

Contact: Diana Gonzalez

ANNUAL REGENT STUDENT FINANCIAL AID STUDY

Action Requested: Receive the annual Regent student financial aid study for 2013-2014.

Executive Summary: In response to the Board's request for information regarding the socio-economic status of students who receive financial aid at the Regent universities, the Board Office and university financial aid representatives designed and implemented the annual Regent Financial Aid Study in 2004. This study analyzes student financial aid by adjusted family income (AGI) of a segment of the population of financial aid recipients at the Regent universities and looks at characteristics of students receiving financial aid.

The results of the Regent Student Financial Aid Study conducted in Fall 2014 revealed that, in 2013-2014, there were 24,808 **full-time, resident, dependent undergraduate** FAFSA¹ filers who received and accepted financial aid at one of the Regent universities.² This is an increase of 989 students (+3.9%) from the prior year.

- ◇ At the three Regent universities, a financial aid package is designed for each undergraduate student who applies and completes a FAFSA. The financial aid package, which includes a combination of grants/scholarships, work-study/employment, and loans³, is designed to meet each student's total financial need. However, frequently, students, especially those with a family AGI < \$15,000, do not accept certain components of the package, such as employment or loans. This results in what appears to be unmet financial need for the student.
- ◇ Financial need is calculated by subtracting the expected family contribution from the cost of attendance (tuition, fees, books, room and board, and personal expenses).
 - ### Unmet financial need results when the financial aid (grants/scholarships, loans, and work-study/employment) provided by the institution or other sources and accepted by the student is less than the total need.
 - ### Overmet financial need results when the financial aid accepted by the student primarily through non-need based programs exceeds total need. These dollars may be used to help defray the expected family contribution.
- ◇ Changes/Trends
 - ### Students with a family AGI < \$15,000 tend to have a higher average total grant award and a smaller total loan award accepted while students with a family AGI ≥ \$45,000 tend to have a smaller grant award and a higher total loan award accepted.
 - ### There was an increase in the number of full-time, resident, dependent undergraduate FAFSA filers. This is the first year of an increase after two years of a decrease.
 - ### Using the AGI criterion, the number of students whose average financial aid accepted exceeded the calculated need increased by 1,878 (+11.9%) from 15,812 to 17,690.

¹ FAFSA – Free Application for Federal Student Aid.

² There were approximately 36,000 full-time, resident undergraduates in Fall 2014.

³ From all sources.

- ‡‡‡ In 2013, Iowa had the 15th highest college participation rate (42.5%) for 18-24 year old students from low income families; the national average was 38.4%. Since 1993, Iowa’s low income college participation rate of 18-24 year olds has had an average of 38.2%, well above the national average of 27.0%.¹
- ◇ The following table describes the average financial need by family adjusted gross income (AGI) for all students in this study at the three universities. Students whose families had an AGI ≥ \$60,000 had no unmet need. In fact, the average financial aid accepted exceeded the calculated need by \$3,386 due, in large part, to receiving non-need-based loans. This group also constitutes the majority of students (71.3%).

**AVERAGE FINANCIAL NEED BY ADJUSTED GROSS INCOME
2013-2014**

Family Income Range by Adjusted Gross Income (AGI)	Number of Students (n=24,808) and Percent of Total	Percent of Aid Accepted/Total Need	Average Financial Need Not Met by Total Financial Aid Accepted
<\$15,000	1,048 (4.2%)	77.5%	\$4,254
\$15,000 - \$29,999	1,499 (6.1%)	80.2%	\$3,709
\$30,000 - \$44,999	2,157 (8.7%)	80.2%	\$3,414
\$45,000 - \$59,999	2,414 (9.7%)	84.0%	\$2,360
\$60,000 - \$74,999	2,697 (10.9%)	>100.0%	-\$364
\$75,000 - \$89,999	2,879 (11.6%)	>100.0%	-\$3,234
≥\$90,000	12,114 (48.8%)	>100.0%	-\$8,758

The Regent Financial Aid Study addresses the Board of Regents Strategic Plan priorities of “access, affordability, and student success” and “educational excellence and impact” as well as Goal 1 in the Board’s Strategic Plan – “Iowa’s public universities shall be affordable to all academically qualified Iowa residents.”

Background:

- ◇ The Regent Financial Aid Study includes the following variables:

 - ‡‡‡ FAFSA filers who are undergraduates, full-time, dependent students, Iowa residents, receiving financial aid;
 - ‡‡‡ family income (adjusted gross income);
 - ‡‡‡ cost of attendance;
 - ‡‡‡ expected family contribution;
 - ‡‡‡ total need;
 - ‡‡‡ total financial aid accepted; and
 - ‡‡‡ financial need not met by aid accepted by students.

¹ Postsecondary Education Opportunity, October 2013.

- ◇ The Regent Financial Aid study reflects these characteristics:
 - ☛ The financial aid packages offered to students do not include institutional employment (other than work-study) or off-campus employment. Institutional and off-campus employment can be used by students to meet their financial need.
 - ☛ Except for programs such as ROTC and TEACH, federal grants are primarily need-based. State grants are also need-based. For institutional/private grants, there is a blend of need-based and merit-based aid.
 - ☛ Loans, such as Perkins and subsidized Stafford loans, require demonstration of financial need. Other loans, such as unsubsidized Stafford loans, PLUS, and alternative loans, do not require demonstration of need.
 - ☛ There has been a reduction in the availability of private educational loans since 2009-2010.

**FAMILY ADJUSTED GROSS INCOME AND AVERAGE UNMET NEED
2013-2014**

Family Income Range by AGI	Number & Percent of Students (n=24,808)	Average EFC	Average Total Need	Average Total Grants (n=19,064)	Average Total Work-Study (n=2,416)	Average Total Loans ¹ (n=19,597)	Average Total Financial Aid Accepted (n=24,808)	Average Financial Need Not Met by Total Financial Aid Accepted
<\$15,000	1,048 (4.2%)	\$658	\$18,919	\$9,085 (n=1,039)	\$2,189 (n=184)	\$6,960 (n=780)	\$14,665 (n=1,048)	\$4,254
\$15,000 - \$29,999	1,499 (6.1%)	\$661	\$18,739	\$9,193 (n=1,486)	\$1,926 (n=302)	\$7,096 (n=1,160)	\$15,030 (n=1,499)	\$3,709
\$30,000 - \$44,999	2,157 (8.7%)	\$2,382	\$17,215	\$7,801 (n=2,121)	\$2,049 (n=421)	\$7,376 (n=1,661)	\$13,801 (n=2,157)	\$3,414
\$45,000 - \$59,999	2,414 (9.7%)	\$5,071	\$14,775	\$5,710 (n=2,276)	\$2,150 (n=410)	\$8,065 (n=1,981)	\$12,415 (n=2,414)	\$2,360
\$60,000 - \$74,999	2,697 (10.9%)	\$7,746	\$11,913	\$4,839 (n=2,329)	\$1,983 (n=395)	\$9,011 (n=2,272)	\$12,277 (n=2,697)	-\$364
\$75,000 - \$89,999	2,879 (11.6%)	\$11,791	\$8,350	\$4,405 (n=2,239)	\$1,927 (n=310)	\$9,692 (n=2,392)	\$11,584 (n=2,879)	-\$3,234
>\$90,000	12,114 (48.8%)	\$29,269	\$1,560	\$3,941 (n=7,574) ²	\$2,031 (n=394)	\$10,068 (n=9,351)	\$10,318 (n=12,114)	-\$8,758

¹ Includes PLUS.

² Primarily institutional/private grants.

- ◇ At the University of Iowa, there were 7,165 students in this study who received and accepted financial aid in 2013-2014. This is an increase of 578 students (+8.8%) from the prior year.
- ◇ At Iowa State University, there were 11,937 students in this study who received and accepted financial aid in 2013-2014. This is an increase of 649 students (+5.7%) from the prior year.
- ◇ At the University of Northern Iowa, there were 5,706 students in this study who received and accepted financial aid in 2013-2014. This is a decrease of 289 students (-4.8%) from the prior year and the third consecutive year of a decrease.
- ◇ Using family income as the criterion, there were 24,808 students who received any type of financial aid in 2013-2014. Approximately 10% had a family AGI < \$30,000; ≈18% had a family AGI of \$30,000-\$59,999; ≈22% had a family AGI of \$60,000-\$89,999; and ≈49% had a family AGI ≥\$90,000.
 - †† In 2013-2014, there were 19,064 students who received some type of grant award; this represents an increase of 1,227 students (+6.9%) from the prior year.
 - ⇒ For students with a family AGI <\$30,000, the average grant award was \$9,198 compared to \$8,659 (+6.2%) the prior year.
 - ⇒ For students with a family AGI of \$30,000-\$59,999, the average grant award was \$6,766 compared to \$6,452 (+4.9%) the prior year.
 - ⇒ For students with a family AGI of \$60,000-\$89,999, the average grant award was \$4,411 compared to \$4,246 (+3.9%) the prior year.
 - ⇒ For students with a family AGI ≥\$90,000, the average grant award was \$3,941 compared to \$3,808 (+3.5%) the prior year.
 - †† In 2013-2014, there were 19,597 students who received some type of loan¹; this represents an increase of 256 (+1.3%) from the prior year.
 - ⇒ For students with a family AGI <\$30,000, the average loan award was \$7,127 compared to \$7,141 (-0.2%) the prior year.
 - ⇒ For students with a family AGI of \$30,000-\$59,999, the average loan award was \$7,784 compared to \$7,948 (-2.1%) the prior year.
 - ⇒ For students with a family AGI of \$60,000-\$89,999, the average loan award was \$9,287 compared to \$9,277 (+0.1%) the prior year.
 - ⇒ For students with a family AGI ≥\$90,000, the average loan award was \$10,068 compared to \$9,848 (+2.2%) the prior year.

All students included in the financial aid study received some type of financial aid. However, the largest proportion of the students (≈79%) received a loan; ≈70% received an institutional or private grant; ≈32% received a federal grant; ≈10% received work-study funds; and ≈4 received a state grant.

¹Includes PLUS.