Making College Possible
Grant and Scholarship Aid in California

Hans Johnson

Supported with funding from the College Access Foundation of California and the Donald Bren Foundation
Grants and scholarships are essential to many Californians

- College remains the best path to economic gains
  - But it has become more expensive
- The majority of California’s K–12 students are poor or “near” poor
- Aid allows many students to attend and complete college
Outline

- Sources of grant aid
- How important is grant aid?
- Policy and program challenges
Aid comes from various sources

- Major sources include
  - Federal government
  - State government
  - Institutional grants offered by colleges
  - Private scholarships

- Merit scholarships vs. need-based aid
Most aid is provided by federal and state governments

Distribution of total aid

- Institutional Aid
- Private Scholarships
- Local Aid
- State Aid
- Other Federal Aid
- Pell Grants
Aid sources vary across institutions

- UC
  - Pell Grants
  - Other federal grants
  - State grants
  - Institutional grants
  - Local grants
  - Private scholarships

- CSU
  - Pell Grants
  - Other federal grants
  - State grants
  - Institutional grants
  - Local grants
  - Private scholarships

- Community college
  - Pell Grants
  - Other federal grants
  - State grants
  - Institutional grants
  - Local grants
  - Private scholarships

Share of aid

0% 20% 40% 60% 80% 100%
Aid sources vary across institutions

- Pell Grants
- Other federal grants
- State grants
- Institutional grants
- Local grants
- Private non-profit, 4-year
- Private for-profit, 4-year
- Private for-profit, 2-year
- Other federal grants
- State grants
- Institutional grants
- Local grants
- Private non-profit, 4-year
- Private for-profit, 4-year
- Private for-profit, 2-year

Share of aid
Outline

- Sources of grant aid
- How important is grant aid?
  - Affordability
  - Accessibility
  - Completion
- Policy and program challenges
Public colleges are more affordable than private colleges...

<table>
<thead>
<tr>
<th>College Type</th>
<th>2008–09</th>
<th>2011–12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community colleges</td>
<td>$17,485</td>
<td></td>
</tr>
<tr>
<td>CSU</td>
<td>$22,819</td>
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<tr>
<td>UC</td>
<td>$31,198</td>
<td></td>
</tr>
<tr>
<td>Private for-profit</td>
<td>$35,323</td>
<td></td>
</tr>
<tr>
<td>Private non-profit</td>
<td>$51,590</td>
<td></td>
</tr>
<tr>
<td>Private non-profit research</td>
<td>$57,706</td>
<td></td>
</tr>
</tbody>
</table>
...but private colleges offer the most aid

Amount of aid by family income

Family income ($):
- 0–30,000
- 30,000–48,000
- 48,000–75,000
- 75,000–110,000
- 110,000+

Average aid per freshman in 2011–12 ($)

- Community college
- CSU
- UC
- Private non-profit, 4-year
- Private for-profit, 4-year
Even so, net prices are lowest at public colleges...

Net price by family income

<table>
<thead>
<tr>
<th>Family income ($)</th>
<th>Average net price per freshman in 2011–12 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–30,000</td>
<td>Community college: 15,000</td>
</tr>
<tr>
<td>30,000–48,000</td>
<td>CSU: 17,000</td>
</tr>
<tr>
<td>48,000–75,000</td>
<td>UC: 20,000</td>
</tr>
<tr>
<td>75,000–110,000</td>
<td>Private non-profit, 4-year: 25,000</td>
</tr>
<tr>
<td>110,000+</td>
<td>Private for-profit, 4-year: 30,000</td>
</tr>
</tbody>
</table>
...with one exception

Net price for low-income freshmen at California colleges 2011–12 ($)

- Santa Clara
- Loyola Marymount
- Chapman
- USF
- USC
- Cal Poly SLO
- UC Davis
- CSU Northridge
- UC Santa Barbara
- UC Irvine
- UC Berkeley
- Stanford
- CSU Fullerton
- CSU Los Angeles

(public colleges) (private colleges)
Public universities enroll three of every four low-income students

Share of low-income freshmen

- CSU: 47%
- UC: 26%
- Private non-profit, 4-year: 12%
- Private for-profit, 4-year: 15%
Private colleges enroll very few low-income students

Number of low-income freshmen at California colleges, 2011–12
Grant aid improves completion

- Students who receive aid are more likely to graduate
- Aid enables some to attend four-year colleges
  - These colleges have much higher completion rates
- Performance-based grants do not lead to large increases in completion
Outline

- Sources of grant aid
- How important is grant aid?
- Policy and program challenges
Summary

- For many, college would probably not be possible without grant aid
- Aid is linked to higher rates of college completion
- Aid can encourage attendance at four-year colleges
- Performance-based grants do not appear to be more effective
Grant aid has not kept pace with rising costs

Net price for low-income students receiving Title IV funds

<table>
<thead>
<tr>
<th></th>
<th>In January 2012 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008–09</td>
</tr>
<tr>
<td>Community colleges</td>
<td>$ 5,759</td>
</tr>
<tr>
<td>CSU</td>
<td>7,047</td>
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<tr>
<td>UC</td>
<td>8,795</td>
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<td>Private for-profit</td>
<td>29,676</td>
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<td>Private non-profit</td>
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<tr>
<td>Private non-profit research</td>
<td>10,874</td>
</tr>
</tbody>
</table>
Recommendations

- Help more students complete financial aid forms
- Direct additional funding to low-income students
- Make more institutions ineligible for state and federal grants
- Ensure aid does not exacerbate higher education cost inflation
- Avoid attaching more performance requirements to grant eligibility
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Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.