dollars that do not have to be repaid, are added to grants, the total share of gift aid is now 45 percent, still considerably below the level of a decade ago. (Table 6, Figure 6)

The loan to grant ratio is higher for graduate students, who use three times as much loan aid as grant aid; for undergraduates, loan and grant volumes are approximately the same. (Figure 5)

Total Federal Aid and College Savings Plans

The federal government provided over \$70 billion in student aid during 2002-03, a real increase of 11 percent over the previous year. Loans constitute 69 percent of federal aid, down from 78 percent in 1997-98, but still higher than the 64 percent a decade ago. Grants constitute 22 percent of federal aid and the Hope and Lifetime Learning federal tax credits now account for almost 8 percent.

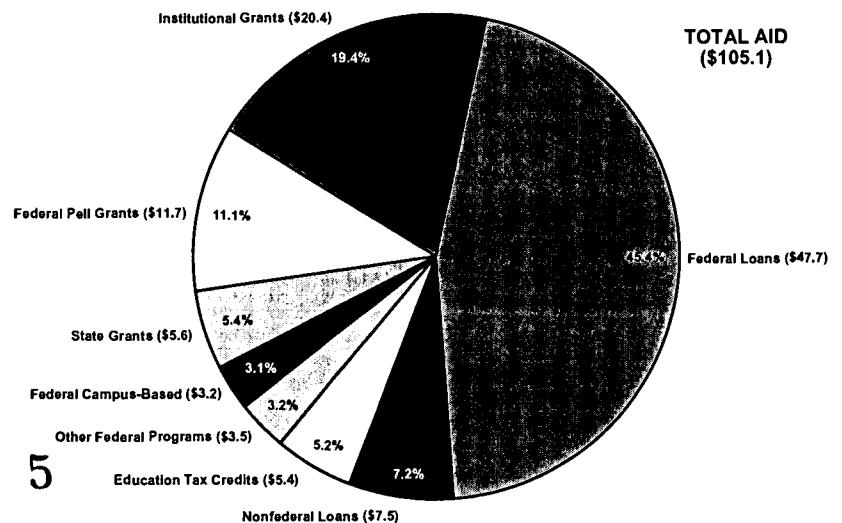
While most federal grant aid is need-based, and the Pell Grant program is the cornerstone of aid for low-income students, a decreasing portion of federal aid is distributed according to need. Combined, unsubsidized Stafford loans, federal loans to parents, and tax credits now constitute 43 percent of total federal aid. While all of these programs make college more affordable for families and students, they are not targeted towards low-income students. About a third of the tax credit dollars accrue to taxpayers with incomes of \$60,000 or higher and less than half go to those with incomes below \$40,000. The rapidly growing Section 529 college savings plan accounts now contain assets of over \$35 billion and have an average value of \$6,753 per account.

The federal Leveraging Education Assistance Partnerships (LEAP) Program has declined 28 percent in real terms over the decade. By providing matching funds for need-based grants, LEAP creates incentives for states to increase aid to low-income students.

Pell Grants

Pell Grant funding increased by 17 percent between 2001-02 and 2002-03, a 15 percent rise after adjusting for inflation, following a 23 percent real increase in 2001-02. The \$11.7 billion in Pell Grants funded 4.8 million students with average grants of \$2,421. However, because there was an 11 percent increase in the number of Pell recipients in 2002-03, the average grant rose by only 3 percent in constant dollars. This

FIGURE 2. Estimated Student Aid by Source for Academic Year 2002-03 (Current Dollars in Billions)



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State Grant Programs

grant amount covered 33 percent of tuition and commuter room and board at the average public two-year college, 25 percent of the total charges at the average four-year public institution, and just under 10 percent of the total charges at the average four-year private institution.

Although they constitute only 5 percent of total student aid funds, state grants increased by 8 percent in constant dollars in 2002-03 and by 107 percent between 1992-93 and 2002-03. However, as many states have instituted merit-based state grant programs, many students who do not qualify for need-based aid have begun to receive state grants. Ten years ago only about 10 percent of state grant dollars were non-need-based; that proportion has now risen to 24 percent.

Institutional Aid

The \$20 billion distributed by colleges and universities in the form of grant aid to their students represents 19 percent of total student aid and almost half of all grant aid received by students. At private institutions, where nearly 60 percent of students receive institutional aid, these grants constitute about 62 percent of all grant aid. At public four-year colleges and universities, almost a quarter of the students receive institutional grants, which are the source of 27 percent of grant aid. Like state grants, institutional grants are less targeted towards low-income students than in the past. Both the percentage of students receiving institutional grants and the average grant per recipient rose most rapidly for students from the highest income quartile between 1992-93 and 1999-2000. (Figures 11 and 12)

Stafford Loans

The limits on the amounts students can borrow under the federal Stafford loan programs have remained unchanged since 1992-93. The average subsidized Stafford loan declined in inflation-adjusted dollars every year from 1994-95 through 2001-02 and remained constant in 2002-03. The average unsubsidized Stafford loan has declined just under 1 percent in real terms over this same period.

Subsidized Stafford loans now constitute 46 percent of federal loan volume. Constant dollar volume in the subsidized Stafford Loan program grew 10 percent between 2001-02 and 2002-03, returning it to its 1997-98 level. The non-need-based unsubsidized Stafford Loan and PLUS volumes, in contrast, have each increased by 51 percent in real terms over the past five years. (Tables 1, 2, and 4; Figure 3b)

The share of Stafford loans coming through the Ford Direct Student Loan Program (FDSLPL), in which students borrow directly from the federal government, has declined from 33 percent in 1997-98 to 28 percent in 2002-03. (Tables 1, 2; Appendix C/D)

Parent Loans

In 2002-03, the average PLUS loan amount was \$8,231, up 95 percent since 1992-93 in constant dollars. While students borrowing under the Stafford student loan program face strict limits on annual borrowing, parents can borrow up to the cost of education less other aid received under the PLUS program. For this reason, average PLUS borrowing has increased while the average Stafford loans have not. (Tables 2 and 4)

Nonfederal Loans

Nonfederal borrowing reached \$7.5 billion in 2002-03, up 41 percent in real terms over the previous year. This borrowing, primarily through banks and other private lenders, has increased from 6 percent to 13 percent of education loan volume over the past five years. (Tables 1 and 2; Figure 2)

Aid per Student

Enrollment at postsecondary institutions increased by about 10 percent over the decade. Because of changing demographics, a weak economy, and rising tuition levels, the proportion of students requiring financial assistance has increased. The number of Pell and SEOG recipients increased by 20 percent during the decade and the number of work-study participants rose by 50 percent. The number of federal education loans issued each year has increased by 123 percent. Nonetheless, the \$4,903 average education loan aid per student (including both undergraduate and graduate students) represents a 147 percent increase over ten years and a 26 percent increase over five years in constant dollars. The \$3,620 average grant per FTE represents a 67 percent increase over ten years and a 43 percent increase over five years in constant dollars. (Tables 3, 4, and 8; Figure 8)

Affordability Gaps

During the decade from 1982-83 to 1992-93, inflation-adjusted tuition and fees at both public and private four-year institutions increased by about 55 percent, significantly outpacing the 12 percent real growth in median income for families likely to have college-aged children, and the 27 percent increase in aid per full-time equivalent (FTE) student. Despite even slower income growth, the trends in the decade since 1992-93 have been more favorable, with tuition and fees rising less than 40 percent and aid per FTE more than doubling in constant dollars. Loans were the fastest growing component of student aid, but the 67 percent real increase in grant aid per student diminished the affordability gap to some extent. Financial barriers to college enrollment remain a particular issue for low-income families and students. (See *Trends in College Pricing 2003* for more details.)

TABLE 1. Aid Used to Finance Postsecondary Education Expenses in *Current Dollars*
(in Millions), 1992-93 to 2002-03

Federally Supported Programs	Academic Year										10-Year* % Change	
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	Estimated 01-02		Preliminary 02-03
Grants												
Pell Grants	6,176	5,654	5,519	5,472	5,780	6,331	7,233	7,208	7,956	9,975	11,716	90
SEOG	580	583	583	583	583	583	614	619	631	691	725	25
LEAP	71	72	72	64	32	50	25	25	37	46	66	-8
Veterans	1,037	1,192	1,253	1,303	1,279	1,347	1,484	1,491	1,644	2,026	2,200	112
Military	393	405	419	438	455	463	498	534	559	638	811	106
Other Grants	<u>162</u>	<u>167</u>	<u>241</u>	<u>230</u>	<u>235</u>	<u>233</u>	<u>230</u>	<u>248</u>	<u>279</u>	<u>290</u>	<u>309</u>	91
Subtotal	8,419	8,074	8,088	8,089	8,364	9,006	10,084	10,125	11,106	13,665	15,826	88
Federal Work-Study	780	771	757	764	776	906	913	917	939	1,032	1,218	56
Loans												
Perkins Loans	892	919	971	1,029	1,022	1,062	1,070	1,101	1,144	1,239	1,265	42
Subsidized Stafford	10,937	14,155	15,402	16,476	17,814	18,112	17,760	18,109	18,532	19,894	22,384	105
(FDLP)	-	-	(1,119)	(5,056)	(5,821)	(6,135)	(6,009)	(5,595)	(5,474)	(5,583)	(6,367)	469
(FFELP)	(10,937)	(14,155)	(14,284)	(11,420)	(11,993)	(11,977)	(11,751)	(12,514)	(13,058)	(14,311)	(16,017)	46
Unsubsidized Stafford	323	2,024	7,443	8,743	10,441	11,699	12,222	14,008	15,280	17,270	19,936	6079
(FDLP)	-	-	(494)	(2,502)	(3,183)	(3,703)	(3,759)	(3,959)	(4,100)	(4,415)	(5,142)	941
(FFELP)	(323)	(2,024)	(6,949)	(6,241)	(7,258)	(7,996)	(8,462)	(10,048)	(11,181)	(12,855)	(14,794)	4485
PLUS	1,279	1,529	1,837	2,408	2,763	3,182	3,417	3,816	4,200	4,669	5,393	322
(FDLP)	-	-	(180)	(804)	(943)	(1,093)	(1,209)	(1,251)	(1,309)	(1,394)	(1,621)	802
(FFELP)	(1,279)	(1,529)	(1,658)	(1,604)	(1,820)	(2,088)	(2,208)	(2,565)	(2,891)	(3,275)	(3,772)	195
SLS	2,375	3,469	32	-	-	-	-	-	-	-	-	-
Income Contingent Loans	5	-	-	-	-	-	-	-	-	-	-	-
Other Loans	<u>411</u>	<u>456</u>	<u>404</u>	<u>325</u>	<u>274</u>	<u>210</u>	<u>110</u>	<u>106</u>	<u>108</u>	<u>110</u>	<u>110</u>	-73
Subtotal	16,222	22,551	26,090	28,981	32,314	34,264	34,579	37,140	39,265	43,183	49,088	203
Education Tax Credits	-	-	-	-	-	-	3,377	4,772	4,851	5,205	5,437	61
Total Federal Aid	25,421	31,397	34,935	37,833	41,454	44,176	48,952	52,955	56,161	63,086	71,569	182
State Grant Programs	2,125	2,374	2,773	3,000	3,163	3,404	3,669	4,064	4,769	5,096	5,628	165
Institutional Grants	7,194	7,858	8,471	9,138	10,237	11,523	12,926	14,501	16,274	18,281	20,367	183
Nonfederal Loans	-	-	-	1,334	1,866	2,312	2,903	3,964	4,296	5,375	7,552	466
(State-Sponsored)	-	-	-	(224)	(293)	(353)	(438)	(500)	(544)	(622)	(657)	194
(Private Sector)	-	-	-	<u>(1,110)</u>	<u>(1,574)</u>	<u>(1,959)</u>	<u>(2,465)</u>	<u>(3,464)</u>	<u>(3,752)</u>	<u>(4,753)</u>	<u>(6,895)</u>	521
Total Aid Used to Finance Postsecondary Expenses	34,740	41,629	46,179	51,305	56,720	61,416	68,451	75,483	81,500	91,837	105,116	203

*Where programs have been in existence for less than 10 years, percent change is calculated based on the age of the program.

TABLE 2. Aid Used to Finance Postsecondary Education Expenses in Constant (2002)
Dollars (in Millions), 1992-93 to 2002-03

Federally Supported Programs	Academic Year										10-Year* % Change	
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	Estimated 01-02		Preliminary 02-03
Grants												
Pell Grants	7,891	7,042	6,683	6,449	6,624	7,128	8,012	7,763	8,275	10,194	11,716	48
SEOG	741	726	706	687	668	656	680	667	656	706	725	-2
LEAP	91	90	88	76	36	56	27	27	39	47	66	-28
Veterans	1,325	1,485	1,517	1,535	1,466	1,516	1,644	1,606	1,710	2,071	2,200	66
Military	502	504	507	516	522	521	552	575	581	652	811	62
Other Grants	207	208	292	271	269	262	254	267	290	296	309	49
Subtotal	10,757	10,056	9,793	9,535	9,585	10,140	11,170	10,904	11,551	13,966	15,826	47
Federal Work-Study	997	961	917	900	889	1,021	1,012	988	977	1,055	1,218	22
Loans												
Perkins Loans	1,139	1,144	1,176	1,213	1,171	1,196	1,185	1,185	1,190	1,266	1,265	11
Subsidized Stafford	13,975	17,629	18,649	19,420	20,415	20,393	19,673	19,502	19,274	20,332	22,384	60
(FDLP)	-	-	(1,354)	(5,959)	(6,671)	(6,908)	(6,656)	(6,026)	(5,693)	(5,706)	(6,367)	370
(FFELP)	(13,975)	(17,629)	(17,294)	(13,461)	(13,744)	(13,485)	(13,017)	(13,477)	(13,581)	(14,626)	(16,017)	15
Unsubsidized Stafford	412	2,521	9,011	10,305	11,965	13,172	13,538	15,085	15,893	17,650	19,936	4736
(FDLP)	-	-	(598)	(2,949)	(3,648)	(4,170)	(4,164)	(4,264)	(4,264)	(4,512)	(5,142)	760
(FFELP)	(412)	(2,521)	(8,413)	(7,356)	(8,317)	(9,002)	(9,374)	(10,821)	(11,629)	(13,137)	(14,794)	3488
PLUS	1,634	1,904	2,225	2,838	3,167	3,582	3,785	4,110	4,368	4,772	5,393	230
(FDLP)	-	-	(218)	(948)	(1,080)	(1,231)	(1,339)	(1,347)	(1,361)	(1,425)	(1,621)	645
(FFELP)	(1,634)	(1,904)	(2,007)	(1,890)	(2,086)	(2,351)	(2,446)	(2,762)	(3,007)	(3,347)	(3,772)	131
SLS	3,034	4,321	39	-	-	-	-	-	-	-	-	-
Income Contingent Loans	6	-	-	-	-	-	-	-	-	-	-	-
Other Loans	526	568	490	383	314	236	122	114	113	112	110	-79
Subtotal	20,727	28,087	31,588	34,159	37,031	38,579	38,303	39,997	40,838	44,132	49,088	137
Education Tax Credits	-	-	-	-	-	-	3,740	5,140	5,046	5,320	5,437	45
Total Federal Aid	32,481	39,104	42,298	44,594	47,506	49,739	54,225	57,028	58,411	64,472	71,569	120
State Grant Programs	2,716	2,957	3,358	3,536	3,625	3,833	4,065	4,377	4,960	5,208	5,628	107
Institutional Grants	9,192	9,786	10,256	10,771	11,732	12,974	14,318	15,616	16,926	18,682	20,367	122
Nonfederal Loans	-	-	-	1,572	2,139	2,603	3,216	4,269	4,469	5,493	7,552	380
(State-Sponsored)	-	-	-	(264)	(335)	(397)	(486)	(538)	(566)	(635)	(657)	149
(Private Sector)	-	-	-	(1,308)	(1,803)	(2,206)	(2,731)	(3,730)	(3,902)	(4,857)	(6,895)	427
Total Aid Used to Finance Postsecondary Expenses	44,388	51,848	55,912	60,473	65,001	69,149	75,824	81,290	84,766	93,856	105,116	137

*Where programs have been in existence for less than 10 years, percent change is calculated based on the age of the program.

FIGURE 3a. Growth of Federal, Institutional, and State Grant Dollars in Constant (2002) Dollars, 1995-96 to 2002-03

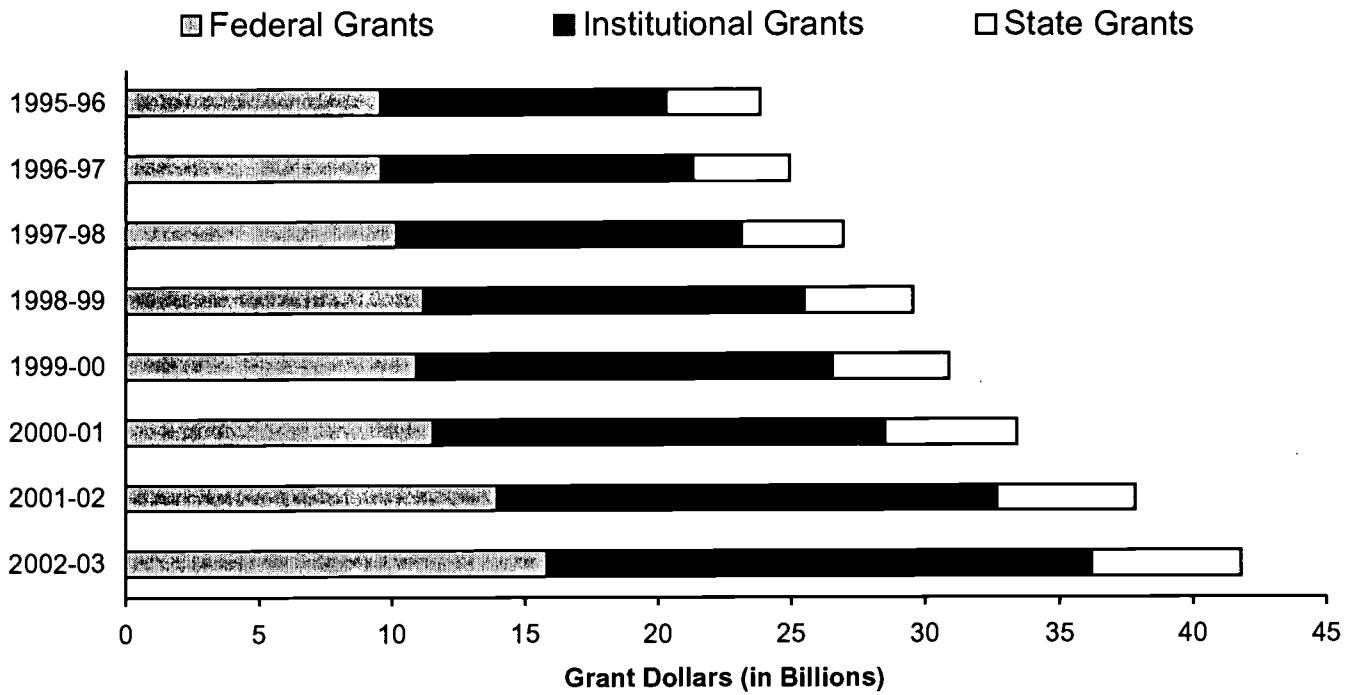


FIGURE 3b. Growth of Stafford, PLUS, and Nonfederal Loan Dollars in Constant (2002) Dollars, 1995-96 to 2002-03

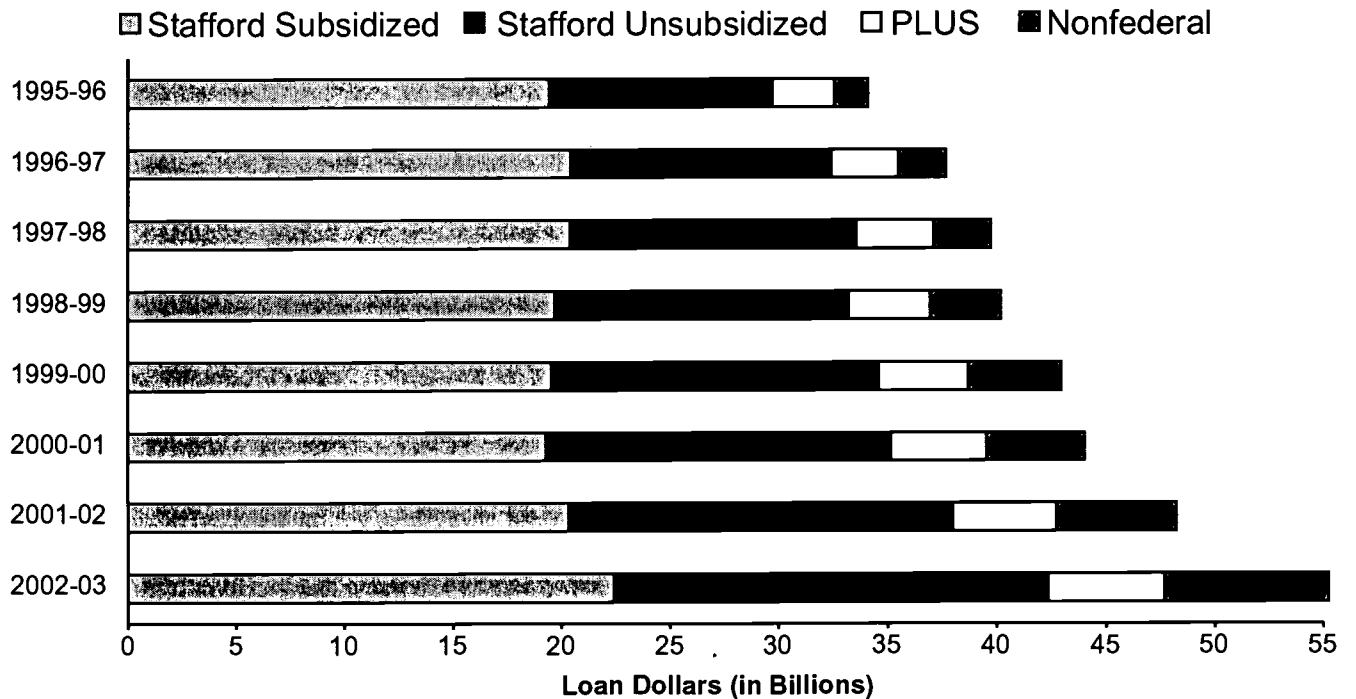


TABLE 3. Number of Recipients and Aid Per Recipient for Pell Grant, Campus-Based, and Education Tax Credit Programs in *Current and Constant (2002) Dollars, 1992-93 to 2002-03*

	Academic Year											10-year % Change
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	Estimated 02-03	
Pell Grants												
Recipients (000)	4,002	3,756	3,675	3,612	3,666	3,733	3,855	3,764	3,899	4,341	4,840	21
Aid Per Recipient (Current)	1,543	1,505	1,502	1,515	1,577	1,696	1,876	1,915	2,040	2,298	2,421	
Aid Per Recipient (Constant)	1,972	1,875	1,818	1,786	1,807	1,910	2,078	2,063	2,122	2,348	2,421	23
Federal SEOG												
Recipients (000)	976	1,068	1,057	1,083	1,191	1,116	1,163	1,170	1,174	1,295	1,189	22
Aid Per Recipient (Current)	594	546	552	538	489	523	528	529	537	534	610	
Aid Per Recipient (Constant)	759	680	668	635	561	588	585	570	559	545	610	-20
Federal Work Study												
Recipients (000)	714	712	701	702	691	746	744	733	827	741	1,073	50
Aid Per Recipient (Current)	1,092	1,084	1,081	1,087	1,123	1,215	1,228	1,252	1,135	1,394	1,135	
Aid Per Recipient (Constant)	1,395	1,350	1,308	1,282	1,287	1,368	1,361	1,348	1,180	1,424	1,135	-19
Federal Perkins												
Recipients (000)	669	685	663	688	674	679	669	655	639	661	707	6
Aid Per Recipient (Current)	1,333	1,342	1,464	1,496	1,515	1,564	1,600	1,681	1,790	1,875	1,789	
Aid Per Recipient (Constant)	1,704	1,671	1,772	1,764	1,737	1,761	1,773	1,810	1,861	1,916	1,789	5
Federal Education Tax Credits												
Recipients (000)	-	-	-	-	-	-	4,653	6,437	6,815	7,282	N/A	57
Aid Per Recipient (Current)	-	-	-	-	-	-	1,026	754	764	747	N/A	
Aid Per Recipient (Constant)	-	-	-	-	-	-	1,136	812	794	763	N/A	-33

*Where programs have been in existence for less than 10 years or data are unavailable, percent change is calculated based on the age of the program and available data.

FIGURE 4. Inflation-Adjusted Changes in Tuition, Family Income, and Student Aid, 1982-83 to 1992-93 and 1992-93 to 2002-03

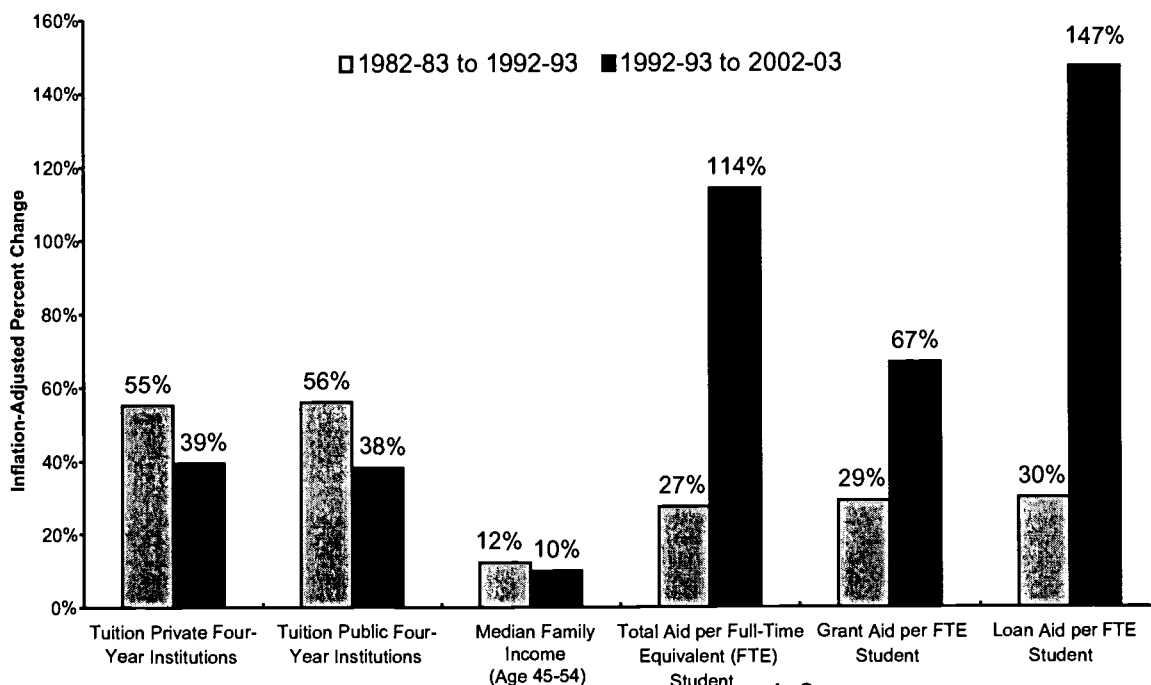


TABLE 4. Number of Borrowers, Number of Loans, and Average Loan Amount for Federal Loan Programs in *Current and Constant (2002) Dollars, 1992-93 to 2002-03*

	Academic Year											Estimated 02-03	10-Year % Change
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03		
Stafford Subsidized													
# Borrowers (000)	-	3,554	3,748	3,987	4,213	4,285	4,256	4,283	4,361	4,648	5,132		
# Loans (000)	3,883	4,433	4,540	4,758	5,079	5,171	5,086	5,120	5,263	5,665	6,258	61	
Avg. Loan (Current)	2,817	3,193	3,392	3,463	3,508	3,503	3,492	3,537	3,521	3,512	3,577		
Avg. Loan (Constant)	3,599	3,977	4,107	4,081	4,020	3,944	3,868	3,809	3,662	3,589	3,577	-1	
Stafford Unsubsidized													
# Borrowers (000)	-	650	1,737	2,037	2,311	2,506	2,572	2,836	3,040	3,377	3,776		
# Loans (000)	159	742	2,093	2,451	2,833	3,078	3,138	3,437	3,702	4,162	4,657	2838	
Avg. Loan (Current)	2,035	2,730	3,556	3,567	3,686	3,801	3,895	4,075	4,128	4,149	4,281		
Avg. Loan (Constant)	2,601	3,400	4,306	4,205	4,224	4,279	4,314	4,389	4,293	4,241	4,281	65	
PLUS													
# Borrowers (000)	-	282	303	372	401	437	458	482	500	523	559		
# Loans (000)	388	337	352	424	461	506	530	559	582	613	655	69	
Avg. Loan (Current)	3,300	4,535	5,214	5,673	5,998	6,288	6,450	6,822	7,222	7,623	8,231		
Avg. Loan (Constant)	4,216	5,648	6,313	6,686	6,874	7,080	7,144	7,346	7,511	7,790	8,231	95	
SLS													
# Borrowers (000)	-	743	9	-	-	-	-	-	-	-	-	-	-
# Loans (000)	761	882	10	-	-	-	-	-	-	-	-	-	-
Avg. Loan (Current)	3,120	3,931	3,337	-	-	-	-	-	-	-	-	-	-
Avg. Loan (Constant)	3,986	4,896	4,041	-	-	-	-	-	-	-	-	-	-
Total													
# Student Borrowers (000)	-	3,845	4,136	4,438	4,727	4,872	4,885	5,034	5,186	5,565	6,174		
# Parent Borrowers (000)	-	282	303	372	401	437	458	482	500	523	559		
# Total Borrowers (000)	-	4,127	4,440	4,810	5,129	5,309	5,343	5,516	5,685	6,087	6,733		
# Loans (000)	5,190	6,394	6,995	7,633	8,372	8,755	8,754	9,117	9,547	10,439	11,570	123	
Avg. Loan (Current)	2,874	3,312	3,533	3,619	3,705	3,768	3,815	3,942	3,982	4,007	4,124		
Avg. Loan (Constant)	3,672	4,125	4,278	4,266	4,246	4,243	4,226	4,245	4,141	4,095	4,124	12	

FIGURE 5. Grant/Loan Ratios for Undergraduate and Graduate Students, 2002-03

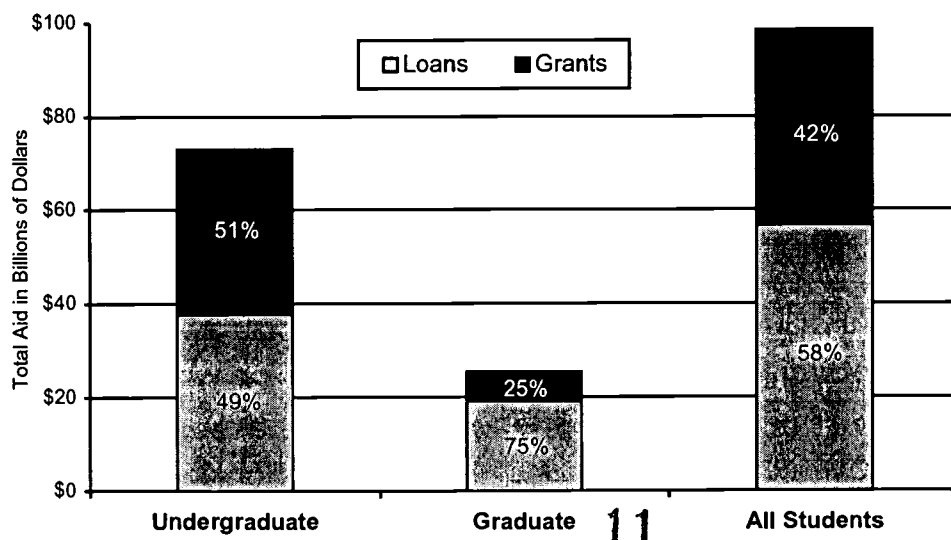


TABLE 5. Percentage Distribution of Aid from the Federal Pell, Campus-Based, Stafford Loan and PLUS Programs by Type of Institution, 1991-92 to 2001-02

	Academic Year										Estimated 01-02	10-Year* % Change
	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01		
Pell Grant												
Public Institutions	59.8	62.0	65.9	67.8	68.7	69.0	69.2	68.9	68.3	68.0	68.0	8.2
Two-Year	(24.3)	(25.7)	(30.0)	(32.7)	(32.7)	(33.0)	(32.8)	(32.4)	(33.4)	(33.7)	(35.0)	10.7
Four-Year	(35.5)	(36.3)	(35.9)	(35.1)	(36.0)	(36.0)	(36.4)	(36.4)	(34.8)	(34.4)	(33.0)	-2.5
Private Institutions	19.6	19.5	18.8	19.0	18.8	18.5	18.6	18.6	18.6	18.3	17.9	-1.7
Proprietary Institutions	20.7	18.5	15.3	13.2	12.5	12.5	12.2	12.5	13.1	13.6	14.2	-6.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Campus-Based Programs												
Public Institutions	49.5	49.1	49.6	50.1	50.4	50.8	50.6	50.5	50.1	49.9	49.2	-0.3
Two-Year	(9.3)	(9.7)	(9.6)	(9.7)	(9.6)	(9.8)	(9.9)	(9.9)	(9.8)	(9.8)	(9.8)	0.5
Four-Year	(40.2)	(39.4)	(40.0)	(40.4)	(40.9)	(41.1)	(40.7)	(40.5)	(40.3)	(40.1)	(39.4)	-0.8
Private Institutions	45.0	45.5	45.3	45.5	45.6	45.1	45.5	45.5	45.7	45.9	46.0	1.1
Proprietary Institutions	5.5	5.5	5.1	4.4	4.0	4.1	3.9	4.0	4.2	4.2	4.8	-0.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
Stafford Sub. Loans												
Public Institutions	48.3	52.5	52.0	52.3	53.4	53.8	53.8	52.8	51.1	50.1	-	1.8
Two-Year	(6.4)	(6.3)	(6.1)	(5.9)	(5.8)	(5.8)	(5.8)	(5.7)	(5.5)	(5.4)	-	-1.0
Four-Year	(41.9)	(46.2)	(45.9)	(46.5)	(47.5)	(48.0)	(48.0)	(47.2)	(45.6)	(44.7)	-	2.8
Private Institutions	38.0	37.6	38.4	38.9	38.4	37.8	37.7	37.6	37.9	38.2	-	0.2
Proprietary Institutions	13.7	9.9	9.5	8.8	8.2	8.4	8.5	9.6	10.4	11.8	-	-1.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-	
Stafford Unsub. Loans												
Public Institutions	-	66.3	40.4	44.1	46.5	47.3	47.2	46.1	45.6	45.1	-	-21.2
Two-Year	-	(6.7)	(4.3)	(4.9)	(5.1)	(5.0)	(5.0)	(4.7)	(4.4)	(4.4)	-	-2.3
Four-Year	-	(59.6)	(36.1)	(39.2)	(41.5)	(42.3)	(42.2)	(41.5)	(41.2)	(40.7)	-	-18.9
Private Institutions	-	29.0	45.7	43.0	41.7	41.2	41.5	41.5	40.6	40.8	-	11.8
Proprietary Institutions	-	4.7	13.9	12.9	11.7	11.5	11.3	12.4	12.9	14.1	-	9.4
Total	-	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-	
PLUS Loans												
Public Institutions	47.5	41.4	34.8	36.4	38.2	38.6	39.3	39.7	38.2	36.9	-	-10.6
Two-Year	(3.7)	(2.9)	(1.6)	(1.2)	(1.2)	(1.1)	(1.1)	(1.1)	(0.9)	(1.0)	-	-2.8
Four-Year	(43.8)	(38.5)	(33.3)	(35.2)	(36.9)	(37.5)	(38.3)	(38.7)	(37.3)	(35.9)	-	-7.8
Private Institutions	36.1	42.1	47.9	50.3	49.3	48.9	48.2	46.3	45.9	46.2	-	10.1
Proprietary Institutions	16.4	16.5	17.3	13.4	12.6	12.5	12.5	14.0	15.9	16.9	-	0.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-	

* Where programs have been in existence for less than 10 years or data are unavailable, percent change is calculated based on the age of the program and available data.

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TABLE 6. Grant, Loan, Work-Study, and Education Tax Credit Funding in *Current* and *Constant* (2002) Dollars (in Millions) and as a Percentage of Total Aid, 1992-93 to 2002-03

Current Dollars												
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	Estimated 02-03	10-Year* % Change
Grants	17,738	18,306	19,332	20,227	21,765	23,933	26,679	28,690	32,149	37,042	41,821	136
Loans	16,222	22,551	26,090	30,314	34,180	36,576	37,482	41,104	43,561	48,558	56,640	249
Work	780	771	757	764	776	906	913	917	939	1,032	1,218	56
Tax Credits	-	-	-	-	-	-	3,377	4,772	4,851	5,205	5,437	61
Total	34,740	41,629	46,180	51,305	56,720	61,416	68,451	75,483	81,500	91,837	105,116	203

Constant (2002) Dollars												
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	Estimated 02-03	10-Year* % Change
Grants	22,665	22,800	23,407	23,841	24,942	26,947	29,553	30,897	33,437	37,857	41,821	85
Loans	20,727	28,087	31,589	35,731	39,170	41,182	41,520	44,266	45,307	49,625	56,640	173
Work	997	961	917	900	889	1,021	1,012	988	977	1,055	1,218	22
Tax Credits	-	-	-	-	-	-	3,740	5,140	5,046	5,320	5,437	45
Total	44,388	51,848	55,912	60,473	65,001	69,149	75,824	81,290	84,766	93,856	105,116	137

Percentage												
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	Estimated 02-03	
Grants	51%	44%	42%	39%	38%	39%	39%	38%	39%	40%	40%	
Loans	47%	54%	56%	59%	60%	60%	55%	55%	54%	53%	54%	
Work	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%	1%	
Tax Credits	-	-	-	-	-	-	5%	6%	6%	6%	5%	
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

*Where programs have been in existence for less than 10 years, percent change is calculated based on the age of the program.

FIGURE 6. Grants vs. Loans, Percent Share of Total Aid, 1982-83 to 2002-03

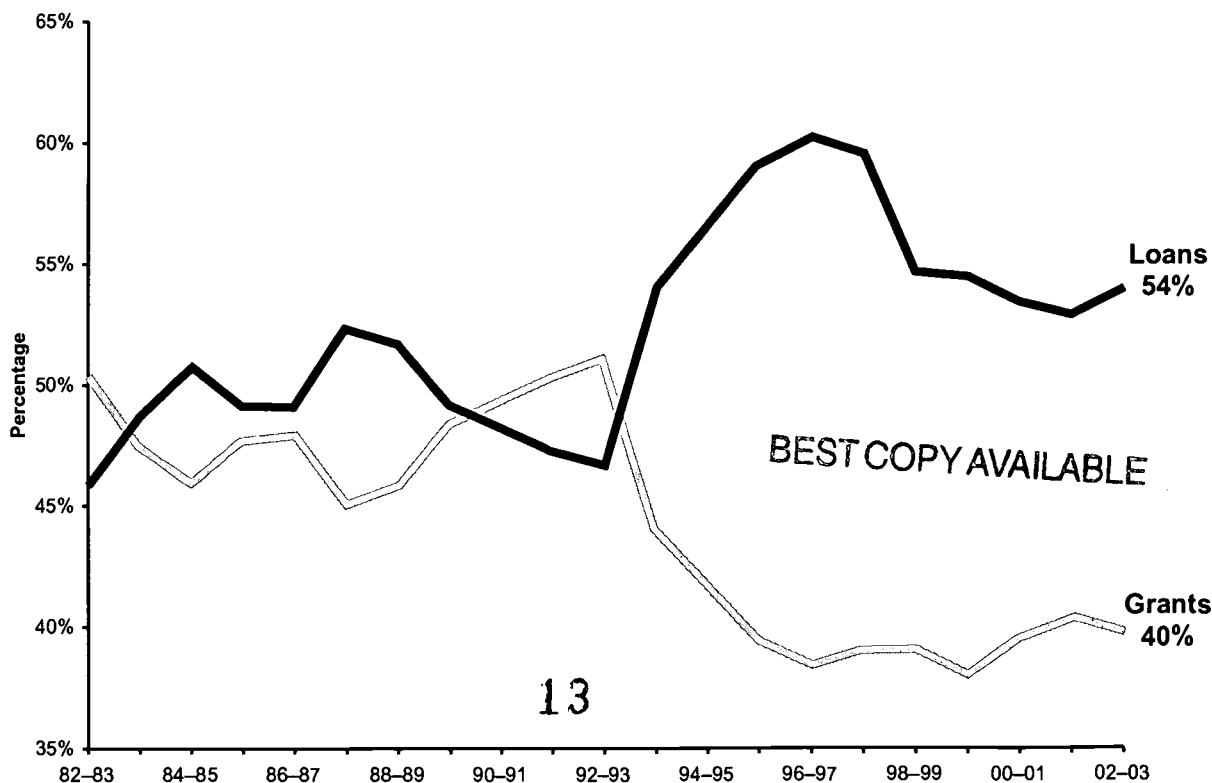


TABLE 7. Description of Federal Pell Grant Awards in *Current and Constant (2002) Dollars, 1973-74 to 2002-03*

	Expenditures (in millions)		Authorized Maximum Awards		Actual Maximum Awards		Actual Minimum Awards		Percent Cap on Costs	Number of Recipients <i>(in thousands)</i>	Percent of Recipients Independent
	Current	Constant	Current	Constant	Current	Constant	Current	Constant			
1973-74	48	195	1,400	5,739	452	1,853	50	205	50	176	13.3
1974-75	358	1,333	1,400	5,207	1,050	3,905	50	186	50	567	21.9
1975-76	926	3,127	1,400	4,727	1,400	4,727	200	675	50	1,217	29.8
1976-77	1,475	4,690	1,400	4,450	1,400	4,450	200	636	50	1,944	38.3
1977-78	1,524	4,565	1,800	5,391	1,400	4,193	200	599	50	2,011	38.5
1978-79	1,541	4,305	1,800	5,029	1,600	4,470	50	140	50	1,893	36.7
1979-80	2,357	5,962	1,800	4,553	1,800	4,553	200	506	50	2,538	33.8
1980-81	2,387	5,319	1,800	4,011	1,750	3,899	150	334	50	2,708	40.6
1981-82	2,300	4,615	1,900	3,813	1,670	3,352	120	241	50	2,709	41.9
1982-83	2,421	4,532	2,100	3,932	1,800	3,370	50	94	50	2,523	45.9
1983-84	2,797	5,062	2,300	4,162	1,800	3,257	200	362	50	2,759	47.5
1984-85	3,053	5,306	2,500	4,345	1,900	3,302	200	348	50	2,747	48.6
1985-86	3,597	6,032	2,600	4,360	2,100	3,521	200	335	60	2,813	50.4
1986-87	3,460	5,667	2,600	4,259	2,100	3,440	100	164	60	2,660	53.9
1987-88	3,754	5,971	2,300	3,658	2,100	3,340	200	318	60	2,882	57.5
1988-89	4,476	6,835	2,500	3,818	2,200	3,360	200	305	60	3,198	57.9
1989-90	4,778	6,967	2,700	3,937	2,300	3,354	200	292	60	3,322	59.0
1990-91	4,935	6,848	2,900	4,024	2,300	3,191	100	139	60	3,405	61.1
1991-92	5,793	7,664	3,100	4,101	2,400	3,175	200	265	60	3,786	61.5
1992-93	6,176	7,931	3,100	3,981	2,400	3,082	200	257	60	4,002	62.1
1993-94	5,654	7,049	3,700	4,612	2,300	2,867	400	499	-	3,756	59.2
1994-95	5,519	6,705	3,900	4,737	2,300	2,794	400	486	-	3,675	59.3
1995-96	5,472	6,465	4,100	4,844	2,340	2,765	400	473	-	3,612	58.5
1996-97	5,780	6,643	4,300	4,942	2,470	2,839	400	460	-	3,666	57.6
1997-98	6,331	7,090	4,500	5,039	2,700	3,024	400	448	-	3,733	56.6
1998-99	7,233	7,971	4,500	4,959	3,000	3,306	400	441	-	3,855	55.3
1999-00	7,209	7,804	4,500	4,872	3,125	3,383	400	433	-	3,764	55.5
2000-01	7,956	8,334	4,800	5,028	3,300	3,457	400	419	-	3,899	56.2
2001-02	9,975	10,129	5,100	5,179	3,750	3,808	400	406	-	4,341	57.1
2002-03	11,716	11,716	5,100	5,100	4,000	4,000	400	400	-	4,840	58.0

FIGURE 7. Average Pell Grant as a Share of Tuition and Fees, Room and Board, 1973-74 to 2002-03

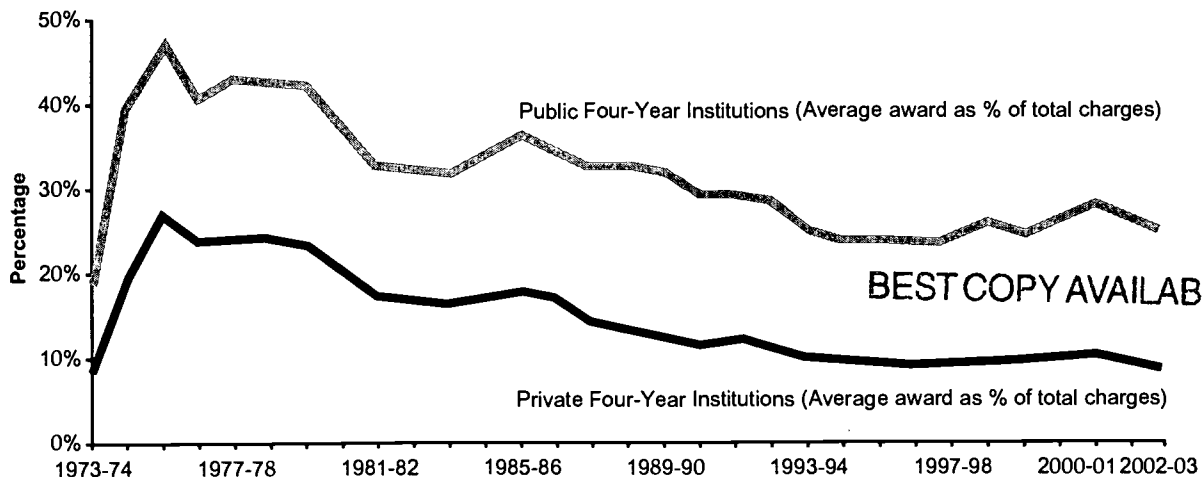


TABLE 8. Total Aid, Grant Aid, Loan Aid, and Tax Credits per Full-Time Equivalent (FTE) Student in *Constant (2002) Dollars*, 1982-83 to 2002-03

	FTE	Total Aid (millions)	Avg. Aid per FTE	Grant Aid (millions)	Grant Aid per FTE	Loans (millions)	Loans per FTE	Education Tax Credits	Education Tax Credits per FTE
1982-83	9,091,648	30,372	3,341	15,311	1,684	13,920	1,531	-	-
1983-84	9,166,398	31,386	3,424	14,890	1,624	15,273	1,666	-	-
1984-85	8,951,695	32,659	3,648	14,999	1,676	16,550	1,849	-	-
1985-86	8,943,433	33,807	3,780	16,117	1,802	16,592	1,855	-	-
1986-87	9,064,165	33,983	3,749	16,284	1,797	16,669	1,839	-	-
1987-88	9,229,736	37,548	4,068	16,910	1,832	19,640	2,128	-	-
1988-89	9,464,271	38,320	4,049	17,553	1,855	19,828	2,095	-	-
1989-90	9,780,881	39,151	4,003	18,961	1,939	19,239	1,967	-	-
1990-91	9,983,436	39,240	3,931	19,362	1,939	18,888	1,892	-	-
1991-92	10,360,606	42,451	4,097	21,379	2,063	20,071	1,937	-	-
1992-93	10,436,776	44,388	4,253	22,665	2,172	20,727	1,986	-	-
1993-94	10,351,415	51,848	5,009	22,800	2,203	28,087	2,713	-	-
1994-95	10,348,072	55,912	5,403	23,407	2,262	31,589	3,053	-	-
1995-96	10,334,956	60,473	5,851	23,841	2,307	35,731	3,457	-	-
1996-97	10,481,886	65,001	6,201	24,942	2,380	39,170	3,737	-	-
1997-98	10,615,028	69,149	6,514	26,947	2,539	41,182	3,880	-	-
1998-99	10,698,775	75,824	7,087	29,553	2,762	41,520	3,881	3,740	350
1999-00	10,943,609	81,290	7,428	30,897	2,823	44,266	4,045	5,140	470
2000-01	11,267,025	84,766	7,523	33,437	2,968	45,307	4,021	5,046	448
2001-02	11,402,000	93,856	8,232	37,857	3,320	49,625	4,352	5,320	467
2002-03	11,552,000	105,116	9,099	41,821	3,620	56,640	4,903	5,437	471

FIGURE 8. Average Aid per Full-Time Equivalent (FTE) Student, 1982-83 to 2002-03

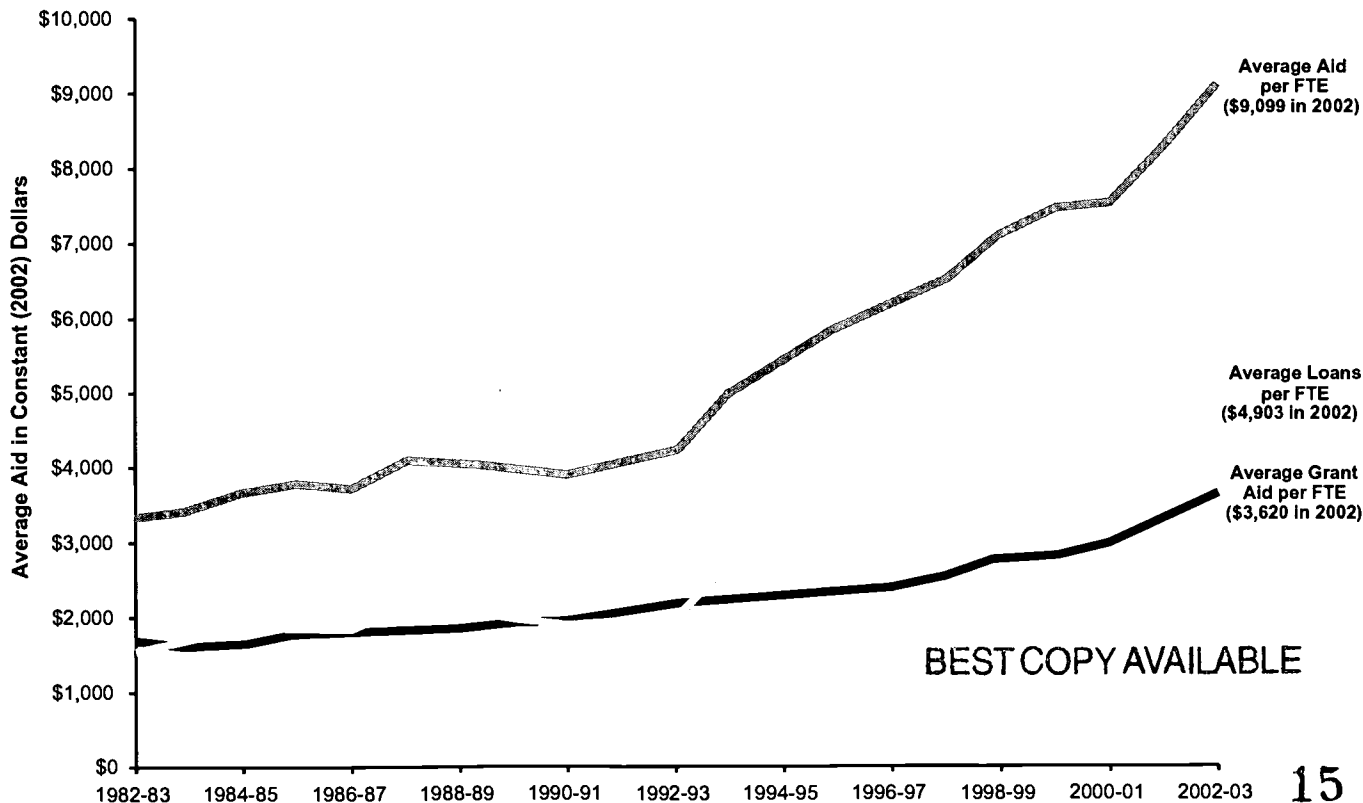
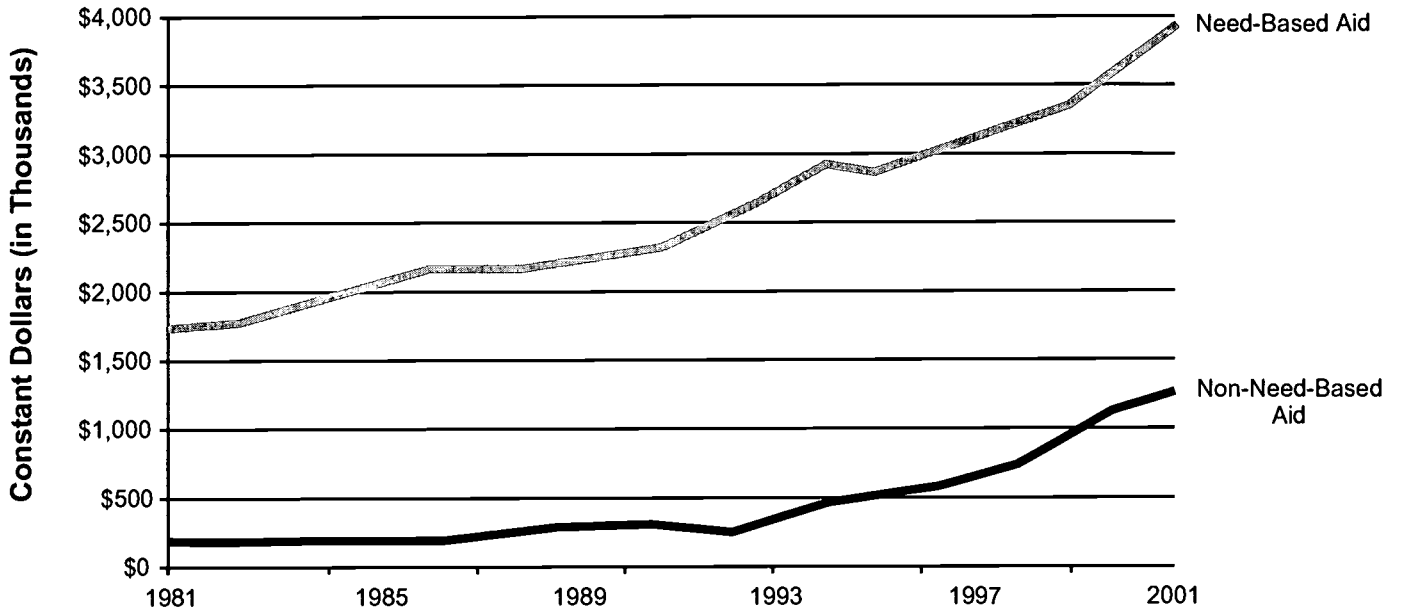
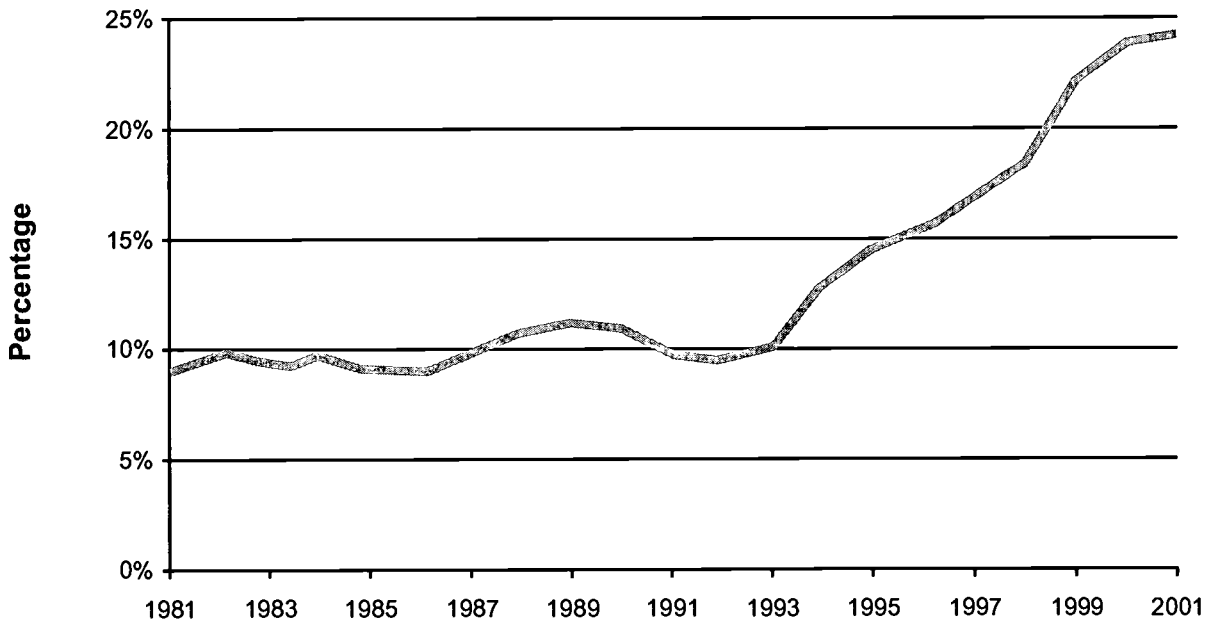


FIGURE 9. Total Need-Based and Non-Need-Based State Grant Aid in Constant (2002) Dollars, 1981 to 2001



SOURCE: Based on annual survey of National Association of State Student Grant and Aid Programs (NASSGAP).
 NOTE: These data are based on undergraduate state grants, excluding Puerto Rico.

FIGURE 10. Percent of Total Undergraduate State Grant Aid Not Based on Need, 1981 to 2001



SOURCE: Based on annual survey of National Association of State Student Grant and Aid Programs.
 NOTE: These data are based on undergraduate state grants, excluding Puerto Rico.

FIGURE 11. Percent of Students Receiving Institutional Grant Aid by Institution Type and Income Quartiles

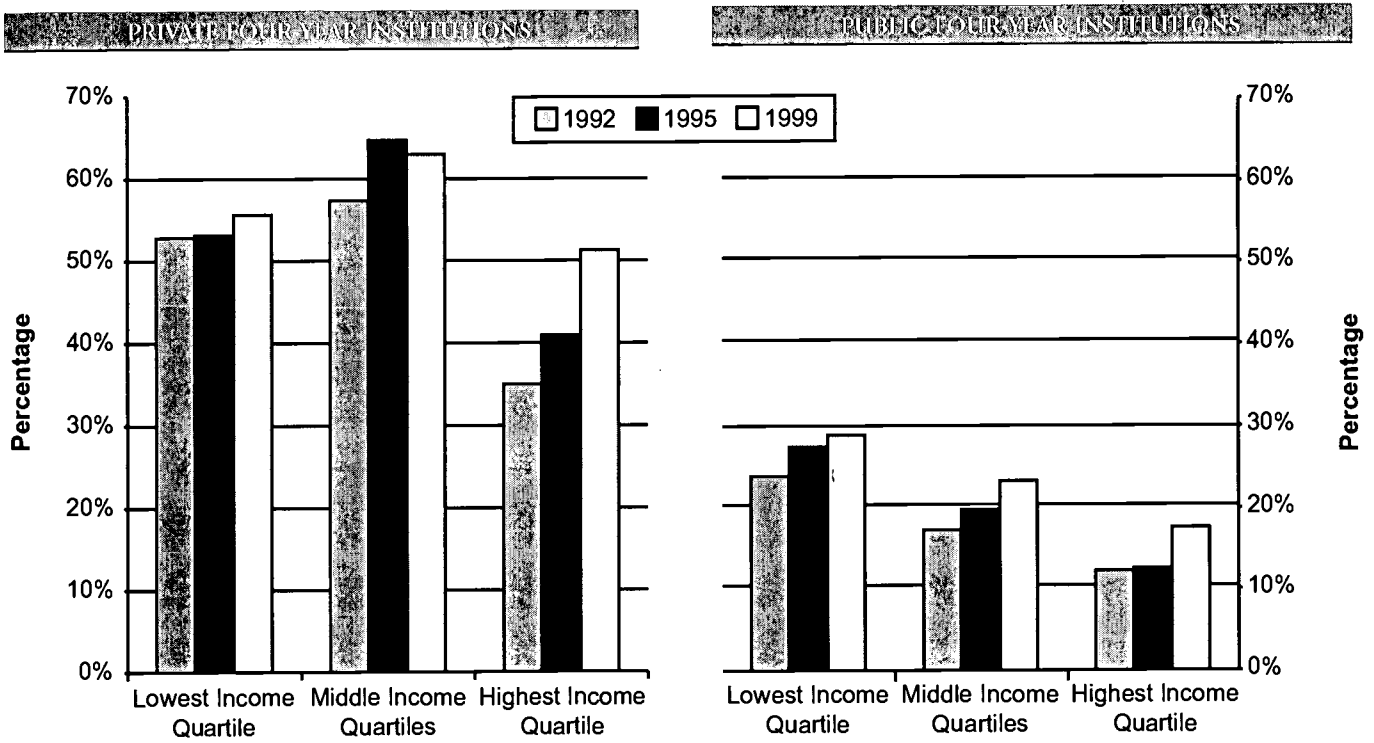
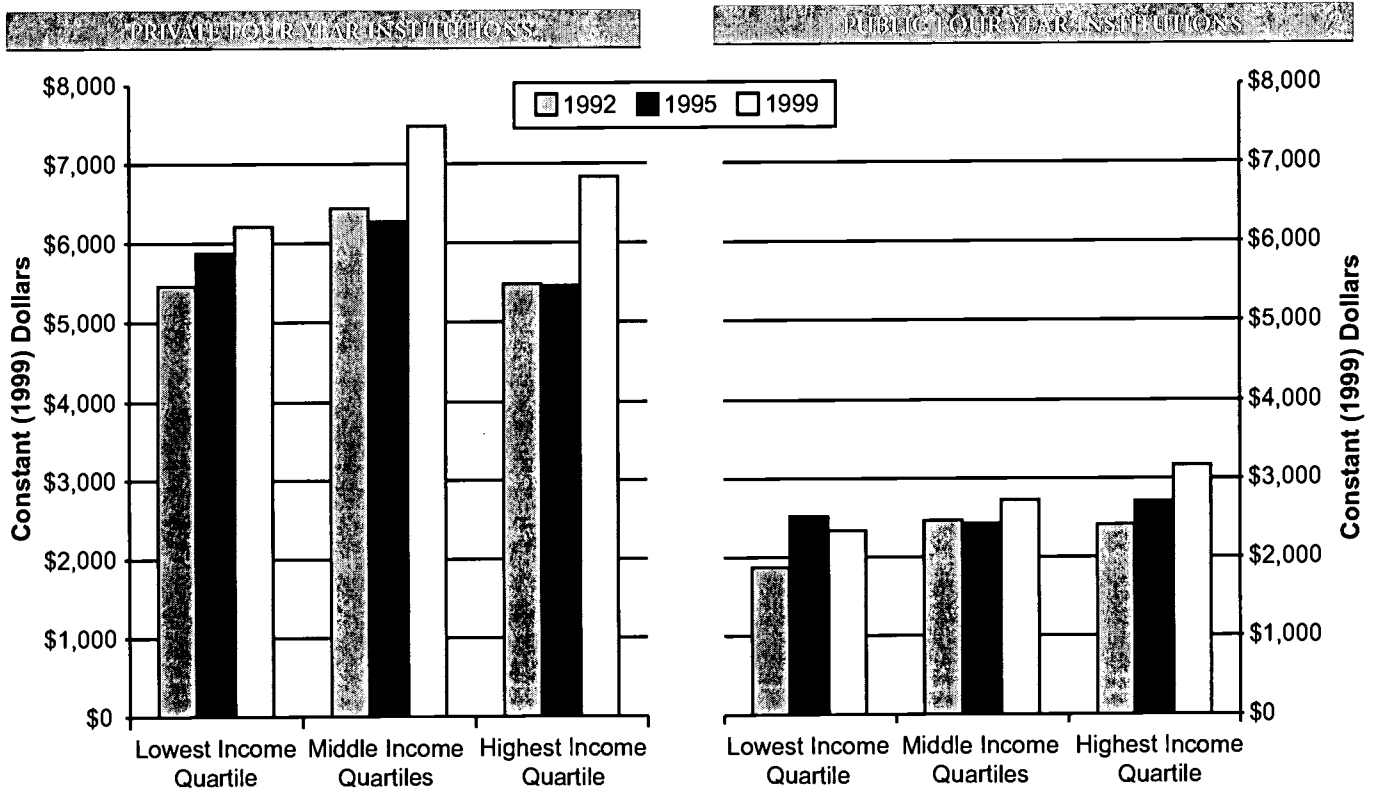


FIGURE 12. Average Institutional Grant Aid per Recipient at Four-Year Institutions by Institution Type and Income Quartiles in Constant (1999) Dollars



NOTE: Income definitions (in 1999 Dollars) for Lowest, Middle, and Highest quartiles: For parents of Dependent students: <\$31,000; \$31,000 to \$82,999; >\$83,000 or more, respectively. For Independent students: <\$12,000; \$12,000 to \$47,999; \$48,000 or more, respectively.

SOURCE: *What Colleges Contribute: Institutional Aid to Full-Time Undergraduates Attending Four-Year Colleges and Universities*, NCES 2003-157.

FIGURE 13. Total Assets in Section 529 College Savings Plans, 1996 to 2003

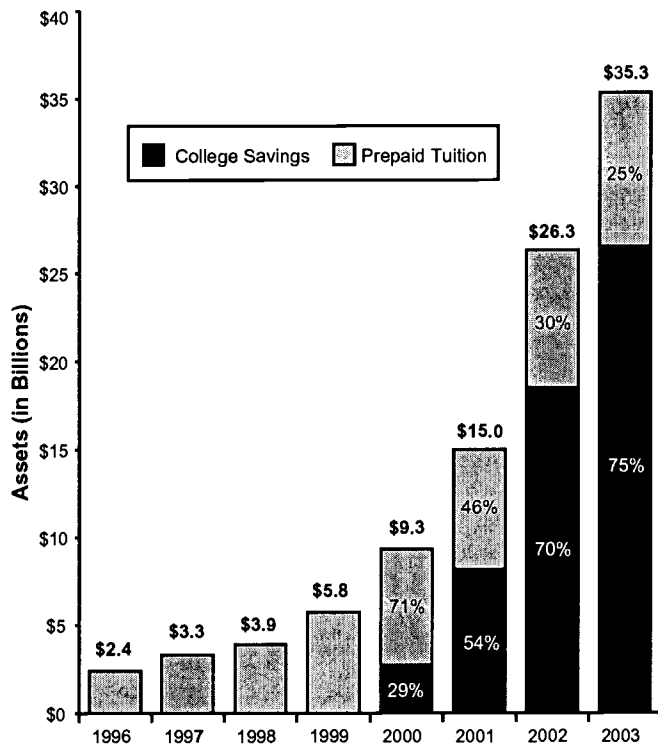
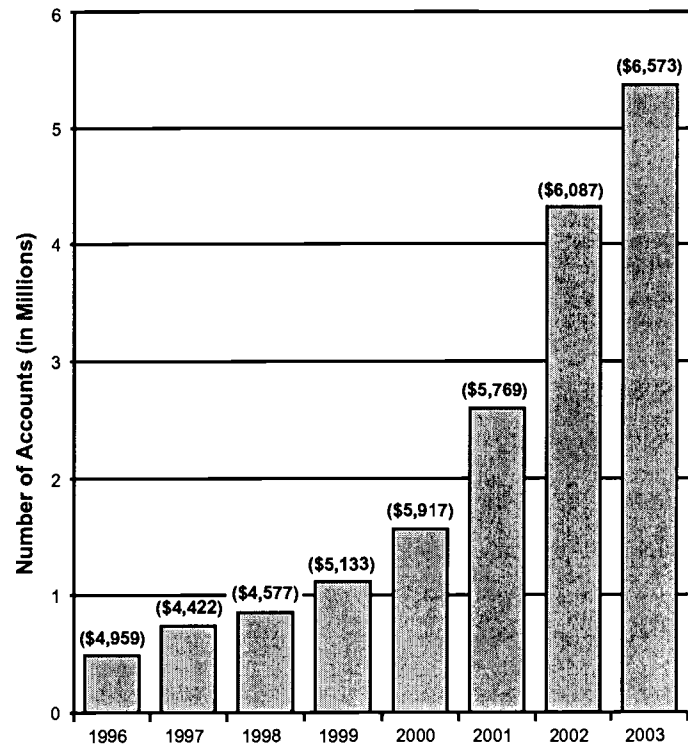


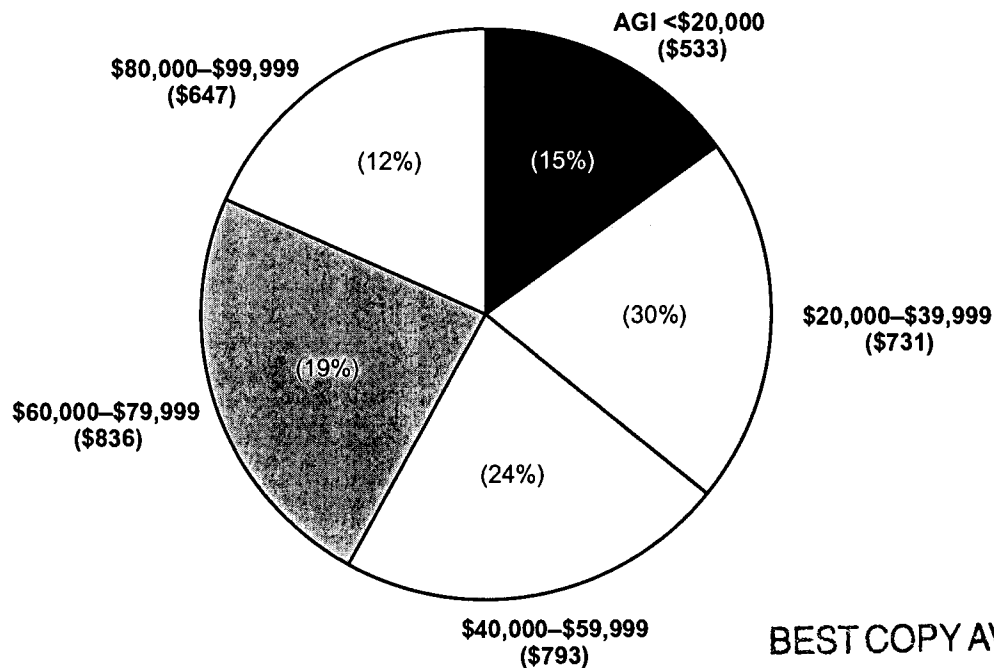
FIGURE 14. Number of Section 529 Savings Plan Accounts (With Average Savings), 1996 to 2003



NOTE: Information on specific type of account is not available for years before 2000, although the majority were prepaid tuition plans. 2003 data are as of June 30, 2003.

SOURCE: College Savings Plans Network (collegesavings.org), National Association of State Treasurers.

FIGURE 15. Distribution of Tax Credit Dollars and Average Credit Amount by AGI Levels, 2001



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SOURCE: Individual Income Tax Returns, Preliminary Data 2001, Table 1.

APPENDIX A. Aid Awarded to Postsecondary Students in Current Dollars (in Millions), 1963-64 to 1991-92

	Academic Year																						
	63-64	70-71	71-72	72-73	73-74	74-75	75-76	76-77	77-78	78-79	79-80	80-81	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90	90-91	91-92
Federally Supported Programs																							
Grants																							
Pell Grants	-	-	-	-	48	358	926	1,475	1,524	1,541	2,357	2,387	2,300	2,421	2,797	3,053	3,597	3,460	3,754	4,476	4,778	4,935	5,793
SEOG	-	165	177	210	210	210	240	240	250	270	338	369	367	352	353	375	411	393	412	408	437	458	520
LEAP	-	-	-	-	-	19	20	44	60	64	76	72	78	74	60	76	76	73	75	72	71	59	62
SSEC	-	499	570	701	784	894	1,093	1,250	1,370	1,477	1,587	1,883	1,996	733	220	35	0	0	0	0	0	0	0
Veterans	67	1,121	1,320	1,936	2,261	3,353	4,180	2,997	2,700	2,176	1,821	1,714	1,351	1,356	1,148	1,004	864	783	762	724	790	679	876
Military	42	64	59	55	80	95	97	101	104	117	167	201	232	266	297	329	342	361	349	341	364	369	394
Other Grants	9	16	20	27	33	57	63	67	82	98	114	122	106	85	62	60	67	74	92	102	110	118	160
Subtotal	118	1,865	2,147	2,929	3,416	4,986	6,619	6,174	6,091	5,742	6,461	6,748	6,429	5,286	4,937	4,933	5,358	5,143	5,445	6,122	6,550	6,618	7,804
Federal Work-Study	-	200	319	266	296	295	295	436	469	489	602	660	624	615	683	645	656	629	635	625	663	728	760
Loans																							
Perkins Loans	114	241	312	398	433	440	460	559	615	640	651	694	580	597	682	677	703	763	805	874	903	870	868
Family Education Loans	-	1,015	1,274	1,171	1,139	1,298	1,267	1,325	1,737	2,360	3,926	6,202	7,219	6,695	7,576	8,608	8,839	9,102	11,385	11,985	12,151	12,669	13,993
Income Contingent Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Loans	-	42	51	57	62	59	45	47	42	46	42	62	109	210	279	327	372	316	298	332	355	345	367
Subtotal	114	1,297	1,637	1,626	1,634	1,797	1,772	1,931	2,394	3,047	4,619	6,958	7,907	7,502	8,537	9,612	9,914	10,182	12,493	13,195	13,414	13,890	15,232
Total Federal Aid	232	3,363	4,102	4,821	5,346	7,078	8,686	8,541	8,954	9,277	11,681	14,366	14,960	13,404	14,157	15,190	15,929	15,954	18,573	19,943	20,628	21,235	23,796
State Grant Programs	56	236	269	315	364	422	490	608	677	726	788	801	921	1,006	1,106	1,222	1,311	1,432	1,503	1,581	1,719	1,860	1,968
Institutional and Other Grants	270	837	942	978	1,009	1,020	1,169	1,195	1,228	1,283	1,460	1,625	1,746	1,960	2,280	2,556	2,962	3,371	3,808	3,978	4,951	5,761	6,454
Total Federal, State, and Institutional Aid	558	4,436	5,313	6,114	6,719	8,520	10,344	10,345	10,859	11,287	13,929	16,792	17,627	16,369	17,542	18,968	20,201	20,757	23,885	25,502	27,298	28,856	32,218

NOTE: Figures on military-related aid are not precisely comparable to Table 1. Armed Forces tuition assistance amounts are not available for these years, and some ROTC data are estimated. See notes to Table 1 for further details.

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APPENDIX C. Number of Borrowers, Number of Loans, and Average Loan Amount for Federal Family Education Loan (FFEL) Programs in *Current and Constant (2002) Dollars*, 1992-93 to 2002-03

	Academic Year											10-Year % Change
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	
Stafford Subsidized											Estimated	
# Borrowers (000)	-	3,554	3,493	2,735	2,801	2,789	2,769	2,874	2,979	3,247	3,618	
# Loans (000)	3,883	4,433	4,236	3,289	3,398	3,390	3,324	3,506	3,675	4,049	4,512	16
Avg. Loan (Current)	2,817	3,193	3,372	3,472	3,529	3,533	3,535	3,569	3,553	3,534	3,550	
Avg. Loan (Constant)	3,599	3,977	4,083	4,093	4,044	3,978	3,916	3,843	3,695	3,612	3,550	-1
Stafford Unsubsidized											Estimated	
# Borrowers (000)	-	650	1,622	1,414	1,546	1,643	1,694	1,919	2,098	2,379	2,688	
# Loans (000)	159	742	1,955	1,710	1,904	2,025	2,071	2,376	2,612	3,003	3,393	2040
Avg. Loan (Current)	2,035	2,730	3,554	3,650	3,813	3,949	4,086	4,229	4,280	4,281	4,360	
Avg. Loan (Constant)	2,601	3,400	4,303	4,302	4,369	4,446	4,526	4,554	4,452	4,375	4,360	68
PLUS											Estimated	
# Borrowers (000)	-	282	274	241	254	275	282	305	325	347	374	
# Loans (000)	388	337	320	279	296	324	332	362	386	417	449	16
Avg. Loan (Current)	3,300	4,535	5,174	5,757	6,147	6,449	6,652	7,080	7,487	7,861	8,395	
Avg. Loan (Constant)	4,216	5,648	6,264	6,786	7,045	7,261	7,369	7,625	7,787	8,033	8,395	99
SLS											Estimated	
# Borrowers (000)	-	743	9	-	-	-	-	-	-	-	-	
# Loans (000)	761	882	10	-	-	-	-	-	-	-	-	
Avg. Loan (Current)	3,120	3,931	3,337	-	-	-	-	-	-	-	-	
Avg. Loan (Constant)	3,986	4,896	4,041	-	-	-	-	-	-	-	-	
Total											Estimated	
# Student Borrowers (000)	-	3,845	3,852	3,033	3,127	3,155	3,164	3,347	3,501	3,836	4,300	
# Parent Borrowers (000)	-	282	274	241	254	275	282	305	325	347	374	
# Total Borrowers (000)	-	4,127	4,127	3,274	3,381	3,430	3,445	3,652	3,826	4,183	4,674	
# Loans (000)	5,190	6,394	6,521	5,277	5,598	5,738	5,727	6,245	6,674	7,469	8,354	61
Avg. Loan (Current)	2,874	3,312	3,515	3,650	3,764	3,844	3,915	4,024	4,065	4,076	4,140	
Avg. Loan (Constant)	3,672	4,125	4,256	4,303	4,313	4,329	4,337	4,333	4,228	4,165	4,140	13

APPENDIX D. Number of Borrowers, Number of Loans, and Average Loan Amount for Ford Direct Student Loan (FDSL) Programs in Current and Constant (2002) Dollars, 1992-93 to 2002-03

	Academic Year											8-Year % Change
	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	
Stafford Subsidized											<i>Estimated</i>	
# Borrowers (000)	-	-	264	1,275	1,436	1,521	1,510	1,432	1,407	1,427	1,543	
# Loans (000)	-	-	305	1,469	1,680	1,781	1,762	1,613	1,588	1,615	1,746	473
Avg. Loan (Current)	-	-	3,672	3,442	3,464	3,444	3,411	3,468	3,447	3,456	3,646	
Avg. Loan (Constant)	-	-	4,446	4,056	3,970	3,878	3,778	3,735	3,585	3,532	3,646	-18
Stafford Unsubsidized											<i>Estimated</i>	
# Borrowers (000)	-	-	118	633	774	874	889	929	955	1,013	1,105	
# Loans (000)	-	-	138	741	929	1,053	1,067	1,061	1,090	1,159	1,264	819
Avg. Loan (Current)	-	-	3,592	3,377	3,426	3,516	3,523	3,731	3,762	3,808	4,067	
Avg. Loan (Constant)	-	-	4,349	3,980	3,927	3,958	3,903	4,018	3,913	3,892	4,067	-6
PLUS											<i>Estimated</i>	
# Borrowers (000)	-	-	29	132	147	162	177	176	175	176	185	
# Loans (000)	-	-	32	146	165	182	198	197	195	196	206	543
Avg. Loan (Current)	-	-	5,618	5,512	5,730	6,002	6,109	6,346	6,698	7,118	7,874	
Avg. Loan (Constant)	-	-	6,802	6,497	6,566	6,758	6,768	6,835	6,966	7,274	7,874	16
Total											<i>Estimated</i>	
# Student Borrowers (000)	-	-	295	1,434	1,629	1,747	1,750	1,718	1,718	1,762	1,912	
# Parent Borrowers (000)	-	-	29	132	147	162	177	176	175	176	185	
# Total Borrowers (000)	-	-	324	1,565	1,776	1,909	1,926	1,894	1,893	1,938	2,097	
# Loans (000)	-	-	474	2,356	2,774	3,017	3,027	2,872	2,873	2,971	3,216	578
Avg. Loan (Current)	-	-	3,780	3,549	3,586	3,624	3,627	3,763	3,788	3,835	4,082	
Avg. Loan (Constant)	-	-	4,577	4,184	4,110	4,080	4,018	4,052	3,939	3,919	4,082	-11

Notes and Sources

TABLE 1
Federally Supported Programs

Several of the federally supported programs include small amounts of funding from sources other than the federal government. For example, Federal Work-Study (FWS) includes contributions by institutions, although most of the funds in the program are federal. Perkins Loans (until 1987 called National Direct Student Loans or NDSL) are funded from federal and institutional capital contributions as well as collections from borrowers. Institutional matching funds required by the Supplemental Educational Opportunity Grant (SEOG) program since 1989-90 are reported under institutional grants.

LEAP. Formerly known as the State Student Incentive Grant (SSIG) program, the Leveraging Educational Assistance Partnerships monies reported under federally supported aid include federal monies only; the state share is included under the "state grants" category.

ICL. The Income Contingent Loan Program was discontinued after 1992-93.

FDSLPL. The Ford Direct Student Loan Program began disbursing loans in academic year 1994-95. It includes subsidized and unsubsidized Stafford Loans and Parent Loans for Undergraduate Students (PLUS). Under this program, loans are provided directly to students by the federal government, using funds from the U.S. Treasury. Data for the 2002-03 year are estimates based on preliminary calculations from the Policy, Budget, and Analysis Staff, U.S. Department of Education.

FFELP. The Federal Family Education Loan Program (until 1992 Guaranteed Student Loans), which includes Stafford subsidized, unsubsidized, and PLUS loans (also Supplemental Loans for Students, SLS, until 1994-95), relies on private sources of capital. Until SLS was created by the 1986 Amendments to the Higher Education Act, supplemental loans were provided to students under the Auxiliary Loans to Assist Students (ALAS) program. The SLS program was discontinued after the 1994-95 academic year.

Veterans. Benefits are payments for postsecondary education and training to veterans and their dependents authorized under Chapters 30, 31, 32, 34, 35, and 106 of the U.S. Code. Federal contributions to Chapter 34, the Veterans' Educational Assistance portion of the Post-Korean Conflict Educational Assistance Programs, were terminated in 1990. After 1990, remaining eligible veterans were funded through Chapter 30.

Military. Expenditures for education are reported for three types of programs: the F. Edward Hebert Armed Forces Health Profession Scholarship Program, Reserve Officers' Training Corps programs for the Air Force, Army, and Navy/Marines, and higher education tuition assistance for the active duty Armed Forces.

Other Grants. Includes Higher Education Grants for Indian Students, Fellowships for Indian Students (last funded in 1995-96), American Indian Scholarships, Indian Health Service Scholarships, National Science Foundation predoctoral fellowships (minority and general graduate), National Health Service Corps Scholarships, National Institutes of Health predoctoral individual awards, including Nursing Fellowships (Nursing funding ended in 1984-85), fellowships awarded through the Council on Legal Educational Opportunity (last funded in 1995-96), the Jacob K. Javits Fellowship Program, the Robert C. Byrd Honors Scholarship Program (last funded in 1994-95), and college grants provided to volunteers in the Americorps national service programs (funding began in 1994-95).

Other Loans. Includes amounts loaned under the Health Professions Student Loan Program, the Health Education Assistance Loan Program, and the Nursing Student Loan Program.

Education Tax Credits. Data on education tax credits are Internal Revenue Service estimates of the volume of Hope and Lifetime Learning Credits for tax years 1998 through 2001 as reported in *Table 1: Individual Income Tax Returns, Statistics of Income*. Amounts are attributed to the academic year beginning in the calendar year during which the tax credit was claimed. For example, the tax credit counted as student aid in 1998-99 is the amount claimed on 1998 tax forms. Education tax credits for 2002 are estimates.

State Grant Programs

The state grant amount for 2002-03 is based on projections by the 20 states that award approximately 90 percent of state grant funds and estimates made by the College Board for the remaining 30 states and the District of Columbia. Previous data are updated using the National Association of State Student Grant and Aid Programs (NASSGAP) Annual Survey.

Nonfederal Loans

Estimates based on an informal College Board poll of the largest nonfederal loan sponsors; includes estimates of private and state-sponsored loan volume since 1995-96.

Institutional Grants

Estimates of institutional grant amounts are based on data from the 1992-93, 1995-96 and 1999-2000 National Postsecondary Student Aid Surveys (NPSAS). The rate of growth in institutional aid is assumed to be constant between surveys.

TABLE 2

Constant dollar figures are based on data from Table 1. See page 23 for a more complete explanation of constant-dollar conversions.

TABLE 4

1992-93 was the first year of the unsubsidized Stafford program. 1994-95 was the last year of the SLS program. Through coincidence only, 1994-95 was also the first year loans were made by the Ford Direct Student Loan Program.

TABLE 5

Four-year institutions include public institutions offering bachelor's and/or graduate degrees. Two-year institutions include public institutions of any other program length from six months to three years. Proprietary refers to private for-profit institutions.

The unsubsidized Stafford Loan program first began disbursing funds in 1992-93. Beginning in 1994-95, loan distribution figures include subsidized Stafford, unsubsidized Stafford, and PLUS loans made through both the Federal Family Education Loan Program and the Ford Direct Student Loan Program.

TABLE 6

Based on data from Tables 1 and 2. The grants category includes Pell Grants, SEOG, LEAP, Veterans Benefits, Military Expenditures, Other Grants, State Grant Programs, and Institutional Grants. Loans includes loans from all sources, whether subsidized or not. The work component is FWS and tax credits include Hope and Lifetime Learning federal tax credits.

TABLE 7

The 1992 reauthorization of the Higher Education Act eliminated the percent cap on college costs beginning in 1993-94. The constant dollar values reflect a fiscal year CPI adjustment.

TABLE 8

FTE data from Table 200, *Digest of Education Statistics 2001*. FTE data are for fall enrollment, all institutions. Enrollment data for 2001-02 and 2002-03 are based on middle alternative projections from Table 22, *Projections of Education Statistics to 2012*, NCES.

FIGURES 1 and 2

Based on Tables 1 and 2.

Academic Year 2002 = 2002-03

Federal Campus Based aid includes SEOG, FWS, and Perkins Loans.

Federal Loans includes Federal Family Education Loans and Ford Direct Student Loans. Other Federal Programs includes LEAP, Military and Veterans' aid, Other Grants, and Other Loans. Education Tax Credits include federal Hope and Lifetime Learning credits.

FIGURES 3a and 3b

Based on data from Table 2. The proportions of aid distributed to graduate and undergraduate students are based on: federal loans—data for fiscal year 2000 in the *Federal Student Loan Program Data Book*; private loans—information provided by lenders for 2002-03; state grants—National Association of State Student Grant and Aid Programs (NASSGAP) data; and institutional grants—NPSAS, 1999-00.

FIGURE 4

Based on data from Tables 2, 8, and *Trends in College Pricing*.

Median family income data for the 45-54 age category are used because they are more representative of families with dependents in college. This statistic is not representative of independent students.

FIGURE 6

Based on Table 6 data and Appendix B.

Loans include FFELP, FDSLPL, Perkins Loans, ICL, other federal loans, and nonfederal loans as surveyed for this report.

Grants include Pell, SEOG, LEAP, Veterans grants, Military grants, State grants, Institutional and other grants, and miscellaneous grants.

FIGURE 7

Based on Table 7 and historical tuition, fees, room and board data from the College Board (1987-88 on) and the National Center for Education Statistics (pre-1987-89).

FIGURE 8

Based on Table 8.

FIGURES 9 and 10

Based on annual survey results of the National Association of State Student Grant and Aid Programs (NASSGAP).

FIGURES 11 and 12

Data on institutional grant aid by income levels are from the National Center for Education Statistics, *What Colleges Contribute: Institutional Aid to Full-Time Students Attending Four-Year Colleges and Universities*, NCES 2003-157.

FIGURES 13 and 14

Data on assets in state savings plans and prepaid tuition plans were provided by the National Association of State Treasurers, College Savings Plans Network.

FIGURE 15

Distribution of education tax credits by adjusted gross income levels is from *Statistics of Income, Individual Income Tax Returns, Preliminary Data 2001*. Because the data are reported by income categories, some interpolation was required.

Acronyms

- FWS = Federal Work-Study
- FFELP = Federal Family Education Loan Program
- ICL = Income Contingent Loan Program
- FDSLPL = William D. Ford Direct Student Loan Program
- PLUS = Parent Loans to Undergraduate Students
- SEOG = Federal Supplemental Educational Opportunity Grant
- SLS = Supplemental Loans for Students
- LEAP = Leveraging Educational Assistance Partnerships

Definitions

Academic year: July 1 to June 30

Federal fiscal year: October 1 to September 30

General Notes

- Details may not add to totals due to rounding.
- Aid is reported by the academic year in which it is awarded. When necessary, fiscal year data are converted to the academic year equivalents by reassigning the July through September expenditures.

- For a more detailed description of the programs and past trends, see *Trends in Student Aid: 1963 to 1983*.

A Note on Constant Dollar Conversion

The Consumer Price Index for all urban dwellers (the CPI-U) is used to adjust for inflation. Updated CPI data are available from the Bureau of Labor Statistics Web site (<http://stats.bls.gov/cpihome.htm>). Because federal data are now available by academic-year rather than the federal fiscal-year, we have used an academic base-year calculation in most cases. The academic base year for 2002-03 was calculated using CPI data for the months inclusive of July 2002 to June 2003.

Formula for Constant Dollar Conversion

$$\frac{\text{CONSTANT (base year) Dollars}}{\text{CURRENT year dollars}} = \frac{\text{CPI for the base year}}{\text{CPI for the current year}} \times$$

Consumer Price Indexes: (1982-84=100)

The CPI conversion table provides academic and calendar year CPI data. The factor column provides the user with a multiplication factor equal to that of CPI (base year) divided by CPI (current year), as illustrated in the right-hand side of the above equation. Multiplication of the current year figure by the associated factor will yield a constant-dollar result.

Sources

Consumer Price Index:

The Consumer Price Index (CPI) for current and past years is from the Bureau of Labor Statistics, U.S. Department of Labor.

Tables 1, 2, 3, 4, 5, 6, and 7:

Campus-Based Aid (FWS, Perkins, and SEOG) U.S. Department of Education, Office of Postsecondary Education Policy, Budget, and Analysis staff. *Federal Campus-Based Programs Databook 2002* and *Federal Campus-Based Programs Distribution of Awards Annual*.

Federal Family Education Loan and Ford Direct Student Loan Programs.

Unpublished data from the U.S. Department of Education, Policy, Budget, and Analysis staff.

Institutional Aid

Estimates of institutional grant amounts are based on data from the 1992-93, 1995-96 and 1999-2000 National Postsecondary Student Aid Surveys (NPSAS). The rate of growth in institutional aid is assumed to be constant between surveys.

Academic Year			Calendar Year		
Year	CPI	Factor	Year	CPI	Factor
1992-93	142.5	1.2777	1992	140.3	1.2819
1993-94	146.2	1.2455	1993	144.5	1.2452
1994-95	150.4	1.2108	1994	148.2	1.2135
1995-96	154.5	1.1787	1995	152.4	1.1804
1996-97	158.9	1.1460	1996	156.9	1.1468
1997-98	161.7	1.1259	1997	160.5	1.1206
1998-99	164.4	1.1077	1998	162.9	1.1044
1999-00	169.1	1.0769	1999	166.4	1.0810
2000-01	175.1	1.0401	2000	172.2	1.0447
2001-02	178.2	1.0220	2001	177.1	1.0159
2002-03	182.1	1.0000	2002	179.9	1.0000

Military

F. Edward Hebert Armed Forces Health Profession Scholarship amounts were obtained from the Office of the Assistant Secretary for Defense (Health Affairs). ROTC program data were obtained separately from the Air Force, Army, and Navy program offices. The Education Policy Directorate of the Office of the Secretary of Defense provided Armed Forces tuition assistance amounts.

Other Grants and Loans

The data were collected through conversations and correspondence with the officials of the agencies that sponsor the programs.

Pell Grant Program

Unpublished data from Policy, Budget, and Analysis Staff, U.S. Department of Education. Other data from Pell Grant End of Year Reports.

Education Tax Credits

Selected Income and Tax Items for Specified Years, 1980-2001 and Preliminary Data 2001

LEAP and State Grant Programs.

2002-03: Preliminary figures reported by 20 states with largest grant appropriations. Figures for remaining 30 states, the District of Columbia, and Puerto Rico were estimated by the College Board.

1988-89 to 2001-02: 20th through 33rd *Annual Survey Reports* of the National Association of State Student Grant and Aid Programs.

Veterans Benefits

Benefits Program series (annual publication for each fiscal year), Office of Budget and Finance, U.S. Veterans Administration and unpublished data from the same agency.

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trends in student aid

2003



This report provides the most recent and complete statistics available on student aid in the United States. Detailed historical data are available in Gillespie and Carlson, *Trends in Student Aid: 1963 to 1983* (New York: The College Board, 1983) and annual *Trends in Student Aid* publications since 1983. Data here include updates of some previously published data, in addition to estimates for the academic year 2002-03

The College Board is grateful to the many staff members in public and private agencies who contributed the basic data, as well as their insights and expertise.

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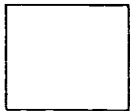


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