

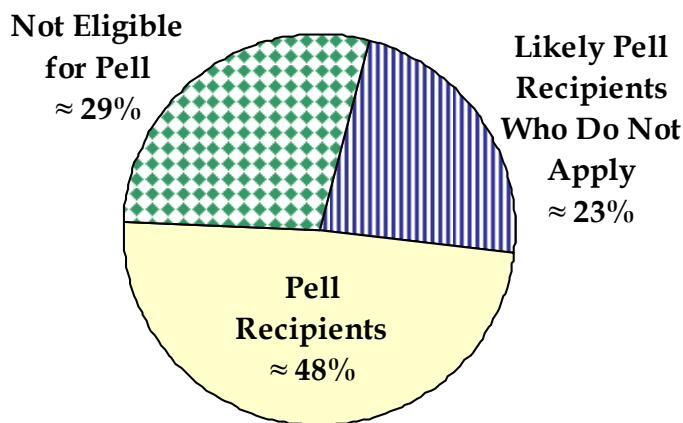


## AN OPPORTUNITY TO GET MORE AID TO FLORIDA STUDENTS

*Estimates indicate that more than one in five low-income State University System undergraduates may not be applying for federal Pell grants and other need-based awards for which they are likely eligible.*

- In 2005, an estimated 22,000 (more than 10%) resident undergraduates in the State University System left Pell grants untapped.
- If all students with family incomes under \$40,000 had applied for Pell grants, the Pell dollars supporting Florida resident students in the SUS could have been at least \$24 million more. (See technical and source notes for details.)
- These same students may have missed out on millions more dollars from other grants and loans, because most federal and state need-based programs require a federal financial aid application and are linked to Pell eligibility.

**Based on this analysis, it is estimated that thousands of Florida students with family incomes of \$40,000 or less are probably eligible but are not applying for federal aid**



*Florida resident undergraduates with adjusted gross incomes of \$40,000 or less*

Notes: These percentages are from a population of 97,034 2005-06 SUS resident, undergraduate students from tax returns reporting \$40,000 or less adjusted gross income in 2005. Of those estimated to be ineligible, some applied for aid and were not eligible, and some did not apply but would not have been eligible if they had applied.

## Why do so many students not apply for federal financial aid?

National studies and interviews with state and institutional administrators point to several reasons:

- Some families may be unaware of the financial aid programs available to them.
- Some families may be deterred by the complexity of the form. The federal financial aid form (FAFSA) is 11 pages and requires data from federal income tax returns, untaxed income records, bank statements, and business and investment information. Recent proposals from the U.S. Department of Education and the Rethinking Student Aid Study Group reflect a recognition of the need to simplify the aid application process.
- Some families may be reluctant to disclose their incomes and other information on the federal aid application. Families averse to borrowing may view the federal aid application as a loan application, even though it does not obligate a student to accept support, loans or otherwise.

### Technical and source notes:

The income data used in this study are the result of a match between the academic records of Florida students and data from the federal income tax return. The IRS authorized and facilitated the project, and, following federal rules, the Florida Department of Revenue aggregated the data in such a way as to provide no identifiable information from individual taxpayer or student records, only on groups of students. This study used a cohort of 2005-06 academic year Florida resident undergraduates. The income data came from 2005 federal income tax returns. The student records were compared first with dependents on tax returns of Florida residents. If the student did not match as a dependent on a primary filer's tax return, the student record was then compared with independent filers (primary and secondary tax filers). Overall, 90% of the student records matched to a federal tax return. Of those that matched, 60% of the students were dependents on another's tax return, and 40% were independent filers. A small portion (about 5%) of those that matched federal income tax returns were excluded from the analysis because their data were redacted to comply with IRS privacy rules.

Our analysis was based on the matched 97,034 2005-06 SUS resident, undergraduate students from families reporting \$40,000 or less adjusted gross income on the 2005 federal income tax return. Of those, we estimated that more than 30,000 did not apply for financial aid. Based on the records of those students who did apply for financial aid, we calculated that, on average, 74% of students from families earning \$40,000 or less were Pell-eligible. Our analysis broke these students down further into two income groups, those earning \$20,000 or less and those earning \$20,001-\$40,000, as well as by their dependency status and estimated percentages of part-time versus full-time enrollment. (The analysis identified another 2,136 students with family incomes greater than \$40,000 who also might have qualified for Pell grants. However, we limited this report to incomes of \$40,000 or less.) We assumed the same percentages of non-applicants at these income levels would have been eligible had they applied, and we multiplied those percentages times the number of students in each group not applying for financial aid. The dollar amounts assigned to these likely Pell recipients are based on the averages actually awarded to SUS students in those income, dependency, and enrollment groups.

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