

# COLLEGE-EDUCATION FINANCING

## Structure & Trends

### The EdFed Guide to College Financial Aid



**Must-have for those seeking financial aid**

**Also useful for financial aid providers**

# **COLLEGE-EDUCATION FINANCING Structure and Trends**

The EdFed Guide to College Financial Aid

by EdFed

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In 1965, U.S. President Lyndon Johnson proposed that the nation must provide each child with the best education possible. Based on this noble objective, the Higher Education Act of 1965 was signed.

The act instituted interest-free loans with deferment until completion of graduation for deserving and capable students. It also provided scholarships for promising high school students and students who needed financial support. Additionally, the act guaranteed low-interest loans to students continuing their college studies under Federal Family Education Loan (FFEL) Program. Over the years, the act has been extended to cover postgraduate education as well.

The FFEL Program has made higher education possible for more than 50 million students during the last 40 years, resulting in a steep increase in the number of students who have finished high school. The percentage of students who have completed high school has risen from 41% to 81%. Simultaneously, the number of students who have completed college has increased from 8% to 28% in 2004. Because of the FFEL Program's provisions, the enrollment of low-income students has doubled.

## FINANCIAL AID

The rising costs of education can be frustrating and may make students wonder how they will acquire the funding needed to obtain an education. Financial aid is the solution. It is designed to bridge the gap between the funds a student has and the amount he or she needs to meet educational expenses.

Financial aid includes both federal and non-federal aid.

The total amount of financial aid given to students during 2005-2006 was \$152 billion.

61.8% (\$94 billion) of the total financial aid provided in 2005-2006 was federal aid, while 38.2% (\$58 billion) was non-federal aid.

### Components of Federal Financial Aid

Components of Financial Aid	2005-2006
Total Financial Aid	\$152 billion
Federal Financial Aid	\$94 billion
Federal Student Loans	\$68.5 billion
Pell Grants	\$12.7 billion
Work-Study	\$1 billion
Tax Credits and Deductions	\$6 billion
Other Federal Grants	\$5.9 billion
Non-Federal Financial Aid	\$58 billion
State Grants	\$6.8 billion
Institutional Grants	\$24.4 billion
Private and Employer Grants	\$9.3 billion
Non-Federal Student Loans	\$17.3 billion

## WHO CAN RECEIVE FINANCIAL AID?

Federal aid can be received by those who:

- demonstrate financial need.
- are U.S. citizens or eligible non-citizens with valid Social Security numbers (SSNs).
- are working toward degrees or certificates in eligible programs.
- are qualified to obtain postsecondary education.
- are males between 18 and 25 years of age registered with the Selective Service.
- maintain satisfactory academic progress once enrolled in college.

## TYPES OF FINANCIAL AID

There are three major types of financial aid:

- Grants
- Work-Study
- Loans

## (A) GRANTS

### Types of Grants:

Federal student aid grants include:

- **Federal Pell Grants:** These are awarded to undergraduate students. The maximum amount that can be awarded changes every year.
- **Federal Supplemental Educational Opportunity Grants:** These are awarded to undergraduates with low expected family contributions (EFCs).
- **Academic Competitiveness Grants:** These are awarded to needy U.S. citizens pursuing full-time undergraduate study. They are given to students pursuing eligible two-year or four-year academic programs recognized as granting full credit toward bachelor's degrees. Students are eligible if they have completed rigorous secondary school programs.
- **National Science and Mathematics Access to Retain Talent Grants (National SMART Grants):** These are awarded to needy U.S. citizens pursuing full-time undergraduate study. Only those students who are enrolled in their third or fourth academic years of eligible programs leading to bachelor's degrees can receive these grants.

## (B) WORK-STUDY

The Federal Work-Study (FWS) Program:

- gives students opportunities to work part-time while they are enrolled in school.
- helps students pay for their education.
- is open to undergraduate and graduate students.
- is offered to part-time and full-time students.
- is managed by participating schools.
- promotes service to society and work related to students' curricula.
- arranges for on-campus or off-campus work.

## (C) LOANS

Loans constitute the largest portion of financial aid. Students take out loans to bridge the gaps between grants and their college fees.

## Types of Education Loans:

### I. Direct Stafford Loans or Direct Loans, which include:

- Direct Stafford Loans
- Direct PLUS Loans (Parent Loans for Undergraduate Students)
- Direct Consolidation Loans

### II. FFEL (Federal Family Education Loans), which include:

- FFEL Stafford Loans
- FFEL PLUS Loans
- FFEL Consolidation Loans

## Comparative Study of Different Types of Federal Aid

Federal Student Aid Program	Annual Award Limit
Federal Pell Grant	\$400 to \$4,050 for 2006-2007
Federal Supplementary Educational Opportunity Grant (FSEOG)	\$100 to \$4,000
Academic Competitiveness Grant (ACG)	Up to \$750 for first academic year Up to \$1,300 for second academic year
National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)	Up to \$4,000 per year for a student's third and fourth academic years
Federal Work-Study	No annual minimum or maximum award amount
Federal Perkins Loan	No minimum award amount; \$4,000 maximum for undergraduates; \$6,000 maximum for graduate and professional students
Subsidized Direct or FFEL Stafford Loans	\$3,500 to \$8,500, depending on grade level
Unsubsidized Direct or FFEL Stafford Loans	\$3,500 to \$20,500, depending on grade level (includes any subsidized amount received for the same period)
Direct or FFEL PLUS Loans	Maximum amount equals cost of attendance minus any other financial aid the student receives; no minimum award amount

*The FFEL Program generated \$52.5 billion in loans for more than 6.5 million students and parents of students during the 2005-2006 academic year. (Source: U.S. Department of Education.)*

Federal Student Aid Program	Type of Aid	Program Details
Federal Pell Grant	Grant	Available almost exclusively to undergraduates; all eligible students receive the Pell Grant amounts for which they qualify.
Federal Supplementary Educational Opportunity Grant (FSEOG)	Grant	For undergraduates with exceptional financial need; priority given to Federal Pell Grant recipients; funds dependent on availability at school
Academic Competitiveness Grant (ACG)	Grant	For undergraduates receiving Pell Grants who are U.S. citizens enrolled full-time in their first or second years of study; for students in their first years of study who have completed rigorous secondary school programs of study, graduated from high school after January 1, 2006, and have not been previously enrolled in undergraduate programs; for students in their second academic years who have completed rigorous secondary school programs of study, graduated from high school after January 1, 2005, and have at least 3.0 cumulative GPAs at the completion of their first years of postsecondary study
National Science and Mathematics Access to Retain Talent Grant (National SMART Grant)	Grant	For undergraduates receiving Pell Grants who are U.S. citizens enrolled full-time in their third or fourth years of eligible degree programs, are majoring in physical, life, or computer sciences, engineering, technology, mathematics, or a critical-need foreign language, and have cumulative GPAs of at least 3.0
Federal Work-Study	Money is earned while attending school	For undergraduate and graduate students; jobs may be on campus or off campus; students are paid at least the federal minimum wage
Federal Perkins Loan	Loan	5% interest is charged on both undergraduate and graduate loans; payment is owed to the school that made the loan
Subsidized Direct or FFEL Stafford Loan	Loan	U.S. Department of Education pays the interest while the borrower is in school and during the student's grace and deferment periods; recipient must be at least a half-time student
Unsubsidized Direct or FFEL Stafford Loan	Loan	Borrower is responsible for the interest during the life of the loan; recipient must be at least a half-time student; financial need is not required
Direct or FFEL PLUS Loan	Loan	Available to parents of undergraduate students who are enrolled at least half-time

### Comparative Study of Maximum Annual Amounts of Stafford Loans

	Dependent Undergraduate	Graduate or Professional Level	Graduate Medical Level
First year	\$2,625 Subsidized	\$8,500 Subsidized	\$8,500 Subsidized
		\$10,000 Unsubsidized	\$30,000 Unsubsidized
Second year	\$3,500 Subsidized	\$8,500 Subsidized	\$8,500 Subsidized
		\$10,000 Unsubsidized	\$30,000 Unsubsidized
Third year and beyond	\$5,500 Subsidized	\$8,500 Subsidized	\$8,500 Subsidized
		\$10,000 Unsubsidized	\$30,000 Unsubsidized

## STUDENT LOANS AT A GLANCE

- Student loans are available to undergraduate, graduate, and professional students.
- The student must be enrolled full-time or half-time.
- Student loans must be repaid with interest.
- Student loans cannot be cancelled because the student did not like the educational program he or she chose to pursue, because the student did not get a job in his or her field of study, or because the student is having financial difficulties.
- Loans are legal obligations. The student must understand that the amount he or she borrows will have to be repaid.
- The amount a student can borrow depends on his or her academic level, whether he or she is a full-time or part-time student, and whether he or she is dependent or independent.
- Students who demonstrate financial need are eligible for subsidized Direct or FFEL Loans to cover all or part of their need.
- The U.S. Department of Education pays loan interest for students who are eligible for subsidized Stafford Loans. Interest is paid while the student is enrolled in school at least half-time, for the first six months after the student leaves school, and during deferment periods.
- Unsubsidized loans are available for students who do not demonstrate financial need. The U.S. Department of Education does not pay any interest on unsubsidized loans.
- Whether the student or his or her parents will receive a Direct or FFEL Loan depends on the program the school participates in. Most schools participate in one program or the other, while some schools participate in both programs.
- It is possible to receive both Direct and FFEL Stafford Loans, but not during the same period of enrollment.
- A student can receive both subsidized and unsubsidized loans during the same enrollment period as long as the total amount of these loans does not exceed the annual loan limit.
- Student loans must first be used to pay for tuition, fees, and room and board expenses. Unless the student gives his or her school written permission to hold his or her award until later in the enrollment period, he or she will receive any remaining funds by check or in cash.

- Parents of dependent undergraduate students are only eligible to apply for PLUS Loans.

In the 2005-2006 academic year, \$68.5 billion in federal student loans were disbursed. Out of this amount, approximately \$28.8 billion went toward subsidized Stafford Loans, \$28.8 billion went toward unsubsidized Stafford Loans, and \$9.7 billion went toward PLUS Loans.

## REPAYMENT OF STUDENT LOANS

It is the student's obligation to repay his or her student loans. A borrower has various options while repaying loans.

**Comparative Study of the Repayment Features of Different Loans**

Type of Loan	Grace Period	Repayment Period	Repayment Options*	Tax Benefits
Federal Perkins	nine months if the student is at least a half-time student	10 years		
Subsidized Direct or Stafford Loans	six months	10 to 30 years, depending on whether the loan is a Direct or FFEL Stafford Loan	10-year standard plan extended plan	deductions for student loan interest for certain borrowers
Unsubsidized Direct or Stafford Loans	six months	10 to 30 years, depending on whether the loan is a Direct or FFEL Stafford Loan	graduated plan with low initial monthly payments that increase gradually repayment plan based on one's income income-contingent repayment plan (Direct Loans) income-sensitive Repayment Plan (FFEL Loans)	maximum deduction is \$2,500 per year
PLUS Loans	No grace period	repayment starts no later than 60 days after the loan is fully disbursed	all of the options mentioned above except for the income-based repayment plan	

\* If one does not opt for a repayment plan, when repayment begins, by default repayment will have to be made according to the standard repayment plan. Direct Loan repayment plans can be changed at any time, while changes to FFEL repayment plans can be made only once per year.

## DEFERMENT

Deferment is a period of time during which no payments are required and interest does not accumulate, unless the student has an unsubsidized Stafford Loan, in which case, he or she needs to pay the interest. Deferment is not automatic, and the student needs to apply for it. Similarly, repayment needs to continue until the lender agrees to the deferment in writing.

Comparative Study of the Deferment Conditions for Different Loans

Deferment Conditions	Stafford Loans		Perkins Loans
	Direct Loans <sup>a,b</sup>	FFEL Loans <sup>a,c</sup>	
at least half-time study at a postsecondary school	available	available	available
study in an approved graduate fellowship program or an approved rehabilitation training program for the disabled	available	available	available
inability to find full-time employment (only on pre-July 1, 1993, loans)	up to three years	up to three years	up to three years
economic hardship	up to three years <sup>d</sup>	up to three years <sup>d</sup>	up to three years <sup>d</sup>
Engaged in service listed under discharge/cancellation conditions	not available	not available	available <sup>e</sup>

<sup>a</sup> For PLUS Loans and unsubsidized Stafford Loans, only principal is deferred. Interest continues to accrue.

<sup>b</sup> A Direct Loan borrower who has an outstanding balance on an FFEL loan disbursed before July 1993 may be eligible for additional deferments provided the outstanding FFEL balance existed when the borrower received his or her first Direct Loan.

<sup>c</sup> Applies to loans first disbursed on or after July 1, 1993, to a borrower who had no outstanding FFEL or Federal Supplemental Loans for Students (FSLs) on the date he or she signed the promissory note. (Note: The Federal SLS Program was repealed beginning with the 1994-1995 award year.)

<sup>d</sup> Many Peace Corps volunteers, for example, qualify for deferment based on economic hardship.

<sup>e</sup> More information on teaching-service deferments and cancellations can be found online at [www.studentaid.ed.gov](http://www.studentaid.ed.gov).

## FORBEARANCE

Forbearance occurs when the lender or the loan servicing agency agrees in writing to temporarily reduce or postpone repayments on student loans. Interest on the loans continues to accrue and has to be paid. In certain situations, mandatory forbearance is granted.

Forbearance can be granted for a period of 12 months at a time and for a maximum of three years. Documentation showing the borrower's need for forbearance will have to be submitted to the lender.

One needs to apply for forbearance and continue to make repayments until he or she receives an agreement in writing from his or her lender. Forbearance is available for Federal Perkins Loans, Direct Loans (including Direct PLUS Loans), and FFEL Loans (including FFEL PLUS Loans).

If a borrower temporarily cannot make payments on time and is not eligible for deferment, the lender may grant forbearance for a limited period. There are certain situations in which a borrower must be granted forbearance. Forbearance must be granted:

- when the borrower is in a medical or dental internship or residency.
- when the student loan repayment requires 20% or more of the borrower's monthly income.
- when repayments are being made by the Department of Defense.

## LOAN REPAYMENT PROGRAMS

Loan repayment programs (LRPs) are sponsored by national, state, and local governments. Some private organizations and non-governmental organizations also sponsor such programs.

A typical LRP provides living stipends and funds for repayment of educational loans to participants. A two- to four-year commitment is typically required under the contract, although individual programs differ. Scholarship opportunities and tax relief are two of the other benefits that may be available to participants. Enlistment as an officer in the Armed Forces may also make a borrower eligible for loan repayment.

Some of the professionals eligible for LRPs are lawyers, nurses, nursing faculty members, physical and occupational therapists, social workers, speech pathologists, physician assistants, teachers at designated schools, and teachers certified in specific areas.

## CANCELLATION OF LOANS

Student loans can be cancelled or discharged under certain circumstances provided one has not defaulted on them. Upon the death or permanent disability of the borrower, student loans are cancelled. Loans may also be cancelled:

- when one teaches in a designated low-income school or works full-time at an institution providing services to the disabled or low-income groups.
- when one teaches a subject in a designated teacher-shortage area.
- when one serves in the U.S. Armed Forces or Peace Corps.
- when one becomes a nurse, medical technician, or law enforcement official.

PLUS Loans are cancelled only in the event of the death of the borrower.

## CONSOLIDATION OF LOANS

Consolidation combines multiple federal student loans with different repayment schedules into one loan. It allows the borrower to make a single monthly payment. Loans can be consolidated during the borrower's grace period and also after repayment has started. All types of federal loans can be consolidated provided one of them is a Direct Loan or FFEL Loan.

### **Advantages of Consolidation:**

- It lowers the borrower's monthly payment.
- The borrower has more time to repay the loan.
- The interest rate charged is fixed.
- No credit checks are required for consolidation.
- There are flexible and graduated repayment plans.
- No fees are charged for consolidation.
- There are no prepayment penalties if one wishes to pay off his or her loan early.
- It enhances the borrower's credit score.

### **Points to Remember:**

- If one chooses a longer repayment period, he or she pays more interest.
- Consolidation is possible only if there have been no defaults on one's loans.
- To consolidate, one must have at least one Direct Loan or one FFEL Loan.

Student loans are a great way to fund an education, but they come with serious obligations. Those interested in student loans must understand the various types of loans available, repayment terms, interest rates, and other features associated with them. Before taking out student loans, potential borrowers should think carefully about the amounts they will have to repay over the years. In-depth assessment of all the options is imperative before one settles on a loan.

## TRENDS IN FINANCIAL AID

- Total aid (both federal and non-federal) used to finance postsecondary education in constant dollar terms increased by 114% between 1995-1996 and 2005-2006. Total financial aid disbursed in 2005-2006 equaled \$152 billion.
- Federal aid in 2005-2006 totaled \$94 billion, reflecting an increase of 95% from 1995-1996.
- Federal aid in 2005-2006 comprised \$68.5 billion in loans, \$18.6 billion in grants, including \$12.7 billion in Pell Grants, \$1 billion in work-study, and \$6 billion in tax credits and deductions.
- Non-federal aid in 2005-2006 comprised \$6.8 billion in state grants, \$24.4 billion in institutional grants, \$9.3 billion in private and employer grants, and \$17.3 billion in non-federal loans. All of these components grew between 1995-1996 and 2005-2006. State grants grew by 78%, institutional grants by 82%, private and employer grants by 154%, and non-federal loans by 913%.
- Today, federal loans comprise about 73% of total federal aid for postsecondary education. Federal loan volume modestly decreased from 76% in 1995-1996 to 73% in 2005-2006.
- Federal loan volume, as a component of total federal, state, and institutional aid and total postsecondary-education aid, has been declining. Federal student loan volume as a share of total financial aid decreased from 52% in 1995-1996 to 45% in 2005-2006. However, the proportion of loans (federal and non-federal) for postsecondary education as a component of total federal aid increased to 56% in 2005-2006, continuing a sharp rise that had been taking place over the previous three years. This resulted from a rise in non-federal and private loans from 6% in 1996-1997 to 20% in 2005-2006.
- While the number of loans taken out between 1994-1995 and 2004-2005 increased by around 130%, the number of grants awarded increased by approximately 80%.

Students generally depend more on loans to finance their studies, and the trend is toward greater dependence. While undergraduate students in 2004-2005 depended equally on grants and loans to finance their postsecondary educations, graduate students depended more on loans.

## **TRENDS IN NUMBER OF RECIPIENTS**

- The number of recipients of all types of federal grants increased between 1994-1995 and 2004-2005. The number of recipients of Pell Grants increased by 44%, the number of recipients of Federal Supplemental Educational Opportunity Grants (SEOGs) increased by 21%, the number of Federal Work-Study participants increased by 18%, and the number of students taking advantage of federal education tax benefits (in existence since 1998-1999) increased by 136%; however, the number of Federal Perkins Loan recipients increased by only 1%.

## **TRENDS IN AVERAGE FINANCIAL AID RECEIVED**

- The average aid per recipient provided by Pell Grants increased by 29% between 1994-1995 and 2004-2005, while increases in Federal Perkins Loans and Federal Work-Study were negligible. The average Federal Supplemental Educational Opportunity Grant and average federal education tax benefit awarded decreased substantially over this 10-year period.

Federal Aid Recipients and Average Awards												
Number of Recipients and Aid per Recipient for Pell Grant, Campus-Based, and Education Tax Benefit Programs in Current and Constant (2004) Dollars, 1994-1995 to 2004-2005												
	Academic Year											
	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	Estimated 04-05	10-year* % Change
Pell Grants	3,675	3,612	3,666	3,733	3,855	3,764	3,899	4,341	4,779	5,140	5,302	44%
Recipients (000)	\$1,502	\$1,515	\$1,577	\$1,696	\$1,876	\$1,915	\$2,040	\$2,298	\$2,436	\$2,473	\$2,469	
Aid per Recipient (Current)	\$1,914	\$1,880	\$1,902	\$2,010	\$2,188	\$2,171	\$2,234	\$2,472	\$2,564	\$2,547	\$2,469	29%
Aid per Recipient (Constant)												
Federal SEOG	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	% Change
Recipients (000)	1,057	1,083	1,191	1,116	1,163	1,170	1,174	1,295	1,355	1,390	1,278	21%
Aid per Recipient (Current)	\$552	\$538	\$489	\$523	\$528	\$529	\$537	\$534	\$535	\$547	\$603	
Aid per Recipient (Constant)	\$703	\$668	\$590	\$619	\$616	\$600	\$588	\$574	\$563	\$563	\$603	-14%
Federal Work-Study	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	% Change
Recipients (000)	701	702	691	746	744	733	713	741	759	765	826	18%
Aid per Recipient (Current)	\$1,081	\$1,087	\$1,123	\$1,215	\$1,228	\$1,252	\$1,318	\$1,394	\$1,446	\$1,447	\$1,446	
Aid per Recipient (Constant)	\$1,377	\$1,349	\$1,355	\$1,440	\$1,432	\$1,419	\$1,443	\$1,499	\$1,522	\$1,491	\$1,446	5%
Federal Perkins	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	% Change
Recipients (000)	663	688	674	679	669	655	639	661	729	756	673	1%
Aid per Recipient (Current)	\$1,464	\$1,496	\$1,515	\$1,564	\$1,600	\$1,681	\$1,790	\$1,875	\$2,003	\$2,166	\$1,877	
Aid per Recipient (Constant)	\$1,865	\$1,856	\$1,828	\$1,853	\$1,866	\$1,905	\$1,959	\$2,017	\$2,109	\$2,232	\$1,877	1%
Federal Education Tax Benefits	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	% Change
Recipients (000)	\$1,377	\$1,349	\$1,355	\$1,440	\$1,432	\$1,419	\$1,443	\$1,499	\$1,522	\$1,491	\$1,446	5%
Aid per Recipient (Current)	—	—	—	—	\$726	\$741	\$712	\$715	\$616	\$659	N/A	
Aid per Recipient (Constant)	—	—	—	—	\$846	\$840	\$779	\$769	\$649	\$679	N/A	-20%

\* Where programs have been in existence for less than 10 years, percent change is calculated based on the age of the program.  
 Note: Education tax credit amounts equal the dollar value of the credits; tax deduction amounts are estimated tax savings from deductions claimed. IRS data for 2004-2005 are not yet available.

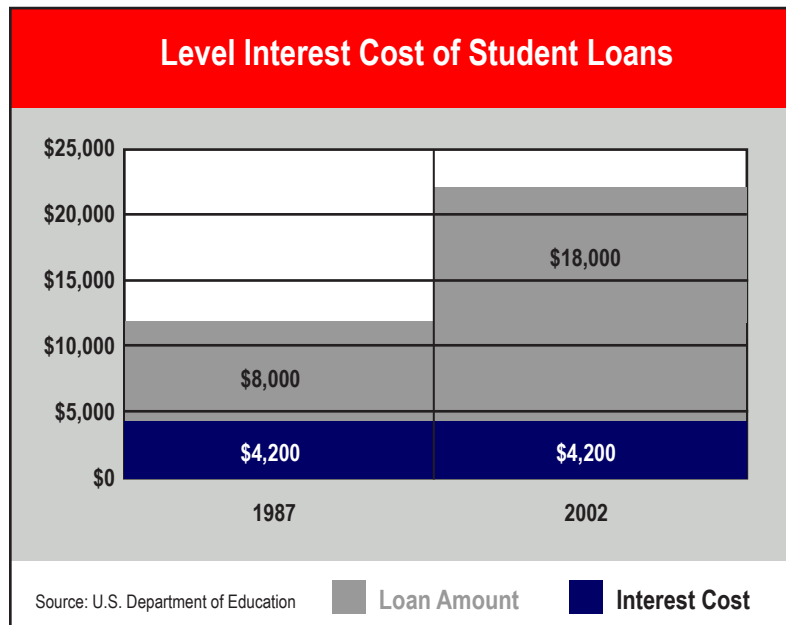
Total Funding: Grants, Loans, Work-Study, Tax Benefits												
Grant, Loan, Work-Study, and Education Tax Benefit Funding in Constant (2004) Dollars (in Millions) and as a Percentage of Total Aid — 1994-1995 to 2004-2005												
All Students (Constant 2004 Dollars)												
	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	10-year* % Change
Grants	\$30,679	\$31,386	\$32,911	\$35,479	\$38,815	\$40,726	\$43,440	\$47,854	\$52,133	\$55,203	\$57,044	86%
Loans	\$33,150	\$37,309	\$40,739	\$42,953	\$43,468	\$46,691	\$47,512	\$51,782	\$60,285	\$69,934	\$76,407	130%
Work-Study	\$965	\$948	\$936	\$1,074	\$1,065	\$1,040	\$1,028	\$1,110	\$1,155	\$1,140	\$1,194	24%
Ed. Tax Benefits	—	—	—	—	\$3,938	\$5,409	\$5,311	\$5,599	\$6,489	\$7,445	\$8,037	
Total	\$64,794	\$69,643	\$74,586	\$79,506	\$87,286	\$93,866	\$97,291	\$106,346	\$120,062	\$133,722	\$142,682	120%
All Students (Percentage)												
Grants	47%	45%	44%	45%	44%	43%	45%	45%	43%	41%	40%	
Loans	51%	54%	55%	54%	50%	50%	49%	49%	50%	52%	54%	
Work-Study	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	
Ed. Tax Benefits	—	—	—	—	5%	6%	5%	5%	5%	6%	6%	
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Undergraduate Students (Percentage)												
Grants	52%	50%	49%	49%	48%	47%	49%	50%	49%	47%	46%	
Loans	47%	49%	50%	49%	45%	45%	43%	43%	43%	45%	46%	
Work-Study	2%	2%	1%	2%	1%	1%	1%	1%	1%	1%	1%	
Ed. Tax Benefits	—	—	—	—	6%	7%	7%	6%	7%	7%	7%	
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Graduate Students (Percentage)												
Grants	32%	29%	30%	31%	33%	33%	32%	29%	27%	23%	22%	
Loans	67%	70%	70%	69%	65%	65%	66%	68%	71%	75%	76%	
Work-Study	1%	1%	<1%	1%	<1%	<1%	<1%	<1%	<1%	<1%	<1%	
Ed. Tax Benefits	—	—	—	—	1%	2%	2%	2%	2%	2%	2%	
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

\*Where programs have been in existence for less than 10 years, percent change is calculated based on the age of the program.  
 Note: Figures for 2004-2005 are estimated. Non-federal loans are included in these figures. Components may not sum exactly to totals due to rounding.



## TRENDS IN AFFORDABILITY OF LOANS

- The interest rates on education loans effective until July 1, 2007, are significantly lower than rates on student loans were in the past. (The new rates effective on July 1, 2007, are listed later in this section.) This can be seen in the figure below. An undergraduate who graduated in 1987 with \$8,000 in student loan debt with an interest rate of 9% paid \$4,200 in interest. Today, an undergraduate with \$18,000 in student loan debt would also pay \$4,200 in interest due to lower interest rates and available tax incentives.



## TRENDS IN LOAN REPAYMENT ASSISTANCE

- The number of federal agencies providing loan repayment assistance increased from 16 in 2002 to 34 in 2006 and will continue to increase.
- The number of employees receiving loan repayment assistance increased from 690 in 2002 to 5,755 in 2006.
- The amount of money utilized to provide this assistance has grown more than 11 times during a five-year period.
- The average amount of loan repayment assistance provided per employee has grown by more than 33%.

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Participating Agencies	16	24	28	30	34
Employees Receiving Student Loan Repayment Benefits	690	2,077	2,945	4,409	5,755
Total Amount of Student Loan Repayment Benefits Provided	\$3,163,990	\$9,182,637	\$16,424,365	\$27,982,680	\$35,940,819
Average Amount of Student Loan Repayment Benefits Provided per Employee	\$4,585	\$4,421	\$5,577	\$6,347	\$6,245

## OCCUPATIONAL DATA

The table below provides data on the percentages of employees in different occupations who received loan repayment assistance during 2006. Criminal investigators constituted 16% of those who received loan repayment assistance, followed by attorneys, who claimed 7.7% of such benefits.

Occupation	Number of Employees	Percentage of Total
Criminal Investigator	921	16.0
Attorney	441	7.7
Intelligence	335	5.8
GAO Analyst	217	3.8
Mechanical Engineer	204	3.5
Information Technology Management	199	3.5
Miscellaneous Administration	181	3.1
Inspection, Investigation, and Compliance	173	3.0
Management and Program Analysis	142	2.5
Contract Specialist	130	2.3
Nuclear Engineer	130	2.3
Foreign Service Political Affairs	125	2.2
Business and Industry	112	1.9
Foreign Service Economics	108	1.9
Miscellaneous Clerk and Assistant	104	1.8
Electronics Engineer	99	1.7
Accounting	97	1.7
Foreign Service Public Diplomacy	89	1.5
All Other Occupations	1,948	33.8
<b>Total</b>	<b>5,755</b>	

## AGENCY DATA

The following table shows the distribution of loan repayment assistance according to government agency during 2006. The top three agencies offering loan repayment assistance were the Department of Justice, the Department of Defense, and the Department of State.

Agency	Number of Employees	Percentage of Total Employees	Amount of Benefits Provided	Percentage of Total Amount
Department of Justice	1,981	34.4	\$17,601,995	49.0
Department of Defense	1,383	24.0	\$4,601,756	12.8
Department of State	869	15.1	\$4,159,489	11.6
Securities and Exchange Commission	365	6.3	\$3,294,984	9.2
Government Accountability Office	286	5.0	\$1,396,538	3.9
All Other Agencies	871	15.1	\$4,886,057	13.6
<b>Total</b>	<b>5,755</b>		<b>\$35,940,819</b>	

## SALARY TRENDS

The average annual income levels of employees with various amounts of education are given in the table below:

2004 Average Annual Income by Highest Level of Education Attained	
Education Level	2004 Annual Income (U.S. Dollars)
Less than High School	\$19,169
High School Graduate	\$28,645
Bachelor's Degree	\$51,554
Advanced Degree	\$78,093

Source: U.S. Census Bureau

## FEDERAL STUDENT LOAN INTEREST RATE AND CONSOLIDATION FACT SHEET

**Note:** For all Stafford Loans first disbursed on or after July 1, 2006, the interest rate is fixed at 6.8%. For PLUS Loans disbursed on or after July 1, 2006, the interest rate is fixed at 7.90% for Direct PLUS Loans and 8.50% for FFEL PLUS Loans. This change from a variable to a fixed interest rate does not affect a borrower's variable interest rate on loans made before July 1, 2006.

If you consolidate your loans, you "lock in" the interest rate on the loans being consolidated. For Direct Consolidation Loans, if the application is postmarked or received electronically **by midnight on June 30, 2007**, the Direct Consolidation Loan will be made using the current interest rates. For FFEL Consolidation Loans, lenders are authorized to use this same guidance. If you are interested in consolidating with an FFEL Program lender, contact the lending agency to find out about its deadlines.

### What are the different kinds of loans?

- **The Direct Loan Program** provides loans directly from the U.S. Department of Education to students and their families.
- **FFEL Program** loans are subsidized by the U.S. Department of Education and are provided by private lenders to students and their families.
- **Stafford Loans** are student loans made through the Direct Loan and FFEL programs.
- **PLUS Loans** are loans that parents can take out for the educational expenses of their dependent undergraduate children. PLUS Loans are made through both the Direct Loan and FFEL programs.
- **Graduate/Professional PLUS Loans** will be available for loans certified on or after July 1, 2006; the terms and conditions that apply to parent PLUS borrowers also apply to these student borrowers.

### Why should I consolidate?

A consolidation loan allows you to combine your federal student loans into a single loan with one monthly payment, which can be lower than the payment required under the standard 10-year repayment option. The consolidation loan interest rate is set as the weighted average of the interest rates of the loans being consolidated (rounded up to the next 0.125%) and is fixed for the life of the loan.

**Note:** Although loan consolidation can simplify and lower your monthly payments, you should keep in mind that it also can increase the total cost of repaying your loans. By paying back your loans over a longer period of time (up to 30 years), you are charged more interest and end up paying more. Also keep in mind that consolidation may affect your grace period and deferment and cancellation options. Be an informed consumer!

### **How do I consolidate?**

To find out more about a Direct Consolidation Loan program, go to [www.loanconsolidation.ed.gov](http://www.loanconsolidation.ed.gov). For information about the FFEL Consolidation Loan program, contact a participating FFEL lender directly. Check your loan documents for your lender's toll-free customer assistance contact number. Get all the information before making your decision.

#### **Where do I go to find out more?**

If you are uncertain of your current lender(s) or loan servicer(s), you can get information about your student loans by going to [www.nsls.ed.gov](http://www.nsls.ed.gov) or by calling the Federal Student Aid Information Center (FSAIC) at 800-4-FED-AID (800-433-3243).

For more information about loan repayment or consolidation, go to [www.studentaid.ed.gov](http://www.studentaid.ed.gov) and click on "Repaying."

*2006 U.S. Department of Education*

## DEMOGRAPHICS OF THE EDUCATED POPULATION

Percent of the Total Population 25 Years and Over with a High School Diploma or Higher by Sex for the United States Regions and States: 1940 to 2000							
(1950 to 2000 data based on a sample. For information on confidentiality protection, sampling error, and definitions, see <a href="http://www.census.gov/prod/cen2000/doc/sf3.pdf">http://www.census.gov/prod/cen2000/doc/sf3.pdf</a> .)							
	1940	1950	1960	1970	1980	1990	2000
<b>Total</b>	24.5	34.3	41.1	52.3	66.5	75.2	80.4
<b>Male</b>	22.7	32.6	39.5	51.9	67.3	75.7	80.1
<b>Female</b>	26.3	36.0	42.5	52.8	65.8	74.8	80.7

- The percentage of the population with postsecondary education was 24.5% in 1940; in 2000, this figure was 80.4%. Today, more than 80% of men and women in the U.S. have at least a high school diploma.
- While 80.1% of the male population has at least a high school diploma, 26.1% has a bachelor's degree or higher, while for the female population, these figures are 80.7% and 22.9%. 24.4% of the total U.S. population has a bachelor's degree or higher, and 80.4% has at least a high school diploma.

Percent of the Hispanic Population 25 Years and Over with a High School Diploma or Higher by Sex for the United States Regions and States: 1980 to 2000			
(1950 to 2000 data based on a sample. For information on confidentiality protection, sampling error, and definitions, see <a href="http://www.census.gov/prod/cen2000/doc/sf3.pdf">http://www.census.gov/prod/cen2000/doc/sf3.pdf</a> .)			
	1980	1990	2000
<b>Total</b>	44.0	49.8	52.4
<b>Male</b>	45.4	49.8	50.8
<b>Female</b>	42.7	49.9	54.0

- More than half of all Hispanic men and women now have high school diplomas, while only 26.1% have bachelor's degrees or postgraduate degrees. In 1980, only 44% of the total Hispanic population had a high school diploma.

Percent of the African-American Population 25 years and Over with a High School Diploma or Higher by Sex for the United States Regions and States: 1940 to 2000							
(1950 to 2000 data based on a sample. For information on confidentiality protection, sampling error, and definitions, see <a href="http://www.census.gov/prod/cen2000/doc/sf3.pdf">http://www.census.gov/prod/cen2000/doc/sf3.pdf</a> .)							
	1940	1950	1960	1970	1980	1990	2000
<b>Total</b>	7.7	13.7	21.7	31.4	51.2	63.1	72.3
<b>Males</b>	6.9	12.6	20.0	30.1	50.8	62.2	70.9
<b>Females</b>	8.4	14.7	23.1	32.5	51.5	63.8	73.4

Percent of the African-American Population 25 Years and Over with a Bachelor's Degree or Higher by Sex for the United States Regions and States: 1940 to 2000							
(1950 to 2000 data based on a sample. For information on confidentiality protection, sampling error, and definitions, see <a href="http://www.census.gov/prod/cen2000/doc/sf3.pdf">http://www.census.gov/prod/cen2000/doc/sf3.pdf</a> .)							
	1940	1950	1960	1970	1980	1990	2000
<b>Total</b>	1.3	2.2	3.5	4.4	8.4	11.4	14.3
<b>Male</b>	1.4	2.1	3.5	4.2	8.4	11.0	13.1
<b>Female</b>	1.2	2.4	3.6	4.6	8.3	11.7	15.2

- The percentage of African-Americans with a bachelor's degree or higher increased from 4.9% in 1940 to 26.1% in 2000. The percentage of African-American males with a bachelor's degree or higher increased from 5.9% to 28.2% between 1940 and 2000, while the percentage of African-American women with a bachelor's degree or higher increased from 4.0% in 1940 to 24.1% in 2000.
- The level of education among the African-American population has increased dramatically. The percentage of those with at least a high school diploma increased from 7.7% in 1940 to 72.3% in 2000. In 1940, 6.9% of men and 8.4% of women had at least a high school diploma. This increased to 70.9% among males and 73.4% among females in 2000.
- The percentage of the African-American population with a bachelor's degree or higher increased more than 10 times between 1940 and 2000, from 1.3% to 14.3%.

**Percent of the Population 25 Years and Over with a Bachelor's Degree or Higher by Sex, Race, and Hispanic Origin for the United States: 1940 to 2000**

(1950 to 2000 data based on a sample. For information on confidentiality protection, sampling error, and definitions, see <http://www.census.gov/prod/cen2000/doc/sf3.pdf>.)

Sex, Race, and Hispanic Origin	1940	1950	1960	1970	1980	1990	2000
<b>Both Sexes</b>							
White	4.9	6.6	8.1	11.3	17.1	21.5	26.1
Black	1.3	2.2	3.5	4.4	8.4	11.4	14.3
Asian and Pacific Islander	4.0	7.5	11.3	20.4	32.9	36.6	44.1
American Indian and Alaska Native	0.8	1.3	1.9	3.8	7.7	9.3	11.5
Hispanic (of Any Race)	(N/A)	(N/A)	(N/A)	(N/A)	7.6	9.2	10.4
White Non-Hispanic	(N/A)	(N/A)	(N/A)	(N/A)	17.4	22.0	27.0
<b>Male</b>							
White	5.9	7.9	10.3	14.4	21.3	25.0	28.2
Black	1.4	2.1	3.5	4.2	8.4	11.0	13.1
Asian and Pacific Islander	4.2	7.8	13.1	23.5	39.8	41.9	48.2
American Indian and Alaska Native	0.9	1.4	2.2	4.5	9.2	10.1	11.4
Hispanic (of Any Race)	(N/A)	(N/A)	(N/A)	(N/A)	9.4	10.0	10.2
White Non-Hispanic	(N/A)	(N/A)	(N/A)	(N/A)	21.7	25.6	29.3
<b>Female</b>							
White	4.0	5.4	6.0	8.4	13.3	18.4	24.1
Black	1.2	2.4	3.6	4.6	8.3	11.7	15.2
Asian and Pacific Islander	3.1	7.0	9.0	17.3	27.0	31.8	40.4
American Indian and Alaska Native	0.7	1.3	1.7	3.1	6.3	8.6	11.6
Hispanic (of Any Race)	(N/A)	(N/A)	(N/A)	(N/A)	6.0	8.3	10.7
White Non-Hispanic	(N/A)	(N/A)	(N/A)	(N/A)	13.6	18.8	24.8
Footnotes:							
(N/A) indicates that Hispanic origin data were not available for that year.							
Race data for 2000 are for race alone.							
Source: U.S. Census Bureau, Decennial Census of Population, 1940 to 2000.							
Internet Release Date: April 6, 2006							

Percent of the Population 25 Years and Over with a Bachelor's Degree or Higher by Sex and Age for the United States: 1940 to 2000							
(1940 to 2000 data based on a sample. For information on confidentiality protection, sampling error, and definitions, see <a href="http://www.census.gov/prod/cen2000/doc/sf3.pdf">http://www.census.gov/prod/cen2000/doc/sf3.pdf</a> .)							
Sex and Age	1940	1950	1960	1970	1980	1990	2000
<b>Both Sexes</b>							
25 years and over	4.6	6.2	7.7	10.7	16.2	20.3	24.4
25 to 29 years	5.9	7.7	11.1	16.3	22.1	22.1	27.2
30 to 34 years	6.3	7.4	10.9	14.4	24.6	23.4	27.9
35 to 39 years	5.5	7.2	9.5	13.8	21.2	26.4	25.9
40 to 44 years	4.7	7.4	8.1	12.4	17.5	27.7	25.9
45 to 49 years	4.2	6.5	7.4	10.5	16.0	23.5	28.5
50 to 54 years	3.8	5.6	7.3	8.8	13.9	19.4	29.1
55 to 59 years	3.4	4.9	6.2	8.1	11.8	17.2	24.6
60 to 64 years	3.3	4.3	5.0	7.9	10.0	14.9	20.3
65 to 69 years	2.9	3.7	4.1	6.6	9.0	12.5	18.3
70 to 74 years	2.6	3.6	3.6	5.5	9.0	10.6	16.2
75 years and over	2.3	3.3	3.2	4.6	7.2	9.5	13.3
<b>Male</b>							
25 years and over	5.5	7.3	9.7	13.5	20.1	23.3	26.1
25 to 29 years	6.9	9.6	14.4	19.5	23.6	21.7	24.7
30 to 34 years	7.4	9.0	14.7	18.5	29.2	24.0	26.8
35 to 39 years	6.5	8.4	13.0	18.6	26.1	28.0	25.6
40 to 44 years	5.5	8.4	10.0	16.4	22.2	31.7	25.9
45 to 49 years	4.9	7.4	8.6	14.1	21.1	27.8	29.4
50 to 54 years	4.5	6.4	8.2	10.8	18.4	23.7	32.5
55 to 59 years	4.1	5.6	7.0	9.3	15.8	22.2	28.6
60 to 64 years	4.1	5.1	5.7	8.7	12.4	19.4	24.6
65 to 69 years	3.6	4.4	4.8	7.4	10.7	16.9	23.5
70 to 74 years	3.3	4.3	4.3	6.2	10.3	13.5	21.3
75 years and over	2.9	4.0	3.9	5.3	8.6	11.7	17.7

<b>Female</b>							
25 years and over	3.8	5.2	5.8	8.1	12.8	17.6	22.9
25 to 29 years	4.9	5.9	7.8	13.3	20.5	22.4	29.7
30 to 34 years	5.3	6.0	7.3	10.6	20.2	22.8	29.1
35 to 39 years	4.5	6.0	6.2	9.3	16.4	24.8	26.2
40 to 44 years	3.9	6.5	6.2	8.5	13.1	23.8	25.8
45 to 49 years	3.4	5.6	6.2	7.2	11.2	19.5	27.5
50 to 54 years	3.0	4.9	6.5	7.0	9.9	15.4	25.9
55 to 59 years	2.6	4.2	5.4	7.0	8.2	12.6	21.0
60 to 64 years	2.5	3.6	4.3	7.3	7.8	10.9	16.5
65 to 69 years	2.1	3.1	3.6	5.9	7.6	8.9	13.9
70 to 74 years	1.9	3.0	3.1	5.0	8.1	8.4	12.2
75 years and over	1.7	2.7	2.7	4.1	6.4	8.4	10.7

Source: U.S. Census Bureau, Decennial Census of Population, 1940 to 2000

Internet Release Date: April 6, 2006

## TRENDS IN TUITION

### **Full-Time Graduate Tuition**

From 1990-1991 to 2004-2005, the average cost of full-time graduate tuition increased by more than 142%.

For public institutions, the average cost of full-time graduate tuition increased by more than 175%, from \$2,206 to \$6,080, between 1990-1991 and 2004-2005.

The average cost of full-time tuition at a private institution increased by more than 99.8%, from \$8,507 to \$16,998, in the same period.

### **Full-Time First Professional Degree Tuition**

The average full-time tuitions for first professional degrees increased between 1990-1991 and 2001-2002. The increases were greater than 100% for dentistry, pharmacy, law, and veterinary medicine. Tuition increases for medicine, chiropractic, osteopathic medicine, and theology were also significant.

While tuitions at private institutions are higher than those at public institutions, over a 12 year period, tuitions at public institutions have increased much more than they have at private institutions.

## TRENDS IN COLLEGE EXPENDITURES

### **Expenditures**

Expenditures in current dollar terms by colleges and universities increased 102% during the period from 1991-1992 to 2003-2004, and the average yearly increase has been 6%, with a sharp increase of 10% in 2000.

Educational expenditures total less than 3% of the GDP. During the period from 1991-1992 to 2003-2004, expenditures on education as part of the GDP have increased marginally from 2.6% to 2.9%.

### **Higher Education Price Index**

If we compare the gross domestic product price index, consumer price index, and higher education price index for the period 1991-1992 to 2003-2004, we can see that all three indices have been increasing. The higher education price index is not only considerably higher than the other two indices for each year, but its rate of change is also higher in comparison to the rates of change of other indices.

Average Graduate and First Professional Degree Tuition and Required Fees in Degree-Granting Institutions By First Professional Discipline and Control of Institution: 1990-1991 through 2004-2005												
Year and Control	Average Full-Time First Professional Degree Tuition											
	Average Full-Time Graduate Tuition	Chiropractic	Dentistry	Medicine	Optometry	Osteopathic Medicine	Pharmacy	Podiatry	Veterinary Medicine	Law	Theology	
<b>All Institutions</b>												
1990-1991	4,488	9,108	10,270	10,571	9,512	12,830	5,889	15,143	5,396	8,708	4,569	
1991-1992	5,116	10,226	12,049	11,646	9,610	13,004	6,731	16,257	6,367	9,469	4,876	
1992-1993	5,475	11,117	12,710	12,265	10,858	14,297	6,635	17,426	6,771	10,463	5,331	
1993-1994	5,973	11,503	14,403	13,074	10,385	15,038	7,960	17,621	7,159	11,552	5,253	
1994-1995	6,247	12,324	15,164	13,834	11,053	15,913	8,315	18,138	7,741	12,374	5,648	
1995-1996	6,741	12,507	15,647	14,860	11,544	16,785	8,602	18,434	8,208	13,278	5,991	
1996-1997	7,111	12,721	16,585	15,481	12,250	17,888	9,207	19,056	8,668	14,081	6,558	
1997-1998	7,246	13,131	17,393	16,075	12,685	18,654	9,544	19,355	9,013	14,877	6,761	
1998-1999	7,685	13,582	18,800	17,110	14,066	19,718	9,636	19,547	9,392	15,590	7,147	
1999-2000	8,071	14,256	19,314	17,775	14,389	20,817	10,601	20,102	9,865	16,399	7,425	
2000-2001	8,429	15,092	21,696	18,935	15,360	21,685	11,175	20,313	10,365	17,659	10,100	
2001-2002	8,857	15,605	22,643	19,973	16,066	22,753	12,008	21,115	10,940	18,577	8,543	
2002-2003	9,226	---	---	---	---	---	---	---	---	---	---	
2003-2004	10,308	---	---	---	---	---	---	---	---	---	---	
2004-2005\1\	10,888	---	---	---	---	---	---	---	---	---	---	
<b>Public\2\</b>												
1990-1991	2,206	†	5,927	6,437	3,821	7,188	2,697	†	4,840	3,430	†	
1991-1992	2,524	†	6,595	7,106	4,161	7,699	2,871	†	5,231	3,933	†	

1992-1993	2,791	†	7,006	7,867	5,106	8,404	2,987	†	5,553	4,261	†
1993-1994	3,050	†	7,525	8,329	5,325	8,640	3,567	†	6,107	4,835	†
1994-1995	3,250	†	8,125	8,812	5,643	8,954	3,793	†	6,571	5,307	†
1995-1996	3,449	†	8,806	9,585	6,130	9,448	4,100	†	6,907	5,821	†
1996-1997	3,607	†	9,434	10,057	6,561	9,932	4,884	†	7,343	6,565	†
1997-1998	3,744	†	9,657	10,501	7,366	10,358	5,065	19,541	7,742	7,004	†
1998-1999	3,897	†	10,277	11,141	7,890	10,802	5,482	19,818	7,975	7,425	†
1999-2000	4,043	†	10,615	11,569	8,021	11,211	5,897	19,578	8,601	7,740	†
2000-2001	4,243	†	11,574	12,074	8,302	11,516	6,245	20,228	8,964	8,326	†
2001-2002	4,496	†	12,446	13,264	9,060	12,587	7,020	21,254	9,524	9,043	†
2002-2003	4,842	†	---	---	---	---	---	---	---	---	†
2003-2004	5,544	†	---	---	---	---	---	---	---	---	†
2004-2005 <sup>11</sup>	6,080	†	---	---	---	---	---	---	---	---	†
<b>Private</b>											
1990-1991	8,507	9,108	18,270	17,899	13,767	15,009	11,546	15,143	14,159	12,247	4,569
1991-1992	9,592	10,226	20,318	19,225	14,366	16,098	12,937	16,257	15,816	12,946	4,876
1992-1993	10,008	11,117	21,309	19,585	14,459	17,098	13,373	17,426	17,103	13,975	5,331
1993-1994	10,790	11,503	23,824	20,769	14,156	17,720	14,838	17,621	17,433	15,193	5,253
1994-1995	11,338	12,324	24,641	21,819	14,497	18,422	14,894	18,138	17,940	16,201	5,648
1995-1996	12,083	12,507	25,678	23,001	15,235	19,619	15,618	18,434	19,380	17,251	5,991
1996-1997	12,537	12,721	26,618	24,242	15,949	20,714	15,934	19,056	19,526	18,276	6,558
1997-1998	12,774	13,151	29,923	25,189	16,415	21,710	16,307	19,316	20,299	19,171	6,761
1998-1999	13,299	13,582	31,659	26,502	17,848	22,796	16,905	19,492	21,286	20,154	7,147
1999-2000	13,782	14,256	32,268	27,694	18,087	23,838	18,091	20,193	21,772	21,081	7,425
2000-2001	14,420	15,092	35,234	29,863	19,592	24,712	19,031	20,329	22,600	22,775	10,100
2001-2002	15,165	15,605	36,207	30,485	20,463	25,779	20,459	21,089	23,303	23,911	8,543



Expenditures of Educational Institutions Related to Gross Domestic Product by Level of Institution: Selected Years, 1991-1992 to 2003-2004				
Expenditures for education in current dollars				
			Colleges and Universities	
Year	Gross Domestic Product (in billions of current dollars)	School Year	Amount in Millions	As a Percentage of Gross Domestic Product
1991	5,995.9	1991-1992	156,189	2.6
1992	6,337.7	1992-1993	165,241	2.6
1993	6,657.4	1993-1994	173,351	2.6
1994	7,072.2	1994-1995	182,969	2.6
1995	7,397.7	1995-1996	190,476	2.6
1996	7,816.9	1996-1997	199,903	2.6
1997	8,304.3	1997-1998	208,856	2.5
1998	8,747.0	1998-1999	219,209	2.5
1999	9,268.4	1999-2000	236,784	2.6
2000	9,817.0	2000-2001	260,206	2.7
2001	10,128.0	2001-2002	280,715	2.8
2002	10,469.6	2002-2003	295,540	2.8
2003	10,971.2	2003-2004	315,400	2.9

NOTE: Public and private degree-granting institutions data for 1990-1991 through 1995-1996 are for current-fund expenditures. Data for private degree-granting institutions for 1996-1997 and later years are for total expenditures. Data for public degree-granting institutions for 1996-1997 through 2000-2001 are for current expenditures; later years are estimates of total expenditures. Excludes expenditures of postsecondary institutions that do not confer associate's or higher degrees. Data for 1995-1996 and later years are for four-year and two-year degree-granting institutions that were eligible to participate in Title IV federal financial aid programs. Some data have been revised from previously published figures. Detail may not sum to totals because of rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, "National Public Education Financial Survey," 1987-1988 through 2002-2003; Higher Education General Information Survey (HEGIS), Financial Statistics of Institutions of Higher Education, 1986-1987 through 2002-2003 Integrated Postsecondary Education Data System, "Finance Survey" (IPEDS-F:FY87-99), and Spring 2002 through Spring 2004. U.S. Department of Commerce, Bureau of Economic Analysis, unpublished data. (This table was prepared August 2005.)

Gross Domestic Product Price Index, Consumer Price Index, Education Price Indexes, and Federal Budget Composite Deflator: Selected Years, 1991 to 2004				
Calendar Year		School Year		
Year	Gross Domestic Product Price Index	Year	Consumer Price Index\2\	Higher Education Price Index
1991	84.5	1991-1992	138.2	153.5
1992	86.4	1992-1993	142.5	157.9
1993	88.4	1993-1994	146.2	163.3
1994	90.3	1994-1995	150.4	168.1
1995	92.1	1995-1996	154.5	173.0
1996	93.9	1996-1997	158.9	178.4
1997	95.4	1997-1998	161.7	184.7
1998	96.5	1998-1999	164.5	189.1
1999	97.9	1999-2000	169.3	196.9
2000	100.0	2000-2001	175.1	---
2001	102.4	2001-2002	178.2	---
2002	104.2	2002-2003	182.1	---
2003	106.3	2003-2004	186.1	---
2004	109.1	2004-2005	191.7	---
---Not Available.				
\2\Consumer Price Index adjusted to a school-year basis (July through June).				

NOTE: Some data have been revised from previously published figures.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, unpublished data. U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index. Research Associates of Washington, Inflation Measures for Schools and Colleges, 1990 Update, and unpublished data. U.S. Office of Management and Budget, Budget of the U.S. Government, Fiscal Year 2006. (This table was prepared August 2005.)

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