

# Quick Facts About Financial Aid and Community Colleges, 2007-08

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Community colleges are usually considered a low-cost college option, but the sticker price is only part of the real story — students often struggle to cover a range of related costs and living expenses. Financial aid can be a big help, but many community college students have a harder time paying for college than their peers at four-year schools. **This fact sheet focuses on community college students who apply for financial aid and attend full time.** These students are in the best position to receive financial aid, yet they still face economic challenges that can put their educational goals out of reach.

Community college students represent about a quarter (24%) of all full-time undergraduates. Nationwide, 2.2 million students attend community college full time, a quarter of a million more than attend private colleges full time.

There is a considerable body of research about community college students who do *not* apply for aid, or attend school in ways that limit their eligibility for aid. These are serious problems, but it is not widely understood that even those who *do* apply for financial aid and attend full time get less help compared to similar students at other types of schools.

All of the following student information and statistics are from the 2007-08 National Postsecondary Student Aid Study conducted by the National Center for Educational Statistics, a division of the U.S. Department of Education. All percentages are only among full-time students who applied for financial aid, and all references to private colleges refer only to private non-profit four-year schools.

## Why Do Community College Students Need Financial Aid?

Even though their costs of attendance are lower, community college students are just as likely to have documented financial need as four-year students because they have fewer resources at their disposal.<sup>1</sup>

**Community college students generally have lower incomes than students attending four-year colleges.**

- Forty percent of community college students have such low incomes that they have no resources to pay for a college education.<sup>2</sup> In comparison, 22% of public four-year students and 19% of private four-year college students fit this description.

**Community colleges cost less than four-year colleges, but total costs are still significant.** The costs listed here are national averages. They include not just tuition and fees but also textbooks, transportation, room and board, and other education-related expenses.

- Total cost, community colleges: \$10,392
- Total cost, public four-year colleges: \$17,473
- Total cost, private four-year colleges: \$32,584

**Community college students are just as likely to need financial aid as four-year college students.**

- Eighty-three percent of community college students have documented need for financial aid, compared to 81% of public four-year college students and 90% of private four-year college students.

<sup>1</sup> Students' documented need for financial aid is calculated when they complete the federal financial aid application (FAFSA), and is based on their own financial resources and the cost of the college they attend. Many federal, state, and institutional aid programs distribute aid based on students' documented financial need.

<sup>2</sup> Using income and asset information, the federal government estimates students' ability to pay for college. Those with very low incomes are considered unable to contribute financially towards their education.

## How Much Aid Do Community College Students Get?

Community college students with documented financial need are more likely to receive federal Pell Grants than similar students at other types of schools, but less likely to receive all other types of aid. As a result, community college students are more likely to have unmet financial need.<sup>3</sup>

**Community college students are more likely to receive federal Pell Grants than four-year college students because of their lower incomes.** Pell grants are widely available to low-income students, with minimal requirements or deadlines. Most Pell Grants go to students with family incomes below \$50,000.

- Of students with documented financial need, 65% at community colleges receive Pell Grants, compared to 50% at public four-year schools and 39% at private four-year schools.

**Community college students are less likely than four-year college students to receive state grants.** These grants are often based at least in part on academic performance in high school or have application deadlines that can act as barriers for underrepresented youth.

- Of students with documented financial need, 33% percent of students at community colleges receive state grants, compared to 41% of students at public four-year schools and 37% of students at private four-year schools.

**Community college students are less likely to receive grants from their colleges than students in other sectors.** Community colleges typically have very limited institutional funds to distribute.

- Of students with documented financial need, only 19% at community colleges receive institutional grants, compared to 35% at four-year public schools and 71% at private four-year schools.

**Community colleges can't provide many work-study opportunities because of inequities in the way federal funds for work-study are distributed to colleges.**

- Of students with documented financial need, 8% at community colleges receive federal work-study awards, compared to 13% at public four-year schools and 33% at private four-year schools.

**Far fewer community college students take out federal Stafford loans than four-year college students.** Lower-income students are often reluctant to borrow for college, especially community college. The colleges themselves may discourage or prevent borrowing by limiting information about loans or not participating in the federal loan programs.

- Of students with documented financial need, 29% at community college take out federal loans, compared to 72% at public four-year schools and 80% at private four-year schools.

**Community college students are most likely to have "unmet need" after taking advantage of available sources of financial aid.** For these students, the gap between what they can afford, including aid, and the full cost of college is similar to students at public four-year colleges.

- Of students with documented need, 80% at community colleges still have financial need after all aid is awarded, compared to 54% at public four-year schools and 53% at private four-year schools.
- Students with documented need at community colleges have an average gap of \$5,277 after all aid, while those at public four-year schools have an average gap of \$5,286 and those at private four-year schools have an average gap of \$9,573.

## Community College Students and Private Student Loans

Federal Stafford loans, which any student can qualify for regardless of income, are safer and more affordable than private loans.

**Relatively few community college students borrow student loans of any type, but those who do unnecessarily turn to private loans more frequently than students at other types of colleges.** This suggests that community college students do not always get the information they need to make wise choices about how to pay for college.

- Eight percent of full-time community college students with documented need borrow private loans compared to nearly one-quarter (24%) of students at all types of colleges.
- Of these private loan borrowers, 37% at community colleges have not taken out federal Stafford loans. In comparison, only 13% of those who borrow private loans at public four-year colleges, and 9% of those at private four-year colleges, have no federal Stafford loans.

<sup>3</sup> Unmet need is the gap left after subtracting students' estimated ability to pay for college and available financial aid from their total college costs.