



Oregon
University
System

Affordability

The Pell Grant Program

2003 Status Report on the Pell Grant Program
American Council on Education
Center for Policy Analysis
October 2003



Pell Grant Background

- ✓ Enacted in 1972 as Basic Educational Opportunity Grant (Amended Higher Education Act of 1965)
- ✓ Foundation program of federal student financial aid
- ✓ Largest single grant program in U.S.
- ✓ Assisted 8.7 million undergraduates in 2000-01 (23% of all undergraduates)
- ✓ Federal need formula set by statute
- ✓ Structured as “entitlement”
- ✓ BUT, funded through annual appropriations
estimates number of qualified applicants and funding available
- ✓ **Authorized** maximum grant vs. **actual** maximum



Pell Grant Award

$$\begin{array}{r} \$ \text{ Maximum Pell Grant} \\ - \$ \text{ Expected Family Contribution} \\ \hline \$ \text{ Value of Pell Grant Award} \end{array}$$



Value of Maximum Pell Grant

Based on Ave. Cost of attendance— tuition, fees, on-campus room and board

	1979-80	2002-03
Community Colleges	99%	68%
4-year Public Colleges/Universities	77%	41%
Private/Not-for-Profit Colleges/Universities	36%	16%



Family Income and College Affordability

	Lowest Quintile	Middle Quintile	Upper Quintile
Change in Average Family Income 1973 and 2001 <i>(inflation adjusted dollars)</i>	-6%	+8%	+43%
Average Family Income 2001	\$14,241	\$52,346	\$162,145

Source: U.S. Census Bureau, March Current Population reports



Income Needed to Pay for College

	Lowest Quintile	Middle Quintile	Upper Quintile
1973-74	43%	13%	6%
2001-02	64%	17%	6%

Based on average family income within each quintile and average cost of attendance (tuition, fees, room and board on-campus)



Changes in Pell Grant (1992)

- ✓ *Eliminated home equity from consideration*
- ✓ *Changed provision for independent status and divided into two groups (separate need analysis)*
- ✓ *Median income of independent recipients has increased \$7,938 to \$11,657*
- ✓ *Median income of dependent recipients has remained flat*

Majority of recipients of maximum Pell Grant

have a family income of \$20,000 or less

80% dependent students

93% independent students



Pell Grant Recipients

	Traditional– aged, dependent students	Independent students
1976-77	62%	38%
1992-93	38%	62%
2000-01	42%	56%



Most likely recipients of Pell 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



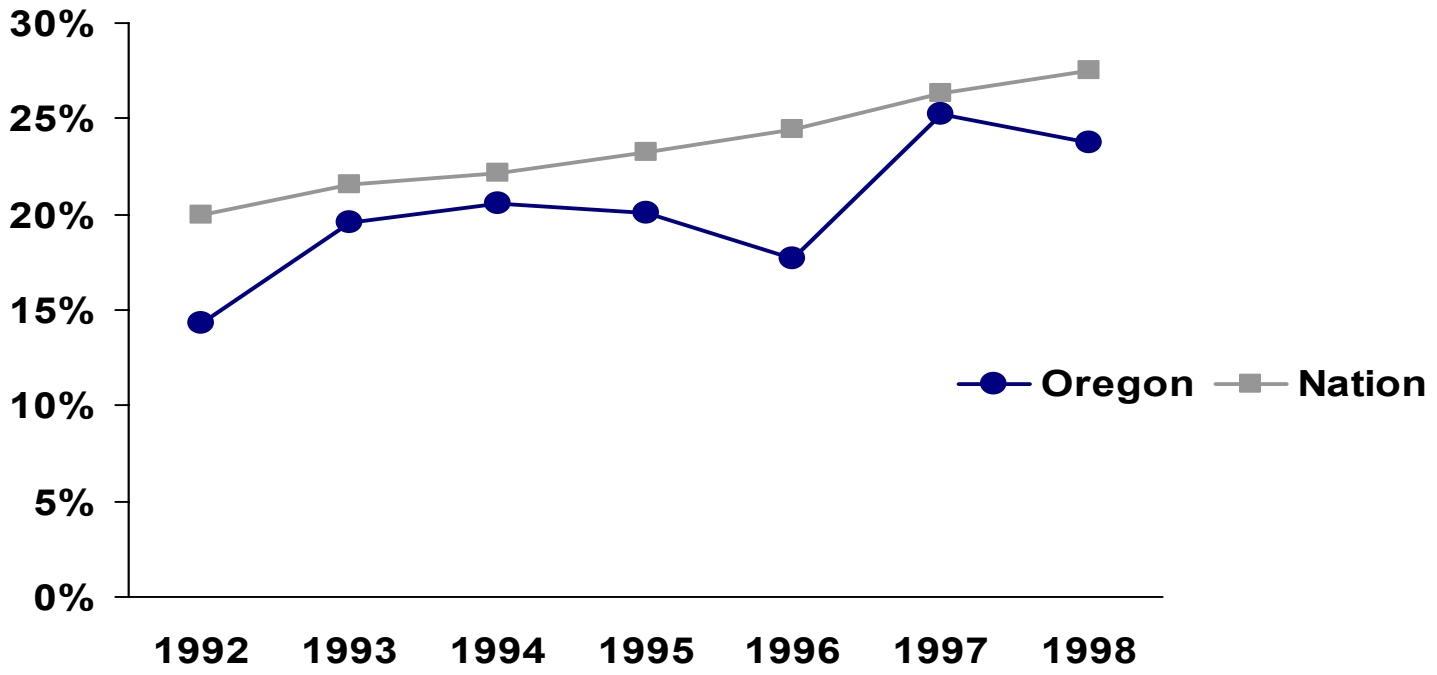
Differences in EFC

	All Pell Grant Recipients	All Other Undergraduates
Median EFC 1999-00	\$53	\$8,282



Oregon is below the U.S. average post-secondary enrollment of low-income students

Percent of low-income students* attending college 1992-1998 (fall)



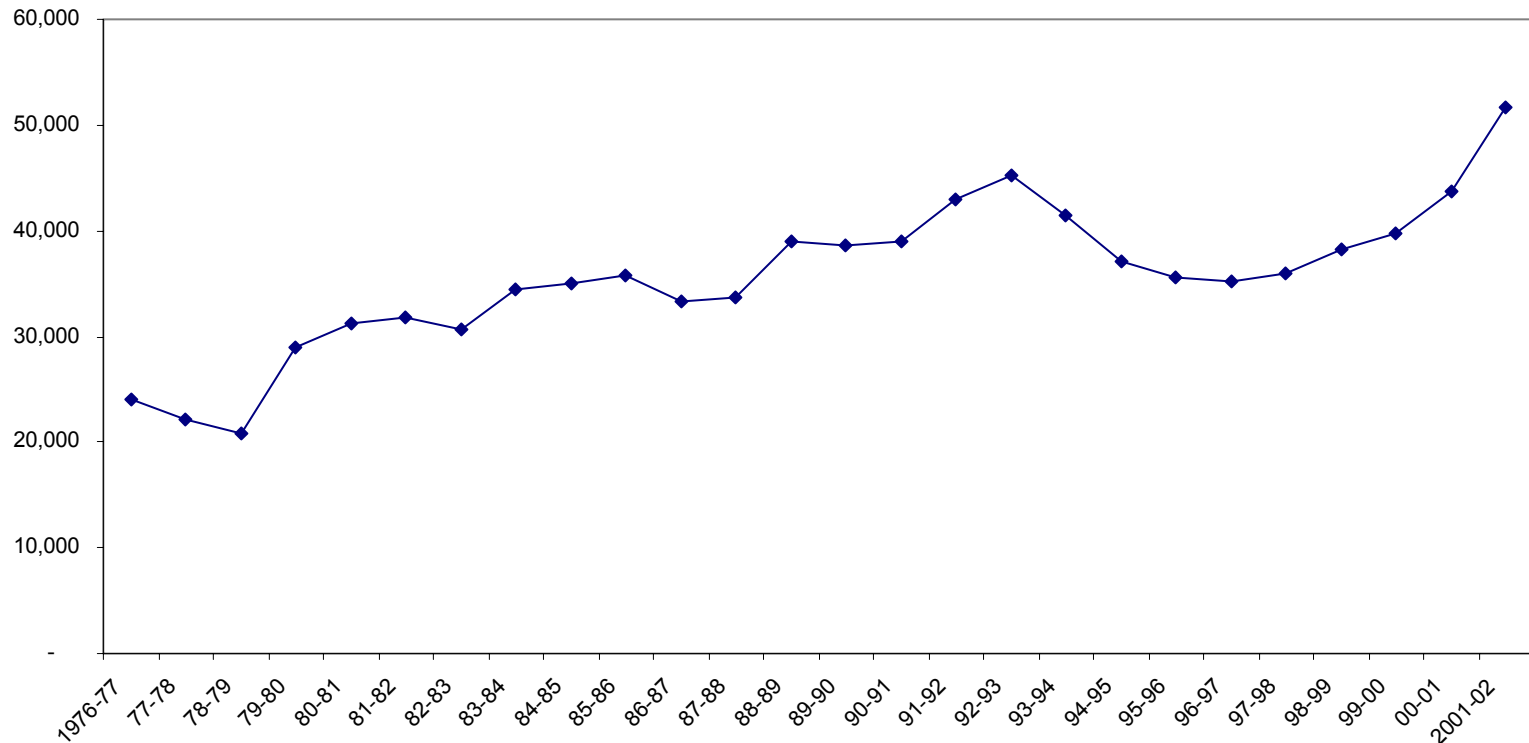
*Free or Reduced Lunch Program participants

Source: *Postsecondary Opportunities* (www.postsecondary.org/archives)



Oregon Pell Grant Recipients

Number Oregonians receiving Pell Grants, 1976-77 to 2001-02



***Oregonians with Pell Grants attending any postsecondary education (in-state and out-of state)**

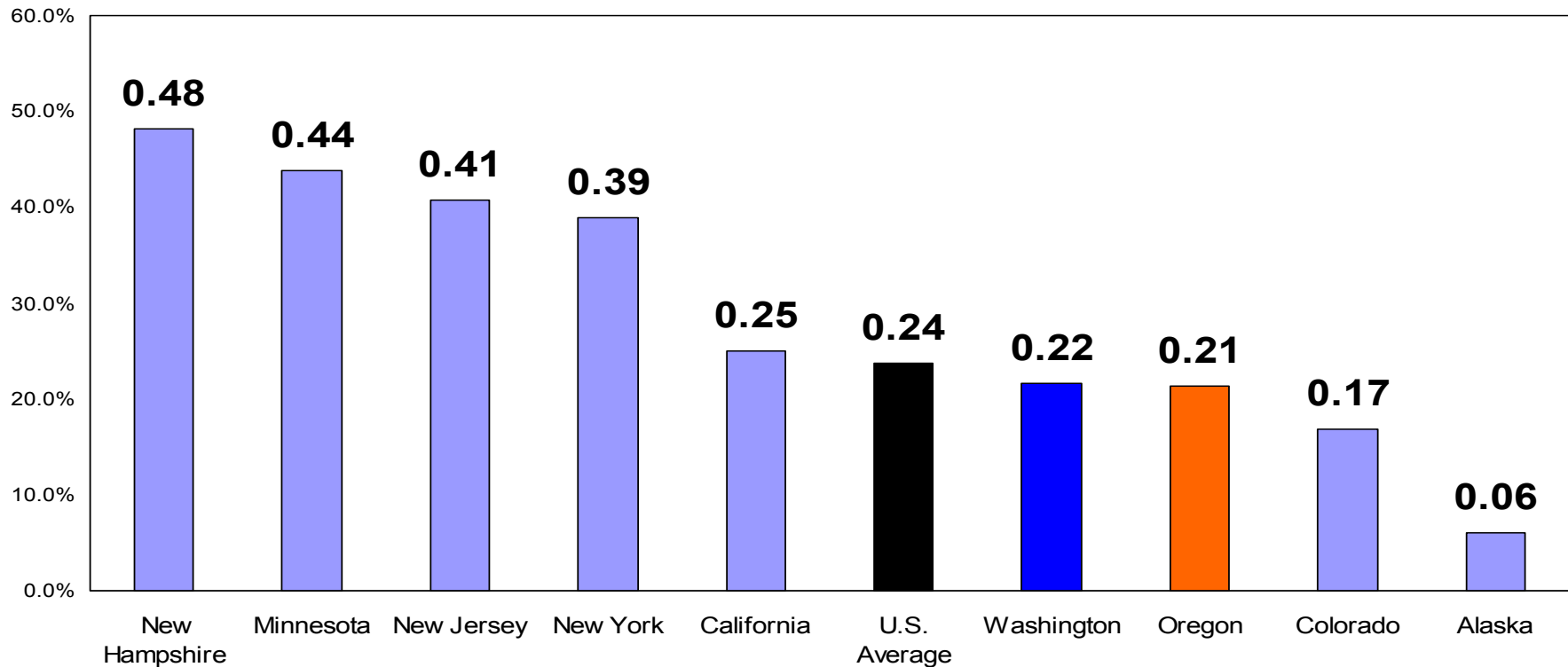
Source: *Postsecondary Opportunities* (www.postsecondary.org/archives)



Postsecondary Opportunities

Students from Low-Income Families

Percent of low-income students attending college, 10-year averages for selected states (1992 - 2001)



Source: Based on Pell Grant recipients Postsecondary Education Opportunity, <http://www.postsecondary.org>



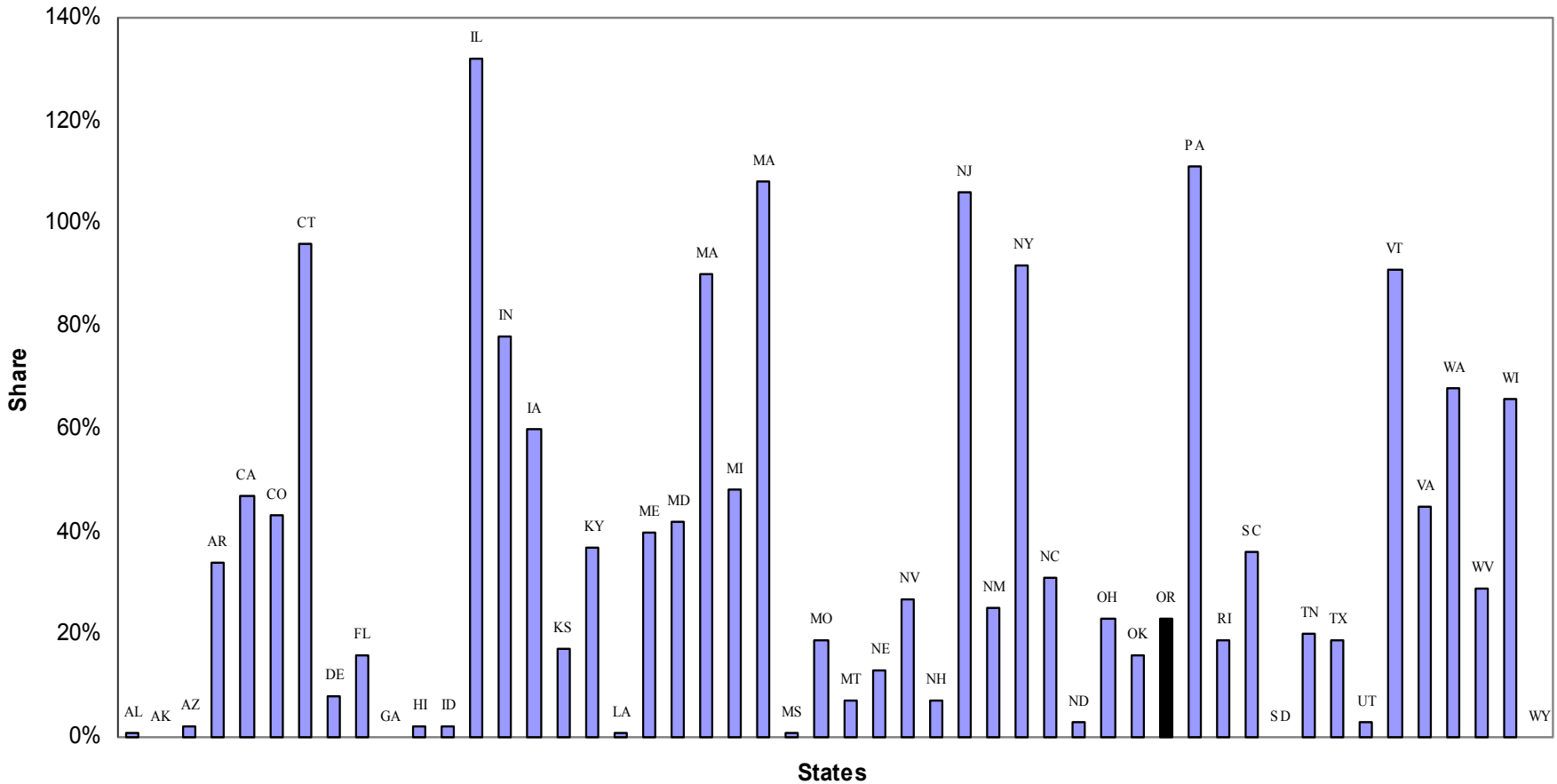
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Other Affordability Data

Measuring Up Comparisons

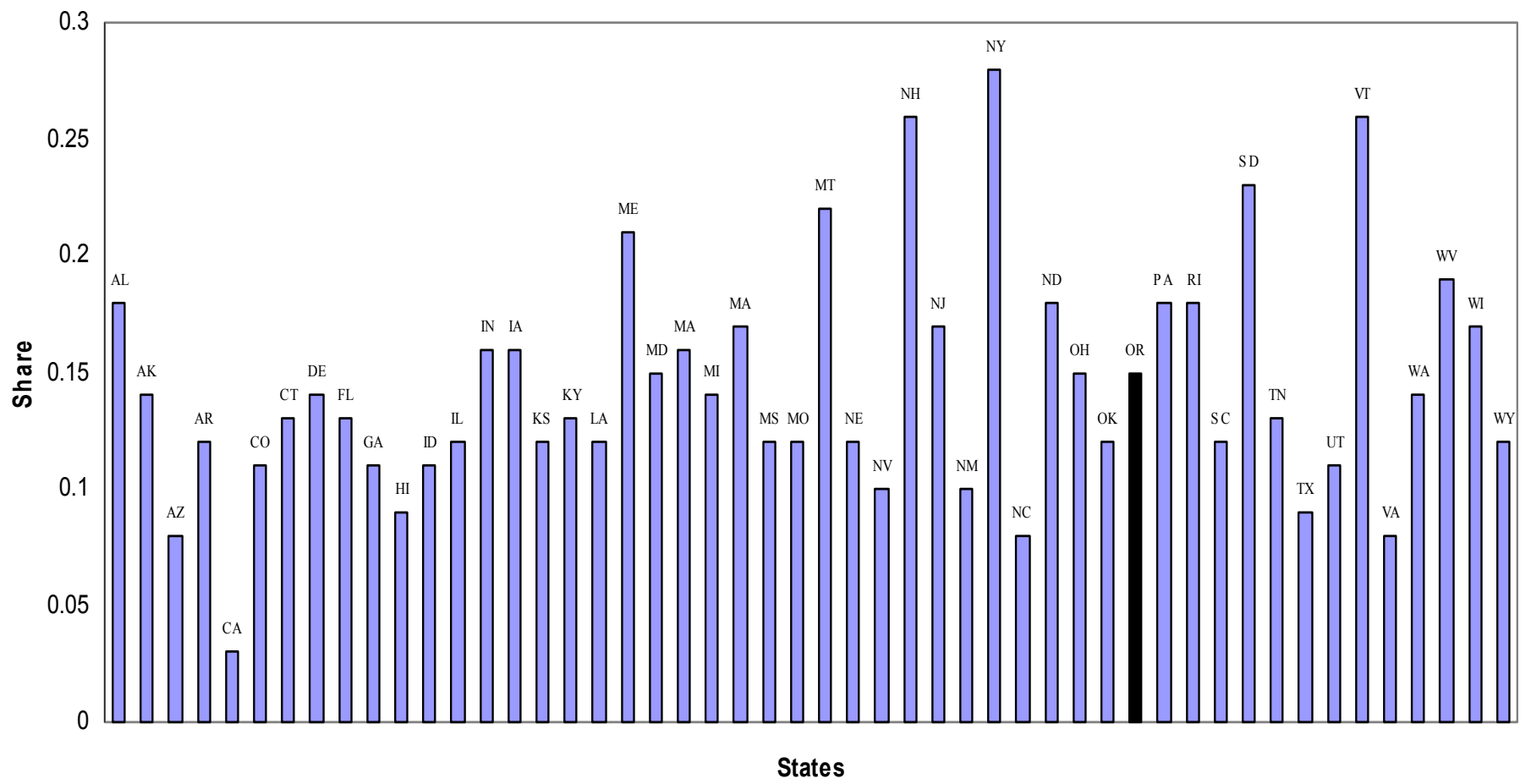


State Need Grant as Percentage of Pell Grant Award, from Measuring Up 2002



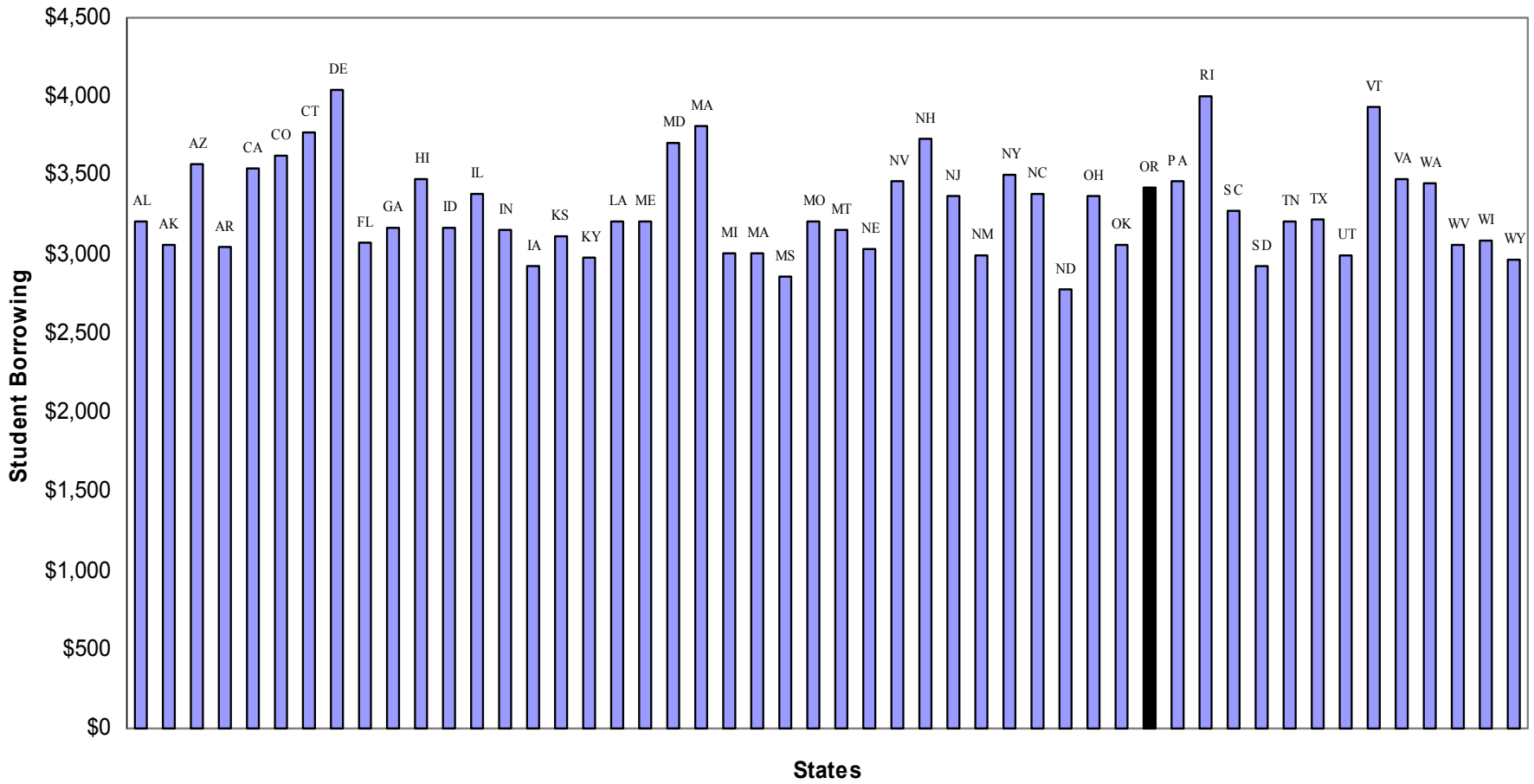


Share of Income Poorest Families Pay for Low-Tuition College, from Measuring Up 2002





Student Borrowing, from Measuring Up 2002





General Accessibility of Oregon's Institutions

Title IV-eligible schools

	Low Income		Middle Income	
	Dependent	Independent	Dependent	Independent
2- & 4-yr. Publics w/o borrowing	13 of 24	3 of 24	16 of 24	5 of 24
% Publics & Privates	54%	42%	59%	44%

Unequal Opportunity: Disparities in College Access Among the 50 States.

Lumina New Agenda Series, January 2002