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# MAKING THE IPEDS STUDENT FINANCIAL AID SURVEY DATA MEANINGFUL

*Author*

Nicholas Hillman



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Darby Kaikkonen, Washington State Board for Community and Technical Education

Kent Phillippe, American Association of Community Colleges

Jason Ramirez, National Association of Independent Colleges and Universities

Jonathan Turk, American Council on Education

Content Contact: Gigi Jones at (202) 245-6444 or [Gigi.Jones@ed.gov](mailto:Gigi.Jones@ed.gov)

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## Introduction

This report offers an overview and assessment of the U.S. Department of Education’s (ED) Student Financial Aid (SFA) survey component of the Integrated Postsecondary Education Data System (IPEDS). Its findings are generated from interviews, academic and policy research, and an analysis of existing survey items. Based on these findings, it discusses emerging issues and the following recommendations for improving and updating the survey:

- 1) Expand and standardize reporting fields to include part-time, transfer, returning, and graduate students
- 2) Streamline data collection with other federal sources
- 3) Expand coverage of non-federal sources of aid
- 4) Disaggregate aid data by student economic demographic characteristics
- 5) Make net price survey more meaningful by separating from SFA

These recommendations aim to help the NPEC IPEDS Research and Development Panel (NPEC-I) and the Technical Review Panel (TRP) identify promising ways to make the survey more meaningful for students, researchers, campus administrators, and government officials. The report also highlights key background issues and examples of how the data are being used. It considers the tradeoffs associated with adding new reporting burdens and complexities with the benefits of doing so. Its goal is to identify ways to improve existing reporting practices while expanding data coverage in new and meaningful ways. When possible, it includes original analysis to illustrate key points while documenting opportunities to improve the current scope and utility of the SFA survey component.

## Background

States, the federal government, private organizations, and colleges themselves award over \$230 billion in aid (College Board, n.d.) to more than 16 million students<sup>1</sup> (see Figure 1). While federal student loans are the single largest source of aid—summing to nearly \$95 billion—the majority of aid comes via grant programs.<sup>2</sup> Colleges and universities provide the majority of grant aid, followed by federal, private, and then state sources—summing to over \$126 billion. Smaller aid programs include federal work-study (\$0.9 billion) and non-federal loans from private, state, or institutional sources (\$11.6 billion).

Each aid program has its own set of goals, target student population, and eligibility criteria. For example, federal Pell Grants target students who have the greatest financial need while institutional grants tend to be non-need-based due to enrollment management practices. Similarly, states operate over 250 different aid programs, and even the federal loan program consists of several different types of loans (e.g., subsidized and unsubsidized Direct Loans,

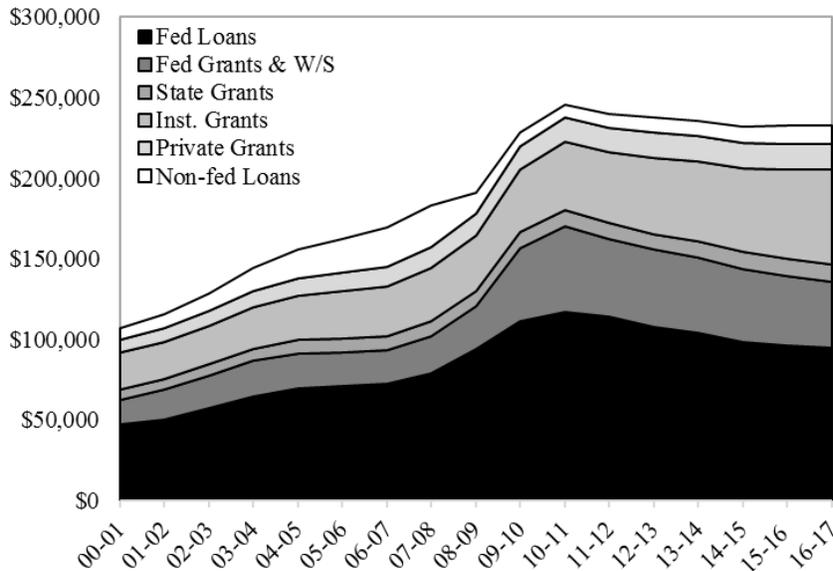
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<sup>1</sup> Aid amounts for academic year 2016-17; 16 million students based on NPSAS:16 estimates using AIDTYPE and weighted by WTA000 for undergraduate and graduate students.

<sup>2</sup> Hereafter, the term “grant” is used as shorthand for “grant and scholarship aid.”

Perkins loans, Parent PLUS, Grad PLUS, etc.). These variations can make it difficult to balance the competing needs of end-users. For example, a student may wish to have much more granular detail about aid since award packaging is done by the institution on a case-by-case basis and is dependent on the student’s unique financial circumstances. However, campus administrators interested in benchmarking may be comfortable with more aggregation to see how overall trends compare among peer institutions.

**Figure 1. Sources of student financial aid, by academic year (in millions, 2016 dollars)**



Note: Author’s analysis of data from College Board (2017): <https://trends.collegeboard.org/student-aid/figures-tables/total-undergraduate-student-aid-source-and-type-over-time>.

Despite these complexities, the 1998 reauthorization of the Higher Education Act (HEA) mandated IPEDS to collect and disseminate a limited set of student financial aid information (Aliyeva, Cody, & Low, 2018). In 1999-00, the first SFA component was released and provided data on the number of full-time, first-time (FT/FT) degree or certificate-seeking undergraduates awarded federal, state, and institutional aid. The 2008 HEA reauthorization expanded the reporting fields to include all undergraduates and not just FT/FT undergraduates; it also mandated the reporting of new data, most notably, net price disaggregated by income groups. A 2012 Executive Order also added a section to the SFA component that focuses on benefits awarded to military service-members and veterans (“Exec. Order 13607,” 2012).

## Research strategies

This project involved three primary research strategies: data analysis, literature review, and interviews. The data analysis included reviewing and coding each SFA file from 1999-2000 and 2015-2016. Appendix A provides Stata code to download and organize all SFA files into a usable panel dataset that can be merged with other files or used for stand-alone analyses as done in this paper.

The literature review identified studies using IPEDS SFA data generated by searching the following academic journals: *Education Finance and Policy*; *Educational Evaluation and Policy Analysis*; *Journal of Higher Education*; *Economics of Education Review*; *Review of Higher Education*; *American Journal of Education*; and the *American Educational Research Journal*. Additionally, the review used the terms “Student Financial Aid,” “financial aid,” and “IPEDS” in the University of Wisconsin’s library search engine, along with Education Resources Information Center (ERIC) and Google Scholar. The search was not limited to academic journals; it included government reports and policy briefs published by membership associations and think tanks. Results from the literature search that are most germane to the recommendations or that use SFA data in illustrative ways are incorporated throughout this paper.

Interviews took place in June, July, and August of 2018. They were scheduled in 30- and 60-minute blocks with the following stakeholders:

- Financial aid data analyst (n=1) – public research university
- Institutional researcher (n=1) – public research university
- Policy analyst (n=1) – national research center
- System administrators (n=3) – state office of higher education
- Focus group with financial aid directors (n=13) – public two-year and four-year colleges

Three guiding questions framed each interview:

- How do you use data from the Student Financial Aid component of IPEDS?
- To what extent are these data useful in your line of work?
- What would enhance the overall utility of the SFA component?

Responses from these interviews were used to develop findings and to inform and guide the recommendations outlined in this paper. Three general themes emerged from these conversations. First, most stakeholders commented on the narrow focus of the *reporting fields* on first-time, full-time students. Because of this feature, many of the survey components were of little utility to these end-users. Second, interviewees raised concerns about the consistency of *variable coverage* where some fields (e.g., federal aid, in-state net price) were reported in more detail than others (e.g., state and institutional aid). Because of these gaps, end-users sought other sources to gain needed information for planning, benchmarking, and analytical purposes. Third, many commented on the *lag time* it takes to report SFA data since the collection requires submissions at the end of the academic year. As a result, final SFA components are two years delayed once released, when one-year lags seem to be preferable. Provisional data are released with one-year lags, but respondents noted benchmarking has greater utility when using final rather than provisional data.

Less central themes included comments about streamlining the reporting process by having NCES work more closely with the Office of Federal Student Aid (FSA) to link existing federal data sources. Some comments focused on the need to expand the collection of data on institutional and external (private) grant awards to gain a fuller scope of aid practices. Similarly, interviewees raised questions about why the net price income thresholds have not changed

with inflation and why veteran's benefits are classified as financial aid. These responses, in combination with the research and literature review, helped inform and frame the key findings and recommendations found in this paper.

## How are SFA data used?

In the literature review and interviews, four groups appear to be the primary audiences for SFA data:

- Prospective and current students
- Campus planners and institutional researchers
- Academic and policy researchers
- Federal and state officials

### Prospective and current students

With its focus on presenting financial aid data for FT/FT students, the SFA component is designed for prospective students who have not yet enrolled in college. These are likely to be recent high school graduates and their families who are searching for and comparing colleges. For example, when entering a college's name into the Google search engine, it now reports SFA's net price for FT/FT students along with other IPEDS admissions and outcomes information. Similar consumer-facing tools like Washington Monthly's *College Guide and Ranking* use SFA data (e.g., percent Pell recipient enrollment) to create their rankings. ED's *College Scorecard* reports several SFA data elements including: number of FT/FT students awarded Title IV aid by family income; percent of undergraduates awarded Pell Grants and federal loans; and average net price. ED's *College Navigator* provides data on the number, percentage, total, and average aid awarded to FT/FT and all undergraduate students. It also provides the most recent three years of net price data, disaggregated by family income.

Few studies have examined how students use financial aid data, though two recent examples stand out. Researchers at the College Board examined whether recent high school graduates became more likely to send their SAT test scores to better-performing institutions listed on the *College Scorecard* (Hurwitz & Smith, 2018). After the release of the new informational tool (particularly the newly released earnings data), students from more affluent schools who identify as Asian or White were more likely to send scores to better-performing colleges; however, other groups were not significantly affected by this new information. In contrast, a recent study found students became less likely to borrow after receiving information about how their college compares to others on the *Financial Aid Shopping Sheet* (Rosinger, 2018). This informational tool includes data on total costs, grants, net costs, and other details related to student financial aid and affordability. Both studies are based on consumer-facing informational interventions that include SFA data in conjunction with data from other ED sources. More research is needed in this area to see how institution-level data (like the data reported in IPEDS) affect students' enrollment and financial decision-making.

## Campus planners and institutional researchers

Based on the interviews with campus and system administrators, the SFA component appears to be of little utility in terms of planning and assessment. This is primarily because the level of detail provided in the SFA component is not comprehensive enough to offer insights for benchmarking purposes. Interviewees expressed interest in such topics as need-based aid, aid by class level, cumulative debt of graduates, and loan repayment performance. They also expressed concern that the focus on FT/FT students makes the data irrelevant for the majority of students on their campuses (e.g., part-time, transfer, and returning students). Administrators noted there is a three-year lag between what is available in IPEDS (2015-16) and the current academic year (2018-19), limiting SFA's utility for internal planning and benchmarking. They also raised concerns that IPEDS undercounts aid by excluding private and externally funded sources that, as shown in Figure 1, account for more aid than state governments. Because of these challenges, administrators turn to other sources for more detailed and timely aid data. Campus officials noted the Association of American Universities Data Exchange (AAUDE), Common Data Set (CDS), and FSA Data Center as other sources of appropriate data for internal planning and benchmarking.

## Academic and policy researchers

Financial aid research typically employs student-level data, which researchers use to examine how aid affects students' enrollment decisions (Dynarski & Scott-Clayton, 2013). This research tends to use ED's nationally representative sample surveys (e.g., the National Postsecondary Student Aid Study [NPSAS], the Beginning Postsecondary Students Longitudinal Study [BPS], the Baccalaureate and Beyond Longitudinal Study [B&B]), state student unit-record data, or administrative records from individual campuses or systems. Since IPEDS is an institution-level dataset, it is not designed to answer questions about how aid affects individual students' enrollment decisions. Instead, IPEDS is well suited to track aggregate trends among cohorts and over time. Accordingly, the IPEDS SFA component is used to control for variations across institutions or to stratify samples and identify comparison groups.

For example, a recent analysis of a counseling program examined whether the intervention had different effects on different types of institutions (Castleman & Goodman, 2018). The researchers used net price data from IPEDS to disaggregate their sample, finding the counseling program induced students into colleges with lower net prices. Other researchers have used the number of FT/FT undergraduates paying out-of-state tuition from the SFA component to investigate the relationship between state funding and non-resident enrollment where they find a negative relationship between the two (Jaquette & Curs, 2015). Researchers have also used Pell Grant data from the SFA component as a proxy for low-income student enrollment, though there is disagreement in the field with respect to the quality of this proxy since not all low-income students are awarded Pell Grants (Lowry, 2018).

Policy researchers tend to use net price data more than academic researchers, though it is commonly calculated via NPSAS.<sup>3</sup> Academic and policy researchers are increasingly merging IPEDS data with *College Scorecard*, *Mobility Report Cards*, or FSA portfolio data. But two challenges stand in the way of linking these datasets. First, the parent-child relationships between FSA's Office of Postsecondary Education identification number (OPEID) and NCES's own identification number (UNITID) are well documented and make it difficult for researchers to combine files that sometimes contain campus-level data and other times contain central office or system-wide data (Jaquette & Parra, 2014). Second, the IPEDS interface is not optimized to the emerging needs of open science, where developers and researchers are using APIs to access, replicate, and disseminate publicly accessible data in multiple formats. The Urban Institute just released an API linking IPEDS with several other federal education datasets, which may become an alternative interface for some end-users.

### Federal and state officials

ED's *College Affordability and Transparency Center* uses net price data to populate three of six Congressionally mandated reporting fields: highest net price; lowest net price; and highest change in net price. The Department also utilizes SFA component data to populate the "Financial Aid" and "Net Price" data in the Congressionally mandated *College Navigator*. The *College Scorecard* is one consumer tool not mandated by Congress, but administered by ED, and draws from a number of fields collected in the SFA component, including net price and the percentage of students borrowing federal loans. The *College Scorecard* includes additional cohort-level data on student loan repayment rates disaggregated by Pell Grant recipient status, college graduate status, gender, and different points in time after repayment. It also includes default rates and cumulative debt disaggregated by family income group, completion status, dependency status, Pell Grant recipient status, gender, and first-generation status.

- *College Affordability and Transparency Center*: <https://collegecost.ed.gov/catc>
- *College Navigator*: <https://nces.ed.gov/collegenavigator>
- *College Scorecard*: <https://collegescorecard.ed.gov>

The association of State Higher Education Executive Officers (SHEEO) is actively involved in professional development efforts to improve reporting, collecting, and the use of IPEDS data, including the financial aid component. Many states have their own student unit-record systems and are able to produce relevant data outside the IPEDS SFA component; however, not all state data systems include financial aid records. To compare state aid programs, the National Association of State Student Grant & Aid Programs (NASSGAP) tracks and reports such information and need/merit aid programs, state loan programs, and the number of students awarded aid by residency status and sector. Some state compacts share student-level data

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<sup>3</sup> See for example Huelsman, M. (2018). A 50 State Look at Rising College Prices. Demos: <https://www.demos.org/sites/default/files/publications/The%20Unaffordable%20Era%20FINAL%202.22.18.pdf> and the Urban Institute's "Understanding College Affordability" (<http://collegeaffordability.urban.org/prices-and-expenses/net-price>). Also note College Board's *Trends in Student Aid* uses NPSAS to calculate net price: <https://trends.collegeboard.org/student-aid>.

across state lines (e.g., Western Interstate Commission on Higher Education’s [WICHE] multistate data exchange) as a way to monitor and ultimately improve the delivery and assessment of state financial aid programs. States are also tracking Free Application for Federal Student Aid (FAFSA) filing completion rates for high school seniors and turning greater attention to the interaction of state and federal aid programs (Pingel, 2017). In addition to these state examples, the Association for Institutional Research (AIR) conducts IPEDS training workshops and tutorials, including one dedicated to the SFA component.<sup>4</sup>

## Key Findings

The following section identifies key findings that emerged from the review, which are listed below. These findings were generated from seven one-on-one interviews and one focus group (18 participants) including institutional researchers, programmers, financial aid directors, policy analysts, and researchers in the field. They are also based on observations from the academic and policy research literature that uses SFA data for analysis.

- Narrow reporting field coverage
- Inconsistent variable coverage
- Cumulative versus annual awards
- Linking IPEDS with other federal data
- Program Participation Agreement metadata
- Net price coverage

### Narrow reporting field coverage

Fields in the SFA data component are legislatively mandated by HEA—first in the 1998 HEA reauthorization and then expanded in the 2008 reauthorization. As a result, any additional reporting criteria would be beyond the minimum required by law. The administrative burden of adding new reporting fields that disaggregate financial aid data beyond current levels should be weighed relative to their benefits. But as the composition of the student body changes and more students rely on financial aid to pay for college, reporting standards need to keep pace. The benefit of providing greater information is that it should aid in organizational planning and improvement while providing researchers valuable new data to diagnose and solve education problems. Additionally, students are unlikely to find the currently reported data very useful since it primarily focuses on FT/FT students who are a minority (and shrinking) share of all undergraduates.

The current SFA survey focuses on two main student profiles: *all FT/FT* undergraduates and *all undergraduates*. Within the FT/FT group, there are three subgroups of students, those awarded: 1) any aid; 2) any grants; and 3) any federal Title IV aid.<sup>5</sup> There are no subgroups for

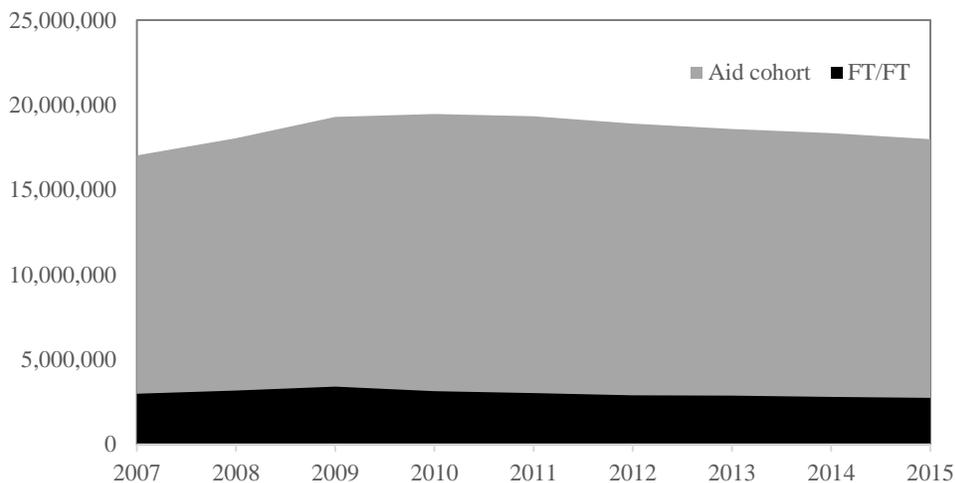
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<sup>4</sup> See for example <http://www.airweb.org/EducationAndEvents/IPEDSTraining/Pages/default.aspx> and <http://www.airweb.org/EducationAndEvents/IPEDSTraining/Tutorials/Pages/StudentFinancialAid.aspx>.

<sup>5</sup> These fields include: federal grants, Pell grants, other federal grants, state/local grants, grants from the institution, federal and nonfederal student loans.

the “all undergraduates” profile; subgroups only apply to FT/FT students. As shown in Figure 2, the FT/FT group accounts for a small and shrinking share of students, yet the survey provides the most comprehensive amount of financial aid detail for these very students. The focus on FT/FT and all undergraduate students omits important and growing groups of students using financial aid: part-time, transfer, continuing, and graduate students.

**Figure 2. Number of aided undergraduate students, by full-time, first-time (FT/FT) status**



*Note: Author’s analysis of data from U.S. Department of Education, National Center for Education Statistics, IPEDS, Winter 2016–17, Student Financial Aid component.*

### Inconsistent variable coverage

Aid eligibility and award amounts vary depending on a wide range of variables including students’ enrollment intensity, academic standing, dependency status, family income level, and class level. The survey currently disaggregates aid by federal, state, and institutional sources but only for FT/FT undergraduates awarded any aid. It does not provide the same disaggregation for all undergraduates, nor for the other two subsets of FT/FT students, as shown in Table 1, below.

In addition to inconsistent coverage of the sources of aid, the survey does not report relevant information about the other criteria upon which aid is awarded. For example, freshmen and seniors have different borrowing limits for federal student loans, but these differences are not reflected in SFA’s average loan figures. Similarly, independent students are eligible to borrow more than dependent students, but these groups are not distinguished in the current reporting protocol. Interviewees expressed concerns about the “front-loading” of grant aid, the practice in which freshmen are awarded aid for their first year only to lose eligibility or not have their awards renewed as they progress through college. Knowing what proportion of aided students retain their awards, or at least how much aid is awarded by class level, would also be useful for planning purposes and consumer information.

**Table 1. IPEDS Student Financial Aid (SFA) component grant and loan data coverage, by reporting field**

	All FT/FT	FT/FT any grants	FT/FT any Title IV aid	All undergrads
<b>Number &amp; percentage awarded grants</b>				
Pell	X			X
Total federal	X		X	
State/local	X			
Institutional	X			
Government, institution, or other	X	X	X	X
<b>Total &amp; average grant aid awarded</b>				
Pell	X			X
Total federal	X		X	
State/local	X			
Institutional	X			
Government, institution, or other	X	X	X	X
<b>Number &amp; percentage awarded loans</b>				
Total federal	X		X	X
State/local				
Institutional				
Government, institution, or other	X	X	X	X
<b>Total &amp; average loans awarded</b>				
Total federal	X		X	X
State/local				
Institutional				
Government, institution, or other	X	X	X	X

*Note: The subgroup for all full-time, first-time students (“All FT/FT”) reports other loans not indicated here, which includes private loans but also any state or institutional loans; the “FT/FT any Title IV aid” group does not distinguish between grants or loans—it only reports the total number of students awarded any Title IV aid. See Appendix B for more details. An “X” indicates that the SFA survey component has coverage for the type of aid and student group indicated. Blank cells indicate that the indicated type of aid is not covered for the indicated student group.*

## Cumulative versus annual awards

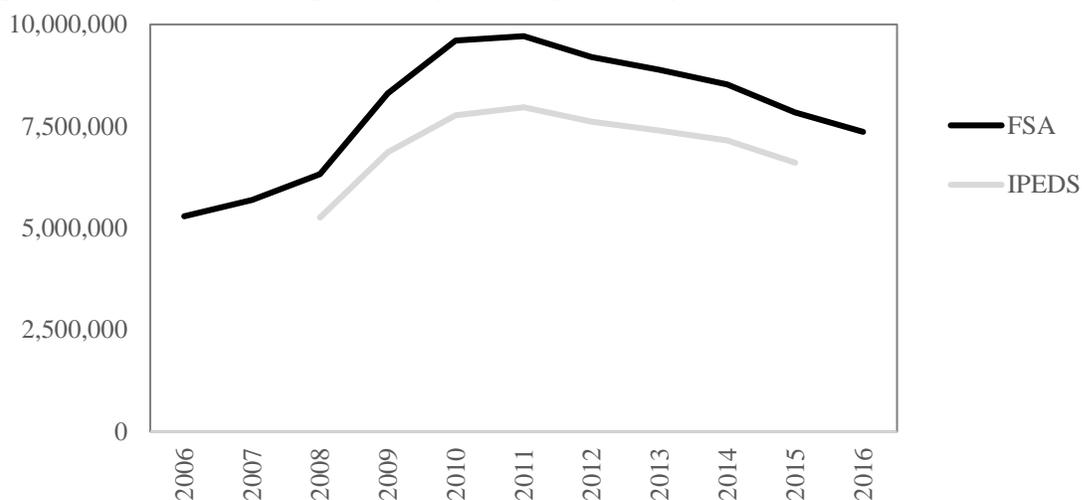
Grant and loan awards are reported at the end of the academic year and only for the amount awarded in that year. This approach is useful for monitoring and reporting annual—but not cumulative—award trends. If the University of Wisconsin-Madison data were used, the data would report \$6,676 as the average amount of Title IV loans awarded per student (excluding Parent PLUS). More relevant for students, campus administrators, researchers, and policymakers are cumulative amounts of debt similar to what is reported in the *College Scorecard*. Using these data, one would find the median cumulative federal loan awarded per student is \$22,250 for students who graduate (U.S. Department of Education, n.d.). Federal aid programs have both annual and lifetime limits, yet the SFA component only focuses on annual awards. For example, a borrower may have turned to unsubsidized loans only after reaching their annual or lifetime subsidized loan limit. Annual and cumulative balances may be useful metrics for planning and in conducting stress tests to gauge how many students have reached their aid limits.

## Linking IPEDS with other federal data

The FSA *Title IV Program Volume Reports* provide quarterly information on federal grant and loan volume based on ED's administrative records. These records are updated much more frequently than the IPEDS SFA component and offer different financial aid measures. Similarly, ED's *College Scorecard* uses National Student Loan Data System (NSLDS) data and other administrative records to populate a wide range of financial aid information. However, IPEDS does not currently link to either of these data systems. Doing so would provide more comprehensive and timely financial aid information, and could even reduce the administrative burden for campuses, if there were ways to streamline the existing federal data infrastructure. It would also allow the SFA collection to focus on collecting information on aided students' characteristics (e.g., race/ethnicity, gender, attendance level, dependency, etc.).

Figure 3 offers a brief example of how two different federal offices collect financial aid data. According to the FSA *Title IV Program Volume Reports*, which measure total recipients and disbursements for the entire year, there were 7.36 million Pell recipients in 2016. This is useful for Congressional budget estimates of the program's overall participation numbers and cost. If one were to use IPEDS, however, they would count nearly one million fewer Pell students because IPEDS focuses on Pell students enrolled in the fall. While IPEDS provides important student financial aid information, it does not show the full picture of aid, and it may be possible to coordinate reporting efforts between FSA and IPEDS to simplify the reporting process while delivering a more comprehensive view of student financial aid programs.

**Figure 3. Number of Pell grant recipients, by U.S. Department of Education data source**



*Note: Author's analysis of data from Office of Federal Student Aid (FSA) Title IV Program Volume Reports and the Integrated Postsecondary Education Data System (IPEDS) for the years shown.*

### Program Participation Agreement metadata

To participate in federal Title IV aid programs, colleges must complete a Program Participation Agreement (PPA), which includes metadata that are relevant to financial aid administration but not currently reported in the IPEDS SFA component. For example, applicants must share information about their accreditation agency, a copy of their state license or other authorization and ownership documents, and their default management plan. ED then reviews, approves, and flags institutions with provisional certification status. All these elements are collected in the PPA and could be curated for the purpose of gaining greater insight into the administration of student financial aid at colleges. It could also help deliver greater consumer information about the administration of aid programs since students could more easily obtain information about their college's accreditor, default management plan, certification status, and other metadata already collected in this form.

Researchers could use this information to examine the distribution of aid by various components of the PPA data. For example, there is growing research interest in financial aid trends by accreditation agency (Miller, Bergeron, & Martin, 2016). There is also growing interest in why some colleges offer Pell Grants but not federal loans (Wiederspan, 2016). With PPA metadata, it may be possible for researchers to more accurately identify which colleges opt out of loan programs and their accreditation agencies, thereby allowing researchers to document trends and estimate their effects.

### Net price coverage

Net price data at public institutions are based on in-state/in-district, FT/FT undergraduates who are awarded: (a) federal, state/local, or institutional grant aid or (b) any Title IV grants, loans, or work-study. For both groups, net price subtracts the average amount of federal, state, and

institutional grants from the total cost of attendance, and for group (b), it disaggregates by the following five income levels mandated by the Higher Education Act: (1) \$0-\$30,000; (2) \$30,001-\$48,000; (3) \$48,001-\$75,000; (4) \$75,001-\$110,000; and (5) \$110,001 or more.<sup>6</sup> The calculation excludes private sources of aid (e.g., Gates Millennium Scholarship) and the five income levels have not changed over time.

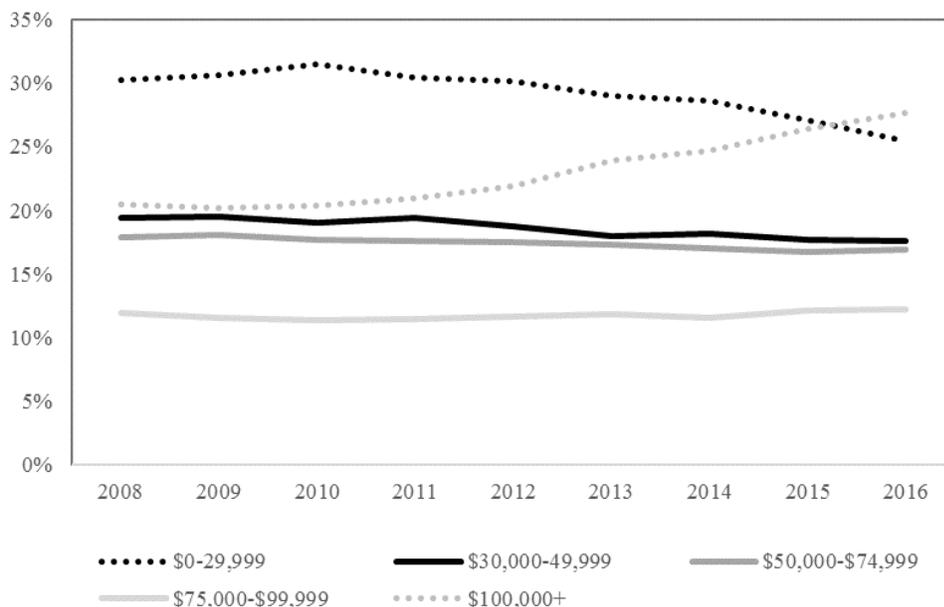
Figure 4 below shows the distribution of households by family income groups that roughly corresponds with the net price income groups based on U.S. Census Bureau data. These income groups do not match perfectly to the net price income groups because of the way the Census Bureau's Current Population Survey (CPS) disaggregates income groups; nevertheless, it demonstrates how the proportion of households earning less than \$30,000 (not inflation-adjusted) has steadily fallen over time while the proportion earning more than \$100,000 has steadily risen. The other three income groups have remained relatively flat. Failing to adjust for inflation results in a steadily shrinking proportion of students in the lowest-income group and the opposite trend in the highest. This figure also shows how the five income groups are not divided by quintiles; if they were, then each group would compose 20 percent of households each year, which would offer an alternative to inflation-adjustment. Adjusting the 2008 net price income categories to 2018 values would result in the following five new groups: (1) \$0-\$34,370; (2) \$34,371-\$54,992; (3) \$54,993-\$85,925; (4) \$85,926-\$126,024; and (5) \$125,025 or more.<sup>7</sup> This change would require Congressional action in the next HEA reauthorization.

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<sup>6</sup> Total cost of attendance is calculated as the published tuition and fees, books and supplies, weighted room and board, and other expenses divided by the total number of students.

<sup>7</sup> Values adjusted using July estimates from the Bureau of Labor Statistics' CPI Inflation Calculator [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm).

**Figure 4. Distribution of households, by income groups (not inflation adjusted)**



Note: Author’s analysis of data from the U.S. Census Bureau, Current Population Survey, 2009-2017 Annual Social and Economic Supplements: <https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-hinc/hinc-06.html>.

## Emerging trends SFA should address

Several emerging trends in the policy and research literature should be taken into consideration when updating the SFA survey. Students would benefit from having this information because it may be useful in their financial aid decision-making process, yet it is unlikely to be reported elsewhere. Without these data, researchers, campus administrators, and policymakers may point to non-representative samples, anecdotes, or unverified sources to gain new insights about these emerging issues that are not currently included in IPEDS. The goal of this list is to provide a brief survey of topical areas that are likely to persist and gain attention in the years to come, so IPEDS SFA should minimally consider the benefits and burdens of collecting and reporting these new data elements.

**Need-based institutional aid:** As described above, institutional aid is the largest source of aid to students, but it is only reported for FT/FT students. The Peterson/College Board’s *Annual Survey of Colleges* uses CDS data (specifically, Section H) that differentiate aid by need and non-need awards, include grants from external sources, and are reported for full-time and less-than full-time students. Campuses that offer institutional aid are already reporting this information; they are also using it for benchmarking and enrollment management. Researchers and policymakers are interested in knowing how institutional aid is distributed by need, and students would benefit from knowing the criteria upon which aid is disbursed.

**Graduate student debt:** The FSA Title IV *Program Volume Reports* provide quarterly data on the number of recipients and loan disbursement volume of undergraduate and

graduate student loans. It includes subsidized and unsubsidized Direct Loans, along with Grad and Parent PLUS loans, to provide much more comprehensive information than what is reported in SFA. Much of the recent growth in student loan debt comes from graduate students (Looney & Yannelis, 2015), so incorporating these annual data elements would provide a much more complete and accurate measure of total student aid and would contribute to ongoing policy conversations around the topic.

**Servicers and repayment plans:** Federal loan programs offer a number of repayment plans designed to help borrowers manage the risks and uncertainty that come with financing college on credit. Knowing how many students in a given repayment cohort are repaying loans in standard, income-driven, graduated, or other repayment plans (at a given point in time) could be useful information for students who are, or may be, averse to borrowing or confused about repayment options. It could also be useful for campus officials seeking new ways to help students navigate the post-college transition into repayment, where loan servicers—rather than the college—become the primary point of contact for borrowers. Listing how many borrowers in a cohort are affiliated with each loan servicer would also be a useful starting point to facilitate this hand-off and would add transparency to a complicated repayment system.

**Emergency grants:** Campuses and some state aid programs are creating small grants designed to help students in emergencies. These “just in time” grants are sometimes used to help students who are likely to leave college but cannot wait for (or do not have access to) additional aid. Documenting which campuses have these programs, how much funding they award, and the number of recipients they have would be a productive first step in measuring the extent to which colleges are adopting these distinct programs.

**Amount of aid refunded:** Not all financial aid is used to cover tuition expenses; in fact, a large share comprises expenses that are not tuition related (e.g., room, board, transportation, care for dependents, etc.). Accordingly, financial aid is often refunded back to students so they can cover these expenses. When colleges refund aid to students, it is effectively a pass-through for the aid provider, meaning all disbursements are not retained as revenue to the college. Basic information on the way colleges refund aid (similar to what is reported in NPSAS) and the amount of aid refunded would help researchers and policymakers understand how colleges interact with aid programs. The Finance component of the IPEDS survey helps shed light on net tuition revenue, so the SFA component could complement this by identifying the amount of aid used to pay tuition versus the amount that is passed through to students’ non-tuition expenses.

**FAFSA filing rates and verification:** Growing research and policy attention are focused on simplifying and improving the FAFSA filing process (Pingel, 2017). Financial aid administrators and outreach professionals at colleges are directly involved in helping students navigate the application process. Knowing how many first-year students applied, were selected for verification, and completed their verifications would offer new insights into the aid administration process, which can sometimes prevent students

from applying for or being awarded aid. A college's filing rate and verification completion rate would be useful consumer information metrics and may also be useful for monitoring and benchmarking for internal and external audiences.

**“Promise” programs:** Many local communities have adopted place-based financial aid programs guaranteeing financial aid to qualifying students.<sup>8</sup> Similar to the way colleges report state and federal aid, colleges could also report the numbers of recipients and dollar amounts of aid coming through “promise” programs. If these programs continue to spread across the country, then prospective students would benefit from having a centralized source identifying these efforts. Similarly, colleges and policymakers could use this information to help their own planning efforts to align and coordinate aid programs.

## Recommendations

Based on the findings, emerging issues, and trends documented in this report, the following five recommendations offer specific ways the IPEDS SFA component could add value to the numerous stakeholders involved in the survey's administration:

### 1) Expand and standardize reporting fields to include part-time, transfer, returning, and graduate students

The share of FT/FT undergraduates is steadily shrinking, yet the SFA component has expanded coverage of this very subgroup. It has done so in uneven ways, where some variables are reported for this group but not others (e.g., institutional aid). The SFA component should follow a similar convention as the IPEDS Outcome Measures (OM) component that uses the same four groups for all reported values: **full-time, first-time; part-time, first-time; full-time, non-first-time; and part-time, non-first-time**. All variables should then be disaggregated by these groups. For example, the number of recipients and amount of aid awarded by federal sources should be disaggregated for each group, rather than only for FT/FT students in addition to the already-reported total for all undergraduates.

In addition to standardizing the groups, the SFA component should report the number of recipients and amount of aid for new and all **transfer** students. It should also include data on **graduate** student loan debt, disaggregated by loan program and level of student, as is done in FSA's *Title IV Program Volume Reports* as IPEDS currently provides no information on graduate student loans, yet debt for graduate and professional students is steadily growing (Looney & Yannelis, 2015). Finally, the SFA component should differentiate aid by **class level** since first-year students have different federal borrowing limits than fourth-year students, and upper-level students may have reached cumulative lifetime award limits that first-year students have not.

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<sup>8</sup> See University of Pennsylvania's Alliance for Higher Education and Democracy (Penn AHEAD) <https://www.ahead-penn.org/creating-knowledge/college-promise>.

This would be a more labor-intensive reporting standard, but the added benefit would help college benchmarking and public accountability efforts while delivering better consumer information. A pilot initiative could focus on disaggregating institutional grants and federal loans to demonstrate the added value relative to administrative burdens.

## 2) Streamline data collection with other federal sources

If it is possible for ED—rather than colleges—to report data for federal aid variables in the SFA component, then this could provide a significant efficiency and quality control mechanism to improve the survey administration. In theory, colleges could provide ED with lists of students who meet the various reporting groups noted above (e.g., part-time, first-time; transfer; etc.). The Department could then identify the annual and cumulative amount of federal aid awarded to those students each year and report the aggregate number back to each campus.

Similarly, FSA reports aggregate amounts of aid disbursed and numbers of recipients, so incorporating these already-collected data into the IPEDS survey would be a useful way to document and disseminate aid information. The *College Scorecard's* links to Internal Revenue Service (IRS) and NSLDS records serve as another example of existing institution-level data that could either be incorporated into IPEDS or serve as a guide for how IPEDS could streamline data collection from existing federal sources. Either way, having the federal government aid in the reporting process based on its own transactional data systems would alleviate some of the reporting burden on colleges, which would allow those resources to be used to report more data on topics that are currently under-reported, such as state and institutional grants.

## 3) Expand coverage of non-federal sources of aid

Private organizations and colleges themselves provide the majority of grant aid to students, yet the SFA component offers very little information about either. Private aid is excluded from the reporting conventions, while institutional aid is only reported for FT/FT students. State and institutional aid data are aggregated with federal aid when the SFA component reports “total aid,” and this aggregation hides more than it reveals. Disaggregating all sources of aid for all cohorts of students mentioned in the first recommendation would be a fruitful way to make the SFA component more meaningful by offering a more complete view into the financial aid landscape. With this information, it would be possible to use IPEDS to calculate total discount rates and to measure the full amount of institutional aid awarded, both of which are needed to provide more complete information for prospective students.

The survey should, at a minimum, disaggregate institutional and state aid according to that which is need-based and that which is in excess of need. Many colleges that operate institutional aid programs already report this in the CDS, so it is possible to incorporate fields included in Section H of CDS into IPEDS, thus helping students, researchers, campus planners, and policymakers understand not just how much aid a college awards—but how that aid is allocated according to students’ financial needs. Requiring all institutions to report this would require IPEDS staff to provide clear guidance and support to ensure institutions are reporting the data accurately and according to the same standards. The net price variable is an example

of how disaggregation might occur (more below), though this recommendation focuses primarily on the sources of aid and less on how that aid reduces students' cost of attendance.

#### 4) Disaggregate aid data by student economic demographic characteristics

To make IPEDS more meaningful for students, IPEDS needs to show how financial aid is awarded to students *who look like them*. Averages and totals that are not disaggregated by student characteristics quickly lose their utility as informational tools to help students anticipate college expenses and financing options. At a minimum, the IPEDS SFA component should disaggregate federal, state, and institutional grants and loans (for all groups mentioned above) by students' income levels and dependency statuses.

Attempts are already being made at this via the net price fields, but this recommendation focuses on disaggregation for all financial aid programs. For example, how much federal loan debt do low-income students take on at different colleges? How much institutional aid is awarded to low-income students, and how many low-income students were awarded this aid? To what extent are Black students borrowing relative to White students? These questions cannot currently be answered in the SFA component, yet answering them can help students' decision-making processes while providing more useful data points to help planning, policy, and research efforts. Financial aid is one of the most important policy levers policymakers and campus leaders have to help students access, afford, and persist in college—greater disaggregation of financial aid data will make the aid process more transparent while providing much-needed information about the distribution of various sources of aid.

#### 5) Make net price survey more meaningful by separating from SFA

The SFA component currently spans two distinct types of reporting—one is on the *distribution of aid* while the other is on the *net price students pay after being awarded aid*. Separating the two would be useful for the long-term sustainability and utility of the survey. It would allow campuses to continue to report and monitor overall trends in the sources of aid and number of students awarded various types of aid, which are both important data points for planning and research purposes. In contrast, the net price data calculator is primarily used as a consumer-information and accountability tool and serves different purposes than the data on overall sources of aid. Separating the net price survey into its own component would enable it to offer greater detail and granularity, similar to the way the OM component stemmed from earlier data collection efforts. Accordingly, IPEDS SFA should consider separating the two in order to maintain a focus on the distinct purposes of each component.

The net price variables are mandated by Congress, and the SFA component reports the minimal amount of information required. However, there is great interest from students, researchers, campus officials, and policymakers in gaining more complete insight into the out-of-pocket expenses for each college, and IPEDS is the appropriate place for this information to be reported. The narrow focus on in-state, full-time, first-time degree/certificate-seeking undergraduates, is not representative for the majority of today's college students, so the survey should expand to report net price for the various groups outlined previously. The net price

survey is likely to gain even more public attention over time, which will likely put more pressure on campuses and ED to expand the survey's coverage. Addressing this outcome now, rather than later, will prepare the colleges and ED for the future demands that are likely to be placed on IPEDS.

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## Appendix A. Stata code

Following is Stata code that can be used to download and append all SFA files from 1999-00 to 2015-16:

```
// copy and unzip raw data files
local years 1516 1415 1314 1213 1112 1011 0910 0809 0708 0607 0506 0405 0304 0203
0102 0001S 9900S
foreach x of local years {
copy https://nces.ed.gov/ipeds/datacenter/data/SFA`x'_Data_Stata.zip .
unzipfile SFA`x'_Data_Stata, replace
}
shell rename "sfa9900s_data_stata.csv" "sfa9900_data_stata.csv" // dropping
"s" will make loop cleaner
shell rename "sfa0001s_data_stata.csv" "sfa0001_data_stata.csv" // dropping
"s" will make loop cleaner
shell rename "sfa0607_RV_data_stata.csv" "sfa0607_rv_data_stata.csv" // change
"RV" to "rv" to make loop cleaner
shell rename "sfa0506_RV_data_stata.csv" "sfa0506_rv_data_stata.csv" // change
"RV" to "rv" to make loop cleaner
// import raw data files into stata
local no_rv 1516 0405 0304 0203 0102 0001 9900 // these have no "rv"
file
foreach y of local no_rv {
import delimited sfa`y'_data_stata.csv, delimiter(comma)
gen year = `y'
drop x*
save sfa`y'_data_stata.dta, replace
clear
}
local rv 1415 1314 1213 1112 1011 0910 0809 0708 0607 0506 // use "rv" file
when available (0506 and 0607 all caps)
foreach z of local rv {
import delimited sfa`z'_data_stata.csv, delimiter(comma)
gen year = `z'
drop x*
save sfa`z'_data_stata.dta, replace
clear
}
// append and save final files
use sfa1516_data_stata.dta
local years_new 1415 1314 1213 1112 1011 0910 0809 0708 0607 0506 0405 0304 0203
0102 0001 9900
```

```
foreach x of local years_new {  
  append using sfa`x'_data_stata.dta  
}  
save sfa_panel_9900_1516.dta, replace
```

## Appendix B. Figure summarizing SFA aid data by student group

Figure B-1. Undergraduate student groups and aid data collected for each group in SFA, Section I

