

The Pennsylvania
State Grant Program

OUTCOMES STUDY

A SIX-YEAR ANALYSIS OF THE
2008-09 STATE GRANT COHORT

February 2016



The Pennsylvania State Grant Program

OUTCOMES STUDY EXECUTIVE SUMMARY

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 State Grant Program. The following key findings are for a cohort of 33,958 State Grant recipients from the 2008-09 Academic Year (the “Cohort”) who were tracked for enrollment and graduation for a six-year period.

STATE GRANT RECIPIENT PROFILE



The typical State Grant recipient from the Cohort:

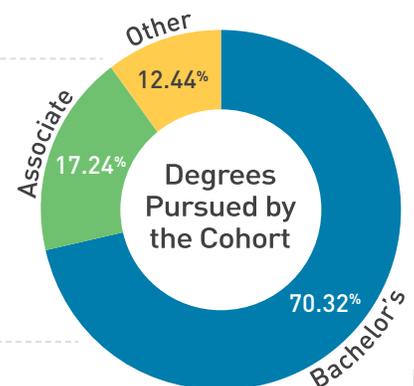
- Female
- 18 years old
- Dependent
- Had a median household income of \$41,884
- Enrolled full time at a four-year institution
- Paid \$14,916 annually in tuition & fees
- Had \$22,208 in annual college costs*

* 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 household income for the Cohort was \$41,884 — 20.29 percent less than the median annual household income of \$52,548 for all Pennsylvania residents.
- Dependent Cohort students (91.11 percent of the Cohort) had a median annual household income of \$44,934, while Independent Cohort students (8.89 percent of the Cohort) had a median annual household income of \$12,164.
- Dependent Cohort students had \$15,358 in average annual tuition and fees, while Independent Cohort students had \$10,382 in average annual tuition and fees.
- Of the Cohort, 55.75 percent attended only one institution throughout their entire postsecondary education, while 44.25 percent attended more than one institution during their postsecondary education.

- According to information provided on each student’s 2008-09 Free Application for Federal Student Aid (FAFSA®):

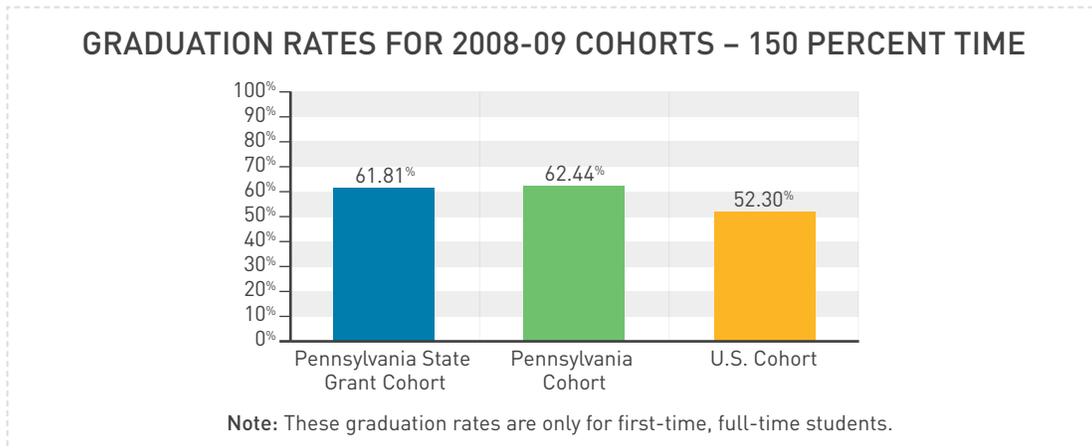
- 23,880 intended to pursue a bachelor’s degree (70.32 percent of the Cohort).
- 5,853 intended to pursue an associate degree (17.24 percent of the Cohort).
- 4,225 intended to pursue a credential other than a bachelor’s or associate degree (12.44 percent of the Cohort).



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 Pennsylvania State Grant Cohort students enrolled full time as of initial enrollment, 61.81 percent graduated within 150 percent of normal time. By comparison, 62.44 percent of Pennsylvania’s 2008-09 cohort and 52.30 percent of the U.S. 2008-09 cohort graduated within 150 percent of normal time.



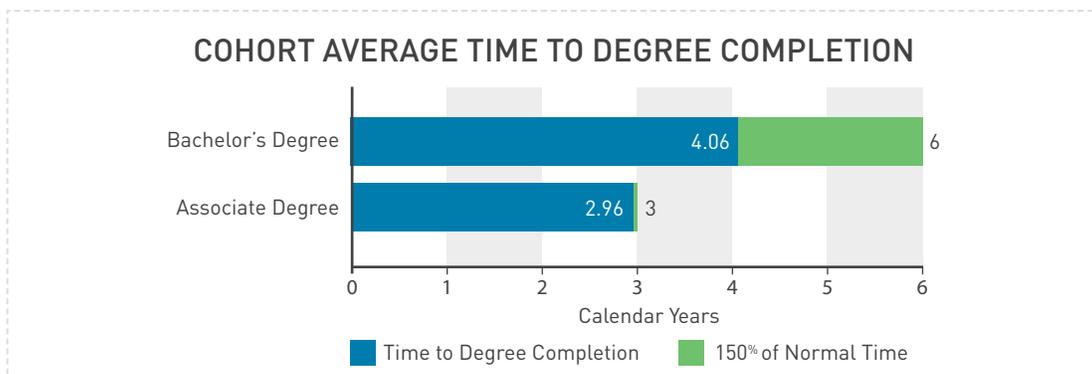
Sources: Pennsylvania Higher Education Assistance Agency, the National Student Clearinghouse®, and the Integrated Postsecondary Education Data System

- The 150 percent time graduation rate for Cohort members who attended only one school was 59.46 percent. The 150 percent time graduation rate for Cohort members who attended more than one school was 55.86 percent. These rates are for students who completed any credential — either the one they initially pursued or a different one.

Cohort students enrolled full time as of initial enrollment were approximately 18.18 percent more likely to graduate within 150 percent of normal time than the average comparable U.S. undergraduate student and as likely to graduate as the average comparable Pennsylvania undergraduate student.

TIME TO DEGREE COMPLETION

- On average, it took Cohort members 4.06 calendar years to complete a bachelor’s degree.
- On average, it took Cohort members 2.96 calendar years to complete an associate degree.



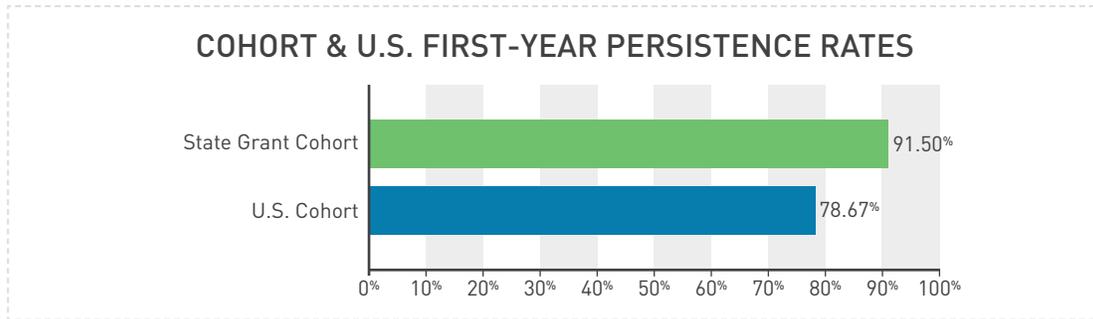
Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®

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).

PERSISTENCE 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 91.50 percent compared to 78.67 percent for the Fall 2008 U.S. cohort of first-time college students.



Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®

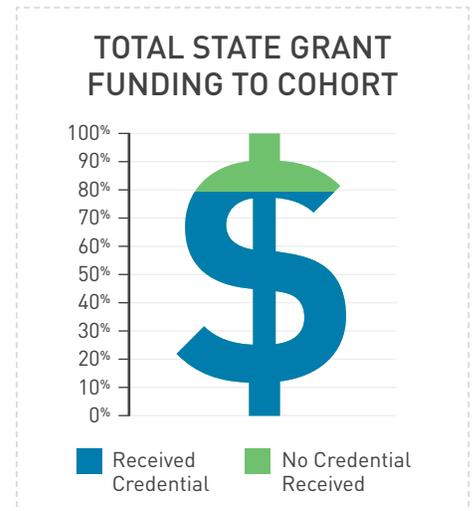
- Dependent Cohort students had a higher first-year persistence rate at 92.46 percent than Independent Cohort students at 81.58 percent.
- Full-time Cohort students had a first-year persistence rate of 86.91 percent compared to 98.38 for almost full-time Cohort students and 77.23 percent for half-time Cohort students.

Overall, the first-year persistence rate for Cohort members was substantially higher than the national rate for 2008 first-time college students.

PENNSYLVANIA STATE GRANTS AWARDED

- Over the six-year period of the study, more than \$193 million in State Grants was awarded to the 22,175 Cohort students who graduated with any credential type. Roughly 79 percent of all State Grant funding for the Cohort went to students who received credentials.
- The average total amount of State Grants awarded per Cohort student who graduated with a credential was \$8,721 over the six-year study period.
- The average total amount of State Grants awarded per Cohort student who did not graduate with an academic credential was \$4,361 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 \$2,197 in annual State Grant funding, while Cohort students who did not receive a credential received \$1,458 annually.



Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®



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The Pennsylvania State Grant Program

OUTCOMES STUDY

INTRODUCTION

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 \$404.5 million to nearly 174,000 students in the 2014-15 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 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 State Grant recipients. It also highlights how much money, in 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 the cohort examined in last year's report.

Data Sources & Limitations

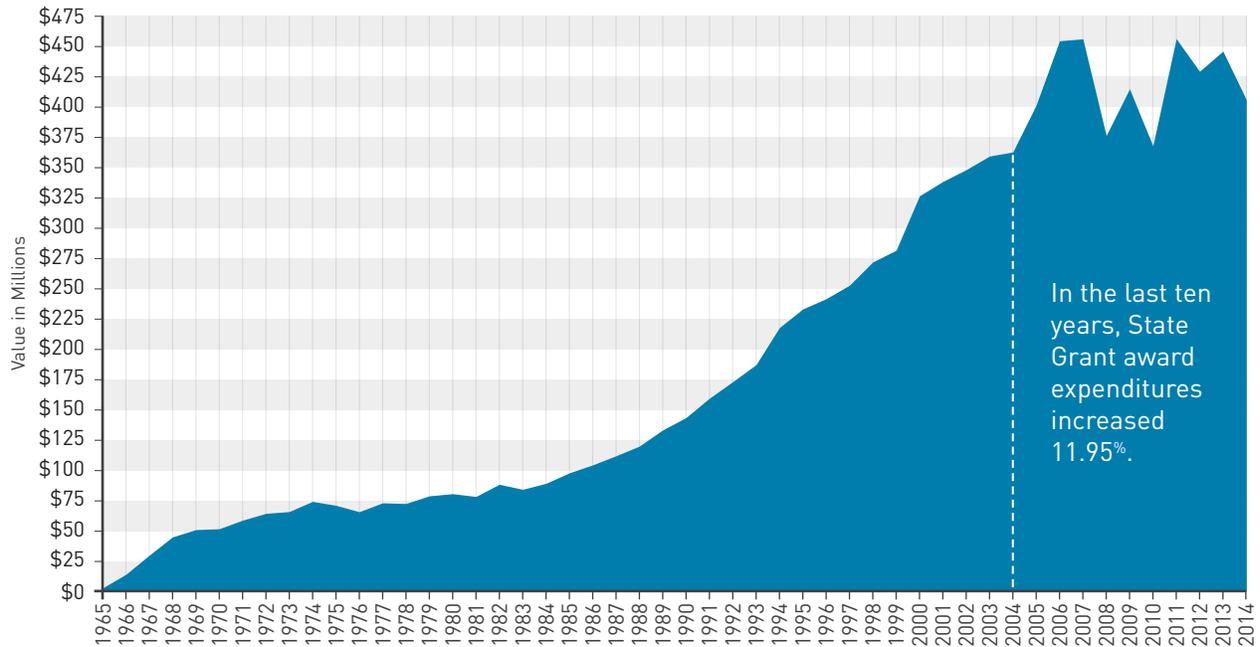
To evaluate the key questions in this report, a cohort of State Grant applicants from the 2008-09 Academic Year was tracked for a six-year period. This cohort included 163,903 first-year, first-time applicants for whom 37,835 were provided with a State Grant award.¹ Enrollment and graduation data from the National Student Clearinghouse[®] served as the source for persistence and degree completion information with data being available on 34,518 individuals.² Of those individuals matched by the Clearinghouse[®], 33,958 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 PENNSYLVANIA STATE GRANT PROGRAM

Over 50 years ago in 1965, the Pennsylvania General Assembly created the Pennsylvania State Grant Program and selected PHEAA as the program's administrator. In its first year, \$2.2 million was awarded to 6,500 students. Nearly 6.6 million grants with a value over \$9.87 billion have been awarded to students since the program's inception through the 2014-15 award year.

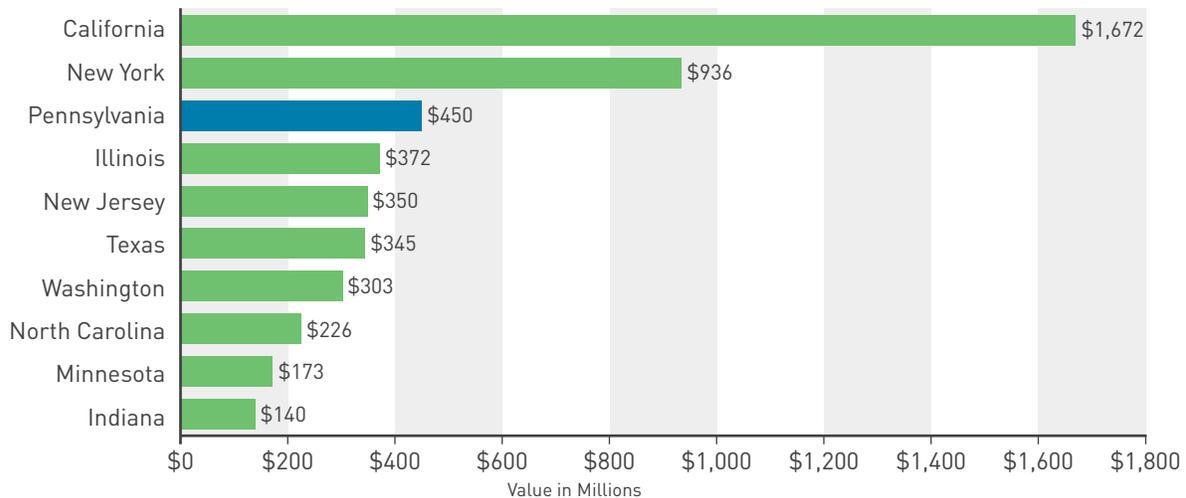
PENNSYLVANIA STATE GRANT PROGRAM ANNUAL AWARD EXPENDITURES (1965-2014)



Source: Pennsylvania Higher Education Assistance Agency

Today, the State Grant Program is the third largest need-based student grant program in the nation.³ The program is funded through a state appropriation that has been supplemented with \$413.4 million in revenues from PHEAA's business earnings over the past decade. PHEAA also funds the program's annual administrative costs of \$10.5 million from its business earnings.

TOP 10 STATES: 2013-14 PRIMARY NEED-BASED STUDENT GRANT PROGRAM EXPENDITURES



Source: National Association of State Student Grant and Aid Programs (NASSGAP), 45th Annual Survey Report on State-Sponsored Student Financial Aid

All students who meet the 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 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 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 State Grants without consideration of EFC or Pell eligibility.

$$\begin{array}{c}
 \text{Cost of Attendance (COA)} \\
 \left(\text{TUITION \& FEES} + \text{EDUCATIONAL EXPENSE ALLOWANCE} + \text{BOOKS \& SUPPLIES} \right) - \text{EXPECTED FAMILY CONTRIBUTION (EFC)} - \text{PELL AWARD} = \text{STUDENT NEED}
 \end{array}$$

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 State Grant award. More information about the program’s eligibility requirements and awarding formula can be found in the *State Grant Program Manual*, which is updated annually.⁴



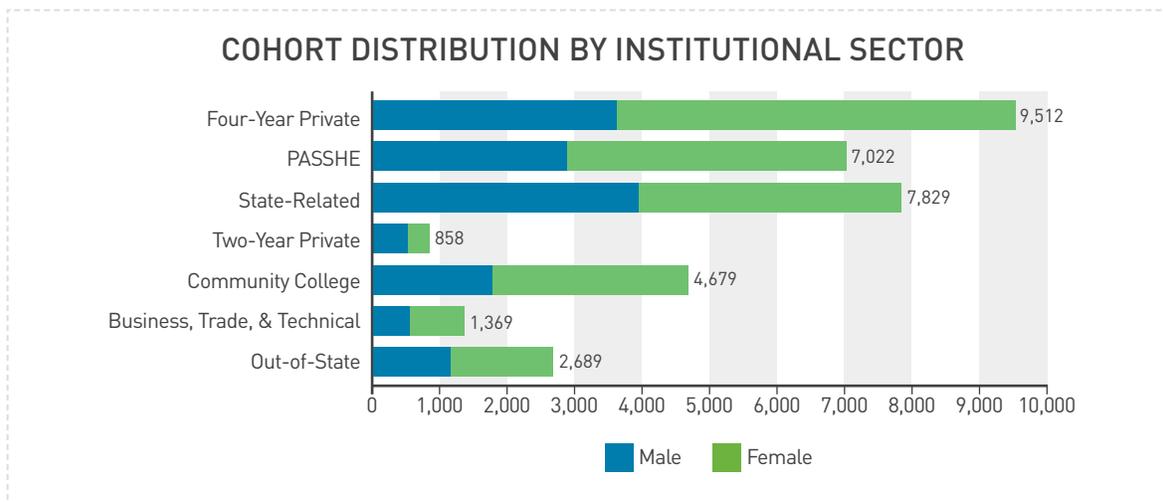
The Pennsylvania State Grant Program is the third largest need-based student grant program in the nation.

PENNSYLVANIA STATE GRANT RECIPIENT PROFILE

The majority (77.91 percent) of students in the Cohort who attended an in-state school started at a four-year institution, while 22.09 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 either Two-Year Private colleges, Community Colleges, or Business, Trade, and Technical schools. Out-of-state schools include all public and private non-profit institutional types.

Enrollment Distribution & Status

The 33,958 students included in the Cohort were distributed across the following institutional sectors as of initial enrollment in 2008-09:



Source: Pennsylvania Higher Education Assistance Agency

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 receive substantial state appropriations and offer discounted tuition to Pennsylvania residents.

According to information provided on the 2008-09 Free Application for Federal Student Aid (FAFSA®):

- 23,880 students intended to pursue a bachelor's degree (70.32 percent of the Cohort).
- 5,853 students intended to pursue an associate degree (17.24 percent of the Cohort).
- 4,225 students intended to pursue a certificate or diploma rather than a bachelor's or associate degree (12.44 percent of the Cohort).

Among the Cohort, 89.57 percent of students attended full time, meaning enrollment of 12 or more credits per term, in their first semester of attendance. Looking at annualized enrollment statuses among the Cohort:⁵

- 33.23 percent of students were enrolled full time throughout their entire postsecondary education.
- 56.02 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.
- 9.25 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, 55.75 percent attended only one institution throughout their entire postsecondary education, while 44.25 percent attended more than one institution during their postsecondary education.



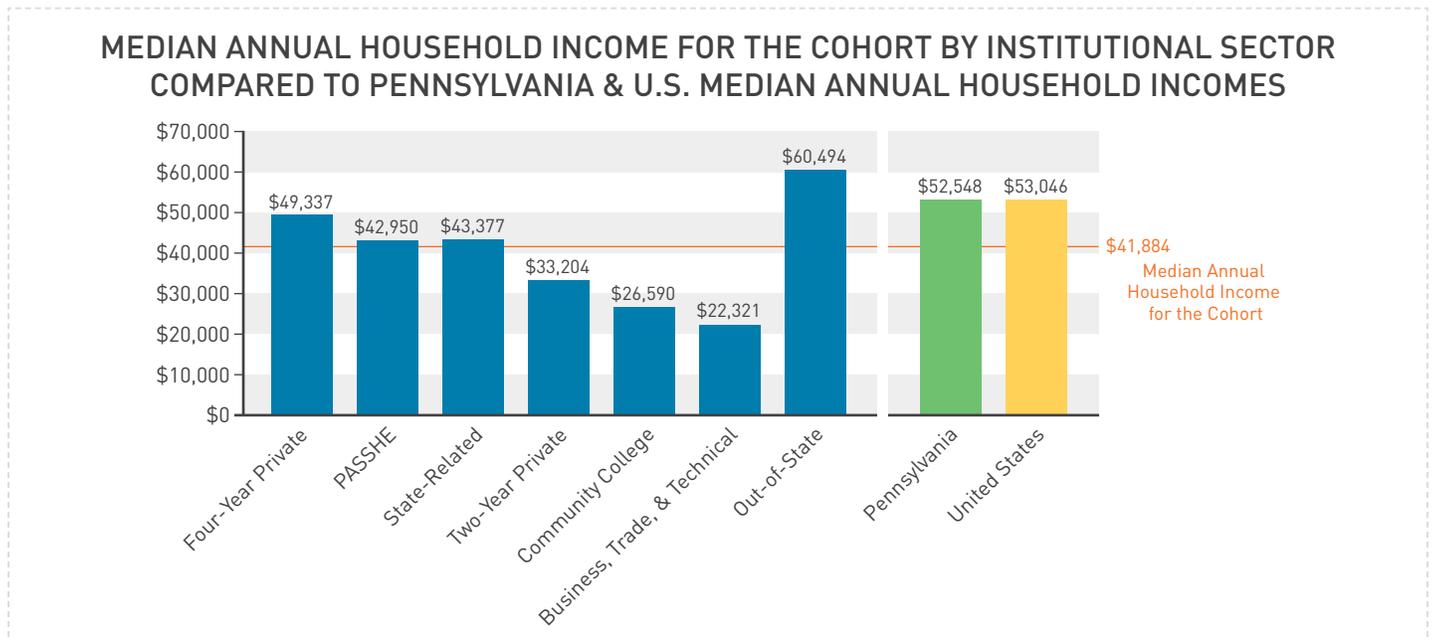
The typical State Grant recipient from the Cohort:

- Female
- 18 years old
- Dependent
- Had a median household income of \$41,884
- Enrolled full time at a four-year institution
- Paid \$14,916 annually in tuition & fees
- Had \$22,208 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 Pennsylvania State Grant. The median annual household income for the total Cohort was less than the overall Pennsylvania and U.S. median incomes.



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

- The median annual household income for the Cohort was \$41,884 — 20.29 percent less than the median annual household income of \$52,548 for all Pennsylvania residents and 21.04 percent less than the U.S. median annual household income of \$53,046.⁶
- Cohort students attending out-of-state schools had the highest median annual household income at \$60,494, while Cohort students attending Business, Trade, and Technical schools had the lowest at \$22,321.
- The median annual household income for Cohort students who attended out-of-state schools was higher than both the Pennsylvania and U.S. medians.
- Dependent Cohort students (91.11 percent of the Cohort) had a median annual household income of \$44,934, while Independent Cohort students (8.89 percent of the Cohort) had a median annual household income of \$12,164.⁷
- Cohort students who graduated had a median annual household income of \$47,411, while Cohort students who did not graduate had a median annual household income of \$32,192.
- Full-time Cohort students had a median annual household income of \$46,676, while half-time Cohort students had a median annual household income of \$26,692.

Tuition & Fees

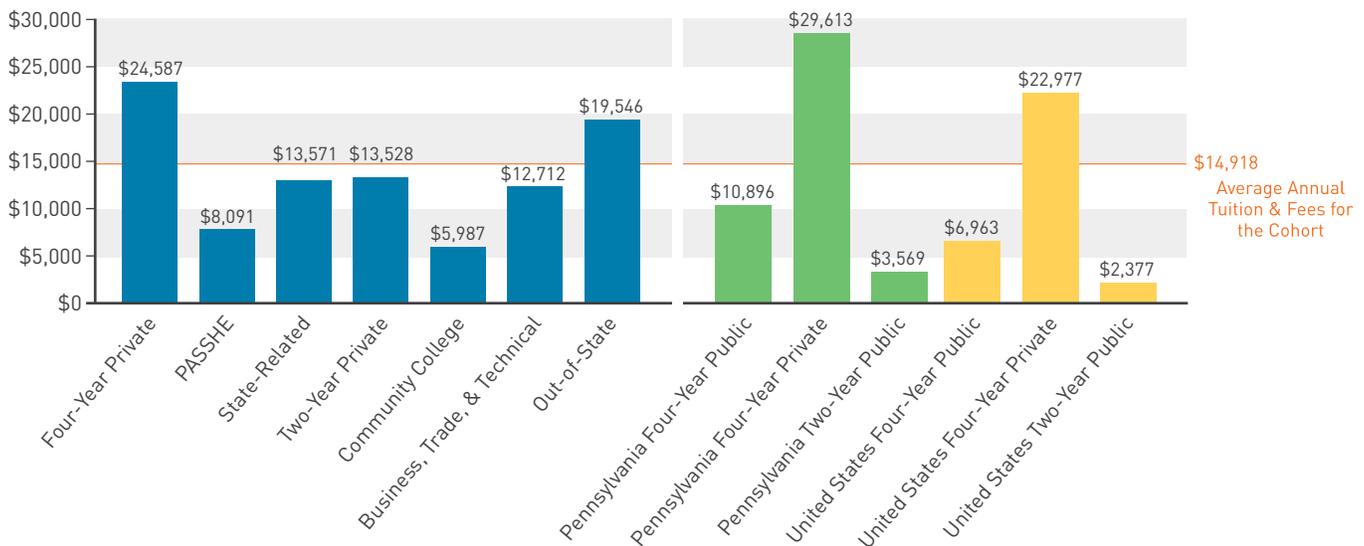
For most institutional types, the tuition and fees at Pennsylvania postsecondary institutions are higher than national averages. For the Cohort at the time of initial enrollment in 2008-09, Pennsylvania had the nation's fourth highest four-year public tuition and fees, the fifth highest four-year private tuition and fees, and the 12th highest two-year public tuition and fees.⁸ For the most recently completed academic year (2014-15), an average Pennsylvania State Grant award covered 14.9 percent of a grantee's tuition and fees.⁹

AVERAGE STATE GRANT AWARD PURCHASING POWER (AS % OF TUITION & FEES) 2008-09 THROUGH 2014-15



Source: Pennsylvania Higher Education Assistance Agency

AVERAGE ANNUAL TUITION & FEES FOR THE COHORT BY INSTITUTIONAL SECTOR COMPARED TO PENNSYLVANIA & U.S. AVERAGE ANNUAL TUITION & FEES



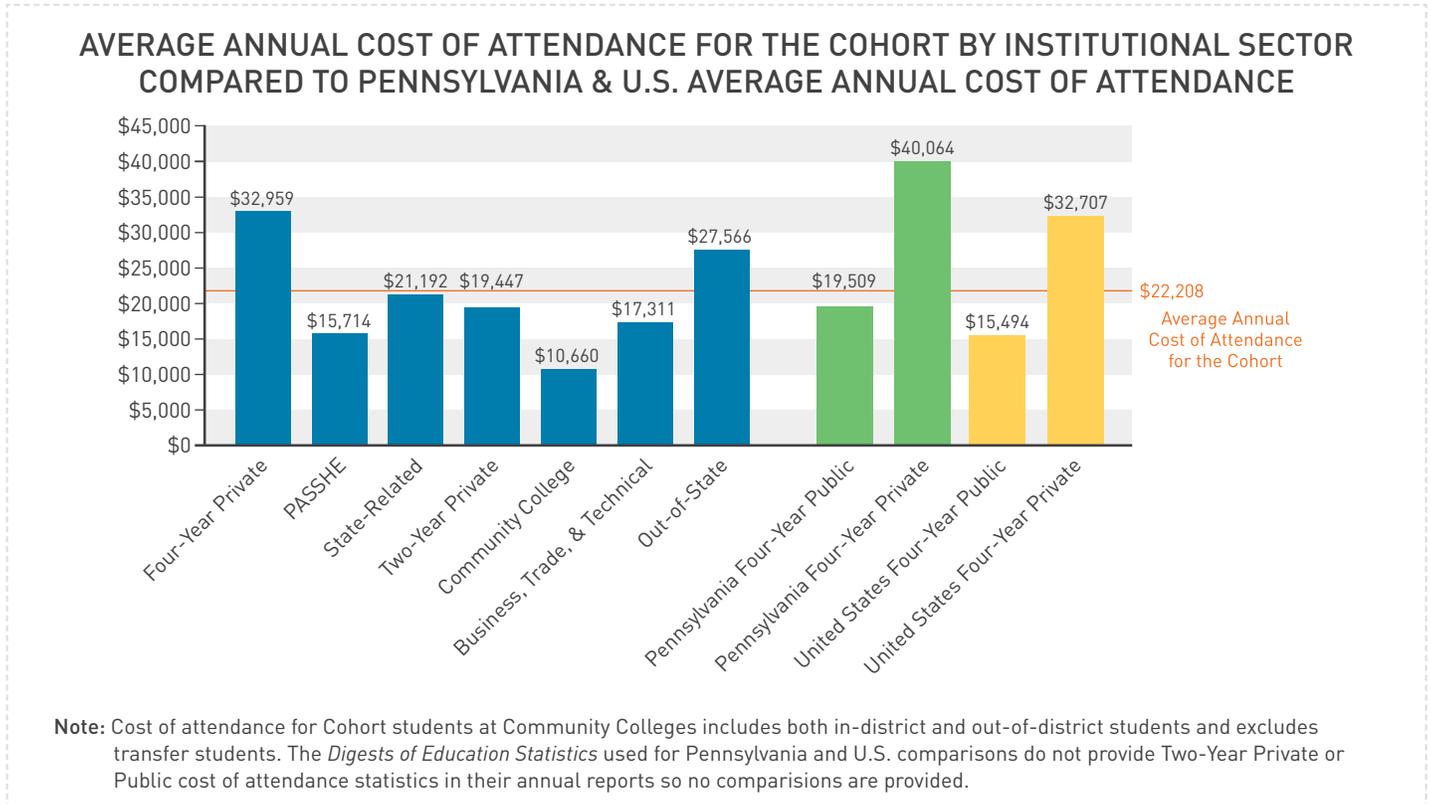
Note: Community College tuition and fees for the Cohort include both in-district and out-of-district students and exclude transfer students. *The Digests of Education Statistics* used for Pennsylvania and U.S. comparisons do not provide Two-Year Private tuition and fees statistics in their annual reports 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 *Digests of Education Statistics*

- Dependent Cohort students had \$15,358 in average annual tuition and fees, while Independent Cohort students had \$10,382 in average annual tuition and fees.
- Cohort students who graduated had \$16,698 in average annual tuition and fees, while Cohort students who did not graduate had \$11,563 in average annual tuition and fees.

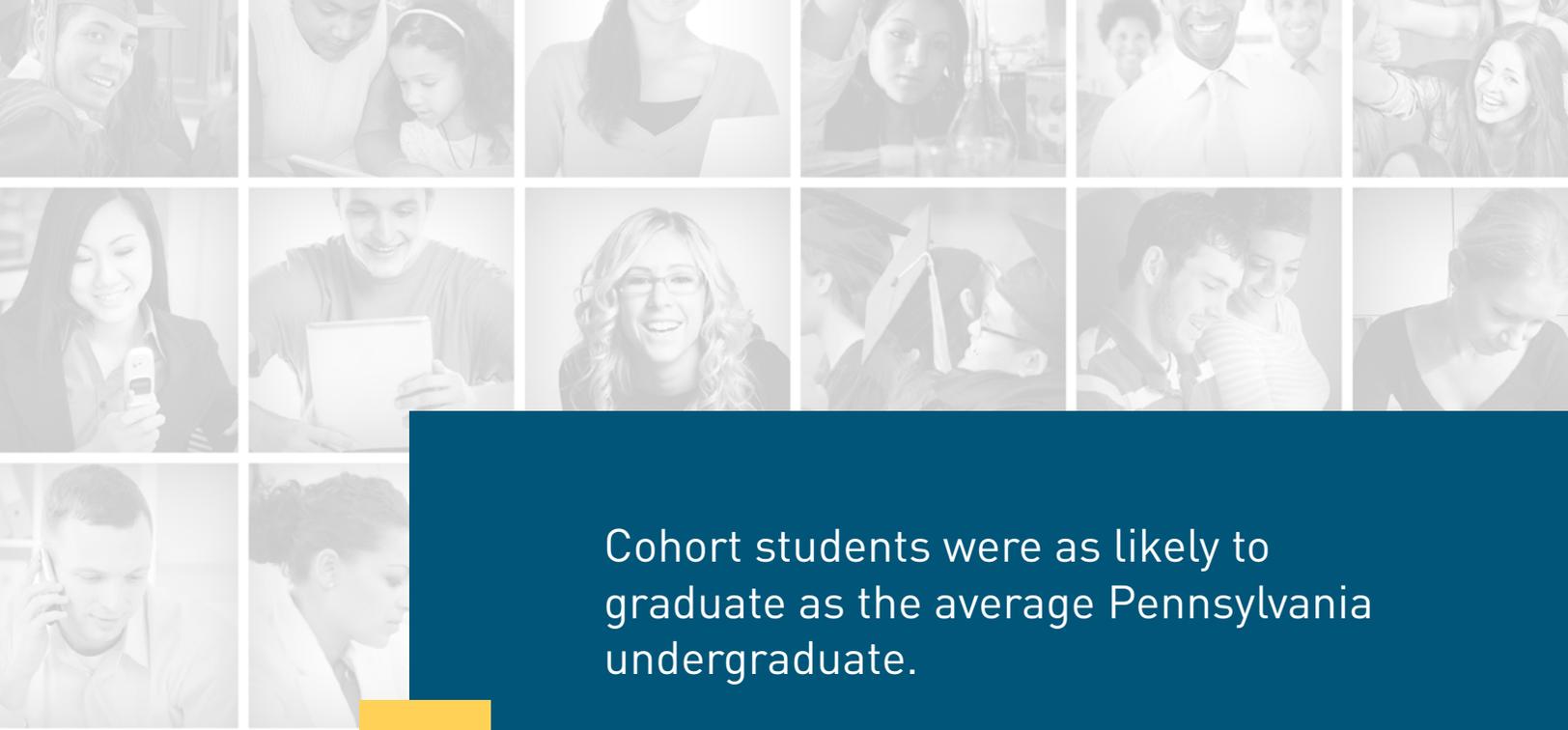
Cost of Attendance

As previously mentioned, cost of attendance (COA) plays an important part in a student's eligibility calculation for a Pennsylvania 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.¹⁰ 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.

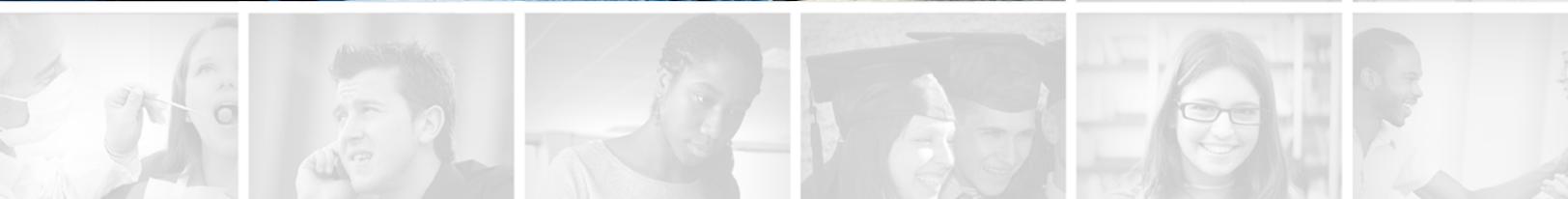


Sources: Pennsylvania Higher Education Assistance Agency and the National Center for Education Statistics *Digests of Education Statistics*

- Dependent Cohort students had an average annual COA of \$22,782, while Independent Cohort students had an average annual COA of \$16,322.
- Cohort students who graduated had an average annual COA of \$24,491, while Cohort students who did not graduate had an average annual COA of \$17,912.



Cohort students were as likely to graduate as the average Pennsylvania undergraduate.



HOW MANY STATE GRANT RECIPIENTS GRADUATE?

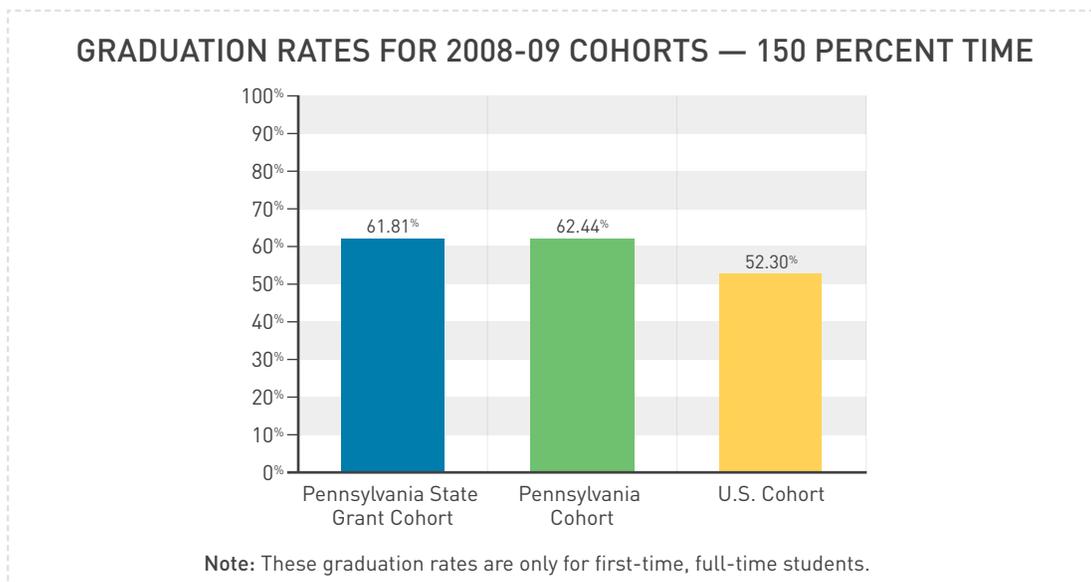
Graduation rates are typically measured as the total number of completers within “150 percent of normal time” divided by all students in a cohort. Therefore, this section reports six-year graduation rates for students of four-year institutions and three-year graduation rates for students of two-year 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 2008-09, 61.81 percent graduated within 150 percent of normal time. By comparison, 62.44 percent of Pennsylvania’s 2008-09 cohort, which includes both two-year and four-year institutions, graduated within 150 percent of normal time. Pennsylvania had the nation’s fifth highest 150 percent time graduation rate. Nationally, 52.30 percent of the U.S. 2008-09 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 18.18 percent more likely to graduate within 150 percent of normal time than the average comparable U.S. undergraduate student.

- Among the entire Cohort, 57.87 percent graduated within 150 percent of normal time.



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 2008-09 cohort. In this study, “Completing College: A National View of Student Attainment Rates – Fall 2008 Cohort,” the Clearinghouse® used a six-year graduation rate for both two-year and four-year institutions and included students of all enrollment statuses.

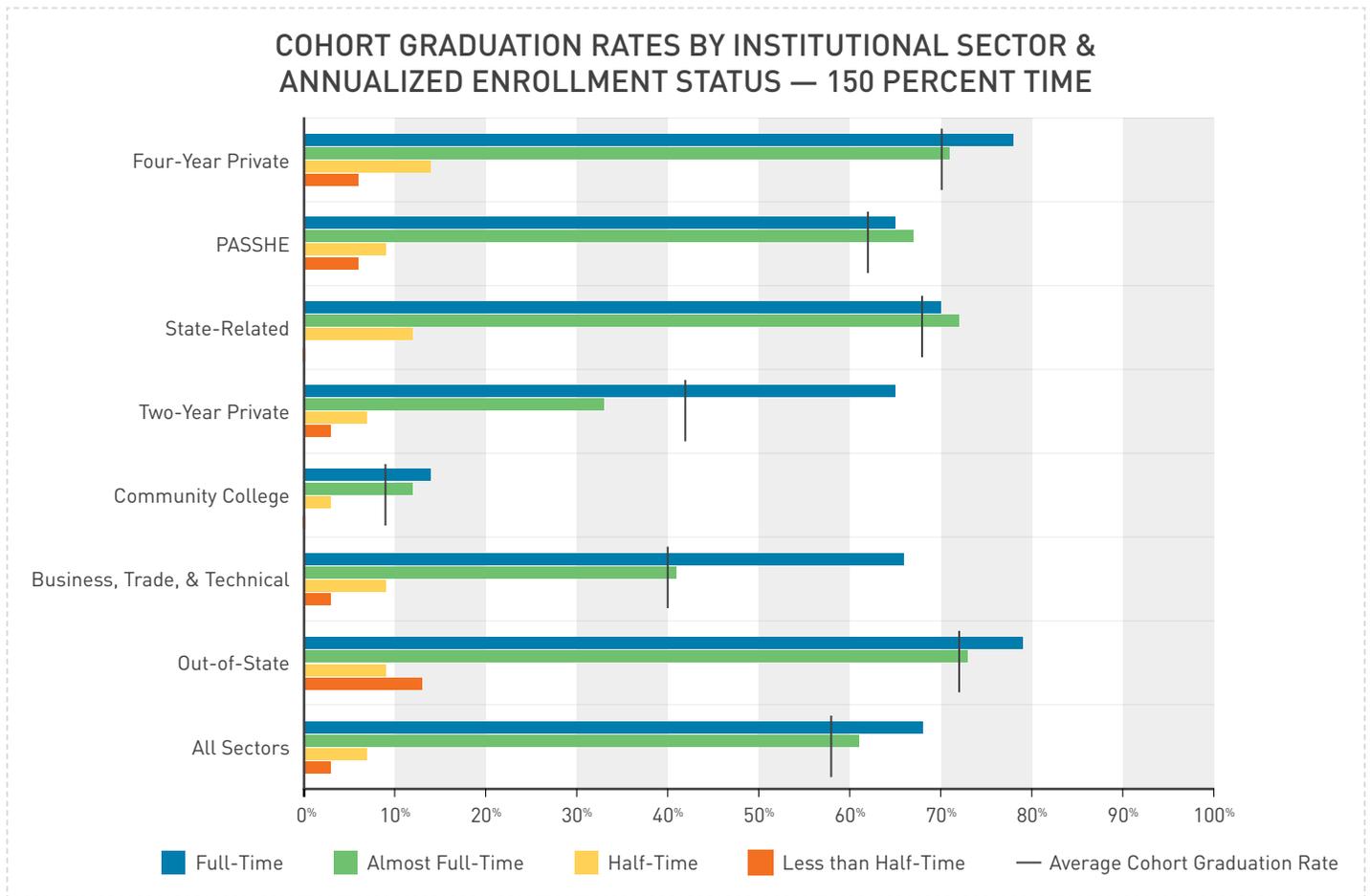
Using this different methodology, the six-year graduation rate for the 2008-09 State Grant Cohort was 61.98 percent compared to 55.03 percent for the 2008-09 U.S. cohort.¹¹

Graduation Rates by Institutional Sector

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

- Students who attended out-of-state schools had the highest graduation rate at 72.41 percent.
- Students who attended in-state Four-Year Private schools had the second highest rate at 70.43 percent.
- Community Colleges had the lowest graduation rate at 9.43 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 PASSHE and State-Related 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 PASSHE and State-Related sectors, 150 percent time graduation rates were higher for Cohort students who attended school mostly full time.



Graduation Rates by Number of Schools Attended

In general, 150 percent time graduation rates for Cohort members who attended only one school were higher than the rates for Cohort members who attended more than one school. Research has shown that approximately 37.2 percent of the national 2008-09 cohort transferred at least once within six years.¹² One reason some transfer students are less likely to graduate is the loss of academic credits that do not transfer with them.¹³

Among the Cohort, 44.25 percent attended more than one institution throughout their postsecondary education. The graduation rates for full-time and almost full-time Cohort students were greater when attending only one school. For half-time Cohort students, graduation rates were higher when attending more than one school.

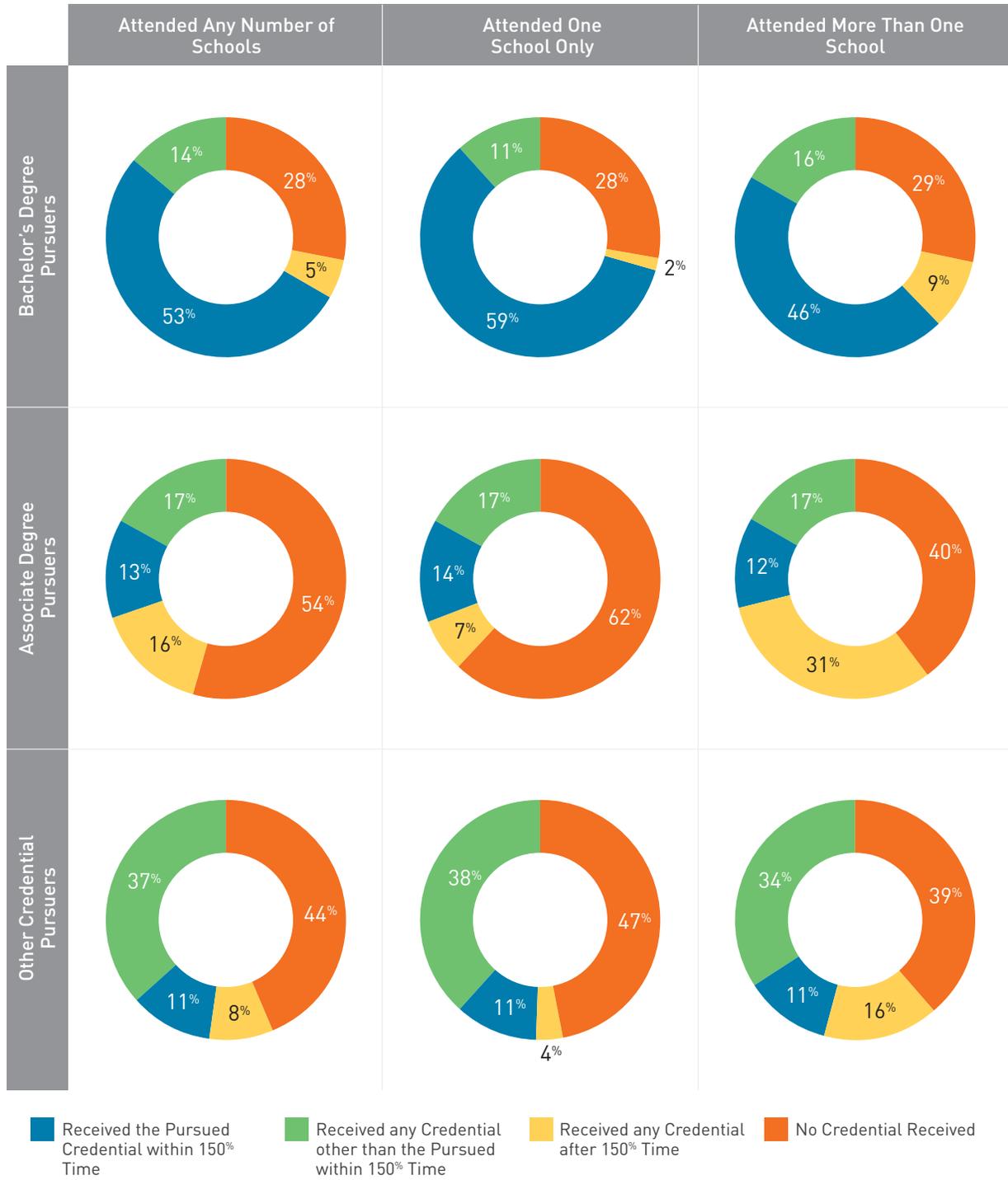
150 Percent Time Graduation Rates When Attending One School

- The graduation rate for Cohort members who attended only one school and received any credential was 59.46 percent.
- The bachelor's degree completion rate for Cohort members who attended only one school and pursued a bachelor's degree was 58.89 percent.
- The associate degree completion rate for Cohort members who attended only one school and pursued an associate degree was 13.89 percent. This rate does not include Cohort members who pursued an associate degree, but ultimately 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 55.86 percent.
- The bachelor's degree completion rate for Cohort members who attended more than one school and pursued a bachelor's degree was 45.74 percent.
- The associate degree completion rate for Cohort members who attended more than one school and pursued an associate degree was 12.20 percent. This rate does not include Cohort members who pursued an associate degree, but ultimately graduated with a bachelor's degree or other credential.

COHORT GRADUATION RATES BY DEGREE PURSUED & SCHOOL ATTENDANCE — 150 PERCENT TIME¹⁴



Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®

WHAT IS THE TIME TO DEGREE COMPLETION FOR 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.

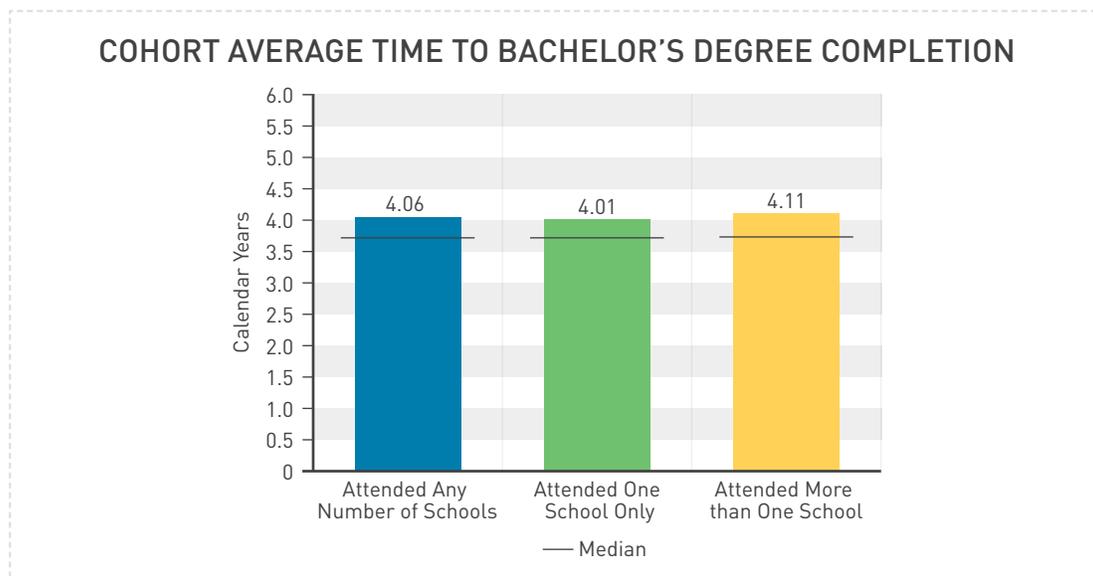
Generally, a full-time student is expected to complete an associate degree in two academic years and a bachelor's degree in four academic years. On a calendar year basis, however, this expected time to degree completion translates to 1.75 years for an associate degree and 3.75 years for a bachelor's 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 median time to a bachelor's degree at a four-year public institution is 4.33 calendar years, 3.75 calendar years at four-year private, non-profit institutions, and 4.75 calendar years at four-year for-profit institutions.¹⁵ These statistics are important because each additional semester in school adds to the cost of attendance and a loss of wages.

The majority of full-time students in the U.S. are not graduating on time. Nationally, only five percent of full-time students at community colleges complete a two-year associate degree within two years.¹⁶ At non-flagship four-year public universities, just 19 percent of full-time students graduate within four years, with the rate increasing to 36 percent at flagship universities.¹⁷

Time to Bachelor's Degree Completion

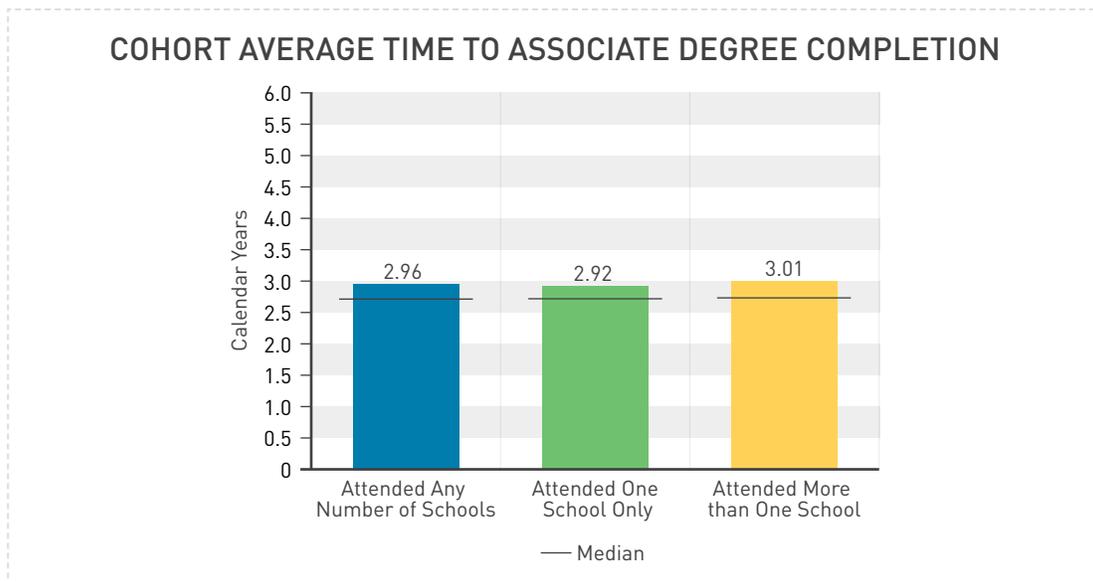
- The median time it took Cohort members to complete a bachelor's degree was 3.72 calendar years (which is equivalent to four academic years if calculated based on total months of enrollment).
 - » Among Cohort members attending only one school, the median completion time for a bachelor's degree was also 3.72 calendar years.
 - » Among Cohort members attending more than one school, the median completion time for a bachelor's degree was 3.73 calendar years.
- Using the mean (average) instead of median, it took Cohort members 4.06 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 4.01 calendar years.
 - » Among Cohort members attending more than one school, the average completion time for a bachelor's degree was 4.11 calendar years.



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 2.72 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 2.72 calendar years.
 - » Among Cohort members attending more than one school, the median completion time for an associate degree was 2.73 calendar years.
- Using the mean (average) instead of median, it took Cohort members 2.96 calendar years to complete an associate degree.
 - » Among Cohort members attending only one school, the average completion time for an associate degree was 2.92 calendar years.
 - » Among Cohort members attending more than one school, the average completion time for an associate degree was 3.01 calendar years.



Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®

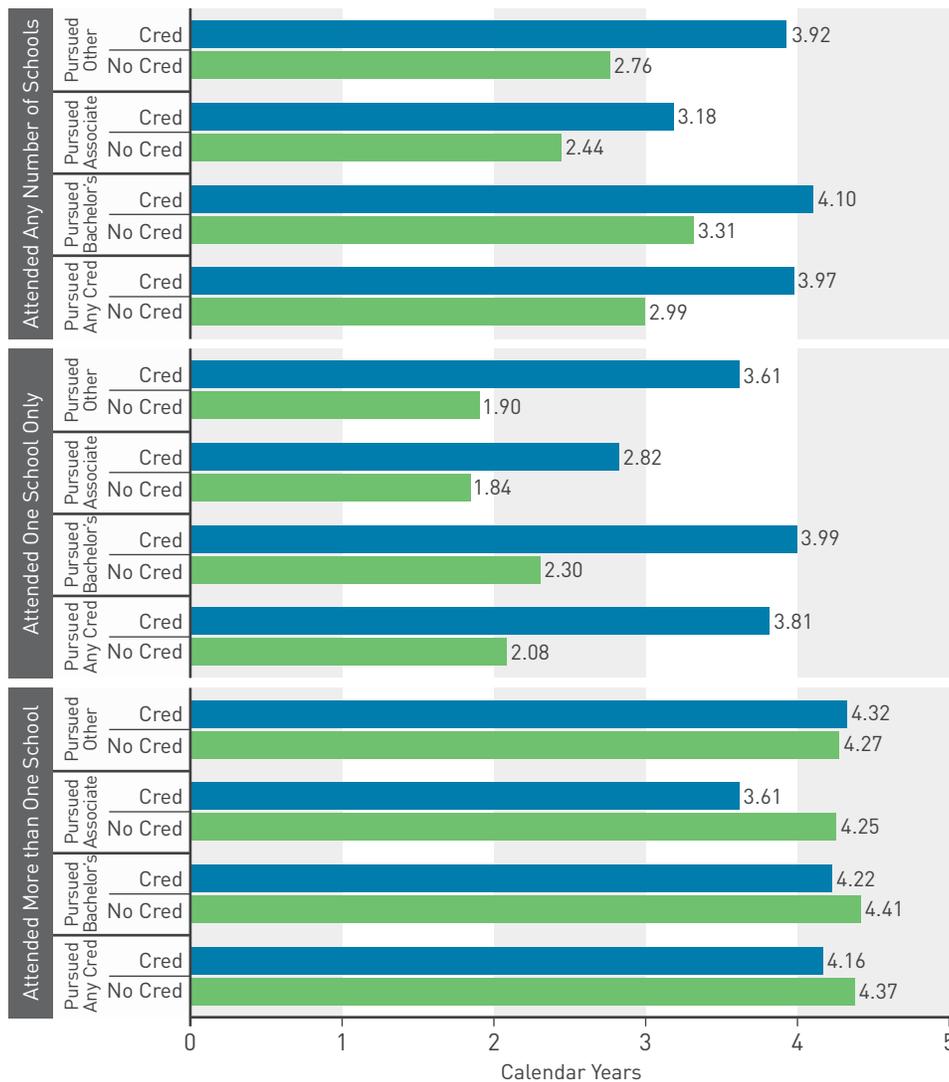
Time to Any Degree Completion

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 3.81 calendar years compared to 4.16 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.
- Bachelor's and associate degree-seeking Cohort students who attended more than one school and received a credential were enrolled for less time than Bachelor's and associate degree-seeking Cohort students who attended more than one school and did not receive a credential. However, Cohort students who pursued a credential other than a Bachelor's or associate degree who attended more than one school and received a credential were enrolled longer than the same such Cohort students who attended more than 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]



Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®

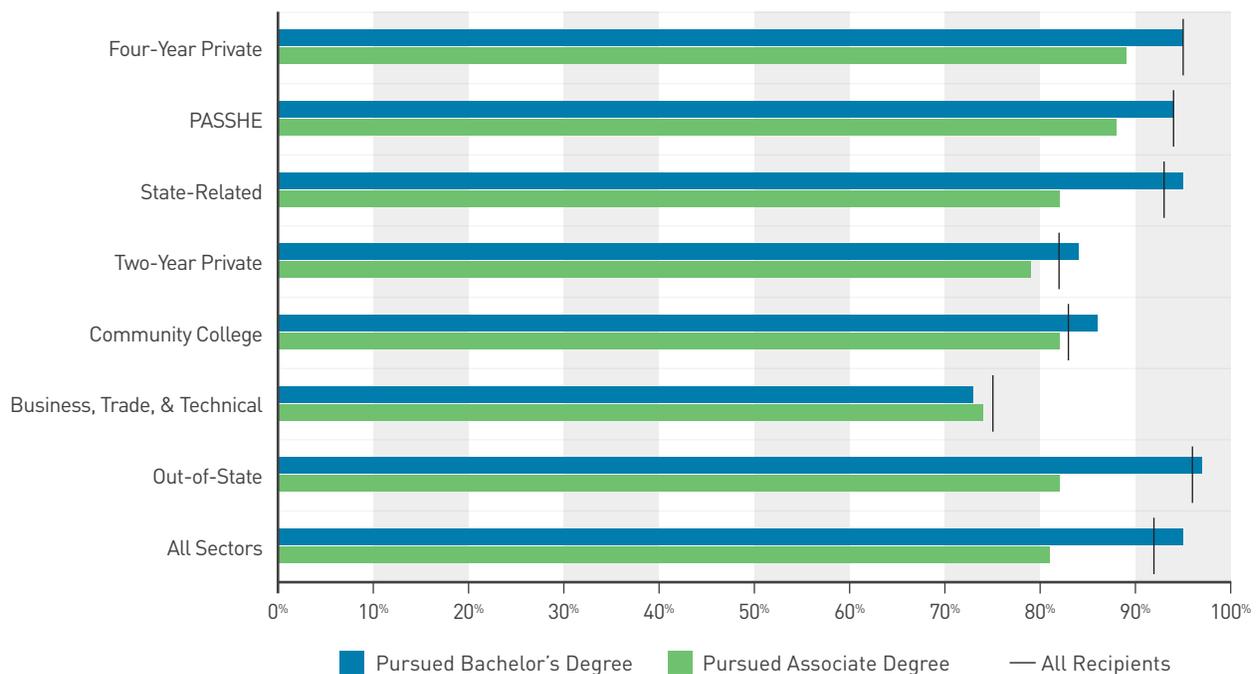
WHAT ARE THE PERSISTENCE RATES AMONG STATE GRANT RECIPIENTS?

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 91.50 percent compared to 78.67 percent for the Fall 2008 U.S. cohort of first-time college students.¹⁸ Thus, Cohort students were 16.31 percent more likely to persist to their second year than the average U.S. undergraduate.
- 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 95.80 percent, while Cohort students at Business, Trade, and Technical schools had the lowest at 75.02 percent.
- Dependent Cohort students had a higher persistence rate at 92.46 percent than Independent Cohort students at 81.58 percent.
- Full-time Cohort students had an average persistence rate of 86.91 percent, while almost full-time Cohort students and half-time Cohort students had average persistence rates of 98.38 percent and 77.23 percent, respectively.

COHORT FIRST-YEAR PERSISTENCE RATES BY INSTITUTIONAL SECTOR



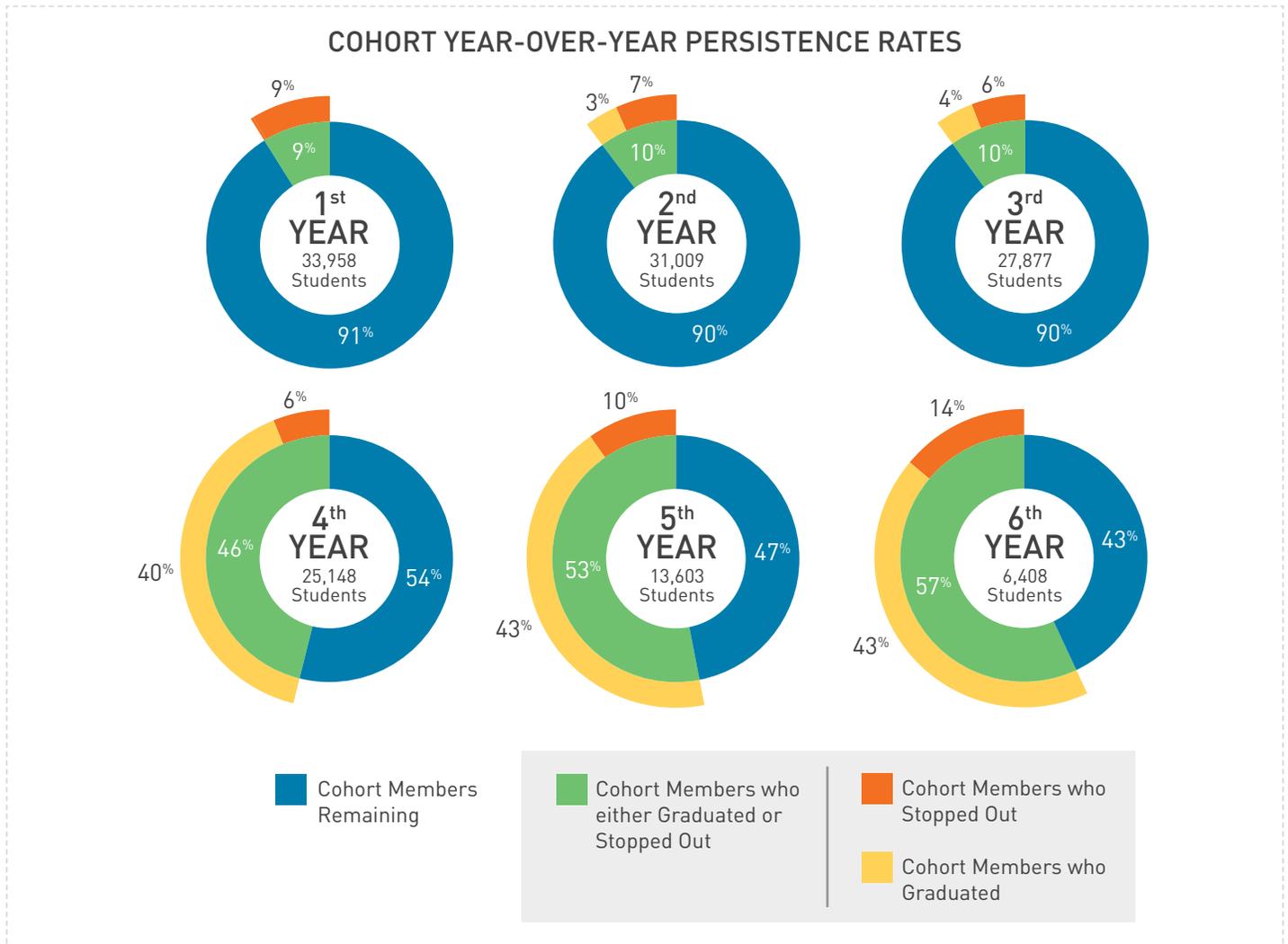
Note: The average first-year persistence rate for every sector is based on students who pursued a bachelor's degree, associate degree, certificate, or diploma.

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 9 percent, 7 percent for their second year, and 6 percent for their third and fourth years of enrollment.
- The stop-out rate for Cohort students jumped in their fifth and sixth years to 10 percent and 14 percent, respectively.



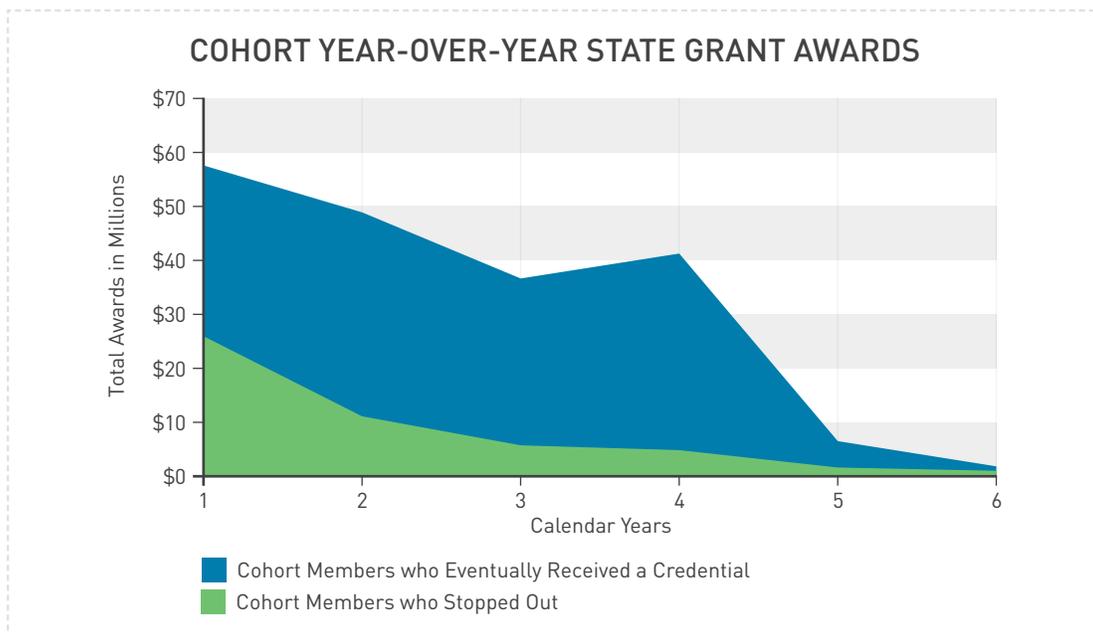
Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®

HOW MUCH IS AWARDED IN 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 19 percent and 65 percent higher, respectively, than the earnings of high school graduates working full time.¹⁹ Individuals with even some postsecondary education but no credential earned 11 percent more than high school graduates working full time.²⁰ Therefore, even among Cohort students who did not receive a credential, receiving a 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

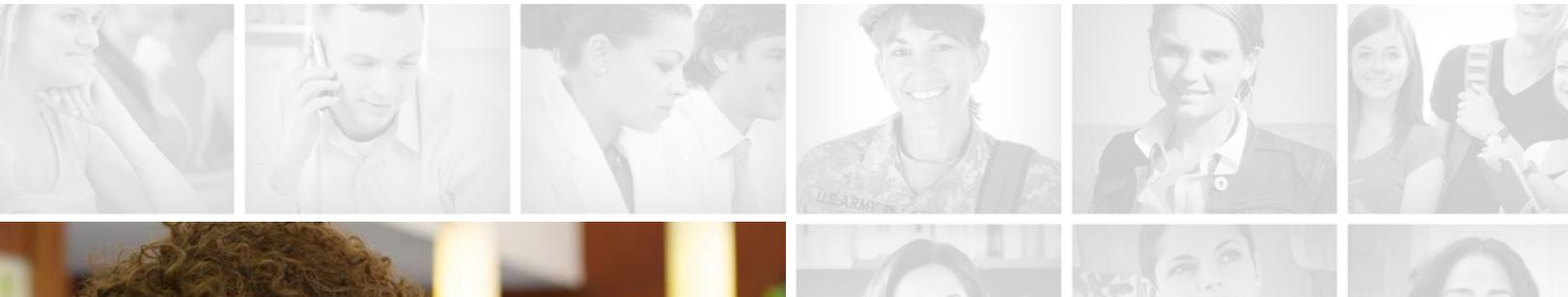
- More than \$193 million in State Grants was awarded to the 22,175 Cohort students who graduated with any credential type.
- Approximately \$51 million in State Grants was awarded to the 11,783 Cohort students who did not graduate with any credential.
- Thus, nearly 79.01 percent of all State Grant funding for the Cohort went to students who graduated.



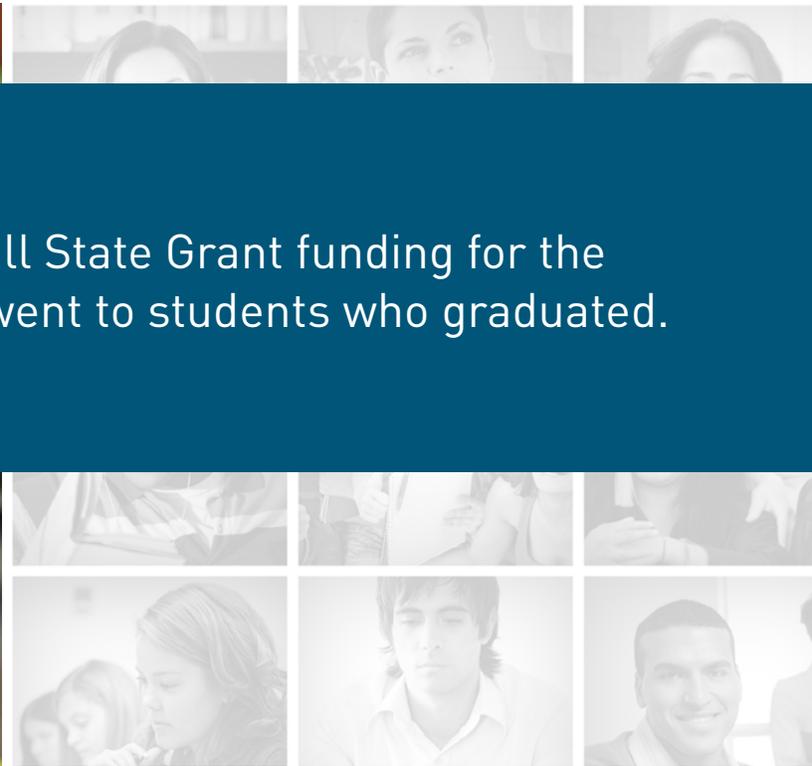
Sources: Pennsylvania Higher Education Assistance Agency and the National Student Clearinghouse®

Awards per Cohort Student

- On average, the total amount of State Grants awarded per Cohort student who graduated was \$8,721.
 - » Cohort students who graduated received an average State Grant of \$2,197 per award year (adjusting for the average length of enrollment among those recipients graduating).²¹
- On average, the total amount of State Grants awarded per Cohort student who received a bachelor's degree was \$9,370.
 - » Bachelor's degree Cohort students received an average State Grant of \$2,297 per award year (adjusting for the average completion time for a bachelor's degree).
- On average, the total amount of State Grant funds awarded per Cohort student who received an associate degree was \$5,898.
 - » Associate degree Cohort students received an average State Grant of \$1,861 per award year (adjusting for the average completion time for an associate degree).
- On average, the total amount of State Grant funds awarded per Cohort student who did not graduate with an academic credential was \$4,361.
 - » Cohort students who did not earn any credential received an average State Grant of \$1,458 per award year (adjusting for the average length of enrollment among those recipients not graduating).



79% of all State Grant funding for the Cohort went to students who graduated.



AVERAGE STATE GRANT DOLLARS AWARDED PER COHORT STUDENT BY CREDENTIAL RECEIVED & STARTING SECTOR (FOR ENTIRE POSTSECONDARY EDUCATION)

Any Credential			
Sector	Any Number of Schools	One School Only	More than One School
Four-Year Private	\$10,685	\$11,198	\$10,158
PASSHE	\$9,155	\$9,334	\$8,935
State-Related	\$10,019	\$10,249	\$9,678
Two-Year Private	\$7,996	\$7,551	\$8,940
Community College	\$4,780	\$2,019	\$6,146
Business, Trade, & Tech	\$6,453	\$6,195	\$7,162
Out-of-State	\$1,839	\$1,319	\$2,374
All Sectors	\$8,721	\$8,907	\$8,508

No Credential			
Sector	Any Number of Schools	One School Only	More than One School
Four-Year Private	\$6,424	\$6,847	\$6,014
PASSHE	\$5,267	\$5,534	\$4,985
State-Related	\$5,372	\$5,370	\$5,375
Two-Year Private	\$4,545	\$4,222	\$5,209
Community College	\$1,622	\$1,203	\$2,951
Business, Trade, & Tech	\$4,481	\$4,430	\$4,671
Out-of-State	\$1,362	\$904	\$1,737
All Sectors	\$4,361	\$4,076	\$4,792

Bachelor's			
Sector	Any Number of Schools	One School Only	More than One School
Four-Year Private	\$10,890	\$11,243	\$10,494
PASSHE	\$9,469	\$9,452	\$9,494
State-Related	\$10,472	\$10,569	\$10,310
Two-Year Private	\$9,834	\$9,075	\$10,156
Community College	\$7,973	\$7,657	\$7,975
Business, Trade, & Tech	\$9,423	\$9,637	\$9,208
Out-of-State	\$1,819	\$1,332	\$2,339
All Sectors	\$9,370	\$9,562	\$9,127

Associate			
Sector	Any Number of Schools	One School Only	More than One School
Four-Year Private	\$7,351	\$8,347	\$6,827
PASSHE	\$6,413	\$6,757	\$6,305
State-Related	\$7,574	\$7,645	\$7,475
Two-Year Private	\$8,185	\$7,904	\$9,033
Community College	\$4,079	\$2,018	\$5,662
Business, Trade, & Tech	\$5,641	\$5,934	\$5,294
Out-of-State	\$2,006	\$1,173	\$2,813
All Sectors	\$5,898	\$5,422	\$6,317

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 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 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 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 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.

CHANGES IN STUDENT OUTCOMES BETWEEN THE 2007-08 & 2008-09 COHORTS

Last year's *Pennsylvania State Grant Program Outcomes Study: A Six-Year Analysis of the 2007-08 State Grant Cohort* marked the first time that PHEAA reported the types of student outcomes in this publication.²² Thus, this examination of the 2008-09 Cohort marks the first time that year-over-year comparisons of graduation rates, persistence rates, and time to degree completion are possible.

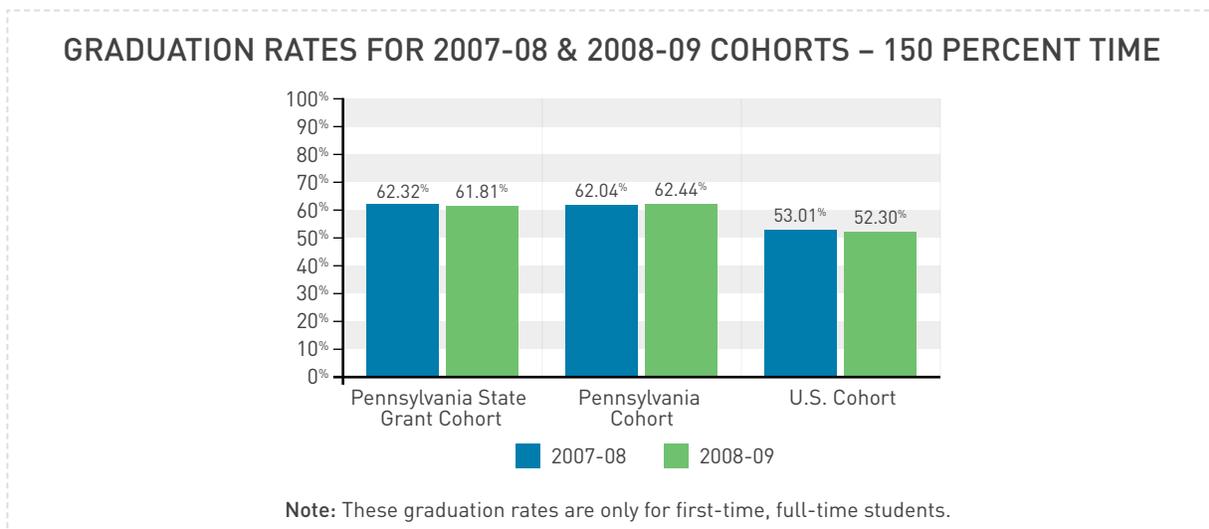
In its annual report on credential completion, the National Student Clearinghouse® compared outcomes between the 2007-08 and 2008-09 U.S. cohorts. The six-year graduation rate for the 2008-09 U.S. cohort was 55.03 percent, a decrease from 56.10 percent for the 2007-08 U.S. cohort.²³ As previously reported, the Clearinghouse® uses a six-year graduation rate for both two-year and four-year institutions and includes students of all enrollment statuses in its methodology, which differs from the 150 percent of normal time graduation rates featured in this report.²⁴

According to the Clearinghouse®, the size and composition of the 2008-09 U.S. cohort was impacted by the Great Recession, which lasted from December 2007 through June 2009.^{25,26} Specifically, the 2008-09 U.S. cohort was larger than the prior year with notable increases in enrollments at community colleges and four-year for-profit schools, and it saw increases in the number of older students and part-time students – all characteristics associated with lower completion rates.²⁷

While it is true that the 2008-09 State Grant Cohort experienced some similar occurrences, such as increased enrollments at community colleges and a decrease in the percent of students enrolled full time throughout their entire postsecondary education, it is difficult to gauge the effects of external factors versus program parameters when analyzing the State Grant population. For example, the distribution of the Cohort across institutional sectors influences the awarding formula set by PHEAA each year. Therefore, while it is reasonable to assume the Great Recession had an impact on the outcomes below, the comparisons that follow do not explore the wide variety of factors that may have impacted student success among the 2007-08 and 2008-09 Cohorts.

Graduation Rates

- The 150 percent time graduation rates for 2007-08 and 2008-09 Cohort students who began enrollment as full-time students were 62.32 percent and 61.81 percent, respectively.

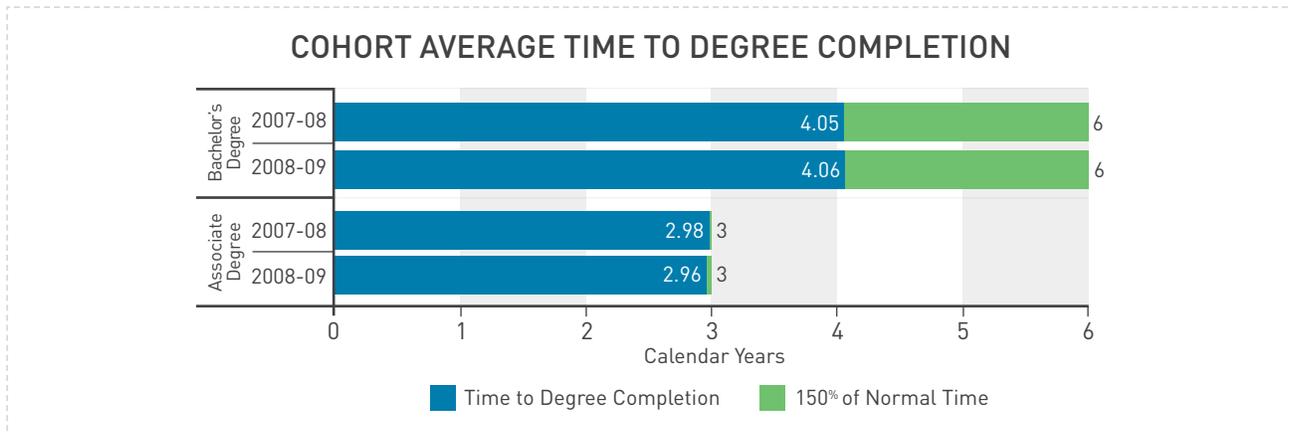


Sources: Pennsylvania Higher Education Assistance Agency, the National Student Clearinghouse®, and the Integrated Postsecondary Education Data System

- For both the 2007-08 and 2008-09 Cohorts, students who attended out-of-state schools had the highest 150 percent time graduation rates, followed by students at Four-Year Private schools.

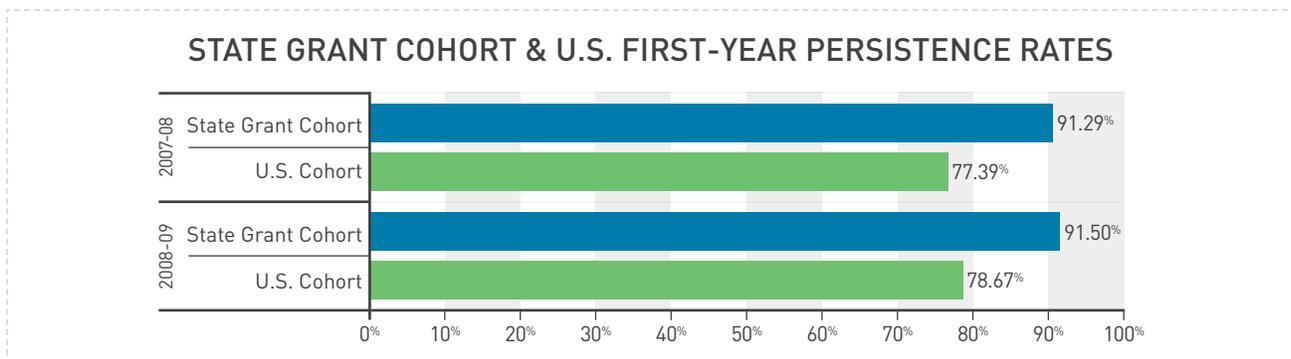
Time to Degree Completion

- The average time to complete a bachelor's degree for the 2007-08 Cohort was 4.05 calendar years compared to 4.06 for the 2008-09 Cohort.
- The average time to complete an associate degree for the 2007-08 Cohort was 2.98 calendar years compared to 2.96 for the 2008-09 Cohort.



Persistence Rates

- The first-year persistence rate for the 2008-09 Cohort was 91.50 percent, .21 percentage points higher than the 91.29 first-year persistence rate for the 2007-08 Cohort. For the U.S. cohort, the first-year persistence rate increased by 1.28 percentage points during the same period.²⁸



- For both the 2007-08 and 2008-09 Cohorts, students who attended out-of-state schools had the highest persistence rates, followed by students at Four-Year Private schools.
- Year-over-year persistence rates were remarkably similar for the 2007-08 and 2008-09 Cohorts, with the exception of the sixth year of enrollment.
 - » For both the 2007-08 and 2008-09 Cohorts, the stop-out rate for Cohort students during their first year was 9 percent, 7 percent for their second year, 6 percent for their third and fourth years, and 10 percent for their fifth year of enrollment.
 - » However, for 2007-08 Cohort students who started their sixth year of enrollment, 21 percent stopped out and 35 percent remained enrolled. By comparison, for 2008-09 Cohort students who started their sixth year of enrollment, only 14 percent stopped out and 43 percent remained enrolled – indicating that these students stayed in school longer.



For the second straight year, the outcomes of the grantees examined in this annual study highlight the value of the Pennsylvania State Grant Program. The 2008-09 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 between the 2007-08 and 2008-09 Pennsylvania State Grant Cohorts. As new data becomes available, PHEAA looks forward to reporting on the academic success of future cohorts.



DEFINITIONS 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 his/her 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 expected to provide towards 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.

Flagship University

This term generally refers to a state's best-known public university. It may be the state's first, largest, and best endowed public university. Typically, a flagship university has a high research profile and offers a large number of doctoral degrees.

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 Pennsylvania 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.

NOTES

- 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 State Grant was awarded.
- ² The National Student Clearinghouse[®] offers access to a nationwide coverage of enrollment and degree records. More than 3,600 colleges and universities participate in the Clearinghouse[®], enrolling 98 percent of all students in public and private U.S. institutions. Retrieved from www.studentclearinghouse.org/about/clearinghouse_facts.php.
- ³ National Association of State Student Grant and Aid Programs (NASSGAP), *45th Annual Survey Report on State-Sponsored Student Financial Aid, 2013-14 Academic Year*. The primary need-based student grant program expenditures reported to NASSGAP for 2013-14 include State Grant Distance Education Pilot Program expenditures.
- ⁴ The 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 *State Grant Program Manual*, located at PHEAA.org/funding-opportunities/state-grant-program/index.shtml.
- ⁵ Students enrolled less than half time are not eligible for a State Grant award. However, looking at annualized student enrollments, 1.50 percent of students were less than half time throughout their entire postsecondary education.
- ⁶ U.S. Census Bureau, 2009-2013 American Community Survey 5-Year Estimates.
- ⁷ The dependency status was not reported for 0.62 percent of the Cohort. These students were assumed Independent.
- ⁸ U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics 2009*, Table 335.
- ⁹ The purchasing power of the State Grant award is based on available funding, cost of attendance, number of eligible recipients, and other factors that affect the final award amount.
- ¹⁰ 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.
- ¹¹ Shapiro, D., Dundar, A., Yuan, X., Harrell, A. & Wakhungu, P.K. (2014, November). *Completing College: A National View of Student Attainment Rates – Fall 2008 Cohort* (Signature Report No. 8). Herndon, VA: National Student Clearinghouse Research Center.
- ¹² Shapiro, D., Dundar, A., Wakhungu, P.K., Yuan, X., & Harrell, A. (2015, July). *Transfer and Mobility: A National View of Student Movement in Postsecondary Institutions, Fall 2008 Cohort* (Signature Report No. 9). Herndon, VA: National Student Clearinghouse Research Center.
- ¹³ Monaghan, D.B., & Attewell, P. (2015, March). “The Community College Route to the Bachelor’s Degree,” *Educational Evaluation and Policy Analysis*, vol. 37 no. 1, pp. 70–91.
- ¹⁴ 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.
- ¹⁵ U.S. Department of Education, National Center for Education Statistics. (2011). *2008-09 Baccalaureate and Beyond Longitudinal Study (B&B:08/09): A First Look at Recent College Graduates* (NCES 2011-236), Table 3.
- ¹⁶ College Complete America. 2014. *Four-Year Myth: Make College More Affordable. Restore the Promise of Graduation On Time*.
- ¹⁷ College Complete America. 2014. *Four-Year Myth: Make College More Affordable. Restore the Promise of Graduation On Time*.
- ¹⁸ National Student Clearinghouse Research Center. 2011. *National Postsecondary Enrollment Trends: Before, During, and After the Great Recession*.
- ¹⁹ 2014 Current Population Survey, U.S. Department of Labor, U.S. Bureau of Labor Statistics.
- ²⁰ 2014 Current Population Survey, U.S. Department of Labor, U.S. Bureau of Labor Statistics.
- ²¹ The maximum awards – as determined by the awarding formula – for each year of the six-year study period were \$4,120 in 2008-09, \$4,120 in 2009-10, \$3,541 in 2010-11, \$4,348 in 2011-12, \$4,348 in 2012-13, and \$4,363 in 2013-14.
- ²² PHEAA. 2015. *The Pennsylvania State Grant Program Outcomes Study: A Six-Year Analysis of the 2007-08 State Grant Cohort*.
- ²³ Shapiro, D., Dundar, A., Yuan, X., Harrell, A. & Wakhungu, P.K. (2014, November). *Completing College: A National View of Student Attainment Rates – Fall 2008 Cohort* (Signature Report No. 8). Herndon, VA: National Student Clearinghouse Research Center.
- ²⁴ Shapiro, D., Dundar, A., Yuan, X., Harrell, A. & Wakhungu, P.K. (2014, November). *Completing College: A National View of Student Attainment Rates – Fall 2008 Cohort* (Signature Report No. 8). Herndon, VA: National Student Clearinghouse Research Center.
- ²⁵ Shapiro, D., Dundar, A., Yuan, X., Harrell, A. & Wakhungu, P.K. (2014, November). *Completing College: A National View of Student Attainment Rates – Fall 2008 Cohort* (Signature Report No. 8). Herndon, VA: National Student Clearinghouse Research Center.
- ²⁶ National Bureau of Economic Research. (2010). 9-20-10 Business Cycle Dating Committee press release. Cambridge, MA: Author. Retrieved from www.nber.org/cycles/sept2010.pdf.
- ²⁷ Shapiro, D., Dundar, A., Yuan, X., Harrell, A. & Wakhungu, P.K. (2014, November). *Completing College: A National View of Student Attainment Rates – Fall 2008 Cohort* (Signature Report No. 8). Herndon, VA: National Student Clearinghouse Research Center.
- ²⁸ National Student Clearinghouse Research Center. 2011. *National Postsecondary Enrollment Trends: Before, During, and After the Great Recession*.

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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 aid 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. PHEAA continues to devote its energy, resources and imagination to developing innovative ways to ease the financial burden of higher education for students, families, schools, and taxpayers.

PHEAA conducts its student loan servicing activities nationally as American Education Services (AES) and FedLoan Servicing.

PHEAA.org



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