

<http://www.chronicle.com/daily/2001/07/2001073101n.htm>

Student Aid Rose Sharply Over the Past Four Years, Study Finds

By DANA MULHAUSER

The availability of student financial aid has increased markedly over the last four years, according to a study released Friday by the U.S. Department of Education.

The "National Postsecondary Student Aid Study" covered both institutional and governmental aid. It said that 55 percent of undergraduates had received some form of financial assistance in 1999-2000, up from 50 percent in 1995-96, when the study was last conducted.

Among undergraduates receiving aid, the average award was \$6,256, an inflation-adjusted increase of 17 percent over 1995-96.

Assistance for graduate students rose even more sharply, increasing by 24 percent above inflation, to \$13,255 on average. The percentage of graduate students receiving aid rose from 50 percent to 60 percent.

Half of the increased financial aid simply covered the rising cost of a college education. Over the same four-year period, the cost of tuition, room, and board increased by 9 percent over inflation.

"Costs continue to go up, and the increases that we've seen in financial aid are basically to cover those costs," said Charles W. Bruce, senior director of financial aid at Oklahoma State University and chairman-elect of the National Association of Student Financial Aid Administrators. "Our tuition has continued to go up annually. This year, it was 7 percent for in-state students and 9 percent for out-of-state."

The increase in government aid was due in large part to the expansion of Pell Grants, according to the study's author, Andrew G. Maliozo. About 30 percent of undergraduates received Pell Grants, which rose from a minimum of \$2,340 to \$3,125.

Although the average student loan is growing, grant totals are growing even faster. The average loan has increased by 16 percent in the past four years, while grants have increased by 19 percent, adjusted for inflation. Still, the average student had 50 percent more aid in loans than in grants.

"We have seen an increase in the rate of borrowing of some students and parents," said David D. Mohning, director of student financial aid at Vanderbilt University. Institutions like Vanderbilt have been increasingly concerned by the growth in student loans. Starting this fall, Vanderbilt is instituting a debt-reduction program to try to shift more aid from loans to grants.

According to the report, the aid increase was particularly notable at private four-year institutions, where the average aid package jumped from \$5,150 to \$6,760, or more than 20 percent above inflation.

Michael D. Bartini, director of financial aid at Brown University, credits much of the increase to the healthy economy. When the economy is doing well, fewer students apply for assistance, and those who do apply receive larger packages, he said.

"The economy was doing really incredible for the past five or six years," Mr. Bartini said. "If that levels out, will we be in trouble? Not necessarily."

Mr. Bruce, however, is worried that the faltering economy could stunt the rise in aid.

"Typically, when the economy drops, more people will turn to education for retooling, and they're going to be in need of assistance," he said.

The report, published by the National Center for Education Statistics, is available [here](#).

[Front page](#) | [Career Network](#) | [Search](#) | [Site map](#) | [Help](#)

Copyright © 2001 by The Chronicle of Higher Education