

1988-89

***Federal Pell Grant
Program
End-of-Year Report***

**U.S. Department of Education
Office of Postsecondary Education**



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Introduction

The Pell Grant program, administered by the Department of Education's Office of Student Financial Assistance, receives more Federal funds than any of the other five student financial aid programs authorized under Title IV of the Higher Education Act of 1965 and its amendments.¹ The program offered grants ranging from \$200 to \$2,200 in the 1988-89 academic year to eligible students so that they might further their postsecondary education. Since the program's inception in 1973, the number of recipients has increased sixteenfold. During 1988-89 alone, approximately 3.2 million students received \$4.48 billion in grants.

The primary feature that distinguishes the Pell Grant program from other forms of financial assistance is its entitlement concept. All students meeting certain criteria are guaranteed aid, with the amount of aid determined by financial need and educational cost. To be eligible for a grant an individual generally must meet certain residency requirements, be enrolled at least half-time in an eligible program at a school participating in the Pell program (with some exceptions), and be determined to have sufficient financial need. Financial need is calculated using formulae mandated by Congress. The formulae used for 1988-89 are in the Higher Education Act Amendments of 1986.

¹ Next largest in terms of Federal expenditures are the Guaranteed Student Loan (now Stafford Loan) programs. The other programs providing student financial assistance in order of decreasing size are as follows: College Work-Study; Supplemental Education Opportunity Grant; National Direct Student Loan (now Perkins Loan); and State Student Incentive Grant.

These formulae, applied consistently to all applicants, take into account such indicators of financial strength as income, assets, and family size. The result of the calculations is the Student Aid Index (SAI). The SAI, combined with the cost of the student's education and the student's enrollment status (full or part-time), determines the amount of the Pell Grant.

Generally, the amount of the grant increases as the SAI decreases, so that an applicant with an index of zero may receive the maximum award equal to 60 percent of the applicant's educational cost for the year. This was subject to an overall maximum award of \$2,200 in 1988-89. Proportionally smaller awards are made to part-time students.

Purpose of the End-of-Year Report

The Pell Grant End-of-Year Report is a series of tables and accompanying explanations that describe in detail selected aspects of Pell program activity. Since 1973, the Pell Grant Program Analysis Section of the Office of Student Financial Assistance has compiled statistical information on Pell Grant program activity. The information provides a basis for program planning and development and is incorporated each year into an End-of-Year Report. This report, designed as a desk top reference manual, can help higher education officials and financial aid administrators to better understand current patterns of Pell Grant disbursements.

Organization of the End-of-Year Report

The 1988-89 End-of-Year Report is organized into six chapters.

Chapter 1 highlights the most significant program activities during the 1988-89 award period. This chapter contains general information such as the total number of applications processed, the number of grant recipients, the types and number of institutions participating in the Pell Grant program, and income-related characteristics of applicants and recipients.

Chapter 2 is an in-depth review of selected demographic characteristics of recipients and the impact these characteristics have on grant levels. The chapter examines the interrelationship of factors such as recipient age, family income, dependency status, SAI, and educational cost.

Chapter 3 presents information about the eligibility status of applicants by income level, examines the interrelationship of dependent students' earnings and family income, and explains summary information on applicants reporting veteran's educational benefits. A table on enrollment status by type and control of institution is included. Additionally, this chapter highlights recipient information concerning displaced homemakers, dislocated workers, institutional discretion, and the Simplified Needs Test.

Chapter 4 analyzes the effects of family income on grant levels for students whose application data has been selected for verification at their school.

Chapter 5 looks at selected aspects of the Multiple Data Entry application processing system.

Chapter 6 summarizes information on institutions participating in the Pell Grant program. It includes data on the number of schools participating, their location, type and control (public or private), and the lengths of programs offered.

A glossary at the end of this document defines the terms used in this report. The reader may find it useful to scan the glossary before reading the report chapters.

To facilitate cross-year comparisons, the format of the tables in this report is consistent with the format of the 1987-88, 1986-87, 1985-86, 1984-85, 1983-84, 1982-83, and 1981-82 reports.

Data Bases for End-of-Year Report Tables

All tables in the 1988-89 End-of Year Report, except Table 13, were derived from a merged universe file containing applicant and recipient data through December 1989. The applicant data were taken from the student applications processed by the central processor; recipient or disbursement data were derived from information reported by institutions on the Payment Document portion (Part 3) of the Student Aid Report (SAR).

The grant level and expenditure information given in the tables accurately reflects Pell Grant program expenditures for 1988-89. However, using only Pell Grant data on the file through 1989 means that some information was not captured and some unreconciled student payment data may be incorporated in the universe file. Nevertheless, the number of additions to the file after the cut-off date will be small and will not significantly change the current distributions.

The data on Table 13 are derived from a separate data base--the Management Information System of the Pell Grant Application Processing System. Table 13 was produced using data through early December 1989 and thus reflects actual end-of-year applicant statistics. These data are used in Table 13 because they more finely reflect certain applicant characteristics not available from other sources.

The data presented in the 1988-89 End-of-Year Report have been compared internally and with similar data derived from other sources. The distributions have been found to be consistent.

CHAPTER 1

HIGHLIGHTS OF THE PELL GRANT PROGRAM

Award Period 1988-89

Highlights of the Pell Grant Program

This chapter describes key 1988-89 Pell Grant statistics with an emphasis on changes in program activity since 1987-88. These changes are illustrated in various tables throughout this report. (Some references to data abstracted from more detailed supplementary tables also are made.) These changes are summarized in Exhibit 1. The chapter concludes with a discussion of Table 1, which compares applicant, recipient, and expenditure data from 1973-74, the first year of the program, through 1988-89.

Applicant Summary

During the 1988-89 award year, 6,519,349 individuals, or about one out of every two undergraduate students, applied for a Pell Grant.² This represented more than a 3 percent increase over the number who had submitted a form in 1987-88, for a combined 7 percent increase over the last two years. The consistent increase in applicants may be attributed to similar rises in the number of undergraduate enrollments.

Of the students who applied for a Pell Grant in 1988-89, 64.4 percent were eligible because they showed sufficient financial need and 26.3 percent did not qualify. The status of the remaining 9.3 percent could not be determined because they provided insufficient information on the application and did not complete application processing. A comparison with

² 12.8 million undergraduate students were enrolled in the fall of 1988 (Source: U.S. Department of Education, National Center for Education Statistics, Projections of Education Statistics, 1989.

1987-88 data shows an increase from the 61 percent of applicants who qualified for a Pell Grant in that cycle. This increase may be a result of legislated formula changes.

Formula changes in 1988-89 enabled, for the most part, more moderate income applicants to qualify for Pell Grants. For example, the protection of home assets was increased, state tax offsets were added, families with more than one person in college had reduced contributions, the protection of business/farm assets was increased, and independent students with dependents often had reduced contributions. For low income applicants, the Simplified Needs Test was implemented as were provisions for dislocated workers and displaced homemakers. Each of these provisions usually resulted in increased eligibility. Some changes resulted in increased contributions. These latter changes were targeted at married independents with no dependents, married dependent students, and applicants with large elementary/secondary tuition expenses.

Recipient Summary

Both the number of students applying for a grant and the number of award recipients increased in 1988-89. In 1987-88, 2.88 million students benefited from the program; in 1988-89, the number increased to 3.20 million. This increase is reflected in the change in the "drop out rate," the percentage of qualified applicants not receiving a grant. In 1987-88, 24.4 percent of eligible applicants never received an award; in 1988-89, the rate had decreased to 23.8 percent.

Exhibit 1**A Summary of Selected Changes in the Pell Grant Program:
1987-88 to 1988-89**

1. 3.5% increase in applicants, from 6.3 million to 6.5 million
2. Increase in the percentage of applicants qualifying for a grant, from 60.5% to 64.4%
3. Decrease in the percentage of qualified applicants not receiving a grant, from 24.4 % to 23.8%
4. 11% increase in recipients, from 2.88 million to 3.20 million
5. 22.6% increase in the average family income of recipients, from \$9,236 to \$11,326
6. 5.2% increase in the average educational cost of recipients, from \$4,480 to \$4,712
7. Continued increase in the average Pell Grant, from \$1,303 to \$1,399
8. 19.2% increase in total program expenditures, from \$3.75 billion to \$4.48 billion
9. Consistent increase in the percentage of recipients claiming to be independent of parental support, from 57.5% to 57.9%
10. 1.3% increase in recipients enrolled at profit-making institutions, from 733,253 to 742,962
11. 11.4% increase in the number of applicants selected for institutional verification, from approximately 1.70 million to 1.89 million

Expenditure Summary

The average size of individual awards increased from \$1,303 in 1987-88 to \$1,399 in 1988-89. Rising educational costs is one explanation for the change. In 1987-88, the average cost used to determine the Pell Grant was \$4,480; 66 percent of the recipients had costs greater than \$3,300; 10 percent had costs less than \$2,400. In 1988-89, the average cost had increased to \$4,712; 74 percent of recipients had costs greater than \$3,300; 6 percent had costs below \$2,400. Another explanation for the higher awards is the increase in the maximum Pell Grant. (Also contributing to higher awards may be the continued increase in the percentage of independent recipients, who often qualify for higher awards than dependent recipients.)

Increases in both average grant and the number of students receiving benefits translated into a rise in total program expenditures, from \$3.75 billion to \$4.48 billion.

Student Characteristics

Less than half (42.1 percent) of the Pell Grant recipients in 1988-89 were dependent on their families as their primary source of income. A comparison with 1987-88 data indicates no change in the age of the recipient population in 1988-89. In both 1987-88 and 1988-89, 30 percent of all Pell Grant awards went to students over 27 years old.

The data show that Pell Grants are directed toward low income students. Over 99 percent of all applicants who reported receiving an income of \$7,500 or less were eligible for a

Pell Grant; 82 percent with incomes from \$7,500 to \$15,000 were eligible; and 43 percent with incomes above \$15,000 qualified.

As a result, most in the pool of eligible Pell Grant applicants were in the low income ranges. Almost one half (49 percent) of all who were eligible reported family incomes of \$7,500 or less, while 27 percent had incomes over \$15,000. As illustrated in Figure 1, independent applicants were more numerous in the lower income ranges (nearly 40 percent of applicants were low income independents compared to only 9 percent who were low income dependents) while dependents, who report parental income, predominated in the higher ranges (19 percent to 8 percent).

An examination of the income distribution of eligible applicants who actually received a grant reveals similar results. Figure 2 shows that independent recipients outnumber dependents in the lower income groups (\$9,000 or less), while dependent recipients greatly outnumber independents in income groups over \$20,000. Independent and dependent recipients are distributed equally in the middle income ranges. Fewer higher income applicants in 1988-89 received grants, while more moderate income applicants received grants. As a result, in 1988-89, the average family income of Pell Grant recipients was \$11,326, an increase from the 1987-88 average of \$9,236. Most 1988-89 recipients reported having few available assets. Three out of four (76 percent), most of whom claimed to be independent, had net assets (net value of home, business, farm, investments, cash and savings) of \$7,500 or less. One in eight (13 percent), almost all of which were dependent claimed assets over \$25,000.

Figure 1
Distribution of Qualified Pell Grant Applicants
By Family Income

Award Year 1988-89

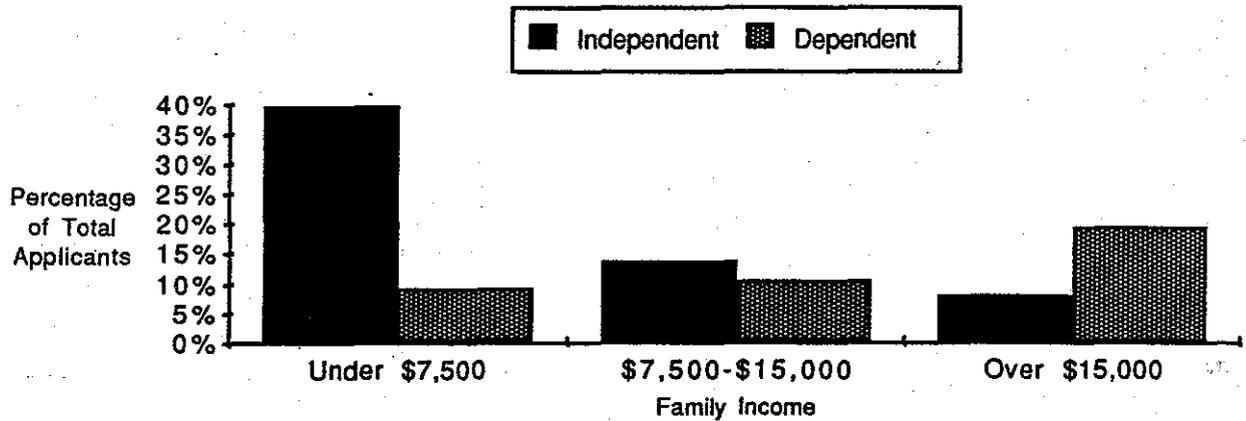
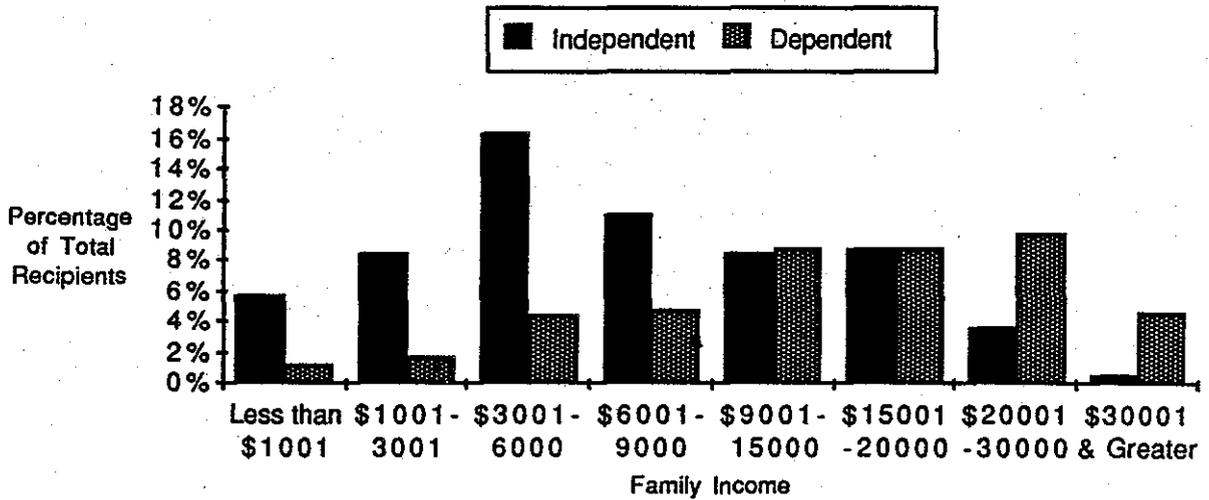


Figure 2
Distribution of Pell Grant Recipients
By Level of Family Income

Award Year 1988-89



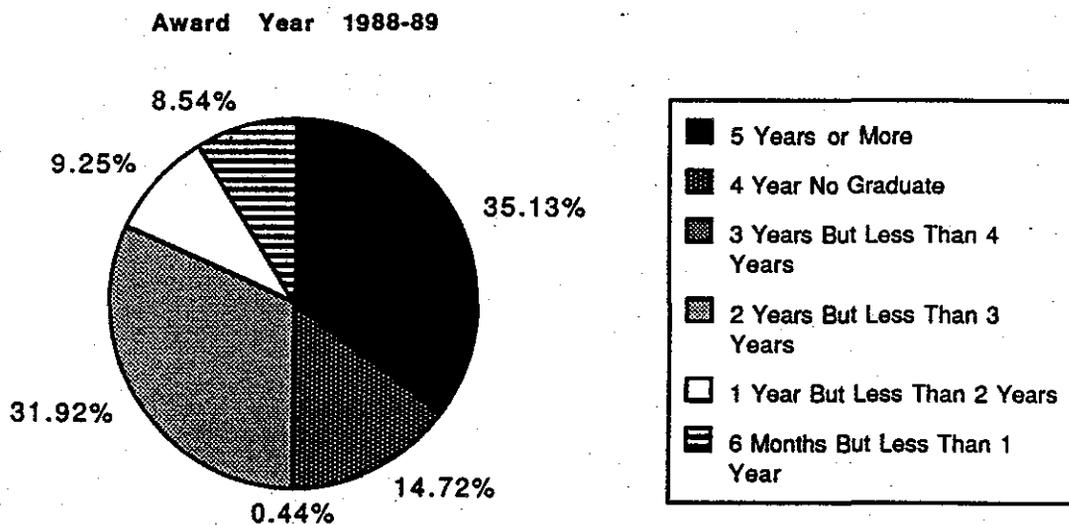
Institutional Characteristics

In 1988-89, 7,080 institutions offering postsecondary degrees and certificates participated in the Pell Grant program. Schools offering programs 2 years but less than 3 years in length--most of which are community and junior colleges--comprised 30 percent of the total. Schools offering programs of 1 year but less than 2 years represented 22 percent of the total and schools with programs of less than one year in length, many of which are profit-making technical and trade schools, represented 21 percent of the total. Four year schools offering no graduate programs were 14

percent of the total and schools with programs 5 years or more in length--many of which are large state universities--comprised 11 percent.

The enrollment of Pell Grant recipients varied considerably by type of school (Figure 3). Although they were relatively few in number, institutions offering programs 5 years or more in duration attracted the most recipients (35 percent), followed in order by 2 year but less than 3 year schools (32 percent), 4 year schools (15 percent), 1 year but less than 2 year schools (9 percent), and less than 1 year schools (9 percent).

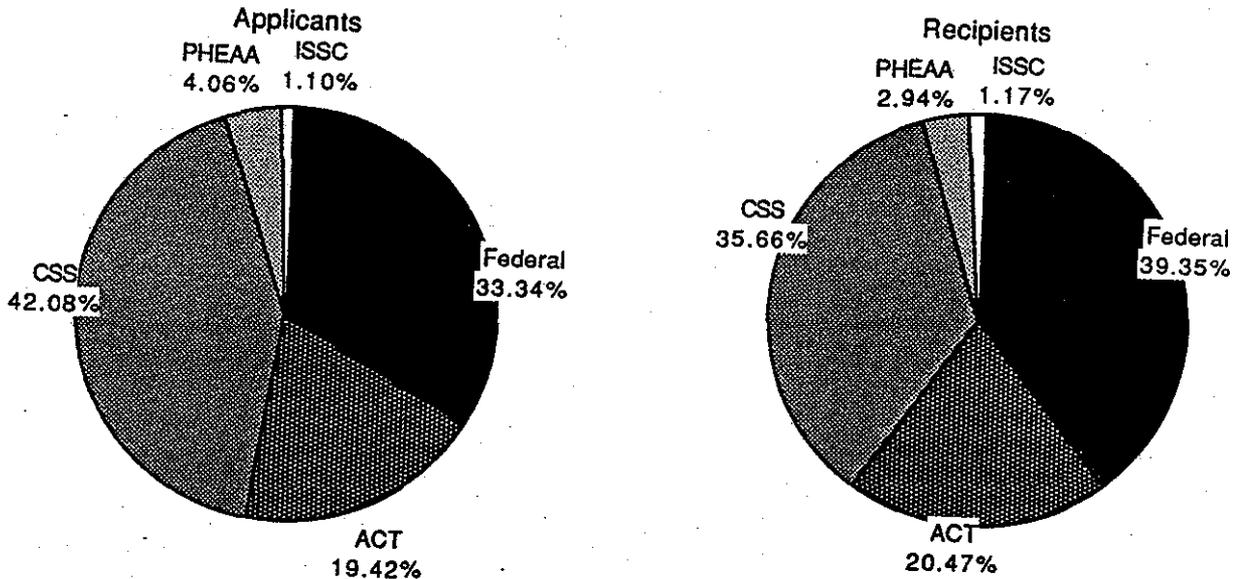
Figure 3
Pell Grant Recipients by Type of Institution Attended



Pell Grant Applicants and Recipients By Multiple Data Entry Source

Award Year 1988-89

Figure 4



Application Source

Students could apply for a 1988-89 Pell Grant using one of five forms. As shown in the left graph of Figure 4, about 42 percent used the application form supplied by the College Scholarship Commission (CSS); 33 percent completed the Federal (Pell) form; 19 percent chose the American College Testing (ACT) form; 4 percent applied through the Pennsylvania Higher Education Assistance Agency (PHEAA); and the remaining 1 percent applied through the Illinois State Scholarship Commission (ISSC).

The characteristics of the students varied by source of application. Applicants for a Pell Grant using the Federal form tended to have lower incomes. As a result, these students

qualified for an award at a higher rate than students using one of the other four application forms. More than four out of five Federal form filers (83 percent) qualified for a grant. In comparison, 73 percent of the ISSC filers, 62 percent of ACT filers, and 52 percent of both PHEAA and CSS filers qualified for a grant based on financial need. As a result, the percentages of recipients by application source differed from the percentages of applicants by application source. Comparing the two graphs in Figure 4 shows that the highest proportion of recipients relative to applicants was from Federal application filers (39 percent of recipients compared to 33 percent of applicants) and the lowest proportion was from CSS filers (36 percent of recipients compared to 42 percent of applicants.)

Verification

Beginning with the 1987-88 award year, the passage of the Higher Education Amendments of 1986 established a target of 30 percent of applicants the Department could select for verification. As a result, the number of applications selected by the Department of

Education for institutional verification has decreased drastically from the 41 percent in 1986-87. In 1987-88, 1.7 million (30 percent) eligible applicants were required to provide verifying documentation to their financial aid office before receiving a Pell Grant; in 1988-89, the number rose to 1.9 million applicants (32 percent).

Table 1

Pell Grant Program Summary Statistics for Cross-Year Reference

Award Period 1988-89

Table 1 summarizes the general applicant and recipient trends in the Pell Grant program from award period 1973-74, the first year of the program, through award period 1988-89.

1973-74 through 1979-80

The Pell Grant program grew rapidly following its initial year, both in terms of student participation and Federal expenditures. As the eligible population expanded from freshman only in 1973-74 to all undergraduates attending Pell participating schools at least half-time in 1976-77, the number of aid recipients increased elevenfold (from 176,000 to 1.9 million) and Federal expenditures rose at an even greater rate (from \$47.6 million to \$1.5 billion).

Program growth slowed following this initial 3 year spurt. Actual expenditures rose by only \$65 million from 1976-77 to 1978-79. (This compares to a \$1.4 billion increase in the 3 years following the start-up of the program.) The number of students submitting an official Pell Grant application also rose slightly (from 3.6 million in 1976-77 to 3.9 million in 1978-79). However, with the drop in the percentage of applicants qualified to receive a grant and a sharp increase in the portion of applications with insufficient data, the number of student aid applicants actually receiving a grant declined during this 3 year period (from 1.94 million to 1.89 million).

The program expanded greatly following the 1978-79 award year, primarily in response to

the passage of the Middle Income Student Assistance Act. With more generous program rules in place, a much greater percentage of applicants qualified for a grant than ever before, with the result being that the number of recipients rose by 34 percent (from 1.9 million to 2.5 million) in 1979-80. The average size of each recipient's award also increased (from \$814 in 1978-79 to \$929 in 1979-80). The sharp rise in recipients, coupled with the increased average grant, meant a sharp 53 percent rise in program expenditures, from \$1.5 billion to \$2.4 billion.

1980-81 through 1987-88

Table 1 shows that during the first 7 years of the decade the program experienced a relatively slow, but steady, year-to-year expansion in terms of applicants, and, with the exception of two years, a similar expansion in recipients and commitment of funds.

Students submitting an official Pell Grant application increased from 4.8 million in 1980-81 to 6.3 million in 1987-88, with the largest 1 year percentage increase (7 percent) occurring after the 1985-86 award year. The rise in the recipient population was less steady and more modest. In 1980-81, 2.7 million students received aid. After a drop to 2.5 million in 1982-83, the number had risen to 2.9 million in 1987-88.

Although the increase in the number of postsecondary students benefiting from the program was not great during this 8 year period, the average

size of individual grants grew substantially. In 1980-81, the average was \$882; by 1987-88 the figure had risen by 48 percent to \$1,303. Contributing to the growth in the average grant were sharp rises in college costs, increases in the maximum award from \$1,750 to \$2,100, and a jump from 50 to 60 percent in the maximum allowable amount of a student's cost that can be covered by a Pell Grant. Larger awards, combined with the slight rise in student participation, pushed total program expenditures to nearly \$3.75 billion in 1987-88, a 57 percent increase over the 1980-81 figure.

Table 1 shows that other program statistics remained relatively constant during this 7 year period. The percentage of applications rejected by the processing system varied from a low of 6.7 percent in 1981-82 to a high of 9.7 percent in 1984-85. The portion of applicants qualifying for a grant also did not fluctuate greatly. Applicants in 1980-81 had the greatest chance of qualifying, with 69 percent demonstrating sufficient need for a grant. Applicants in 1987-88 had the least chance, with 60.5 percent showing sufficient need.

A closer look at Table 1 shows that not all applicants who qualify for a Pell Grant actually receive one. Some do not attend school; others enroll but do not complete the process by submitting the Student Aid Report to the financial aid office; and, some who qualify based on financial need are ineligible for a Pell Grant for other reasons (for example, the student does not make satisfactory academic progress). The percentage of qualified, eligible applicants who actually received aid varied from a low of 70.6 in 1986-87 to a high of 81.3 in 1980-81.

Each year the Department of Education selects a portion of applications for institutional verification. Students whose forms have been flagged by the processing system are required to

present to their financial aid office certain financial documents such as U.S. Federal tax returns. Table 1 shows that the percentage of applications selected for verification fluctuated greatly during the first 8 years of the 1980s. For the 1980-81 and 1981-82 award years, about 7 percent of all valid applications were selected. This figure rose to 35 percent in 1982-83. The portion selected declined to 21 percent for the next 2 years before rising to 44 percent in 1986-87. In 1987-88 that figure declined to 30 percent as a result of a cap imposed by Congress.

1988-89

1988-89 was a year of changes in the Pell Grant Program. Under the Higher Education Act of 1986, changes in the formulae used to determine the Student Aid Index were placed into the law for implementation in this year. As a result of more generous provisions for most applicants, the percentage of eligible applicants increased and the average grant rose substantially. The number of students filing an official application for a Pell Grant rose to 6.5 million in 1988-89. Almost 4.2 million applicants (64 percent), a 4 percent increase over 1987-88, were eligible to receive a Pell Grant in 1988-89. The 3.2 million applicants who received a Pell Grant in 1988-89 (76 percent of the eligible applicants), represented an 11 percent increase over the 2.9 million recipients in 1987-88.

Not only did more students benefit from the program in 1988-89, but those who did benefit enjoyed larger individual grants, with the average grant increasing from \$1,303 to \$1,399. Due to the increased number of recipients and larger grants, overall program expenditures rose by 19.2 percent to \$4.48 billion. This represented the largest increase since 1979-80.

Pell Grant Program

Summary of statistics for Cross-Year Reference

	Award Period							
	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
NUMBER OF APPLICANTS SUBMITTING OFFICIAL APPLICATIONS	512,866	1,304,877	2,339,337	3,590,379	3,844,047	3,885,383	4,186,716	4,825,420
NUMBER OF APPLICANTS SUBMITTING VALID APPLICATIONS	482,331	1,114,084	2,178,696	3,408,718	3,621,641	3,401,428	3,868,429	4,475,762
NUMBER AND PERCENT OF QUALIFIED APPLICANTS	268,444	681,648	1,455,187	2,258,043	2,390,320	2,228,603	3,029,745	3,330,534
	52.34	52.24	62.21	62.89	62.18	57.36	72.37	69.02
NUMBER AND PERCENT OF NON-QUALIFIED APPLICANTS	213,887	432,436	723,509	1,150,675	1,231,321	1,172,825	838,684	1,145,228
	41.70	33.14	30.93	32.05	32.03	30.19	20.03	23.73
NUMBER AND PERCENT OF APPLICATOINS RETURNED FOR INCUFFICIENT DATA AND NEVER RE-SUBMITTED FOR PROCESSING	30,535	190,793	160,641	181,661	222,406	483,955	318,287	349,658
	5.95	14.62	6.87	5.06	5.79	12.46	7.60	7.25
NUMBER OF APPLICANTS SUBMITTING UNOFFICIAL APPLICATIONS						348,236	280,918	265,283
CLASSES OF ELIGIBLE APPLICANTS	Full-Time Freshmen	Full-Time Freshmen & Sophomores	Freshmen Sophomores Juniors	All Undergraduates				
NUMBER OF ELIGIBLE APPLICANTS SELECTED FOR VALIDAITON						119,263	232,118	320,852
NUMBER OF RECIPIENTS	185,249	567,000	1,217,000	1,944,000	2,011,000	1,893,000	2,537,875	2,707,932
TOTAL EXPENDITURES	\$49,873,951	\$356,353,000	\$925,998,000	\$1,475,444,000	\$1,524,340,000	\$1,540,895,000	\$2,357,222,000	\$2,387,117,000
AVERAGE AWARD	\$270	\$628	\$761	\$759	\$758	\$825	\$987	\$887
MINIMUM AWARD	\$50	\$50	\$200	\$200	\$200	\$50	\$200	\$150
MAXIMUM AWARD	\$452	\$1,050	\$1,400	\$1,400	\$1,400	\$1,600	\$1,800	\$1,750

Pell Grant Program**Summary of statistics for Cross-Year Reference**

	AWARD PERIOD							
	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89
NUMBER OF APPLICANTS SUBMITTING OFFICIAL APPLICATIONS	4,945,760	5,118,558	5,453,548	5,514,029	5,627,131	6,028,303	6,297,598	6,519,349
NUMBER OF APPLICANTS SUBMITTING VALID APPLICATIONS	4,614,590	4,709,225	4,955,775	4,981,357	5,205,492	5,535,734	5,714,194	5,913,224
NUMBER AND PERCENT OF QUALIFIED APPLICANTS	3,398,237	3,341,371	3,541,191	3,558,386	3,710,933	3,769,608	3,812,814	4,199,322
	68.71	65.28	64.93	64.53	65.95	62.53	60.54	64.41
NUMBER AND PERCENT OF NON-QUALIFIED APPLICANTS	1,216,353	1,367,854	1,414,584	1,422,971	1,494,559	1,766,126	1,901,380	1,713,902
	24.59	26.72	25.94	25.81	26.56	29.30	30.19	26.29
NUMBER AND PERCENT OF APPLICATOINS RETURNED FOR INCUFFICIENT DATA AND NEVER RE-SUBMITTED FOR PROCESSING	331,170	409,333	497,773	532,672	421,639	492,569	583,404	606,125
	6.70	8.00	9.13	9.66	7.49	8.17	9.26	9.30
NUMBER OF APPLICANTS SUBMITTING UNOFFICIAL APPLICATIONS	266,197	296,146	284,945	299,485	287,661	321,489	320,193	318,291
CLASSES OF ELIGIBLE APPLICANTS	All Undergraduates							
NUMBER OF ELIGIBLE APPLICANTS SELECTED FOR VALIDAITON	313,791	1,660,021	1,047,792	1,046,080	2,079,093	2,452,150	1,698,146	1,892,916
NUMBER OF RECIPIENTS	2,709,076	2,522,746	2,758,906	2,747,100	2,813,489	2,659,507	2,881,547	3,198,286
TOTAL EXPENDITURES	\$2,299,718,000	\$2,420,517,000	\$2,797,057,000	\$3,052,999,052	\$3,597,379,921	\$3,460,006,551	\$3,754,329,481	\$4,475,693,249
AVERAGE AWARD	\$849	\$959	\$1,014	\$1,111	\$1,279	\$1,301	\$1,303	\$1,399
MINIMUM AWARD	\$120	\$50	\$200	\$200	\$200	\$100	\$200	\$200
MAXIMUM AWARD	\$1,670	\$1,800	\$1,800	\$1,900	\$2,100	\$2,100	\$2,100	\$2,200

CHAPTER 2

SELECTED CHARACTERISTICS OF PELL GRANT RECIPIENTS

Award Period 1988-89

Table 2

Distribution of Pell Grant Recipients By Student Aid Index and Family Income

Award Period 1988-89

2A - Total
2B - Dependent
2C - Independent

Table 2A shows the distribution of Pell Grant recipients by Student Aid Index (SAI) and family income. Tables 2B and 2C show the same data for dependent and independent students, respectively. For the purposes of these tables, and all others in the End-of-Year Report, family income is considered to be the sum of the parents' (if the student is dependent on the parent for financial support) or student's (if the student is independent) 1987 taxable and nontaxable income, including one half of the amount of certain Veteran's benefits the student may have received.

As Table 1 indicates, 3.2 million students received a Pell Grant during 1988-89. A comparison of Tables 2B and 2C shows that most--57.9 percent--of these students claimed to be independent of their parent's support. There has been a steady rise in the portion of recipients reporting independent status. In 1981-82, 41.9 percent were independent; in 1982-83, 45.9 percent; in 1983-84, 47.6 percent; in 1984-85, 48.6 percent; in 1985-86, 50.4 percent; in 1986-87, 53.9 percent and in 1987-88, 57.5 percent were independent. The reader should note that 1987-88 was the first year when the student's age, veterans status, and whether he or she is an orphan or has dependents were the critical determinants for dependency status, a change from the six question dependency test, where residency, amount of financial support, and whether the student was claimed as a dependent for tax purposes determined the recipient's status.

The tables show that Pell Grant awards are directed toward the lowest income students. Thirty-eight percent reported a family income of \$6,000 or less. Twenty-nine percent had an income greater than \$15,000. Independent students, because they are reporting their often limited 1987 income, predominated in the lower income ranges. In fact, approximately one half (53 percent) of independents reported a family income of \$6,000 or less. Dependents, who report their parents' resources, were more numerous in the higher ranges. For example, 50 percent of all dependents had a family income greater than \$15,000; only 13 percent of independents were in this income range.

A comparison with 1987-88 data shows a substantial increase in average family income (not shown in table) for all recipients. In 1987-88, the average overall income (dependents and independents) was \$9,236; in 1988-89, the overall average increased 23 percent to \$11,326. In 1987-88, 45 percent of total recipients reported family income below \$6,000 and 21 percent above \$15,000. In 1988-89, 38 percent reported family income below \$6,000 and 29 percent above \$15,000. Although dependents experienced a greater nominal increase in average family income (\$13,727 to \$16,467 for dependents versus \$5,919 to \$7,591 for independents), the percentage increase was greater for independents (19 percent for dependents versus 28 percent for independents). All of the changes in income

are consistent with the recent trend towards an increased number of moderate income recipients, which was accelerated by changes in the formulae for 1988-89 that made more families with moderate incomes eligible for aid.

Table 2 also presents the distribution of SAIs received by 1988-89 recipients. The SAI is an indicator of the applicant's financial strength which the school combines with the student's educational cost and enrollment status (full-time, three-quarter time, or half-time) to determine the size of the grant. For a given educational cost and enrollment status, a lower SAI results in a higher grant. In 1988-89, 2,000 was the largest SAI with which a student could qualify for a Pell Grant.

Table 2A shows that the majority of students--54 percent--received a zero SAI and were therefore eligible for the maximum grant within their cost and enrollment status category. This represents a decrease over 1987-88 data when 57 percent of recipients had zero SAIs. Tables 2B and 2C indicate that independents were much more likely than dependents to receive a low SAI. Sixty-nine percent of independents received a zero SAI compared to 32 percent of dependents. Independents rarely receive a large SAI, with less than 9 percent in 1988-89 having an SAI greater than 1,000. By comparison, 26 percent of dependents were in this SAI range.

Figure 5 depicts the distribution of SAIs by dependency status graphically. For example, 40 percent of recipients were independent students with zero SAIs, while only 14 percent were dependents with zero SAIs. For higher SAIs dependents slightly outnumber independents.

Because the SAI is a measure of the applicant's financial strength, it is not surprising that there is a strong correlation between reported family income and the SAI. In fact, family income, together with the amount of family assets and expenses and certain demographic data (number of family members, for example) determines the SAI. Table 2A clearly shows that the lower the family income the greater the potential for a low SAI (and eventually a large grant). Approximately 96 percent of all students (99 percent of independents and 83 percent of dependents) reporting family incomes of \$6,000 or less received zero SAIs. The 4 percent in this income group who did not receive zero SAIs most likely reported having substantial assets. Looking further at recipients with incomes of \$9,000 or less, almost 87 percent had SAIs of zero; additionally, 74 percent of those reporting incomes of \$15,000 or less received an SAI of zero. Less than 3 percent of the over \$15,000 income group received the minimum SAI. These recipients most likely reported large expenses, a large family, and/or multiple family members attending college.

Figure 5
Distribution of Pell Grant Recipients By SAI Level

Award Year 1988-89

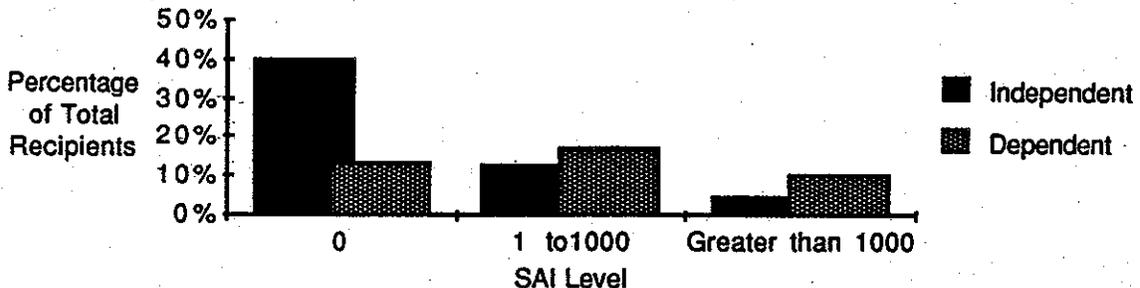


Table 3

Distribution of Pell Grant Recipients By Family Income and Grant Level

Award Period 1988-89

3A - Total
3B - Dependent
3C - Independent

Tables 3A, 3B, and 3C present the distribution of Pell Grant recipients by family income and grant level, first for all recipients, then for dependents and independents, respectively.

As Table 1 indicated, the average grant in 1988-89 was \$1,399. Table 3A shows that roughly one quarter received grants of less than \$900; slightly more (29 percent) were awarded grants between \$900 and \$1,500; and the remaining 45 percent received grants greater than \$1,500, including 17 percent who received the maximum grant of \$2,200. A comparison of Tables 3B and 3C shows that the majority of those receiving both large grants and modest-sized grants were independent, with 60 percent of those receiving \$1,500 or more and 55 percent of those receiving less than \$900 being independent. It should be remembered from Table 2 that independents report far lower incomes than their dependent counterparts and therefore would be more likely to qualify for the larger grants.

Table 3A confirms this link between family income and grant size--the greater the income the less likely the student will receive a large

award. For example, among recipients who received the maximum grant of \$2,200, 67 percent had incomes of \$6,000 or less, 86 percent had incomes of \$9,000 or less and only 2 percent had family incomes greater than \$15,000. This distribution of income among those receiving the maximum award has shifted slightly since 1987-88 when 72 percent of those receiving the maximum grant (\$2,100) had incomes less than \$6,000 and 1 percent reported incomes greater than \$15,000.

An examination of students receiving modest-sized grants (less than \$900) also illustrates the relationship between income and grant level. Students with relatively large incomes were more likely than their low income counterparts to receive a small grant. For example, approximately 43 percent of recipients with incomes over \$15,000 were awarded grants of less than \$900 while 16 percent of the \$6,000 and under group received grants in this range. As the data from Table 8 indicate, educational cost is an important determinant of grant size. Many low income students who received grants of less than \$900 attended low cost institutions.

Table 4

Distribution of Pell Grant Recipients By Student Aid Index and Grant Level

Award Period 1988-89

4A - Total
4B - Dependent
4C - Independent

Tables 4A, 4B, and 4C present the distribution of Pell Grant recipients by Student Aid Index (SAI) and grant level, first for all recipients, then for dependents and independents.

The SAI, when combined with the student's educational cost and enrollment status, determines the amount of the Pell Grant. The statistics from Table 4A illustrate the relationship between SAI and grant level--the lower the index the larger the potential for a large grant. For example, more than 99 percent of the students receiving the maximum award of \$2,200 had zero SAIs, while only 32 percent of the recipients who were awarded less than \$900 had the minimum SAI. Students with zero SAIs who received small grants attended low cost institutions or were enrolled on a part-time basis.

The step-shaped line drawn diagonally through the three tables delineates valid versus invalid awards. All cells to the right of the line should contain zeros, as these are invalid combinations of SAI and grant level. For example, the maximum grant that a full-time student with an SAI of 1300 could receive was \$950. Grants that

exceeded \$950 for this SAI most likely represent overawards that are the result of the student attending more than one institution during the award year.

A comparison of this data with data from the previous 6 award years indicates that such invalid awards continue to be rare. During 1988-89, 6,135 students were in the cells to the right of the diagonal line. Although this is an increase over the previous cycle, these students represented only .20 percent of all recipients. During 1987-88, .10 percent received such invalid awards; during 1986-87, .07 percent; in 1985-86, .05 percent; in 1984-85, .05 percent; in 1983-84, .6 percent; in 1982-83, .7 percent; and in 1981-82, .8 percent. The decline in these invalid awards between 1983-84 and 1984-85 may have been the result of the introduction of a new system used by schools to report and reconcile Pell Grant disbursements with the Department of Education. Under this system, reporting and adjustment of award data occurs throughout the year rather than at the end as was the case with the old system.

Table 5

Distribution of Pell Grant Recipients By Student Aid Index and Type of Institution

Award Period 1988-89

5A - Total
5B - Dependent
5C - Independent

Tables 5A, 5B, and 5C show the distribution of Pell Grant recipients by Student Aid Index (SAI) and type of institution attended, first for all recipients, then for dependents and independents.

The three tables indicate that institutions participating in the Pell Grant program differed in the numbers of students they attracted, and in the relative proportions of independent and dependent students enrolled. Approximately half of the Pell Grant recipients in 1988-89 (50 percent) attended schools where the educational program was less than 4 years in duration. These schools are typically 2 year community colleges and vocational/technical institutions offering courses less than 2 years in length. Independents in these schools outnumbered dependents almost three to one (73 percent to 27 percent), while independents as a whole outnumbered dependents by a considerably smaller margin (58 percent to 42 percent).

In contrast, the recipient population enrolled in schools offering programs of at least 4 years in length tended to be mostly dependent (57 percent dependent versus 43 percent independent). Schools in this category are primarily large state universities and 4 year colleges offering a baccalaureate degree.

A comparison with 1987-88 data shows that the Pell Grant program experienced a 15 percent increase in the number of recipients attending postsecondary institutions offering programs of 4 or more years. This is considerably more than the overall 11 percent increase in the number of Pell Grant recipients. In 1987-88, 1.4 million recipients (48 percent) were enrolled in schools offering programs at least 4 years in duration; in 1988-89, the number had increased to 1.6 million (50 percent). The number of recipients at institutions offering programs less than 4 years in length rose by 7 percent from 1.5 million to 1.6 million, but this represented a proportional decline in their numbers from nearly 52 percent to about 50 percent.

Table 5 also indicates that the financial strength of recipients as measured by the SAI varied substantially by institutional type. Schools offering programs lasting 4 years or more, for example, were less likely to attract students with zero SAIs than schools with shorter programs. Students with zero SAIs comprised 44 percent of the recipient pool at 4 year or more institutions and 63 percent of the recipients attending schools with programs of 3 years or less in length.

TABLE 5-A
**DISTRIBUTION OF PELL GRANT RECIPIENTS
 BY STUDENT AID INDEX AND TYPE OF INSTITUTION**
ALL RECIPIENTS - AWARD YEAR 1988-89

STUDENT AID INDEX	TYPE OF INSTITUTION							TOTAL
	5 YEARS OR MORE	4 YEAR NO GRADUATE	3 YEARS BUT LESS THAN FOUR YEARS	2 YEARS BUT LESS THAN THREE YEARS	1 YEAR BUT LESS THAN TWO YEARS	6 MONTHS BUT LESS THAN ONE YEAR	OTHER	
0	484,488	213,909	7,176	594,692	218,658	196,736	0	1,715,659
R%	28.24	12.47	0.42	34.66	12.74	11.47	0.00	100.00
C%	43.12	45.45	51.04	58.24	73.89	72.02	0.00	53.64
1 - 200	114,607	45,538	1,134	88,651	18,302	17,545	0	285,777
R%	40.10	15.93	0.40	31.02	6.40	6.14	0.00	100.00
C%	10.20	9.68	8.07	8.68	6.18	6.42	0.00	8.94
201 - 400	80,996	33,404	946	67,656	13,510	13,245	0	209,757
R%	38.61	15.93	0.45	32.25	6.44	6.31	0.00	100.00
C%	7.21	7.10	6.73	6.63	4.57	4.85	0.00	6.56
401 - 600	74,065	30,481	842	56,793	10,390	10,359	0	182,930
R%	40.49	16.66	0.46	31.05	5.68	5.66	0.00	100.00
C%	6.59	6.48	5.99	5.56	3.51	3.79	0.00	5.72
601 - 800	65,214	26,241	720	46,330	7,832	8,094	0	154,431
R%	42.23	16.99	0.47	30.00	5.07	5.24	0.00	100.00
C%	5.80	5.58	5.12	4.54	2.65	2.96	0.00	4.83
801 - 1,000	61,944	25,167	701	40,751	6,894	6,843	0	142,300
R%	43.53	17.69	0.49	28.64	4.84	4.81	0.00	100.00
C%	5.51	5.35	4.99	3.99	2.33	2.51	0.00	4.45
1,001 - 1,200	59,023	23,275	674	35,875	5,891	5,763	0	130,501
R%	45.23	17.84	0.52	27.49	4.51	4.42	0.00	100.00
C%	5.25	4.95	4.79	3.51	1.99	2.11	0.00	4.08
1,201 - 1,400	50,419	20,152	564	27,539	4,259	4,358	0	107,291
R%	46.99	18.78	0.53	25.67	3.97	4.06	0.00	100.00
C%	4.49	4.28	4.01	2.70	1.44	1.60	0.00	3.35
1,401 - 1,600	47,552	18,956	466	24,793	3,833	3,965	0	99,565
R%	47.76	19.04	0.47	24.90	3.85	3.98	0.00	100.00
C%	4.23	4.03	3.31	2.43	1.30	1.45	0.00	3.11
1,601 - 1,800	45,205	17,823	455	21,708	3,433	3,452	0	92,076
R%	49.10	19.36	0.49	23.58	3.73	3.75	0.00	100.00
C%	4.02	3.79	3.24	2.13	1.16	1.26	0.00	2.88
1,801 - 2,000	39,945	15,681	381	16,253	2,923	2,808	0	77,991
R%	51.22	20.11	0.49	20.84	3.75	3.60	0.00	100.00
C%	3.56	3.33	2.71	1.59	0.99	1.03	0.00	2.44
TOTAL	1,123,458	470,627	14,059	1,021,041	295,925	273,168	0	3,198,278
R%	35.13	14.72	0.44	31.92	9.25	8.54	0.00	100.00
C%	100.00	100.00	100.00	100.00	100.00	100.00	0.00	100.00

TABLE 5-B
**DISTRIBUTION OF PELL GRANT RECIPIENTS
 BY STUDENT AID INDEX AND TYPE OF INSTITUTION**
DEPENDENT RECIPIENTS - AWARD YEAR 1988-89

STUDENT AID INDEX	TYPE OF INSTITUTION							TOTAL
	5 YEARS OR MORE	4 YEAR NO GRADUATE	3 YEARS BUT LESS THAN FOUR YEARS	2 YEARS BUT LESS THAN THREE YEARS	1 YEAR BUT LESS THAN TWO YEARS	6 MONTHS BUT LESS THAN ONE YEAR	OTHER	
0	169,322	73,341	1,227	122,000	39,421	28,967	0	434,278
R%	38.99	16.89	0.28	28.09	9.08	6.67	0.00	100.00
C%	26.04	28.59	27.88	38.22	61.68	56.37	0.00	32.27
1 - 200	86,211	31,825	525	40,142	5,618	4,818	0	169,139
R%	50.97	18.82	0.31	23.73	3.32	2.85	0.00	100.00
C%	13.26	12.41	11.93	12.57	8.79	9.38	0.00	12.57
201 - 400	55,993	21,337	361	26,452	3,783	3,443	0	111,369
R%	50.28	19.16	0.32	23.75	3.40	3.09	0.00	100.00
C%	8.61	8.32	8.20	8.29	5.92	6.70	0.00	8.28
401 - 600	52,524	20,262	336	23,689	3,093	2,869	0	102,773
R%	51.11	19.72	0.33	23.05	3.01	2.79	0.00	100.00
C%	8.08	7.90	7.63	7.42	4.84	5.58	0.00	7.64
601 - 800	47,569	18,185	286	20,707	2,453	2,404	0	91,604
R%	51.93	19.85	0.31	22.60	2.68	2.62	0.00	100.00
C%	7.32	7.09	6.50	6.49	3.84	4.68	0.00	6.81
801 - 1,000	46,544	17,972	322	19,375	2,256	2,085	0	88,554
R%	52.56	20.29	0.36	21.88	2.55	2.35	0.00	100.00
C%	7.16	7.01	7.32	6.07	3.53	4.06	0.00	6.58
1,001 - 1,200	45,428	17,061	341	17,940	2,033	1,840	0	84,643
R%	53.67	20.16	0.40	21.19	2.40	2.17	0.00	100.00
C%	6.99	6.65	7.75	5.62	3.18	3.58	0.00	6.29
1,201 - 1,400	39,382	15,295	302	14,489	1,577	1,509	0	72,554
R%	54.28	21.08	0.42	19.97	2.17	2.08	0.00	100.00
C%	6.06	5.96	6.86	4.54	2.47	2.94	0.00	5.39
1,401 - 1,600	37,769	14,560	231	13,273	1,359	1,294	0	68,486
R%	55.15	21.26	0.34	19.38	1.98	1.89	0.00	100.00
C%	5.81	5.68	5.25	4.16	2.13	2.52	0.00	5.09
1,601 - 1,800	36,274	13,897	239	11,648	1,255	1,167	0	64,480
R%	56.26	21.55	0.37	18.06	1.95	1.81	0.00	100.00
C%	5.58	5.42	5.43	3.65	1.96	2.27	0.00	4.79
1,801 - 2,000	33,182	12,795	231	9,507	1,064	992	0	57,771
R%	57.44	22.15	0.40	16.46	1.84	1.72	0.00	100.00
C%	5.10	4.99	5.25	2.98	1.66	1.93	0.00	4.29
TOTAL	650,198	256,530	4,401	319,222	63,912	51,388	0	1,345,651
R%	48.32	19.06	0.33	23.72	4.75	3.82	0.00	100.00
C%	100.00	100.00	100.00	100.00	100.00	100.00	0.00	100.00

TABLE 5-C
**DISTRIBUTION OF PELL GRANT RECIPIENTS
 BY STUDENT AID INDEX AND TYPE OF INSTITUTION**
INDEPENDENT RECIPIENTS - AWARD YEAR 1988-89

STUDENT AID INDEX	TYPE OF INSTITUTION							TOTAL
	5 YEARS OR MORE	4 YEAR NO GRADUATE	3 YEARS BUT LESS THAN FOUR YEARS	2 YEARS BUT LESS THAN THREE YEARS	1 YEAR BUT LESS THAN TWO YEARS	6 MONTHS BUT LESS THAN ONE YEAR	OTHER	
0	315,166	140,568	5,949	472,692	179,237	167,769	0	1,281,381
R%	24.60	10.97	0.46	36.89	13.99	13.09	0.00	100.00
C%	66.59	65.66	61.60	67.35	77.25	75.65	0.00	69.17
1 - 200	28,396	13,713	609	48,509	12,684	12,727	0	116,638
R%	24.35	11.76	0.52	41.59	10.87	10.91	0.00	100.00
C%	6.00	6.41	6.31	6.91	5.47	5.74	0.00	6.30
201 - 400	25,003	12,067	585	41,204	9,727	9,802	0	98,388
R%	25.41	12.26	0.59	41.88	9.89	9.96	0.00	100.00
C%	5.28	5.64	6.06	5.87	4.19	4.42	0.00	5.31
401 - 600	21,541	10,219	506	33,104	7,297	7,490	0	80,157
R%	26.87	12.75	0.63	41.30	9.10	9.34	0.00	100.00
C%	4.55	4.77	5.24	4.72	3.15	3.38	0.00	4.33
601 - 800	17,645	8,056	434	25,623	5,379	5,690	0	62,827
R%	28.09	12.82	0.69	40.78	8.56	9.06	0.00	100.00
C%	3.73	3.76	4.49	3.65	2.32	2.57	0.00	3.39
801 - 1,000	15,400	7,195	379	21,376	4,638	4,758	0	53,746
R%	28.65	13.39	0.71	39.77	8.63	8.85	0.00	100.00
C%	3.25	3.36	3.92	3.05	2.00	2.15	0.00	2.90
1,001 - 1,200	13,595	6,214	333	17,935	3,858	3,923	0	45,858
R%	29.65	13.55	0.73	39.11	8.41	8.55	0.00	100.00
C%	2.87	2.90	3.45	2.56	1.66	1.77	0.00	2.48
1,201 - 1,400	11,037	4,857	262	13,050	2,682	2,849	0	34,737
R%	31.77	13.98	0.75	37.57	7.72	8.20	0.00	100.00
C%	2.33	2.27	2.71	1.86	1.16	1.28	0.00	1.88
1,401 - 1,600	9,783	4,396	235	11,520	2,474	2,671	0	31,079
R%	31.48	14.14	0.76	37.07	7.96	8.59	0.00	100.00
C%	2.07	2.05	2.43	1.64	1.07	1.20	0.00	1.68
1,601 - 1,800	8,931	3,926	216	10,060	2,178	2,285	0	27,596
R%	32.36	14.23	0.78	36.45	7.89	8.28	0.00	100.00
C%	1.89	1.83	2.24	1.43	0.94	1.03	0.00	1.49
1,801 - 2,000	6,763	2,886	150	6,746	1,859	1,816	0	20,220
R%	33.45	14.27	0.74	33.36	9.19	8.98	0.00	100.00
C%	1.43	1.35	1.55	0.96	0.80	0.82	0.00	1.09
TOTAL	473,260	214,097	9,658	701,819	232,013	221,780	0	1,852,627
R%	25.55	11.56	0.52	37.88	12.52	11.97	0.00	100.00
C%	100.00	100.00	100.00	100.00	100.00	100.00	0.00	100.00

Table 6**Distribution of Pell Grant Recipients
By Family Income and Type of Institution**

Award Period 1988-89

6A - Total
6B - Dependent
6C - Independent

Tables 6A, 6B, and 6C show the distribution of Pell Grant recipients by family income and type of institution attended. Table 6A shows the distribution for all recipients; Tables 6B and 6C present the same data for dependents and independents, respectively. As in Table 2, family income for these tables is defined as the sum of the parents' (for dependents) or student's (for independents) 1987 taxable and nontaxable income, plus one-half of certain Veteran's benefits.

Because family income is highly correlated with the Student Aid Index (SAI), the data in these tables are very similar to that presented in

Table 5. Compared with institutions offering programs 3 years and less in length, schools offering more lengthy programs (4 years and more) tended to attract recipients with higher SAIs and higher incomes. For example, the three tables show that 64 percent of recipients with incomes over \$15,000 attended schools in the 4 year or more category. Most of this group (84 percent) were dependent. Only 41 percent of recipients reporting incomes of \$6,000 and less were enrolled in this type of school. Approximately three-fourths (73 percent) of this lower income group were independent.

TABLE 6-A
**DISTRIBUTION OF PELL GRANT RECIPIENTS
 BY FAMILY INCOME AND TYPE OF INSTITUTION**
ALL RECIPIENTS - AWARD YEAR 1988-89

FAMILY INCOME	TYPE OF INSTITUTION							TOTAL
	5 YEARS OR MORE	4 YEAR NO GRADUATE	3 YEARS BUT LESS THAN FOUR YEARS	2 YEARS BUT LESS THAN THREE YEARS	1 YEAR BUT LESS THAN TWO YEARS	6 MONTHS BUT LESS THAN ONE YEAR	OTHER	
LESS THAN \$1,001	72,848	31,615	779	78,692	19,748	18,348	0	222,030
R%	32.81	14.24	0.35	35.44	8.89	8.26	0.00	100.00
C%	6.48	6.72	5.54	7.71	6.67	6.72	0.00	6.94
\$1,001 - 3,000	92,974	37,149	1,114	104,085	49,215	40,263	0	324,800
R%	28.63	11.44	0.34	32.05	15.15	12.40	0.00	100.00
C%	8.28	7.89	7.92	10.19	16.63	14.74	0.00	10.16
\$3,001 - 6,000	187,491	79,715	3,152	224,748	90,933	82,506	0	668,545
R%	28.04	11.92	0.47	33.62	13.60	12.34	0.00	100.00
C%	16.69	16.94	22.42	22.01	30.73	30.20	0.00	20.90
\$6,001 - 9,000	156,517	66,107	2,485	177,804	51,982	51,039	0	505,934
R%	30.94	13.07	0.49	35.14	10.27	10.09	0.00	100.00
C%	13.93	14.05	17.68	17.41	17.57	18.68	0.00	15.82
\$9,001 - 15,000	192,614	81,804	2,416	188,018	44,040	42,732	0	551,624
R%	34.92	14.83	0.44	34.08	7.98	7.75	0.00	100.00
C%	17.14	17.38	17.18	18.41	14.88	15.64	0.00	17.25
\$15,001 - 20,000	135,138	56,896	1,553	103,332	18,980	18,276	0	334,175
R%	40.44	17.03	0.46	30.92	5.68	5.47	0.00	100.00
C%	12.03	12.09	11.05	10.12	6.41	6.69	0.00	10.45
\$20,001 - 30,000	194,105	81,348	1,982	115,635	18,239	17,413	0	428,722
R%	45.28	18.97	0.46	26.97	4.25	4.06	0.00	100.00
C%	17.28	17.28	14.10	11.33	6.16	6.37	0.00	13.40
\$30,001 +	91,776	35,995	578	28,728	2,788	2,591	0	162,456
R%	56.49	22.16	0.36	17.68	1.72	1.59	0.00	100.00
C%	8.17	7.65	4.11	2.81	0.94	0.95	0.00	5.08
TOTAL	1,123,463	470,629	14,059	1,021,042	295,925	273,168	0	3,198,286
R%	35.13	14.72	0.44	31.92	9.25	8.54	0.00	100.00
C%	100.00	100.00	100.00	100.00	100.00	100.00	0.00	100.00

TABLE 6-B
**DISTRIBUTION OF PELL GRANT RECIPIENTS
 BY FAMILY INCOME AND TYPE OF INSTITUTION**
DEPENDENT RECIPIENTS - AWARD YEAR 1988-89

FAMILY INCOME	TYPE OF INSTITUTION							TOTAL
	5 YEARS OR MORE	4 YEAR NO GRADUATE	3 YEARS BUT LESS THAN FOUR YEARS	2 YEARS BUT LESS THAN THREE YEARS	1 YEAR BUT LESS THAN TWO YEARS	6 MONTHS BUT LESS THAN ONE YEAR	OTHER	
LESS THAN \$1,001	19,187	6,199	128	9,015	1,544	1,153	0	37,226
R%	51.54	16.65	0.34	24.22	4.15	3.10	0.00	100.00
C%	2.95	2.42	2.91	2.82	2.42	2.24	0.00	2.77
\$1,001 - 3,000	20,989	8,597	136	14,560	6,029	3,747	0	54,058
R%	38.83	15.90	0.25	26.93	11.15	6.93	0.00	100.00
C%	3.23	3.35	3.09	4.56	9.43	7.29	0.00	4.02
\$3,001 - 6,000	54,477	24,670	430	39,732	14,817	10,066	0	144,192
R%	37.78	17.11	0.30	27.55	10.28	6.98	0.00	100.00
C%	8.38	9.62	9.77	12.45	23.18	19.59	0.00	10.72
\$6,001 - 9,000	63,095	26,272	468	41,303	11,095	8,777	0	151,010
R%	41.78	17.40	0.31	27.35	7.35	5.81	0.00	100.00
C%	9.70	10.24	10.63	12.94	17.36	17.08	0.00	11.22
\$9,001 - 15,000	130,884	50,978	932	74,468	13,529	11,866	0	282,657
R%	46.30	18.04	0.33	26.35	4.79	4.20	0.00	100.00
C%	20.13	19.87	21.18	23.33	21.17	23.09	0.00	21.01
\$15,001 - 20,000	108,268	41,636	762	51,713	7,142	6,677	0	216,198
R%	50.08	19.26	0.35	23.92	3.30	3.09	0.00	100.00
C%	16.65	16.23	17.31	16.20	11.17	12.99	0.00	16.07
\$20,001 - 30,000	166,288	65,226	1,111	66,461	7,999	7,432	0	314,517
R%	52.87	20.74	0.35	21.13	2.54	2.36	0.00	100.00
C%	25.57	25.43	25.24	20.82	12.52	14.46	0.00	23.37
\$30,001 +	87,014	32,953	434	21,970	1,757	1,670	0	145,798
R%	59.68	22.60	0.30	15.07	1.21	1.15	0.00	100.00
C%	13.38	12.85	9.86	6.88	2.75	3.25	0.00	10.83
TOTAL	650,202	256,531	4,401	319,222	63,912	51,388	0	1,345,656
R%	48.32	19.06	0.33	23.72	4.75	3.82	0.00	100.00
C%	100.00	100.00	100.00	100.00	100.00	100.00	0.00	100.00

TABLE 6-C
**DISTRIBUTION OF PELL GRANT RECIPIENTS
 BY FAMILY INCOME AND TYPE OF INSTITUTION**
INDEPENDENT RECIPIENTS - AWARD YEAR 1988-89

FAMILY INCOME	TYPE OF INSTITUTION							TOTAL
	5 YEARS OR MORE	4 YEAR NO GRADUATE	3 YEARS BUT LESS THAN FOUR YEARS	2 YEARS BUT LESS THAN THREE YEARS	1 YEAR BUT LESS THAN TWO YEARS	6 MONTHS BUT LESS THAN ONE YEAR	OTHER	
LESS THAN \$1,001	53,661	25,416	651	69,677	18,204	17,195	0	184,804
R%	29.04	13.75	0.35	37.70	9.85	9.30	0.00	100.00
C%	11.34	11.87	6.74	9.93	7.85	7.75	0.00	9.98
\$1,001 - 3,000	71,985	28,552	978	89,525	43,186	36,516	0	270,742
R%	26.59	10.55	0.36	33.07	15.95	13.49	0.00	100.00
C%	15.21	13.34	10.13	12.76	18.61	16.46	0.00	14.61
\$3,001 - 6,000	133,014	55,045	2,722	185,016	76,116	72,440	0	524,353
R%	25.37	10.50	0.52	35.28	14.52	13.82	0.00	100.00
C%	28.11	25.71	28.18	26.36	32.81	32.66	0.00	28.30
\$6,001 - 9,000	93,422	39,835	2,017	136,501	40,887	42,262	0	354,924
R%	26.32	11.22	0.57	38.46	11.52	11.91	0.00	100.00
C%	19.74	18.61	20.88	19.45	17.62	19.06	0.00	19.16
\$9,001 - 15,000	61,730	30,826	1,484	113,550	30,511	30,866	0	268,967
R%	22.95	11.46	0.55	42.22	11.34	11.48	0.00	100.00
C%	13.04	14.40	15.37	16.18	13.15	13.92	0.00	14.52
\$15,001 - 20,000	26,870	15,260	791	51,619	11,838	11,599	0	117,977
R%	22.78	12.93	0.67	43.75	10.03	9.83	0.00	100.00
C%	5.68	7.13	8.19	7.36	5.10	5.23	0.00	6.37
\$20,001 - 30,000	27,817	16,122	871	49,174	10,240	9,981	0	114,205
R%	24.36	14.12	0.76	43.06	8.97	8.74	0.00	100.00
C%	5.88	7.53	9.02	7.01	4.41	4.50	0.00	6.16
\$30,001 +	4,762	3,042	144	6,758	1,031	921	0	16,658
R%	28.59	18.26	0.86	40.57	6.19	5.53	0.00	100.00
C%	1.01	1.42	1.49	0.96	0.44	0.42	0.00	0.90
TOTAL	473,261	214,098	9,658	701,820	232,013	221,780	0	1,852,630
R%	25.55	11.56	0.52	37.88	12.52	11.97	0.00	100.00
C%	100.00	100.00	100.00	100.00	100.00	100.00	0.00	100.00

Table 7

Distribution of Pell Grant Recipients By Student Aid Index and Educational Cost

Award Period 1988-89

7A - Total
7B - Dependent
7C - Independent

Tables 7A, 7B, and 7C show the distribution of Pell Grant recipients by Student Aid Index (SAI) and educational cost. Table 7A shows the distribution for all recipients; Tables 7B and 7C present the same breakout for dependents and independents, respectively.

The Higher Education Amendments of 1986 established a new cost of attendance provision for the Pell Grant program. Beginning with the 1988-89 award year, a student's educational cost for Pell award purposes includes the student's tuition and fees, plus the costs of books, supplies, transportation and miscellaneous expenses within established limits. Beginning with the 1988-89 year, these limits, exclusive of tuition and fees, are \$1,700 for students without dependents residing at home with parents; or \$2,300 for all other students enrolled at least half time. Also included are additional allowances such as provisions for child care (up to \$1,000) and costs of special services or equipment required by handicapped students for attendance that are not provided by other assisting agencies. Because of this cost of attendance structure, as Table 7A indicates, few recipients had costs below \$1,800. The recipients in this very low cost group were most likely incarcerated or students taking correspondence courses. The room, board, books, and supplies allowances for these two

groups were often set at less generous levels by institutions.

Table 7A shows that a majority of students had costs in the higher ranges for Pell Grant awarding purposes. For example, almost three of every four recipients (74 percent) attended schools where costs were greater than \$3,300; with 59 percent attending schools with costs at or above the maximum cost for Pell purposes of \$3,700. Relatively few (6 percent) had costs of \$2,400 or less.

Tables 7B and 7C indicate that there was little difference in the educational costs of dependents and independents. For example, 70 percent of dependents and 76 percent of independents had costs greater than \$3,300. Costs for dependents averaged \$4,806 in 1988-89; the average cost for independents was \$4,643 (not shown in table).

Figure 6 depicts the distribution of educational costs overall and by dependency status. It clearly shows that the large majority of recipients had educational costs of \$3,300 or more.

A comparison with 1987-88 data indicates a modest increase in costs for Pell Grant recipients. Average costs increased by 5 percent

between the 2 years, from \$4,480 to \$4,712. However, recipients in the high cost ranges represented a greater percentage of the total in 1988-89. For example, recipients with costs greater than \$3,300 comprised 65 percent of all recipients in 1987-88 and 74 percent in 1988-89.

Table 7A also shows no clear relationship between cost and SAI level. For example, the proportion of recipients attending higher cost schools does not vary greatly by SAI level. About 74 percent of the zero SAI recipients attended

institutions with educational costs over \$3,300, as did 74 percent of the recipients with indexes between 1 and 1,400 and 77 percent of recipients with SAIs over 1,400. Neither does the percentage of recipients attending lower cost schools vary greatly by SAI. Nearly 7 percent of the zero SAI recipients were enrolled in schools with costs less than \$2,400 as compared to 6 percent of the recipients with indexes between 1 and 1,400 and 4 percent of recipients with SAIs over 1,400.

Figure 6
Distribution of Pell Grant Recipients By Educational Cost
Award Year 1988-89

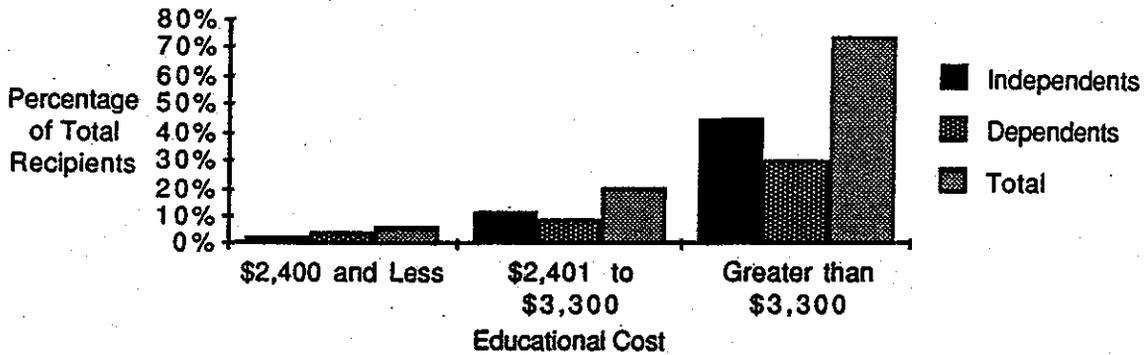


Table 8**Distribution of Pell Grant Recipients
By Family Income and Educational Cost****Award Period 1988-89****8A - Total
8B - Dependent
8C - Independent**

Tables 8A, 8B, and 8C show the distribution of Pell Grant recipients by family income and educational cost, first for all recipients, then for dependents and independents, respectively.

Table 8A indicates no discernable relationship between income and educational cost. Low cost schools attracted low income students at approximately the same rate as high income students. For example, 6 percent of all recipients with incomes of \$6,000 or less attended institutions where costs were \$2,400 or less. By comparison, 6 percent of recipients with incomes greater than \$15,000 had costs in this low range. Likewise, higher cost schools appeared to attract recipients from both income groups at the same rate. For example, 75

percent of the \$6,000 or less income group and 74 percent of the greater than \$15,000 income group had costs greater than \$3,300.

Tables 8B and 8C show that dependents tended to be in the higher income and educational cost ranges more often than independents and that independents were more often in the lower cost ranges. For example, 21 percent of independents, compared to 51 percent of dependents, attended schools where costs were greater than \$3,300 and reported family incomes greater than \$9,000. In contrast, about 3 percent of all independents, compared to 2 percent of dependents, had educational costs of \$2,400 or less and incomes of \$6,000 or less.

Table 9

Distribution of Pell Grant Recipients By Family Income and Asset Level

Award Period 1988-89

9A - Total
9B - Dependent
9C - Independent

Tables 9A, 9B, and 9C show the distribution of Pell Grant recipients by family income and asset level, first for all recipients, then for dependents and independents, respectively.

Net assets in these tables equal the sum of the market value of the recipient's (for independents) or parents' (for dependents) home, real estate/investments, business/farm, and cash/savings/checking minus the sum of the unpaid debts on these items. The formula used to calculate a Pell Grant Student Aid Index includes a series of asset reserves to "protect" a portion of the student's or parents' assets. These asset reserves are applied against the various categories of assets and allow each applicant a portion of his or her reported assets from which no contribution is required. In 1988-89, the asset reserves were included for all applicants except single independent students with no dependents (i.e., those with a family size of one). The asset reserves included \$30,000 for home assets, up to \$80,000 for business assets and \$100,000 for farm assets, and \$25,000 for other assets.

Table 9A shows that Pell Grants are directed toward students with few assets. In 1988-89, three of every four (76 percent) recipients reported net assets of \$7,500 or less, and 44 percent reported zero net assets. As Tables 9B

and 9C indicate, independents predominated in this low asset group. In fact, 94 percent of all independents had net assets of \$7,500 or less, and 56 percent had net assets of zero. In comparison, 51 percent of dependent recipients were in the less than \$7,500 net asset range and 28 percent had zero net assets. Only about one in eight recipients (13 percent) reported net assets that exceeded \$25,000. Approximately 90 percent of these students were dependent. Because of the size of the asset protection allowances, and the fact that few recipients had assets above \$25,000, reported assets rarely played a part in determining grant size in 1988-89. The average assets reported (not shown in this table) were \$8,440 for all recipients, \$1,807 for independents, and \$17,572 for dependents.

Figure 7 illustrates the great extent to which Pell recipients report net assets of \$7,500 or less. It also shows that independent recipients, in particular, are likely to have low net assets.

A comparison with 1987-88 data indicates little change in the distribution of recipients by asset level. Equal proportions of recipients in both years (76 percent) reported net assets of \$7,500 or less and similar proportions reported net assets greater than \$25,000 (11

percent in 1987-88 compared to 13 percent in 1988-89).

The tables also show that Pell Grants are targeted toward recipients who report both low net assets and low family incomes. In 1988-89, 35 percent of all Pell Grant awards went to students with net assets of \$7,500 or less and incomes of

\$6,000 or less. About 85 percent of this low asset and income group were independent. Likewise, few students who reported both a relatively large amount of net assets and income received grants. Students with net assets over \$25,000 and income exceeding \$15,000 constituted only 8 percent of all Pell Grant recipients. Almost all of these recipients (92 percent) were dependent.

Figure 7
Distribution of Pell Grant Recipients by Net Assets
Award Year 1988-89

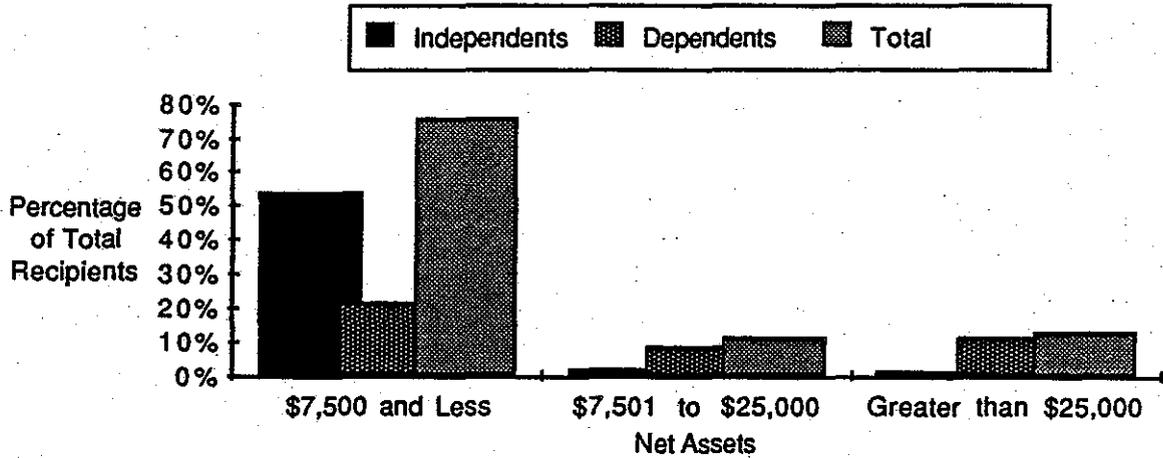


Table 10**Distribution of Pell Grant Recipients
By Age and Family Income**

Award Period 1988-89

10A - Total
 10B - Dependent
 10C - Independent

Tables 10A, 10B, and 10C, each of which are two pages in length, show the distribution of Pell Grant recipients by age and family income. Table 10A displays the distribution for all recipients, while Tables 10B and 10C provide the same breakout for dependents and independents, respectively.

In 1988-89, as in 1987-88, students who are 24 years and older were automatically considered independent. Thus, Table 10B (dependent) includes no one over 24. However, students who are less than 24 years old also may be independent if they meet the criteria or receive a dependency status override from a financial aid administrator based on unusual circumstances.

Pell Grants were awarded to a population of about the same age in 1988-89 as they were in 1987-88. Table 10A shows that 57 percent of all recipients were 23 years or younger and 30 percent were 27 years or older in 1988-89.

This is nearly the same as the previous year when 56 percent were in the younger age group and 30 percent in the older group and may indicate that a recent trend towards increasingly older populations of Pell recipients has peaked.

The relationship between age and family income that is illustrated in Table 10A closely reflects the relationship between family income and dependency status. As the table shows, recipients in the younger age groups, most of whom are dependent and report their parent's income, had relatively higher family incomes. For example, 22 percent of the 23 years and younger group had family incomes over \$15,000 compared to 17 percent who reported having an income of \$6,000 or less. Older recipients, all of whom are independent, tended to have lower family incomes. Only 7 percent of the over 24 group had family incomes over \$15,000, while 21 percent reported having an income of \$6,000 or less.

CHAPTER 3

MISCELLANEOUS

Award Period 1988-89

Table 11

**Distribution of Pell Grant Recipients
By Family Income and Dependent Student Earnings**

Award Period 1988-89

Table 11 presents a distribution of dependent Pell Grant recipients by family income and student earnings. The dependent student earnings for this table equal the sum of the student's (and spouse's) 1987 taxable and nontaxable income minus the amount of 1987 Federal taxes paid. Dependent recipients who did not report any 1987 earnings--about 39 percent of all dependents--are not included in the table.

Few dependents reported a large amount of earnings. For example, only 14 percent of the dependent recipients included in Table 11 had earnings that exceeded \$4,000 in 1987, the year reported on the 1988-89 application. More than one half (64 percent) of all dependents who reported income had earnings between \$1,000 and \$4,000.

The distribution of dependent student earnings for all dependent students is depicted in Figure 8. Thirty-nine percent reported no earnings, 14 percent earned up to \$1,000, 39 percent earned from \$1,001 to \$4,000, and 9 percent earned more than \$4,000.

A comparison of Table 11 with other End-of-Year Report tables that display distributions of recipients by family income indicates that dependent recipients whose parents had relatively large incomes were more likely to report earnings than dependents whose parents had little income. For example, 69 percent of dependent recipients whose parents had incomes greater than \$15,000 reported earnings in 1987 (and therefore are included in Table 11). About 49 percent of dependents with family incomes of \$6,000 and less reported student earnings.

**Figure 8
Distribution of Dependent Pell Grant Recipients By Student Earnings**

Award 1988-89

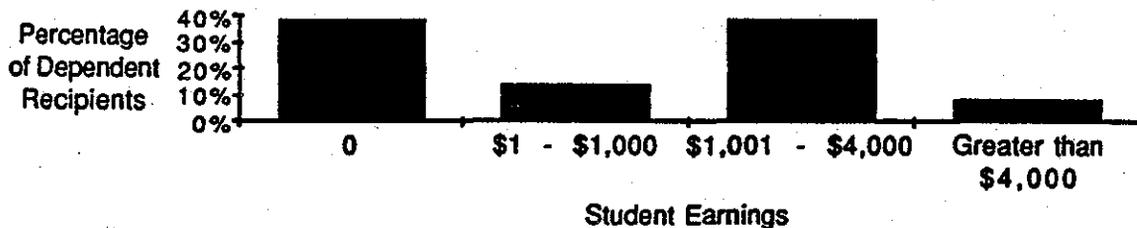


TABLE 11
DISTRIBUTION OF PELL GRANT RECIPIENTS BY FAMILY INCOME AND DEPENDENT STUDENT EARNINGS
AWARD YEAR 1988-89

FAMILY INCOME	DEPENDENT STUDENT EARNINGS										TOTAL
	\$1 - 500	\$501 - 1,000	\$1,001 - 1,500	\$1,001 - 2,000	\$2,001 - 3,200	\$3,201 - 4,000	\$4,001 - 5,000	\$5,000 - 7,500	\$7,501 - 10,000	\$10,000 +	
LESS THAN \$1,001	2,690	3,214	2,792	2,488	5,181	2,466	2,067	2,463	656	189	24,206
R%	11.11	13.28	11.53	10.28	21.40	10.19	8.54	10.18	2.71	0.78	100.00
C%	3.40	3.01	2.69	2.44	2.39	2.38	2.99	6.31	0.00	16.64	2.93
\$1,001 - 3,000	2,646	3,308	3,099	2,822	5,318	2,571	2,207	2,547	656	164	25,338
R%	10.44	13.06	12.23	11.14	20.99	10.15	8.71	10.05	2.59	0.65	100.00
C%	3.35	3.10	2.99	2.77	2.45	2.49	3.19	6.53	0.00	14.44	3.07
\$3,001 - 6,000	6,605	8,899	7,733	6,980	13,539	7,296	6,597	7,145	1,563	250	66,607
R%	9.92	13.36	11.61	10.48	20.33	10.95	9.90	10.73	2.35	0.38	100.00
C%	8.36	8.33	7.46	6.86	6.24	7.05	9.55	18.31	0.00	22.01	8.06
\$6,001 - 9,000	7,449	10,147	8,974	8,287	16,525	8,459	7,519	7,833	1,232	174	76,599
R%	9.72	13.25	11.72	10.82	21.57	11.04	9.82	10.23	1.61	0.23	100.00
C%	9.42	9.50	8.66	8.14	7.61	8.18	10.88	20.07	0.00	15.32	9.27
\$9,001 - 15,000	15,394	21,713	20,089	19,298	40,166	20,007	16,647	11,035	994	154	165,497
R%	9.30	13.12	12.14	11.66	24.27	12.09	10.06	6.67	0.60	0.09	100.00
C%	19.48	20.33	19.39	18.96	18.50	19.35	24.09	28.28	0.00	13.56	20.02
\$15,001 - 20,000	13,072	17,640	17,526	17,388	37,830	18,378	13,497	4,341	192	46	139,910
R%	9.34	12.61	12.53	12.43	27.04	13.14	9.65	3.10	0.14	0.03	100.00
C%	16.54	16.52	16.91	17.09	17.43	17.77	19.53	11.13	0.00	4.05	16.93
\$20,001 - 30,000	21,047	27,998	28,675	29,182	63,301	29,281	15,278	2,885	200	91	217,938
R%	9.66	12.85	13.16	13.39	29.05	13.44	7.01	1.32	0.09	0.04	100.00
C%	26.63	26.22	27.67	28.67	29.16	28.31	22.11	7.39	0.00	8.01	26.37
\$30,001 +	10,140	13,864	14,736	15,324	35,225	14,960	5,287	771	141	68	110,516
R%	9.18	12.54	13.33	13.87	31.87	13.54	4.78	0.70	0.13	0.06	100.00
C%	12.83	12.98	14.22	15.06	16.23	14.47	7.65	1.98	0.00	5.99	13.37
TOTAL	79,043	106,783	103,624	101,769	217,085	103,418	69,099	39,020	5,634	1,136	826,611
R%	9.56	12.92	12.54	12.31	26.26	12.51	8.36	4.72	0.68	0.14	100.00
C%	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	0.00	100.00	100.00

Table 12

Summary Statistics for Pell Grant Applicants Reporting Veteran's Benefits

Award Period 1988-89

Table 12 presents data on Pell Grant applicants reporting GI Bill and Dependents Educational Assistance Benefits.

During award period 1988-89, 62,187 students, constituting approximately 2 percent of all Pell Grant applicants, reported receiving these Veteran's benefits on an official application. Approximately three of every four applicants reporting Veteran's benefits (74 percent) were independent.³ Figure 9 shows the number of applicants and recipients reporting Veteran's benefits by dependency status.

Table 12 also shows that applicants reporting Veteran's benefits qualified for a Pell Grant at a slightly higher rate than applicants in general--a 69 percent eligibility rate for veterans versus a 64 percent qualification rate for the entire applicant pool. This difference is explained by the fact that the qualification rate for independents, which most veteran's benefit recipients are, was 86 percent compared to 56 percent for dependents. Also consistent with the general applicant population was the fact that independents who reported Veteran's benefits qualified at a greater rate (75 percent) than their dependent counterparts (53 percent).

Eligible applicants who reported Veteran's benefits were more likely to receive a Pell Grant than

³ The reader should note that beginning in 1987-88, all veterans were considered independent. However, a student need not be a veteran to receive Veteran's benefits. The 20 percent who were dependent and received benefits evidently were not veterans.

other applicants--79 percent of eligible veterans versus 76 percent of all eligible applicants.

Veterans were selected for institutional verification at the same rate as the general population. Approximately 41 percent of eligible veterans were selected versus 45 percent of all eligible Pell Grant applicants. The selection rate for eligible dependent applicants reporting Veteran's benefits (66 percent) was higher than the rate for their independent counterparts (35 percent).

The average grant for veterans reporting benefits was \$1,425, slightly more than the general population average of \$1,399. This is a shift from 1987-88 when the average grant for those reporting Veteran's benefits was slightly lower than the general population. Program funds directed toward students with Veteran's benefits in 1988-89 totalled \$48.6 million, or 1.1 percent of all program expenditures.

Figure 9
Number of
Applicants/Recipients
Reporting VA Benefits

Award Year 1988-89

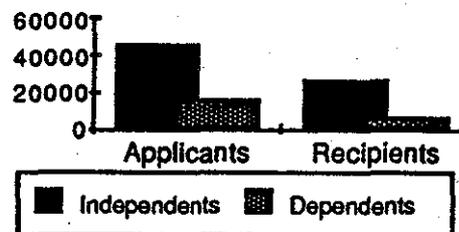


TABLE 12
**SUMMARY STATISTICS FOR PELL GRANT APPLICANTS
 REPORTING VETERAN'S BENEFITS
 AWARD YEAR 1988-89**

	DEPENDENT	INDEPENDENT	TOTAL
NUMBER OF APPLICANTS SUBMITTING OFFICIAL APPLICATIONS	16,171	46,016	62,187
NUMBER OF APPLICANTS SUBMITTING VALID APPLICATIONS	15,112	43,282	58,394
NUMBER AND PERCENT OF QUALIFIED APPLICANTS	8,605 53.21	34,403 74.76	43,008 69.16
NUMBER AND PERCENT OF NON-QUALIFIED APPLICANTS	6,507 40.24	8,879 19.30	15,386 24.74
NUMBER AND PERCENT OF APPLICATIONS RETURNED FOR INSUFFICIENT DATA NEVER RE-SUBMITTED FOR PROCESSING	1,059 6.55	2,734 5.94	3,793 6.10
NUMBER OF APPLICANTS SUBMITTING UNOFFICIAL APPLICATIONS	855	1,714	2,569
NUMBER OF APPLICANTS SELECTED FOR VALIDATION	5,702	11,882	17,584
NUMBER OF PELL GRANT RECIPIENTS	6,886	27,238	34,124
TOTAL EXPENDITURES	\$9,284,342	\$39,331,455	\$48,615,797
AVERAGE GRANT	\$1,348	\$1,444	\$1,425

Table 13

Distribution of Pell Grant Applicants By Eligibility Status and Income Range

Award Period 1988-89

Table 13 presents a distribution of Pell Grant applicants by eligibility status and income range. Unlike other tables in the End-of-Year Report, Table 13 is based on data from the Management Information System of the Pell Grant Application Processing System. It includes data on all applicants rather than recipients only. It also employs family income categories that differ from the other tables in this report.

Table 13 shows that seven of every ten applicants (71 percent) qualified to receive a Pell Grant in 1988-89. Independents qualified at a much higher rate than dependent applicants. Although independent applicants slightly outnumbered dependent applicants (by about 51 percent to 49 percent), far more independents were qualified to receive aid (85 percent) than dependents (56 percent).

Income explains the differences in eligibility rates. As the table shows, most independent applicants reported little income. For example, 55 percent reported having a family income of \$7,500 or less in 1987. By comparison, only 13 percent of the nearly 3 million dependent applicants were in this low income range.

Low income applicants--both independent and dependent--were much more likely to qualify for a grant than their higher income counterparts. For example, more than 99 percent of all applicants with family incomes of up to \$7,500 qualified, while 43 percent of applicants with incomes exceeding \$15,000 qualified. The very small group of low income applicants who did not qualify most likely reported sizable assets. Those in the high income group who qualified most likely had a large family, more than one family member in postsecondary education, few liquid assets, high medical and dental expenses, or a large amount of tuition paid for a child attending elementary or secondary school.

A comparison with 1987-88 data shows that low income applicants qualified at about the same rate as low income applicants last year: over 99 percent of those with family incomes of \$7,500 or less in both years were eligible. However, slightly more high income applicants qualified. For example, in 1987-88, 32 percent of applicants with incomes greater than \$15,000 were eligible; in 1988-89 43 percent of the students in this income group were eligible.

TABLE 13
**DISTRIBUTION OF PELL GRANT APPLICANTS
 BY ELIGIBILITY STATUS AND INCOME RANGE**
ALL APPLICANTS - AWARD YEAR 1988-89

<u>ALL APPLICANTS</u>	INCOME RANGE										TOTAL
	\$0 - 4,000	\$4,001 - 7,500	\$7,501 - 10,000	\$10,001 - 12,000	\$12,001 - 15,000	\$15,001 - 20,000	\$20,001 - 25,000	\$25,001 - 30,000	\$30,001 - 35,000	\$35,000 +	
TOTAL QUALIFIED APPLICANTS	1,049,652	985,576	457,339	236,995	306,920	411,017	318,008	211,398	100,053	97,805	4,174,763
PERCENT OF TOTAL QUALIFIED APPLICANTS	25.1	23.6	11.0	5.7	7.4	9.8	7.6	5.1	2.4	2.3	100.0
TOTAL APPLICANTS	1,052,442	991,142	493,462	316,622	406,300	539,170	427,595	353,526	290,986	1,019,992	5,891,237
PERCENT OF TOTAL APPLICANTS	17.9	16.8	8.4	5.4	6.9	9.2	7.3	6.0	4.9	17.3	100.0

<u>DEPENDENT APPLICANTS</u>	INCOME RANGE										TOTAL
	\$0 - 4,000	\$4,001 - 7,500	\$7,501 - 10,000	\$10,001 - 12,000	\$12,001 - 15,000	\$15,001 - 20,000	\$20,001 - 25,000	\$25,001 - 30,000	\$30,001 - 35,000	\$35,000 +	
TOTAL QUALIFIED APPLICANTS	166,216	220,868	149,620	113,598	165,459	256,857	220,542	156,691	84,243	90,893	1,624,987
PERCENT OF TOTAL QUALIFIED APPLICANTS	10.2	13.6	9.2	7.0	10.2	15.8	13.6	9.6	5.2	5.6	100.0
TOTAL APPLICANTS	167,998	223,989	155,570	121,546	183,982	304,747	288,842	268,721	241,371	950,471	2,907,237
PERCENT OF TOTAL APPLICANTS	5.8	7.7	5.4	4.2	6.3	10.5	9.9	9.2	8.3	32.7	100.0

<u>INDEPENDENT APPLICANTS</u>	INCOME RANGE										TOTAL
	\$0 - 4,000	\$4,001 - 7,500	\$7,501 - 10,000	\$10,001 - 12,000	\$12,001 - 15,000	\$15,001 - 20,000	\$20,001 - 25,000	\$25,001 - 30,000	\$30,001 - 35,000	\$35,000 +	
TOTAL QUALIFIED APPLICANTS	883,436	764,708	307,719	123,397	141,461	154,160	97,466	54,707	15,810	6,912	2,549,776
PERCENT OF TOTAL QUALIFIED APPLICANTS	34.6	30.0	12.1	4.8	5.5	6.0	3.8	2.1	0.6	0.3	100.0
TOTAL APPLICANTS	884,444	767,153	337,892	195,076	222,318	234,423	138,753	84,805	49,615	69,521	2,984,000
PERCENT OF TOTAL APPLICANTS	29.6	25.7	11.3	6.5	7.5	7.9	4.6	2.8	1.7	2.3	100.0

Table 14

Pell Grant Recipient Enrollment Status By Type and Control of Institution

Award Period 1988-89

Table 14 shows the distribution of Pell Grant recipients by enrollment status and type and control of institution.

In comparing this data to that of the 1987-88 award year, there is a drop in full-time students (from 80 percent in 1987-88 to 73 percent in 1988-89) and corresponding increase in half-time students (from 3 percent in 1987-88 to 9 percent in 1988-89). This indicates a trend toward part-time study. Approximately 14 percent of the recipients had no reported enrollment status or changed their status within the award year. (For example, went from full-time during the fall semester to half-time during the spring). These students are excluded from Table 14.

Enrollment status varied by dependency status. A little less than half the full-time recipients were dependent (48 percent) and slightly more than half were independent (52 percent). However, part-time recipients were much more likely to be independent. Four times as many three-quarter time recipients were independent (80 percent) than dependent (20 percent) and more than five times as many half-time students claimed independent status (85 percent) than dependent status (15 percent).

Enrollment status varied considerably by whether the school was public, private, non-profit, or profit-making. Of total full-time recipients, 59 percent attended public schools, 20 percent attended private, non-profit schools, and 20 percent attended profit-making schools. Fifty-one percent of three-quarter time

students attended public institutions, 14 percent were enrolled in private, non-profit schools, and 35 percent attended profit-making schools.

There has been a dramatic shift from 1987-88 to 1988-89 in the distribution of half-time students. Of total half-time recipients, the proportion enrolled at public institutions dropped from 64 percent in 1987-88 to 30 percent in 1988-89. That trend was reversed at profit-making schools, where the percentage of total half-time recipients jumped from 22 percent in 1987-88 to 61 percent in 1988-89. Half-time enrollment at private, non-profit institutions fell from 14 to 8 percent.

Attendance patterns also varied by the length of program offered by the school. Recipients in schools offering programs of 5 years or longer--many of which are large state universities--were more often full-time than recipients attending other schools. This category of schools had 83 percent full-time recipients in 1988-89, and only 1 percent and 2 percent three-quarter and half-time recipients, respectively. (Enrollment status changed within the reporting period or was not on file for the remaining 14 percent).

Institutions where commuters make up a large portion of the student body attracted part-time students at a slightly greater rate. For example, schools offering programs 2 to 3 years in length--most of which are 2-year community colleges--had 67 percent full-time, 4 percent three-quarter time, and 9 percent half-time recipients.

TABLE 14
PELLGRANT RECIPIENT ENROLLMENT STATUS
BY TYPE AND CONTROL OF INSTITUTION
ALL INSTITUTIONS - AWARD PERIOD 1988-89

TYPE OF INSTITUTION	FULL TIME			THREE QUARTER TIME			HALF TIME		
	TOTAL	DEPENDENTS	INDEPENDENTS	TOTAL	DEPENDENTS	INDEPENDENTS	TOTAL	DEPENDENTS	INDEPENDENTS
TOTAL PUBLIC INSTITUTIONS	1,390,760	721,476	669,284	54,695	12,072	42,623	87,262	11,551	75,711
FIVE YEARS OR MORE	749,853	453,071	296,782	10,993	3,185	7,808	14,267	2,130	12,137
FOUR-YEAR NO GRADUATE	138,034	78,523	59,511	3,183	779	2,404	5,060	585	4,475
THREE YEARS BUT LESS THAN FOUR YEARS	2,284	545	1,739	241	22	219	293	17	276
TWO YEARS BUT LESS THAN THREE YEARS	485,800	185,799	300,001	37,857	7,672	30,185	63,016	8,173	54,843
ONE YEAR BUT LESS THAN TWO YEARS	11,159	2,657	8,502	1,782	296	1,486	3,674	515	3,159
SIX MONTHS BUT LESS THAN ONE YEAR	3,630	881	2,749	639	118	521	952	131	821
TOTAL PRIVATE, NON-PROFIT	477,926	294,947	182,979	14,555	2,429	12,126	23,841	2,744	21,097
FIVE YEARS OR MORE	178,058	116,385	61,673	3,464	801	2,663	4,793	544	4,249
FOUR-YEAR NO GRADUATE	240,993	153,139	87,854	7,483	980	6,503	11,847	848	10,999
THREE YEARS BUT LESS THAN FOUR YEARS	3,449	1,427	2,022	168	46	122	143	30	113
TWO YEARS BUT LESS THAN THREE YEARS	41,095	19,912	21,183	2,195	389	1,806	4,161	519	3,642
ONE YEAR BUT LESS THAN TWO YEARS	11,135	3,619	7,516	630	128	502	2,340	748	1,592
SIX MONTHS BUT LESS THAN ONE YEAR	3,196	465	2,731	615	85	530	557	55	502
TOTAL PRIVATE, PROFIT-MAKING	473,175	116,919	356,256	37,247	6,977	30,270	175,733	28,991	146,742
FIVE YEARS OR MORE	402	76	326	32	1	31	2	0	2
FOUR-YEAR NO GRADUATE	19,754	7,364	12,390	1,122	187	935	1,256	149	1,107
THREE YEARS BUT LESS THAN FOUR YEARS	5,436	1,919	3,517	142	30	112	1,060	194	866
TWO YEARS BUT LESS THAN THREE YEARS	152,724	41,011	111,713	4,612	758	3,854	20,753	3,150	17,603
ONE YEAR BUT LESS THAN TWO YEARS	161,453	37,669	123,784	9,862	2,026	7,836	67,687	11,591	56,096
SIX MONTHS BUT LESS THAN ONE YEAR	133,406	28,880	104,526	21,477	3,975	17,502	84,975	13,907	71,068
TOTAL	2,341,861	1,133,342	1,208,519	106,497	21,478	85,019	286,836	43,286	243,550

Table 15

**Distribution of Pell Grant Recipients
Paid on a Simplified Needs Test SAI
By Family Income and Grant Level**

Award Period 1988-89

15A - Total
15B - Dependent
15C - Independent

Tables 15A, 15B, and 15C show the distribution of Pell recipients who qualified for and were paid on the basis of the Simplified Needs Test (SNT) by family income and grant level. SNT, which is intended to reduce the burden associated with completing an application for Federal student aid, was first implemented in 1988-89. It permits applicants with low family income (AGI or earned income of \$15,000 or less), who either filed their Federal income tax return on a short form (Form 1040A or 1040EZ) or did not file to omit all application sections regarding assets, expenses, veterans educational benefits, and expected income and benefits.

As shown in Table 15A, more than 1,575,000 recipients qualified for their grants through SNT. This represents 49 percent of all recipients in 1988-89. Of these SNT-qualified recipients, more than 1,250,000 (79 percent of the recipients) were independent compared to over 325,000 (21 percent) who were dependent (see Tables 15B and 15C). Another way of showing the extent to which independents dominate over dependents in qualifying for SNT is to examine the percentage of all recipients in each dependency status category who were paid on SNT. Two thirds (67 percent) of all independent student recipients were paid on SNT compared to only 24 percent of dependent student recipients.

Table 15A shows the distributions of all SNT recipients by family income and grant level. To be consistent with other tables in this report, family income as shown here includes both

taxable income (or earned income for non-tax filers) and nontaxable income such as Social Security benefits, AFDC, and child support. All SNT recipients, however, had taxable or earned income of \$15,000 or less.

Overall, Table 15A indicates that the largest single group of SNT recipients (more than 411,000 or 26 percent of the total) received the maximum grant. As expected of low income recipients, this is greater than the 17 percent of all Pell recipients (see Table 3) who received the maximum grant. Only 2 percent of these SNT recipients had a total family income, including income from nontaxable sources, of more than \$15,000. Sixty percent of this group had total family incomes of \$6,000 or less and 82 percent had total family incomes of \$9,000 or less.

Once qualification for SNT has been determined, there are relatively few differences between those who are dependent (Table 15B) and those who are independent (Table 15C). About the same percentage of each group (27 percent of dependents and 26 percent of independents) received the maximum grant. Consistent with the finding that family income for dependent students is generally higher than that of independent students, only 42 percent of dependent SNT recipients reported family income of up to \$6,000 compared with 65 percent of independent SNT recipients. Still few of each group (5 percent of dependents and 1 percent of independents) reported total family incomes of over \$15,000.

Table 16

**Distribution of Pell Grant Recipients
Qualified Under Dislocated Worker Provision
By Expected Family Income and Grant Level**

Award Period 1988-89

16A - Total
16B - Dependent
16C - Independent

Tables 16A, 16B, and 16C show the distribution of Pell Grant recipients who qualified as dislocated workers. This provision, which was new for the 1988-89 year, applies to a parent of a dependent student or an independent student/spouse who was terminated or laid-off or, if self-employed, was unemployed because of poor economic conditions or a natural disaster. For those applicants qualifying under this provision, eligibility was based on expected 1988 income rather than 1987 income, and home assets were excluded in eligibility determination.

Table 16A shows that just over 100,000 recipients (less than 2 percent of all applicants and about 3 percent of all recipients) qualified as dislocated workers. Forty-six percent of these were dependent and 54 percent were independent, which is similar to the overall breakdown of recipients by dependency status.

For these dislocated worker applicants, the expected income was similar to the base year income for Pell recipients as a whole. Table 16A shows that 65 percent reported an expected income of \$15,000, or less, which compares to 71 percent of all recipients (see Table 3A). As a result, the grants received were similar to those of all recipients, with nearly 15

percent receiving the maximum of \$2,200 (compared to 17 percent of all recipients) and 23 percent receiving less than \$900 (compared to 25 percent of all recipients).

As anticipated, there are some differences between dependents (see Table 16B) and independents (see Table 16C) who qualified as dislocated workers. Dependents were twice as likely to have an expected year income of more than \$15,000 (48 percent) than independents (24 percent). Independents were about twice as likely to have an expected income of \$6,000 or less (35 percent) than were dependents (17 percent).

As a function of these differences between dependent students and independent students in income, there are some differences in the grant received by dependency status. About 18 percent of independents received the maximum grant of \$2,200 compared to about 10 percent of dependents. However, when grants of \$1,800 or above are examined, there is no longer much difference (34 percent of dependents compared to 35 percent of independents). The median grant received for both dependents and independents was in the \$1,200 to \$1,499 range.

Table 17

**Distribution of Pell Grant Recipients
Qualified Under Displaced Homemaker Provision by Family
Income and Grant Level**

Award Period 1988-89

17A - Total
17B - Dependent
17C - Independent

Tables 17A, 17B, and 17C show the distribution of recipients who qualified for a Pell Grant based upon the displaced homemaker provision. These tables depict family income by the grant received for all recipients (Table 17A), dependent recipients (Table 17B), and independent recipients (Table 17C).

The displaced homemaker provision, like the dislocated worker provision, was applied for the first time in the 1988-89 award year. An applicant (either parent for a dependent student or the student or spouse for an independent student) qualified as a displaced homemaker by meeting each of three provisions: 1) not in the labor force for 5 or more years and serving as a homemaker during that period; 2) dependent on public assistance or previously dependent for support on public assistance or the income of another family member, but no longer receiving that support; and 3) unemployed or underemployed and having difficulty obtaining or upgrading employment. An applicant who qualified as a displaced homemaker had net home assets ignored in determining eligibility.

Table 17A indicates that relatively few recipients (about 57,000 or less than 2 percent of all recipients and less than 1 percent of all applicants) qualified under the displaced homemaker provision. Those who qualified were divided almost

evenly by dependency status (51 percent dependent and 49 percent independent).

The distribution of family income among displaced homemakers was slightly higher than that of all recipients, with 33 percent above \$15,000 (compared to 29 percent for all recipients) and 32 percent up to \$6,000 (compared to 38 percent for all recipients). Dependents with a displaced homemaker for a parent were much more likely to have incomes above \$15,000 (40 percent) than independent displaced homemakers (26 percent), and independents were much more likely to have an income up to \$6,000 (38 percent) than dependents (27 percent).

The distribution of grants received among displaced-homemaker qualifiers is similar to that for the recipient population as a whole. Twenty-five percent of both displaced-homemaker qualifiers and all recipients received grants under \$900. Fourteen percent of those qualifying as displaced homemakers received the maximum grant compared to 17 percent of all recipients. Differences by dependency status in the grants received by displaced-homemaker qualifiers were modest, with 12 percent of dependents and 15 percent of independents receiving the maximum grant and 22 percent of dependents and 28 percent of independents receiving grants below \$900.

Table 18

Use of Institutional Discretion For SAI Adjustment By Type and Control of Institution and Adjustment Made

Award Period 1988-89

Table 18 describes the use of institutional discretion to adjust the SAI by type and control of institution and the adjustment made. For ease of comparison this table also depicts the total number of recipients in each type of institution.

Institutional discretion was permitted for the first time in the 1988-89 award year and replaced the more restrictive special condition provision previously in place. A key difference between the two provisions is that special condition was initiated by the student on the application (although perhaps on the advice of an FAA), while institutional discretion was initiated by the FAA upon review of the Student Aid Report (although perhaps at the request of the student). The institutional discretion provision permitted a financial aid administrator (FAA) to adjust the SAI at his or her discretion. The FAA could make the adjustment in either of two ways: on the Student Aid Report for return to the central processor or on the payment document for return to the disbursement system processor. In either case, one of six general types of adjustments made had to be indicated, as follows: an adjustment to the parental contribution; an adjustment to the formula used, a change in the product or SAI, use of projected year data instead of base year data, a change in any data element used in the formula, or use of the secondary SAI instead of the primary SAI.

Table 18 indicates that FAAs used this discretion for just over 100,000 recipients, or 3 percent of the total recipients. Because this is a new feature, direct comparisons with 1987-88 are not possible. Comparisons are further complicated by the fact that some applicants who might have qualified under a special condition for 1987-88 could have met the qualifications for dislocated worker or displaced homemaker in 1988-89. However, it is interesting to note that the combined use of institutional discretion, the dislocated worker provision (see Table 16), and the displaced homemaker provision (see Table 17) for 1988-89 added up to more than 258,000 recipients or 8 percent of the total.

Table 18 also depicts the use of total adjustments by each type and control of institution. Differences in the use of institutional discretion by institutional control are relatively small. For example, the use of institutional discretion at public institutions (3.6 percent), private, non-profit institutions (3.2 percent), and private, profit-making institutions (1.9 percent) are not markedly different. Among institutions of various type and control with appreciable numbers of recipients (at least 100,000 at all institutions of that type and control), institutional discretion was most used by 5 year private, non-profit institutions (4.9 percent), 5 year public institutions (4.2

percent), and 2 year public institutions (3.2 percent). None of the other institutions with appreciable numbers of recipients used institutional discretion for more than 2.1 percent of recipients.

Finally, Table 18 shows the prevalence with which various adjustments were made. The most often used (38.9 percent of the cases) was an adjustment to the product. This is not surprising as it is probably easier for an FAA to adjust the

SAI itself rather than make an adjustment that requires calculations to arrive at the SAI (as do most of the other adjustments). The next most frequently used adjustment was use of projected year data (27.3 percent). Two other adjustments were used in far fewer cases: change in a data element (15.1 percent) and use of secondary SAI (12.1 percent). The remaining two adjustments were used infrequently.

TABLE 18
USE OF INSTITUTIONAL DISCRETION FOR SAI ADJUSTMENTS
BY TYPE & CONTROL OF INSTITUTION AND ADJUSTMENT MADE
ALL INSTITUTIONS - AWARD PERIOD 1988-89

TYPE OF INSTITUTION	ADJUSTMENT (SHOWS NUMBER & PERCENTAGE OF TOTAL ADJUSTMENTS)							TOTAL ADJUSTMENTS	
	RECIPIENTS	PARENTAL CONTRIBUTION	FORMULA	PRODUCT	PROJETEC YEAR DATA	DATA ELEMENT	SECONDARY SAI USED		
TOTAL PUBLIC INSTITUTIONS	1,862,669	1,795	1,693	28,360	20,283	8,738	6,113	66,982	N
		2.7	2.5	42.3	30.3	13.0	9.1	3.6	T %
FIVE YEARS OR MORE	893,992	1,567	1,187	12,315	15,406	5,321	2,159	37,955	N
		4.1	3.1	32.4	40.6	14.0	5.7	4.2	T %
FOUR-YEAR NO GRADUATE	158,412	68	73	251	1,712	876	288	3,268	N
		2.1	2.2	7.7	52.4	26.8	8.8	2.1	T %
THREE YEARS BUT LESS THAN FOUR YEARS	3,121	0	0	0	0	1	2	3	N
		0.0	0.0	0.0	0.0	33.3	66.7	0.1	T %
TWO YEARS BUT LESS THAN THREE YEARS	780,477	158	423	15,631	3,076	2,521	3,546	25,355	N
		0.6	1.7	61.6	12.1	9.9	14.0	3.2	T %
ONE YEAR BUT LESS THAN TWO YEARS	20,699	1	10	151	42	6	113	323	N
		0.3	3.1	46.7	13.0	1.9	35.0	1.6	T %
SIX MONTHS BUT LESS THAN ONE YEAR	5,968	1	0	12	47	13	5	78	N
		1.3	0.0	15.4	60.3	16.7	6.4	1.3	T %
TOTAL PRIVATE, NON-PROFIT	592,655	1,876	654	5,623	4,544	5,149	1,359	19,205	N
		9.8	3.4	29.3	23.7	26.8	7.1	3.2	T %
FIVE YEARS OR MORE	229,032	1,510	295	4,180	2,290	2,666	262	11,203	N
		13.5	2.6	37.3	20.4	23.8	2.3	4.9	T %
FOUR-YEAR NO GRADUATE	287,994	313	282	876	1,885	2,121	455	5,932	N
		5.3	4.8	14.8	31.8	35.8	7.7	2.1	T %
THREE YEARS BUT LESS THAN FOUR YEARS	4,049	3	1	8	42	16	2	72	N
		4.2	1.4	11.1	58.3	22.2	2.8	1.8	T %
TWO YEARS BUT LESS THAN THREE YEARS	52,235	50	68	304	305	315	148	1,190	N
		4.2	5.7	25.5	25.6	26.5	12.4	2.3	T %
ONE YEAR BUT LESS THAN TWO YEARS	14,755	0	5	185	14	22	476	702	N
		0.0	0.7	26.4	2.0	3.1	67.8	4.8	T %
SIX MONTHS BUT LESS THAN ONE YEAR	4,590	0	3	70	8	9	16	106	N
		0.0	2.8	66.0	7.5	8.5	15.1	2.3	T %
TOTAL PRIVATE, PROFIT-MAKING	742,962	65	540	5,063	2,532	1,252	4,639	14,091	N
		0.5	3.8	35.9	18.0	8.9	32.9	1.9	T %
FIVE YEARS OR MORE	439	0	0	0	2	0	0	2	N
		0.0	0.0	0.0	100.0	0.0	0.0	0.5	T %
FOUR-YEAR NO GRADUATE	24,223	2	30	50	79	16	93	270	N
		0.7	11.1	18.5	29.3	5.9	34.4	1.1	T %
THREE YEARS BUT LESS THAN FOUR YEARS	6,889	7	1	16	336	18	18	396	N
		1.8	0.3	4.0	84.8	4.5	4.5	5.7	T %
TWO YEARS BUT LESS THAN THREE YEARS	188,330	29	124	905	1,109	769	1,066	4,002	N
		0.7	3.1	22.6	27.7	19.2	26.6	2.1	T %
ONE YEAR BUT LESS THAN TWO YEARS	260,471	15	176	1,854	514	189	1,326	4,074	N
		0.4	4.3	45.5	12.6	4.6	32.5	1.6	T %
SIX MONTHS BUT LESS THAN ONE YEAR	262,610	12	209	2,238	492	260	2,136	5,347	N
		0.2	3.9	41.9	9.2	4.9	39.9	2.0	T %
TOTAL	3,198,286	3,736	2,887	39,046	27,359	15,139	12,111	100,278	N
		3.7	2.9	38.9	27.3	15.1	12.1	3.1	T %

CHAPTER 4

**DISTRIBUTION OF VERIFIED PELL GRANT RECIPIENTS
BY INCOME LEVEL AND GRANT LEVEL**

Award Period 1988-89

Table 19

Distribution of Verified Pell Grant Recipients By Income and Grant Level

Award Period 1988-89

Table 19 examines the relationship of family income to grant level for verified recipients during 1988-89. Recipients who were not selected for verification--67 percent of the population--are not included on the table.

A comparison of this table with other tables in the End-of-Year Report that show family income for all 1988-89 Pell Grant recipients suggests that low income students were less likely to be selected for verification than those reporting a high income. For example, 33 percent of all verified recipients reported family incomes of \$6,000 or less. By comparison, 40 percent of non-verified recipients had incomes in this range. Likewise, the proportion of verified students reporting incomes greater than \$15,000 (37 percent) was greater than the proportion of non-verified students (25 percent) with incomes in this range.

Verified recipients appeared to be awarded grants that were, on average, similar in size to their non-verified counterparts. For example, Table 19 shows that 15 percent of the verified population received the maximum grant of \$2,200 compared with 18 percent of the non-verified group. Grants of less than \$1,200 were awarded to 43 percent of the verified population and to 41 percent of the non-verified group.

As with the recipient population in general, Table 19 illustrates that the higher the verified recipients' income the lower the grant. Verified recipients with incomes over \$15,000 comprised 37 percent of all verified students but received only 3 percent of all maximum awards. Verified recipients with incomes of \$6,000 or less made up 33 percent of the verified population and received 63 percent of the maximum awards.

In the middle range, those with income from \$6,001 to \$15,000 made up 30 percent of the verified population and received 34 percent of the maximum awards.

In comparing the verified population for 1988-89 with that of 1987-88, there are some dramatic differences. Those verified with family incomes of less than \$1,001 increased from about 6 percent to 13 percent. However, the percentage of those verified at all income levels up to \$6,000 remained approximately stable (decreasing from about 36 percent to 33 percent). The largest changes were at the highest income levels (above \$20,000) where the percentage of those verified increased from 12 percent for 1987-88 to 24 percent for 1988-89. These dramatic changes can be attributed to changes in the verification selection criteria.

CHAPTER 5

**SUMMARY STATISTICS FOR THE
MULTIPLE DATA ENTRY SYSTEM**

Award Period 1988-89

Table 20

Multiple Data Entry Summary Statistics

Award Period 1988-89

Table 20 displays summary statistics by Multiple Data Entry (MDE) source for all Pell Grant applicants.

During 1988-89, students could apply for a Pell Grant using the Federal application or one of four MDE applications: American College Testing (ACT) Program's Family Financial Statement; College Scholarship Service's (CSS) Financial Aid Form; the Pennsylvania Higher Education Assistance Agency (PHEAA) form; or the Illinois State Scholarship Commission (ISSC) form.

Table 20 shows that CSS's form was used by most students submitting an official Pell Grant application (42 percent) followed in order by the Federal Pell form (33 percent), ACT (19 percent), PHEAA (4 percent), and ISSC (1 percent). From 1987-88 to 1988-89 the proportion of applicants using the Federal form declined by 3 percent (from 36 percent). In contrast, the proportion of applicants from the two largest MDEs increased: CSS by 2 percent (from 40 percent) and ACT by 1 percent (from 18 percent).

In terms of absolute volume of applications, PHEAA had the largest increase over its 1987-88 volume at 13 percent. Application volumes rose by 10 percent for ACT and 9 percent for CSS. Application volumes decreased by 5 percent for the Federal form and 36 percent for ISSC.

Table 20 shows that, as in 1987-88, the proportion of applicants who became recipients in 1988-89 differed according to the application the student used. Students using the Federal application were most likely to receive a Pell Grant. Approximately 58 percent of the students

using this form became recipients. ACT and ISSC applicants were next, with 52 percent becoming recipients, followed by CSS with 42 percent, and PHEAA with 40 percent.

Some applicants did not receive grants because their applications were returned for insufficient data and were never resubmitted for processing. As Table 20 indicates, CSS applicants were most often in this category. Twelve percent of the applications from students who filled out a CSS form were "rejected" and never resubmitted. Federal Pell applications were least often rejected and never resubmitted (6 percent).

Another group of applicants filed applications that had sufficient data but were determined to be non-qualified based upon financial need. The proportion of non-qualified applicants differed substantially by application source. Over one-third of the students submitting CSS or PHEAA forms did not qualify for a grant. A little more than one quarter of the students submitting ACT forms did not qualify for a grant. Seventeen percent of ISSC applicants did not qualify. Students using the Federal Pell form, however, were much more likely to qualify for a grant: only 11 percent of the applicants in this group were non-qualified. The next table, Table 21 suggests that, as in 1987-88, students using the Federal form tended to have lower incomes than other applicants, a likely explanation for the high rate at which they qualified.

Figure 10 shows the percentage of applicants to each MDE whose applications were resolved in each of four manners: insufficient data, never qualified, qualified but never received a grant, awarded grant. Although students using the

Federal form were most likely to submit qualified applications and thus most likely to receive a Pell Grant, they were not the most likely to receive a Pell Grant once their applications had been found eligible, probably because fewer of them actually enrolled in school. ACT applicants were. Approximately 83 percent of eligible ACT filers received a Pell Grant. In comparison, 80 percent of eligible CSS applicants were awarded aid; 78 percent of eligible PHEAA applicants; 71 percent of eligible ISSC filers; and 70 percent of eligible Federal applicants.

These findings are explained by the fact that grants are a function of both income--the major contributing factor to SAI--and educational cost. Federal form filers probably receive the largest grants because of their generally lower incomes. PHEAA filers, who have the highest average incomes (see Table 21), probably receive the second largest grants because they attend more expensive schools.

Table 20 also shows that average grant differed by application source. The largest average grants went to students using the Federal form (\$1,417), followed by PHEAA (\$1,400), ACT (\$1,392), CSS (\$1,390) and ISSC (\$1,227).

The rate at which applicants subject to selection were selected for verification varied substantially by MDE application. Students using the ISSC system were most often selected (47 percent of valid applicants) followed by applicants using the Federal form (34 percent), ACT applicants (33 percent), CSS, and PHEAA applicants (both 30 percent).

Figure 10
Distribution of Applicants By Outcome of Application
Award Year 1988-89

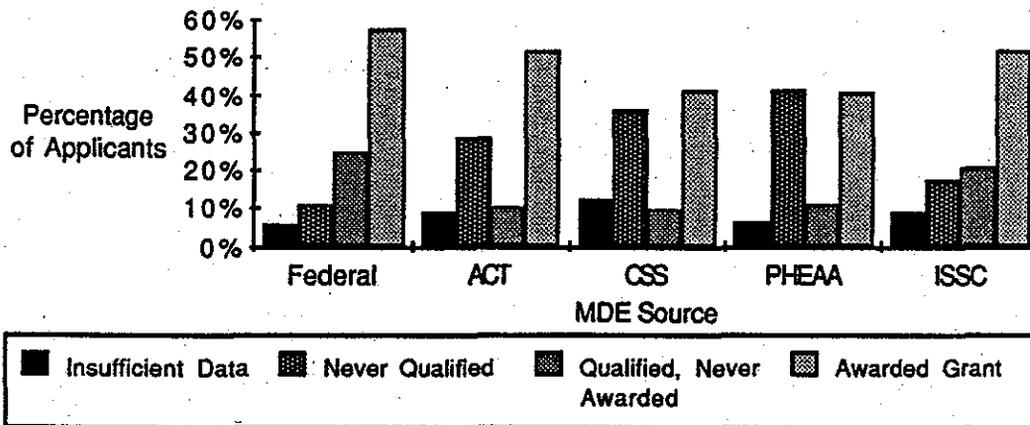


TABLE 20
MULTIPLE DATA ENTRY SUMMARY STATISTICS
ALL APPLICANTS - AWARD YEAR 1988-89

	PELL	ACT	CSS	PHEAA	ISSC	TOTAL
NUMBER OF APPLICANTS						
SUBMITTING OFFICIAL APPLICATIONS	2,173,744	1,266,295	2,743,046	264,659	71,605	6,519,349
NUMBER OF APPLICANTS						
SUBMITTING VALID APPLICATIONS	2,044,701	1,151,573	2,404,528	247,352	65,070	5,913,224
NUMBER AND PERCENT OF QUALIFIED APPLICANTS	1,801,717 82.89	788,723 62.29	1,419,173 51.74	137,193 51.84	52,516 73.34	4,199,322 64.41
NUMBER AND PERCENT OF NON-QUALIFIED APPLICANTS	242,984 11.18	362,850 28.65	985,355 35.92	110,159 41.62	12,554 17.53	1,713,902 26.29
NUMBER AND PERCENT OF APPLICATIONS RETURNED FOR INSUFFICIENT DATA	129,043	114,722	338,518	17,307	6,535	606,125
NEVER RE-SUBMITTED FOR PROCESSING	5.94	9.06	12.34	6.54	9.13	9.30
NUMBER OF APPLICANTS						
SUBMITTING UNOFFICIAL APPLICATIONS	109,454	51,843	113,267	37,689	6,038	318,291
NUMBER OF APPLICANTS						
SELECTED FOR VALIDATION	689,174	379,604	719,415	74,274	30,449	1,892,916
NUMBER OF PELL GRANT RECIPIENTS	1,258,552	654,684	1,140,613	107,110	37,327	3,198,286
TOTAL EXPENDITURES	\$1,783,017,527	\$911,289,113	\$1,585,594,491	\$149,983,155	\$45,808,963	\$4,475,693,249
AVERAGE GRANT	\$1,417	\$1,392	\$1,390	\$1,400	\$1,227	\$1,399

Table 21

Distribution of Pell Grant Recipients By Family Income and Multiple Data Entry Application

Award Period 1988-89

21A - Total
21B - Dependent
21C - Independent

Tables 21A, 21B, and 21C present the distribution of Pell Grant recipients by family income and Multiple Data Entry application, first for all recipients, then for dependents and independents.

As Table 20 showed, the CSS form was the most frequently used by students to apply for a Pell Grant. However, as Table 21A indicates, the Federal Pell form was used most often by Pell Grant recipients. During 1988-89, 39 percent of recipients used the Federal form, 36 percent used the CSS form, 21 percent filed ACT's form, 3 percent used PHEAA's form, and 1 percent used ISSC's form.

Table 21B shows that dependent students were more likely to use CSS (45 percent) followed by the Federal form (27 percent), ACT (23 percent), PHEAA (5 percent), and ISSC (1 percent). Independent students used the Federal form more frequently (49 percent), followed by CSS (29 percent), ACT (18 percent), PHEAA (2 percent), and ISSC (1 percent).

Looking at these data on dependency status another way, students using the Federal or ISSC form were mostly independent, while the majority of recipients processed by ACT, CSS, and PHEAA were dependent. Independents comprised 72 percent of recipients using the Federal form, 71 percent of the ISSC recipients

52 percent of ACT recipients, 47 percent of CSS recipients, and 40 percent of PHEAA recipients. Table 21A shows that Federal and ISSC filers, most of whom are independent, were most likely to report a low family income and least likely to report a relatively high income. For example, 49 percent of recipients using the Federal and ISSC forms reported a family income of \$6,000 or less; only 17 percent of Federal recipients and 22 percent of ISSC recipients reported an income that exceeded \$15,000. For those using the Federal form, 34 percent were in the middle range, with incomes from \$6,001 to \$15,000. ISSC's corresponding figures show that 29 percent were in that middle range.

Recipients whose applications originated with PHEAA tended to have the highest incomes. Only 29 percent of this group reported an income of \$6,000 or less; 43 percent were in the greater than \$15,000 family income range.

The distribution of incomes for CSS and ACT recipients was similar. For example, 31 percent of ACT recipients and 30 percent of CSS recipients were in the \$6,000 and less income range; 36 percent of ACT recipients and 37 percent of CSS recipients reported incomes greater than \$15,000. For both ACT and CSS, about 33 percent fell in the middle ranges, with incomes from \$6,001 to \$15,000.

CHAPTER 6**INSTITUTIONS PARTICIPATING IN THE PELL GRANT PROGRAM:
SUMMARY INFORMATION****Award Period 1988-89**

Table 22

Summary Statistics By Type of Institution

Award Period 1988-89

Table 22 displays summary statistics by type of institution for the 1988-89 award year.

Table 22 shows that participation in the Pell Grant program varies considerably by the length of the educational program offered by the institution (see Figure 11). The 2,122 schools which offered programs of 2 years but less than 3 years in duration represented 30 percent of all participating schools, the largest number of any one type of institution. Many of these schools are publicly-funded 2-year community colleges. Private 2-year junior colleges are also represented in this category.

Schools offering 1 year but less than 2 year programs constituted the second largest category. These schools, which tend to be profit-making institutions offering vocational programs, represented 22 percent of all participants. Institutions with 6 month to 1 year programs ranked third, representing 21 percent of all schools in the Pell Grant program. Schools in this category also tend to be proprietary institutions offering a vocational course of study.

The number of recipients at each type of school varied substantially. Although constituting only 11 percent of all institutions, 5 year schools attracted 35 percent of all Pell Grant recipients. Many of the institutions in this category are large, state-funded universities. An average of 1,384 recipients were enrolled at these 5 year schools. This compares with an average of 487 recipients at each 4 year school without a graduate program, 98 recipients at each 3 year but less than 4 year school, 481 recipients at each 2 year but less than 3 year school, 192 recipients

at each 1 year but less than 2 year school, and 183 recipients at each less than 1 year school.

Students attending institutions offering 1 year but less than 2 year programs received the largest average grants (\$1,485), followed closely by those in 5 year schools (\$1,482) and 4 year schools (\$1,477). This represents a change from 1987-88, where the largest average grants were received by students at 4 year institutions not offering graduate programs, followed by students at 5 year schools and 1 year but less than 2 year schools.

Students enrolled in 2 year but less than 3 year institutions received the lowest average grants (\$1,369). These tend to be publicly supported institutions where a high percentage of the student body are commuters. Pell Grants at these schools tend to be low because of the low educational costs.

The distribution of total Pell Grant funds by institutional type mirrors the distribution of recipients. Five year schools attracted the most recipients of any of the institutional categories and as a result received the most program funds. Total disbursements to students enrolled in 5 year schools in 1988-89 totalled nearly \$1.6 billion, representing 37 percent of all Pell Grant expenditures. Two to three year schools received the next largest amount of Pell Grant funds (28 percent) followed by 4 year schools (16 percent).

A comparison with last year's data shows a 2 percent increase in the total number of institutions participating in the program, from 6,952

in 1987-88 to 7,080 in 1988-89. The 1 year but less than 2 year category experienced the greatest increase. In 1987-88 1,390 schools offering programs of this duration were in the program; in 1988-89 the number had increased to 1,540. The 2 year but less than 3 year category increased slightly, from 2,112 in 1987-88 to 2,122 in 1988-89. The number of 4 year schools without graduate programs remained at 966. The other three types of institutions experienced modest cross-year declines in participation.

The cross-year comparison also shows that the average number of Pell Grant recipients per participating institution increased along with the program-wide increase in the number of students receiving Pell Grants and the overall rise in the number of participating schools. In 1987-88, each school averaged 414 Pell Grant recipients; in 1988-89, the average increased to 452 recipients per school. Five year schools experienced the largest increase in the average number of recipients per school, from 1,199 in 1987-88 to 1,384 in 1988-89.

Figure 11
Distribution of Institutions Participating in the Pell Grant Program By Length of Course Offering

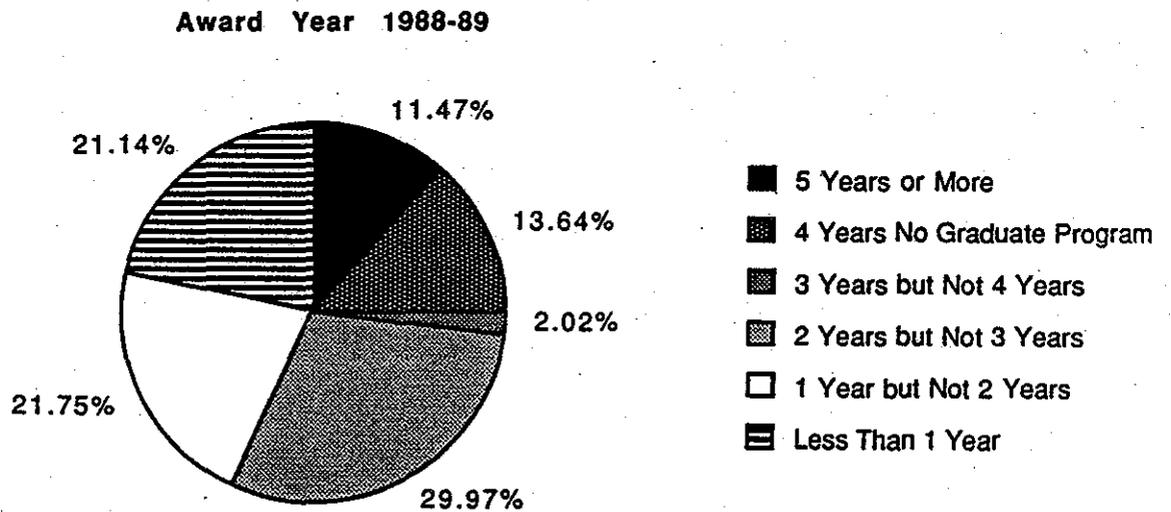


TABLE 22
SUMMARY STATISTICS BY TYPE OF INSTITUTION
AWARD PERIOD 1988-89

TYPE OF INSTITUTION:	NUMBER OF INSTITUTIONS	TOTAL EXPENDITURES	NUMBER OF RECIPIENTS	AVERAGE GRANT
5 YEARS OR MORE	812	\$1,664,794,975	1,123,463	\$1,482
FOUR-YEAR NO GRADUATE PROGRAM	966	\$695,011,726	470,629	\$1,477
THREE YEARS BUT LESS THAN FOUR YEARS	143	\$19,251,239	14,059	\$1,369
TWO YEARS BUT LESS THAN THREE YEARS	2,122	\$1,259,177,672	1,021,042	\$1,233
ONE YEAR BUT LESS THAN TWO YEARS	1,540	\$439,320,620	295,925	\$1,485
SIX MONTHS BUT LESS THAN ONE YEAR	1,497	\$398,137,017	273,168	\$1,457
OTHER	0	\$0	0	\$0
TOTAL	7,080	\$4,475,693,249	3,198,286	\$1,399

Table 23

Pell Grant Expenditures, Recipients, and Average Grant By Type and Control of Institution

Award Period 1988-89

Table 23, summarizes information on Pell Grant expenditures, recipients, and average grant by type and control of institution.

Based on the data in Table 23, the majority of Pell Grant recipients (58 percent) attended postsecondary institutions that were publicly funded. Almost one in four recipients (23 percent) attended profit-making schools. The remainder (19 percent) were enrolled in institutions classified as private, non-profit (see Figure 12). The distribution of recipients by dependency status varied by these three institutional groups. A higher percentage of dependent than independent recipients--56 percent as opposed to 44 percent--were enrolled in private, non-profit schools. Independents, however, outnumbered dependents at other schools. Independents comprised 54 percent of the recipient population at public institutions and 78 percent at proprietary schools.

An examination of Table 23 shows that the number of recipients varied by length of program at

public, private, non-profit, and proprietary schools. There were approximately 894,000 recipients enrolled in public schools with programs of 5 years or more, comprising the largest group of recipients attending any type of public institution. In comparison, the largest group of recipients enrolled in private, non-profit schools went to 4 year institutions without graduate programs (approximately 288,000). Most recipients in private, profit-making schools were enrolled in institutions having programs 6 months to 1 year in length (approximately 263,000).

Overall, the average Pell Grant in 1988-89 was \$1,399, with independent students having higher average grants (\$1,434) than dependent students (\$1,352). The highest average grants were awarded to independent students enrolled in private, non-profit schools offering courses of 5 years or more (\$1,665). The lowest average grants were awarded to dependents at public schools with 6 month to 1 year programs (\$941).

Figure 12
Distribution of Recipients By Control of Institution
Award Year 1988-89

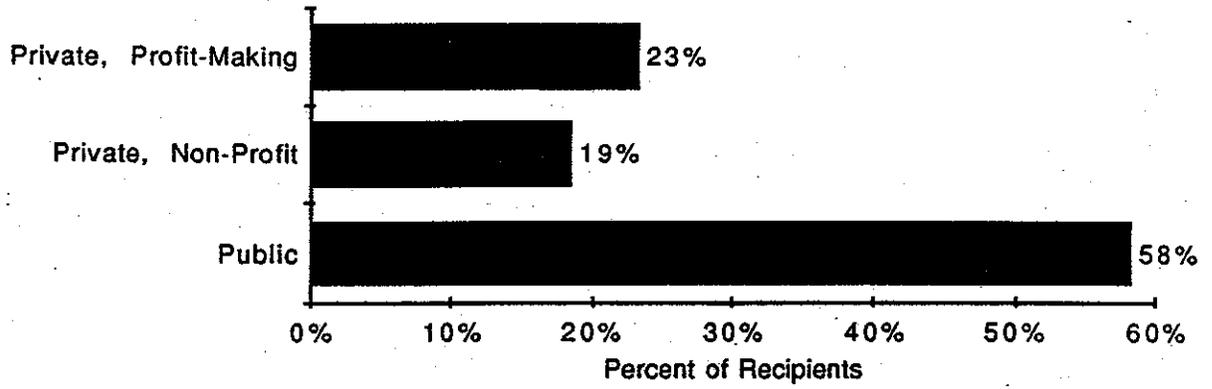


TABLE 23
PELL GRANT EXPENDITURES, RECIPIENTS, & AVERAGE GRANT BY TYPE & CONTROL OF INSTITUTION
ALL INSTITUTIONS - AWARD PERIOD 1988-89

TYPE OF INSTITUTION	TOTAL EXPENDITURES			TOTAL RECIPIENTS			AVERAGE GRANT		
	TOTAL	DEPENDENTS	INDEPENDENTS	TOTAL	DEPENDENTS	INDEPENDENTS	TOTAL	DEPENDENTS	INDEPENDENTS
TOTAL PUBLIC INSTITUTIONS	\$2,479,572,453	\$1,091,671,748	\$1,387,900,705	1,862,669	849,519	1,013,150	\$1,331	\$1,285	\$1,370
FIVE YEARS OR MORE	1,303,637,484	695,066,587	608,570,897	893,992	509,441	384,551	1,458	1,364	1,583
FOUR-YEAR NO GRADUATE	229,809,915	115,742,133	114,067,782	158,412	83,888	74,524	1,451	1,380	1,531
THREE YEARS BUT LESS THAN FOUR YEARS	3,961,713	717,238	3,244,475	3,121	622	2,499	1,269	1,153	1,298
TWO YEARS BUT LESS THAN THREE YEARS	911,733,169	274,567,063	637,166,106	780,477	250,269	530,208	1,168	1,097	1,202
ONE YEAR BUT LESS THAN TWO YEARS	23,767,639	4,428,403	19,339,236	20,699	4,077	16,622	1,148	1,086	1,163
SIX MONTHS BUT LESS THAN ONE YEAR	6,662,533	1,150,324	5,512,209	5,968	1,222	4,746	1,116	941	1,161
OTHER	0	0	0	0	0	0	0	0	0
TOTAL PRIVATE, NON-PROFIT	\$902,210,638	\$492,648,445	\$409,562,193	592,655	333,720	258,935	\$1,522	\$1,476	\$1,582
FIVE YEARS OR MORE	360,500,644	213,436,678	147,063,966	229,032	140,684	88,348	1,574	1,517	1,665
FOUR-YEAR NO GRADUATE	430,024,965	237,904,222	192,120,743	287,994	164,282	123,712	1,493	1,448	1,553
THREE YEARS BUT LESS THAN FOUR YEARS	5,754,587	2,004,111	3,750,476	4,049	1,582	2,467	1,421	1,267	1,520
TWO YEARS BUT LESS THAN THREE YEARS	74,143,443	30,277,893	43,865,550	52,235	21,839	30,396	1,419	1,386	1,443
ONE YEAR BUT LESS THAN TWO YEARS	24,637,438	8,082,396	16,555,042	14,755	4,700	10,055	1,670	1,720	1,646
SIX MONTHS BUT LESS THAN ONE YEAR	7,149,561	943,145	6,206,416	4,590	633	3,957	1,558	1,490	1,568
OTHER	0	0	0	0	0	0	0	0	0
TOTAL PRIVATE, PROFIT-MAKING	\$1,093,910,158	\$234,872,720	\$859,037,438	742,962	162,417	580,545	\$1,472	\$1,446	\$1,480
FIVE YEARS OR MORE	656,847	107,946	548,901	439	77	362	1,496	1,402	1,516
FOUR-YEAR NO GRADUATE	35,176,846	11,942,515	23,234,331	24,223	8,361	15,862	1,452	1,428	1,465
THREE YEARS BUT LESS THAN FOUR YEARS	9,534,939	2,961,437	6,573,502	6,889	2,197	4,692	1,384	1,348	1,401
TWO YEARS BUT LESS THAN THREE YEARS	273,301,060	65,292,759	208,008,301	188,330	47,114	141,216	1,451	1,386	1,473
ONE YEAR BUT LESS THAN TWO YEARS	390,915,543	82,226,632	308,688,911	260,471	55,135	205,336	1,501	1,491	1,503
SIX MONTHS BUT LESS THAN ONE YEAR	384,324,923	72,341,431	311,983,492	262,610	49,533	213,077	1,463	1,460	1,464
OTHER	0	0	0	0	0	0	0	0	0
TOTAL	\$4,475,693,249	\$1,819,192,913	\$2,656,500,336	3,198,286	1,345,656	1,852,630	\$1,399	\$1,352	\$1,434

Table 24

Distribution of Pell Grant Recipients and Average Grant By Grant Level and Type of Institution

Award Period 1988-89

24A - Total
24B - Dependent
24C - Independent

Tables 24A, 24B, and 24C present the distribution of Pell Grant recipients by grant level and type of institution, first for all recipients, then for dependents and independents, respectively. Grant levels are presented in \$300 ranges, up to the maximum award of \$2,200. The average grant for the recipients in each cell is also shown.

Table 24A confirms what Table 22 showed: students attending schools with programs 1 year but less than 2 years received, on average, the largest grants (\$1,485), followed by students attending 5 year or more schools (\$1,482). The smallest grants on average went to students attending schools offering 2 year but less than 3 year programs (\$1,233). In between were grants for students attending 4 year no-graduate institutions (\$1,477), those attending schools with programs less than 1 year long (\$1,457), and those at schools with 3 but less than 4 year long programs (\$1,369).

Just as the average grant by institutional type varied, so did the distribution of the maximum award. Recipients in the 1 year but less than 2 year institutional category were most likely to receive the maximum award (29 percent),

followed by those at schools with programs less than 1 year long (26 percent), those at 3 but less than 4 year program schools (23 percent), 4 year no-graduate institutions (22 percent), and institutions with 5 year programs (18 percent).

Recipients at 2 year but less than 3 year institutions, many of which are low cost public institutions, received the maximum award least often (9 percent). Most recipients in this institutional type category received relatively modest-sized awards. For example, 34 percent received grants of less than \$900. By comparison, only 23 percent of the recipients at relatively high cost 4 year schools received awards of less than \$900.

Tables 24B and 24C indicate that the overall average grant for independent recipients was higher than that for dependent recipients for all schools (\$1,434 for independents, \$1,352 for dependents), and for each institutional type. Independent recipients were also much more likely to receive the maximum award (22 percent) than dependent students (11 percent).

TABLE 24-A
**DISTRIBUTION OF PELL GRANT RECIPIENTS AND AVERAGE GRANT
 BY GRANT LEVEL AND TYPE OF INSTITUTION**
ALL RECIPIENTS - AWARD YEAR 1988-89

GRANT LEVEL	TYPE OF INSTITUTION							TOTAL
	FIVE YEARS OR MORE	FOUR-YEAR NO GRADUATE	THREE YEARS BUT LESS THAN FOUR YEARS	TWO YEARS BUT LESS THAN THREE YEARS	ONE YEAR BUT LESS THAN TWO YEARS	SIX MONTHS BUT LESS THAN ONE YEAR	OTHER	
\$1 - 299	33,840	14,487	587	45,581	6,797	5,839	0	107,131
R%	31.59	13.52	0.55	42.55	6.34	5.45	0.00	100.00
C%	3.01	3.08	4.18	4.46	2.30	2.14	0.00	3.35
AVE-GRANT	\$222	\$221	\$212	\$206	\$196	\$206	\$0	\$213
\$300 - 599	99,113	44,082	1,599	135,434	19,730	16,750	0	316,708
R%	31.29	13.92	0.50	42.76	6.23	5.29	0.00	100.00
C%	8.82	9.37	11.37	13.26	6.67	6.13	0.00	9.90
AVE-GRANT	\$458	\$462	\$456	\$457	\$464	\$463	\$0	\$459
\$600 - 899	112,774	48,521	2,107	161,904	32,852	33,152	0	391,310
R%	28.82	12.40	0.54	41.37	8.40	8.47	0.00	100.00
C%	10.04	10.31	14.99	15.86	11.10	12.14	0.00	12.23
AVE-GRANT	\$753	\$757	\$745	\$753	\$746	\$751	\$0	\$753
\$900 - 1,199	153,782	71,366	2,070	174,786	63,506	62,030	0	527,540
R%	29.15	13.53	0.39	33.13	12.04	11.76	0.00	100.00
C%	13.69	15.16	14.72	17.12	21.46	22.71	0.00	16.49
AVE-GRANT	\$1,051	\$1,061	\$1,061	\$1,052	\$1,074	\$1,073	\$0	\$1,058
\$1,200 - 1,499	125,923	46,123	1,667	159,540	41,062	39,007	0	413,322
R%	30.47	11.16	0.40	38.60	9.93	9.44	0.00	100.00
C%	11.21	9.80	11.86	15.63	13.88	14.28	0.00	12.92
AVE-GRANT	\$1,358	\$1,358	\$1,383	\$1,368	\$1,426	\$1,424	\$0	\$1,375
\$1,500 - 1,799	134,477	55,595	1,186	133,349	17,419	19,305	0	361,331
R%	37.22	15.39	0.33	36.90	4.82	5.34	0.00	100.00
C%	11.97	11.81	8.44	13.06	5.89	7.07	0.00	11.30
AVE-GRANT	\$1,659	\$1,664	\$1,654	\$1,664	\$1,648	\$1,643	\$0	\$1,660
\$1,800 - 2,199	266,917	86,610	1,657	117,754	28,629	25,001	0	526,568
R%	50.69	16.45	0.31	22.36	5.44	4.75	0.00	100.00
C%	23.76	18.40	11.79	11.53	9.67	9.15	0.00	16.46
AVE-GRANT	\$2,012	\$2,016	\$2,001	\$1,995	\$2,028	\$1,992	\$0	\$2,009
\$2,200	196,637	103,845	3,186	92,694	85,930	72,084	0	554,376
R%	35.47	18.73	0.57	16.72	15.50	13.00	0.00	100.00
C%	17.50	22.07	22.66	9.08	29.04	26.39	0.00	17.33
AVE-GRANT	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$0	\$2,200
TOTAL	1,123,463	470,629	14,059	1,021,042	295,925	273,168	0	3,198,286
R%	35.13	14.72	0.44	31.92	9.25	8.54	0.00	100.00
C%	100.00	100.00	100.00	100.00	100.00	100.00	0.00	100.00
AVE-GRANT	\$1,482	\$1,477	\$1,369	\$1,233	\$1,485	\$1,457	\$0	\$1,399

TABLE 24-B
**DISTRIBUTION OF PELL GRANT RECIPIENTS AND AVERAGE GRANT
 BY GRANT LEVEL AND TYPE OF INSTITUTION
DEPENDENT RECIPIENTS - AWARD YEAR 1988-89**

GRANT LEVEL	TYPE OF INSTITUTION							TOTAL
	FIVE YEARS OR MORE	FOUR-YEAR NO GRADUATE	THREE YEARS BUT LESS THAN FOUR YEARS	TWO YEARS BUT LESS THAN THREE YEARS	ONE YEAR BUT LESS THAN TWO YEARS	SIX MONTHS BUT LESS THAN ONE YEAR	OTHER	
\$1 - 299	24,009	9,179	245	15,828	1,864	1,422	0	52,547
R%	45.69	17.47	0.47	30.12	3.55	2.71	0.00	100.00
C%	35.36	23.99	38.10	95.37	12.62	12.22	0.00	35.08
AVE-GRANT	\$227	\$228	\$212	\$210	\$206	\$211	\$0	\$221
\$300 - 599	65,961	25,064	584	43,296	4,683	3,617	0	143,205
R%	46.06	17.50	0.41	30.23	3.27	2.53	0.00	100.00
C%	97.15	65.51	90.82	260.87	31.70	31.08	0.00	95.59
AVE-GRANT	\$453	\$453	\$457	\$453	\$462	\$461	\$0	\$454
\$600 - 899	74,578	29,928	642	53,703	7,008	6,185	0	172,044
R%	43.35	17.40	0.37	31.21	4.07	3.60	0.00	100.00
C%	11.47	11.67	14.59	16.82	10.97	12.04	0.00	12.79
AVE-GRANT	\$751	\$757	\$743	\$749	\$745	\$750	\$0	\$751
\$900 - 1,199	86,654	34,495	652	58,462	12,310	10,717	0	203,290
R%	42.63	16.97	0.32	28.76	6.06	5.27	0.00	100.00
C%	13.33	13.45	14.81	18.31	19.26	20.86	0.00	15.11
AVE-GRANT	\$1,048	\$1,054	\$1,055	\$1,048	\$1,067	\$1,064	\$0	\$1,051
\$1,200 - 1,499	88,035	30,068	569	61,106	7,988	6,632	0	194,398
R%	45.29	15.47	0.29	31.43	4.11	3.41	0.00	100.00
C%	13.54	11.72	12.93	19.14	12.50	12.91	0.00	14.45
AVE-GRANT	\$1,351	\$1,350	\$1,369	\$1,356	\$1,405	\$1,403	\$0	\$1,357
\$1,500 - 1,799	90,221	37,127	422	43,367	4,231	4,114	0	179,482
R%	50.27	20.69	0.24	24.16	2.36	2.29	0.00	100.00
C%	13.88	14.47	9.59	13.59	6.62	8.01	0.00	13.34
AVE-GRANT	\$1,656	\$1,669	\$1,657	\$1,664	\$1,652	\$1,653	\$0	\$1,661
\$1,800 - 2,199	152,851	52,408	644	26,863	11,053	7,064	0	250,883
R%	60.93	20.89	0.26	10.71	4.41	2.82	0.00	100.00
C%	23.51	20.43	14.63	8.42	17.29	13.75	0.00	18.64
AVE-GRANT	\$2,014	\$2,023	\$2,007	\$1,988	\$2,054	\$2,035	\$0	\$2,015
\$2,200	67,893	38,262	643	16,597	14,775	11,637	0	149,807
R%	45.32	25.54	0.43	11.08	9.86	7.77	0.00	100.00
C%	10.44	14.92	14.61	5.20	23.12	22.65	0.00	11.13
AVE-GRANT	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$0	\$2,200
TOTAL	650,202	256,531	4,401	319,222	63,912	51,388	0	1,345,656
R%	48.32	19.06	0.33	23.72	4.75	3.82	0.00	100.00
C%	100.00	100.00	100.00	100.00	100.00	100.00	0.00	100.00
AVE-GRANT	\$1,397	\$1,425	\$1,291	\$1,159	\$1,482	\$1,448	\$0	\$1,352

TABLE 24-C
**DISTRIBUTION OF PELL GRANT RECIPIENTS AND AVERAGE GRANT
 BY GRANT LEVEL AND TYPE OF INSTITUTION**
INDEPENDENT RECIPIENTS - AWARD YEAR 1988-89

GRANT LEVEL	TYPE OF INSTITUTION							TOTAL
	FIVE YEARS OR MORE	FOUR-YEAR NO GRADUATE	THREE YEARS BUT LESS THAN FOUR YEARS	TWO YEARS BUT LESS THAN THREE YEARS	ONE YEAR BUT LESS THAN TWO YEARS	SIX MONTHS BUT LESS THAN ONE YEAR	OTHER	
\$1 - 299	9,831	5,308	342	29,753	4,933	4,417	0	54,584
R%	18.01	9.72	0.63	54.51	9.04	8.09	0.00	100.00
C%	2.08	2.48	3.54	4.24	2.13	1.99	0.00	2.95
AVE-GRANT	\$210	\$208	\$211	\$203	\$193	\$205	\$0	\$204
\$300 - 599	33,152	19,018	1,015	92,138	15,047	13,133	0	173,503
R%	19.11	10.96	0.59	53.10	8.67	7.57	0.00	100.00
C%	7.01	8.88	10.51	13.13	6.49	5.92	0.00	9.37
AVE-GRANT	\$466	\$474	\$456	\$459	\$465	\$463	\$0	\$463
\$600 - 899	38,196	18,593	1,465	108,201	25,844	26,967	0	219,266
R%	17.42	8.48	0.67	49.35	11.79	12.30	0.00	100.00
C%	8.07	8.68	15.17	15.42	11.14	12.16	0.00	11.84
AVE-GRANT	\$757	\$756	\$746	\$756	\$746	\$752	\$0	\$754
\$900 - 1,199	67,128	36,871	1,418	116,324	51,196	51,313	0	324,250
R%	20.70	11.37	0.44	35.87	15.79	15.83	0.00	100.00
C%	14.18	17.22	14.68	16.57	22.07	23.14	0.00	17.50
AVE-GRANT	\$1,054	\$1,068	\$1,063	\$1,055	\$1,076	\$1,075	\$0	\$1,063
\$1,200 - 1,499	37,888	16,055	1,098	98,434	33,074	32,375	0	218,924
R%	17.31	7.33	0.50	44.96	15.11	14.79	0.00	100.00
C%	8.01	7.50	11.37	14.03	14.26	14.60	0.00	11.82
AVE-GRANT	\$1,374	\$1,371	\$1,391	\$1,374	\$1,431	\$1,428	\$0	\$1,391
\$1,500 - 1,799	44,256	18,468	764	89,982	13,188	15,191	0	181,849
R%	24.34	10.16	0.42	49.48	7.25	8.35	0.00	100.00
C%	9.35	8.63	7.91	12.82	5.68	6.85	0.00	9.82
AVE-GRANT	\$1,663	\$1,652	\$1,652	\$1,664	\$1,646	\$1,640	\$0	\$1,659
\$1,800 - 2,199	114,066	34,202	1,013	90,891	17,576	17,937	0	275,685
R%	41.38	12.41	0.37	32.97	6.38	6.51	0.00	100.00
C%	24.10	15.97	10.49	12.95	7.58	8.09	0.00	14.88
AVE-GRANT	\$2,010	\$2,006	\$1,998	\$1,997	\$1,012	\$1,975	\$0	\$1,003
\$2,200	128,744	65,583	2,543	76,097	71,155	60,447	0	404,569
R%	31.82	16.21	0.63	18.81	17.59	14.94	0.00	100.00
C%	27.20	30.63	26.33	10.84	30.67	27.26	0.00	21.84
AVE-GRANT	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$2,200	\$0	\$2,200
TOTAL	473,261	214,098	9,658	701,820	232,013	221,780	0	1,852,630
R%	25.55	11.56	0.52	37.88	12.52	11.97	0.00	100.00
C%	100.00	100.00	100.00	100.00	100.00	100.00	0.00	100.00
AVE-GRANT	\$1,598	\$1,539	\$1,405	\$1,267	\$1,485	\$1,460	\$0	\$1,434

Table 25

Distribution of Pell Grant Recipients By Educational Cost and Grant Level

Award Period 1988-89

25A - Total
25B - Dependent
25C - Independent

Tables 25A, 25B, and 25C present the distribution of Pell Grant recipients by educational cost and grant level, first for all recipients, then for dependents and independents, respectively.

As in Table 4, the step-shaped line drawn diagonally through the three tables delineates valid versus invalid awards. All cells to the right of the line should contain zeros as they are invalid combinations of educational cost and grant level. For example, the maximum grant for a full-time student with a cost of \$1,800 is \$1,110. Grants which exceeded \$1,110 for this educational cost were most likely overawards resulting from attendance by the Pell Grant recipient at more than one school during the award year.

Table 25A shows that, consistent with Pell award determination rules, the higher the recipient's educational cost, the greater the potential for receiving a large Pell Grant. For example, of the recipients with educational costs greater than \$3,300, 50 percent received a grant of \$1,500 or greater, while 22 percent were awarded a grant less than \$900. In comparison, of the recipients with educational costs of \$3,000 or less, only 23 percent were awarded a grant of

\$1,500 or greater, while 40 percent were given a grant of less than \$900.

A comparison of Tables 25B and 25C reveals that the educational costs of dependents and independents were similar. For example, 70 percent of dependents had costs greater than \$3,300; 76 percent of independents had costs in this range. About 9 percent of the dependent population were enrolled in schools with costs less than \$2,401; 4 percent of the independents were enrolled in these low cost institutions.

In comparing dependent and independent students' costs by grant level, some differences are apparent. More independents receive the maximum grant for their cost of education at the highest grant levels (22 percent at the maximum grant of \$2,200, 15 percent for grants of \$1,800 to \$2,199), while more dependents receive the maximum grant for their cost of education at other grant levels (e.g. 19 percent at \$1,800 to 2,199, 15 percent at \$900 - \$1,199, and 14 percent at \$1,200 to \$1,499). These differences reflect the fact that more independent students tend to qualify for the maximum award.

Table 26

Distribution of Pell Grant Recipients By State and Control of Institution

Award Period 1988-89

Table 26 presents the distribution of Pell Grant recipients by state and control of institution.

The number of Pell Grant recipients enrolled in postsecondary institutions varied greatly from state to state. In general, the larger the population of a state, the larger the number of Pell recipients enrolled in institutions within that state. For example, New York and California together had nearly 558,000 recipients attending schools within their boundaries, or 17 percent of the total number of Pell Grant recipients. In contrast, the following eight states had fewer than 10,000 recipients each, and together accounted for 2 percent of all recipients: Alaska, District of Columbia, Hawaii, Nevada, New Hampshire, Rhode Island, Vermont, and Wyoming.

An examination of the general enrollment pattern from Table 23 shows that approximately 58 percent of the total recipient population attended public institutions, 19 percent attended private, non-profit institutions, and 23 percent were enrolled in profit-making schools. However, there was considerable variety among states in the type of school most often attended by Pell Grant recipients. In nine states, over three-fourths of the recipients were enrolled in public institutions. These states were Minnesota, Mississippi, Montana, Nebraska, New Mexico, North Dakota, Oregon, Wisconsin, and Wyoming.

In certain jurisdictions, a relatively large percentage of recipients attended private, non-

profit institutions. For example, in Massachusetts, Rhode Island, Vermont, the District of Columbia, and the All Others category, over one-third of the recipients were enrolled in private non-profit schools. (Note that the category "All Others" includes recipients enrolled in participating schools in Puerto Rico, the Virgin Islands, Guam, American Samoa and the Pacific Islands).

In other states, students attending private, profit-making institutions comprised a relatively large proportion of the recipient population. In Alaska, Arizona, Connecticut, Delaware, the District of Columbia, Florida, Louisiana, and Nevada, over one-third of all recipients attended these schools.

In comparing 1987-88 and 1988-89 data, all jurisdictions except for the District of Columbia experienced an increase in recipients. The District of Columbia experienced a 25 percent decrease in total recipients, from 11,918 in the 1987-88 to 8,966 in 1988-89. This loss of recipients in the District of Columbia affected only private, profit-making institutions, where the number of recipients decreased 56 percent, from 6,712 in 1987-88 to 2,959 in 1988-89. The overall increase in recipients nationwide was 11 percent from 1987-88 to 1988-89. Figure 13 graphically depicts the number of Pell Grant recipients by state and control of institution.

Figure 13

Number of Pell Grant Recipients By State of Institution Attended

Award Period 1988-89

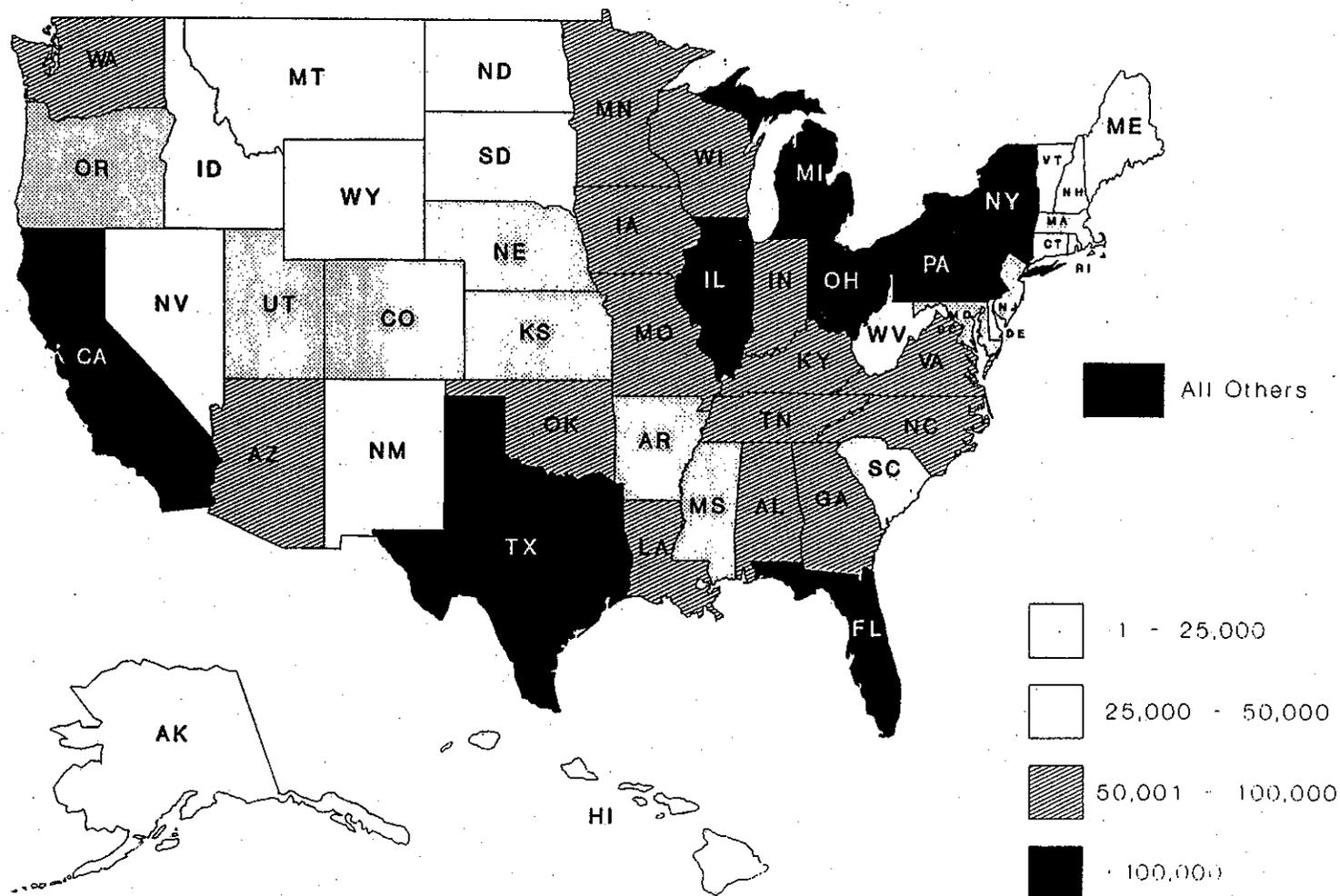


TABLE 26
**DISTRIBUTION OF PELL GRANT RECIPIENTS
 BY STATE AND CONTROL OF INSTITUTION
 AWARD YEAR 1988-89**

	PUBLIC		PRIVATE NON-PROFIT		PRIVATE PROFIT-MAKING		TOTAL	
	RECIPS	AWARDS	RECIPS	AWARDS	RECIPS	AWARDS	RECIPS	AWARDS
ALABAMA	44,812	\$55,397,855	7,238	\$11,145,543	15,981	\$26,281,300	68,031	\$92,824,698
ALASKA	2,083	2,916,693	247	388,091	1,443	2,175,698	3,773	5,480,482
ARIZONA	28,355	36,835,985	1,838	2,880,063	27,934	36,289,288	58,127	76,005,336
ARKANSAS	24,564	33,293,650	4,105	6,391,087	9,706	14,787,737	38,375	54,472,474
CALIFORNIA	152,889	192,687,236	27,235	40,505,173	80,249	127,917,119	260,373	361,109,528
COLORADO	31,600	44,827,265	1,776	2,534,520	12,952	18,083,538	46,328	65,445,323
CONNECTICUT	6,601	8,089,496	3,616	5,101,333	8,906	11,686,133	19,123	24,876,962
DELAWARE	3,298	3,991,866	596	777,216	18,093	19,402,625	21,987	24,171,707
DISTRICT OF COLUMBIA	785	877,179	5,222	7,687,369	2,959	4,384,784	8,966	12,949,332
FLORIDA	60,693	74,194,899	19,791	31,285,015	49,422	75,378,580	129,906	180,858,494
GEORGIA	29,764	37,125,132	10,509	15,192,736	13,835	19,535,632	54,108	71,853,500
HAWAII	3,396	4,320,592	1,187	1,871,419	729	907,454	5,312	7,099,465
IDAHO	11,316	16,495,595	3,468	5,218,547	1,060	1,551,396	15,844	23,265,538
ILLINOIS	81,455	104,156,716	30,445	42,940,162	24,950	37,977,536	136,850	185,074,414
INDIANA	42,033	53,761,510	10,915	14,985,083	10,596	15,362,146	63,544	84,108,739
IOWA	31,873	44,677,621	14,036	20,133,425	5,051	7,194,990	50,960	72,006,036
KANSAS	28,135	37,025,418	12,753	14,413,373	4,673	6,984,930	45,561	58,423,721
KENTUCKY	32,900	44,526,918	8,151	12,431,796	11,393	16,741,766	52,444	73,700,480
LOUISIANA	48,893	71,367,866	5,446	8,339,794	27,769	43,926,791	82,108	123,634,451
MAINE	7,597	10,868,945	1,836	2,577,579	1,059	1,367,980	10,492	14,814,504
MARYLAND	25,092	33,300,775	3,003	4,330,918	6,214	8,420,172	34,309	46,051,865
MASSACHUSETTS	25,797	34,865,591	19,564	27,896,350	4,435	6,217,580	49,796	68,979,521
MICHIGAN	85,624	108,982,010	25,475	35,500,791	18,488	29,331,160	129,587	173,813,961
MINNESOTA	59,971	85,216,516	11,127	15,229,793	4,595	6,035,349	75,693	106,481,658
MISSISSIPPI	37,199	53,987,486	4,174	6,505,597	5,306	8,529,899	46,679	69,022,982
MISSOURI	38,829	51,262,054	14,458	20,512,090	17,779	27,423,005	71,066	99,197,149
MONTANA	12,554	18,303,556	1,929	2,845,259	629	878,858	15,112	22,027,673
NEBRASKA	20,960	27,031,222	4,511	6,344,084	2,472	3,405,972	27,943	36,781,278
NEVADA	3,981	4,704,539	51	65,202	5,349	7,630,270	9,381	12,400,011
NEW HAMPSHIRE	3,073	4,235,905	1,702	2,141,817	591	722,699	5,366	7,100,421
NEW JERSEY	27,340	39,319,040	6,426	9,660,041	13,612	18,840,189	47,378	67,819,270
NEW MEXICO	19,390	26,669,044	649	992,909	2,126	3,548,716	22,165	31,210,669
NEW YORK	139,126	197,668,968	78,593	125,695,575	79,723	105,348,701	297,442	428,713,244
NORTH CAROLINA	38,340	47,257,471	12,083	18,035,957	8,914	12,721,384	59,337	78,014,812
NORTH DAKOTA	13,188	19,920,895	1,927	3,046,404	730	1,008,636	15,845	23,975,935
OHIO	81,215	110,404,216	22,360	32,038,846	40,728	56,581,229	144,303	199,024,291
OKLAHOMA	38,613	52,273,136	5,643	8,529,521	11,492	17,242,959	55,748	78,045,616
OREGON	30,121	42,715,816	4,193	6,242,366	4,637	6,810,600	38,951	55,768,782
PENNSYLVANIA	69,746	95,531,144	32,469	45,661,453	30,645	45,406,554	132,860	186,599,151
RHODE ISLAND	4,688	5,987,438	3,604	4,903,742	1,271	1,766,988	9,563	12,658,168
SOUTH CAROLINA	24,362	29,992,473	7,357	11,341,460	5,837	8,633,484	37,556	49,967,417
SOUTH DAKOTA	11,475	17,100,502	2,410	3,462,122	2,516	3,781,191	16,401	24,343,815
TENNESSEE	33,734	44,538,006	13,818	20,801,082	14,150	21,263,938	61,702	86,603,026
TEXAS	129,330	155,811,269	17,061	25,138,773	66,100	101,833,989	212,491	282,784,031
UTAH	21,338	29,509,731	10,103	17,976,069	2,945	4,422,504	34,386	51,908,304
VERMONT	3,151	3,997,431	2,334	3,269,310	155	261,044	5,640	7,527,785
VIRGINIA	33,507	44,562,485	9,652	13,589,656	9,310	11,958,827	52,469	70,110,968
WASHINGTON	40,760	57,229,487	6,899	10,391,136	9,134	13,388,115	56,793	81,008,738
WEST VIRGINIA	16,504	22,547,024	3,249	4,681,080	5,194	7,522,634	24,947	34,750,738
WISCONSIN	55,365	78,222,267	8,802	12,285,107	2,589	3,822,093	66,756	94,329,467
WYOMING	6,210	8,352,789	0	0	1,402	2,107,451	7,612	10,460,240
ALL OTHERS	39,044	50,633,730	86,619	156,296,804	35,134	59,106,545	160,797	266,037,079
TOTAL	1,862,669	\$2,479,572,453	592,655	\$902,210,638	742,962	\$1,093,910,158	3,198,286	\$4,475,693,249

Table 27

**Distribution of Pell Grant Recipients By
By Recipients' State of Legal Residence and
Control of Institution**

Award Period 1988-89

Table 27 presents the distribution of Pell Grant recipients by the recipient's state of legal residence and the control of the institution (public, private, non-profit, or proprietary) the recipient attended in 1988-89.

The table shows that the larger a state's population, the larger the number of Pell Grant recipients residing in that state. Eight large states plus the All Others category (most of whom reside in Puerto Rico) accounted for 52 percent of the Pell Grants recipients, with more than 100,000 recipients each. In descending order these are: New York, California, Texas, All Others, Illinois, Ohio, Michigan, Pennsylvania, and Florida. The same jurisdictions account for 46 percent of the total expenditures.

In contrast, each of the following nine states had fewer than 10,000 recipients: Alaska, Delaware, the District of Columbia, Hawaii, Nevada, New Hampshire, Rhode Island, Vermont, and Wyoming. The students residing in these nine states represented 1.8 percent of all recipients and received 1.7 percent of the expenditures.

A comparison with the recipient data from Table 26 gives a rough indication of the ability of certain states to attract recipients from outside their boundaries. For example, over 10 percent more recipients were enrolled in institutions in each of the following states than recipients resided in them: Arizona, Arkansas, Connecticut, Delaware, the District of Columbia, Kentucky, Massachusetts, Missouri, North Carolina, Rhode Island, Tennessee, Utah, and West Virginia.

On the other hand, the comparison indicates that over 10 percent more recipients resided in each of the following nine jurisdictions than were enrolled in an institution in them: Alaska, Hawaii, Maine, Maryland, Mississippi, Montana, New Jersey, New Mexico and the All Others category. In most states, the number of recipients attending school within a state is close to the number of recipients residing in the state.

A comparison with 1987-88 data shows that only in the District of Columbia did the number of recipients decline. The District of Columbia experienced a 23 percent decline in total recipients, attributable to a 39 percent decline in students attending private, profit-making institutions in that jurisdiction.

TABLE 27
**DISTRIBUTION OF PELL GRANT RECIPIENTS
 BY RECIPIENTS' STATE OF LEGAL RESIDENCE AND CONTROL OF INSTITUTION
 AWARD YEAR 1988-89**

	PUBLIC		PRIVATE NON-PROFIT		PRIVATE PROFIT-MAKING		TOTAL	
	RECIPS	AWARDS	RECIPS	AWARDS	RECIPS	AWARDS	RECIPS	AWARDS
ALABAMA	41,653	\$50,975,421	6,044	\$9,274,490	18,180	\$27,393,327	65,877	\$87,643,238
ALASKA	3,486	4,917,051	875	1,365,149	1,018	1,543,686	5,379	7,825,886
ARIZONA	26,207	33,912,776	3,204	4,880,878	16,089	23,073,027	45,500	61,866,681
ARKANSAS	22,992	30,995,574	3,917	6,036,109	7,691	11,108,172	34,600	48,139,855
CALIFORNIA	152,715	193,268,161	28,306	42,761,285	83,303	130,508,922	264,324	366,538,368
COLORADO	30,839	43,703,042	3,776	5,403,964	12,887	18,054,550	47,502	67,161,556
CONNECTICUT	6,974	8,656,095	4,152	5,672,000	5,093	7,700,917	16,219	22,029,012
DELAWARE	2,765	3,284,696	727	948,017	793	984,050	4,285	5,216,763
DISTRICT OF COLUMBIA	1,569	2,044,245	1,352	2,031,335	2,827	4,146,496	5,748	8,222,076
FLORIDA	61,351	75,099,572	20,799	32,681,885	41,735	62,124,754	123,885	169,906,211
GEORGIA	30,294	38,129,976	9,189	13,245,968	18,476	27,128,685	57,959	78,504,629
HAWAII	3,545	4,569,931	1,410	2,148,373	953	1,209,141	5,908	7,927,445
IDAHO	11,545	16,780,815	3,233	5,041,828	1,555	2,214,154	16,333	24,036,797
ILLINOIS	84,665	109,989,074	32,949	46,917,805	29,661	45,610,428	147,275	202,517,307
INDIANA	41,064	52,569,375	9,811	13,516,066	11,317	15,917,271	62,192	82,002,712
IOWA	32,340	45,105,675	12,744	18,260,810	4,762	6,711,277	49,846	70,077,762
KANSAS	26,635	34,975,695	5,573	7,567,751	4,494	6,666,909	36,702	49,210,355
KENTUCKY	31,609	42,542,160	7,953	11,970,383	10,905	15,296,623	50,467	69,809,166
LOUISIANA	46,855	68,067,630	5,671	8,803,293	32,133	49,133,200	84,659	126,004,123
MAINE	7,599	10,849,915	2,750	3,814,894	1,288	1,629,609	11,637	16,294,418
MARYLAND	22,008	29,036,930	4,806	6,839,924	12,090	17,053,386	38,904	52,930,240
MASSACHUSETTS	25,964	35,017,266	14,609	20,802,861	4,059	5,628,485	44,632	61,448,612
MICHIGAN	86,656	110,861,053	28,679	39,887,489	22,693	35,096,994	138,028	185,845,536
MINNESOTA	58,988	83,806,069	10,234	14,000,922	4,852	6,471,403	74,074	104,278,394
MISSISSIPPI	35,928	52,019,517	4,555	7,077,717	11,972	18,110,499	52,455	77,207,733
MISSOURI	38,690	51,013,449	11,922	16,705,861	13,778	20,867,800	64,390	88,587,110
MONTANA	12,914	18,765,088	2,856	4,227,585	1,238	1,711,071	17,008	24,703,744
NEBRASKA	20,987	27,147,874	4,223	5,946,097	2,770	3,827,565	27,980	36,921,536
NEVADA	3,950	4,685,149	542	823,509	5,309	7,526,213	9,801	13,034,871
NEW HAMPSHIRE	2,722	3,762,197	1,636	2,072,604	549	660,408	4,907	6,495,209
NEW JERSEY	29,513	42,179,099	11,539	16,703,464	15,491	20,415,799	56,543	79,298,362
NEW MEXICO	19,195	26,478,818	1,372	1,967,087	4,848	7,321,485	25,415	35,767,390
NEW YORK	141,977	201,731,782	79,697	127,105,881	71,691	97,321,717	293,365	426,159,380
NORTH CAROLINA	36,238	44,416,534	9,334	13,837,946	8,423	11,609,550	53,995	69,864,030
NORTH DAKOTA	12,213	18,427,315	1,699	2,647,885	803	1,127,649	14,715	22,202,849
OHIO	81,013	110,096,814	23,536	33,448,131	40,956	56,501,476	145,505	200,046,421
OKLAHOMA	37,739	50,883,340	4,868	7,142,443	12,571	18,870,740	55,178	76,896,523
OREGON	28,851	40,807,461	4,996	7,336,167	5,349	7,731,088	39,196	55,874,716
PENNSYLVANIA	70,978	96,921,990	32,897	46,308,468	28,197	39,205,578	132,072	182,436,036
RHODE ISLAND	4,595	5,861,648	2,281	3,042,295	1,188	1,628,804	8,064	10,532,747
SOUTH CAROLINA	23,587	29,187,461	7,957	12,259,858	7,849	11,457,860	39,393	52,905,179
SOUTH DAKOTA	11,692	17,403,525	2,562	3,656,660	1,364	1,963,036	15,618	23,023,221
TENNESSEE	32,574	42,647,804	9,786	14,519,447	12,498	17,469,119	54,858	74,636,370
TEXAS	127,279	153,274,789	21,714	29,850,187	71,489	108,987,002	220,482	292,111,978
UTAH	20,240	27,960,126	6,181	10,893,082	3,545	5,192,161	29,966	44,045,369
VERMONT	3,134	3,975,802	2,133	3,004,416	229	313,689	5,496	7,293,907
VIRGINIA	31,407	41,567,844	7,078	10,218,265	10,428	13,553,333	48,913	65,339,442
WASHINGTON	40,601	57,001,522	7,592	11,440,747	9,845	14,242,703	58,038	82,684,972
WEST VIRGINIA	14,735	19,873,594	3,204	4,588,080	4,109	5,800,828	22,048	30,262,502
WISCONSIN	54,426	76,834,631	9,793	13,704,684	3,355	4,792,080	67,574	95,331,395
WYOMING	6,189	8,341,540	527	805,486	812	1,147,691	7,528	10,294,717
ALL OTHERS	58,984	77,147,543	93,412	167,003,107	43,452	72,147,748	195,848	316,298,398
TOTAL	1,862,669	\$2,479,572,453	592,655	\$902,210,638	742,962	\$1,093,910,158	3,198,286	\$4,475,693,249

GLOSSARY OF TERMS

Glossary

AFSA: Application for Federal Student Aid. The Department of Education form that may be used to apply for a Pell Grant as well as other forms of Federal aid.

Average Grant: The sum of all grant awards divided by the number of Pell Grant recipients.

Award Period: The period of time from July 1 of one year to June 30 of the next year. The award period covered in this 1988-89 End-of-Year Report is July 1, 1988 to June 30, 1989.

C%: Column Percent. The number of responses in each cell within a column as a percentage of the total number of responses in the column.

Control of Institution: Refers to whether an educational institution is public; private, non-profit; or private, profit-making.

Dislocated Worker: A parent of a dependent student, or a student or spouse, who was terminated or laid-off or, if self-employed, was unemployed because of poor economic conditions or a natural disaster. This status must be certified by the appropriate State agency. It allows the use of expected 1988 income rather than 1987 income in the eligibility calculation and excludes home assets from the calculation.

Displaced Homemaker: A parent of a dependent student, or a student or spouse, who: 1) was not in the labor force for 5 or more years and was serving as a homemaker during that period; 2) was dependent on public assistance or previously dependent or support on public assistance or the income of another family member, but is no longer receiving that support; and 3) is unemployed or underemployed and having difficulty obtaining or upgrading employment. This status permits the exclusion of home assets from the eligibility calculation.

Educational Cost: The cost of attending an institution offering postsecondary education coursework for a full academic year. In 1988-89, the basic factors allowed in determining educational costs for calculating the Pell Grant were tuition and fees and allowances for living expenses and miscellaneous expenses such as books and supplies and transportation. The Higher Education Act Amendments of 1986 established a new, more liberalized, cost of attendance provision effective with the 1988-89 award year. Now the financial aid administrator can consider additional cost factors, such as allowances for child care or services/equipment for a handicapped student, when calculating the Pell Grant award.

Expenditures: Funds awarded to Pell Grant recipients for an award period.

Family Income: One of the primary factors considered in determining eligibility for a Pell Grant. In this report, family income is considered to be the sum of a family's adjusted gross income (or earned income for non-tax filers), non-taxable income (including non-educational Social Security benefits, AFDC, and child support), and one-half of any GI Bill benefits or Dependents Education Assistance Program (DEAP) benefits received by the student.

Independent Recipient: An individual receiving a Pell Grant who is not dependent on his or her parent for financial support. To be considered independent during the 1988-89 award year, the student

- Must be at least 24 years of age, or
- Must be a veteran of active service in the U.S. Armed Forces, or
- Must be an orphan or ward of the court, or
- Have legal dependents, or
- Must be a graduate, professional or married student who declares that he or she will not be claimed as a dependent by his or her parents, or
- Must be a single undergraduate with no dependents, an annual income of \$4,000 or more and is not claimed as a dependent by his or her parents, or if
- The FAA makes a documented determination of independence by reason of unusual circumstances.

Institutional Discretion: Statutory provision giving the financial aid administrator discretionary authority to change the results of the eligibility calculation, the calculation itself, the parent's or student's family or financial information, or the cost of attendance for students with special circumstances. This replaced the Special Condition Provision in effect in prior years.

MDE: Multiple Data Entry. Process by which an individual in 1988-89 could apply for a Pell Grant or other kinds of student aid using any one of the following four different application forms in addition to the U.S. Department of Education's Application for Federal Student Aid:

- The College Scholarship Service's Financial Aid Form
- The American College Testing Program's Family Financial Statement
- The Pennsylvania Higher Educational Assistance Agency Application for State Grant and Pell Grant
- The Illinois State Scholarship Commission's Application for Federal and State Student Aid

MISAA: Middle Income Student Assistance Act. Law passed by Congress in 1978 which expanded eligibility for Pell Grants.

N: Number. The number of applicants, recipients, or other values found in each table cell.

Net Asset Level: Estimated monetary value of an applicant's (or applicant's family if the applicant is a dependent) assets, minus the applicant's liabilities. Factors considered in estimating net asset level include the value of the applicant's home, investments, business, farm, cash and savings, and all debts against those assets.

Non-Qualified Applicant: Individual who has submitted an official application for a Pell Grant but has been determined ineligible to receive a grant because of insufficient financial need. A non-qualified applicant in 1988-89 had an SAI greater than 2,000.

Pell: Pell Grant. One of the six major financial aid programs offered by the Office of Student Financial Assistance to assist individuals in furthering their postsecondary education.

Qualified Applicant: Individual who has submitted an official application for a Pell Grant and has been determined eligible to receive a grant because of sufficient financial need. An eligible applicant in 1988-89 had an SAI of 2,000 or less.

R%: Row Percent. The number of responses in each cell within a row as a percentage of the total number of responses in the row.

SAI: Student Aid Index. Number given to the applicant, based upon the applicant's financial strength as indicated by factors such as family income, net assets, and household size, which is combined with the applicant's educational cost and enrollment status (full, three-quarter, or half-time) to determine the applicant's grant level. For a given educational cost and enrollment status, a lower SAI results in a higher grant level.

SAR: Student Aid Report. A report provided to an applicant showing the applicant's SAI. The applicant must submit an SAR to the institution he or she plans to attend in order to receive an award.

Simplified Needs Test: Eligibility calculation based on a reduced set of family and financial indicators, comprised of : family size, the number of family members enrolled in college at least half-time, adjusted gross income (or earnings, in the case of non-tax filers), Federal income taxes paid, and untaxed income and benefits. To qualify for the Simplified Needs Test (SNT) a student (or student and parents, for a dependent) must have filed a IRS Form 1040A or 1040EZ (not a 1040) or be a non-tax filer, and must have a combined Adjusted Gross Income (or earnings) of \$15,000 or less.

Type of Institution: Institutions are classified in the following manner:

- Five Year or More - schools offering programs of at least 5 years in duration.

- Four Year No Graduate - schools offering programs leading to an graduate degree only.
- Three to Four Year - schools requiring at least 3 but less than 4 years of course work, and awarding a degree or a certificate of proficiency.
- Two to Three Year - schools requiring at least 2 but less than 3 years of course work, and awarding a degree or a certificate of proficiency. (Often these are community colleges).
- One Year But Less Than Two Years - schools requiring course work of at least 1 but less than 2 years, and awarding degrees or certificates of proficiency.
- Six months But Less Than One Year - schools requiring course work of at least 6 months but less than 1 year, and awarding degrees or certificates of proficiency. (Often these schools are technical or secretarial schools).

The above classifications are also known as "institutional type."

Unofficial Application: Any Pell Grant application form or MDE record received by the central processor subsequent to processing the first application.

Valid Application: An application with sufficient data to calculate an SAI.

Verification: The process by which Pell applicants are selected and required to present to the institution's financial aid administrator those forms (such as a Federal income tax return and W-2 statements) which confirm the accuracy of the information they reported on their applications.