

2003
Status Report
on the
Pell Grant
Program

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American Council on Education
Center for Policy Analysis

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Foreword

The Pell Grant program plays a unique role in promoting economic and social mobility in the United States. It is the nation's largest single source of need-based grant assistance, serving one in four undergraduates, or more than 4 million students annually. No other federal program is more important to creating opportunity for all citizens to benefit from higher education. Everything we know about the effects of higher education suggest that Pell Grant recipients will be better prepared than their low-income peers for the "knowledge economy" and, as a result, will earn more. They also will be more likely to participate actively in their communities. The relatively small public investment in the Pell Grant program reaps huge rewards in increased prosperity, reduced reliance on public assistance, and enhanced civic life.

The American Council on Education's *2003 Status Report on the Pell Grant Program* provides a comprehensive picture of the history and current state of this vital program. ACE offers this report as part of our ongoing commitment to the Pell Grant program and the larger goal of opening access to high-quality higher education. Using data from various federal sources, this report tracks key indicators of the growth and distribution of Pell Grants over the program's history and describes how these grants fit into the overall college financing scheme of low-income students. It updates ACE's *2000 Status Report on the Pell Grant Program*.

We release this status report in tandem with a companion document on the federal education loan programs. We intend to update both reports on a regular basis, and we welcome comments and suggestions for improving future editions.

David Ward
President
American Council on Education

Highlights

Historical Trends

- Since 1973, the Pell Grant program has grown to provide a projected \$11 billion in assistance annually to almost 4.6 million students, or one-quarter of the undergraduate population in academic year 2002–03.
- Expenditures for the Pell Grant program increased by 81 percent in inflation-adjusted terms between 1976–77, the first year in which undergraduates at all class levels could participate, and 2000–01, the most recent year for which actual expenditures are available.
- In inflation-adjusted dollars, the maximum grant reached its highest value of \$4,541 in 1975–76. It dipped as low as \$2,724 in real terms in the mid-1990s and rebounded to \$4,000 in 2002–03.
- In 1979–80, the maximum grant covered 99 percent of the average price of tuition, fees, and on-campus room and board at a public two-year institution, 77 percent of these prices at a public four-year institution, and 36 percent of these prices at a private not-for-profit college or university. However, until 1992, a cap on the share of the total price the maximum grant could cover limited the amount of aid available. Today, the maximum grant covers 68 percent, 41 percent, and 16 percent of these prices, respectively.
- The number of applicants to the Pell Grant program has grown from 3.4 million in 1976–77 to 8.7 million in 2000–01. The number of Pell Grant recipients also has increased, but not so precipitously. However, since the economic downturn of 2000, the number of Pell Grant applicants and recipients has increased dramatically. According to the most recent U.S. Department of Education projections, applicants and recipients increased by 16 percent and 19 percent, respectively, between 2000–01 and 2002–03. The Pell Grant program currently experiences a funding shortfall due to this sharp increase in eligible applicants.
- In 1976–77, the two major federal grant programs (Pell Grants and Supplemental Educational Opportunity Grants [SEOG]) accounted for 43 percent of all Title IV student aid. Slow growth in these programs and expanded eligibility for federal student loans, leading to dramatically increased loan volume, reduced the Pell/SEOG share of Title IV assistance to 19 percent in 2001–02.
- The average income of families in the lowest income quintile has declined slightly since the early 1970s in real terms. During the same period, college prices have increased faster than inflation. As a result, paying for college now requires a larger share of low-income families' annual income than it did when the Pell Grant program began.

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- The total number of institutions participating in the Pell Grant program is roughly the same today as in 1980 (5,500). However, the mix of institutions has changed substantially. After growing to almost half of all participating schools, for-profit institutions now number 100 fewer than they did in 1980. Today, there are 390 fewer private not-for-profit institutions participating in the program and more than 300 additional public institutions.
 - Students at for-profit institutions receive a disproportionately large share of Pell Grant funds relative to total undergraduate enrollment because these institutions enroll a high proportion of low-income students in short-term, but mostly full-time, programs. Conversely, although community college students receive one-third of Pell Grant funds, this share is disproportionately low given that 43 percent of all undergraduates attend these institutions. Community college students receive a disproportionately small share of Pell Grant funds because a large portion of these students work full time and attend college part time, limiting their eligibility for grants.
 - Despite temporary increases and decreases, the median income of Pell Grant recipients changed very little between the mid-1970s and 2000 (\$15,834 in 2000–01 versus \$15,342 in 1976–77). Since the mid-1990s, there has been a substantial increase in the median income of independent Pell Grant recipients: Their median income level is now 47 percent higher than it was in 1976–77. In contrast, the median income of dependent Pell Grant recipients is the same today in real terms as it was in the mid-1970s.
 - Despite modifications to the expected family contribution (EFC) formula and recent increases in the maximum grant, the maximum Pell Grant remains highly concentrated among the lowest income students: 80 percent of dependent maximum grant recipients, and 93 percent of independent maximum grant recipients, have family incomes of \$20,000 or less.
 - In 1976–77, the first year in which undergraduates at all class levels became eligible to participate in the Pell Grant program, dependent students represented 62 percent of Pell Grant recipients. By 1992, that proportion had switched; independent students constituted 62 percent of Pell Grant recipients. Revisions to the definition of independent student status, which were enacted in 1992, have resulted in a distribution of Pell Grant recipients by dependency status that now matches the general undergraduate population.

Characteristics and Financing Choices of Pell Grant Recipients and Other Undergraduates

- About half of all undergraduates apply for federal financial aid; 46 percent of these aid applicants received a Pell Grant in 1999–2000. Consistent with the program’s intent and structure, the share of aid applicants receiving a Pell Grant varies significantly by income. More than 80 percent of aid applicants with income less than \$10,000 received a Pell Grant in 1999–2000, compared with only 2 percent of aid applicants with income of \$50,000 or more. The median income of Pell Grant recipients was \$15,098 in 1999–2000, compared with \$49,475 for all other undergraduates.*
- The following groups of students are most likely to receive a Pell Grant: independent students with dependents (especially single parents); African-American, Hispanic, and American Indian students; students whose primary language is not English; students whose parents have no college experience; students with a disability; and students who are separated, divorced, or widowed.

*This median income figure varies from the figure cited above because it is based on a sample rather than the entire Pell Grant recipient population.

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- Students who attend on a less-than-half-time basis are eligible for Pell Grants, but full-time/full-year students are more likely than others to receive a grant. In 1999–2000, 30 percent of all undergraduates who attended full time/full year received a Pell Grant, compared with 10 percent of those who studied part time/part year.
 - The percentage of Pell Grant recipients receiving only federal assistance varies widely, from 26 percent at private not-for-profit institutions to 70 percent at for-profit institutions. Three out of five Pell Grant recipients also receive aid from states, institutions, or other sources. The most common type of package combines Pell Grants with federal student loans and—in many cases—other grants. Sixteen percent of Pell Grant recipients receive no other aid; the rest are awarded some combination of grants, loans, and work-study in addition to a Pell Grant.
 - Even though Pell Grant recipients make up 23 percent of the undergraduate population, they receive the bulk of financial aid from most of the major programs. Pell Grant recipients receive more than half of funds awarded from the SEOG, Stafford subsidized loan, Perkins loan, work-study program, and state student aid programs. They receive a disproportionate share (but not the majority) of Stafford unsubsidized loan and institutional grant funds. The only major types of aid from which they receive a disproportionately small share of funds are employer aid and federal loans to parents.
 - Pell Grant recipients are four times more likely to borrow subsidized Stafford loans and twice as likely to borrow unsubsidized loans as other students. As a result, they are far more likely than other graduating seniors to incur student loan debt. Almost 90 percent of Pell Grant recipients who completed a bachelor’s degree in 2000–01 graduated with student loan debt. In contrast, 47 percent of all other bachelor’s degree recipients finished college with some student loan debt. Further, Pell Grant recipients who completed a bachelor’s degree in 1999–2000 borrowed a median of \$17,430, more than \$2,000 higher than the median amount borrowed by other undergraduates (\$15,065).
 - The share of students receiving a Pell Grant ranges from 17 percent at community colleges to 52 percent at for-profit institutions.
 - At each type of institution, aid from all sources substantially reduces Pell Grant recipients’ need, by between 51 percent and 76 percent. However, a substantial amount of unmet need remains for students at each type of institution. In 1999–2000, Pell Grant recipients’ average unmet need ranged from \$2,410 at public four-year colleges and universities to \$6,969 at for-profit institutions. At each type of institution, this amount is substantially higher than the unmet need of other undergraduates.
 - Pell Grant recipients are somewhat less likely than other undergraduates to work while they are enrolled. Seventy-six percent of Pell Grant recipients work, versus 81 percent of all other students. Pell Grant recipients who work are somewhat more likely than their peers to work part time and are much less likely to maintain a full-time work schedule.

Chapter 1.

Introduction

Background

The Pell Grant, enacted by Congress as the Basic Educational Opportunity Grant in 1972, is the foundation program of federal student financial aid. It is the largest single grant program in the United States, providing vital assistance to millions of low- and moderate-income undergraduates each year. For many years, the American Council on Education (ACE) produced regular status reports on the Pell Grant program. The last such report was produced in 1992. In 2000, the ACE Center for Policy Analysis revived this tradition and expanded on the type and amount of information included in the *2000 Status Report on the Pell Grant Program*. This volume updates that report. It is a companion to the *2003 Status Report on the Federal Education Loan Programs*, also produced by the ACE Center for Policy Analysis.

Organization of the Report

This report is intended as a reference to which the reader may return regularly. As such, most of the information is presented in the form of tables and figures, with minimal text to support and explain the data.

The report is divided into two main sections. The first section examines historical trends in the Pell Grant program, with particular attention to the 1990s. The second section concentrates on data for a single year, comparing Pell Grant recipients with other undergraduate students in 1999–2000 in terms of demographic characteristics and financing choices.

Data and Limitations

The data for this report come primarily from two sources. The annual Pell Grant end-of-year reports, produced by the Policy, Planning, and Innovation Branch of the U.S. Department of Education’s Office of Postsecondary Education, provide summary information on the program each year. Most of the data in the “Historical Trends” chapter come from these reports. The most recent year for which data are available is 2000–01.

Most of the data in the “Characteristics and Financing Choices” chapter come from the 1999–2000 National Postsecondary Student Aid Study (NPSAS), produced by the U.S. Department of Education’s National Center for Education Statistics (NCES). This sample-based survey, which is conducted every four years, provides detailed information on the demographic characteristics of Pell Grant recipients and on how Pell Grants fit into how these students pay for college. It also allows for comparisons between Pell Grant recipients and other undergraduates.

Important Terms

Several specialized financial aid terms appear throughout this report. Some of these terms are commonly employed in financial aid, while others have been defined specifically for this report. The definitions for these terms are listed below.

TERM	DEFINITION
Adjusted Student Budget	The total student budget, adjusted for the student's attendance status and living situation (on campus, off campus, or at home).
Dependency Status	Dependency status determines whether parental income and assets are included in the federal financial aid eligibility formula. Dependent students (whose parents' income and assets are included in the eligibility formula) are undergraduates who are age 24 or younger, unmarried, have no dependents, and are not veterans. Graduate students and undergraduates who do not meet the dependent student definition are considered independent.
Expected Family Contribution (EFC)	The result of a financial aid eligibility formula that determines, based on a family's income and assets, how much they can expect to spend annually on the postsecondary education of a family member. There are several formulas for determining EFC. This report uses the results of the federal formula.
Need	The difference between the adjusted student budget and the EFC (adjusted student budget less EFC).
Net Price	The adjusted student budget less student aid received.
Total Student Budget	Tuition and fees for a full-time/full-year student plus on-campus room and board charges or the institution's estimate of the average price for off-campus rent, utilities, and food, as well as the institution's estimates of average annual expenses for books and supplies, transportation, and other living expenses.
Unmet Need	The adjusted student budget less both aid and EFC.

Chapter 2.

Historical Trends in the Pell Grant Program

Program Structure and History

Pell Grants were authorized in the Education Amendments of 1972, which amended the Higher Education Act of 1965. The statute set the basic formula that the U.S. Department of Education still uses to determine Pell Grant awards:

$$\text{Maximum Pell Grant} - \text{Expected Family Contribution (EFC)} = \text{Pell Award}$$

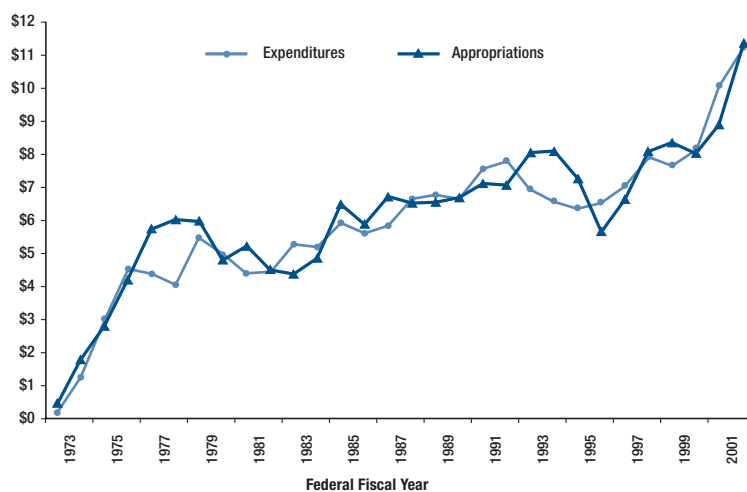
The 1972 amendments authorized a maximum grant of \$1,400 and set the minimum award at \$200. Since 1972, both Congress and the Department of Education have made many alterations to the formula for determining EFC, but the program continues to concentrate its resources on the lowest income students because of the “maximum grant – EFC” award formula. Appendix A summarizes key statistics on the Pell Grant program since 1973. This program has grown to provide a projected \$11 billion in assistance to 4.6 million students, or approximately one-quarter of the undergraduate population, in 2002–03.

The Pell Grant program is unusual in that it is structured as an entitlement but is funded through annual appropriations. Under the program’s original design, the maximum award is set in statute when Congress reauthorizes the program (which occurs every five to six years). In practice, Congress determines the maximum award during the annual appropriations process based on estimates of the number of qualified applicants and the amount of funding that is available to provide grants to all eligible students. The Higher Education Amendments of 1976, 1980, 1986, 1992, and 1998 each have called for substantial increases in the

authorized maximum grant, but appropriations have been insufficient to fund those award levels. For example, in 1998–99 the authorized maximum grant was \$4,500 but the actual maximum was \$3,000. Throughout the remainder of this report, the term “maximum grant” will refer to the actual—not authorized—award level.

Because appropriations are based on projections of the number of eligible students, as well as the funding decisions of policy makers, the program never spends exactly what is appropriated. **Figure 2a** illustrates this pattern. In some years, appropriations exceed expenditures and the program runs a surplus. When such surpluses occur, Congressional appropriators may use these funds for the program, but in practice they often reallocate the

Figure 2a
Appropriations and Expenditures for the Pell Grant Program, in Constant 2002 Dollars (in billions): FY1973 to FY2002



Sources: U.S. Department of Education, Pell Grant End of Year Reports.

surplus funds to other health and education programs. When the number of eligible students exceeds the Department of Education’s projections, the program runs a deficit. That is the case in 2003. According to the most recent estimates, the Pell Grant program’s shortfall in 2002–03 exceeds \$2 billion.

Expenditures for the Pell Grant program increased by 81 percent in inflation-adjusted terms between 1976–77, the first year in which undergraduates at all class levels could participate, and 2000–01, the most recent year for which information on actual expenditures is available. One reason for this growth is, of course, increases in the maximum grant. However, costs continued to rise even during periods when the maximum grant changed very little because of increases in the number of grant recipients.

Throughout the history of this program, Congress has acted to expand the group of students who may benefit from Pell Grants to include more moderate- and middle-income individuals. The “Recipients’ Income” section (*see page 10*) discusses this trend in further detail. Another part of the explanation is growth in higher education enrollment. When the Pell Grant program began in 1973,

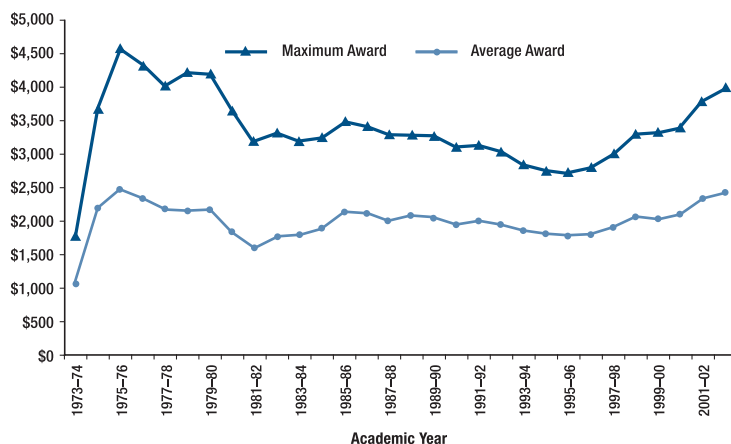
8.3 million undergraduates were enrolled in American colleges and universities. By 1999, that number had swelled to 12.7 million.¹ In addition, the ranks of American undergraduates now include more students of color and more older, nontraditional students; both of these groups include a large number of low-income individuals. Each of these trends—liberalizing of eligibility criteria, enrollment increases, and the rising number of low-income college students—has contributed to growth in the cost of the Pell Grant program.

Changes in the Maximum and Average Grant

Not only has the maximum grant not increased to authorized levels, it also has not kept up with general inflation or the price of college. **Figure 2b** tracks both the maximum and the average Pell Grant award in inflation-adjusted terms from the program’s inception to today. The maximum grant reached its highest value of \$4,541 in 1975–76. It dipped as low as \$2,724 in real terms in the mid-1990s and rebounded to \$4,000 in 2002–03. Because of changes in the award rules for the program, which allowed more recipients to qualify for larger amounts, the average grant is worth almost as much today as it was at its peak in 1975. The average grant of \$2,415 projected for 2002–03 will be worth approximately \$50 less in real terms than the 1975–76 average.

Because of both slow growth in the maximum grant and relatively rapid growth in college prices since 1980, the maximum grant now covers a much smaller percentage of the price of attending college than it did in the late 1970s (*see Figure 2c*). In 1979–80, the maximum grant covered 99 percent of the average price of tuition, fees, and on-campus room and board at a public two-year college,² 77 percent of these prices at a public four-year institution, and 36 percent of these prices at a private not-for-profit college or university. Today, the maximum covers 68 percent, 41 percent, and 16 percent of these prices, respectively.

Figure 2b
Maximum and Average Pell Grant Awards,
in Constant 2002 Dollars: 1973–74 to 2002–03



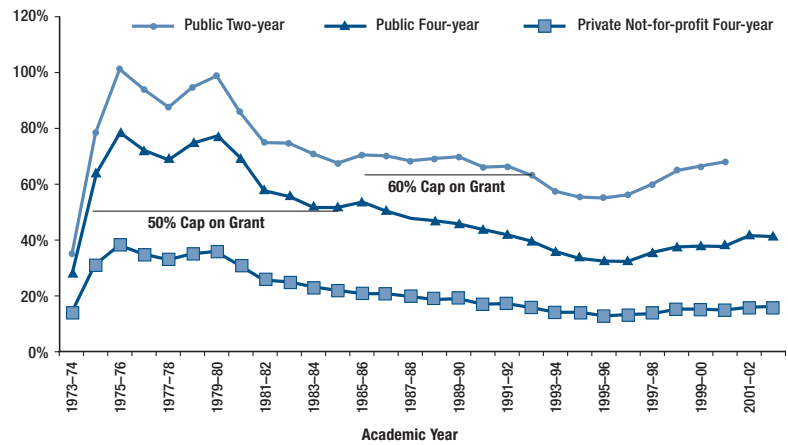
Sources: U.S. Department of Education, Pell Grant End of Year Reports.

Until the 1992 reauthorization of the Higher Education Act, students at lower-priced institutions could only receive grants equivalent to no more than a fixed percentage of college prices, regardless of whether they qualified for a larger grant under the basic eligibility formula. As shown in Figure 2c, until the mid-1980s, students at both types of public institutions were affected by this cap. After 1985, when the cap was raised from 50 percent to 60 percent, only students at public two-year institutions (and other similarly low-priced institutions) were affected. The 1992 reauthorization of the Higher Education Act revoked this limitation on the percentage of college costs covered by Pell Grants and substituted a less restrictive formula that limited the size of the Pell Grant only for those students enrolled at the very lowest priced institutions. In 2002–03, this provision affected only those students at institutions with annual tuition charges of less than \$650.

Number of Applicants and Recipients

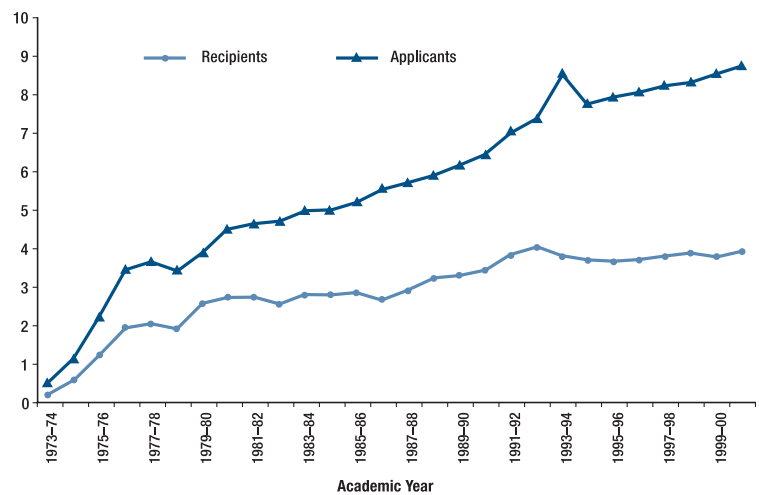
The number of students applying for Pell Grants has increased dramatically since the program's inception, from 3.4 million in 1976–77 (the first year in which all undergraduates could participate) to 8.7 million in 2000–01 (see Figure 2d). This increase is due largely to tremendous growth in the number of students participating in higher education. It also is a reflection of growth in the proportion of students who choose to apply for federal financial aid. This growth has been fueled by broadened eligibility for other forms of federal financial aid, particularly student loans, and changes in the financial aid delivery system. As detailed in the companion piece to this report, the *2003 Status Report on the Federal Education Loan Programs*, Congress has broadened eligibility for federal student loans on several occasions, each time spurring growth in the number of individuals applying for federal student aid. In 1992, Congress also created

Figure 2c
Maximum Pell Grant as a Percentage of Average Tuition, Fees, and On-Campus Room and Board: 1973–74 to 2002–03



Sources: The College Board, *Trends in Student Aid: 2002*. U.S. Department of Education, *Digest of Education Statistics: 2001*.

Figure 2d
Number of Pell Grant Applicants and Recipients (in millions): 1973–74 to 2000–01



Sources: U.S. Department of Education, Pell Grant End of Year Reports.

the Free Application for Federal Student Aid (FAFSA), and a new consolidated federal methodology for determining eligibility for all federal student aid programs. States and most colleges have adopted the FAFSA and federal methodology for their aid programs, as well. As a result, students who are not likely to be eligible for Pell Grants are considered applicants because they have filed a FAFSA to qualify for federal student loans, state aid, or institutional aid.

The number of Pell Grant recipients also has increased, but not so precipitously. In 1976–77, 1.9 million students received a Pell Grant; by 2000–01, the number of recipients had doubled to 3.9 million. Of course, the eligibility rules of the program influence the number of recipients, but perhaps the most important factor is the general state of the economy. For example, in the Higher Education Amendments of 1992, Congress liberalized the formula for calculating EFC by eliminating consideration of home equity. At the same time, the number of aid applicants continued to climb steeply. Logically, the

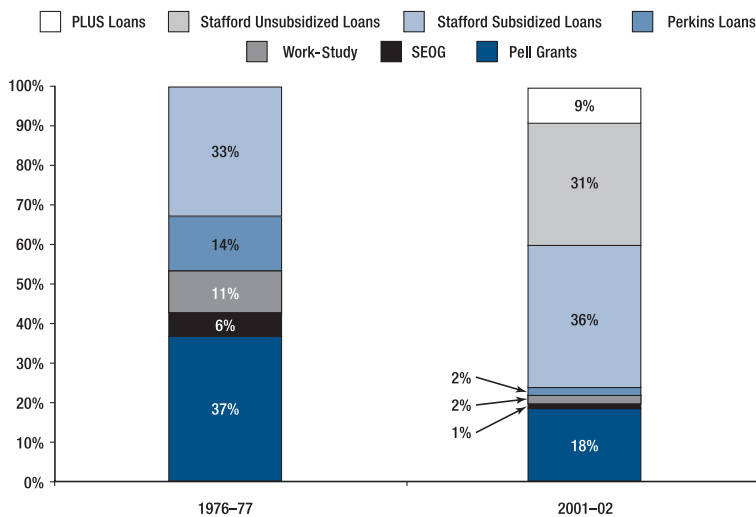
number of Pell Grant recipients should have shot up. Instead, it declined and remained flat throughout the rest of the 1990s. This decline occurred because the highly prosperous state of the American economy during this period resulted in fewer extremely low-income applicants. Since the economic downturn of 2000, the number of Pell Grant applicants and recipients has increased dramatically. According to the most recent U.S. Department of Education projections, applicants and recipients increased by 16 percent and 19 percent, respectively, between 2000–01 and 2002–03. The current deficit in the Pell Grant program is due to this sharp increase in eligible applicants.

Pell Grants and Other Title IV Student Aid Programs

Pell Grants are the cornerstone of the federal student financial aid program, which also includes Stafford subsidized and unsubsidized student loans, PLUS parent loans, and the campus-based Supplemental Educational Opportunity Grant (SEOG), Perkins loan, and work-study programs.³ In 1976–77, when Pell Grants were first available to all students, they accounted for 37 percent of all funds awarded through the Title IV student aid programs (see Figure 2e). When the SEOG program is included, grants accounted for 43 percent of all Title IV student aid. By 2001–02, Pell Grants and SEOG together accounted for only 19 percent of Title IV assistance.

This change in the relative value of the major Title IV student aid programs has occurred for several reasons that are illustrated in Figure 2f. First, expanded borrowing eligibility has led to dramatic increases in student loan volume.⁴ Since 1976, the amount borrowed annually under the Stafford subsidized loan program has grown by \$15.7 billion in inflation-adjusted terms. The Stafford unsubsidized and PLUS loan programs, which were created after 1976–77, also grew rapidly to

Figure 2e
Percentage Distribution of Title IV Student Aid by Program:
1976–77 and 2001–02



Source: The College Board, *Trends in Student Aid: 2002*.
 Note: Details may not add to 100 percent due to rounding.

provide \$17.2 billion and \$4.7 billion, respectively, in 2001–02. At the same time that the major loan programs were expanding, funding for the three campus-based programs declined in real terms. The campus-based programs, which, like Pell Grants, target the neediest students, provide \$738 million less today in real terms than they did in 1976–77, a decline of almost 20 percent. Finally, while the Pell Grant program has grown during this period, its funding increases have been dwarfed by expansion in the major loan programs.

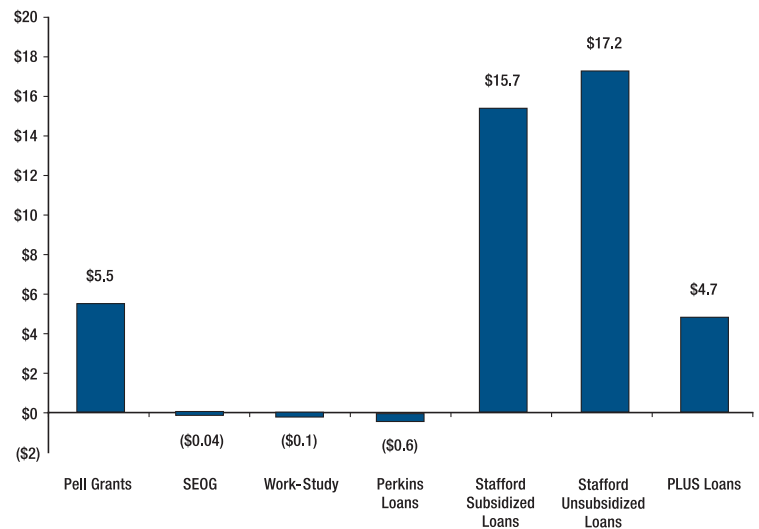
Family Income and College Affordability

Simultaneous with the relatively slow growth of the Pell Grant program and declines in the campus-based programs has been the widening of income disparity in the United States. The income of families in the lowest quintile has been flat or decreasing since the early 1970s; between 1973 and 2001, the average income of these families decreased by 6 percent in real terms, from \$15,200 to \$14,241 (see Figure 2g). The income of families in the middle quintile also experienced little growth until the late 1980s, when average income began to rise slightly. During the history of the Pell Grant program, middle-income families have seen their average income increase by 8 percent in inflation-adjusted terms, from \$48,376 to \$52,346. Only upper-income families have experienced dramatic income growth. Since 1973, the average income of families in the highest quintile has grown by 43 percent in real terms, from \$113,431 to \$162,145.

Because their income has been stagnant or declining, low-income families have been hardest hit by increases in college prices.

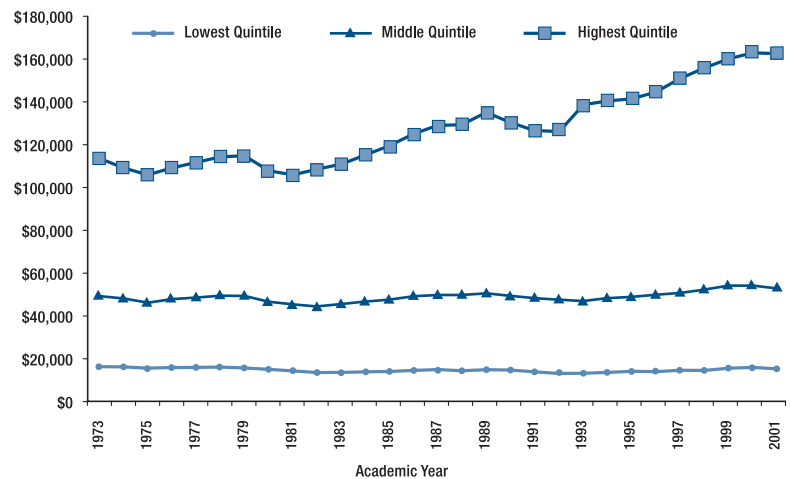
Figure 2h tracks the percentage of income required to pay the average tuition, fees, and on-campus room and board charges, before student aid, at public four-year colleges and universities for families in the lowest, middle,

Figure 2f
Change in Aid Awarded Through the Major Title IV Programs, in Constant 2002 Dollars (in billions): 1976–77 to 2001–02



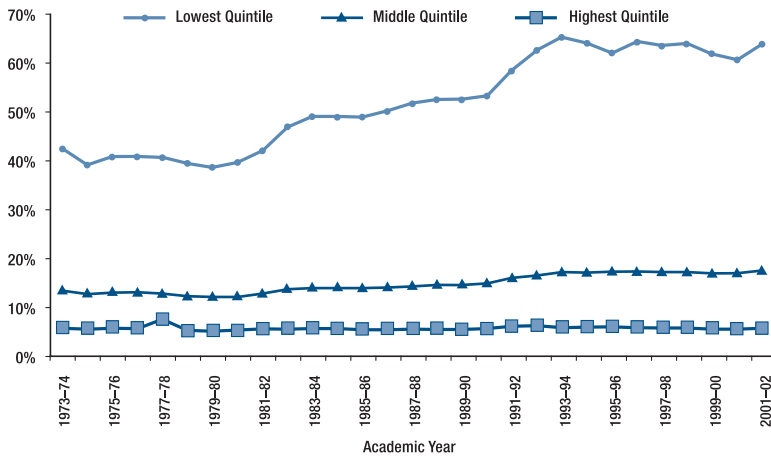
Source: The College Board, *Trends in Student Aid: 2002*.

Figure 2g
Average Income of All U.S. Families, by Quintile, in Constant 2002 Dollars: 1973 to 2001



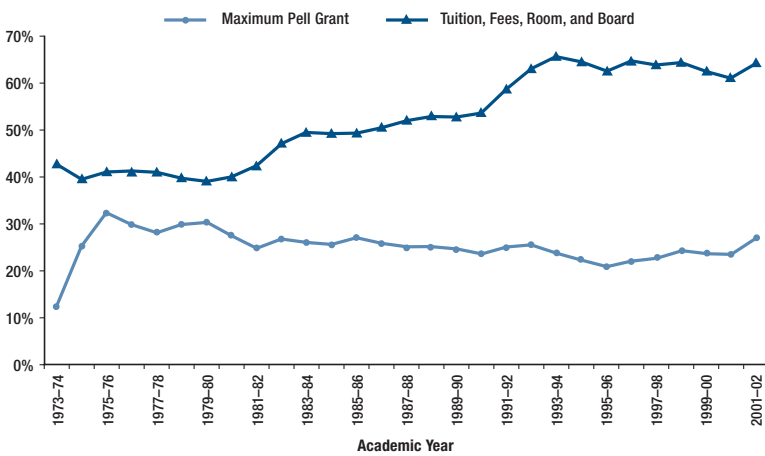
Sources: U.S. Census Bureau, March Current Population reports.
Note: Average income for highest quintile families in 1977 is imputed.

Figure 2h
Average Tuition, Fees, and On-Campus Room and Board at Public Four-Year Institutions, as a Percentage of Average Family Income: 1973–74 to 2001–02



Sources: U.S. Census Bureau, March Current Population reports; U.S. Department of Education, *Digest of Education Statistics: 2001*; The College Board, *Trends in College Pricing: 2002*.

Figure 2i
Maximum Pell Grant and Average Tuition, Fees, and On-Campus Room and Board at Public Four-Year Institutions, as a Percentage of Average Income for Lowest Quintile Families: 1973–74 to 2001–02



Sources: U.S. Census Bureau, March Current Population reports; U.S. Department of Education, *Digest of Education Statistics: 2001*; The College Board, *Trends in College Pricing: 2002*; U.S. Department of Education, Pell Grant End of Year Reports.

and highest income quintiles.⁵ Figure 2h shows that these charges are equivalent to 6 percent of income for families in the highest quintile today, the same percentage as at the inception of the Pell Grant program. The percentage of income required of middle-quintile families to meet this price has grown modestly, from 13 percent in 1973–74 to 17 percent in 2001–02. In marked contrast, paying the average posted price for tuition, fees, and on-campus room and board at a public four-year college or university now requires a much larger share of income for families in the lowest quintile. In 1973–74, these prices represented 43 percent of annual income; by 2001–02, that proportion had grown to 64 percent—almost two-thirds of annual income.

While the portion of income required to meet college prices has grown dramatically for low-income families, the capacity of the Pell Grant to substitute for that income has remained basically flat. **Figure 2i** provides one measure of the effectiveness of the Pell Grant at improving college affordability for low-income families. It compares both public college prices and the maximum Pell Grant as a share of average income for families in the lowest quintile, adjusting for the caps on the maximum grant that existed prior to the 1992 reauthorization of the Higher Education Act. Theoretically, if a student received no other aid, the difference between the two lines on Figure 2i would equal the percentage of income that a family would have to contribute above and beyond what the Pell Grant already supplied. When the two lines are close to each other, the maximum Pell Grant substitutes for more of the share of income required to pay for college.

In 1979–80, for example, tuition, room, and board at a public university would have required 39 percent of a lowest-quintile family’s annual income and the maximum Pell Grant was equivalent to 19 percent of family income. So, theoretically at least, the family would have had to contribute 20 percent of their family income (the difference between

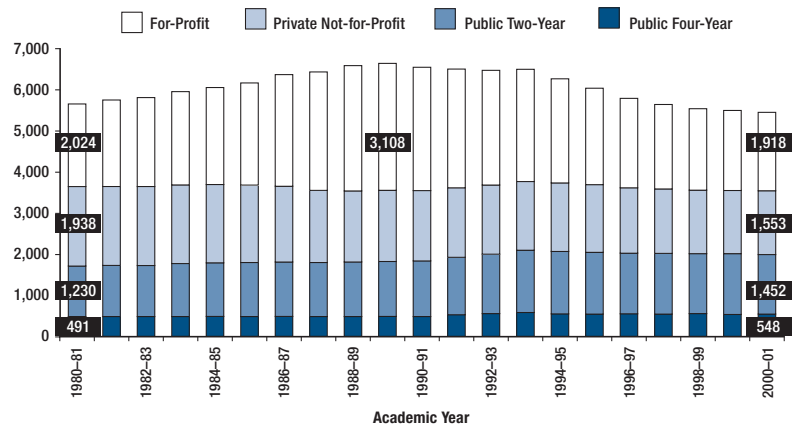
39 and 19) to pay the share not covered by the maximum Pell Grant. By 2001–02, the difference between the percentage of income required by college prices and the share covered by the maximum Pell Grant had grown to 37 percent. In other words, if a low-income family received the maximum grant (and no other aid), the family still would have to devote more than one-third of its annual income to the average price of tuition, fees, and on-campus room and board at a public university.

Institutional Participants and Shares of Program Funds

The total number of institutions participating in the Pell Grant program is roughly the same today as in 1980.⁶ However, in the intervening years, the number and mix of institutions has changed substantially, as illustrated in **Figure 2j**. After growing to almost half of all participating institutions and swelling the total number of participating institutions to more than 6,600, for-profit institutions now number approximately 100 fewer than they did in 1980. There also are 385 fewer private not-for-profit institutions participating in the program and 279 additional public institutions. In some cases, these changes are due to institutions opening, closing, or consolidating branch campuses during this period. In others, institutions may have lost their eligibility to participate in the program because the Department of Education determined that the institution was not meeting the conditions of its program participation agreement.

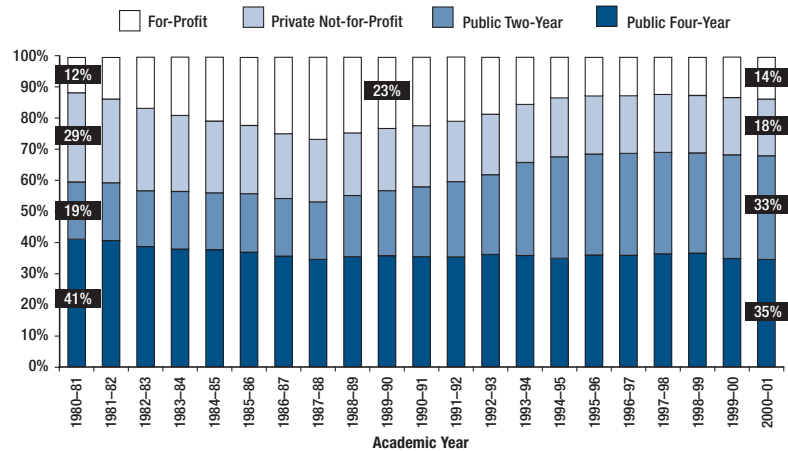
Figure 2k illustrates the changing share of Pell Grant funds flowing to the four major sectors of postsecondary education. Following the same pattern seen in **Figure 2j**, the for-profit sector’s share of funds increased dramatically (from 12 percent in 1980–81 to 27 percent in 1987–88) before returning to 14 percent in 2000–01. The private not-for-profit sector’s share decreased as the for-profit sector’s share increased, but then it did not rebound to its earlier levels. Instead, the community college

Figure 2j
Number of Institutions Participating in the Pell Grant Program, by Institution Type: 1980–81 to 2000–01



Sources: U.S. Department of Education, Pell Grant End of Year Reports.
Note: The data for 1991–92 and 1992–93 are estimates.

Figure 2k
Percentage Distribution of Funds in the Pell Grant Program, by Institution Type: 1980–81 to 2000–01



Sources: U.S. Department of Education, Pell Grant End of Year Reports.
Note: Details may not add to 100 percent due to rounding.

sector now receives a larger share of program funds than it did during the 1980s. This shift is most likely due to a legislative change to the program's structure. As discussed earlier, prior to 1992, students could not receive a grant worth in excess of 60 percent of institutional charges. This provision primarily affected students at low-priced community colleges, keeping the share of funds flowing to this sector relatively low compared with the number of low-income students enrolled at these institutions. After 1992, when this provision was repealed, the share of funds going to community college students increased from 25 percent of Pell Grant expenditures to 30 percent. The community college share now stands at 33 percent.

Because of differences in student income and attendance patterns, as well as differences in institutional prices, the distribution of Pell Grant funds does not match the distribution of undergraduate enrollment. In particular, for-profit institutions and community colleges receive disproportionate shares of Pell Grant funds. For-profit institutions enroll approximately 5 percent of undergraduates but receive 14 percent of Pell Grant funds. Conversely,

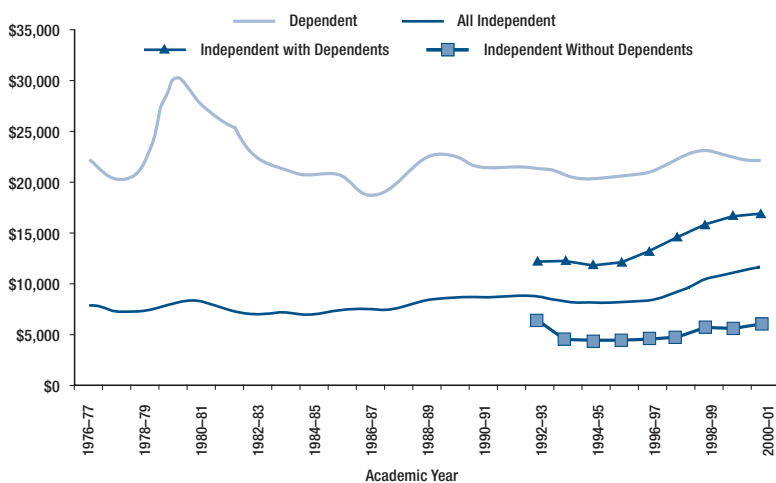
community colleges enroll 43 percent of undergraduates but receive 33 percent of program funds.⁷ Community college students receive a disproportionately small share of Pell Grant funds because a large portion of these students work full time and attend college part time, limiting their eligibility for grants.

Recipients' Income

While there have been some temporary increases and decreases, Pell Grant recipients' median income has remained generally stable. Recipients have only a slightly higher median income today than in the 1970s, in inflation-adjusted terms (\$15,834 in 2001-02 versus \$15,342 in 1976-77). This is not because the program has not changed substantially during the course of its history. Rather, changes enacted by Congress that would have pushed recipients' median income upward have been nullified by the slow growth of the maximum grant, by conservative Department of Education policies regarding program administration from the early 1980s, and by the changing nature of the student population.

The stability of recipients' median income is remarkable given the growth in the maximum grant. Because of the basic Pell Grant award formula (maximum grant - EFC = award), if the minimum grant is not adjusted accordingly each time the maximum grant increases, students with slightly higher EFCs become eligible. Absent any other policy changes, this basic structure should result in a slow increase in the median income of recipients that mirrors changes in the maximum grant. Further, numerous policy changes have occurred during the course of the Pell Grant program's 30-year history that should have pushed up recipients' median income. In particular, Congress has made substantial changes to the formula for determining students' Pell Grant eligibility three times: (1) in 1978, through the Middle Income Student Assistance Act (MISAA), which was repealed in 1981,

Figure 21
Median Income of Pell Grant Recipients, by Dependency Status, in Constant 2002 Dollars: 1976-77 to 2000-01



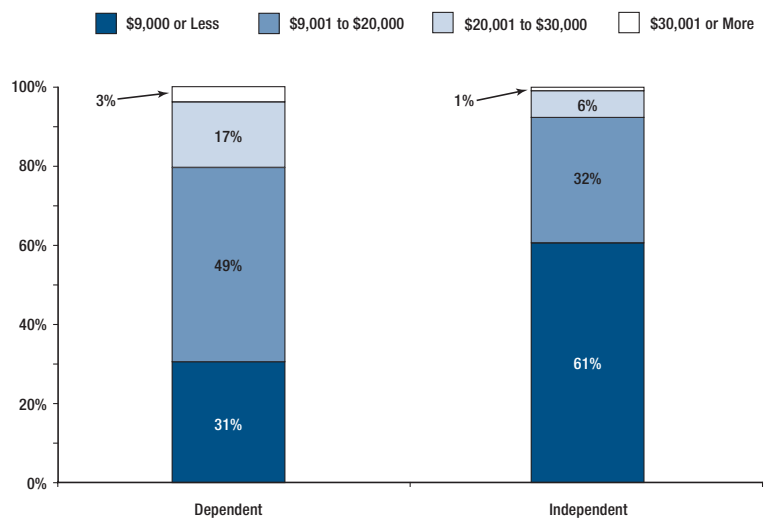
Sources: U.S. Department of Education, Pell Grant End of Year Reports.

(2) in the 1986 Higher Education Amendments, and (3) in the 1992 Higher Education Amendments. Each time, Congress liberalized the EFC formula, allowing more students to qualify for Pell Grants. With the exception of MISAA, which temporarily caused a dramatic upswing in the median income of dependent recipients before it was repealed, none of these changes seem to have had a powerful effect on the median income of Pell Grant recipients.

MISAA dramatically expanded access to Pell Grants for middle-income families by changing the rate at which discretionary income was assessed in the EFC formula. In 1977, 1.9 million students received a Pell Grant; by 1980, that number had increased to 2.7 million (see Figure 2d, on page 5). With the arrival of the Reagan administration and its early budget-cutting initiatives, the effects of MISAA were quickly reversed. As illustrated in **Figure 2l**, the median income of dependent students dipped to its all-time low in the 1980s because of efforts by the Reagan administration to curtail the program’s costs by focusing grants on the lowest-income students. The administration was able to accomplish this change because many elements of the EFC formula were established in regulation rather than in statute.

In 1986, Congress wrested this control away from the administration, establishing key elements of the formula in statute so that they could not be changed by the Executive Branch. Congress also made many technical changes to the formula in 1986 that contributed to the liberalization of award criteria. The effect of these changes can be seen in the trend line for dependent Pell Grant recipients; 1986 marked the end of the downward trend in median income for these students. Congress made additional revisions to the EFC formula in 1992, most notably eliminating the consideration of home equity, but these changes targeted families that generally are too affluent to qualify for Pell Grants and therefore show little impact on the trend lines in Figure 2l.

Figure 2m
Percentage Distribution of Maximum Pell Grant Recipients, by Dependency Status and Family Income: 2000–01



Source: U.S. Department of Education, 2000–01 Pell Grant End of Year Report.
 Note: Details may not add to 100 percent due to rounding.

It is important to note that since the mid-1990s, a substantial increase has occurred in the median income of independent Pell Grant recipients.⁸ The median income of these students is now 47 percent higher than it was in 1976–77 (\$11,657 versus \$7,938). In contrast, the median income of dependent Pell Grant recipients is the same today in real terms as it was in the mid-1970s. This trend is difficult to explain, but it stems from the differential experience of these two groups of students since the mid-1990s. Prior to 1992, undergraduates under the age of 24 could gain independent status (and no longer have their parents’ income counted in determining their aid eligibility) if they had not been claimed as a dependent on their parents’ income taxes for three consecutive years. In the 1992 reauthorization, Congress eliminated that provision, requiring all independent undergraduates to be at least 24 years old unless they were married, a veteran, or had dependents. At the same time, Congress also divided independent students into two groups—those with dependents and

those without dependents—and created separate need analysis formulae for each group. A significantly higher contribution from income was required of independent students without dependents. The immediate effect of these changes was a 28 percent one-year drop in the median income of independent Pell Grant recipients without dependents between 1992–93 and 1993–94 from \$6,373 to \$4,605. Since then, however, the median income of all types of independent students has risen steadily, averaging 5 percent per year in real terms, while the median income of dependent Pell Grant recipients has been flat.

Figure 2m (see page 11) demonstrates that, despite the liberalization of the EFC formula and recent increases in the maximum grant, the maximum Pell Grant award is still granted to only the lowest-income students; 80 percent of dependent recipients of the maximum grant and 93 percent of independent recipients have a family income of \$20,000 or less. The median income of dependent, maximum award recipients is only slightly higher today than it was in 1976, in inflation-adjusted terms (\$13,485 in 1976–77 versus \$13,563 in 2000–01). The median income of independent, maximum grant recipients has declined in real terms since 1976–77 by 14 percent, or more than \$1,000 (\$7,095 in 1976–77 versus \$6,067 in 2000–01).

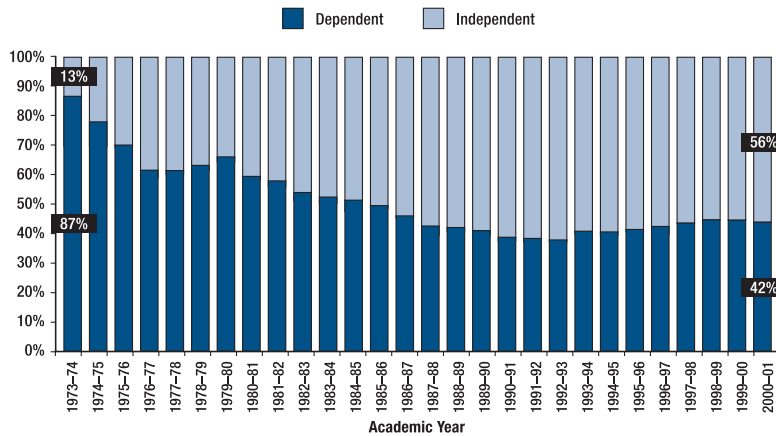
Recipient Dependency Status

In its early years, the Pell Grant program primarily served traditional-aged, dependent students. In 1976–77, the first year in which undergraduates at all class levels were eligible to participate, dependent students represented 62 percent of Pell Grant recipients and independent students represented 38 percent (see **Figure 2n**). By 1992–93, that proportion had switched; independent students constituted 62 percent of recipients and dependent students represented 38 percent. This change occurred largely because of shifts in the broader student population during this period.

The end of the baby boom brought a reduction in the number of traditional-aged college students, and older students—many of them low-income—began enrolling in postsecondary education. Other contributing factors were the growth of the for-profit sector, whose programs attracted many working adults, and relatively lax standards for determining independent student status.

After the passage of the 1992 Higher Education Amendments, the proportion of independent Pell Grant recipients declined modestly. Three changes triggered by the amendments likely account for this decline. First, the 1992 legislation restricted the definition of independence for undergraduates to only those students who are age 24 or older, are married, or have dependents. Prior to the 1992 amendments, students under age 24 were considered independent if they had not been claimed on their parents' federal income taxes for three years. Second, in 1992 Congress enacted a number of measures aimed at reducing fraud and abuse in the student aid programs. As a result, the number of for-profit institutions participating in the Pell Grant program declined substantially. Because these institutions enrolled a significant share of independent Pell Grant recipients, their departure from the program may have influenced the overall distribution of recipients by dependency status. The proportion of independent and dependent students in the Pell Grant population now is equivalent to the proportions in the general undergraduate student population.

Figure 2n
Percentage Distribution of Pell Grant Recipients, by Dependency Status:
1976–77 to 2000–01



Sources: U.S. Department of Education, Pell Grant End of Year Reports.

Notes

¹ U.S. Department of Education, *Digest of Education Statistics: 2001*. Enrollment figures reflect only degree-granting institutions and do not include institutions that award only certificates.

² Most public two-year colleges do not offer on-campus room and board. However, these figures provide the best available proxy for the living expenses incurred by students who live off campus.

³ The Title IV programs also include the Leveraging Educational Assistance Program, or LEAP (formerly known as the State Student Incentive Grant). Because no more than \$75 million has ever been awarded through this program, it is excluded from this analysis.

⁴ For a complete discussion of this topic, see King, J. *2003 ACE Status Report on the Federal Education Loan Programs*. Washington, DC: American Council on Education, 2003.

⁵ Room and board are used as a proxy for the living costs that all students incur regardless of whether they live on campus. Unfortunately, data on the costs that students face when living off campus are not available for this period.

⁶ These data are not available for prior years.

⁷ The source for enrollment shares is U.S. Department of Education, National Postsecondary Student Aid Study: 1999–2000. See also the section titled, “Institutional Type and Total Student Budget” in Chapter 3 (page 18) for further discussion of this topic.

⁸ Independent Pell Grant recipients generally have lower incomes than their dependent peers because the EFC formula assumes that a much higher proportion of students’ income and assets than parents’ income and assets can go toward paying for educational expenses. As a result, independent students must have lower incomes than dependent students to qualify for a Pell Grant.

Chapter 3.

Characteristics and Financing Choices of Pell Grant Recipients and Other Undergraduates

Demographic Characteristics

Unlike Pell Grant program data, which were used in the first half of this report, the NPSAS database includes information on all students—those who did and did not receive a Pell Grant.⁹ As a result, NPSAS allows for comparisons between Pell Grant recipients and all other undergraduates. This data set also makes it possible to estimate the share of all students receiving Pell Grants. According to the most recent study, conducted in 1999–2000, 23 percent of undergraduates received a Pell Grant.¹⁰

Table 3a (*see page 16*) lists the percentage of students with various characteristics who received a Pell Grant in 1999–2000. It shows that the following groups were most likely to have received a grant:

- Independent students with dependents.
- African American, Hispanic, and American Indian students.
- Students whose primary language is not English.
- Students whose parents have no college experience.
- Students with a disability.
- Students who are separated, divorced, or widowed.
- Single parents.

Of course, overlap does occur among some of these categories. For example, a student who is a single parent is also, by definition, an independent student with dependents. Nonetheless, this list suggests that the students who are most likely to receive a Pell Grant are those who have family responsibilities, are first-generation college attendees, or come from minority groups that are underrepresented in higher education.

Table 3b (*see page 17*) compares the distribution of Pell Grant recipients with the distribution of all other undergraduate students based on the same list of demographic characteristics. It shows that many of the same groups—parents, students of color, and first-generation college attendees—make up a significantly larger share of Pell Grant recipients than of the undergraduate population. For example, only 8 percent of students who did not receive a Pell Grant are single parents. The proportion of single parents among Pell Grant recipients is 26 percent. Similarly, 41 percent of Pell Grant recipients are independent students with dependents, versus 23 percent of those who did not receive a Pell Grant. Two out of five Pell Grant recipients are African American, Hispanic, or American Indian; students from these racial/ethnic groups make up only one of out of five students who did not receive a Pell Grant.

Table 3a
Percentage of All Undergraduates with Various
Characteristics Who Received a Pell Grant:
1999–2000

	Percentage w/ Pell
ALL STUDENTS	22.6
AGE	
24 or younger	23.6
25 or older	21.2
GENDER	
Male	19.0
Female	25.5
DEPENDENCY STATUS	
Dependent	19.3
Independent, no dependents	16.5
Independent with dependents	33.8
RACE/ETHNICITY	
White, non-Hispanic	17.3
African American	40.6
Hispanic	34.9
Asian	22.3
American Indian	29.0
Native Hawaiian/Other Pacific Islander	22.4
More than one race	26.1
PRIMARY LANGUAGE SPOKEN IN HOME	
English	21.4
Other	30.2
PARENTS' HIGHEST EDUCATION LEVEL	
Less than a high school diploma	32.9
High school graduate	28.5
Some college/associate degree	25.9
Bachelor's degree (4–5 years)	17.6
Graduate degree	12.7
PERSON WITH A DISABILITY	
No	21.8
Yes	29.0
MARITAL STATUS	
Single, never married	22.8
Married	18.9
Separated, divorced, or widowed	32.2
SINGLE PARENT	
No	19.1
Yes	49.1

Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.

Income and EFC

Students use many different resources to pay for college. They begin with a certain amount of family resources, which for most students appear primarily in the form of income, and they choose institutions that vary in the amounts that they charge and the amounts of grant aid available. Students also make choices that determine their living expenses, such as whether to live on campus or at home. Then, they make up whatever difference exists between their net price (the total student budget, adjusted for their attendance pattern and living situation, less any grant aid they may have received) and their family's resources through a combination of work and loans. The NPSAS data describe the different means and financing patterns of Pell Grant recipients and other students.

Twenty-three percent of all undergraduates received a Pell Grant in 1999–2000. However, many of the individuals who did not receive a grant did not apply for federal student financial aid. As described in **Table 3c** (*see page 18*), when the population is restricted to only those students who applied for federal aid, 46 percent of undergraduate federal financial aid applicants received a Pell Grant. Consistent with the program's intent and structure, the share of aid applicants receiving a Pell Grant varies significantly by income. More than 80 percent of aid applicants with income of less than \$10,000 received a Pell Grant in 1999–2000, compared with only 2 percent of aid applicants with income of \$50,000 or more.¹¹ The small number of Pell Grant recipients with income exceeding \$50,000 typically come from large families, have more than one family member attending college simultaneously, or have some unusual family circumstance such as extraordinary medical expenses. The share of aid applicants receiving a Pell Grant also differs by dependency status. Dependent students and independent students with dependents, because of their family size, are more likely to qualify for Pell Grants at

slightly higher income levels. For example, more than 80 percent of these students with income between \$10,000 and \$19,999 received a Pell Grant in 1999–2000, compared with 31 percent of independent students without dependents in that same income group.

Figure 3a (see page 18) plots the distribution of Pell Grant recipients and all other students (including both aid applicants and those who did not apply for aid) by family income. Not surprisingly, it shows that Pell Grant recipients are heavily concentrated among students with low family income. The income distribution for all other students shows that the largest group of students comes from families with an annual income of between \$40,000 and \$59,999. These differing income distributions are reflected in the median income of Pell Grant recipients and all other undergraduates. The median income of Pell Grant recipients was \$15,098, compared with \$49,475 for all other undergraduates.¹²

Pell Grants target the lowest-income students, but the award formula is based on EFC rather than income, so that it takes into account other important pieces of information such as family size and financial assets. Using EFC reveals even larger discrepancies between the financial condition of Pell Grant recipients and other undergraduates. The median EFC of Pell Grant recipients was \$53 in 1999–2000, compared with \$8,282 for all other undergraduates.¹³ The difference in EFC for each of these two groups is much greater than the difference in median income for two principal reasons. First, EFC is derived from both income and assets. Since those with higher income are more likely to have savings and other assets, the contribution from assets will have a greater effect on the EFC of higher-income students. Second, the EFC formula uses a marginal tax rate structure to calculate a family’s contributions from both income and assets. The formula assumes that higher-income families can contribute a larger portion of their income and assets than lower-income families.

Table 3b
Percentage Distribution of All Undergraduates, by Various Demographic Characteristics and Pell Grant Status: 1999–2000

	Pell Grant Recipients	All Other Students	All Undergraduates
AGE			
24 or younger	63.6	60.4	61.1
25 or older	36.4	39.6	38.9
GENDER			
Male	36.5	45.7	43.6
Female	63.5	54.3	56.4
DEPENDENCY STATUS			
Dependent	43.2	52.9	50.7
Independent, no dependents	16.0	23.7	21.9
Independent with dependents	40.9	23.4	27.4
RACE/ETHNICITY			
White	51.8	72.6	67.9
African American	21.4	9.2	12.0
Hispanic	17.9	9.8	11.7
Asian American	4.7	4.8	4.8
American Indian	1.1	0.8	0.8
Native Hawaiian/Other Pacific Islander	0.8	0.8	0.8
More than one race	2.3	1.9	2.0
PRIMARY LANGUAGE SPOKEN IN HOME			
English	83.0	88.5	87.3
Other	17.0	11.5	12.7
PARENTS' HIGHEST EDUCATION LEVEL			
Less than a high school diploma	11.3	6.9	7.9
High school graduate	36.0	27.1	29.2
Some college/associate degree	25.7	22.0	22.8
Bachelor's degree (4–5 years)	17.4	24.4	22.8
Graduate degree	9.5	19.6	17.3
PERSON WITH A DISABILITY			
No	86.1	90.1	89.2
Yes	13.9	9.9	10.8
MARITAL STATUS			
Not married	67.9	66.9	67.1
Married	21.1	26.4	25.2
Separated, divorced, or widowed	11.0	6.7	7.7
SINGLE PARENT			
No	74.5	92.3	88.2
Yes	25.5	7.7	11.8

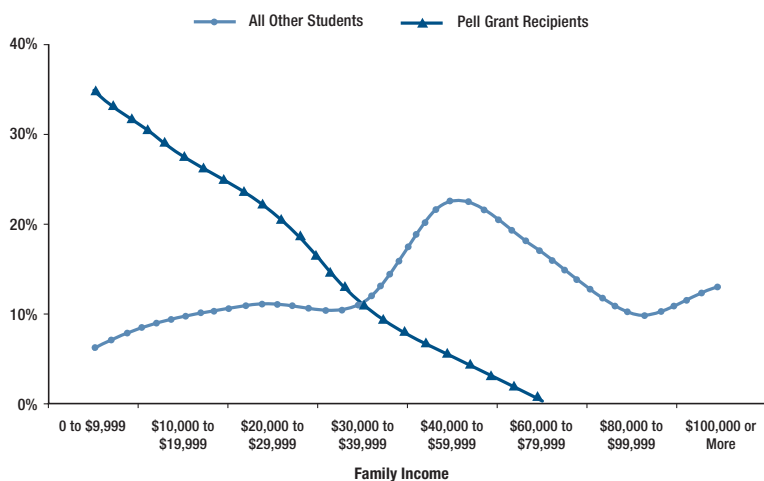
Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.

Table 3c
Percentage of Undergraduate Federal Aid Applicants Who Received a Pell Grant, by Family Income and Dependency Status: 1999–2000

	Dependent Students	Independent Without Dependents	Independent with Dependents	All Federal Aid Applicants
All Aid Applicants	34.3	45.9	71.9	45.9
\$0–\$9,999	87.0	80.4	84.7	83.4
\$10,000–\$19,999	81.5	31.0	83.3	68.0
\$20,000–\$29,999	75.6	4.6	78.9	65.5
\$30,000–\$39,999	50.7	2.1	71.4	50.7
\$40,000–\$49,999	22.5	4.9	32.7	22.8
\$50,000 or more	1.8	6.8	4.8	2.2

Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.

Figure 3a
Percentage Distribution of All Undergraduates, by Family Income and Pell Grant Status: 1999–2000



Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.

Institutional Type and Total Student Budget

As discussed in Chapter 2, Pell Grant recipients are more likely than all other undergraduates to attend for-profit institutions, but they are less likely to attend community colleges (see Figure 3b). Pell Grant recipients tend to be full-time students, which means they are less likely to accrue substantial earnings from work and are more likely to apply for financial aid

than students who attend part time. In 1999–2000, 30 percent of all undergraduates who attended college on a full-time/full-year basis received Pell Grants, compared with just 10 percent of those who studied part time and for part of the academic year. As a result, Pell Grant recipients are more highly concentrated at institutions in which full-time attendance is the norm. This is the case at many for-profit institutions, where a large number of students complete short-term, nondegree programs of one year or less on a full-time basis. In addition, these institutions enroll a high proportion of low-income students in their training programs. As a result, 52 percent of students at for-profit institutions receive Pell Grants.

In contrast, most community college students study part time, and only 17 percent of community college students receive Pell Grants. Even though community college students make up a large proportion of Pell Grant recipients and receive a substantial share of Pell Grant funds, Pell Grant recipients still are less likely than other undergraduates to attend these institutions. The percentage of students attending private not-for-profit and public four-year institutions does not differ dramatically between Pell Grant recipients and all other students. At these institutions, about one-quarter of students received Pell Grants in 1999–2000.

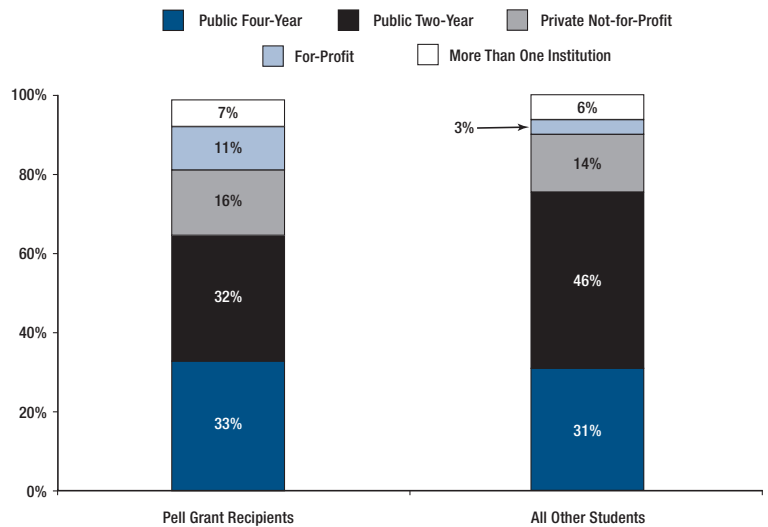
The total student budget includes institutional charges for tuition, fees, and on-campus room and board, as well as institutions' estimates of expenses for items such as books and supplies, transportation, and rent and food for students who live off campus. There is little difference between Pell Grant recipients and all other undergraduates in the average total budget for full-time/full-year students at public two- or four-year institutions. At private not-for-profit and for-profit institutions, the average total student budget for Pell Grant recipients is lower than the average for all other students (\$19,500 versus \$24,776 at private not-for-profit institutions, and \$17,380 versus \$19,482 at for-profit institutions).

Attendance Status, Living Arrangements, and Adjusted Student Budget

Other factors influencing the prices students pay are whether they attend on a full- or part-time basis for either a full or partial academic year, and whether they live on campus, off campus, or with their parents. As discussed above, Pell Grant recipients are more likely than other undergraduates to attend on a full-time/full-year basis and are less likely to attend on a part-time/part-year basis (see Figure 3c). Attending school full time may result in higher annual costs, but it also can shorten time-to-degree for students in multiyear programs, resulting in lower total expenses during a college career. In addition, research has consistently shown that students who attend college on a full-time basis are more likely to complete a degree than those who attend part time.¹⁴ In terms of living arrangements, Pell Grant recipients make the same choices as all other undergraduates: 15 percent live on campus, 60 percent live off campus, and the remaining 25 percent live with their parents.

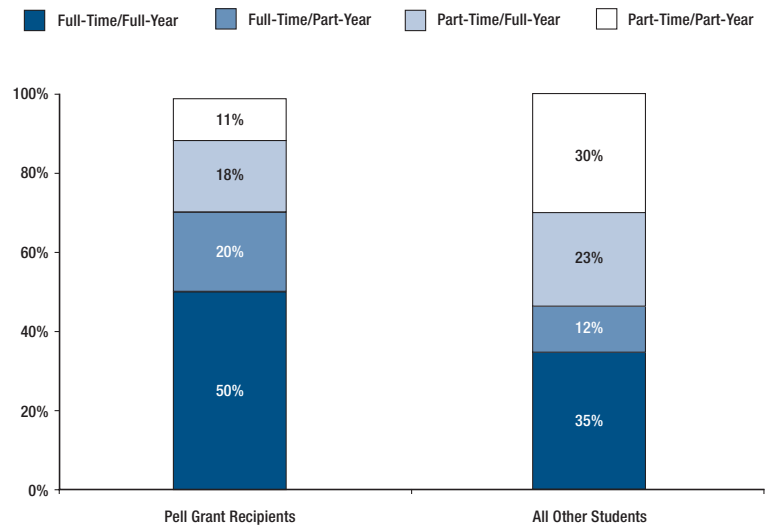
When attendance and living situation are taken into account, the adjusted student budget for Pell Grant recipients is higher than for all other students at public two- and four-year institutions (see Figure 3d, on page 20). This difference is particularly large at public two-year institutions. Because Pell Grant recipients are more likely than other students at these institutions to attend full time, their average total budget is almost \$2,400 higher. At for-profit institutions, there is no significant difference between the average adjusted total budgets of Pell Grant recipients and all other students; at private not-for-profit colleges and universities, Pell Grant recipients' average adjusted student budget is less than that of all other students.

Figure 3b
Percentage Distribution of Undergraduates, by Institution Type and Pell Grant Status: 1999–2000



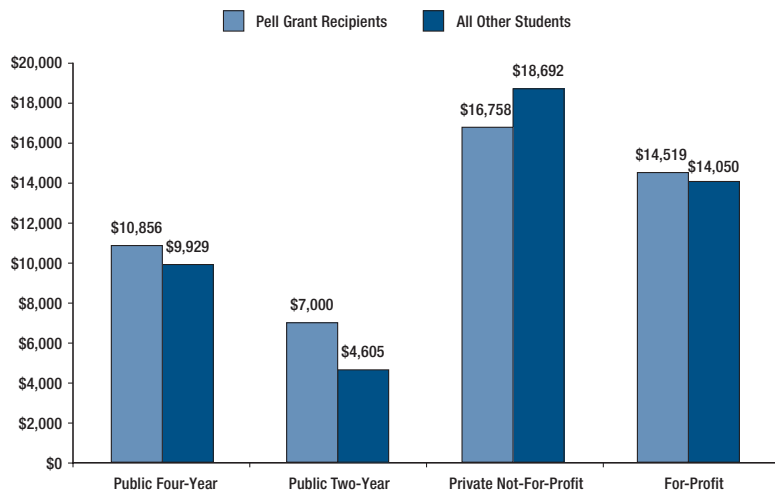
Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.
Note: Details may not add to 100 percent due to rounding.

Figure 3c
Percentage Distribution of Undergraduates, by Attendance and Pell Grant Status: 1999–2000



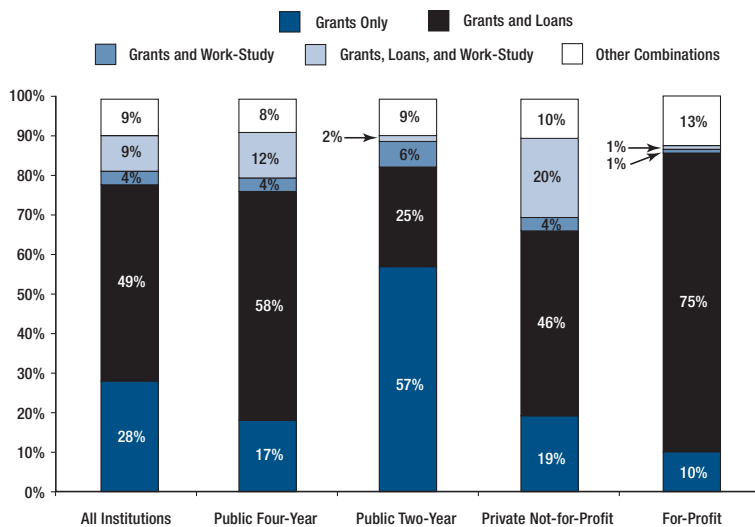
Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.
Note: Details may not add to 100 percent due to rounding.

Figure 3d
Average Adjusted Student Budget,
by Institution Type and Pell Grant Status: 1999–2000



Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.

Figure 3e
Percentage Distribution of Pell Grant Recipients,
by Financial Aid Package and Institution Type: 1999–2000



Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.

Note: Details may not add to 100 percent due to rounding.

Student Aid

Sixteen percent of Pell Grant recipients receive no other aid; the rest are awarded some combination of grants, loans, and work-study, in addition to a Pell Grant to help defray the price of attendance. The most common type of aid package for Pell Grant recipients at all types of institutions except community colleges combines Pell Grants with student loans and—in many cases—other grants (see Figure 3e). At community colleges, 57 percent of Pell Grant recipients receive only that grant or a Pell Grant in combination with other grant assistance. Pell Grant recipients at private not-for-profit institutions are most likely to receive packages that combine grants, loans, and work-study. Because Pell Grant recipients are likely to be awarded other types of grants, 60 percent of them receive aid from states, institutions, or other sources. Figure 3f (see page 22) demonstrates that the proportion of Pell Grant recipients receiving only federal assistance varies widely, from 26 percent at private not-for-profit institutions to 70 percent at for-profit institutions, in large part because few Pell recipients at for-profit institutions receive state or institutional aid.

Table 3d compares the percentages of Pell Grant recipients receiving aid from the largest sources and programs with the same percentages for all other students. It shows that Pell Grant recipients are far more likely than other students to receive most major forms of aid. Pell Grant recipients are less likely than other students to receive employer aid, but this is logical because employer aid generally is only available to full-time employees who often earn too much to qualify for a Pell Grant.

Even though Pell Grant recipients make up 23 percent of the undergraduate student population, they receive the bulk of aid from most of the major programs. Table 3e (see page 23) shows that Pell Grant recipients receive more than half of funds from the SEOG, Stafford subsidized loan, Perkins loan, work-study, and state student aid programs.¹⁵ Pell Grant recipi-

Table 3d

Percentage of Undergraduates Receiving the Major Types of Student Aid, by Institution Type and Pell Grant Status: 1999–2000

	SEOG	Stafford Subsidized Loan	Stafford Unsubsidized Loan	Perkins Loan	PLUS Loan	Work-Study	State Aid	Institutional Grants	Employer Aid
ALL INSTITUTIONS									
All Undergraduates	5.9	23.2	14.9	3.2	2.9	4.1	13.6	16.7	5.4
Pell Grant recipients	24.8	52.1	23.2	8.7	2.3	10.3	35.0	25.4	1.4
All other students	0.4	14.7	12.5	1.6	3.1	2.3	7.4	14.1	6.6
PUBLIC FOUR-YEAR									
All Undergraduates	6.0	30.6	19.8	4.7	3.5	4.6	16.3	17.1	3.6
Pell Grant recipients	24.0	67.2	25.5	14.1	2.2	12.8	39.8	27.3	1.2
All other students	0.4	19.2	17.9	1.7	4.0	2.0	8.9	13.9	4.4
PUBLIC TWO-YEAR									
All Undergraduates	3.5	5.7	3.6	0.2	0.2	1.3	9.8	7.5	6.6
Pell Grant recipients	19.3	21.1	8.1	0.7	0.2	5.8	36.1	17.6	1.1
All other students	0.2	2.5	2.7	0.0	0.1	0.3	4.3	5.5	7.7
PRIVATE NOT-FOR-PROFIT									
All Undergraduates	10.1	40.2	21.5	9.2	7.1	13.0	21.4	44.8	6.4
Pell Grant recipients	37.6	65.4	25.2	17.7	5.2	22.0	43.7	50.8	2.1
All other students	1.1	32.0	20.3	6.4	7.7	10.1	14.1	42.8	7.9
FOR-PROFIT									
All Undergraduates	17.4	61.2	51.9	2.3	6.7	0.9	9.1	6.2	2.6
Pell Grant recipients	32.0	71.7	55.8	2.9	4.3	1.6	13.6	6.2	1.5
All other students	1.7	49.9	47.7	1.7	9.3	0.1	4.1	6.3	3.8

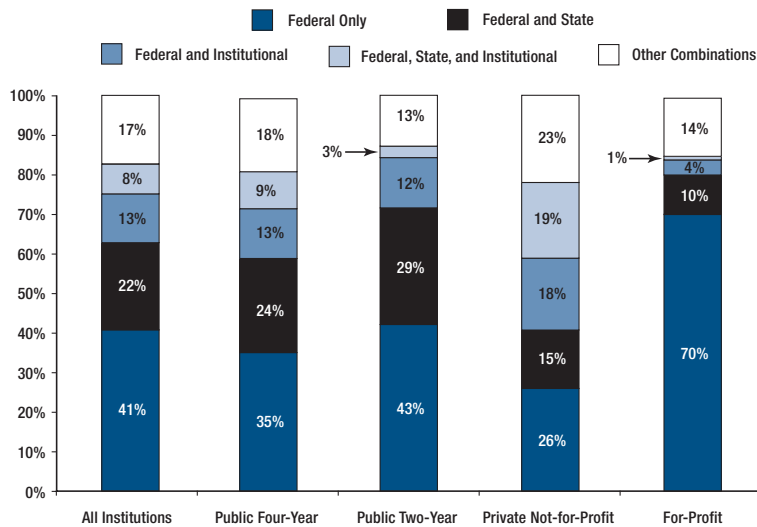
Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.

ents receive a disproportionate share (but not the majority) of Stafford unsubsidized loans and institutional grant funds awarded to undergraduates. The only major aid programs from which Pell Grant recipients receive a disproportionately small share of funds are employer aid, discussed above, and PLUS loans. PLUS loans are unique in that the borrower is the parent rather than the student and there are no pre-set annual borrowing limits. Parents may borrow up to the total student budget each year. Although Pell Grant recipi-

ents borrow a disproportionately small share of PLUS funds, they are somewhat more likely than other students to take advantage of this program.

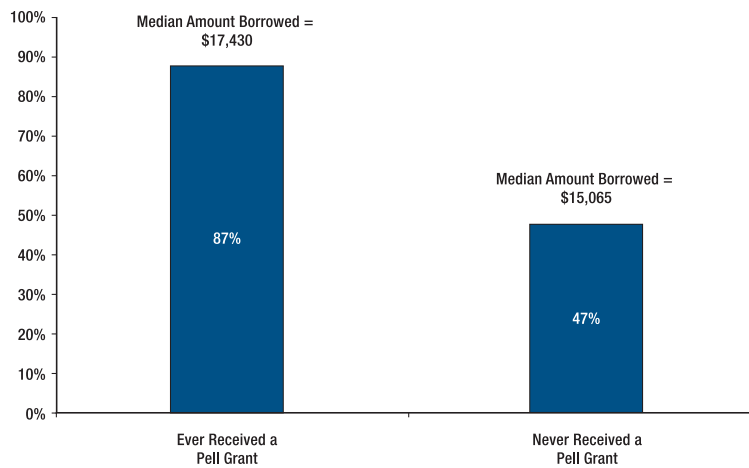
Table 3d shows that Pell Grant recipients are nearly four times as likely to borrow Stafford subsidized loans and twice as likely to borrow Stafford unsubsidized loans as other students. The effect of Pell Grant recipients' heavy reliance on loans is that these students are far more likely to graduate with student loan debt than other students and amass far

Figure 3f
Percentage Distribution of Pell Grant Recipients,
by Financial Aid Sources and Institution Type: 1999–2000



Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.
 Note: Details may not add to 100 percent due to rounding.

Figure 3g
Percentage of Bachelor’s Degree Recipients Who Borrowed, and Median
Cumulative Amount Borrowed, by Pell Grant Status: 1999–2000



Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.
 Note: Debt figures include all federal student loans and exclude parent loans, private loans, and all other nonfederal borrowing.

larger cumulative debt amounts. **Figure 3g** compares the cumulative student loan debt of graduating seniors who had received a Pell Grant at least once during their undergraduate careers with the cumulative loan debt of all other graduating seniors. It shows that Pell Grant recipients are almost twice as likely as all other graduating seniors to have student loan debt. Eighty-seven percent of Pell Grant recipients who completed bachelor’s degrees in 1999–2000 graduated with student loan debt. In contrast, 47 percent of all other bachelor’s degree recipients finished college with some student loan debt. Further, Pell Grant recipients leave college with a median debt that is more than \$2,000 higher than the median debt accrued by other students (\$17,430 versus \$15,065).

Need, Net Price, and Unmet Need

Need typically is defined as the difference between the adjusted student budget for an institution and a student’s EFC. **Table 3f** (see page 24) describes the average need of Pell Grant recipients and all other students in 1999–2000, by type of institution attended. As one would expect, this table demonstrates that Pell Grant recipients have much higher need than their peers at all types of institutions. Table 3f also includes two sets of indices measuring how adequately financial aid reduces the student budget and meets student need. The first set of indicators (labeled “Net Price I” and “Unmet Need I”) concentrates on federal grants, almost all of which come from the Pell Grant program. This first set of indicators shows that, after federal grants are considered, Pell Grant recipients still face an average net price of \$8,891 and an average unmet need of \$8,225. Because federal grants flow almost exclusively to Pell Grant recipients, there is no change in either need or net price for all other students.

Table 3e**Total Aid Awarded Through the Major Programs and Percentage Distribution of Aid to Undergraduates, by Pell Grant Status: 1999–2000**

	Total Amount Awarded (\$ in millions)	DISTRIBUTION OF AID AMONG UNDERGRADUATES	
		Pell Grant Recipients (23% of Undergraduates)	All Other Students (77% of Undergraduates)
SEOG	\$ 619	93.9	6.1
Stafford Subsidized Loan	18,119	51.6	48.4
Stafford Unsubsidized Loan	14,014	31.5	68.5
Perkins Loan	1,101	61.8	38.2
PLUS Loan	3,815	12.9	87.1
Work-Study	917	57.3	42.7
State Aid	4,064	54.3	45.7
Institutional Grants	13,723	27.5	72.5
Employer Aid	N/A	7.3	92.7

Sources: U.S. Department of Education, National Postsecondary Student Aid Study: 1999–2000; The College Board, Trends in Student Aid: 2002.

NOTE: Total amount awarded is based on program records and includes funds awarded to graduate and professional students. These figures are provided to describe the size of each major program. Data are for 1999–2000 and are not adjusted for inflation. The distribution among undergraduates is based on a sample of 1999–2000 undergraduate students only.

N/A: Not available.

The second indicators of net price and unmet need are calculated by reducing the adjusted student budget and student need by all aid received, including student loans. This represents the total out-of-pocket expense faced by students. When all aid is considered, one sees a much larger effect among students who did not receive a Pell Grant. Financial aid meets between 16 percent and 59 percent of need for these students, again depending on type of institution. Aid meets a larger percentage of need at more expensive institutions where students who may not qualify for a Pell Grant still demonstrate considerable financial need. For example, at private not-for-profit institutions, students who did not qualify for a Pell Grant had an average need of \$8,922. These students received enough aid from federal loans, institutional grants, and other sources to reduce their need by 59 percent, leaving \$3,616 in unmet need.

At each type of institution, aid from all sources substantially reduces Pell Grant recipients' need. Aid reduces Pell Grant recipients' need by between 51 percent and 76 percent,

depending on type of institution, but a substantial amount of unmet need remains at each type of institution. Pell Grant recipients faced an average unmet need in 1999–2000 that ranged from \$2,410 at public four-year colleges and universities to \$6,969 at for-profit institutions. At each type of institution, this amount is substantially higher than the average unmet need of other undergraduates.

Employment

One of the ways in which students meet their unmet need is by working while they are enrolled. Despite having greater unmet need, Pell Grant recipients are slightly less likely than other undergraduates to work while they are enrolled. Seventy-six percent of Pell Grant recipients work, versus 81 percent of all other students (see **Figure 3h**, on page 25). But the problem of cause and effect arises when interpreting these data. Students with less earnings are more likely to qualify for Pell Grants than those who spend more time at work and, as a consequence, earn more money.

Table 3f**Average Need, Net Price, and Unmet Need of Pell Grant Recipients and All Other Undergraduates, by Institution Type: 1999–2000**

	NEED Adjusted Student Budget Less EFC	NET PRICE I Adjusted Budget Less Federal Grants	UNMET NEED I Adjusted Budget Less EFC and Federal Grants	NET PRICE II Adjusted Budget Less All Aid	UNMET NEED II Adjusted Budget Less EFC and All Aid
ALL INSTITUTIONS					
All Students	\$4,780	\$8,809	\$4,307	\$5,924	\$2,130
Pell Grant recipients	10,314	8,891	8,225	4,144	3,562
All other students	3,177	8,785	3,171	6,440	1,715
PUBLIC FOUR-YEAR					
All Students	4,812	9,612	4,273	6,299	1,917
Pell Grant recipients	10,079	8,640	7,863	3,058	2,410
All other students	3,138	9,921	3,132	7,329	1,761
PUBLIC TWO-YEAR					
All Students	2,062	4,712	1,760	4,134	1,355
Pell Grant recipients	6,413	5,242	4,655	3,718	3,164
All other students	1,164	4,603	1,163	4,220	982
PRIVATE NOT-FOR-PROFIT					
All Students	10,675	17,603	10,065	9,601	3,798
Pell Grant recipients	16,000	14,340	13,582	4,971	4,349
All other students	8,922	18,677	8,907	11,124	3,616
FOR-PROFIT					
All Students	10,661	13,149	9,516	8,157	5,254
Pell Grant recipients	14,086	12,326	11,893	7,371	6,969
All other students	6,941	14,042	6,934	9,011	3,392

Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999–2000.

NOTE: Averages are for all students, including those who did not apply for or receive aid.

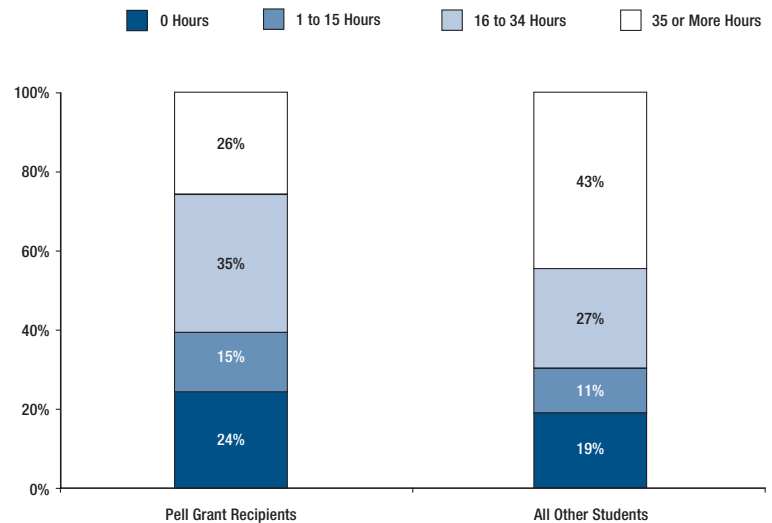
EFC: Expected Family Contribution.

Pell Grant recipients who do work are more likely than other working undergraduates to say that their primary role is being a student rather than an employee; 76 percent of working Pell Grant recipients classify themselves as “students who work to meet college expenses” rather than “employees who also study,” compared with 56 percent of other employed students. Consistent with this definition, Pell Grant recipients are somewhat more likely than their peers to work part time and

are much less likely to maintain a full-time work schedule. Pell Grant recipients work an average of 28 hours per week, and all other undergraduates work an average of 33 hours per week. It is impossible to say whether receiving a Pell Grant enables these students to work fewer hours than their peers, whether other responsibilities (such as child-rearing) limit the amount of time Pell Grant recipients can spend at work, or whether those who work less—and subsequently have less earnings—are

more likely to qualify for a grant. Nevertheless, it is clear that Pell Grant recipients are working less than their peers and, as a result, may have additional time to devote to academics. It is also important to note that research has consistently shown that working 20 hours or more per week has a negative effect on both grades and persistence.¹⁶ The average number of hours worked by both Pell Grant recipients and all other working students exceeds this limit.

Figure 3h
Percentage Distribution of Undergraduates, by Average Number of Hours Worked per Week and Pell Grant Status: 1999-2000



Source: U.S. Department of Education, National Center for Education Statistics. National Postsecondary Student Aid Study: 1999-2000.
 Note: Details may not add to 100 percent due to rounding.

Notes

⁹ See Chapter 1 for a description of the National Postsecondary Student Aid Study (NPSAS).

¹⁰ Unless otherwise noted, the source for all data cited in this chapter is U.S. Department of Education, National Postsecondary Student Aid Study (NPSAS): 1999-2000.

¹¹ According to NPSAS, in 1999-2000, 90 percent of students with family incomes below \$10,000 filed a federal financial aid application, versus 37 percent of students with family income of \$50,000 or more.

¹² Because NPSAS is based on a sample, whereas the Office of Postsecondary Education (OPE) data reflect the entire universe of grant recipients, data discrepancies are inevitable. In 1999-2000, the median income of all Pell Grant recipients, as recorded in the OPE program data, was \$15,901.

¹³ To portray the difference in financial circumstances between Pell Grant recipients and other undergraduates, this analysis relies on a variable that estimates EFC for those students who did not apply for federal financial aid.

¹⁴ See King, J. (2002). *Crucial Choices: How Students' Financial Decisions Affect Their Academic Success*. Washington, DC: American Council on Education.

¹⁵ Because the NPSAS survey did not ask respondents for the amount of their Hope or Lifetime Learning tax credits, it is impossible to estimate the distribution of tax credit funds.

¹⁶ King, *Crucial Choices*.

Chapter 4.

Summary

The Pell Grant program provides assistance to almost one-quarter of U.S. undergraduates. These students are concentrated among those with very low family income; the median income of Pell Grant recipients was \$15,834 in 2000-01. Pell Grant recipients are more likely than other students to be single parents and to come from minority groups that are underrepresented in higher education. The Pell Grant program has grown to serve almost 4 million students annually, but the value of the grant has declined, relative to both inflation and college prices. At the same time, the average income of families in the lowest quintile in the United States has declined by 6 percent in real terms. As a result, college costs take up a much larger share of low-income families' resources today than 20 years ago, and the Pell Grant makes up for less of that share of income.

While there have been many policy changes during the course of the Pell Grant program's history, it continues to serve the neediest students. The median EFC of Pell Grant recipients in 1999-2000 was \$53, and the average need was more than \$10,000. Most students who receive Pell Grants also benefit from other student aid programs and work while attending college, but Pell Grant recipients still are far more likely than other students to graduate with student loan debt and amass more debt while they are in college.

Appendix A
Pell Grant Historical Summary Data

Fiscal Year	Appropriations		Academic Year	Expenditures		Maximum Award		Average Award		Number of Institutions
	Current \$	Constant \$		Current \$	Constant \$	Current \$	Constant \$	Current \$	Constant \$	
73	122,000	504,187	1973-74	47,589	183,594	452	1,744	270	1,042	NA
74	475,000	1,783,419	1974-75	358,353	1,244,578	1,050	3,647	628	2,181	NA
75	840,200	2,857,819	1975-76	925,998	3,003,406	1,400	4,541	761	2,468	NA
76	1,325,800	4,242,757	1976-77	1,475,444	4,521,860	1,400	4,291	759	2,326	NA
77	1,903,900	5,741,224	1977-78	1,524,340	4,377,711	1,400	4,021	758	2,177	NA
78	2,140,000	6,028,700	1978-79	1,540,995	4,046,518	1,600	4,201	814	2,137	NA
79	2,341,000	5,977,817	1979-80	2,357,222	5,461,640	1,800	4,171	929	2,152	NA
80	2,157,000	4,849,375	1980-81	2,387,117	4,956,799	1,750	3,634	882	1,831	5,683
81	2,604,000	5,269,767	1981-82	2,299,718	4,395,591	1,670	3,192	849	1,623	5,771
82	2,419,040	4,559,066	1982-83	2,420,517	4,435,970	1,800	3,299	959	1,758	5,835
83	2,419,040	4,404,469	1983-84	2,979,057	5,264,692	1,800	3,181	1,014	1,792	5,982
84	2,800,000	4,896,937	1984-85	3,052,999	5,192,167	1,900	3,231	1,111	1,889	6,077
85	3,862,000	6,514,126	1985-86	3,597,380	5,946,504	2,100	3,471	1,279	2,114	6,190
86	3,579,716	5,893,385	1986-87	3,460,007	5,595,164	2,100	3,396	1,301	2,104	6,401
87	4,187,000	6,701,497	1987-88	3,754,329	5,829,594	2,100	3,261	1,303	2,023	6,462
88	4,260,430	6,549,023	1988-89	4,475,693	6,642,910	2,200	3,265	1,399	2,076	6,619
89	4,483,915	6,579,558	1989-90	4,777,844	6,768,377	2,300	3,258	1,438	2,037	6,675
90	4,804,478	6,714,883	1990-91	4,935,191	6,628,880	2,300	3,089	1,449	1,946	6,578
91	5,374,213	7,150,489	1991-92	5,792,703	7,539,071	2,400	3,124	1,530	1,991	NA
92	5,499,690	7,103,327	1992-93	6,175,902	7,794,354	2,400	3,029	1,543	1,947	NA
93	6,461,970	8,100,448	1993-94	5,654,453	6,956,079	2,300	2,829	1,506	1,853	6,525
94	6,636,731	8,106,719	1994-95	5,519,475	6,600,802	2,300	2,751	1,502	1,796	6,295
95	6,146,845	7,303,333	1995-96	5,471,708	6,370,378	2,340	2,724	1,515	1,764	6,067
96	4,913,560	5,679,207	1996-97	5,780,033	6,542,662	2,470	2,796	1,577	1,785	5,817
97	5,919,000	6,663,621	1997-98	6,331,091	7,040,888	2,700	3,003	1,696	1,886	5,667
98	7,344,900	8,136,081	1998-99	7,232,781	7,906,790	3,000	3,280	1,876	2,051	5,566
99	7,704,000	8,373,154	1999-00	7,208,300	7,658,930	3,125	3,320	1,915	2,035	5,524
00	7,639,700	8,047,578	2000-01	7,956,304	8,173,662	3,300	3,390	2,040	2,096	5,471
01	8,756,000	8,935,665	2001-02	9,966,462	10,060,613	3,750	3,785	2,303	2,325	NA
02	11,314,000	11,375,661	2002-03	11,204,246	11,204,246	4,000	4,000	2,415	2,415	NA

Sources: U.S. Department of Education, Pell Grant End of Year Reports.

NOTE: Academic Year 01-02 and 02-03 expenditure, average award, and applicant and recipient data are estimates from the Department of Education Pell Grant Cost Estimation Model, Update 2003a. Appropriations and expenditures are expressed in thousands. The award rate is calculated by dividing the number of recipients by the number of applicants.

Constant dollars are for calendar year 2002. Distributions may not add to 100 percent due to rounding.

NA = not available.

	Number of Applicants	Number of Recipients	Award Rate	Dependency Status		Distribution of Grant Funds			
				Dependent	Independent	Public Two-year	Public Four-year	Private	For-profit
	482,331	176,000	36.5	86.7	13.3	NA	NA	NA	NA
	1,114,084	567,000	50.9	78.1	21.9	NA	NA	NA	NA
	2,178,696	1,217,000	55.9	70.2	29.8	NA	NA	NA	NA
	3,408,718	1,944,000	57.0	61.7	38.3	NA	NA	NA	NA
	3,621,641	2,011,000	55.5	61.5	38.5	NA	NA	NA	NA
	3,401,428	1,893,000	55.7	63.3	36.7	NA	NA	NA	NA
	3,868,429	2,537,875	65.6	66.2	33.8	NA	NA	NA	NA
	4,475,762	2,707,932	60.5	59.4	40.6	18.6	41.1	28.8	11.5
	4,614,590	2,709,076	58.7	58.1	41.9	18.7	40.7	27.1	13.5
	4,709,225	2,522,746	53.6	54.1	45.9	18.1	38.7	26.6	16.5
	4,955,775	2,758,906	55.7	52.5	47.5	18.5	38.0	24.6	18.8
	4,981,357	2,747,100	55.1	51.4	48.6	18.4	37.7	23.0	20.8
	5,205,492	2,813,489	54.0	49.6	50.4	18.8	37.0	21.9	22.1
	5,535,734	2,659,507	48.0	46.1	53.9	18.7	35.7	20.8	24.8
	5,714,194	2,881,547	50.4	42.5	57.5	18.5	34.8	20.1	26.6
	5,913,224	3,198,286	54.1	42.1	57.9	19.7	35.6	20.2	24.5
	6,165,309	3,322,151	53.9	41.0	59.0	21.1	35.8	20.0	23.1
	6,455,099	3,404,810	52.7	38.9	61.1	22.6	35.5	19.8	22.1
	6,983,636	3,786,230	54.2	38.5	61.5	24.3	35.5	19.6	20.7
	7,365,243	4,000,000	54.3	37.9	62.1	25.7	36.3	19.5	18.5
	8,518,710	3,755,675	44.1	40.8	59.2	30.0	35.9	18.8	15.3
	7,777,169	3,674,967	47.3	40.7	59.3	32.7	35.1	19.0	13.2
	7,935,336	3,611,821	45.5	41.5	58.5	32.7	36.0	18.8	12.5
	8,064,889	3,665,654	45.5	42.4	57.6	33.0	36.0	18.5	12.5
	8,216,685	3,732,807	45.4	43.4	56.6	32.8	36.4	18.6	12.2
	8,309,645	3,855,180	46.4	44.7	55.3	32.2	36.7	18.6	12.5
	8,527,162	3,763,710	44.1	44.5	55.5	33.4	34.8	18.6	13.1
	8,745,584	3,899,433	44.6	43.8	56.2	33.4	34.6	18.3	13.6
	8,769,759	4,326,058	49.3	43.9	56.1	NA	NA	NA	NA
	10,179,397	4,638,234	45.6	42.3	57.6	NA	NA	NA	NA

Appendix B

Pell Grant Recipients and Expenditures, by Recipients' State of Legal Residence: 2000–01

	Number of Recipients	Expenditures (\$ in millions)	PERCENTAGE DISTRIBUTION	
			Recipients (%)	Expenditures (%)
Alabama	70,723	\$149.0	1.8	1.9
Alaska	5,368	10.2	0.1	0.1
Arizona	63,615	124.8	1.7	1.6
Arkansas	42,322	89.1	1.1	1.1
California	471,119	1,009.0	12.3	12.9
Colorado	47,546	92.2	1.2	1.2
Connecticut	26,182	47.8	0.7	0.6
Delaware	6,754	11.9	0.2	0.2
District of Columbia	6,392	13.0	0.2	0.2
Florida	217,010	431.7	5.6	5.5
Georgia	104,704	185.4	2.7	2.4
Hawaii	13,261	27.5	0.3	0.4
Idaho	22,409	46.5	0.6	0.6
Illinois	147,655	289.1	3.8	3.7
Indiana	70,839	131.6	1.8	1.7
Iowa	42,560	82.1	1.1	1.0
Kansas	36,495	69.8	0.9	0.9
Kentucky	58,334	119.4	1.5	1.5
Louisiana	78,125	170.6	2.0	2.2
Maine	17,291	34.5	0.4	0.4
Maryland	57,140	109.9	1.5	1.4
Massachusetts	60,058	116.1	1.6	1.5
Michigan	117,277	215.6	3.1	2.7
Minnesota	57,999	110.4	1.5	1.4
Mississippi	57,941	129.0	1.5	1.6
Missouri	71,253	136.8	1.9	1.7
Montana	17,372	37.0	0.5	0.5
Nebraska	24,291	45.0	0.6	0.6
Nevada	14,112	26.3	0.4	0.3

	Number of Recipients	Expenditures (\$ in millions)	PERCENTAGE DISTRIBUTION	
			Recipients (%)	Expenditures (%)
New Hampshire	10,720	19.3	0.3	0.2
New Jersey	90,796	188.4	2.4	2.4
New Mexico	34,504	71.2	0.9	0.9
New York	327,290	716.7	8.5	9.1
North Carolina	88,557	181.1	2.3	2.3
North Dakota	12,449	25.6	0.3	0.3
Ohio	138,744	260.1	3.6	3.3
Oregon	44,456	88.8	1.2	1.1
Pennsylvania	142,421	282.3	3.7	3.6
Rhode Island	11,215	21.6	0.3	0.3
South Carolina	56,054	110.9	1.5	1.4
South Dakota	13,032	26.4	0.3	0.3
Tennessee	66,826	132.2	1.7	1.7
Texas	291,280	591.8	7.6	7.5
Utah	38,192	73.5	1.0	0.9
Vermont	7,751	14.4	0.2	0.2
Virginia	73,954	144.8	1.9	1.8
Washington	68,618	136.6	1.8	1.7
West Virginia	27,493	58.8	0.7	0.7
Wisconsin	53,116	101.3	1.4	1.3
Wyoming	7,073	14.3	0.2	0.2
50 States and D.C.	3,630,688	7,321.6	94.5	93.4
Puerto Rico	179,681	449.2	4.7	5.7
Outlying Areas	10,834	25.1	0.3	0.3
Unknown	21,279	43.8	0.6	0.6
Total	3,842,482	7,839.7	100.0	100.0

Source: U.S. Department of Education, 2000–01 Pell Grant End of Year Report.

