The PA State Grant Program

Outcomes Study

A Six-Year Analysis of the 2013-14 PA State Grant Cohort

February 2021
Understanding the impact and outcomes produced by funds awarded in the Pennsylvania State Grant Program provides policy makers with information necessary to realize the benefits to the Commonwealth and make informed decisions about future directions for the PA State Grant Program. The following key findings are for a cohort of 35,805 PA State Grant recipients from the 2013-14 Academic Year (the “Cohort”) who were tracked for enrollment and graduation for a six-year period.

**PA State Grant Recipient Profile**

The typical PA State Grant recipient from the Cohort:

- Female
- 18 years old
- Dependent
- Had a median household income of $40,437
- Enrolled full time at a four-year institution
- Paid $17,376 annually in tuition & fees
- Had $22,376 in annual college costs*

*This figure represents PHEAA’s allowable cost of attendance, which includes tuition, fees, and a set allowance for living expenses, books, and supplies.

- The median annual household income for the Cohort was $40,437—31.98 percent less than the median annual household income of $59,445 for all Pennsylvania residents.
- Dependent Cohort students (89.91 percent of the Cohort) had a median annual household income of $44,820, while Independent Cohort students (10.09 percent of the Cohort) had a median annual household income of $10,697.
- Dependent Cohort students had $18,039 in average annual tuition and fees, while Independent Cohort students had $11,467 in average annual tuition and fees.
- Of the Cohort, 55.40 percent attended only one institution throughout their entire postsecondary education, while 44.60 percent attended more than one institution during their postsecondary education.

- According to information provided on each student's 2013-14 Free Application for Federal Student Aid (FAFSA®):
  - 25,379 intended to pursue a bachelor’s degree (70.88 percent of the Cohort).
  - 6,848 intended to pursue an associate degree (19.13 percent of the Cohort).
  - 3,578 intended to pursue a certificate or diploma rather than a bachelor's or associate degree (9.99 percent of the Cohort).
Graduation Rates

Graduation rates are measured as the total number of completers within “150 percent of normal time” divided by all students in a cohort. In other words, six-year graduation rates for students of four-year institutions and three-year graduation rates for students of two-year institutions are reported.

- Among PA State Grant Cohort students enrolled full time as of initial enrollment, 58.65 percent graduated within 150 percent of normal time. By comparison, 61.98 percent of the 2013-14 Pennsylvania cohort and 52.21 percent of the 2013-14 U.S. cohort graduated within 150 percent of normal time.

Graduation Rates for 2013-14 Cohorts – 150 Percent Time

NOTE: These graduation rates are only for first-time, full-time students.

Sources: Pennsylvania Higher Education Assistance Agency, the National Student Clearinghouse®, and the Integrated Postsecondary Education Data System

Cohort students enrolled full time as of initial enrollment were approximately 12.33 percent more likely to graduate within 150 percent of normal time than the average comparable U.S. undergraduate student.

Time to Degree Completion

- On average, it took Cohort members 4.00 calendar years to complete a bachelor’s degree.
- On average, it took Cohort members 2.95 calendar years to complete an associate degree.

Cohort Average Time to Degree Completion

Cohort members pursuing a bachelor’s degree tended to graduate well within 150 percent of normal time (six years), while Cohort associate degree pursuers, on average, graduated just below 150 percent of normal time (three years).
Perspective Rates

First-year persistence rates are measured as the percentage of first-time students who return to any postsecondary school for their second year.

- The first-year persistence rate for all Cohort members was 89.71 percent compared to 82.92 percent and 74.10 percent for the Fall 2013 Pennsylvania and U.S. cohorts of first-time college students, respectively.

First-Year Persistence Rates for 2013-14 Cohorts

![Persistence Rates Graph]

- Dependent Cohort students had a higher persistence rate at 91.12 percent than Independent Cohort students at 77.21 percent.
- Full-time Cohort students had a first-year persistence rate of 81.21 percent compared to 97.64 percent for almost full-time Cohort students and 60.99 percent for half-time Cohort students.

Overall, the first-year persistence rate for Cohort members was substantially higher than the Pennsylvania and national rates for Fall 2013 first-time college students.

PA State Grant Awarded

- Over the six-year period of the study, nearly $209 million in PA State Grants was awarded to the 23,147 Cohort students who graduated with any credential type. Almost 77 percent of all PA State Grant funding for the Cohort went to students who received credentials.
- The average total amount of PA State Grants awarded per Cohort student who graduated with a credential was $8,884 over the six-year study period.
- The average total amount of PA State Grants awarded per Cohort student who did not graduate with an academic credential was $4,944 over the six-year study period. Two factors that contributed to this average being less than the amount awarded per Cohort student who graduated were shorter lengths of enrollment and being enrolled less than full time.

Taking into account the average length of enrollment, Cohort students who received a credential were awarded about $2,243 in annual PA State Grant funding, while Cohort students who did not receive a credential received $1,880 annually.
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The Pennsylvania State Grant Program provides need-based grants to assist eligible Pennsylvania residents in financing their postsecondary education. The Pennsylvania Higher Education Assistance Agency (PHEAA) administers the program, which most recently awarded $330 million to nearly 133,000 students in the 2019-20 Award Year.

The effectiveness of state need-based student financial aid is a key policy question and the primary focus of this report, which examines outcomes among a cohort of PA State Grant recipients. Measuring the academic success of grantees is more important than ever given the large-scale, national trend toward performance accountability of taxpayer-funded programs.

The report answers critical questions about graduation rates, time to degree completion, and persistence rates for PA State Grant recipients. It also highlights how much money, in PA State Grant award dollars, is given to students who receive a credential versus those students who do not graduate. Finally, the outcomes for the cohort analyzed in this year's report are compared to the outcomes for several of the cohorts examined in previous reports.

Data Sources & Limitations

To evaluate the key questions in this report, a cohort of PA State Grant applicants from the 2013-14 Academic Year was tracked for a six-year period. This cohort included 181,303 first-year, first-time applicants for whom 39,709 were provided with a PA State Grant award. Enrollment and graduation data from the National Student Clearinghouse® served as the source for persistence and degree completion information with data being available on 36,537 individuals. Of those individuals matched by the Clearinghouse®, 35,805 students were used as the actual sample for the analysis and will be referred to as the “Cohort” throughout the publication.

Additional data sources are used to provide state and national comparisons and add context to report findings. These sources are identified under the report's tables and figures, as well as in the Notes section. In most instances, national benchmarks and state comparisons use data from entire college-going populations. Comparable success measures for entire college-going populations are readily available, but only a handful of states have produced public reports specifically on their need-based state grant recipients.
About the PA State Grant Program

In 1965, the Pennsylvania General Assembly created the PA State Grant Program and selected PHEAA as the program's administrator. In its first year, $2.2 million was awarded to 6,500 students. More than 7.3 million grants with a value of $11.70 billion have been awarded to students since the program's inception through the 2019-20 Award Year.

Today, the PA State Grant Program is the sixth largest need-based student grant program in the nation.\(^3\) It is funded through a state appropriation that has been supplemented in recent years with revenue from PHEAA's business earnings. From 2013-14 through 2019-20, PHEAA supplemented the program with more than $580 million. PHEAA also funds the program's annual administrative costs of $11.6 million from its business earnings.

Top 10 States: 2018-19 Primary Need-Based Student Grant Program Expenditures

<table>
<thead>
<tr>
<th>State</th>
<th>Expenditure (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>$2,122</td>
</tr>
<tr>
<td>New York</td>
<td>$882</td>
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<tr>
<td>New Jersey</td>
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<td>North Carolina</td>
<td>$229</td>
</tr>
<tr>
<td>Minnesota</td>
<td>$208</td>
</tr>
</tbody>
</table>

Source: National Association of State Student Grant and Aid Programs (NASSGAP), 50th Annual Survey Report on State-Sponsored Student Financial Aid
All students who meet the PA State Grant Program’s eligibility requirements receive a grant—unlike many other need-based state grant programs across the nation that operate on a first-come, first-served basis. Determining eligibility for a PA State Grant award is a two-fold process. Students are evaluated on financial need, which is based on an awarding formula and minimum award criteria. They also are assessed on non-need requirements including, but not limited to, high school graduation, Pennsylvania domicile, and enrollment in an eligible program of study. The awarding formula is set each year by PHEAA’s Board of Directors, based on the confines of the Pennsylvania Scholarship Law, with input from the State Grant Advisory Committee, comprised of representatives from a cross-section of the state’s higher education community.

The determination of need is based on an evaluation of a family’s ability to meet educational expenses. The federal government determines this Expected Family Contribution (EFC) using a formula that not only looks at household income and assets, but also takes family size and number of family members in college into consideration. For PA State Grant awarding purposes, a student’s need is then calculated by subtracting the EFC and any Federal Pell Grant from the total allowable educational cost of attendance (COA), which includes tuition, fees, an educational expense allowance for living expenses, and an allowance for books and supplies. Veterans are awarded PA State Grants without consideration of EFC or Pell eligibility.

\[
\text{Cost of Attendance (COA)} = (\text{Tuition & Fees} + \text{Educational Expense Allowance} + \text{Books & Supplies}) - \text{Expected Family Contribution (EFC)} - \text{Pell Award} = \text{Student Need}
\]

After a student’s raw financial need is calculated, PHEAA further calculates the award amount based on the applicant’s federal EFC, college cost parameters, and enrollment status. These parameters ensure that all eligible students receive a PA State Grant award. More information about the program’s eligibility requirements and awarding formula can be found in the Pennsylvania State Grant Program Manual, which is updated annually.

The PA State Grant Program is the sixth largest need-based student grant program in the nation.
PA State Grant Recipient Profile

The majority (74.18 percent) of students in the Cohort who attended an in-state school started at a four-year institution, while 25.82 percent began their education at a two-year institution. Throughout the analysis, in-state, four-year schools are segmented by Four-Year Private colleges and universities, Pennsylvania State System of Higher Education (PASSHE) universities, and State-Related universities. In-state, two-year schools are categorized as Two-Year Private colleges; Community Colleges; or Business, Trade, and Technical schools. Out-of-state schools include all public and private nonprofit institutional types.

Enrollment Distribution & Status

Cohort students were distributed across the following institutional sectors as of initial enrollment in 2013-14:

Cohort Distribution by Institutional Sector

Pennsylvania has two types of four-year public universities. There are 14 state-owned Pennsylvania State System of Higher Education (PASSHE) universities: Bloomsburg University, California University, Cheyney University, Clarion University, East Stroudsburg University, Edinboro University, Indiana University, Kutztown University, Lock Haven University, Mansfield University, Millersville University, Shippensburg University, Slippery Rock University, and West Chester University. PASSHE schools are publicly owned by the Commonwealth. There are also four State-Related universities: Lincoln University, The Pennsylvania State University, Temple University, and the University of Pittsburgh. These schools are neither state-owned nor state-operated, but they receive substantial state appropriations and offer discounted tuition to Pennsylvania residents.
According to information provided on the 2013-14 Free Application for Federal Student Aid (FAFSA®):

- 25,379 students intended to pursue a bachelor’s degree (70.88 percent of the Cohort).
- 6,848 students intended to pursue an associate degree (19.13 percent of the Cohort).
- 3,578 students intended to pursue a certificate or diploma rather than a bachelor’s or associate degree (9.99 percent of the Cohort).

Among the Cohort, 83.81 percent of students attended full time, meaning enrollment for 12 or more credits per term, in their first semester of attendance. Looking at annualized enrollment statuses among the Cohort:

- 28.76 percent of students were enrolled full time throughout their entire postsecondary education.
- 61.97 percent of students were almost full time throughout their entire postsecondary education. Students enrolled “almost full time” had varied enrollment statuses (i.e., full time, half time, less than half time, and not enrolled) throughout their entire postsecondary education; however, they were predominantly full-time students.
- 5.33 percent of students were enrolled half time throughout their entire postsecondary education. Half-time students were enrolled for at least six credits but less than 12 credits during a term.

Of the Cohort, 55.40 percent attended only one institution throughout their entire postsecondary education, while 44.60 percent attended more than one institution during their postsecondary education.

The typical PA State Grant recipient from the Cohort:

- Female
- 18 years old
- Dependent
- Had a median household income of $40,437
- Enrolled full time at a four-year institution
- Paid $17,376 annually in tuition & fees
- Had $22,376 in annual college costs*

* This figure represents PHEAA’s allowable cost of attendance, which includes tuition, fees, and a set allowance for living expenses, books, and supplies.
Household Income

Household income is one of the main determinants in calculating financial need for a PA State Grant. The median annual household income for the total Cohort was less than the overall Pennsylvania and U.S. median incomes.

**Median Annual Household Income for the Cohort by Institutional Sector Compared to Pennsylvania & U.S. Median Annual Household Incomes**

- The median annual household income for the Cohort was $40,437—31.98 percent less than the median annual household income of $59,445 for all Pennsylvania residents and 32.93 percent less than the U.S. median annual household income of $60,293.6
- Cohort students attending out-of-state schools had the highest median annual household income at $56,718, while Cohort students attending Business, Trade, and Technical schools had the lowest at $21,436.
- Dependent Cohort students (89.91 percent of the Cohort) had a median annual household income of $44,820, while Independent Cohort students (10.09 percent of the Cohort) had a median annual household income of $10,697.
- Cohort students who graduated had a median annual household income of $47,114, while Cohort students who did not graduate had a median annual household income of $30,323.
- Full-time Cohort students had a median annual household income of $42,396, while half-time Cohort students had a median annual household income of $23,690.

Sources: Pennsylvania Higher Education Assistance Agency and the U.S. Census Bureau
Tuition & Fees

For most institutional types, the tuition and fees at Pennsylvania postsecondary institutions are higher than national averages. At the time of the Cohort's initial enrollment in 2013-14, Pennsylvania had the nation's third highest four-year public tuition and fees, the seventh highest four-year private tuition and fees, and the seventh highest two-year public tuition and fees. For the most recently completed academic year (2019-20), an average PA State Grant award covered 11.81 percent of a grantee's tuition and fees.

Average PA State Grant Award Purchasing Power
(As % of Tuition & Fees) 2013-14 Through 2019-20

Average Annual Tuition & Fees for the Cohort by Institutional Sector Compared to Pennsylvania & U.S. Average Annual Tuition & Fees

NOTE: Community College tuition and fees for the Cohort include both in-district and out-of-district students and exclude transfer students. The Digest of Education Statistics used for Pennsylvania and U.S. comparisons do not provide Two-Year Private tuition and fees statistics in their annual reports, so no comparisons are provided. Two-Year Public averages include in-state tuition and fees only.

Sources: Pennsylvania Higher Education Assistance Agency and the National Center for Education Statistics Digest of Education Statistics

- Dependent Cohort students had $18,039 in average annual tuition and fees, while Independent Cohort students had $11,467 in average annual tuition and fees.
- Cohort students who graduated had $19,390 in average annual tuition and fees, while Cohort students who did not graduate had $13,692 in average annual tuition and fees.
Cost of Attendance

As previously mentioned, cost of attendance (COA) plays an important part in a student’s eligibility calculation for a PA State Grant. The COA values used in this study represent PHEAA’s allowable COA, which includes tuition, fees, and a set allowance for living expenses, books, and supplies. The chart below indicates PHEAA’s average COA, in addition to the COA used for federal student aid programs for a number of institutional sectors from Pennsylvania compared to national statistics.

Average Annual Cost of Attendance for the Cohort by Institutional Sector Compared to Pennsylvania & U.S. Average Annual Cost of Attendance

NOTE: COA for Cohort students at Community Colleges includes both in-district and out-of-district students and excludes transfer students. The Digest of Education Statistics used for Pennsylvania and U.S. comparisons do not provide Two-Year Private or Public cost of attendance statistics in their annual reports so no comparisons are provided.

Sources: Pennsylvania Higher Education Assistance Agency and the National Center for Education Statistics Digest of Education Statistics

- Dependent Cohort students had an average annual COA of $23,039, while Independent Cohort students had an average annual COA of $16,467.
- Cohort students who graduated had an average annual COA of $24,390, while Cohort students who did not graduate had an average annual COA of $18,692.
Outcomes Questions

How Many PA State Grant Recipients Graduate?

Graduation rates are typically measured as the total number of completers within “150 percent of normal time” divided by all students in a cohort. Therefore, this section reports six-year graduation rates for students of four-year institutions and three-year graduation rates for students of two-year institutions. Unless otherwise noted, the Integrated Postsecondary Education Data System (IPEDS) is the source for state and national comparisons. It is important to note that IPEDS graduation statistics exclude students who attend part time, enroll mid-year, or transfer from one institution to another. This report, however, attempts to provide a more complete picture by including rates for students of all enrollment statuses. However, when comparisons are made to IPEDS data, only full-time Cohort students are included.

Graduation Rates

- Among Cohort students who began enrollment as full-time students in 2013-14, 58.65 percent graduated within 150 percent of normal time. By comparison, 61.98 percent of the 2013-14 Pennsylvania cohort, which includes both two-year and four-year institutions, graduated within 150 percent of normal time. Nationally, 52.21 percent of the 2013-14 U.S. cohort, which includes both two-year and four-year institutions, graduated within 150 percent of normal time.

Cohort students enrolled full time as of initial enrollment were 12.33 percent more likely to graduate within 150 percent of normal time than the average comparable U.S. undergraduate student.

- Among the entire Cohort, 53.29 percent graduated within 150 percent of normal time.

Graduation Rates for 2013-14 Cohorts – 150 Percent Time

![Graduation Rates Chart]

NOTE: These graduation rates are only for first-time, full-time students.
Sources: Pennsylvania Higher Education Assistance Agency, the National Student Clearinghouse®, and the Integrated Postsecondary Education Data System

The National Student Clearinghouse® also published a study on credential completion using the national 2013-14 cohort. In this study, “Completing College 2019 National Report,” the Clearinghouse® used a six-year graduation rate for both two-year and four-year institutions and included students of all enrollment statuses. Using this different methodology, the six-year graduation rate for the 2013-14 PA State Grant Cohort was 64.94 percent compared to 59.72 percent for the 2013-14 U.S. cohort.10
Graduation Rates by Institutional Sector

The 150 percent time graduation rates for the Cohort varied by institutional sector of initial enrollment:

- Students who attended in-state Four-Year Private schools had the highest graduation rate at 69.41 percent.
- Students who attended Out-of-State schools had the second highest rate at 69.14 percent.
- Community Colleges had the lowest graduation rate at 9.00 percent. This rate, however, should be interpreted with caution since it only reflects community college students who graduated with a credential within three years. It does not reflect students who started at a community college and transferred to a four-year school to pursue a bachelor’s degree.

For every sector type except the Four-Year Private, PASSHE, State-Related, and Out-of-State sectors, 150 percent time graduation rates were higher for Cohort students who attended school full time compared to Cohort students with other enrollment statuses. For the Four-Year Private, PASSHE, State-Related, and Out-of-State sectors, 150 percent time graduation rates were higher for Cohort students who attended school mostly full time.

### Cohort Graduation Rates by Institutional Sector & Annualized Enrollment Status – 150 Percent Time

Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®
Graduation Rates by Number of Schools Attended

Among the Cohort, 44.60 percent attended more than one institution throughout their postsecondary education. In general, 150 percent time graduation rates among Cohort members who specifically pursued a bachelor's or associate degree were higher when these students attended only one school as opposed to more than one school. Overall, results also varied by enrollment status. The graduation rates for full-time and almost full-time Cohort students were higher when attending one school, whereas the graduation rate for half-time Cohort students was greater when attending more than one school.

150 Percent Time Graduation Rates When Attending One School

- The graduation rate for Cohort members who attended only one school and received any credential was 51.96 percent.
- The bachelor's degree completion rate for Cohort members who attended only one school and pursued a bachelor's degree was 53.89 percent.
- The associate degree completion rate for Cohort members who attended only one school and pursued an associate degree was 13.86 percent. This rate does not include Cohort members who pursued an associate degree but graduated with a bachelor's degree or other credential.

150 Percent Time Graduation Rates When Attending More than One School

- The graduation rate for Cohort members who attended more than one school and received any credential was 54.94 percent.
- The bachelor's degree completion rate for Cohort members who attended more than one school and pursued a bachelor's degree was 48.26 percent.
- The associate degree completion rate for Cohort members who attended more than one school and pursued an associate degree was 10.42 percent. This rate does not include Cohort members who pursued an associate degree but graduated with a bachelor's degree or other credential.
Cohort Graduation Rates by Degree Pursued & School Attendance – 150 Percent Time

<table>
<thead>
<tr>
<th>Attended Any Number of Schools</th>
<th>Attended One School Only</th>
<th>Attended More Than One School</th>
</tr>
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<tbody>
<tr>
<td><strong>Bachelor’s Degree Pursuers</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attended Any Number of Schools</td>
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<td></td>
</tr>
<tr>
<td>Received the Pursued Credential within 150% Time</td>
<td>51%</td>
<td>54%</td>
</tr>
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<td>Received any Credential other than the Pursued within 150% Time</td>
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</tr>
<tr>
<td>Received any Credential after 150% Time</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>No Credential Received</td>
<td>30%</td>
<td>34%</td>
</tr>
<tr>
<td><strong>Associate Degree Pursuers</strong></td>
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<tr>
<td>Attended One School Only</td>
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<td></td>
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<tr>
<td>Received the Pursued Credential within 150% Time</td>
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<td>Received any Credential other than the Pursued within 150% Time</td>
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<td>15%</td>
</tr>
<tr>
<td>Received any Credential after 150% Time</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>No Credential Received</td>
<td>51%</td>
<td>62%</td>
</tr>
</tbody>
</table>

Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®
What is the Time to Degree Completion for PA State Grant Recipients?

Traditional college students who go straight from high school, attend full time, live on campus, and earn a degree in four years are no longer the norm. Today, more students go to school part time, work full-time jobs, raise families, commute to campus, and take more than four academic years to earn a degree.

Generally, a full-time student is expected to complete an associate degree in two academic years and a bachelor’s degree in four academic years. On a calendar year basis, however, this expected time to degree completion translates to 1.75 years for an associate degree and 3.75 years for a bachelor’s degree. This study measures time to degree completion in calendar years since this is the methodology typically used. Specifically, enrollment length and time to degree completion are measured as the length of time between the start date of the student’s first enrollment period until the end date of the student’s last enrollment period.

Nationally, the average times to degree completion for an associate degree and bachelor’s degree were 3.3 calendar years and 5.1 calendar years, respectively, based on the most recently available data. These statistics are important because each additional semester in school adds to the cost of attendance and a loss of wages.

Just over half of all two- and four-year full-time students from the 2013-14 Pennsylvania cohort graduated on time. From the 2013-14 Pennsylvania cohort, 10.92 percent of full-time students at two-year public colleges and 48.88 percent of full-time students at two-year private colleges obtained a two-year associate degree within two years. At four-year public universities and four-year private institutions, 56.50 percent and 69.25 percent of full-time students graduated within four years, respectively.

Time to Bachelor’s Degree Completion

- The median time it took Cohort members to complete a bachelor’s degree was 3.71 calendar years (which is equivalent to four academic years if calculated based on total months of enrollment).
  - Among Cohort members attending only one school, the median completion time for a bachelor’s degree was 3.71 calendar years.
  - Among Cohort members attending more than one school, the median completion time for a bachelor’s degree was 3.72 calendar years.

- Using the mean (average) instead of median, it took Cohort members 4.00 calendar years to complete a bachelor’s degree.
  - Among Cohort members attending only one school, the average completion time for a bachelor’s degree was 3.96 calendar years.
  - Among Cohort members attending more than one school, the average completion time for a bachelor’s degree was 4.05 calendar years.

**Cohort Average Time to Bachelor’s Degree Completion**

<table>
<thead>
<tr>
<th>Attended Any Number of Schools</th>
<th>Median Completion Time: 4.00 Calendar Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attended One School Only</td>
<td>Median Completion Time: 3.96 Calendar Years</td>
</tr>
<tr>
<td>Attended More than One School</td>
<td>Median Completion Time: 4.05 Calendar Years</td>
</tr>
</tbody>
</table>

Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®
**Time to Associate Degree Completion**

- The median time it took Cohort members to complete an associate degree was 2.73 calendar years (which is equivalent to three academic years if calculated based on total months of enrollment).
  - Among Cohort members attending only one school, the median completion time for an associate degree was 2.69 calendar years.
  - Among Cohort members attending more than one school, the median completion time for an associate degree was 2.75 calendar years.
- Using the mean (average) instead of median, it took Cohort members 2.95 calendar years to complete an associate degree.
  - Among Cohort members attending only one school, the average completion time for an associate degree was 2.79 calendar years.
  - Among Cohort members attending more than one school, the average completion time for an associate degree was 3.15 calendar years.

### Cohort Average Time to Associate Degree Completion

<table>
<thead>
<tr>
<th></th>
<th>Attended Any Number of Schools</th>
<th>Attended One School Only</th>
<th>Attended More than One School</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median</td>
<td>2.95</td>
<td>2.79</td>
<td>3.15</td>
</tr>
</tbody>
</table>

Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®
Time to Any Degree Completion

The previous two sections, Time to Bachelor’s Degree Completion and Time to Associate Degree Completion, measured the time to degree completion for Cohort students pursuing and receiving those specific degrees. However, it is possible to view time to degree completion as the time it takes to complete any degree—regardless of what degree the student initially pursued or intended to receive.

- On average, Cohort students who attended only one school and received any credential did so in 3.80 calendar years compared to 4.13 calendar years for Cohort students who attended more than one school and received any credential.
- Regardless of degree pursued, Cohort students who attended only one school and received a credential were enrolled longer than Cohort students who attended only one school and did not receive a credential.

Cohort Average Enrollment Length in Calendar Years
By Degree Pursued & Credential Received
(Cred = Received Any Credential, No Cred = No Credential)

<table>
<thead>
<tr>
<th>Attended Any Number of Schools</th>
<th>Pursued Bachelor's</th>
<th>Pursued Associate</th>
<th>Pursued Any Cred</th>
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<td>1.72</td>
<td>3.92</td>
<td>1.69</td>
<td>3.18</td>
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</table>

Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®
Cohort students were 8 percent more likely to persist to their second year than the average Pennsylvania undergraduate.
What are the Persistence Rates Among PA State Grant Recipients?

Student retention and persistence rates are important indicators because students who stop out early are less likely to complete a credential. Retention rates are most commonly measured as the percentage of first-year students who return to the same institution for their second year. Persistence rates are the percentage of first-time students who return to any postsecondary school for their second year. Since this publication focuses on student outcomes, persistence rates are reported.

First-Year Persistence Rates

- Overall, the persistence rate for Cohort members was 89.71 percent compared to 82.92 and 74.10 percent for the Fall 2013 Pennsylvania and U.S. cohorts of first-time college students, respectively. Thus, Cohort students were 8.19 and 21.07 percent more likely to persist to their second year than Pennsylvania and U.S. undergraduates.
- Cohort students who started at four-year institutions had a higher persistence rate than Cohort students who started at two-year institutions.
- Cohort students who attended schools outside of Pennsylvania had the highest persistence rate at 93.92 percent, while Cohort students at Business, Trade, and Technical schools had the lowest at 76.62 percent.
- Dependent Cohort students had a higher persistence rate at 91.12 percent than Independent Cohort students at 77.21 percent.
- Full-time Cohort students had an average persistence rate of 81.21 percent, while almost full-time Cohort students and half-time Cohort students had average persistence rates of 97.64 percent and 60.99 percent, respectively.

Cohort First-Year Persistence Rates by Institutional Sector

![Cohort First-Year Persistence Rates by Institutional Sector](chart.png)

NOTE: The average first-year persistence rate for every sector is based on students who pursued a bachelor's degree, associate degree, certificate, or diploma.

Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®
Year-Over-Year Persistence Rates

Looking at year-over-year persistence provides evidence of why it is so important for students to complete their first year: Cohort students who completed their first year were more likely to start and complete their second, third, and fourth years of education.

- The stop-out rate for Cohort students during their first year was 10 percent, 8 percent for their second year, and 6 percent for their third and fourth years of enrollment.
- The stop-out rate for Cohort students then increased in their fifth and sixth years to 8 percent and 13 percent, respectively.

Cohort Year-Over-Year Persistence Rates

Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®
How Much is Awarded in PA State Grants Per Completion?

Studies have shown that increased levels of higher education reap individual and societal benefits, such as lower unemployment rates, higher government tax revenues, and heightened social mobility. Recent data shows that median earnings of associate and bachelor’s degree recipients working full time were 18.90 percent and 67.29 percent higher, respectively, than the earnings of high school graduates working full time. Individuals with even some postsecondary education but no credential earned 11.66 percent more than high school graduates working full time. Therefore, even among Cohort students who did not receive a credential, receiving a PA State Grant award benefited them by giving these students a tangible increase in future earnings. In this section, the reported statistics are based on the six-year study period.

Awards to Entire Cohort

- More than $209 million in PA State Grants was awarded to the 23,147 Cohort students who graduated with any credential type.
- More than $64 million in PA State Grants was awarded to the 12,658 Cohort students who did not graduate with any credential.
- Nearly 77 percent of all PA State Grant funding for the Cohort went to students who graduated.

Cohort Year-Over-Year PA State Grant Awards

Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse
Awards per Cohort Student

- On average, the total amount of PA State Grants awarded per Cohort student who graduated was $8,884.
  - Cohort students who graduated received an average PA State Grant of $2,243 per award year (adjusting for the average length of enrollment among those recipients graduating).\(^{18}\)

- On average, the total amount of PA State Grants awarded per Cohort student who received a bachelor's degree was $9,485.
  - Bachelor's degree Cohort students received an average PA State Grant of $2,359 per award year (adjusting for the average completion time for a bachelor's degree).

- On average, the total amount of PA State Grant funds awarded per Cohort student who received an associate degree was $5,776.
  - Associate degree Cohort students received an average PA State Grant of $1,650 per award year (adjusting for the average completion time for an associate degree).

- On average, the total amount of PA State Grant funds awarded per Cohort student who did not graduate with an academic credential was $4,944.
  - Cohort students who did not earn any credential received an average PA State Grant of $1,880 per award year (adjusting for the average length of enrollment among those recipients not graduating).

Nearly 77 percent of all PA State Grant funding for the Cohort went to students who graduated.
### Average PA State Grant Dollars Awarded per Cohort Student by Credential Received & Starting Sector (For Entire Postsecondary Education)

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<tr>
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<tr>
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<td><strong>$5,776</strong></td>
<td><strong>$5,692</strong></td>
<td><strong>$6,877</strong></td>
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Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®

### Awards by Sector

Cohort students at four-year schools, on average, received more money in PA State Grant award dollars than Cohort students at two-year schools—in part because Cohort students at four-year schools were enrolled longer and typically had higher costs of attendance.

- Cohort students who received any credential and attended Four-Year Private, PASSHE, or State-Related institutions as of initial enrollment were awarded more PA State Grant funds when they remained at their original institution for their entire postsecondary career. In comparison, students not in these sectors who received any credential were awarded more PA State Grant funds when they attended more than one institution during their postsecondary career.

- For Cohort students who started at Community Colleges and received any credential, the difference in average PA State Grant dollars awarded when attending one school and more than one school was especially pronounced—providing evidence that these students continued their education at a four-year institution.
Trends in PA State Grant Student Outcomes

This section compares 2013-14 Cohort outcomes to outcomes from the 2007-08, 2009-10, and 2011-12 PA State Grant Cohorts. Specifically, graduation, persistence, and time to degree outcomes are compared for these alternating years.

In its annual report on credential completion, the National Student Clearinghouse® provides insights regarding the make-up of the 2007-08, 2009-10, 2011-12, and 2013-14 U.S. cohorts. For example, compared to the 2007-08 U.S. cohort, the 2009-10 U.S. cohort was larger and had more older students and part-time students, along with increased enrollments at community colleges and for-profit schools, which are all characteristics associated with lower completion rates. The size and composition of the 2009-10 U.S. cohort was one of several cohorts impacted by the Great Recession, which lasted from December 2007 through June 2009 but had lingering effects. Among the 2011-12 U.S. cohort, there was a shift back to a more traditional-age student population, more full-time enrollments, and a greater share of students starting at four-year public and private, nonprofit institutions, which are characteristics associated with higher completion rates. The 2013-14 U.S. Cohort continued to be predominantly represented by traditional-age students and also saw declining shares of older students and part-time enrollments.

Still, it is difficult to gauge the effects of changes in PA State Grant program parameters versus external factors when analyzing trends. For example, the distribution of a specific Cohort across institutional sectors influences the awarding formula set by PHEAA each year. Therefore, while it is reasonable to assume that changing population characteristics as identified by the Clearinghouse® impacted the outcomes below, the comparisons that follow do not explore the wide variety of factors that may have impacted student success among the analyzed PA State Grant Cohorts.

Graduation Rates

- The 150 percent time graduation rate for PA State Grant Cohort students who began enrollment as full-time students decreased with each reported year, starting with 62.32 percent for the 2007-08 Cohort and ending with 58.65 percent for the 2013-14 Cohort.

Graduation Rates – 150 Percent Time

NOTE: These graduation rates are only for first-time, full-time students.

Sources: Pennsylvania Higher Education Assistance Agency, the National Student Clearinghouse®, and the Integrated Postsecondary Education Data System

- For the first three PA State Grant Cohorts, students who attended out-of-state schools had the highest 150 percent time graduation rates, followed by students at in-state Four-Year Private schools. This trend reversed in 2013-14 with students at in-state Four-Year Private schools having the highest rate, followed by students at out-of-state schools.
Time to Degree Completion

- The average time to complete a bachelor's degree increased from 4.05 calendar years for the 2007-08 Cohort to 4.08 calendar years for the 2009-10 Cohort. It then decreased to 4.04 calendar years for the 2011-12 Cohort and 4.00 for the 2013-14 Cohort.

- The average time to complete an associate degree decreased from 2.98 calendar years for the 2007-08 Cohort to 2.87 calendar years for the 2009-10 Cohort. It then increased to 2.94 calendar years for the 2011-12 Cohort and 2.95 for the 2013-14 Cohort.

Persistence Rates

- The PA State Grant Cohort first-year persistence rate increased from 91.29 percent for the 2007-08 Cohort to 92.20 percent for the 2009-10 Cohort. It then decreased to 90.07 percent for the 2011-12 Cohort and 89.71 for the 2013-14 Cohort.

For all four Cohorts, students who attended out-of-state schools had the highest persistence rates, followed by students at in-state Four-Year Private schools.
The outcomes of the grantees examined in this annual study highlight the value of the PA State Grant Program. The 2013-14 Cohort either outperformed or performed similarly to the comparable Pennsylvania and U.S. undergraduate populations in terms of graduation rates, time to degree completion, and student persistence.

Additionally, the report called attention to the remarkable similarities in positive student outcomes among the PA State Grant Cohorts in recent years. As new data becomes available, PHEAA looks forward to reporting on the academic success of future cohorts.
Definition of Commonly Used Terms

**150 Percent Time Graduation** – A student successfully completes the requirements for a bachelor’s degree, associate degree, certificate, diploma, or other credential within 150 percent of the typical time needed for full-time, college-level work. For a bachelor’s degree, 150 percent time is six years. For an associate degree, 150 percent time is three years.

**Almost Full-Time Student** – A student with varied enrollment statuses (i.e., full time, half time, less than half time, and not enrolled) throughout their entire postsecondary education—but predominantly enrolled full time.

**Associate Degree** – An undergraduate credential that typically requires at least two but less than four years of full-time equivalent college-level work.

**Bachelor’s Degree** – An undergraduate credential that typically requires at least four but no more than five years of full-time equivalent college-level work.

**Certificate** – An academic credential that certifies a student’s satisfactory completion of a postsecondary education program.

**Dependent Student** – A student who does not meet the requirements for independent status and is under the legal dependency of a parent or guardian.

**Diploma** – An academic credential that certifies a student’s successful completion of a postsecondary education program primarily used in two-year nursing programs.

**Eligible Program of Study** – A program of study that is at least two academic years in length where at least 50 percent of the total credit or clock hours needed for program completion can be earned through classroom instruction.

**Expected Family Contribution (EFC)** – An index of the financial support that a family is calculated to have available toward a student’s educational costs; this federal calculation is based on family earnings, assets, number of students in college, and family size.

**First-Year Persistence Rate** – The percentage of first-time students who return to any postsecondary school for their second year.

**Full-Time Student** – A student enrolled for 12 or more credits a term.

**Half-Time Student** – A student enrolled for six or more credits, but less than 12 credits a term.

**Independent Student** – A student who meets any or all of the following conditions: over 24 years of age; married; has a legal dependent who receives more than 50 percent support from the student; an Armed Forces veteran or currently serving on active duty in the Armed Forces for purposes other than training; an orphan or ward of the court; homeless or self-supporting and at risk of being homeless; emancipated minor or in legal guardianship.

**Pennsylvania Domicile** – An eligibility requirement for the PA State Grant that states a student’s permanent residency address must be located in the Commonwealth of Pennsylvania.

**Pennsylvania State System of Higher Education (PASSHE)** – PASSHE represents a group of schools that are publicly owned by the Commonwealth of Pennsylvania. Those schools are: Bloomsburg University, California University, Cheyney University, Clarion University, East Stroudsburg University, Edinboro University, Indiana University, Kutztown University, Lock Haven University, Mansfield University, Millersville University, Shippensburg University, Slippery Rock University, and West Chester University.

**PHEAA Allowable Cost of Attendance (COA)** – Determined by the sum of institutional tuition and fees, plus a set allowance for room, board, books, and supplies. This figure normally differs from the institutional cost of attendance used for other financial aid programs.

**State-Related** – State-Related represents a group of schools that are neither state-owned nor state-operated, but receive substantial state appropriations and offer discounted tuition to Pennsylvania residents. Those schools are: Lincoln University, The Pennsylvania State University, Temple University, and the University of Pittsburgh.

**Stopping Out** – When a previously enrolled student leaves an institution for a period of time and returns at a later date.

**Time to Degree Completion** – The length of time between the start date of the student’s first enrollment period until the end date of the student’s last enrollment period when a credential is received.
# PHEAA Board of Directors

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<tr>
<th>Representative Michael Peifer</th>
<th>Senator Vincent J. Hughes</th>
<th>Chancellor Timothy R. Thyreen</th>
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<td>Chairman, Pike/Wayne</td>
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<td>Waynesburg</td>
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<td><strong>Representative Steven C. Mentzer</strong></td>
<td><strong>Robin L. Wiessmann</strong></td>
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The Pennsylvania State Grant Program Outcomes Study 28
Endnotes

1 This includes students with canceled awards, with the exception of any student with a cancel “G” status code. Cancel G’s are those students who failed to enroll at the institution for which a PA State Grant was awarded.

2 The National Student Clearinghouse® offers access to a nationwide coverage of enrollment and degree records through its StudentTracker service. More than 3,600 colleges and universities participate in the Clearinghouse®, enrolling nearly 98 percent of all students in public and private U.S. institutions. Retrieved from https://www.studentclearinghouse.org/about/.

3 National Association of State Student Grant and Aid Programs (NASSGAP), 50th Annual Survey Report on State-Sponsored Student Financial Aid, 2018-19 Academic Year.

4 The PA State Grant awarding formula is updated every year to adjust for changes in enrollment, cost of attendance, expected family contribution, and other factors that may impact the distribution of awards. The formula and program eligibility requirements for the current program year can be found in the Pennsylvania State Grant Program Manual, located at https://www.pheaa.org/grants/state-grant-program/pdf/2020-2021/Program-Manual.pdf.

5 Students enrolled less than half time are not eligible for a PA State Grant award. However, looking at annualized student enrollments, 3.94 percent of students were less than half time throughout their entire postsecondary education.

6 U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates


8 The purchasing power of the PA State Grant award is based on available funding, cost of attendance, number of eligible recipients, and other factors that affect the final award amount.

9 PHEAA’s allowable cost of attendance (COA) may differ from the actual costs a school uses in determining its financial aid award packages for students and will typically be substantially less than the institutional cost of attendance used for other student aid programs. PHEAA’s COA formula was changed in the 2012-13 award year to include a set allowance for room and board as opposed to using actual room and board charges. For PA State Grant award determination, the sum of tuition, fees, and a set allowance for room and board is capped at $32,000 per student.


11 There are occurrences within the data where enrollment periods extended beyond six years, making it possible to report on credential completions slightly past 150 percent of normal time for a four-year degree.


14 Ibid.


17 Ibid.

18 The maximum awards for classroom students – as determined by the awarding formula – for each year of the six-year study period were $4,363 in 2013-14, $4,011 in 2014-15, $4,340 in 2015-16, $4,378 in 2016-17, $4,123 in 2017-18, and $4,123 in 2018-19.


Created in 1963 by the Pennsylvania General Assembly, the Pennsylvania Higher Education Assistance Agency (PHEAA) has evolved into one of the nation's leading student aid organizations. Today PHEAA is a national provider of student financial services, serving millions of students and thousands of schools through its loan guaranty, loan servicing, financial aid processing, outreach, and other student aid programs.

PHEAA’s earnings are used to support its public service mission and to pay its operating costs, including administration of the Pennsylvania State Grant and other state-funded student aid programs. As the only major federal loan servicer with a nonprofit public service mission, PHEAA devotes its energy and resources to help ease the financial burden of higher education for its primary stakeholders – Pennsylvania students and families.

PHEAA conducts its student loan servicing operations nationally as FedLoan Servicing and American Education Services (AES). PHEAA operates its digital technology division as Avereo.

PHEAA.org
800-692-7392