

RESEARCH BRIEF

No. 07-18

March 2018

Increasing the Number of Pell Recipients at NOVA

I. Introduction

- The Federal Pell Grant Program provides need-based grants to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education. The amount depends on financial need, costs to attend school, status as a full-time or part-time student, and plans to attend school for a full academic year or less. Students must complete the Free Application for Federal Student Aid (FAFSA) to apply for the Pell Grant.
- Pell Grants can boost college enrollment, reduce dropout rates, and improve student outcomes. Receipt of the grant can enable a student to work less, take more courses, and accelerate towards graduation, thus improving college completion rates.¹
- There is evidence that, through either the lower cost of tuition or more grant aid, a \$1,000 reduction in college costs increases enrollment by 3 to 5 percentage points.² There is also experimental evidence showing that a \$1,000 increase in grant aid improves retention rates by 1 to 5 percentage points.³
- By expanding college access, Pell Grants can narrow the college achievement gap between low- and moderate-income students and those with higher incomes.¹ As such, efforts to increase enrollment of underserved students should consider ways to increase low-income student access to financial aid.
- This Research Brief addresses issues relating to Pell Grants at NOVA.

¹ Protopsaltis, S. and S. Parrott. (2017). Pell Grants — a Key Tool for Expanding College Access and Economic Opportunity — Need Strengthening, Not Cuts. Center on Budget and Policy Priorities.

² Page, L. and J. Scott-Clayton. (2016). Improving College Access in the United States: Barriers and Policy Responses. *Economics of Education Review*, Vol. 51.

³ Goldrick-Rab, S. and R. Kelchen, D. Harris, and J. Benson. (2015). Reducing Income Inequality in Educational Attainment: Experimental Evidence on the Impact of Financial Aid on College Completion. University of Wisconsin-Madison, *IRP Discussion Paper No. 1393-12*.

II. Patterns of Pell Recipients at NOVA

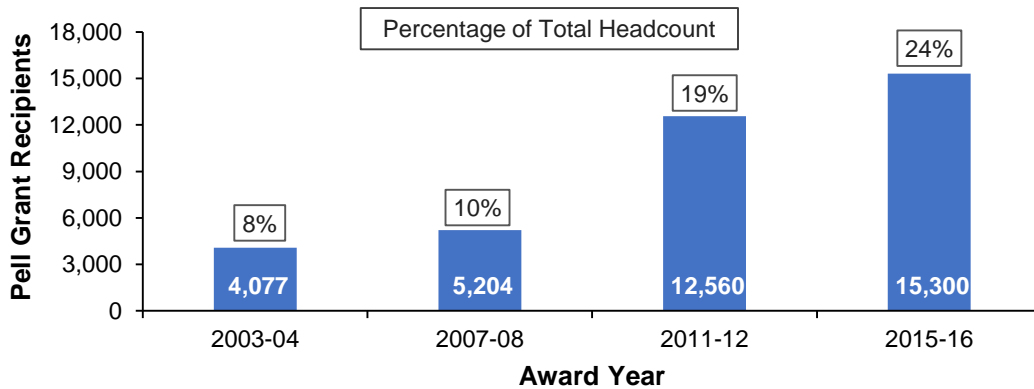
Pell Recipient Rate at NOVA

- Twenty-five percent of Fall 2015 students at NOVA received a Pell Grant in 2015-16.⁴
- In terms of Pell Grants awarded, NOVA is in the bottom quintile (17th percentile) among all public, two-year postsecondary institutions in the nation.⁴

Historical Increase of Pell Grant Awards at NOVA

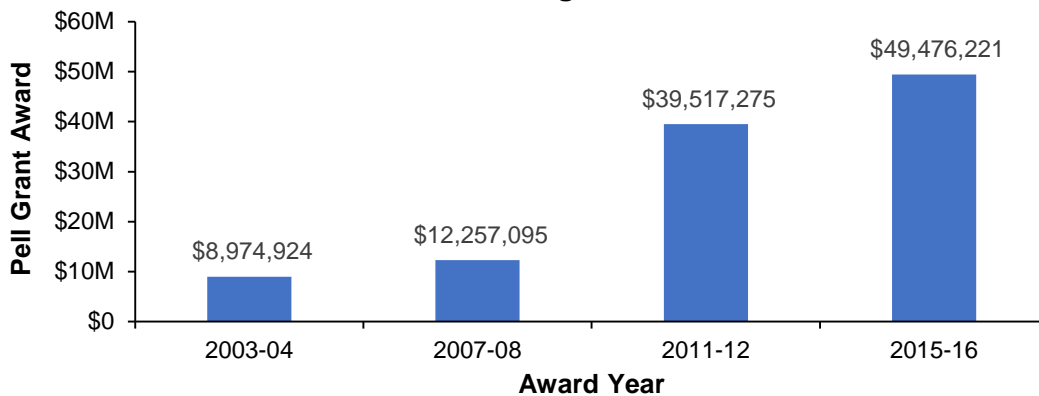
From 2003-04 to 2015-16, the proportion of Pell Grants in Fall and Spring tripled from 8 percent to 24 percent of the total headcount. Over the same time period, Fall and Spring Pell Grant award amounts increased by almost \$41 million (Figures 1 and 2). NOVA may want to increase efforts to guide students to apply for federal financial aid in order to increase Pell Grant rates.

Figure 1. Number of Pell Grant Recipients at NOVA in Fall and Spring: 2003-04 through 2015-16



Source: NOVA Fact Book. Pell Grant award data for the summer semesters not included.

Figure 2. Pell Grant Awards at NOVA in Fall and Spring: 2003-04 through 2015-16



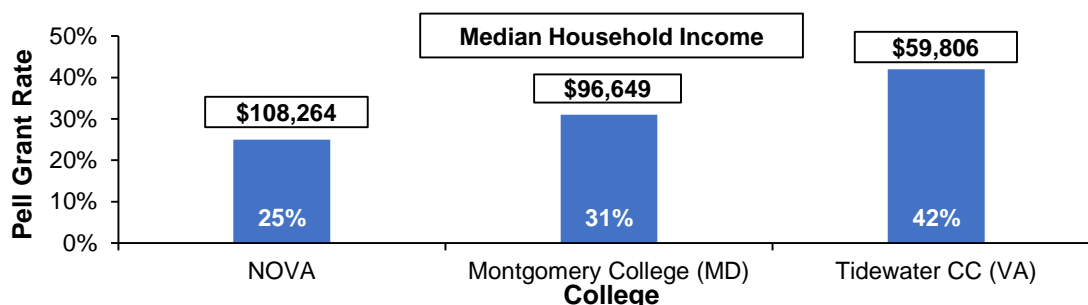
Source: NOVA Fact Book. Pell Grant award data for the summer semesters not included.

⁴ Source: Integrated Postsecondary Education Data System (IPEDS)

Relationship Between Pell Grant Rates and Median Household Income

NOVA had a low Pell Grant rate relative to other large community colleges in the area. One-quarter (25 percent) of NOVA students received a Pell Grant in 2015-16, compared to 31 percent of students at Montgomery College in Maryland and 42 percent at Tidewater Community College in Virginia (Figure 3). This may be attributed to the differences in median household income in the surrounding area of the colleges: NOVA (\$108,264), Montgomery College (\$96,649), and Tidewater Community College (\$59,806).⁵ Nevertheless, more can be done to increase the number of students receiving Pell Grants at NOVA.

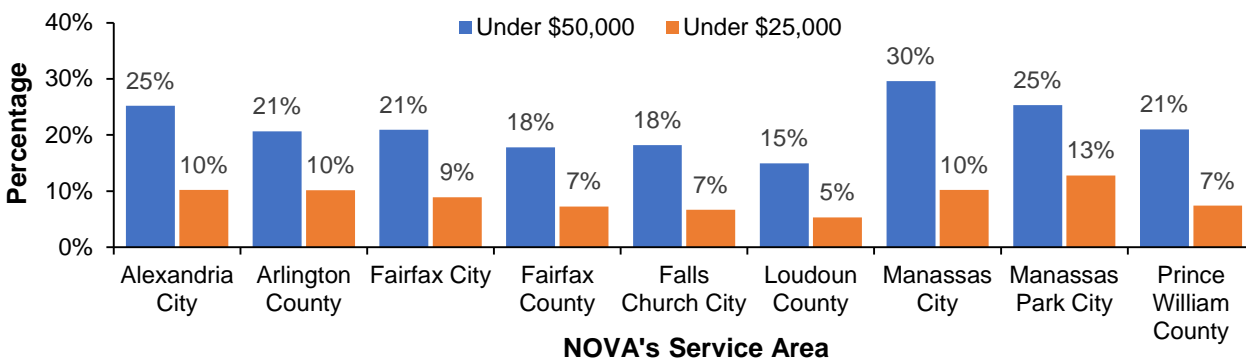
Figure 3. Pell Grant Rate and Median Household Income by College



Pell Grant Source: IPEDS, Fall 2015 students receiving Pell in 2015-16
 Median Income Source: American Community Survey 5-Year Estimates 2011-15

Households with a Median Income Under \$50,000 in NOVA's Service Area
 In 2015-16, the maximum Pell Grant award in the U.S. was \$5,775.⁶ The amount awarded to a student depends on their financial need.⁷ While a student may qualify for a maximum award if their total family income is \$50,000 a year or less, most Pell Grant money goes to students with a total family income below \$20,000.⁸ The areas with the highest percentage of households with median incomes under \$25,000 include Manassas Park City (13%), Manassas City (10%), Alexandria City (10%), and Arlington County (10%). (Figure 4)

Figure 4. Percentage of Households with Lower Median Incomes in NOVA's Service Area: 2011 to 2015



Source: American Community Survey 5-Year Estimates 2011-2015

⁵ Source: American Community Survey 5-Year Estimates 2011-15

⁶ U.S. Department of Education.

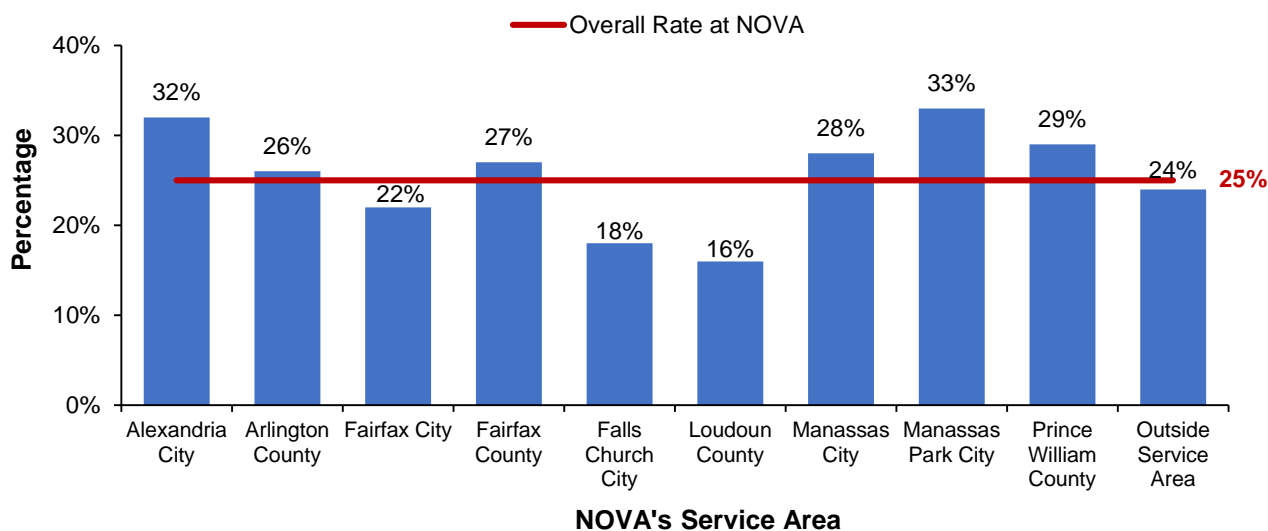
⁷ Financial need is the difference between the Cost of Attendance (COA) at a school and the student's Expected Family Contribution (EFC). Source: U.S. Department of Education. Retrieved from <https://studentaid.ed.gov/sa/types/grants-scholarships/pell#how-much-money>

⁸ Federal Grants (2018). Retrieved from <https://www.scholarships.com/financial-aid/grants/federal-grants/>

Variations in Pell Grant Rates in NOVA's Service Area

- Overall, 25 percent of the NOVA student population received Pell Grants in Fall 2015.
- However, the proportion of Pell Grants varied by the jurisdiction in which students were domiciled (Figure 5). The areas with a Pell Grant rate above 25 percent include Manassas Park City (33%), Alexandria City (32%), Prince William County (29%), Manassas City (28%), Fairfax County (27%), and Arlington County (26%).
- In order to increase the Pell Grant rate, NOVA may want to target low-income students in the service area to offer specialized support to apply for financial aid.

Figure 5. Percentage of Pell Grants in NOVA's Service Area: Fall 2015



Sources: NOVA OIR IRIS files and VCCS data files

Students Who Are Ineligible for the Pell Grant

Household income is one factor in determining Pell Grant eligibility, however there are various other factors that affect students' eligibility for Pell Grants.

- **Dual Enrolled:** The number of dual enrolled students increased from 1,715 in 2013-14 to 6,991 in 2017-18, and these students are ineligible for Pell Grants.⁹
- **International Students on F1 Visas:** In Fall 2015, 1,129 students attended NOVA on F1 Visas, and these students are ineligible for Pell Grants.
- **Employer-paid tuition:** When an employer pays for a student's education, students may not submit the FAFSA.
- **Not program placed:** In Fall 2015, almost one-fifth of students (10,350) were not program placed. Students who are not program placed are ineligible for Pell Grants.
- **Documentation:** Students who are unable to obtain documents required to submit the FAFSA do not submit the application.

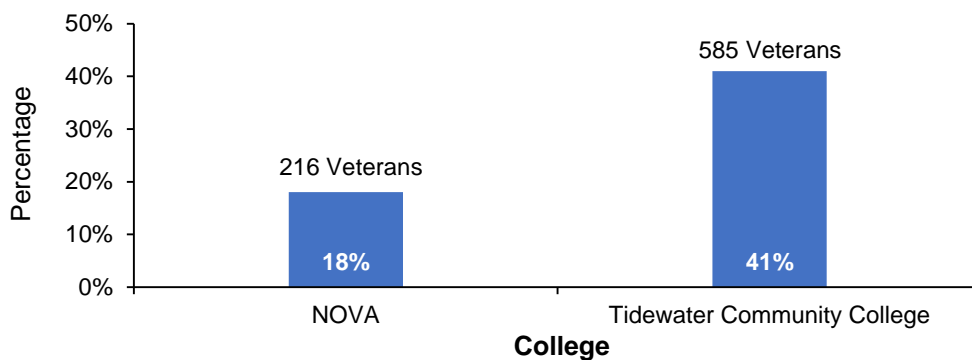
⁹ State Council of Higher Education for Virginia (SCHEV) Report E25: Fall Headcount High School Dual Enrolled. http://research.schev.edu/enrollment/E25_Dual_Enroll_report.asp

Comparison of Veterans Receiving Pell Grants

- Pell Grants provide financial assistance to a variety of college students. Nearly 4 out of 10 veterans attending college in the U.S. received Pell Grants in 2012 (38 percent).¹⁰

As seen in Figure 6, despite being less than half the size of NOVA in terms of headcount enrollment, Tidewater Community College enrolled more veterans than NOVA in 2015-16. In the 2015-16 award year, 18 percent of veterans enrolled at NOVA received a Pell Grant compared to 41 percent at Tidewater. NOVA can increase the number of veterans receiving Pell Grants by informing veterans of federal financial aid options and guiding them through the application process.

Figure 6. Number and Percentage of Veterans Receiving Pell Grants: 2015-16



Source: VCCS Data

III. FAFSA Completion/Submission

Low FAFSA Completion/Submission Rates

Low FAFSA submission rates present a significant barrier to increasing the proportion of students receiving financial aid. According to the National College Access Network, over \$2.3 billion in financial aid goes unclaimed each year due to students not completing or submitting the FAFSA.¹¹ Table 1, next page, shows Pell Grant money unused by students in Virginia, Maryland, and the District of Columbia.

- 38 percent of high school graduates did not complete the FAFSA in Virginia.
- 14,716 Pell Grant-eligible high school graduates did not complete the FAFSA in Virginia.
- With an average Pell Grant award of \$3,570, a total of almost \$53 million in Pell Grant money was unused by students in Virginia.

¹⁰ Protopsaltis, S. and S. Parrott. (2017). Pell Grants — a Key Tool for Expanding College Access and Economic Opportunity — Need Strengthening, Not Cuts. Center on Budget and Policy Priorities.

¹¹ Helhoski, A. (2017, October). How Students Missed Out on \$2.3 Billion in Free College Aid.

Table 1. Pell Application Submission: 2016-17

Location	High School Grads Not Completing the FAFSA		Pell Grant-Eligible High School Grads Who Did not Complete the FAFSA	Average Pell Grant in 2016-17	Total Unused Pell Grant Money
	#	%			
Virginia	33,582	38%	14,716	\$3,570	\$52,535,616
Maryland	23,611	38%	10,246	\$3,361	\$34,440,133
DC	1,882	35%	1,173	\$3,601	\$4,224,699

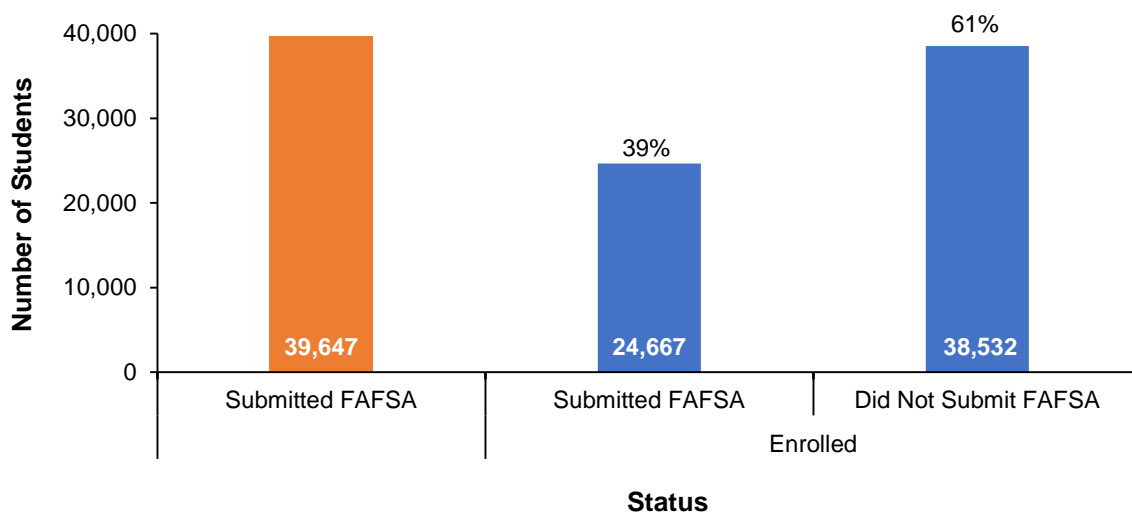
Source: <https://www.nerdwallet.com/blog/loans/student-loans/missed-free-financial-aid/>

Among freshman Pell Grant recipients who return for their second year, nearly 10 percent do not refile a FAFSA.¹² Consequently, these non-filers are forfeiting \$3,550 in federal student aid they could have received if they had submitted the FAFSA. Failure to resubmit a FAFSA is strongly associated with students dropping out later in college and not earning a degree within six years. NOVA may want to devise interventions designed to increase FAFSA refiling to improve college persistence for low-income students.

Students Who Submitted the FAFSA at NOVA

Sixty-one percent of students who enrolled at NOVA in the 2017-18 academic year did not submit the FAFSA. While 39,647 students submitted a FAFSA for NOVA in 2017-18, only 24,667 students who submitted the FAFSA enrolled at NOVA (62 percent of submitted) (Figure 7). Students applying to the FAFSA are able to list up to 10 institutions in the application, and some choose to attend other institutions. NOVA may want to increase its outreach efforts to potential students listing NOVA in their FAFSA.

Figure 7. Number of Students Who Submitted the FAFSA and Enrolled at NOVA: 2017-18



Note: The unduplicated headcount for Fall 2017 and Spring 2018 (63,199) is preliminary as of 02/19/2018.

¹² Castleman, B. and K. Bird. (2016, June). Here Today, Gone Tomorrow? Investigating Rates and Patterns of Financial Aid Renewal Among College Freshman. *Research in Higher Education* (57) 4, 395-422.

Common FAFSA Obstacles for Students

- **Awareness:** Students remain unaware of financial aid availability or are unsure what the FAFSA can provide. Some students may be intimidated by the perceived complexity of filling out the FAFSA.
- **Non-Traditional Family Structure:** To apply for aid as an independent, a student must be at least 24 years old, be married, or have children, but not all students' situations fall into these categories. Students who have a non-traditional family structure face unique challenges to qualifying for financial aid. Students, whose parents are not supporting them financially or those facing housing insecurity, find it difficult to qualify as independent.
- **Myths:** Students may believe they do not qualify for financial aid if they are only attending college part-time or because their parents' income is too high. They may worry about the burden of student loans or believe they will have trouble repaying loans.
- **Timing:** Many community college students enroll a few weeks before the semester starts and miss the early FAFSA deadlines.

Strategies to Help Students with FAFSA Completion

- **On-Campus Support:** Offer FAFSA events that bring high school students and their parents to campus to complete their financial aid applications.
- **High School Outreach:** Host FAFSA events in high schools with a high proportion of economically disadvantaged students.¹³
- **Intake Survey:** Survey incoming students to target students who require additional support to complete the FAFSA and obtain financial aid.
- **FAFSA Resources:** Provide students with a step-by-step guide to completing the FAFSA.
- **FAFSA Ambassadors:** Train students to serve as financial aid learning ambassadors to guide peers through the FAFSA and other general literacy tips.
- **FAFSA Reminders:** Remind students to resubmit the FAFSA for each year they attend college, not just the first year.
- **Financial Aid Videos:** Provide short videos on demand to answer FAFSA and financial aid questions and stream on College TV monitors.
- **Creative Community Outreach:** Communicate through libraries, newspapers, mailings, and social media.

¹³ NOVA OIR Research Brief 01-18 Identifying Low-Income Prospective Students in the NOVA Service Area.

Appendix

Table A1. Pell Recipient Rates at NOVA, Montgomery College, and Tidewater Community College: 2011-12 through 2015-16

College	2011-12		2012-13		2013-14		2014-15		2015-16	
	#	%	#	%	#	%	#	%	#	%
NOVA	10,466	21%	12,410	24%	13,627	26%	14,007	27%	13,245	25%
MC (MD)	7,539	28%	8,450	31%	8,512	33%	8,397	33%	7,952	31%
TCC (VA)	13,957	43%	12,993	43%	12,934	45%	12,454	45%	10,765	42%

Source: IPEDS

Table A2. Pell Grant Awards and Recipients at NOVA in Fall and Spring: 2003-04 through 2015-16

Academic Year	Pell Grant Award	Pell Recipients	Unduplicated Headcount	
			#	%
2003-04	\$8,974,924	4,077	50,235	8%
2007-08	\$12,257,095	5,204	54,767	10%
2011-12	\$39,517,275	12,560	65,068	19%
2015-16	\$49,476,221	15,300	65,001	24%

Source: NOVA Fact Book. Pell Grant award data for the summer semesters not included.

Table A3. Number and Percentage of Veterans Receiving Pell Grants at NOVA and Tidewater Community College: 2015-16

College	Number of Veterans	Pell Recipients	
		#	%
NOVA	1,197	216	18%
Tidewater CC	1,424	585	41%

Source: VCCS Data

Table A4. Percentage of Households with Lower Median in NOVA's Service Area: 2011 to 2015

Jurisdiction	Total Households	Under \$50,000		Under \$25,000	
		#	%	#	%
Alexandria City	66,879	16,839	25%	6,821	10%
Arlington County	98,441	20,294	21%	9,999	10%
Fairfax City	8,467	1,772	21%	755	9%
Fairfax County	392,355	69,697	18%	28,355	7%
Falls Church City	5,166	941	18%	345	7%
Loudoun County	113,432	16,954	15%	6,007	5%
Manassas City	12,433	3,678	30%	1,272	10%
Manassas Park City	4,723	1,195	25%	604	13%
Prince William County	136,794	28,725	21%	10,111	7%

Source: American Community Survey 5-Year Estimates 2011-2015

Table A5. Percentage of Pell Grants by Jurisdiction in NOVA's Service Area: Fall 2015

Jurisdiction	Fall 2015 Cohort	Pell Grants	
	N	#	%
Alexandria City	2,512	807	32.1%
Arlington	2,898	750	25.9%
Fairfax	21,244	5,662	26.7%
Fairfax City	1,067	233	21.8%
Falls Church City	276	49	17.8%
Loudoun	7,959	1,271	16.0%
Manassas City	1,089	306	28.1%
Manassas Park City	3	1	33.3%
Prince William	10,765	3,118	29.0%
Outside Service Area	4,265	1,029	24.1%
Total	52,078	13,226	25.4%

Sources: NOVA OIR IRIS files and VCCS data files