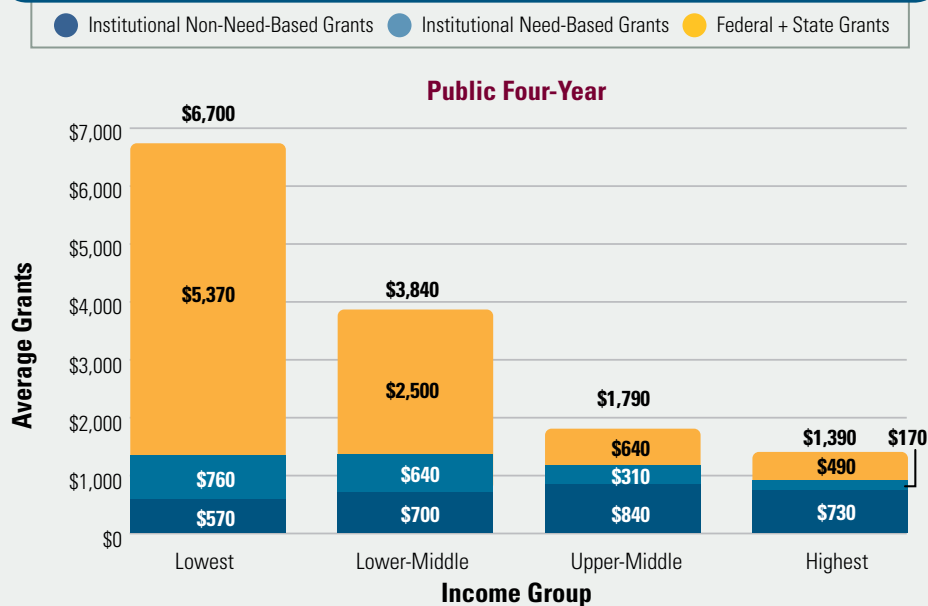


Distribution of Grant Aid by Income Level and Institution Type

Average Non-Need-Based and Need-Based Institutional Grants and Average Federal plus State Grants per Full-Time Dependent Student at Public Institutions by Parent Income, 2007-08



Note: Data are based on dependent students who attended exclusively full-time in 2007-08. Income groups are based on quartiles of families in the U.S. Census Bureau 2006 income data (corresponding to the 2007-08 academic year). Income ranges in 2007-08 are: less than \$32,500; \$32,500 to \$59,999; \$60,000 to \$99,999; and \$100,000 or more.

Sources: NPSAS, 2008; U.S. Census Bureau, *Current Population Survey*, Annual Social and Economic Supplement, 2007.

Federal Grant Aid

Pell Grants are targeted at low- and moderate-income students. In 2007-08, 62% of dependent recipients came from families with incomes of \$30,000 or less. Fifty-eight percent of Pell recipients were independent; their Pell eligibility was based on their own financial circumstances, not those of their parents.

- 6.1 million students received Pell Grants in 2008-09; the average grant per recipient was \$2,973. Fewer than 490,000 Pell recipients received Academic Competitiveness Grants (ACG), and only 78,000 received SMART Grants. The average ACG was \$762 per recipient, and the average SMART Grant was about \$2,833.
- The 31% of full-time equivalent (FTE) enrolled in public two-year colleges in 2007-08 received 30% of the Pell Grant funds. The 41% of FTE undergraduates enrolled in four-year public colleges received 34% of the Pell Grant funds. Undergraduates enrolled in private not-for-profit four-year institutions (18% of all FTE undergraduates) received 15% of the Pell Grant funds, and undergraduates enrolled in for-profit institutions (9% of all FTE undergraduates) received over 20% of the Pell Grant funds.
- Pell Grant recipients at public four-year institutions received 57% of the ACG funds and 66% of the SMART Grant funds in 2007-08. Pell recipients at private not-for-profit four-year institutions received 28% of the ACG funds and the same percentage of SMART Grant funds. At public two-year colleges, Pell recipients received 14% of the ACG funds, and at for-profit institutions, Pell recipients received 2% of the ACG funds and 7% of the SMART Grant funds.

State Grant Aid

In 2007-08, 28% of all full-time dependent undergraduates received state grants. Between 1992-93 and 2007-08, average state grant dollars to dependent undergraduate students more than doubled, rising from \$320 (in 2007 dollars) to \$870 per student. Students from families with incomes below \$32,500 received an average of \$760 more in 2007-08 than in 1992-93, an increase of 92%. Students from families with incomes of \$100,000 or higher received an average of \$320 more, an increase of 457%.

- The proportion of state aid allocated on the basis of financial circumstances declined from 90% in 1992-93 to 72% in 2007-08.
- In 2007-08, 47% of full-time dependent undergraduates from families with incomes under \$32,500 received state grants averaging \$3,400. The proportion of students receiving state grants declined as income increased, with only 13% of those with incomes of \$100,000 or higher receiving state grants. However, the average grant was lowest (\$2,700) for those with incomes in the \$60,000 to \$99,999 range. For students from the highest-income group, the average grant was \$3,000.
- Between 1992-93 and 2007-08, the proportion of students receiving state grants increased by 14 percentage points for the lowest-income (below \$32,500) group, 16 points for the lower-middle income (\$32,500 to \$59,999) group, and 13 and 10 points, respectively, for the two highest-income groups (\$60,000 to \$99,999 and \$100,000 or more).

Institutional Grant Aid

In 2007-08, institutional grant aid at public four-year institutions averaged \$1,340 per full-time dependent student for those with family incomes below \$60,000. Students from families with incomes between \$60,000 and \$99,999 received an average of \$1,150 in institutional grant aid, and those from higher-income families received \$900 on average.

- At public four-year institutions, about one-third of the institutional grant aid was based on financial need. For the lowest-income students, 57% of institutional aid was distributed based on financial need. This proportion decreased as incomes increased and was 19% for the highest-income students.
- In 2007-08, grant aid from all sources — federal, state, and institutional — at public four-year colleges averaged \$6,700 for full-time dependent students from families with incomes less than \$32,500. Students from families with incomes between \$32,500 and \$59,999 received average total grants of \$3,840; students from families with incomes between \$60,000 and \$99,999 received average total grants of \$1,790; students from the highest-income families received average total grants of \$1,390.
- Institutional grant awarding patterns differ considerably at private colleges with different tuition and fee levels. In 2007-08, on average, institutional grants covered about 25% of tuition and fees for students at the highest-priced colleges and about 35% at lower-priced private colleges.