

Table 10: Distribution of Federal Pell Grant Recipients by Family Income and Net Asset Level

Table 10A: *Total*

Table 10B: *Dependent*

Table 10C: *Independent*

Tables 10A, 10B, and 10C present the distribution of Federal Pell Grant recipients by family income and asset level, first for all recipients, then for dependents and independents, respectively.

Net assets is the sum of the market value, less unpaid debts, of real estate/investments, a business or a non-family farm, plus cash, savings, and checking accounts. In 1993-94, the net value of the principal residence and the net value of a family farm on which the family resides was eliminated from all EFC formulas.

The formulae for calculating the Expected Family Contribution provide for asset reserves that "protect" a portion of the student's or `parents' assets when determining the contribution from assets.

Most Federal Pell Grant Recipients Report Few Net Assets. As Table 10A shows, Federal Pell Grant recipients have few assets. More than nine out of ten recipients (97.2 percent) have net assets of \$25,000 or less, with most (94 percent) reporting net assets of \$7,500 or less. About 60.7 percent of recipients report zero assets in 1994-95.

Higher Income Recipients More Likely to Report Assets. For the lower income groups (up to \$15,000), 98.5 percent report assets of \$25,000 or less, and 97 percent report assets of \$7,500 or less. For recipients at incomes above \$30,000, nine out of ten (93.8 percent) report assets of \$25,000 or less; 85.5 percent report assets of \$7,500 or less.

Independents Have Substantially Lower Net Assets Than Dependents. While 93.8 percent of dependents have net assets of \$25,000 or less; nearly all (99.5 percent) independents have net assets of \$25,000 or less. Approximately 87.6 percent of dependents have net assets of \$7,500 or less, compared to 98.4 percent of independents. Figure 14 shows the distribution of net assets by dependency status. Average net assets are \$6,293 for dependents, \$685 for independents, and \$2,973 for all recipients (not shown).

Federal Pell Grants Targeted to Low Income and Low Asset Groups. In 1994-95, 33.1 percent of all Federal Pell Grant recipients report net assets of \$7,500 or less with incomes of \$6,000 or less. Many more independents (45.8 percent) than dependents (14.6 percent) are in this group.

As expected, few high-asset, high-income students receive Federal Pell Grants. Only 7.7 percent of recipients with incomes greater than \$15,000 (2.1 percent of independents and 10.9 percent of dependents) report assets greater than \$25,000 and income greater than \$15,000.

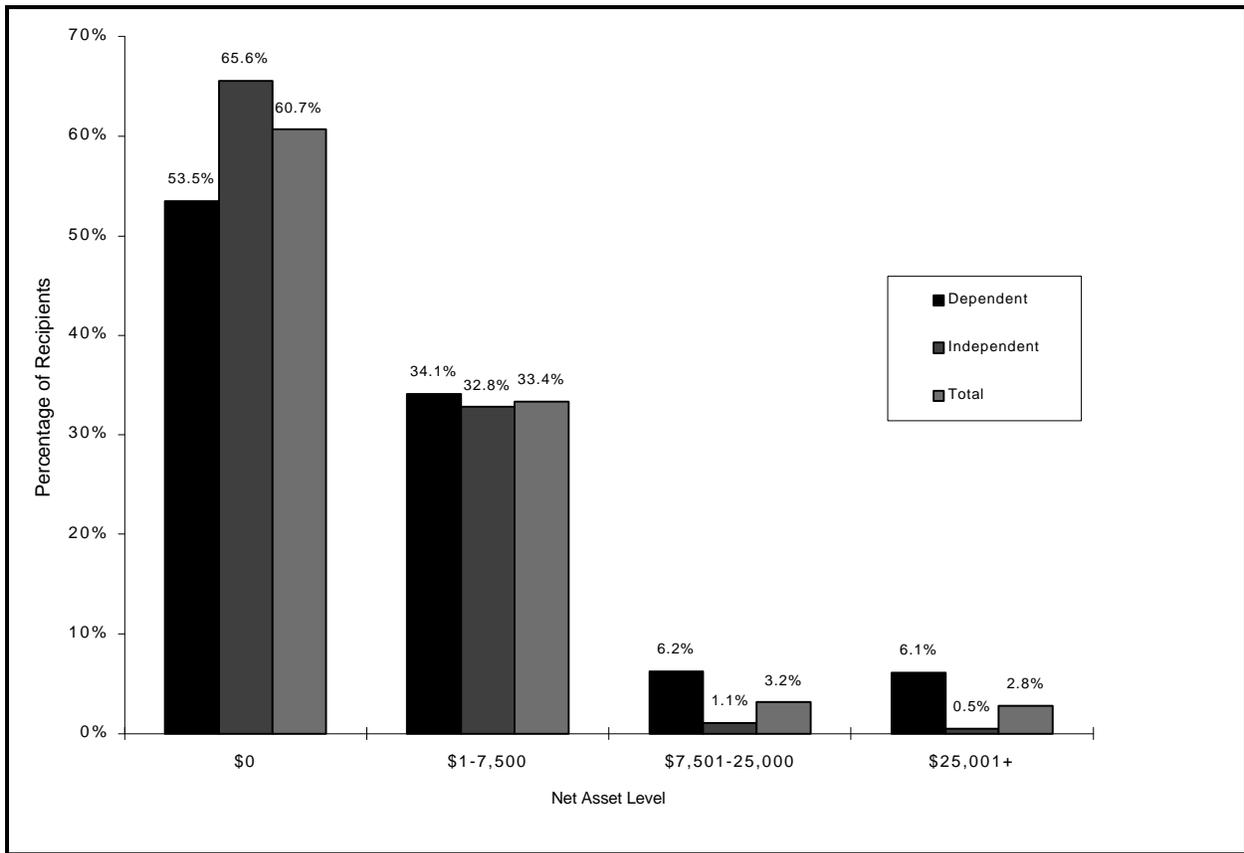


Figure 14: Distribution of Net Assets by Dependency Status

