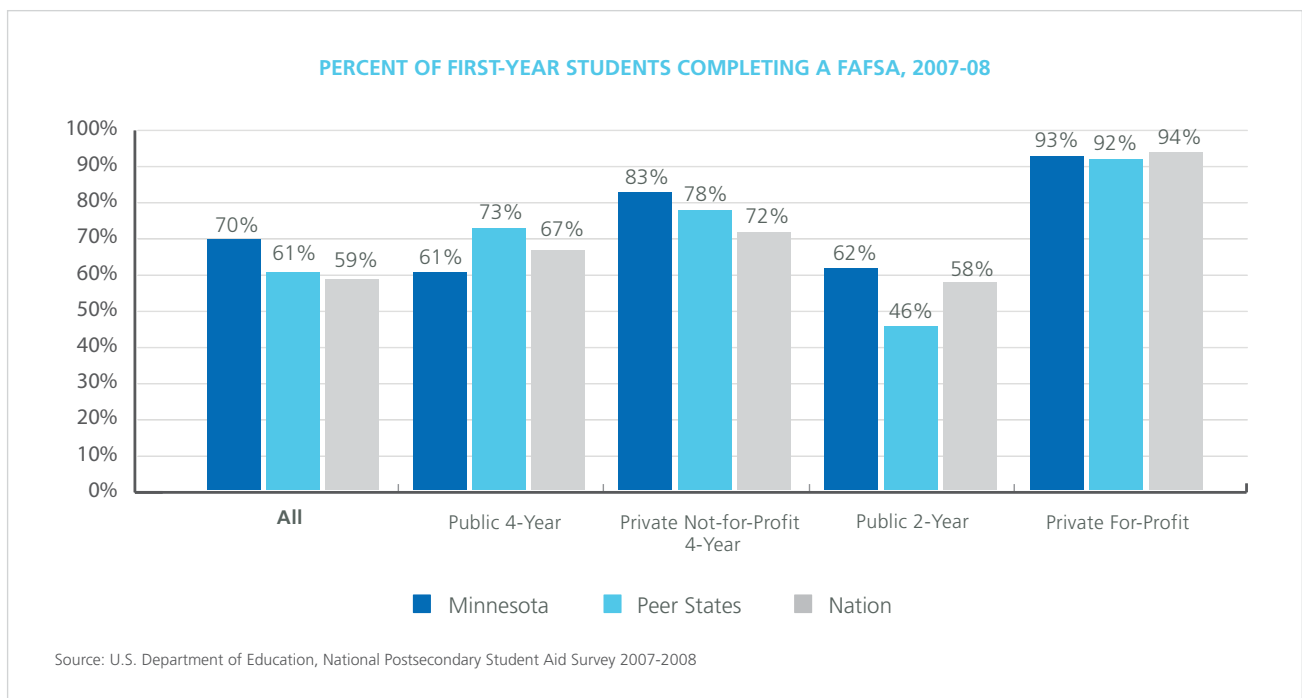


FAFSA FILING RATES FOR FIRST-YEAR STUDENTS

- » Minnesota students apply for financial aid (grants and loans) using the FAFSA at higher levels than students nationally.
- » Students do not complete the FAFSA for a variety of reasons, yet the students most likely to not complete the FAFSA tend to be older, attend college part-time, and attend public institutions.

One of the barriers to accessing higher education is financing the rising costs of tuition and student fees, yet many college students do not apply for financial aid by completing the Free Application for Federal Student Aid (FAFSA) each year. The federal government and the State of Minnesota require students to complete the FAFSA to qualify for governmental financial aid, and many institutions also require the FAFSA to qualify for institutional aid.

Survey data from the U.S. Department of Education estimated that 70 percent of all Minnesota undergraduates applied for federal financial aid compared to 59 percent nationally in 2007-08. Students at private institutions have the highest FAFSA filing rates in Minnesota with 93 percent of private for-profit students and 83 percent of private not-for-profit students filing.



Factors Influencing FAFSA Completion

Although failing to complete the FAFSA limits students' access to federal, state, and institutional financial aid, the National Postsecondary Student Aid Study (NPSAS) found that students do not apply for financial aid for several reasons.

Students may also have received aid from sources that do not require FAFSA submission, such as employer assistance, institutional and state non-need-based grants, and private grants and loans. A study of students who did not file a FAFSA in 2003-2004 found that 30 percent received some form of assistance from a source that did not require completing the FAFSA; however, the average aid received from these sources was relatively small (\$3,000) compared to the cost of tuition and fees.¹

Recent analysis of why students did not apply for financial aid using either the FAFSA or other non-federal aid applications estimates that most students would have qualified for aid, ranging from about a third that would have qualified for a need-based Pell Grant and the majority who would have qualified for unsubsidized Stafford and PLUS loans.²

Studies indicate that a lack of information and low awareness of the availability of financial aid may contribute to the FAFSA non-submission rates, and that this may particularly be a barrier for low-income families and families of color. A 2002 study by the Sallie Mae Fund found that low-income families have the least information about how to pay for higher education: among families making less than \$50,000 per year, 60 percent said they need more information about how to pay for college, versus 37 percent of those making more than \$75,000 per year (Sallie Mae Fund, 2002). In a 2006 survey by the Sallie Mae Fund, minority families expressed a greater need for financial aid information: 66 percent of African-American parents and 62 percent of Hispanic-American parents reported that they did not have enough information about how to pay for college, versus 44 percent of white parents.

These factors influence financial aid completion but also may impact college attendance overall. In 2002, the Sallie Mae Fund found that "knowledge about financial aid is a key predictor of whether a young adult is likely to attend college—the more a young adult knows about financial aid, the more likely he or she is to pursue a higher education."³

REASONS FOR FAFSA NON-FILING AMONG FIRST-YEAR STUDENTS

Reason for Not Applying for Financial Aid	Percentage of All Students		Percentage of FAFSA Non-Filers	
	Minnesota	Nation	Minnesota	Nation
Thought ineligible	7.6	10.6	39.7	40.2
No need for financial aid	3.7	5.0	19.1	18.9
Did not have enough information about how to apply for financial aid	3.5	6.1	18.1	22.9
The application forms were too much work or too time consuming	10.4	13.4	54.3	50.6
Did not want to take on debt	11.3	16.1	58.7	60.7
None of the above	0.0	1.2	0.0	4.7

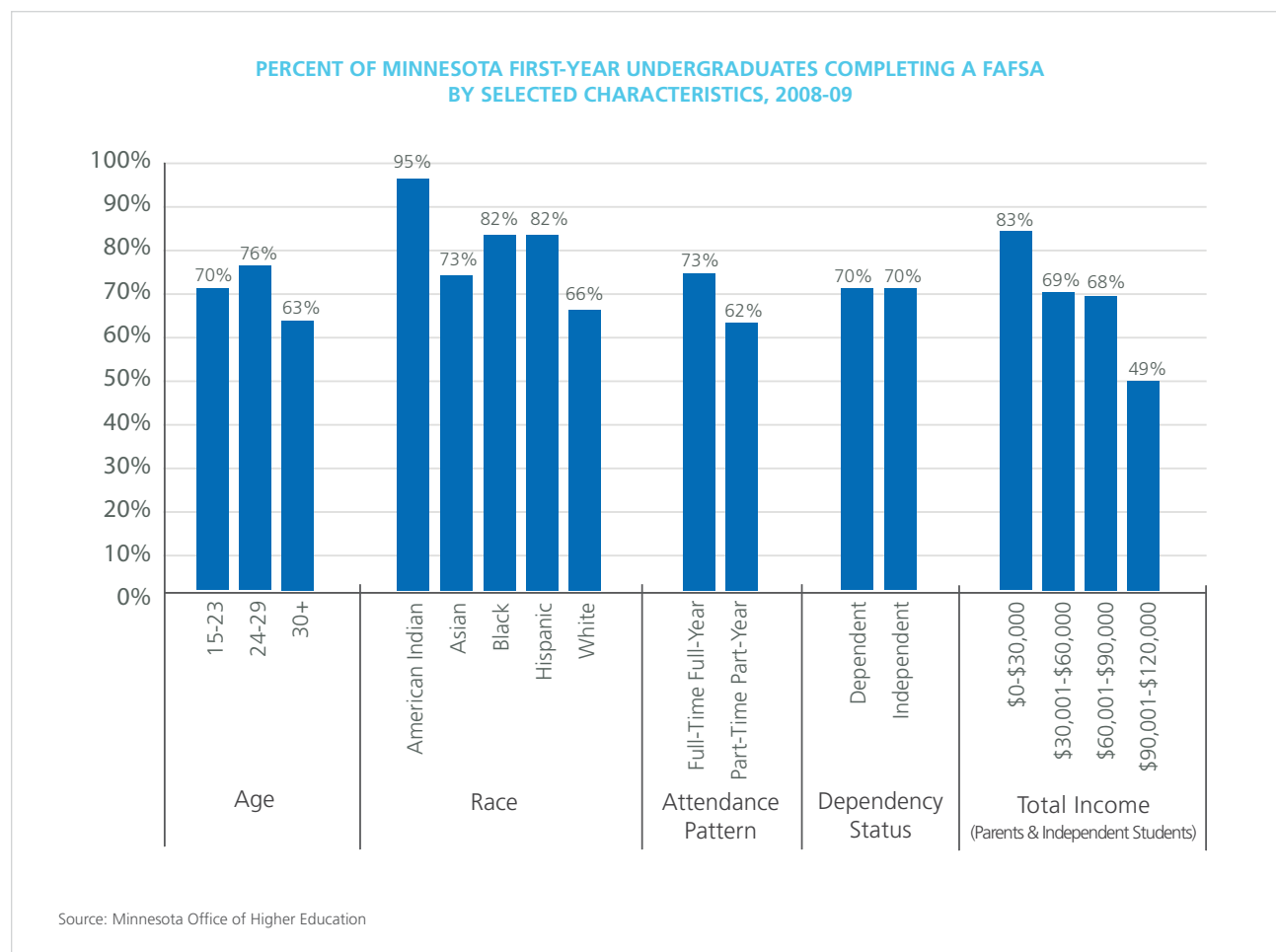
Source: U.S. Department of Education, National Postsecondary Student Aid Survey 2007-2008

1. King, J. (2006). Missed opportunities revisited: New information on students who do not apply for financial aid. American Council on Education. Retrieved from <http://www.acenet.edu/AM/Template.cfm?Section=Home&TEMPLATE=/CM/ContentDisplay.cfm&CONTENTID=33967>.
2. Kantrowitz, M. (2011). Reasons why students do not file the FAFSA. Retrieved from <http://www.finaid.org/educators/20110118nofafsareasons.pdf>.
3. Sallie Mae Fund. (2002). Lower income families, minorities have least information about college financial aid, Harris Poll finds. Press Release. Retrieved from <http://www.thefreelibrary.com/Lower+Income+Families,+Minorities+Have+Least+Information+About...+a096615219>.

Demographics of FAFSA Filers among First-Year Students

Students with different demographic characteristics complete the FAFSA and thus have access to financial aid options at different rates. Nationally, students that are low income, independent, and attending a community college have lower

FAFSA completion rates. In Minnesota, the FAFSA completion rates for these students are comparable to those in the peer states.



Part-time students (those with half-time or less than half-time enrollment) in Minnesota are much less likely than full-time students to apply for financial aid; in 2008-09, 62 percent of part-time students applied for financial aid compared to 73 percent of full-time students.

Older students (30 years of age or older) in Minnesota are much less likely than younger students to apply for financial aid. In 2008-09, 63 percent of students age 30 or older applied for financial aid compared to 76 percent of students aged 24 to 29 years.

Students at public institutions, both two-year and four-year, are much less likely to have filed a FAFSA than students at private institutions: in 2008-09, 62 percent of students at public two-year colleges completed the FAFSA, compared to 93 percent of students at private for-profit colleges. In 2008-09, 61 percent of students at public four-year colleges completed the FAFSA, compared to 83 percent of students at private not-for-profit four-year colleges.

FINANCIAL AID TO FIRST-TIME, FULL-TIME FRESHMEN

- » For students entering college, 84 percent of first-year Minnesota undergraduates received financial aid to help pay the price of attendance in 2008-09. Financial aid received includes grants, scholarships, work-study, and loans.

Grants

In Minnesota during 2008-09, 67 percent of first-time, full-time undergraduates received grants to help pay the price of attendance. Grants, including need-based grants, scholarships, and other merit-based aid, are financial aid

that does not have to be repaid. Thirty-two percent received federal grants, which averaged \$4,015 per student. Thirty-six percent received state grants, which averaged \$2,142.

FINANCIAL AID FOR FIRST-TIME, FULL-TIME MINNESOTA UNDERGRADUATES, 2008-09

Institution Type	Number of Students	Percent Receiving Any Financial Aid
State Universities	8,971	83%
University of Minnesota	7,981	85%
Private Not-for-Profit 4-Year	10,326	95%
Private For-Profit 4-Year	1,947	88%
Public 2-Year	16,591	76%
Private For-Profit 2-Year	1,384	66%
Total	50,060	84%

Source: U.S. Department of Education, IPEDS Student Financial Aid Survey

PERCENT OF FIRST-TIME, FULL-TIME MINNESOTA UNDERGRADUATES RECEIVING GRANTS, 2008-09

Institution Type	Number of Students	Percent Receiving Any Grant Aid	Percent Receiving Federal Grant Aid	Average Federal Grant	Percent Receiving State Grant Aid	Average State Grant	Percent Receiving Institutional Grant Aid	Average Institutional Grant
State Universities	8,971	52%	25%	\$3,764	30%	\$2,140	26%	\$2,267
University of Minnesota	7,981	77%	19%	\$4,632	27%	\$3,529	76%	\$2,425
Private Not-for-Profit 4-Year	10,326	93%	23%	\$4,579	31%	\$3,631	91%	\$12,118
Private For-Profit 4-Year	1,947	70%	46%	\$3,319	45%	\$2,024	36%	\$1,317
Public 2-Year	16,591	52%	39%	\$3,577	40%	\$1,248	6%	\$1,109
Private For-Profit 2-Year	1,384	53%	42%	\$3,119	41%	\$1,194	3%	\$2,234
Total	50,060	67%	32%	\$4,015	36%	\$2,142	39%	\$6,871

Source: U.S. Department of Education, IPEDS Student Financial Aid Survey