

NACAC

National Association for
College Admission Counseling



THE SHIFTING ROLE OF INSTITUTIONAL AID

WHAT ABOUT NEED?





NACAC is an organization of more than 28,000 college admission counseling professionals from around the world who are dedicated to serving students as they make choices about pursuing postsecondary education.



ASA Research, a small, women owned research firm specializing in postsecondary research, provided the data analysis and led the development of this report.

NACAC and ASA Research would like to sincerely thank Donald E. Heller, Retired Provost and Vice President of Academic Affairs at the University of San Francisco, as well as the National Association of College and University Business Officers (NACUBO) and the National Association of Student Financial Aid Administrators (NASFAA) for their expertise and support, which contributed to the successful completion of this report.

EXECUTIVE SUMMARY

Today more than ever, college is both a needed lever for socioeconomic mobility but also a daunting proposition for low-income students.

The National Association for College Admission Counseling (NACAC), in partnership with the National Association of Student Financial Aid Administrators (NASFAA), identified the financial aid application process as a barrier to more equitable college access (NACAC & NASFAA, 2022). The maximum Pell Grant in 2025-26 covered just over a quarter of the average total cost of attendance at public four-year institutions nationally and while increasing the Pell Grant is important, it is time to shift the conversation to examine how institutions distribute financial aid. Since Donald Heller's seminal work on the shift from need to merit-based aid over 20 years ago (Heller, 2006), the research on the distribution of institutional aid has been sparse.

Recent threats to federal financial aid programs and cuts to research funding have left the fate of low-income students and the institutions that serve them in the balance (Knox, 2025). This follows the dismantling of race-conscious admission policies by the U.S. Supreme Court in the cases of *Students for Fair Admission, Inc. v. President and Fellows of Harvard College* and *Students for Fair Admissions v. University of North Carolina*¹, as well as the COVID pandemic, which also exacerbated the barriers for underserved, underrepresented students (e.g., students of color and those who are low-income and first-generation) from enrolling in college and persisting through to a degree.

Many public institutions have shifted toward merit-based aid over the last 20 years as part of their strategic efforts to attract academically competitive students, increase enrollments, and, in some cases, attract out-of-state students who pay higher tuition rates (Knox, 2023). And many selective colleges, as part of their enrollment management strategies, have historically recruited the highest achieving students who often come from affluent families. The practice known as “financial aid leveraging” places a premium on student scores that would boost an institution's ranking rather than focusing on student financial need, even favoring students “...who otherwise can pay full freight and help boost the institution's bottom line” (Burd, 2024).

This research provides a much-needed update to the literature, examining the distribution of institutional need and merit-based grants by income and race/ethnicity, in both public and private institutions. We also analyze the change in institutional aid patterns over time, and the remaining need left for families to cover through loans and work earnings. In addition to highlighting the needs of students, this research demonstrates the importance of collecting and using national data to track financial and enrollment trends of students and institutions.



Recent threats to federal financial aid programs and cuts to research funding have left the fate of low-income students and the institutions that serve them in the balance (Knox, 2025).

¹ https://www.supremecourt.gov/opinions/22pdf/1199-20_hgdj.pdf

EXECUTIVE SUMMARY

Key Findings

Using the most recent National Postsecondary Student Aid Study² (NPSAS:20) data, we find that:

1. Higher income students receive more merit-based aid.

- Merit-based grant awards are largest for the highest income students at both public and private four-year institutions.
- The highest income students are also the most likely to receive merit-based aid at public institutions.

2. Higher income students receive need-based aid.

- At private institutions, one-quarter of the highest income students receive need-based grants, indicating that some private colleges and universities use a very expansive definition of financial need, one that goes well beyond the definition used for federal Pell Grants and most state need-based grants. In addition, the median need-based grant awards are roughly the same amount for both the lowest and highest income quartiles.

3. White students receive the most merit-based aid.

- Looking at race and ethnicity, White students are more likely than other groups to receive merit-based grants in both sectors, and Black and Latino students are the least likely to receive merit-based grants at public institutions.

4. Merit-based grants have increased significantly more than need-based grants.

- Over the last 20 years, both public and private four-year institutions saw increases in the proportion of students receiving institutional grants, with the exception of need-based grants at private institutions.³
- Students also saw increases in the size of median grant awards, even after controlling for inflation — particularly among merit-based grants at private institutions.

5. The lowest income students have the highest unmet need.

- Taking into account student budgets (total cost of attendance including tuition and fees, room and board, books and supplies, and other expenses), grants from all sources, and expected family contribution (EFC), students from families in the highest income quartile have little to no unmet need in both sectors, while those in the bottom half of the income distribution have the highest remaining need.
- The unmet need distribution is particularly noteworthy when considering how grants are distributed. Families in the lowest income quartile have an EFC of 0, meaning they must fill in the remaining gap with loans or work earnings.
- Given the high levels of unmet need identified among the lowest income quartiles, it is unclear how these students are able to pay for the remainder of their budgets. Even after the median loan amount, work earnings, family contributions and grants are taken into account, low-income students at private four-year institutions still fall short of paying for college and associated expenses.

This analysis focuses primarily on dependent, full-time students attending public and private non-profit four-year institutions, as these students are most likely to receive institutional aid. A separate analysis of independent, part-time students at community colleges shows a similar pattern of high-income and White students having the lowest unmet need.

Unfortunately, with shrinking federal support, pressure may be on institutions to seek cost savings through reduced institutional aid expenditures, or to use financial aid more as an enrollment management tool than a college access lever for the neediest students. Cross-campus dialogue is needed to further explore how financial aid can be leveraged in the current environment to increase college access and economic mobility.

² <https://nces.ed.gov/surveys/npsas/>

³ Longitudinal analysis based on NPSAS: 2020 and 2000

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FOREWORD

In January 2022, the National Association for College Admission Counseling (NACAC) and National Association of Student Financial Aid Administrators (NASFAA) published [Toward a More Equitable Future for Postsecondary Access](#), the result of an effort to engage students and higher education thought leaders to redesign the college admission process in service to equity.

One key observation in the report was that admission and financial aid professionals frequently found it challenging to step back and gain the broader perspective required to achieve sustained progress toward equity, leaving them vulnerable to groupthink, institutional inertia, and the pressures of daily work.

To address this issue, NACAC convened higher education leaders at its inaugural [Elevate Equity](#) gathering in 2023, giving admission and financial aid professionals the chance to pause their daily work and re-envision admission policies and practices to promote greater equity. As one participant noted:

“I run into this seemingly every day — the question of budget and resources. We don’t have enough time to do this, or we don’t have enough staff to do it that way. And it really raises the fundamental question: Where are your priorities? ...The question of the competing other priorities and how this [equity work] gets understood, I would argue... [is] a question of psychology and ... approach, intentionality, and transparency associated with these issues.”

As the participant highlighted, a common challenge in rethinking the design of a system is the tendency to assume that the system’s current design is fixed or a “given.” This tendency was underscored as Elevate Equity discussions often turned to how the profession can better adapt students to the system, rather than better adapting the system to students. As a core component of the design approach, a culture of continuous learning is a critical element of any transformation process. To be successful, strategies for change need to be sustained by a set of initiatives to fast-track transformation and sustain long-term behavior change across an organization or profession.

The bulk of the discussion at the 2023 convening focused on recruitment and admission. At the end of the convening, participants were asked to identify additional issues ripe for a similar design discussion. At the top of the list of recommended future convenings was bringing together institutional leadership, admission leadership, and financial aid leadership. Of particular concern to participants was the notion that, in practice, need-sensitive admission often reflects the acknowledgment that institutions cannot fully meet the financial needs of many low-income students. Consequently, higher-income applicants may, at times, benefit from their income serving as a plus factor in the admission process.

The release of new data from the National Postsecondary Student Aid Study ([NPSAS:20](#)) collection in 2024 offered an opportunity to assess the most recent data on the use of non-need aid to attract enrollments. A grant from Strada Education Foundation enabled NACAC, in partnership with [ASA Research](#), to analyze the data for the purpose of establishing a new baseline from which NACAC members, in conjunction with our institutional and organizational partners at NASFAA and the National Association of College and University Business Officers (NACUBO), might initiate conversations about whether and how institutional resources, as well as state and federal funding, could be redesigned to more effectively accomplish greater equity in postsecondary access.

While many organizations will analyze the same data and reach their own conclusions, there are two reasons why it is especially important for higher education associations to engage in this work. First, as NACAC’s 2022 report noted, institutional leaders need opportunities to step outside their daily routines to think differently and reflect more broadly. Second, the professionals who



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manage the complex policies and practices that sustain enrollment and revenue are uniquely positioned to initiate this conversation. The discussion around non-need aid is both broad and deep, and many more leaders and decision-makers will need to be involved as this latest phase unfolds if the profession hopes to make meaningful progress toward greater equity and access.

Importantly, other associations, including NACAC's partners in the early stages of this project, are conducting

their own analyses of these data and engaging in similar conversations within their respective communities. NACAC's effort is not intended to compete with these discussions, but to complement them by ensuring that the perspectives of college admission counseling professionals who administer the current system of policies and practices are fully understood and represented. Their insights are essential to any comprehensive effort to reevaluate existing structures and move toward a more equitable future.



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INTRODUCTION

A college degree is a critical pathway to economic and social mobility for families trapped in the cycle of poverty.

Yet the current environment of unpredictability in federal policy toward higher education, including recent threats to federal financial aid programs and cuts to research funding, have left the fate of low-income students and the institutions that serve them in the balance (Knox, 2025). Recent attacks on higher education from the Trump administration include attempts to prohibit the use of diversity, equity, and inclusion (DEI) in higher education and reverberations were even felt on programs that identify low-income students to give them an advantage in admission (Saul & Goldstein, 2025).

These recent events follow the dismantling of race-conscious admission policies by the U.S. Supreme Court in the cases of *Students for Fair Admission, Inc. v. President and Fellows of Harvard College* and *Students for Fair Admissions v. University of North Carolina*⁴ as well as the COVID pandemic, which also exacerbated the barriers preventing underserved, underrepresented students (e.g., students of color and those who are low-income and first-generation) from enrolling in college and persisting through to a degree once enrolled. Because of these challenges, policy must still focus on increasing college access.

While financial aid discussions often center around the federal Pell Grant, which is the foundation of federal grant aid for students from low- and moderate-income families, institutions can also play a role in increasing access for students whose families cannot afford the increasing price of college. The latest data from the College Board show that in the 2024-2025 academic year, institutional grant aid exceeded all federal grant aid by over \$30 billion, demonstrating the critical role that colleges and universities play in promoting college affordability and access (Ma, Pender & Hu, 2025).

Following on our initial blog on this topic using preliminary data⁵, this study examines national data for patterns in institutional aid awards to determine the extent to which institutions help close the gap in unmet need for students in different income and racial/ethnic groups.

In addition to highlighting the important role of campus-based financial aid programs, this research demonstrates the importance of having access to a national dataset with information about student finances during a time when education research is also on the chopping block. Finally, this work provides a much-needed update to the literature on this topic.



In addition to highlighting the important role of campus-based financial aid programs, this research demonstrates the importance of having access to a national dataset with information about student finances during a time when education research is also on the chopping block.

⁴ https://www.supremecourt.gov/opinions/22pdf/1199-20_hgdj.pdf

⁵ <https://admitted.nacacnet.org/wordpress/index.php/10/10/2023/unequal-distribution/#more-5081>

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Increasing Tuition

Indeed, the rising price of college continues to be out of reach for many students — on average, inflation-adjusted tuition and fees (sticker prices) increased 75 percent and 102 percent at private nonprofit and public four-year institutions, respectively, over the last 30 years (Figure 1).

For a quarter century, public colleges and universities have faced stagnant state investments in higher education, a period when the demands on institutions to meet the needs of their students have increased significantly. On average, appropriations from the states to their public institutions on a per-student basis in fiscal year 2024 were at the same level (in constant dollars) as in 1999 — \$11,863. In contrast, the revenue received by public institutions from tuition and fees paid by students (after receipt of financial aid) increased 50 percent in constant dollars, from an average of \$4,983 in 1999 to \$7,510 in 2024 (State Higher Education Executive Officers, 2025). Students are shouldering a larger burden of the cost of their education today than 25 years ago.

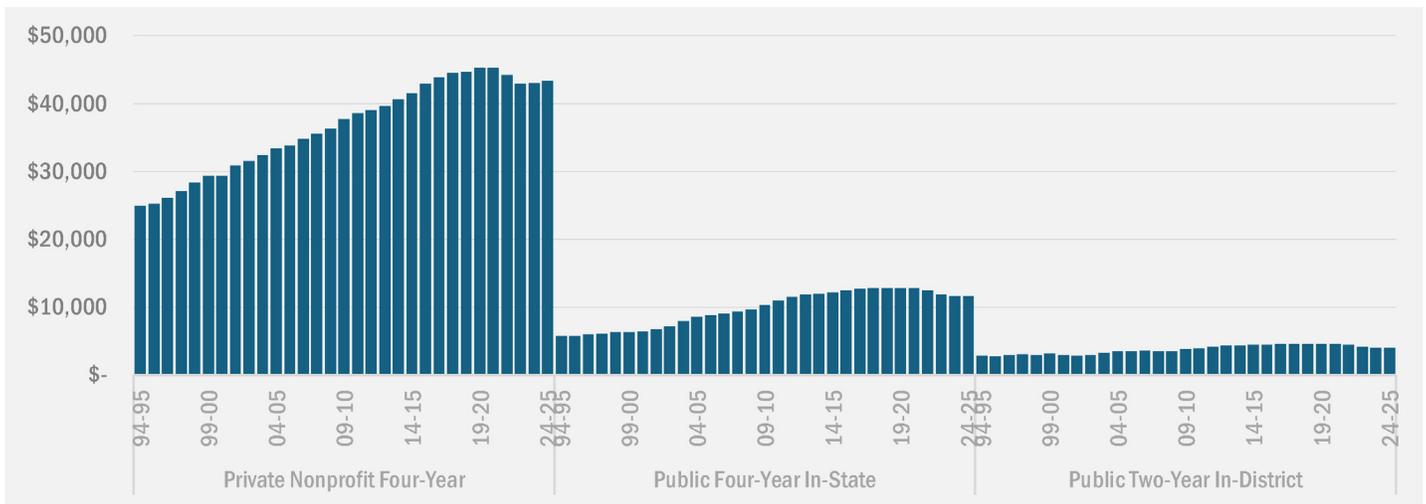
College Access Challenges

Students of color and those from low-income families, particularly those who are the first in their families to attend college, face a range of financial and academic barriers to college access and success. They typically attend K-12 schools in underfunded school districts with higher student-to-counselor ratios, a lower percentage of qualified teachers, a lack of college and standardized testing guidance and tutoring, and less access to college preparatory coursework. First-generation students often lack familiarity with college-going culture as well as the social capital needed to navigate the college application process (Duncan & Murnane, 2011), including financial aid forms such as the Free Application for Federal Student Aid (FAFSA). In partnership with NASFAA, NACAC identified the FAFSA as a barrier to more equitable college access (NACAC & NASFAA, 2022).⁶

Shifting the Conversation to Institutional Aid

Many financial aid advocacy efforts in recent years have centered around increasing the federal Pell Grant.

Figure 1. Average inflation-adjusted published tuition and fees (enrollment-weighted) in 2024 dollars, by sector, 1994-95 to 2024-25



Source: College Board, 2024.

⁶ See https://www.nasfaa.org/fafsa_simplification for information about changes to the FAFSA resulting from the 2020 FAFSA Simplification Act.

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The maximum Pell Grant in the 2025-26 academic year is \$7,395, which covers just over a quarter of the average total budget (cost of attendance) at public four-year institutions nationally, leaving families to cover the remaining tuition, along with living expenses, books, and other costs.⁷ The average budget is even higher for students attending private four-year institutions (\$56,959, *see the definition and source for student budget in Methodology below*).

Most states have need-based grant programs to help fund college costs, but these vary widely in their eligibility requirements and size of the grants, with many states offering a combination of both need- and merit-based aid. Most higher education institutions have a high tuition, high aid model in which the expectation is that most students will not pay the full sticker price; rather, institutional grants or scholarships in combination with federal and state grants will offset the cost. However, the reality is these institutional grants are often not prioritized by the financial need of the student and their family.

Some of the most highly selective private institutions recently began offering free tuition for families under a specified income threshold, in some cases as high as \$200,000. However, it is important to acknowledge that other than this relatively small number of institutions with very large endowments that provide a large subsidy to the operating budget including support for financial aid, institutions face a constant battle balancing financial imperatives and supporting their mission. While many institutions have clearly articulated missions to serve historically underserved populations, which primarily means students from lower-income families, these are precisely the students who need the most financial aid in order to enroll and persist through to earning a degree.

Over the last 30 years, the share of state grant aid that is non-need, or merit-based, has shifted from 10 percent of all state grant aid to 26 percent.⁸

Low-income students and families, many of whom lack savings and may be living paycheck to paycheck, must find ways to fund the remaining need after grants from all sources are taken into account, either through loans or student employment. Often, low-income students are burdened with paying back loans over many years, even decades, if their post-college employment does not provide enough income to maintain monthly loan payment requirements. In addition, working long hours while enrolled can have negative consequences for student engagement, success, and completion (Bartolj & Polanec, 2018). While increasing the Pell Grant would help these families, institutions can also do their share to make college more affordable — particularly at a time when federal support programs are under attack.

Previous Research

The literature on the distribution of institutional aid over the last 10 years is limited. Prior to that, the research showed a shift in institutional aid awards from need- to merit-based aid (Heller & Nelson Laird, 1999; Redd, 2000). In their seminal research on the topic, Heller and

Nelson Laird (1999) found the greatest increases occurred in the amounts of merit-based grants as opposed to need-based, and in the receipt of need-based aid by high income students. In 2006, Heller noted a shift among both states and institutions over the decade prior from need- to merit-based aid criteria (Heller, 2006).

Recent research further confirms Heller's findings that states and institutions have shifted from need-based criteria to emphasizing more academic merit-based criteria in the

awarding of grant aid. Over the last 30 years, the share of state grant aid that is non-need, or merit-based, has shifted from 10 percent of all state grant aid to 26 percent.⁸ Even when states offer need-based grant

⁷ <https://fsapartners.ed.gov/knowledge-center/library/dear-colleague-letters/2026-2025/31-01-2025-federal-pell-grant-maximum-and-minimum-award-amounts-updated-may-2025-29>

⁸ Authors' calculation of <https://www.nassgapsurvey.com/>

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programs, there are large differences in the receipt of such grants by race/ethnicity (Baum, 2023; Harris, 2022). Black students are 10 percent less likely to receive state need-based aid than Asian peers, primarily due to differences in enrollment requirements and high school academic rigor (Baum, 2023).

Many public institutions have shifted toward merit-based aid over the last 20 years as part of their strategic efforts to attract academically competitive students, increase enrollments, and, in some cases, attract out-of-state students who pay higher tuition rates (Knox, 2023). According to New America, in their study of 339 public universities, these institutions tripled their spending on merit-based aid between 2000-01 and 2016-17.⁹ During this same time period, these institutions shifted from meeting 72 percent of financial need, on average, to 66 percent. The growing use of algorithms in enrollment management practices is concerning as a use for allocating institutional aid, as it favors enrollment yield over student financial need, and shows potential for bias (Engler, 2021).

Many selective colleges, as part of their enrollment management strategies, have historically recruited the highest achieving students, who often come from affluent families. This practice, also known as “financial aid leveraging,” places a premium on student scores that would boost an institution’s ranking rather than focusing on student financial need, even favoring students “...who otherwise can pay full freight and help

boost the institution’s bottom line” (Burd). According to Stephen Burd from New America, under this strategy, “...meeting need is considered inefficient and wasteful.” In fact, “...leaving low-income students with large funding gaps is part of the game plan to help colleges pursue the students they want most: the best applicants, who can help the institutions rise up the rankings, and the wealthiest, who can help them increase their revenues.”

Research Questions

While recent studies have examined the effects of financial aid on enrollment outcomes, little recent research, if any, has analyzed the distribution of institutional aid by income and race/ethnicity. This study examines the following questions:

1. What is the distribution of institutional need-based and non-need-based grant aid by income level and race/ethnicity?
2. What is the change in institutional grant aid receipt over time?
3. What is the remaining unmet need after grants by income and race/ethnicity?
4. How do low-income students pay remaining need? What is the distribution of loans and student earnings while enrolled by income level?



Many selective colleges, as part of their enrollment management strategies, have historically recruited the highest achieving students, who often come from affluent families.

⁹ <https://www.newamerica.org/education-policy/reports/crisis-point-how-enrollment-management-and-merit-aid-arms-race-are-destroying-public-higher-education/chapter-2-nonneed-based-aid-spending-at-public-universities-20012017/>

METHODOLOGY

This analysis primarily uses the 2019-2020 National Postsecondary Student Aid Study (NPSAS:20), a nationally representative survey conducted by the U.S. Department of Education that includes almost 150,000 undergraduate students enrolled in college that academic year (Wine, Siegel, & Haynes, 2023).

The analysis here focuses primarily on dependent, full-time students attending public and private non-profit four-year institutions, as these students are most likely to receive institutional aid.¹⁰ A brief analysis of part-time, independent, and community college students is also included.

For historical comparison, the 1999-2000 NPSAS (NPSAS:00) is used to examine changes in aid receipt over the past two decades. To assess trends in financial aid awards, dollar amounts are adjusted for inflation to reflect real dollar changes in the purchasing power of aid received.

This analysis examines aid receipt by income level. For dependent students, parental income is divided into quartiles to explore differences in aid receipt across income levels. Unless otherwise noted, median aid award amounts are reported for recipients only and do not include students who did not receive aid.

In addition to institutional aid, the analysis includes student cost and financial metrics. Several important definitions follow:

- **Student budget (total cost of attendance):** Student budget includes tuition and fees and non-tuition expenses such as books and supplies, room and board, transportation, and personal expenses. Student budgets are adjusted for attendance status, and students who are not enrolled full-time or for the full academic year have proportionally adjusted budgets.
- **Expected Family Contribution (EFC):** EFC is an estimate of how much a student's family is expected to contribute toward college costs for a given year. EFC data are primarily from the FAFSA or NPSAS (collected via the National Student Loan Data System [NSLDS]).¹¹ Note that the 2020 FAFSA Simplification Act replaced EFC with Student Aid Index (SAI), which will be reflected in future data releases.
- **Unmet need:** Unmet need represents the portion of college costs not covered by the EFC and grant aid from all sources and is calculated as the student budget minus EFC minus all grants received.

Unless otherwise noted, all differences reported herein were tested for statistical significance and found to be significant at the $p \leq .05$ level.



To assess trends in financial aid awards, dollar amounts are adjusted for inflation to reflect real dollar changes in the purchasing power of aid received.

¹⁰ Note, 37 percent of dependent and 15 percent of independent students received institutional aid in 39 ;20-2019 percent of full-time and 12 percent of part-time student received institutional aid; and 57 percent, 34 percent, and 9 percent of private 4-year, public 4-year, community college students received institutional aid, respectively.

¹¹ Where unavailable, EFC values are imputed using federal formulas based on dependency status: dependent, independent without dependents (other than a spouse), or independent with dependents.

FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

The data below highlight disparities in institutional merit (academic and other non-need-based scholarships) and need-based grant awards.

This analysis disaggregates institutional grant aid receipt and median awards by grant type (need vs. non-need) and institution type (public four-year vs. private non-profit four-year), first by income quartile, then by race/ethnicity. This initial analysis is followed

by a description of changes in these measures over the last 20 years. Finally, we examine how low-income students pay the remaining price of college after their EFC and grants are taken into account, either through loans or working while enrolled.



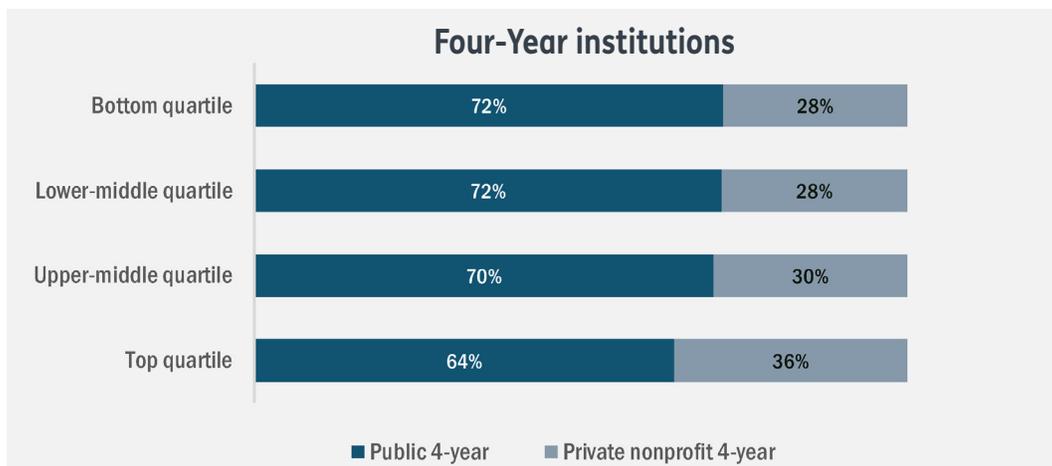
Where do Students Enroll?

To provide context for the findings examining aid receipt by student characteristics, below is information about which types of institutions students attend.

- Students in the highest income quartiles are more likely to attend private institutions than those in the bottom quartiles.
- Higher income students are more likely to attend very selective institutions, in both public and private four-year institutions.
- Latino and Black students are the least likely to attend private four-year institutions.
- Asian students are the most likely to attend very selective institutions.

Institution Type by Income

Figure 2. Institution type by income quartile, dependent, full-time students, 2019-20



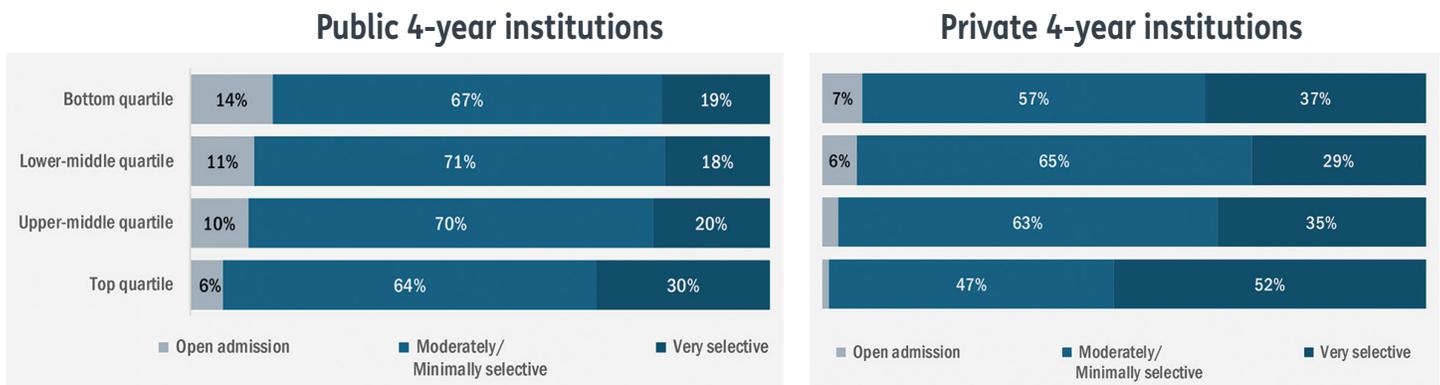
Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).¹²

¹² Unless otherwise noted, the source for all figures is: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

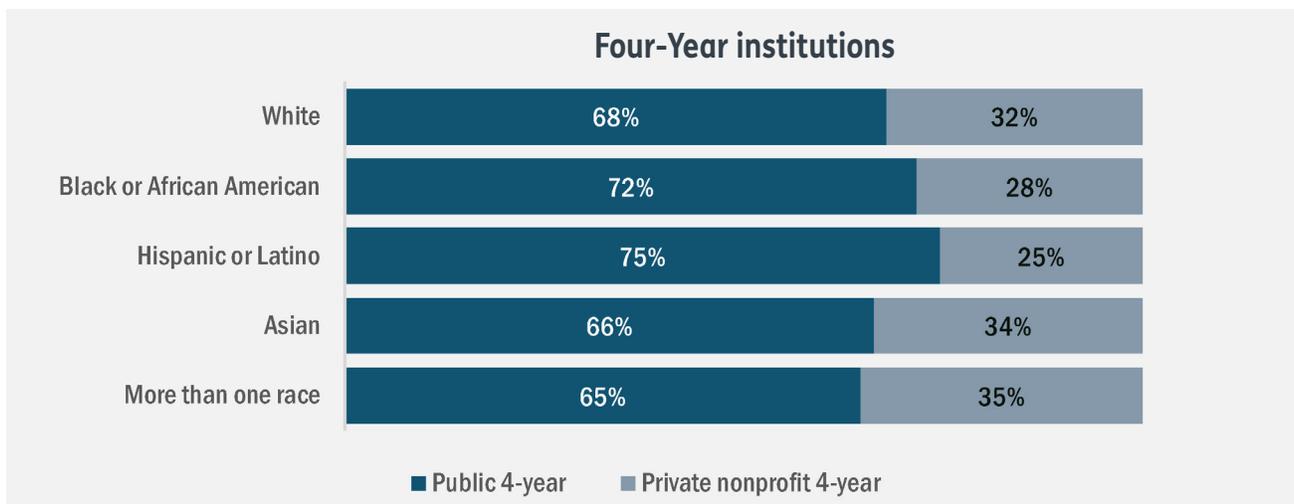
Institution Type by Income *continued*

Figure 3. Institution selectivity by income quartile, dependent, full-time students, 2019-2020



Institution Type by Race/Ethnicity¹³

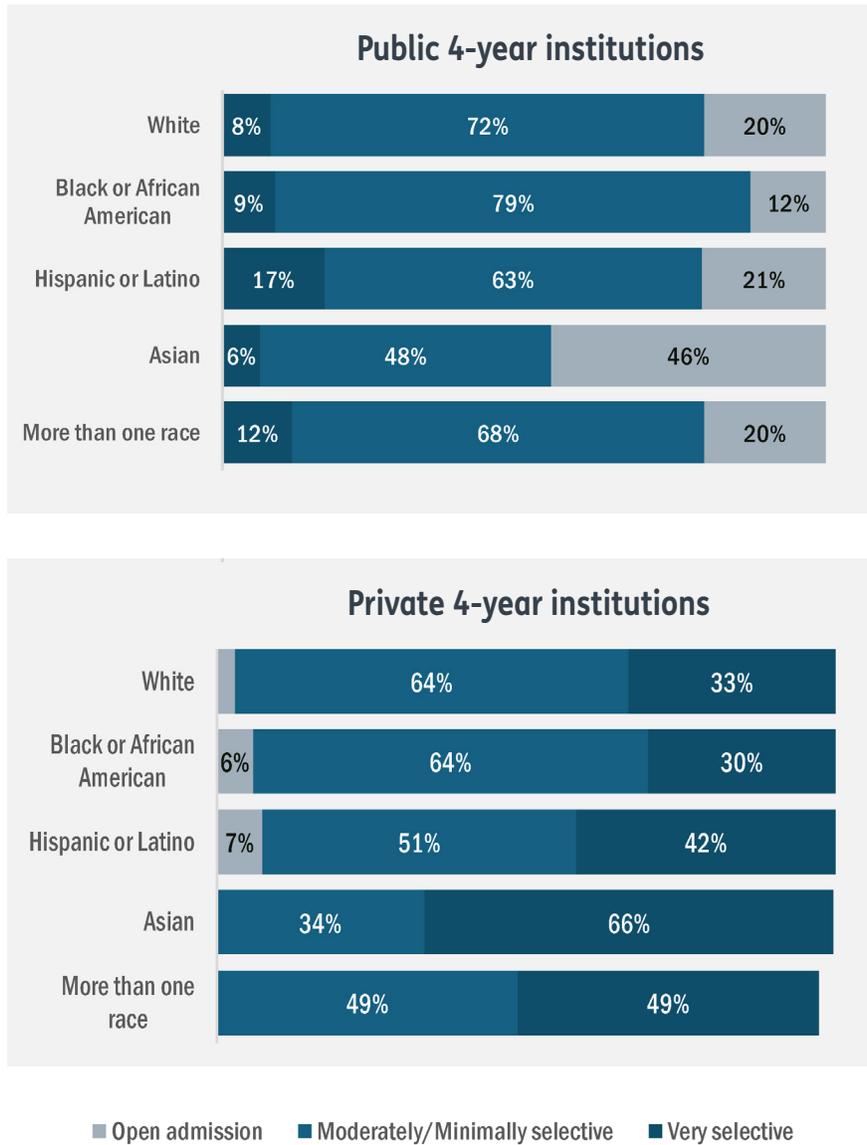
Figure 4. Institution type by race/ethnicity, dependent, full-time students, 2019-2020



¹³ Note, American Indian/Native students have been excluded from this analysis due to relatively small sample sizes. Their data is included in the appendix tables.

FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Figure 5. Institution selectivity by race/ethnicity, dependent, full-time students, 2019-2020



FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Institutional Aid by Income

Below are highlights of the analysis by income quartile.

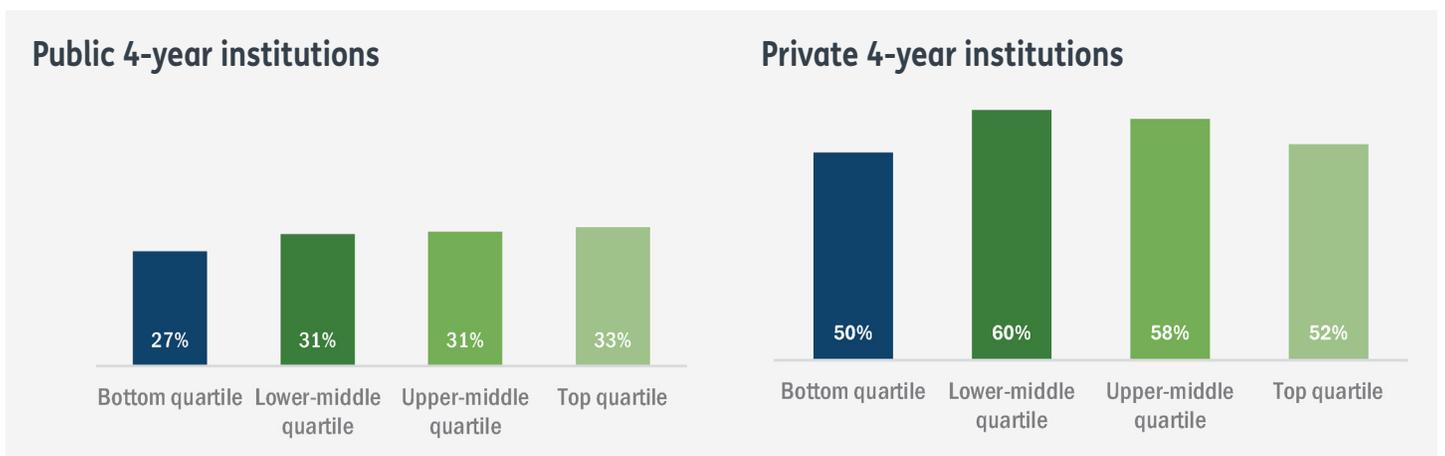
- In both public and private four-year institutions, higher income students received larger merit-based grants than lower-income students.

Figure 6. Median merit-based grant award amount of dependent, full-time students, 2019-20



- At public institutions, students in the top income quartile were more likely to receive merit-based grants than their lower-income peers.¹⁴
- At private institutions, merit-based grants were most likely to be awarded to students in the middle two income groups.

Figure 7. Percentage of dependent, full-time students receiving merit-based grants, 2019-20



¹⁴ As noted in the Methodology, only statistically significant differences are reported.

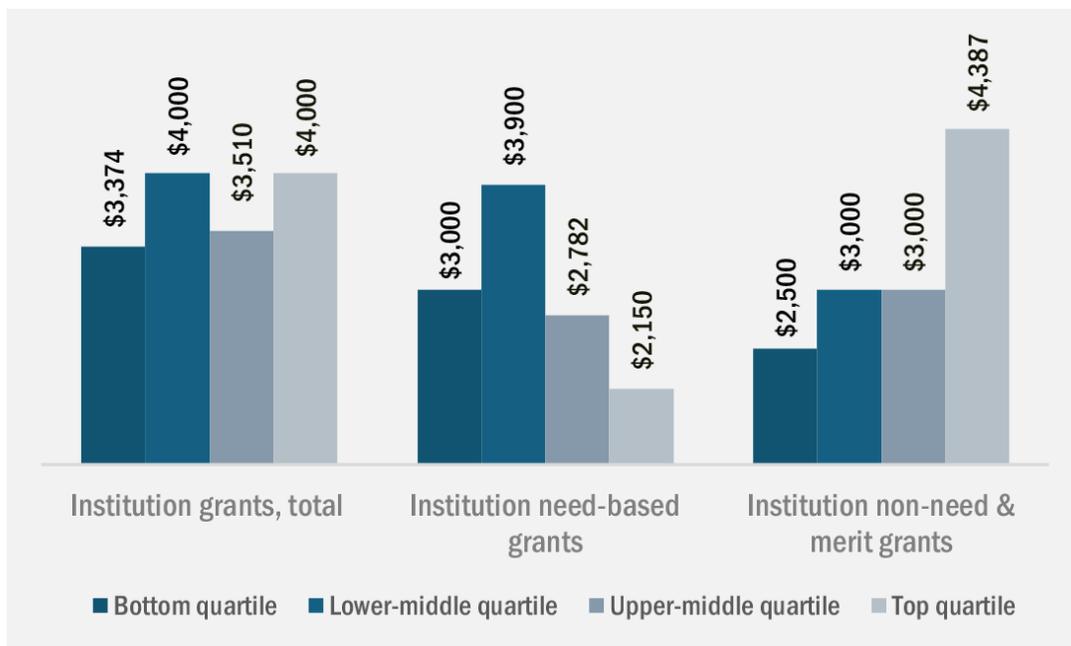
FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Additional findings by institution type follow.

Public Four-year

- Students in the highest income quartile receive higher total institutional grants than students in the lowest quartile (\$4,000 compared with \$3,374) and the same amount as those in the lower-middle quartile. This is largely driven by merit-based grants, which higher-income students are most likely to receive, and at higher amounts. This nearly \$700 difference could feel significant to lower-income students, who benefit from emergency micro-grants under \$1,000 to cover expenses (Fain, 2016).
- Students from families below the median income were more likely to receive need-based grants and received them in higher amounts than wealthier students. However, merit-based grants are generally larger: the largest need-based grant (\$3,900) is smaller than the largest merit-based grant (\$4,387).

Figure 8. Median grant award of dependent, full-time students, public 4-year institutions, 2019-20



FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Figure 9. Percentage of dependent, full-time students receiving grants, public 4-year institutions, 2019-20

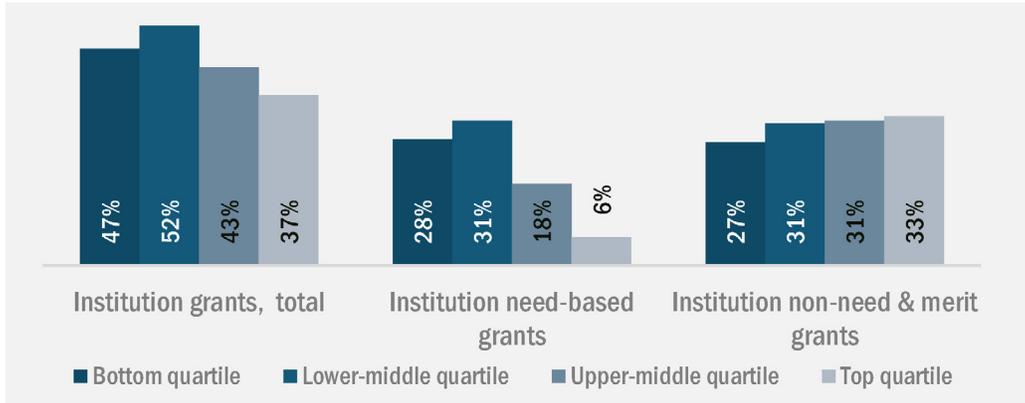


Figure 10. Median grant award of dependent, full-time students, private 4-year institutions, 2019-20

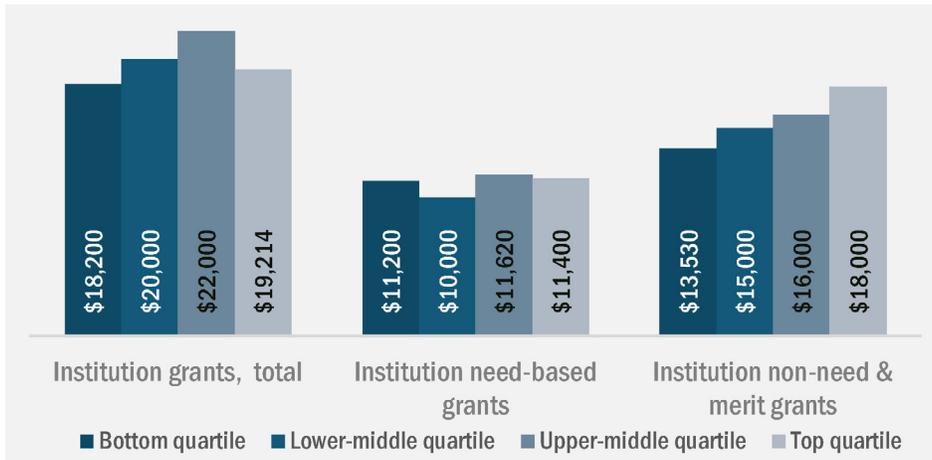
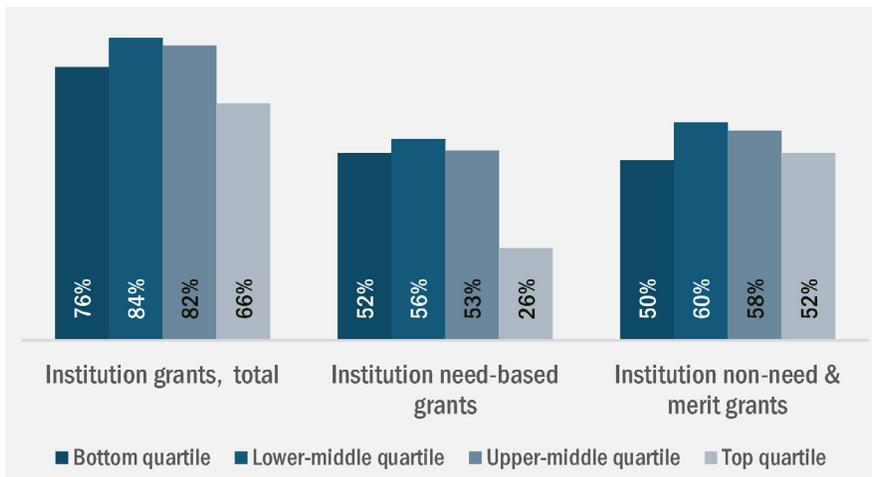


Figure 11. Percentage of dependent, full-time students receiving grants, private 4-year institutions, 2019-20



FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Private Four-Year

- Students in the upper-middle income quartile receive the highest amount of total grants (\$22,000, compared with \$18,200 for the lowest-income students), and are more likely to receive grants than the lowest-income students (82 percent vs. 76 percent).
- While the lowest income quartile is twice as likely as the highest income quartile to receive need-based grants (52 percent vs. 26 percent), it is still noteworthy that one-quarter of the highest income students receive need-based grants, given their very low levels of unmet need (see EFC, below). This could be due to the recent practice of institutions — typically, highly selective private institutions — setting expanded definitions for low-income (for example, under \$200,000 family income) to receive free tuition.
- The median need-based grants are roughly the same amount for both the lowest and highest income quartiles; the lower-middle income quartile receives the smallest need-based grants.

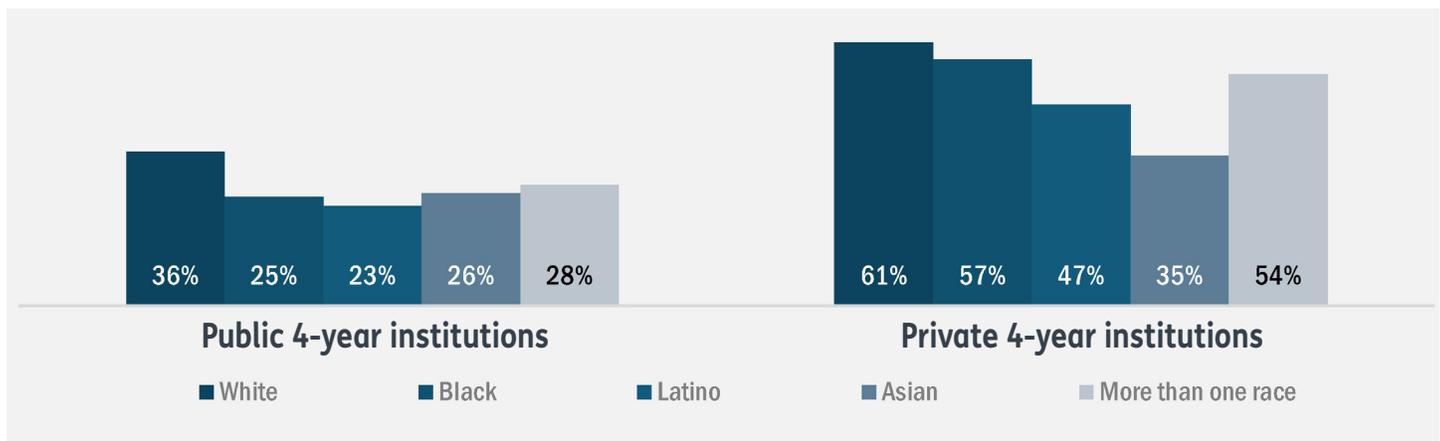
Note, see Tables 1c–1h in Appendix C for similar patterns by institution selectivity.

Institutional Aid by Race/Ethnicity¹⁵

Below are highlights of the analysis by race/ethnicity.

- White students are more likely than other groups to receive merit-based grants in both sectors.
- Black and Latino students are the least likely to receive merit-based grants at public institutions, while Asian students are the least likely to receive merit-based grants at private institutions.¹⁶ This could be because Asian students are more likely to attend very selective institutions, which tend to award more need-based than merit-based aid.

Figure 12. Percentage of full-time, dependent students receiving merit-based grants, 2019–20



¹⁵ Note, American Indian/Native students have been excluded from this analysis due to relatively small sample sizes. Their data is included in the appendix tables.

¹⁶ Note: Asian American students' families in the NPSAS sample have lower median income levels than those of White students, while the reverse is true nationwide based on Census data.

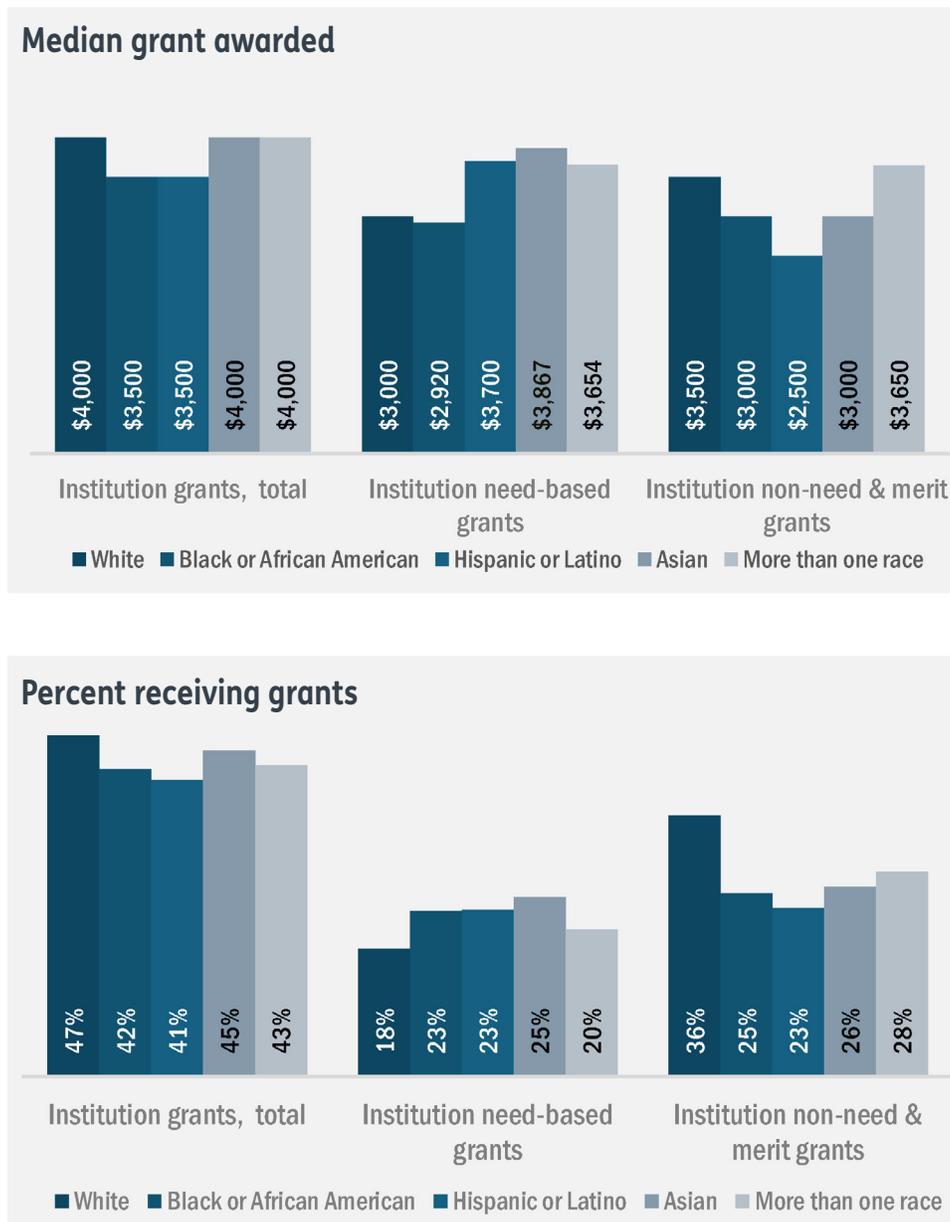
FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Additional findings by institution type follow.

Public Four-Year

- White students are the most likely to receive total institutional and merit-based grants (47 percent and 36 percent, respectively), and at higher amounts than other students (\$4,000 in total grants compared with \$3,500 for Black and Latino students).
- Asian students are the most likely to receive need-based grants (25 percent), and at higher amounts than other groups (\$3,867 compared with a low of \$2,920 for Black students).

Figure 13. Median grant award amount and percent of dependent, full-time students, public 4-year institutions, 2019-20

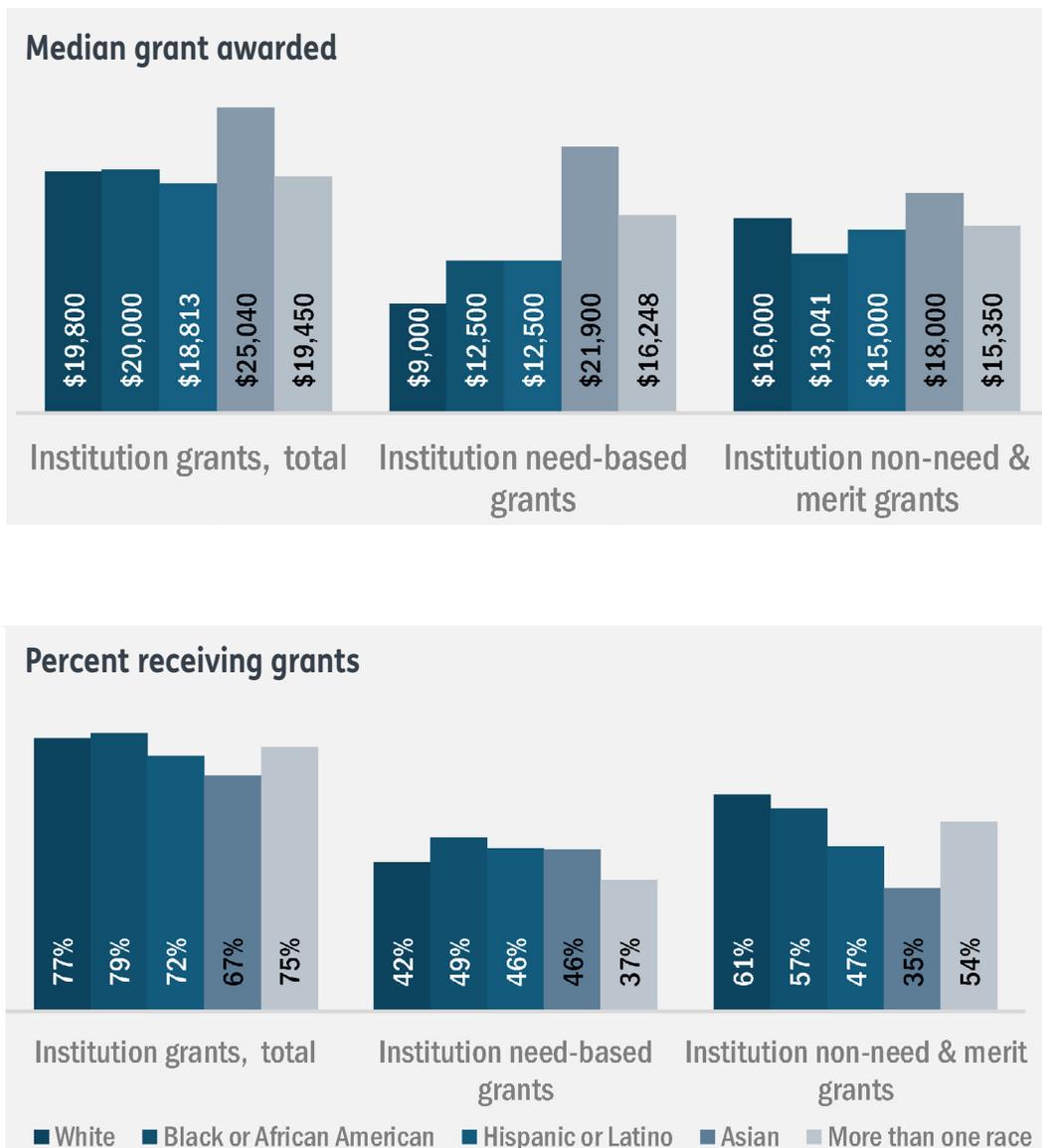


FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Private Four-Year

- Black students are the most likely to receive any institutional grant (79 percent) while Asian students are the least likely (67 percent) but receive the highest total grant amount (\$25,040).
- Black students are the most likely to receive need-based grants (49 percent) while students of more than one race are the least likely to receive need-based grants (37 percent).
- Following White students at 61 percent, Black students are the next most likely to receive merit-based grants, 57 percent. Asian students are the least likely to receive merit-based grants, 35 percent.

Figure 14. Median grant award amount and percent of dependent, full-time students, private 4-year institutions, 2019-20



FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Institutional Aid Over Time

The following figures highlight the changes in institutional merit and need-based grant awards over the last 20 years, using NPSAS: 2020 and 2000 data.

- The percent of all students receiving institutional aid increased the most for merit-based aid — 19 and 18 percentage points at private and public institutions, respectively — while the percent of students receiving need-based aid increased by 10 percentage points at public institutions and declined slightly at private institutions.

The greatest increases in the median awards were seen at private institutions, particularly for merit-based aid which increased by over \$9,000, or 136%. This was followed by need-based aid at private institutions, which increased by \$4,000, or 60%. Public institutions saw much smaller increases for students overall, remaining relatively flat for merit-based aid.

Figure 15. Percent of dependent, full-time students receiving grants, 1999-00 to 2019-20

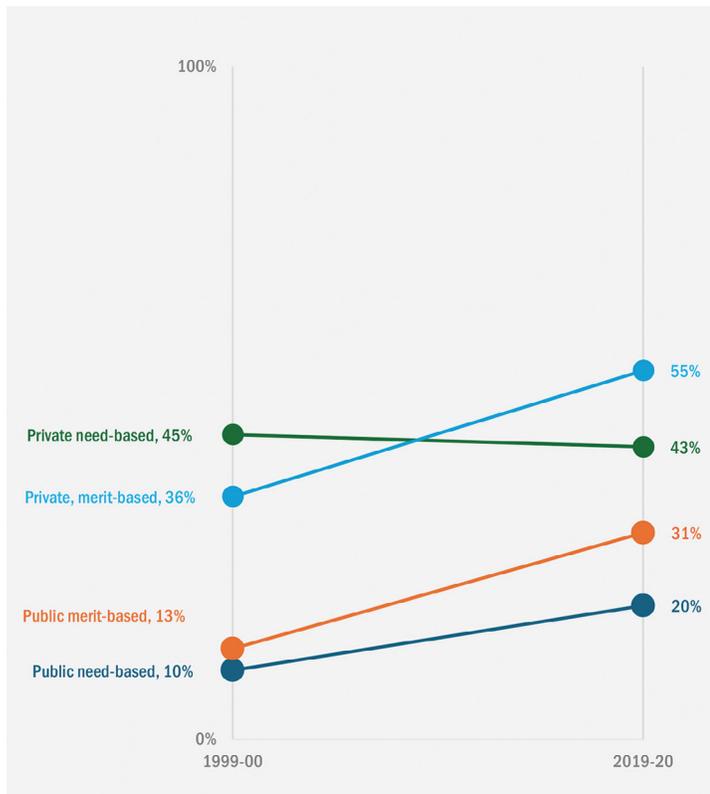
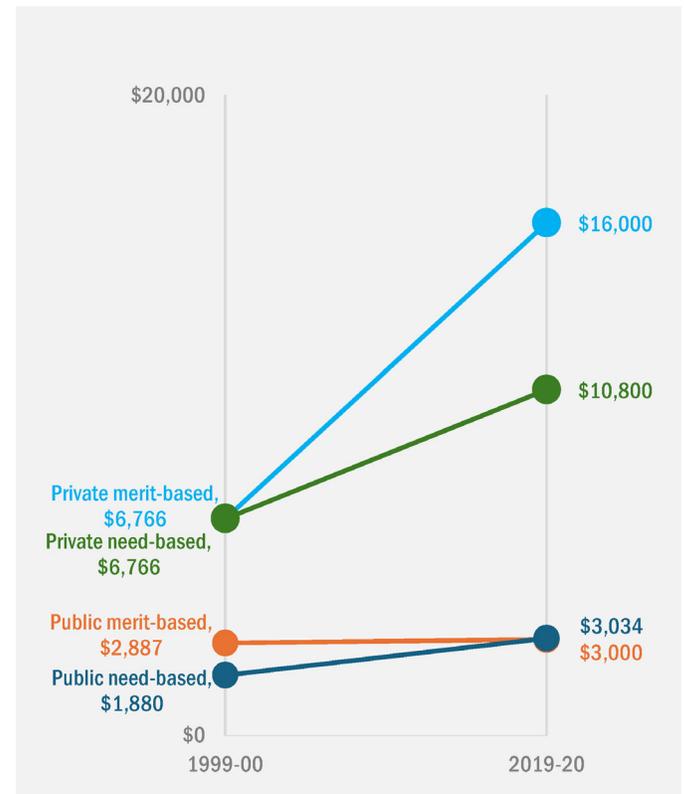


Figure 16. Median inflation-adjusted institution grants, dependent, full-time students, 1999-00 to 2019-20



FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Figures 17 and 18 display the percent changes over the same time period by institution type and income quartile. *Note*, due to changes in reporting methodologies over time, a longitudinal analysis by race/ethnicity is not possible.

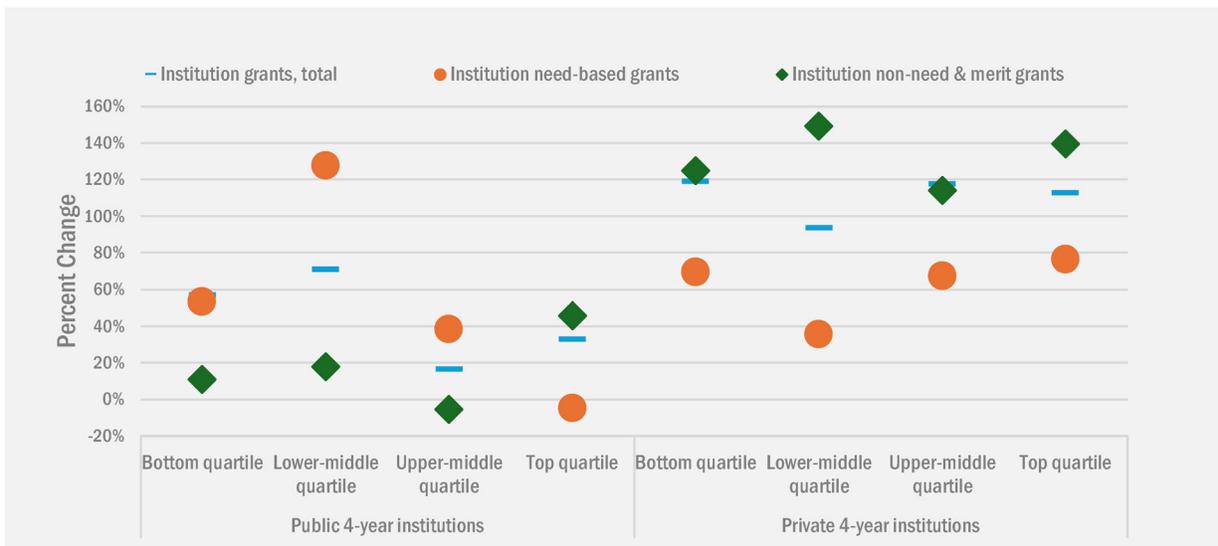
- Both public and private four-year institutions saw increases in the proportion of students receiving grants during this two-decade period, with the exception of need-based grants at private institutions.

Figure 17. Change in percent of dependent, full-time students receiving institution grants, 1999-00 to 2019-20



- Students also saw increases in the size of median grant awards, even after controlling for inflation — particularly among merit-based grants at private institutions.

Figure 18. Percent change in median inflation-adjusted institution grants, dependent, full-time students, 1999-00 to 2019-20



FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Additional findings by institution type follow.

Public Four-Year

- The increase in grant receipt is particularly high for merit-based grants among the highest income quartile students: a 20-percentage point increase.
- Need-based grant receipt showed slower growth than for merit-based, with only a 9-percentage point increase for the lowest income quartile.
- The median inflation-adjusted grants grew relatively unevenly. The largest increase was seen in need-based grants for the lower-middle income quartile, at 128 percent. This compares with only a 53 percent increase for students in the lowest income quartile.
- The largest increase in merit-based grant amounts was for the top-income quartile at 46 percent, compared with just 11 percent for the lowest-income quartile.

Private Four-Year

- Need-based grant receipt showed little to no growth, remaining relatively flat for the middle two quartiles and increasing by just two percentage points for the lowest income quartile.
- The median merit-based grant more than doubled across all four income groups.

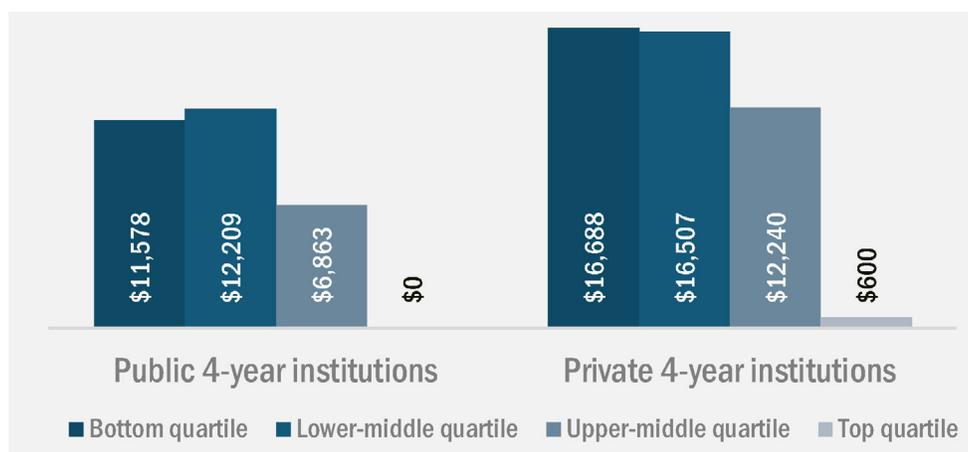
Resulting Unmet Need

Unmet need is the remaining amount that students need to pay the institution after EFC and all grants are taken into account — not only institutional grants but also those awarded by the states and the federal government, such as Pell grants. Median EFC ranges from \$0 in the bottom quartile (these students are from low-income families unable to pay anything toward college) to \$40,000 in the top quartile. The median student budget (tuition, fees, room and board, books and supplies, and other expenses — see Methodology for detailed definition) in 2019-2020 was over \$26,000 at public institutions and just under \$57,000 at private institutions.

Unmet Need by Income

- Students from families in the highest income quartile have little to no unmet need in both sectors — \$0 and \$600 in public and private institutions, respectively — while those in the bottom half of the income distribution have the highest remaining need — well over \$10,000 or \$15,000. This is particularly noteworthy when considering the full picture of grant distribution, as described below.

Figure 19. Median unmet need of dependent, full-time students, 2019-20



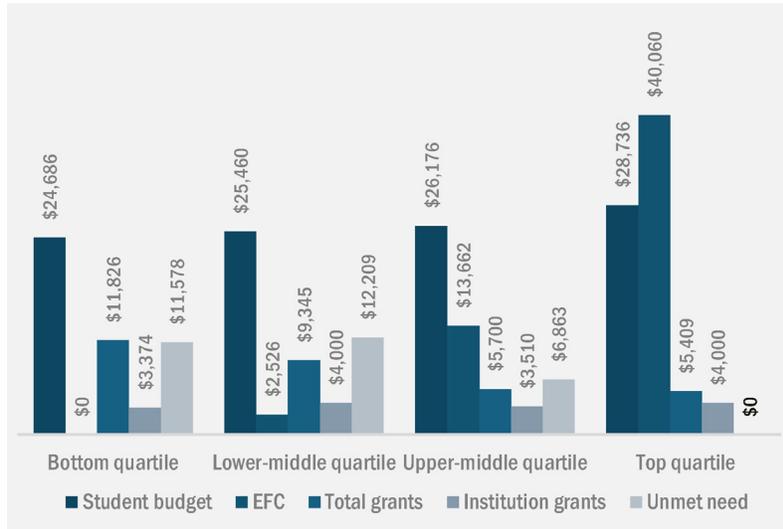
FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Additional findings by institution type follow.

Public Four-Year

- While the highest income quartile has no remaining need after both EFC and grants are taken into account, the lowest two quartiles have a remaining need of approximately \$12,000. It is noteworthy then, that total institutional grants are lower for the lowest income quartile than for the highest income quartile (\$3,374 versus \$4,000).

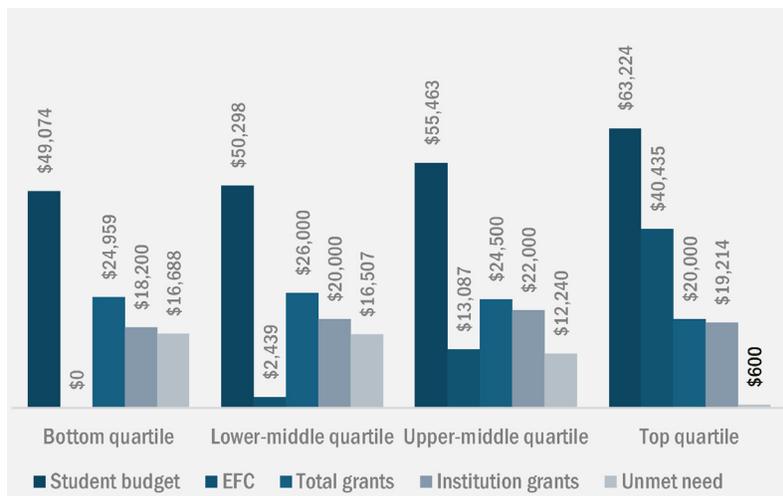
Figure 20. Median student budget, EFC, grants, and unmet need of dependent, full-time students, public 4-year institutions, 2019-20



Private Four-Year

- Private four-year institutions tell a similar story. Although the total budgets are higher, the highest income quartile has relatively little remaining need (\$600) while the two lowest income quartiles have over \$16,000 left to pay. As with public four-year institutions, the institutional grants are lowest for the lowest-income students.

Figure 21. Median student budget, EFC, grants, and unmet need of dependent, full-time students, private 4-year institutions, 2019-20

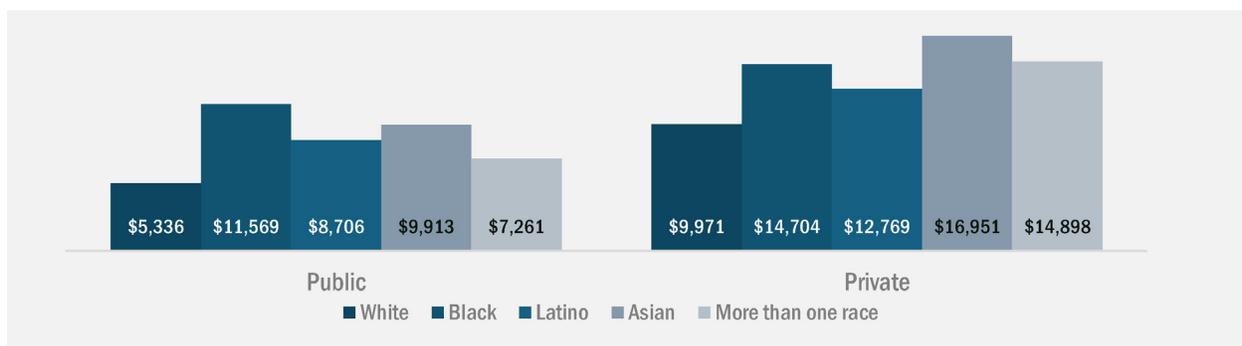


FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Unmet Need by Race/Ethnicity

- In both public and private four-year institutions, White students have among the lowest unmet need, likely due to having higher EFCs, but they still receive comparable grant amounts as other student groups.
- Black students have the lowest EFCs, under \$1,000 at both public and private institutions, followed by around \$2,000 for Latino students. This compares with EFCs of \$15,000-\$17,000 for White students across both sectors, reflecting the higher level of family resources (income and assets) available to these students.
- Asian students have the highest budgets at both public and private institutions, which may reflect the higher sticker prices at the institutions they attend. Total grants are also highest for Asian students, likely due to their higher budgets.

Figure 22. Median unmet need of full-time dependent students, 1999-2000

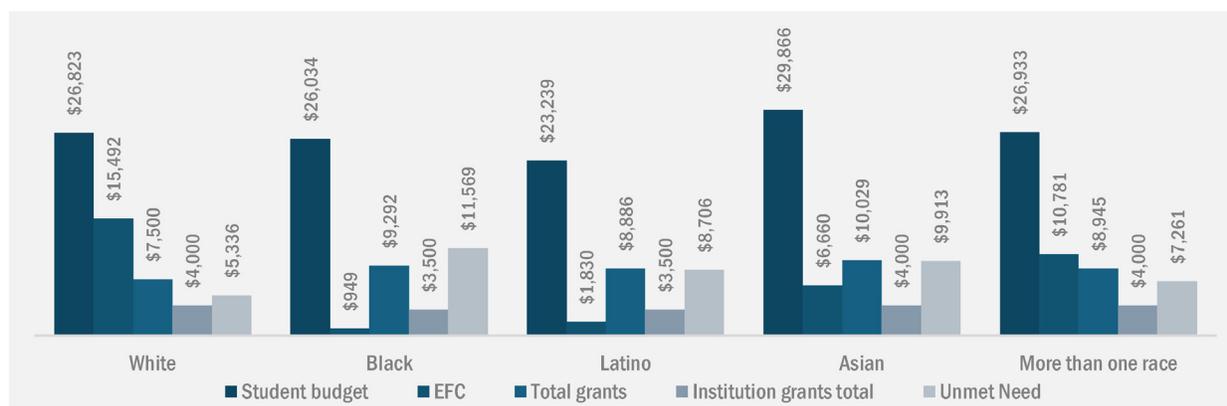


Additional findings by institution type follow.

Public Four-Year

- At public institutions, there is little variance in institutional grant amounts — ranging from \$3,500 to \$4,000 — despite the differences in EFC.
- The resulting unmet need is highest for Black students at \$11,569, followed by \$9,913 for Asian students, and \$8,706 for Latino students.

Figure 23. Median student budget, EFC, grants, and unmet need of dependent, full-time students, public 4-year institutions, 2019-20

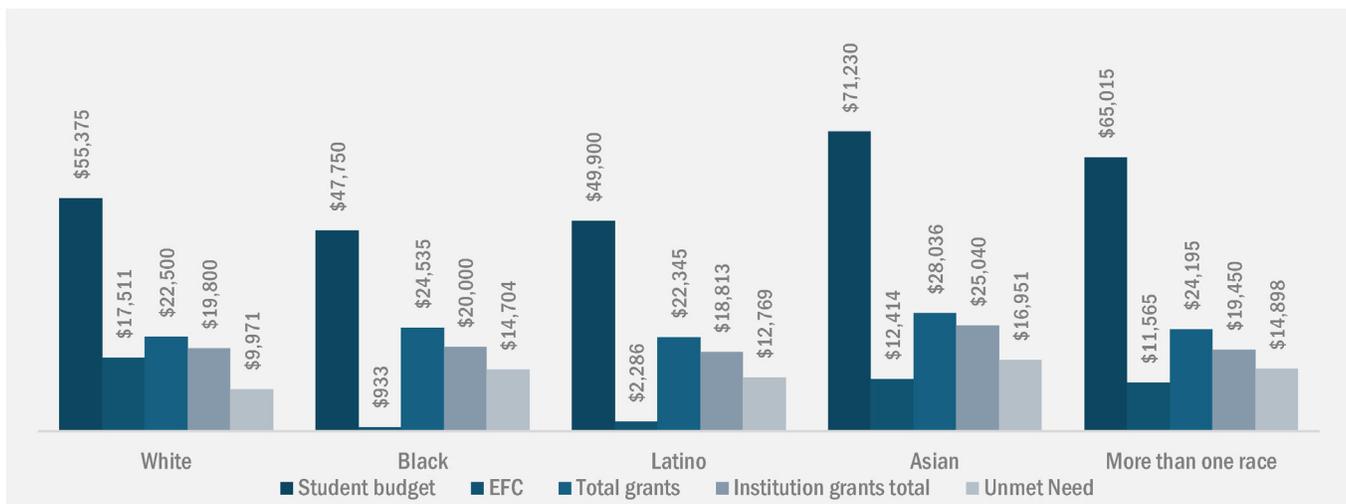


FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Private Four-Year

- At private institutions, White students have the highest EFC (\$17,511), followed by Asian students (\$12,414), then students of more than one race (\$11,565).
- Black students have the lowest EFC (\$933), followed by Latino students (\$2,286).
- Total grants are highest for Asian students, again likely due to their higher budgets, as are institutional grants (\$25,040).
- Interestingly, institutional grants are only \$200 less for White students than for Black students (\$19,800 compared with \$20,000), considering their vast differences in EFC, although Black students do have lower budgets.
- The result is an unmet need of \$14,704 for Black students, compared with \$9,971 for White students. Asian students have the highest unmet need at \$16,951.

Figure 24. Median student budget, EFC, grants, and unmet need of dependent, full-time students, private 4-year institutions, 2019-20



Overcoming Unmet Need

Given the higher unmet need among lower income students, the question remains as to how they pay for college with relatively low levels of family support and insufficient grant aid to cover the remainder. To answer this question, differences in loan receipt and amount, and hours worked while enrolled by students of different income levels — the two primary ways that students close the gap in unmet need — were examined. Based on loans and earnings, it appears that low-income students can just cover the costs at public four-year institutions but fall short of remaining need at private institutions.

Loans

- At public four-year institutions, the highest income students have the lowest loan borrowing rates at 37 percent. The middle quartile groups have the highest rates, at 52 percent, followed by the bottom quartile at 45 percent.
- The median amount of loans is \$1,000 lower for the lowest quartile than for the other quartiles, which borrow similar amounts, although their unmet need is higher than the top two quartiles.

FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

- The pattern is similar at private institutions, where the highest income students have the lowest loan borrowing rates at 40 percent, followed by the lowest income quartile at 59 percent, and the middle quartiles at the highest rates of 66 and 67 percent.
- The two lowest quartiles' median loan amounts are \$1,000 lower than the top two quartiles, which may be explained by higher budgets among the top quartiles, but does not make up for higher remaining need among the lowest quartiles. The tendency for lower quartiles to take out smaller loans, despite having higher unmet needs, could be indicative of loan aversion. The evidence about which populations experience loan aversion is mixed (Boatman, Evans, & Soliz, 2017), however it would be understandable for low-income students to be trepidatious of owing money without having adequate advising or resources.

Figure 25. Percentage of dependent, full-time students receiving loans and median amount received by institution type, 2019-20



FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Work While Enrolled

- At public institutions, the lowest quartile makes up the remaining need by working while enrolled (including both work-study and off-campus employment), with two-thirds of these students working and earning a median of over \$8,000. Interestingly, the share of the lowest-income students who work is slightly lower than other quartiles.
- The difference in work earnings is not statistically significantly different by income quartile, nor is the difference in percent working between the bottom and top quartiles, at private four-year institutions.

Figure 26. Percentage of dependent, full-time students who work and median earnings, 2019-20



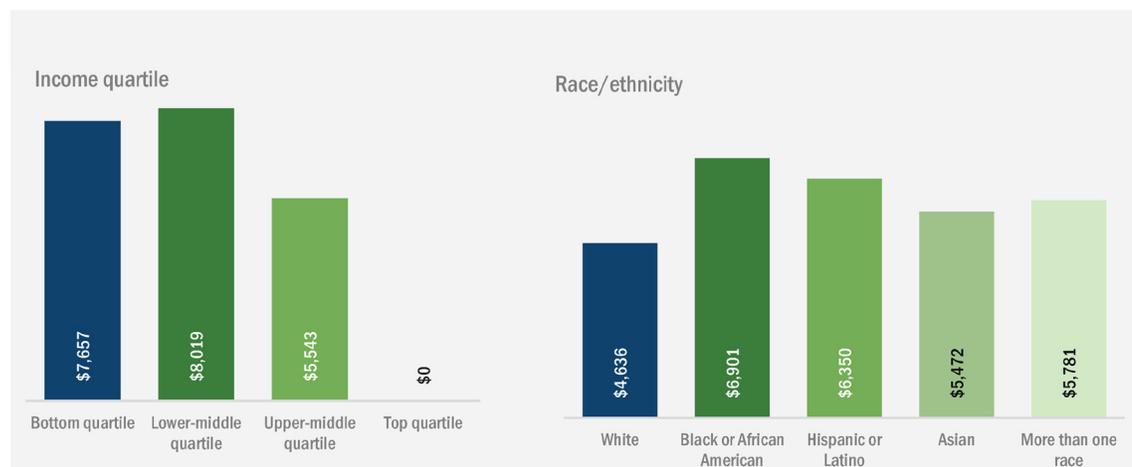
FINDINGS: THE CURRENT STATE OF INSTITUTIONAL AID

Independent Part-Time Students at Community Colleges

Independent (defined as age 24 or older, married, having legal dependents, and/or military/veteran status) part-time students attending community colleges were not a focus of the bulk of this analysis due to their lower rates of financial aid receipt. However, this is an important population with a unique set of challenges that merit attention and support. This spotlight examines the net price for this population.

- Community college is often thought of as the more affordable pathway for a college degree; however, all students except those in the top income quartile have remaining need, with the median amount ranging between about \$5,500 to over \$8,000.
- The remaining need is highest among students below the median income — between \$7,500-\$8,000 (but lower than at four-year institutions where unmet need for the bottom quartiles is over \$10,000).
- As with dependent students attending four-year institutions full-time, the unmet need for the highest income quartile is \$0, meaning that these students have sufficient resources between their own money and grant aid to cover the cost of education.
- By race/ethnicity, Black students have the highest unmet need at \$6,901 while White students have the lowest unmet need at \$4,636.

Figure 27. Median unmet need for independent, part-time students attending community colleges, 2019-20



DISCUSSION

These findings confirm previous research demonstrating that four-year colleges and universities have shifted more to merit-based grant programs targeting enrollment management needs of the institution, rather than meeting student financial need.

This is due in part to “...the reduced state/federal role in funding higher education and corresponding reliance on tuition revenue...” (NACAC & NASFAA, 2022, p. 10). As shown in figure 15, the percentage of students receiving merit grants increased at a much higher rate between 2000 and 2020 than the proportion receiving need-based grants. Similarly, figure 16 demonstrates that the median merit grant awarded by private institutions grew much faster (136 percent) during this time period than did the median need-based grant (60 percent).¹⁷

While loans and employment earnings help fill some of the unmet need, there is still a gap for lower income students. It is unclear how the lowest income quartiles find the financial resources they need to fill in their gaps between annual budgets and the combination of family contributions and grants, particularly at private four-year institutions.

Unfortunately, with shrinking federal support, pressure may be on institutions to seek cost savings through reduced institutional aid expenditures or at least reducing need-based grant spending in favor of merit-based grants, which can be utilized more effectively for enrollment management purposes. However, to better support their poorest students, institutions could shift the focus of institutional aid programs back to emphasizing financial need. Given the dynamics of a bitterly competitive market for enrolling students, it is understandable that institutions want to attract high achieving students who can help them improve their standing in the myriad college rankings available. Such actions, though, tend to reward students financially even when they do not demonstrate financial need.

According to recent data, the number of high school graduates across the country was expected to peak at approximately 3.9 million in 2025, and decline fairly

steadily to 3.4 million by 2041, a decrease of 13 percent (Lane, Falkenstern, & Bransberger, 2024). This trend, along with any continuing constraints on international students in the country, will only put more pressure on institutions’ ability to meet enrollment targets.

Recommendations

It is important for campus leaders to come together to examine institutional data and discuss how their institution can better support its under-resourced, underserved students. Recent surveys show a growing distrust in higher education among Americans, with a large majority (79 percent) citing affordability as the area that needs the most improvement (Parker, 2025). One way to potentially garner public support for higher education is to be more transparent about financial aid practices, and to increase access for need-based students. A recent survey showed broad, bi-partisan support for increasing need-based scholarships (Nguyen, Fishman, & Cheche, 2024).

This tension of ensuring that a college education remains affordable while institutions strive to fulfill their missions cannot be balanced by the admission and financial aid offices alone. They need the support of the leadership of universities — presidents, provosts, and trustees — to ensure that resources are invested efficiently and effectively to keep college education affordable for students who are most at risk.

It is also important to capture the student and parent voice to shed insight into qualitative factors behind the numbers. The data presented in this report are a starting point, and conversations with families about college application and enrollment decisions can help us better understand how low-income students pay remaining



¹⁷ At public institutions, while the increase in the proportion of students received merit grants exceeded that of those receiving need-based grants, the average size of the need-based grants increased more quickly than merit grants in these institutions.

DISCUSSION

financial need that is still left after loans and work earnings are taken into account. Further research can also shed insight into how outstanding need may affect these students' experiences and outcomes.

Institutional dialogue is also critical to better understanding the driving forces behind enrollment management practices, and how the need to increase revenues can be reconciled with the public interest of making college more affordable and obtainable. NACAC will hold dialogues with institutional leaders and members to gather additional information about the constraints and priorities facing institutions, and how financial aid can be leveraged in the current environment as a tool for facilitating economic mobility. NACAC's new Center for Innovation in College Admission will continue to research and advocate for policy changes to ensure low-income students' unmet needs are addressed.

In addition to highlighting the needs of students, this research demonstrates the importance of collecting and using national data to track financial and enrollment trends of students and institutions. NPSAS and other surveys conducted by the U.S. Department of Education have long been reliable sources of nationally representative student enrollment and outcomes data that can be easily disaggregated by a variety of student and institutional characteristics. These data allow researchers to tell stories of how students are faring and what additional support is needed to improve their success and in turn, contribute to a competitive economy. The funding for the collection of such datasets by the U.S. Department of Education has been jeopardized by cuts by the administration in its budget, and advocacy efforts are underway by NACAC and other organizations to encourage the federal government to restore the maintenance and updates of these survey data.



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Appendix A. Detailed Methodology

The NPSAS surveys provide comprehensive information on how students in the United States finance their postsecondary education. It combines survey responses from students with administrative data from institutions, federal student aid records, and other sources to offer a detailed picture of student demographics, financial aid, and enrollment patterns. The dataset is weighted to ensure that the results accurately reflect the population of undergraduate students across all types of postsecondary institutions. This survey plays a key role in informing education policy, institutional planning, and research on student access and affordability.

Testing for statistical significance helps determine whether observed differences in the data are likely due to actual patterns or just random variation. This ensures that conclusions drawn from the analysis are based on reliable evidence rather than chance, increasing the credibility and accuracy of the findings. Differences that are described here as statistically significant have been tested at a level of $p \leq .05$.

Generally, medians represent a measure of central tendency and are not additive. For example, the median EFC and median grant amounts displayed in a table cannot be subtracted from the median student budget to calculate the median unmet need. Rather, the calculation must be performed on the student record to arrive at the resulting median unmet need value.

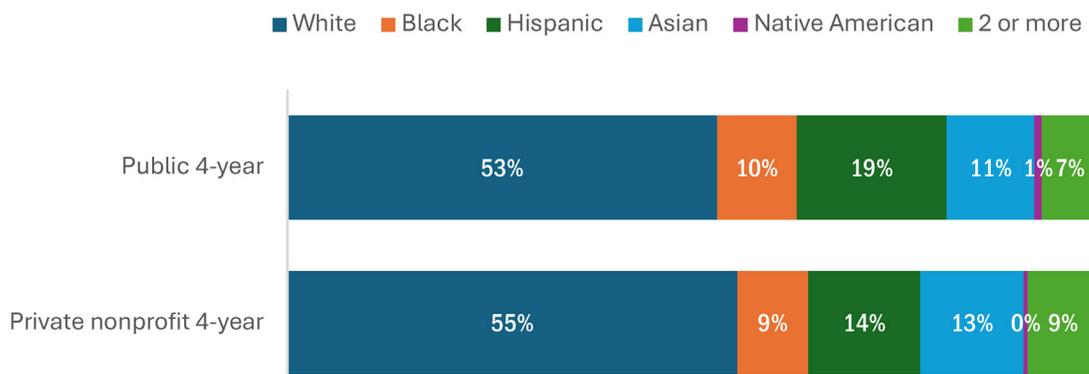
Distribution of Student Sample

Figure A1 provides a distribution of students included in the bulk of the analysis by race/ethnicity. Findings pertaining to Native American students throughout this report should be interpreted with caution due to their small sample size.

Income quartile ranges, dependent students, 2019-20

Quartile	Income Range
Bottom quartile	< \$30,100
Lower-middle quartile	\$30,101 - \$68,500
Upper-middle quartile	\$68,501 - 129,800
Top quartile	> \$129,800

Figure A1. Distribution of full-time, dependent undergraduates by race/ethnicity and institutional type, 2019-20



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Appendix C. Detailed Figures and Tables

Table 1a. Median institution grants total, and need and non-need based, received by full-time, dependent students, by institution type and income quartile: 2019-20

	Institution grants, total	Institution need-based grants	Institution non-need & merit grants
Public 4-year institutions			
All income quartiles	\$3,897	\$3,034	\$3,000
Bottom quartile	\$3,374	\$3,000	\$2,500
Lower-middle quartile	\$4,000	\$3,900	\$3,000
Upper-middle quartile	\$3,510	\$2,782	\$3,000
Top quartile	\$4,000	\$2,150	\$4,387
Private 4-year institutions			
All income quartiles	\$20,000	\$10,800	\$16,000
Bottom quartile	\$18,200	\$11,200	\$13,530
Lower-middle quartile	\$20,000	\$10,000	\$15,000
Upper-middle quartile	\$22,000	\$11,620	\$16,000
Top quartile	\$19,214	\$11,400	\$18,000

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

Table 1b. Percentage of full-time, dependent students receiving institution grants, and need and non-need based grants, by institution type and income quartile: 2019-20

	Institution grants, total	Institution need-based grants	Institution non-need & merit grants
Public 4-year institutions			
All income quartiles	44%	20%	31%
Bottom quartile	47%	28%	27%
Lower-middle quartile	52%	31%	31%
Upper-middle quartile	43%	18%	31%
Top quartile	37%	6%	33%
Private 4-year institutions			
All income quartiles	75%	43%	55%
Bottom quartile	76%	52%	50%
Lower-middle quartile	84%	56%	60%
Upper-middle quartile	82%	53%	58%
Top quartile	66%	26%	52%

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

Table 1c. Median institution grants total, and need and non-need based, received by full-time, dependent students, by institution selectivity and income quartile: 2019-20

	Institution grants, total	Institution need-based grants	Institution non-need & merit grants
Very Selective			
All income quartiles	\$12,569	\$10,565	\$10,000
Bottom quartile	\$10,938	\$8,860	\$7,500 !
Lower-middle quartile	\$10,142	\$8,299	\$7,998
Upper-middle quartile	\$16,796	\$14,116	\$10,000
Top quartile	\$14,000	\$14,050	\$11,000
Moderately/Minimally Selective			
All income quartiles	\$7,000	\$4,000	\$6,750
Bottom quartile	\$5,492	\$3,986	\$5,000
Lower-middle quartile	\$6,500	\$4,000	\$6,000
Upper-middle quartile	\$8,000	\$4,100	\$7,056
Top quartile	\$9,000	\$4,000	\$8,447

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

! Interpret data with caution. Estimate is unstable because the standard error represents between 30 percent and 50 percent of the estimate.

Table 1d. Percentage of full-time, dependent students receiving institution grants, and need and non-need based grants, by institution selectivity and income quartile: 2019-20

	Institution grants, total	Institution need-based grants	Institution non-need & merit grants
Very Selective			
All income quartiles	55%	36%	27%
Bottom quartile	67%	53%	25%
Lower-middle quartile	75%	61%	29%
Upper-middle quartile	57%	42%	25%
Top quartile	40%	16%	27%
Moderately/Minimally Selective			
All income quartiles	58%	25%	46%
Bottom quartile	57%	32%	40%
Lower-middle quartile	62%	35%	45%
Upper-middle quartile	58%	25%	48%
Top quartile	54%	12%	49%

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

Table 1e. Median institution grants total, and need and non-need based, received by full-time, dependent students, by institution selectivity and income quartile: Public Institutions, 2019-20

	Institution grants, total	Institution need-based grants	Institution non-need & merit grants
Very Selective			
All income quartiles	\$4,794	\$5,000	\$3,000
Bottom quartile	\$5,000	\$5,190	\$3,000
Lower-middle quartile	\$6,188	\$5,925	\$2,500
Upper-middle quartile	\$3,867	\$3,820	\$2,000
Top quartile	\$3,750	\$2,500	\$4,000
Moderately/ Minimally Selective			
All income quartiles	\$3,700	\$2,920	\$3,214
Bottom quartile	\$3,100	\$2,960	\$2,500
Lower-middle quartile	\$3,715	\$3,000	\$3,000
Upper-middle quartile	\$3,680	\$2,500	\$3,087
Top quartile	\$4,500	\$2,000	\$4,624

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

! Interpret data with caution. Estimate is unstable because the standard error represents between 30 percent and 50 percent of the estimate.

Table 1f. Percentage of full-time, dependent students receiving institution grants, and need and non-need based grants, by institution selectivity and income quartile: Public Institutions, 2019-20

	Institution grants, total	Institution need-based grants	Institution non-need & merit grants
Very Selective			
All income quartiles	48%	31%	23%
Bottom quartile	65%	51%	22%
Lower-middle quartile	73%	61%	25%
Upper-middle quartile	45%	30%	21%
Top quartile	30%	8%	22%
Moderately/ Minimally Selective			
All income quartiles	47%	18%	36%
Bottom quartile	49%	26%	31%
Lower-middle quartile	52%	28%	34%
Upper-middle quartile	46%	16%	37%
Top quartile	42%	6%	38%

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

Table 1g. Median institution grants total, and need and non-need based, received by full-time, dependent students, by institution selectivity and income quartile: Private Institutions, 2019-20

	Institution grants, total	Institution need-based grants	Institution non-need & merit grants
Very Selective			
All income quartiles	\$30,625	\$32,000	\$19,480
Bottom quartile	\$41,950	\$48,500	\$18,000
Lower-middle quartile	\$40,161	\$40,161	\$17,000
Upper-middle quartile	\$36,347	\$36,025	\$20,000
Top quartile	\$22,500	\$20,000	\$20,000
Moderately/ Minimally Selective			
All income quartiles	\$17,556	\$6,200	\$15,500
Bottom quartile	\$16,232	\$6,500	\$13,500
Lower-middle quartile	\$17,000	\$6,355	\$15,000
Upper-middle quartile	\$18,620	\$6,380	\$15,580
Top quartile	\$18,000	\$5,770	\$17,000

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

Table 1h. Percentage of full-time, dependent students receiving institution grants, and need and non-need based grants, by institution selectivity and income quartile: Private Institutions, 2019-20

	Institution grants, total	Institution need-based grants	Institution non-need & merit grants
Very Selective			
All income quartiles	63%	42%	31%
Bottom quartile	69%	55%	28%
Lower-middle quartile	78%	63%	36%
Upper-middle quartile	73%	57%	30%
Top quartile	50%	24%	32%
Moderately/ Minimally Selective			
All income quartiles	86%	46%	73%
Bottom quartile	84%	54%	67%
Lower-middle quartile	89%	55%	73%
Upper-middle quartile	88%	51%	75%
Top quartile	84%	28%	75%

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

Table 2a. Median institution grants total, and need and non-need based, received by full-time, dependent students, by institution type and race/ethnicity: 2019-20

	Institution grants, total	Institution need-based grants	Institution non-need & merit grants
Public 4-year institutions			
All races/ethnicities	\$3,897	\$3,034	\$3,000
White	\$4,000	\$3,000	\$3,500
Black or African American	\$3,500	\$2,920	\$3,000
Hispanic or Latino	\$3,500	\$3,700	\$2,500
Asian	\$4,000	\$3,867	\$3,000
American Indian or Alaska Native; Native Hawaiian/other Pacific Islander	\$2,500 !	‡	‡
More than one race	\$4,000	\$3,654	\$3,650
Private 4-year institutions			
All races/ethnicities	\$20,000	\$10,800	\$16,000
White	\$19,800	\$9,000	\$16,000
Black or African American	\$20,000	\$12,500	\$13,041
Hispanic or Latino	\$18,813	\$12,500	\$15,000
Asian	\$25,040	\$21,900 !	\$18,000
American Indian or Alaska Native; Native Hawaiian/other Pacific Islander	\$24,750 !	‡	‡
More than one race	\$19,450	\$16,248	\$15,350

! Interpret data with caution. Estimate is unstable because the standard error represents between 30 percent and 50 percent of the estimate.

‡ Reporting standards not met.

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).



Table 2b. Percentage of full-time, dependent students receiving institution grants, and need and non-need based grants, by institution type and race/ethnicity: 2019-20

	Institution grants, total	Institution need-based grants	Institution non-need & merit grants
Public 4-year institutions			
All races/ethnicities	44%	20%	31%
White	47%	18%	36%
Black or African American	42%	23%	25%
Hispanic or Latino	41%	23%	23%
Asian	45%	25%	26%
American Indian or Alaska Native; Native Hawaiian/other Pacific Islander	27%	6% !	22%
More than one race	43%	20%	28%
Private 4-year institutions			
All races/ethnicities	75%	43%	55%
White	77%	42%	61%
Black or African American	79%	49%	57%
Hispanic or Latino	72%	46%	47%
Asian	67%	46%	35%
American Indian or Alaska Native; Native Hawaiian/other Pacific Islander	89%	66%	47%
More than one race	75%	37%	54%

! Interpret data with caution. Estimate is unstable because the standard error represents between 30 percent and 50 percent of the estimate.

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

Table 3a. Median inflation adjusted institution grants total, and need and non-need based grants received by full-time, dependent students, by institution type and income quartile: 1999-2000 to 2019-20

	Institution grants, total		Institution need-based grants		Institution non-need & merit grants	
	1999-00	2019-20	1999-00	2019-20	1999-00	2019-20
Public 4-year institutions						
All income quartiles	\$2,448	\$3,897	\$1,880	\$3,034	\$2,887	\$3,000
Bottom quartile	\$2,147	\$3,374	\$1,955	\$3,000	\$2,255	\$2,500
Lower-middle quartile	\$2,338	\$4,000	\$1,714	\$3,900	\$2,549	\$3,000
Upper-middle quartile	\$3,007	\$3,510	\$2,010	\$2,782	\$3,176	\$3,000
Top quartile	\$3,007	\$4,000	\$2,255	\$2,150	\$3,007	\$4,387
Private 4-year institutions						
All income quartiles	\$9,322	\$20,000	\$6,766	\$10,800	\$6,766	\$16,000
Bottom quartile	\$8,308	\$18,200	\$6,616	\$11,200	\$6,014	\$13,530
Lower-middle quartile	\$10,327	\$20,000	\$7,368	\$10,000	\$6,014	\$15,000
Upper-middle quartile	\$10,104	\$22,000	\$6,939	\$11,620	\$7,479	\$16,000
Top quartile	\$9,022	\$19,214	\$6,466	\$11,400	\$7,518	\$18,000

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 and 2000 Undergraduate Students (NPSAS:UG).

Table 3b. Percentage of full-time, dependent students receiving institution grants, and need and non-need based grants, by institution type and income quartile: 1999-2000 to 2019-20

	Institution grants, total		Institution need-based grants		Institution non-need & merit grants	
	1999-00	2019-20	1999-00	2019-20	1999-00	2019-20
Public 4-year institutions						
All income quartiles	22%	44%	10%	20%	13%	31%
Bottom quartile	30%	47%	18%	28%	13%	27%
Lower-middle quartile	25%	52%	13%	31%	14%	31%
Upper-middle quartile	20%	43%	7%	18%	14%	31%
Top quartile	16%	37%	4%	6%	13%	33%
Private 4-year institutions						
All income quartiles	65%	75%	45%	43%	36%	55%
Bottom quartile	62%	76%	50%	52%	28%	50%
Lower-middle quartile	73%	84%	55%	56%	40%	60%
Upper-middle quartile	73%	82%	52%	53%	40%	58%
Top quartile	55%	66%	29%	26%	35%	52%

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 and 2000 Undergraduate Students (NPSAS:UG).

Table 4. Median student budget, expected family contribution, grant and unmet need of full-time, dependent students, by institution type and income quartile: 2019-20

	Student budget	Expected family contribution	Total grants	Institution grants total	Student budget minus EFC minus all grants
Public 4-year institutions					
All income quartiles	\$26,327	\$8,413	\$8,195	\$3,897	\$7,486
Bottom quartile	\$24,686	#	\$11,826	\$3,374	\$11,578
Lower-middle quartile	\$25,460	\$2,526	\$9,345	\$4,000	\$12,209
Upper-middle quartile	\$26,176	\$13,662	\$5,700	\$3,510	\$6,863
Top quartile	\$28,736	\$40,060	\$5,409	\$4,000	#
Private 4-year institutions					
All income quartiles	\$56,959	\$11,485	\$23,429	\$20,000	\$12,049
Bottom quartile	\$49,074	#	\$24,959	\$18,200	\$16,688
Lower-middle quartile	\$50,298	\$2,439	\$26,000	\$20,000	\$16,507
Upper-middle quartile	\$55,463	\$13,087	\$24,500	\$22,000	\$12,240
Top quartile	\$63,224	\$40,435	\$20,000	\$19,214	\$600 !!

Rounds to zero.

!! Interpret data with caution. Estimate is unstable because the standard error represents more than 50 percent of the estimate.

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

Table 5. Median student budget, expected family contribution, grant and unmet need of full-time, dependent students, by institution type and race/ethnicity: 2019-20

	Student budget	Expected family contribution	Total grants	Institution grants total	Student budget minus EFC minus all grants
Public 4-year institutions					
All races/ethnicities	\$26,327	\$8,413	\$8,195	\$3,897	\$7,486
White	\$26,823	\$15,492	\$7,500	\$4,000	\$5,336
Black or African American	\$26,034	\$949	\$9,292	\$3,500	\$11,569
Hispanic or Latino	\$23,239	\$1,830	\$8,886	\$3,500	\$8,706
Asian	\$29,866	\$6,660	\$10,029	\$4,000	\$9,913
American Indian or Alaska Native; Native Hawaiian/ other Pacific Islander	\$23,112	\$13,413	\$5,198	\$2,500 !	\$4,132 !!
More than one race	\$26,933	\$10,781	\$8,945	\$4,000	\$7,261
Private 4-year institutions					
All races/ethnicities	\$56,959	\$11,485	\$23,429	\$20,000	\$12,049
White	\$55,375	\$17,511	\$22,500	\$19,800	\$9,971
Black or African American	\$47,750	\$933 !	\$24,535	\$20,000	\$14,704
Hispanic or Latino	\$49,900	\$2,286	\$22,345	\$18,813	\$12,769
Asian	\$71,230	\$12,414	\$28,036	\$25,040	\$16,951
American Indian or Alaska Native; Native Hawaiian/ other Pacific Islander	\$54,733	\$5,904 !	\$33,956	\$24,750 !	\$7,309 !
More than one race	\$65,015	\$11,565	\$24,195	\$19,450	\$14,898

! Interpret data with caution. Estimate is unstable because the standard error represents between 30 percent and 50 percent of the estimate.

!! Interpret data with caution. Estimate is unstable because the standard error represents more than 50 percent of the estimate.

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).

Table 6. Median student loans, earnings from work, and percentage of full-time dependent students receiving loans and working, by income quartile and institution type: 2019-20

	Total loans ¹	Student earnings from work ²	Total loans ¹	Student earnings from work ²
Public 4-year institutions				
All income quartiles	\$6,500	\$7,834	26%	74%
Bottom quartile	\$5,500	\$8,287	45%	67%
Lower-middle quartile	\$6,500	\$7,869	52%	73%
Upper-middle quartile	\$6,500	\$8,216	52%	76%
Top quartile	\$6,500	\$7,000	37%	72%
Private 4-year institutions				
All income quartiles	\$6,500	\$6,114	52%	73%
Bottom quartile	\$6,500	\$6,253	59%	70%
Lower-middle quartile	\$6,500	\$6,514	67%	75%
Upper-middle quartile	\$7,500	\$6,264	66%	79%
Top quartile	\$7,500	\$5,833	40%	72%

¹ Excluding parent PLUS loans.

² Earnings while enrolled, including work-study/fellowship.

Source: U.S. Department of Education, National Center for Education Statistics, National Postsecondary Student Aid Study: 2020 Undergraduate Students (NPSAS:UG).



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