



Financial Aid at Public Institutions of Higher Education in Virginia

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INTRODUCTION

For decades, SCHEV has collected data about students' paths through college, including how they finance their education. We use those data to better understand Virginia's system of higher education, informing decisions faced by policymakers and institutional leaders. On the research.schev.edu website, SCHEV publishes dozens of interactive dashboards related to financial aid. The purpose of this report is to take data SCHEV already collects and synthesize and organize it into one document, while also providing context and guidance. The methodology and data sources for this report are explored further in the Methodology section at the end.

This report does not try to define affordability or make specific recommendations for how to achieve affordability for more students. Affordability is somewhat subjective: What may seem affordable to one family may not be to another. Defining affordability is difficult and complex as there are many variables in both costs and ways to pay. As will be explained in this report, many of the measures that might be considered for measuring affordability are not precise or consistent across student populations or institutions. We can however determine if Virginia's colleges and universities are becoming more affordable or less affordable overall or for various student demographics. Virginia's new strategic plan for higher education, *Pathways to Opportunity*, designates affordability (lowering costs to students) as one of its three goals.

Much of the analysis in this report starts with the prices charged by the institutions, but these input costs vary: Students and families have choices in institutions that charge different tuition and fees. Even at the same institution, students have choices in their indirect costs, such as whether to have a roommate if living off campus. Students also can choose lower cost pathways, such as enlisting in the military and receiving veteran's benefits or starting their postsecondary education at a community college. Some employers offer tuition reimbursement as a part of their employee compensation packages.

Once the final cost is established, families have many options to meet it. When financially feasible, families can start saving with a tax-preferred Virginia 529 Savings Plan as soon as a child has a Social Security number. Many students take on part-time or even full-time jobs to help pay for college. For low-income students, the federal Pell Grant can contribute up to \$6,495 per year. Virginia alone has dozens of financial aid programs managed and funded by the state. College and universities also contribute a growing level of aid to attract and retain

students. Students and families also can take out student loans and pay back the cost, with interest.

This report attempts to profile many of these variables and how they impact Virginia families and decisions faced by policymakers.

Trends in State Support

Broadly, state support for financial aid has increased significantly in recent years. In the last biennial budget, the General Assembly increased undergraduate aid by roughly \$30 million, or 13%. This increase and distribution reflect SCHEV's 2019 Review of [Financial Aid Funding Formulas and Awarding Practices](#). The Get Skilled, Get a Job, Get Ahead (G3) program, covering tuition and fees for qualified students pursuing high-demand programs at Virginia community colleges, is also funded at \$34.5 million. It should be noted that these increases are not reflected in many of the tables in this report, as the most recent student-level financial aid file is from the 2019-20 school year.

While there are dozens of state financial aid programs in Virginia, the largest is the Virginia Student Financial Aid Program (VSFAP), which is made up of two programs: The Virginia Commonwealth Award and the Virginia Guaranteed Assistance Program. Over the last 20 years, between fiscal years 2000 and 2020, annual funding for VSFAP has increased \$161 million, or 268%. While the number of students receiving VSFAP has increased, so has the average award. In FY 2000, the average award was \$1,376. In 2020, the average award grew to \$3,029. The table below shows trends in the number of students receiving VSFAP awards, the total amount of awards and the average award amount.

Table 1. Trends in Virginia State Financial Aid Program

Year	# Students Receiving VSFAP	Total Amount	Average Award
1999-00	43,607	\$60,024,306	\$1,376
2000-01	45,140	\$63,472,613	\$1,406
2001-02	42,764	\$60,484,161	\$1,414
2002-03	42,277	\$62,418,036	\$1,476
2003-04	43,865	\$69,900,388	\$1,594
2004-05	43,776	\$76,575,905	\$1,749
2005-06	44,704	\$83,999,560	\$1,879
2006-07	47,304	\$94,328,105	\$1,994
2007-08	54,008	\$108,085,336	\$2,001
2008-09	57,433	\$117,025,332	\$2,038
2009-10	61,920	\$126,714,785	\$2,046
2010-11	57,482	\$126,750,190	\$2,205
2011-12	61,818	\$140,273,954	\$2,269
2012-13	68,774	\$148,798,487	\$2,164
2013-14	70,092	\$156,711,248	\$2,236
2014-15	72,657	\$157,563,919	\$2,169
2015-16	69,144	\$164,184,925	\$2,375
2016-17	71,226	\$187,410,471	\$2,631
2017-18	68,979	\$188,310,995	\$2,730
2018-19	72,002	\$198,160,955	\$2,752
2019-20	72,913	\$220,839,810	\$3,029

https://research.schev.edu/fair/VASFAP_ALL_Report.asp

Includes 4-year and 2-year public institutions.

This increase in financial aid has not fully kept up with rising tuition prices, however. In fact, the purchasing power of state aid, both as a percentage of tuition and fees and total costs, has declined since 2006-07, when state aid covered 33% of average tuition and fees. However, recent investments in state aid, combined with slowed tuition increases, has resulted in average state aid covering 24% of tuition and fees, the highest percentage since 2011-12.

Table 2. Purchasing Power of State Aid

Year	Average State Award	Average Tuition & Fees	Average Total Cost	Average State Award / Average Tuition & Fees	Average State Award / Average Total Cost
2006-07	\$1,994	\$6,133	\$11,926	32.5%	16.7%
2007-08	\$2,001	\$6,546	\$12,643	30.6%	15.8%
2008-09	\$2,038	\$7,021	\$13,445	29.0%	15.2%
2009-10	\$2,046	\$7,432	\$14,680	27.5%	13.9%
2010-11	\$2,205	\$8,216	\$15,792	26.8%	14.0%
2011-12	\$2,269	\$8,870	\$16,781	25.6%	13.5%
2012-13	\$2,164	\$9,231	\$17,475	23.4%	12.4%
2013-14	\$2,236	\$9,630	\$18,425	23.2%	12.1%
2014-15	\$2,169	\$10,188	\$18,958	21.3%	11.4%
2015-16	\$2,375	\$10,803	\$19,838	22.0%	12.0%
2016-17	\$2,631	\$11,304	\$20,695	23.3%	12.7%
2017-18	\$2,730	\$11,933	\$21,683	22.9%	12.6%
2018-19	\$2,752	\$12,546	\$22,639	21.9%	12.2%
2019-20	\$3,029	\$12,836	\$23,254	23.6%	13.0%

https://research.schev.edu/tuitionfees/tfrb_resund_report.asp

Includes aid and prices for both 4-year and 2-year public institutions.

Fees include mandatory E&G and mandatory non-E&G fees. Total cost includes room & board.

Total appropriations for undergraduate aid, which can differ from actual total awards, includes other programs beyond VSFAP. The state appropriated \$253 million for undergraduate aid for FY 2022. The institutional amounts are in the table below:

Table 3. State Support for Undergraduate Aid 2021-22

Institution	\$
Christopher Newport University	\$6,196,767
College of William & Mary	\$4,057,352
George Mason University	\$34,991,553
James Madison University	\$11,809,175
Longwood University	\$6,556,515
Norfolk State University	\$14,287,518
Old Dominion University	\$28,646,394
Radford University	\$13,253,855
University of Mary Washington	\$4,130,429
University of Virginia	\$7,126,119
University of Virginia - Wise	\$3,607,035
Virginia Commonwealth University	\$36,409,302
Virginia Military Institute	\$1,144,918
Virginia State University	\$10,624,820
Virginia Tech	\$19,434,011
Four-Year Totals	\$202,275,763
Richard Bland College	\$1,460,480
Virginia Community College System	\$48,937,355
Two-Year Total	\$50,397,835
Total	\$252,673,598

DEMOGRAPHIC AND FINANCIAL PROFILES

Students

This section focuses on the demographic and financial profiles of in-state students enrolled in Virginia public institutions. Income groups are defined through the students' family income as a percentage of the federal poverty level (FPL). The FPL provides a reasonable stratification of family financial strength as it acknowledges family size along with income. In 2019, the federal poverty level (FPL) for a one-person household was \$12,490 in annual income. The threshold varies by household size, with levels increasing \$4,420 for each additional person in the household. In Virginia, low-income is defined as earning income 200% of the FPL or below. Middle-income falls between 201% and 400%. High-income is 401% and above.

Table 4. Federal Poverty Guidelines and Virginia Income Group (2019)

Persons in family/household	Low-Income		Middle-Income	
	100%	200%	300%	400%
1	\$12,490	\$24,980	\$37,470	\$49,960
2	\$16,910	\$33,280	\$50,730	\$67,640
3	\$21,330	\$42,660	\$63,990	\$85,320
4	\$25,750	\$51,500	\$77,250	\$103,000

<https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/prior-hhs-poverty-guidelines-federal-register-references/2019-poverty-guidelines>

Virginia's higher education system consists of a wide variety of public institutions. Each has its own unique student demographic and so has unique needs for state support. As explored in the methodology section, the majority of tables in this report were calculated using a student-level extract of in-state students enrolled at least-part time for one term and who filed a FAFSA (Free Application for Federal Student Aid).

The FAFSA is the lone source for SCHEV to determine a students' family income and thus their income as a percentage of poverty level. The table below, however, aggregates all in-state undergraduate students, including those who did not submit a FAFSA. In the public four-year sector, about one third of students do not complete a FAFSA. Note there is considerable variation between institutions' of their students' income groups and FAFSA completions.

Table 5. Undergraduate In-State Enrollment by Income Group (2019-20)

Institution	Low-Income	Middle-Income	High-Income	Income Unknown
Christopher Newport University	11%	19%	34%	36%
College of William and Mary	14%	16%	18%	52%
George Mason University	33%	18%	16%	33%
James Madison University	14%	18%	27%	41%
Longwood University	24%	25%	24%	27%
Norfolk State University	65%	18%	6%	11%
Old Dominion University	37%	20%	12%	31%
Radford University	36%	25%	19%	20%
University of Mary Washington	20%	20%	28%	32%
University of Virginia	16%	16%	24%	44%
UVA-Wise	30%	17%	7%	46%
Virginia Commonwealth University	28%	21%	20%	31%
Virginia Military Institute	13%	24%	33%	30%
Virginia State University	65%	21%	8%	6%
Virginia Tech	16%	18%	24%	42%
Four-year total	27%	19%	20%	34%
Richard Bland College	20%	8%	3%	69%
VCCS	28%	9%	3%	60%
Two-Year Total	28%	9%	3%	60%
Grand Total	27%	14%	11%	48%

Source: https://research.schev.edu/rdPage.aspx?rdReport=Enrollment.E58_Income_Categories

Tables 6-9 on the following pages provide more information on the financial resources by income group. The Expected Family Contribution (EFC) is an index number calculated according to a formula established by federal law and considers students' taxed and untaxed income, assets, benefits (such as unemployment or Social Security) and family size.

The EFC is not necessarily the amount a student can or will pay annually; rather it serves as an index denoting a family's financial strength. Most students have significant difficulty in being able to provide their calculated EFC out of pocket. This is one reason the federal government has decided to change the nomenclature of this calculation from EFC to Student Aid Index, or SAI, by the 2024-25 award year. While the EFC is not necessarily reliable in determining how much a family can pay within a given year, it does provide a reliable ordering of students with higher EFCs reliably being in a stronger financial position than one with a lower EFC. This is a critical feature when awarding need-based financial aid.

The EFC is limited in that it assumes a baseline EFC of “\$0” regardless of the circumstances and does not take into account that some families exist within a perpetual state of need. For these families, basic life assistance is needed aside from the additional cost of paying for college classes. As of 2024-25, the federal government will provide partial relief by permitting the upcoming SAI to go as low as \$1,500 so that some of this need can be recognized in the institution’s calculation of financial need. Beyond that, it is arguable whether greater levels of need should be addressed through education policy and financing or through other societal structures.

Finally, the zero EFC includes many students granted an “auto-zero” by federal methodology, meaning that the zero EFC is not the result of a calculation of the family’s resources recorded via the FAFSA. The argument is that families that already have been found eligible for federal means-tested benefits (the Medicaid Program, the Supplemental Security Income (SSI) Program, the Supplemental Nutrition Assistance Program (SNAP), the Free and Reduced Price School Lunch Program, the Temporary Assistance for Needy Families (TANF) Program, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)) and meet certain income thresholds do not need to be means-tested again, and questions about assets can be set aside. These students are automatically assigned a zero EFC.

Note again that SCHEV only knows the incomes and EFCs of students who complete a FAFSA. Consequently, all EFC and income averages are based on FAFSA completers only and are not necessarily representative of the overall institution enrollment.

Table 6. Average EFC and Income by Income Group, Four-Year institutions (2019-20)

	EFC	Income
Low-Income	\$664	\$21,480
Middle-Income	\$7,531	\$72,089
High-Income	\$18,764	\$133,370
Total	\$7,103	\$64,011

Source: SCHEV analysis of Financial Aid file

Students enrolled in two-year public institutions (the community colleges and Richard Bland College) broadly have fewer financial resources to pay for college. These students’ average EFC is less than a third of the average EFC, and their average income is slightly over half the average income of students attending four-year public institutions.

Table 7. Average EFC and Income by Income Group, Two-Year Institutions (2019-20)

	EFC	Income
Low-Income	\$392	\$20,015
Middle-Income	\$5,369	\$63,182
High-Income	\$11,414	\$107,503
Total	\$2,179	\$35,225

Source: SCHEV analysis of Financial Aid file

Institutions submit race and ethnicity data, self-reported by the students, to SCHEV. The tables below show the numbers of in-state students attending at least part-time who completed a FAFSA, as well as their average EFCs.

Table 8. Average EFC by Race/Ethnicity Four-year institutions (2019-20)

	# of students	Average EFC
Nonresident Alien	24	\$4,635
Not Hispanic American Indian or Alaska Native	131	\$6,383
Not Hispanic Asian	9,176	\$6,103
Not Hispanic Black or African American	18,309	\$4,368
Not Hispanic Native Hawaiian or Other Pacific Islander	106	\$8,054
Not Hispanic White	32,166	\$9,285
Not Hispanic Multi-Race	4,341	\$7,279
Not Hispanic Race Unknown	3,065	\$5,874
Hispanic Only	8,675	\$6,189
Total	75,993	\$7,103

Source: SCHEV analysis of Financial Aid file

Compared to other demographic groups, Black or African American students have the lowest average EFCs for both the public four-year and two-year sectors. White non-Hispanic students have the highest average EFCs in each sector.

Table 9. Average EFC by Race/Ethnicity Two-year institutions (2019-20)

	# of students	Average EFC
Nonresident Alien	3	\$11
Not Hispanic American Indian or Alaska Native	205	\$1,747
Not Hispanic Asian	4,423	\$1,912
Not Hispanic Black or African American	15,795	\$ 1,475
Not Hispanic Native Hawaiian or Other Pacific Islander	125	\$2,199
Not Hispanic White	25,982	\$2,598
Not Hispanic Multi-Race	2,815	\$2,301
Not Hispanic Race Unknown	844	\$ 2,245
Hispanic Only	8,456	\$ 2,314
Total	58,648	\$2,179

Source: SCHEV analysis of Financial Aid file

Financial Aid Awards & Impact

Students and families have an array of sources of financial aid. This section broadly categorizes those sources into federal, state, institutional and private/local. Federal aid includes the Pell Grant, the Supplemental Educational Opportunity Grant and the Federal College Work Study program. State aid includes the Commonwealth Award, VGAP, Virginia Military Survivors & Dependents Education Program and the Virginia Transfer Grant (and many others). Institutional aid includes grants and scholarships from institutional funds. Private and local aid include grants and scholarships from local governments and from organizations outside the institution. None of the amounts below include loans.

Table 10. Total Financial Aid by Source (2019-20)

	Federal Aid	State Aid	Institutional	Private / Local
Christopher Newport University	\$2,861,971	\$6,069,003	\$4,986,027	\$750,039
College of William and Mary	\$3,236,396	\$3,954,693	\$26,340,109	\$2,584,854
George Mason University	\$33,696,172	\$28,966,043	\$6,894,817	\$2,127,768
James Madison University	\$11,677,541	\$10,892,563	\$14,266,660	\$1,913,095
Longwood University	\$4,881,743	\$5,985,520	\$4,894,256	\$858,988
Norfolk State University	\$12,737,218	\$12,706,637	\$5,317,610	\$733,639
Old Dominion University	\$31,323,120	\$24,056,519	\$16,248,132	\$614,997
Radford University	\$13,988,131	\$10,915,126	\$7,703,271	\$1,064,570
University of Mary Washington	\$3,571,032	\$3,456,220	\$4,805,785	\$537,563
University of Virginia	\$3,270,230	\$6,861,417	\$44,604,337	\$4,343,733
UVA-Wise	\$2,634,546	\$3,306,564	\$3,155,699	\$262,511
Virginia Commonwealth University	\$38,039,779	\$32,002,254	\$32,351,061	\$3,987,518
Virginia Military Institute	\$2,619,604	\$1,130,524	\$3,668,832	\$450,762
Virginia State University	\$12,560,331	\$9,190,775	\$4,668,609	\$600,369
Virginia Tech	\$17,043,188	\$18,041,956	\$20,660,895	\$13,721,645
Four-year Total	\$194,141,002	\$177,535,813	\$200,566,100	\$34,552,052
Richard Bland College	\$2,365,591	\$1,344,457	\$744,943	\$92,661
VCCS	\$161,121,765	\$43,427,780	\$16,265,731	\$3,096,387
Two-year Total	\$163,487,356	\$44,772,237	\$17,010,674	\$3,189,048
Grand Total	\$357,628,358	\$222,308,050	\$217,576,774	\$37,741,100

Source: SCHEV analysis of Financial Aid file

The table below looks at the average financial aid by source. Notably, the average institutional aid award significantly varies by institution, with two institutions awarding \$10,000-\$15,000 in average institutional aid, compared to five institutions that award less than \$2,000 on average. Averages include all students, who completed a FAFSA, including those who did not receive an award of that type.

In the four-year system, the average state award nearly matches federal aid. The public two-years, however, are much more reliant on federal sources of aid. As noted above, this analysis does not include the new G3 program.

Table 11. Average Financial Aid by Source (2019-20)

	Federal Aid	State Aid	Institutional	Private / Local
Christopher Newport University	\$1,422	\$3,016	\$2,478	\$373
College of William and Mary	\$1,918	\$2,344	\$15,614	\$1,532
George Mason University	\$2,497	\$2,146	\$511	\$158
James Madison University	\$1,871	\$1,746	\$2,286	\$307
Longwood University	\$2,321	\$2,846	\$2,327	\$408
Norfolk State University	\$3,615	\$3,607	\$1,509	\$208
Old Dominion University	\$2,829	\$2,173	\$1,467	\$56
Radford University	\$2,858	\$2,230	\$1,574	\$218
University of Mary Washington	\$1,919	\$1,857	\$2,582	\$289
University of Virginia	\$758	\$1,589	\$10,332	\$1,006
UVA-Wise	\$3,110	\$3,904	\$3,726	\$310
Virginia Commonwealth University	\$3,061	\$2,575	\$2,603	\$321
Virginia Military Institute	\$4,990	\$2,153	\$6,988	\$859
Virginia State University	\$4,676	\$3,422	\$1,738	\$224
Virginia Tech	\$2,053	\$2,173	\$2,489	\$1,653
Four-year Total	\$2,555	\$2,336	\$2,639	\$455
Richard Bland College	\$3,628	\$2,062	\$1,143	\$142
VCCS	\$2,778	\$749	\$280	\$53
Two-year Total	\$2,788	\$763	\$290	\$54

Source: SCHEV analysis of Financial Aid file

Cost of Attendance

The calculation of cost of attendance sums tuition and E&G fees, non-E&G fees, room and board, books & supplies, personal costs and transportation. Institutions have the discretion to increase a student's cost of attendance if there are other factors affecting the student's ability to attend such as for health and ability accommodations (cost of an interpreter or regularly required medical costs), childcare, required equipment and cost of loans.

These cost factors are divided into two types: direct and indirect. Direct costs are those charged by the institution and must be reconciled (the student must demonstrate how these costs are covered by grants, scholarships, loans or payment plans) as a condition for enrollment. Indirect costs are approximate allowances based on student averages as calculated by the institution. Indirect costs do not need to be reconciled and will vary significantly by student. For example, though all students will have a similar assigned book allowance, actual costs will vary appreciably as some students will purchase books at retail prices, others will obtain used books from other students and still others may find discounted books online. Similarly, while off-campus students are assigned a similar housing allowance, some students will secure expensive housing, while others will find economical housing and share costs with multiple roommates. Consequently, direct costs can be viewed as a hard fixed cost and indirect costs as a soft approximate cost of education. Each of the types of cost also vary substantially by sector, institution and program.

As noted in the methodology section, this Cost of Attendance (COA) calculation is made at the student-level and adjusts for student behavior such as credit load and living on or off campus. Net price subtracts all known gift aid from that students' cost of attendance. Unmet need subtracts each students' EFC from net price. Tables in this report also include only in-state students attending at least part-time and who completed a FAFSA.

It should be noted that unmet need calculations are not absolute. The cost of attendance has both fixed costs and approximate allowances that may or may not be realized. Similarly, student resources are made up of grants and scholarships applied directly to the student's account and an EFC approximating the family's ability to pay. Consequently, unmet need is not a precise calculation of the amount directly impacting whether a student can enroll or to enroll affordably.

The most important cost is the direct cost charged by the institution. Students unable to meet the direct cost of education face an immediate and firm barrier to enrollment. Students able to meet their direct costs can be considered as having met that initial threshold of affordability. Enrollment into college then hinges on the student's ability to address the indirect costs and cost of living, which will fluctuate and permit uses of other strategies over the course of the education experience. The higher the unmet need and the lower the student's EFC, the more difficult this task becomes.

Unmet need does not necessarily prohibit enrollment and success. Unmet need can be answered through a combination of the following:

1. *Loans*: Student loans are a way of deferring payment of education today using the future income realized after receiving education. Federal student loans retain many safeguards, such as deferments and income-based repayment, to ensure that the loans are affordable and manageable. Private student loans are available to students needing more than the limits on federal loans. Finally, some families will borrow using a variety of other mechanisms such as credit cards and home equity loans. SCHEV advises extreme caution for students needing to borrow in excess of the federal limit as there are fewer protections available from other sources of assistance.
2. *Employment*: Many students choose to work as a way to offset the ongoing costs of living and education while enrolled. Nearly all institutions offer some form of work-study, and most college towns have an abundance of part-time jobs. Public policy reliance on this resource can be problematic as there is a limit to the number of jobs available, funding for these positions and the ability of students to find a job that meets their time, pay and location needs. National studies suggest that there is an academic benefit for a full-time student to work up to 15-20 hours per week, but there are diminishing academic returns beyond those levels. Also, working does not have the purchasing power it once did in covering direct costs.
3. *Other gift aid*: Students may receive assistance from other resources not reported to the college. A gift from a relative or civic group may be recorded by the institution as a student payment rather than another form of aid. Student and parent payments are not included in the student need calculations other than being accounted for within the EFC.
4. *Lifestyle Choices*: Students may identify efficiencies that reduce their actual out-of-pocket expenses in non-instruction related areas by buying discounted books, sharing living costs with other students and reducing travel costs.

Even with these strategies employed, the larger the unmet need, the more challenging it is for a student to enroll and progress towards their degree.

Table 12. Total Cost of Attendance, Net Price, and Unmet Need by Institution (2019-20)

	Cost of Attendance	Net Price	Unmet Need
Christopher Newport University	\$59,601,405	\$44,934,642	\$20,479,695
College of William and Mary	\$61,729,446	\$26,272,248	\$7,481,232
George Mason University	\$325,917,050	\$254,307,010	\$175,095,358
James Madison University	\$159,618,637	\$120,888,927	\$65,118,930
Longwood University	\$57,999,525	\$41,407,576	\$24,048,193
Norfolk State University	\$80,290,950	\$48,820,277	\$39,638,148
Old Dominion University	\$263,872,446	\$191,647,846	\$138,099,494
Radford University	\$111,550,934	\$77,933,988	\$51,527,533
University of Mary Washington	\$46,718,735	\$34,386,990	\$19,096,846
University of Virginia	\$136,008,168	\$77,347,247	\$31,904,062
UVA-Wise	\$17,111,711	\$7,758,320	\$4,619,297
Virginia Commonwealth University	\$346,781,370	\$240,554,005	\$156,706,187
Virginia Military Institute	\$15,886,519	\$8,089,989	\$2,732,100
Virginia State University	\$56,966,744	\$30,009,417	\$22,719,361
Virginia Tech	\$223,776,717	\$154,471,171	\$83,628,476
Four-year	\$1,963,830,356	\$1,358,829,652	\$842,894,912
Richard Bland College	\$10,233,889	\$5,723,071	\$4,242,792
VCCS	\$748,243,086	\$524,349,869	\$402,717,634
Two-year Total	\$758,476,975	\$530,072,939	\$406,960,426
Grand Total	\$2,722,307,331	\$1,888,902,592	\$1,249,855,339

Source: SCHEV analysis of Financial Aid file

The table below makes the same calculations, but averages each observation instead of summing them. Again, these figures represent only students who completed a FAFSA.

Table 13. Average Cost of Attendance, Net Price, and Unmet Need by Institution (2019-20)

	Average of Cost of Attendance	Average of Net Price	Average of Unmet Need
Christopher Newport University	\$29,623	\$22,333	\$10,179
College of William and Mary	\$36,591	\$15,573	\$4,435
George Mason University	\$24,151	\$18,845	\$12,975
James Madison University	\$25,580	\$19,373	\$10,436
Longwood University	\$27,579	\$19,690	\$11,435
Norfolk State University	\$22,791	\$13,858	\$11,251
Old Dominion University	\$23,832	\$17,309	\$12,473
Radford University	\$22,793	\$15,924	\$10,529
University of Mary Washington	\$25,104	\$18,478	\$10,262
University of Virginia	\$31,505	\$17,917	\$7,390
UVA-Wise	\$20,203	\$9,160	\$5,454
Virginia Commonwealth University	\$27,901	\$19,354	\$12,608
Virginia Military Institute	\$30,260	\$15,410	\$5,204
Virginia State University	\$21,209	\$11,173	\$8,458
Virginia Tech	\$26,955	\$18,607	\$10,073
Four-year	\$25,842	\$17,881	\$11,092
Richard Bland College	\$15,696	\$8,778	\$6,507
VCCS	\$12,902	\$9,041	\$6,944
Grand Total	\$12,933	\$9,038	\$6,939

Source: SCHEV analysis of Financial Aid file

It is also important to disaggregate students' average net price and unmet need by income group. Broadly, low-income students face a significantly lower net price than middle-income and high-income students. This reflects the need-based availability of federal and state gift aid. However, the unmet need calculations demonstrate that financial aid has a difficult time addressing the disparities in a family's ability to pay.

The table below focuses on the impact of state aid on students' net price and unmet need. Low-income students receive a majority of state gift aid and receive a higher average award. This contributes to the lower net price. However, low-income students' average unmet need is slightly higher than middle-income students and twice as high as high-income students. This reflects low-income students' comparably low EFCs. Recent investments reflecting SCHEV's reformed financial aid formula that prioritizes institutions with the neediest students may narrow this disparity in the coming years.

Table 14. State Aid Distribution & Impact by Income Group, Four-Year Institutions (2019-20)

Income Group	Sum of State Gift Aid	Average Award	Average Net Price	Average Unmet Need
Low	\$102,275,648	\$3,082	\$13,820	\$13,175
Middle	\$63,106,320	\$2,482	\$18,894	\$11,550
High	\$12,153,845	\$699	\$24,151	\$6,445
All	\$177,535,813	\$2,336	\$17,881	\$11,092

Source: SCHEV analysis of Financial Aid file

Low-income students attending two-year institutions also receive the majority of state funds; however, middle-income students receive a slightly higher average award. This reflects community colleges authorized adjustment for the higher federal aid low-income students received.

Table 15. State Aid Distribution & Impact by Income Group, Two-Year Institutions (2019-20)

Income Group	Sum of State Gift Aid	Average Award	Average Net Price	Average Unmet Need
Low	\$29,070,913	\$723	\$8,152	\$7,762
Middle	\$14,837,445	\$909	\$10,693	\$5,504
High	\$863,879	\$404	\$13,044	\$2,436
All	\$44,772,237	\$763	\$9,038	\$6,939

Source: SCHEV analysis of Financial Aid file

Net prices and unmet needs also vary by institution. This reflects institutions' various cost of attendance, student demographics, as well as institutions' ability to provide discounts or their own grants. At every public institution in Virginia, low-income students have a lower

net price than other income groups. This reflects need-based aid targeting low-income students and reducing their net price.

Table 16. Average Net Price by Income Group, 2019-20

Institution	Low-Income	Middle-Income	High-Income
Christopher Newport University	\$13,716	\$20,708	\$27,522
College of William and Mary	\$5,372	\$13,137	\$26,099
George Mason University	\$16,003	\$20,257	\$24,352
James Madison University	\$13,161	\$19,664	\$24,602
Longwood University	\$14,438	\$20,525	\$24,917
Norfolk State University	\$12,545	\$15,790	\$19,466
Old Dominion University	\$14,857	\$18,721	\$22,580
Radford University	\$12,506	\$17,440	\$21,347
University of Mary Washington	\$13,781	\$19,479	\$23,191
University of Virginia	\$12,384	\$16,867	\$25,287
UVA-Wise	\$7,542	\$10,158	\$13,954
Virginia Commonwealth University	\$14,851	\$20,413	\$25,384
Virginia Military Institute	\$9,039	\$13,810	\$19,923
Virginia State University	\$9,642	\$13,666	\$16,835
Virginia Tech	\$13,171	\$19,718	\$23,583
Four-year	\$13,820	\$18,894	\$24,151
Richard Bland College	\$7,871	\$10,451	\$11,624
VCCS	\$8,156	\$10,696	\$13,071
Two-year Total	\$8,152	\$10,693	\$13,044

Source: SCHEV analysis of Financial Aid file

At all institutions except for the College of William & Mary, low-income students have a higher unmet need than middle-income students. This is due to the fact that low-income students do not bring in significant levels of EFCs, the factor that distinguishes net price from unmet need. As noted above, low-income students attending four-year institutions have an average EFC of \$663 while students attending two-year institutions have an average EFC of \$392. Furthermore, as noted above in the Average Financial Aid by Source table, the College

of William & Mary dedicates an average of \$15,614 in institutional aid to its students in need, compared to a sector average of \$2,639, thus pushing down their students' unmet need.

Table 17. Average Unmet Need by Income Group, 2019-20

Institution	Low-Income	Middle-Income	High-Income
Christopher Newport University	\$12,857	\$12,322	\$7,347
College of William and Mary	\$4,373	\$4,742	\$4,210
George Mason University	\$15,354	\$12,840	\$6,474
James Madison University	\$12,495	\$11,865	\$6,956
Longwood University	\$13,883	\$12,842	\$6,641
Norfolk State University	\$12,260	\$10,402	\$4,759
Old Dominion University	\$14,410	\$12,313	\$6,183
Radford University	\$12,101	\$10,968	\$5,791
University of Mary Washington	\$12,887	\$11,224	\$5,718
University of Virginia	\$9,933	\$6,865	\$5,115
UVA-Wise	\$7,194	\$3,969	\$1,789
Virginia Commonwealth University	\$14,373	\$13,833	\$8,103
Virginia Military Institute	\$7,990	\$5,263	\$3,773
Virginia State University	\$9,344	\$7,471	\$3,707
Virginia Tech	\$12,196	\$11,274	\$6,153
Four-year Total	\$13,175	\$11,550	\$6,445
Richard Bland College	\$7,576	\$4,926	\$1,490
VCCS	\$7,764	\$5,510	\$2,454
Two-year Total	\$7,762	\$5,504	\$2,436

Source: SCHEV analysis of Financial Aid file

Loans

Student debt can be a valid strategy to access higher education when other financial resources are exhausted. For many students, loans are the only way to achieve their goals of a college education. Whether debt is a good financial choice depends on the level of debt taken out, the potential earnings the student can expect and perhaps most importantly, whether the student completes their degree.

The factors affecting both whether to borrow and the amount to borrow differ among students. Low-income students will borrow to cover gaps in their educational costs but they may also deem student loans as a necessary part of the household income. Meanwhile, high income borrowing could be largely a financial strategy to avoid impacting a financial portfolio. In addition, while many students use student loans only when needed, they rarely borrow only what is needed. Very often, once the decision has been made to borrow, students will either borrow to their maximum federal eligibility or at least round up what they need. Consequently, student debt is an imprecise measure of the direct correlation of the cost of education and the family's financial resources.

Student debt levels can be misleading. Increasing debt levels and extreme outliers receive much of the national attention; however, studies indicate that the [highest loan default rates occur among the lowest borrowing levels](#). Low levels of student debt could be associated with students not completing their degree, while higher debt levels could be associated with degree completion. So, while high levels of debt remain a concern, especially among students from low-income families, degree completion remains a more important indicator of affordability and whether a loan is manageable.

There are multiple methods to measure student debt. Some reports aggregate all known student debt at graduation, while others measure debt taken out in a single year. While federal student loans make up the majority of borrowing, students also borrow from private banks and other financial institutions or secure informal loans from friends and family.

While there is much interest in how student loan debt increases over time, there are multiple reasons a borrower may owe more five to 10 years after their last enrollment. Negatively, this may occur for those who find their loans unmanageable and so skipped payments or defaulted. This will result in being assessed penalties and fees, further exacerbating their dilemma. Use of loan protections such as deferment or forbearance also can result in continued accumulation of interest charges, causing the outstanding balance to continue to rise. Loan balances can climb for good reasons as borrowers take advantage of income-based repayment plans that are not designed to pay off the loan quickly, rather to make the monthly loan payment fit within the borrower's current monthly income. In these cases, often the outstanding loan balance is forgiven after 20-25 years of making consistent payments. So, while the loan balance may rise, these plans actually make the loan more affordable to the borrower.

The table below measures student debt taken out for the 2019-20 school year, by FAFSA completers attending four-year institutions. These students borrowed a total of \$569 million. Note this is considerably less than the \$863 million in total unmet need for this school year, meaning that students are not borrowing the full amount of their unmet need. This could be due to students lowering their cost of attendance (students choosing lower cost housing for instance), finding grant aid not reported by the institutions, contributing beyond the federally calculated EFC, or reaching their borrowing limits.

Middle-income students are the most likely to borrow, at 71%. However, high-income students borrowed the highest average amount. The denominator for these rates comes from the table of student enrollment by income group, which, for the “All” category, included students who did not complete a FAFSA.

Table 18. Student Loans by Income Group, Four-Year Institutions (2019-20)

	Low-Income	Middle-Income	High-Income	All
% Borrowing	63%	71%	47%	40%
Average Loan (<\$0)	\$8,148	\$10,249	\$13,220	\$10,074
Sum of Loans (Annual)	\$192,944,492	\$198,726,294	\$177,366,201	\$569,036,986

Source: SCHEV analysis of Financial Aid file

Source for denominator of % borrowing:

https://research.schev.edu/rdPage.aspx?rdReport=Enrollment.E58_Income_Categories

While students attending two-year institutions are less likely to borrow, it is still noteworthy that these students borrowed \$66 million in 2019-20. Again these students were not able to benefit from the G3 program which may have pushed down these borrowing rates.

Table 19. Student Loans by Income Group, Two-Year Institutions (2019-20)

	Low-Income	Middle-Income	High-Income	All
% Borrowing	15%	41%	27%	9%
Average Loan (<\$0)	\$5,560	\$4,564	\$4,822	\$5,056
Sum of Loans (Annual)	\$34,263,579	\$26,069,672	\$6,162,046	\$66,495,297

Source: SCHEV analysis of Financial Aid file

As noted above, we can also look at debt upon graduation. In some ways this is helpful because it allows us to better understand the total amount of debt students accumulate on the way to earning their degree. A downside, however, is that it excludes students who do not graduate but still take on debt, which research suggests are the borrowers most likely to default. As seen in the table below, the rate of students borrowing has increased 15% in the last decade. The median debt also has increased 29% during the same time period (not adjusted for inflation). Also of importance is that, while the percentage of students borrowing climbed early in the prior decade, it has moderated and even declined over the last several reporting years.

Table 20. Known Debt at Graduation of Student Borrowers

Year	# Borrowers	% of grads	25th Percentile	Median	Mean	75th Percentile
2009-10	22,822	53%	\$13,109	\$20,680	\$23,557	\$29,201
2010-11	26,578	59%	\$14,928	\$23,000	\$25,250	\$31,250
2011-12	29,571	61%	\$15,459	\$25,000	\$26,408	\$32,713
2012-13	31,071	62%	\$16,749	\$26,250	\$27,586	\$34,000
2013-14	31,898	63%	\$17,867	\$26,792	\$28,324	\$35,000
2014-15	32,834	63%	\$18,250	\$26,974	\$29,267	\$36,500
2015-16	33,746	62%	\$18,342	\$26,929	\$29,822	\$37,332
2016-17	33,608	62%	\$17,690	\$26,720	\$29,974	\$37,393
2017-18	33,985	62%	\$17,740	\$26,720	\$30,014	\$37,104
2018-19	34,201	61%	\$17,500	\$26,716	\$30,237	\$37,000

Source: https://research.schev.edu/studentdebt/DebtProfile_SL021.asp

VIRGINIA COMPARED TO NATIONAL RANKINGS

Comparing Virginia to other states can be a useful way to add context to Virginia's financial aid landscape. This also presents challenges however, as not every state measures and defines financial aid the same way. Some states provide financial aid for out-of-state students or students attending private institutions. Additionally, some states put more funding into lowering the tuition rate, which reduces the need for financial aid. This section examines how Virginia compares to other states' financial aid funding and applications for financial aid.

National Association of State Student Grant and Aid Programs (NASSGAP)

The [National Association of State Student Grant and Aid Programs](#) (NASSGAP) conducts a survey of state-funded expenditures for postsecondary student financial aid. According to their 2018-19 report, Virginia ranks:

- 4th in total need-based grant aid dollars awarded (Table 3). The three states above Virginia are California, Texas, and New York, states with much larger student populations.
- 4th in grant dollars per capita (Table 11).
- 5th in Need-Based Undergraduate Grant dollars per undergraduate FTE (Table 12).

State Higher Education Executive Officers (SHEEO)

According to the State Higher Education Executive Officers' [State Higher Education Finance](#) (SHEF) report, which counts financial aid to public institutions only, Virginia's \$273 million in appropriations to financial aid in FY 2020 rank the Commonwealth 11th of all states. As a percentage of total higher education appropriations, Virginia's 13.7% is above the national average of 9.6%.

Virginia's \$904 in financial aid per public FTE ranks Virginia 17th in the nation and above the national average of \$830. As noted above, these figures do not include financial aid for students attending private institutions, called the Tuition Assistance Grant (TAG). In FY 2021, the General Assembly funded TAG at \$79.6 million. Virginia funds other financial aid programs, such as \$13.5 million for the Workforce Credential Grant Program and \$3.9 million for the Two-Year College Transfer Grant Program. Neither of these programs are reported in the SHEF report.

Table 21. Public Higher Education State Financial Aid Per FTE and as a Percent of Education Appropriations

State	State Public Financial Aid	Public Financial Aid as a % of Education Appropriations	Public Financial Aid Per FTE
Alabama	\$94,479,640	6.7%	\$459
Alaska	\$12,931,704	4.4%	\$859
Arizona	\$11,312,000	0.7%	\$36
Arkansas	\$103,955,093	12.6%	\$935
California	\$1,566,992,516	8.5%	\$975
Colorado	\$209,397,840	20.4%	\$1,140
Connecticut	\$28,515,461	2.4%	\$350
Delaware	\$15,675,200	6.4%	\$441
Florida	\$840,733,510	17.4%	\$1,333
Georgia	\$723,260,895	21.5%	\$2,017
Hawaii	\$5,529,000	0.8%	\$159
Idaho	\$22,690,754	4.5%	\$411
Illinois	\$260,669,014	5.2%	\$835
Indiana	\$260,089,516	17.5%	\$1,061
Iowa	\$24,664,462	3.2%	\$206
Kansas	\$14,895,996	1.6%	\$115
Kentucky	\$168,827,200	18.0%	\$1,196
Louisiana	\$306,275,730	33.0%	\$1,851
Maine	\$13,443,459	4.7%	\$395
Maryland	\$100,955,005	4.5%	\$456
Massachusetts	\$72,689,179	4.4%	\$463
Michigan	\$5,249,725	0.2%	\$15
Minnesota	\$132,479,513	9.7%	\$734
Mississippi	\$40,667,341	5.6%	\$320
Missouri	\$103,215,127	8.6%	\$632
Montana	\$2,383,406	1.0%	\$68
Nebraska	\$17,260,972	2.3%	\$234
Nevada	\$102,984,690	15.3%	\$1,427
New Hampshire	\$3,511,325	2.1%	\$101
New Jersey	\$385,856,461	17.1%	\$1,475
New Mexico	\$17,001,400	1.8%	\$238
New York	\$714,306,324	11.2%	\$1,362
North Carolina	\$142,265,498	3.8%	\$353
North Dakota	\$17,146,332	6.0%	\$525
Ohio	\$105,073,500	4.8%	\$273
Oklahoma	\$102,319,821	14.6%	\$810
Oregon	\$90,593,205	8.2%	\$657

Financial Aid at Public Institutions of Higher Education in Virginia

Pennsylvania	\$234,310,969	13.4%	\$727
Rhode Island	\$7,570,919	3.2%	\$252
South Carolina	\$364,453,075	34.3%	\$2,164
South Dakota	\$9,702,596	4.3%	\$304
Tennessee	\$434,886,060	24.9%	\$2,328
Texas	\$294,176,491	3.7%	\$275
Utah	\$29,820,914	2.8%	\$233
Vermont	\$9,596,752	12.3%	\$467
Virginia	\$272,673,568	13.7%	\$904
Washington	\$343,255,497	16.6%	\$1,489
West Virginia	\$94,211,900	25.3%	\$1,440
Wisconsin	\$116,260,367	7.1%	\$563
Wyoming	\$27,298,876	6.3%	\$1,261
U.S.	\$9,078,515,798	9.6%	\$830

SHEEO State Higher Education Finance (SHEF)

Figure 2.5 Public Higher Education State Financial Aid Per FTE and as a Percent of Education Appropriations by Fiscal Year.

1. Education appropriations are a measure of state and local support available for public higher education operating expenses and student financial aid, excluding appropriations for research, hospitals, and medical education. Education appropriations include federal stimulus funding
2. State public financial aid is any state appropriated student financial aid for public institutions, excluding loans and aid for students attending medical schools. For many states, state public financial aid includes aid both for tuition costs and living expenses.

Free Application for Federal Student Aid (FAFSA) Completions

Completing the Free Application for Federal Student Aid (FAFSA) is essential to access federal grants and loans, and in the case of Virginia, state aid and often institutional aid. Therefore high FAFSA completion is the first step to a sound state financial aid system.

Compared to the rest of the nation, Virginia has middling rates of FAFSA completion. Last [school year, 2020-21](#), just over 60% of high school seniors completed the FAFSA, ranking Virginia 24th in the nation. The COVID-19 pandemic and shift to virtual instruction challenged school counselors and college access organizations to help their students explore college options, apply for financial aid and choose a path after high school. But even with all of the challenges, Virginia's FAFSA completions declined only slightly from the [previous year](#) (2018-19), when Virginia also ranked 24th in the nation in FAFSA completions.

RELATIONSHIP BETWEEN NEED & STUDENT SUCCESS

Graduation Rates by Income & Unmet Need

While there are many factors impacting a students’ path to earning a postsecondary award, we know that graduation rates are directly correlated with income. This is the result of several factors. Certainly, a degree of financial strength is needed to enroll, persist and complete higher education, but also financial strength is indicative of other factors. Higher EFCs can be associated with students having a stronger academic preparation, availability of academic assistance, the encouragement and example of other family members with a college degree, a greater degree of financial resources and flexibility, and a firmer sense that a degree will increase the student’s quality of life. All of these factors assist students in the process of completing a four-year degree and weathering the inevitable financial, health and emotional obstacles that occur over any four-year period. The Commonwealth and institutions can mitigate the disparities for lower income students through increased financial aid but also through enhanced student services, tutoring and emergency assistance programs.

The table below shows the six-year graduation rate at public four-year institutions. Low-income students have the lowest graduation rate, with rates increasing with subsequent income groups.

Table 22. Graduation Rates by Income Group

Academic Year	All First-Time in College	Low- Income	Middle- Income	High- Income	Income Not Reported
2011-12	70.2%	57.8%	68.3%	77.2%	74.7%

https://research.schev.edu/gradrates/CHL_EconTrendsHeac.asp

As this report explores, students have various methods to help pay for college. But even after accounting for grant aid and a family’s financial resources, low-income students tend to have higher levels of unmet need. And as the table below demonstrates, the higher a students’ unmet need, the less chance they have of graduating. A previous SCHEV study found that a \$2,000 decrease in unmet need correlates to approximately a three-percentage point increase in graduation rates.

Financial Aid at Public Institutions of Higher Education in Virginia

Table 23. Six-Year Graduation Rates by Unmet Need, Four-Year Institutions

Year	Zero Unmet Need	\$1 and \$500	\$501 and \$2000	\$2,001 and \$5,000	Greater than \$5,000
2011-12	77.4%	79.5%	73.7%	68.5%	62.0%

https://research.schev.edu/gradrates/CHL_Trends_FAGAP.asp

METHODOLOGY

To prepare this report, SCHEV staff created an extract of student-level data from the annual Financial Aid [data collection](#). This collection only includes students who completed the FAFSA. To isolate students eligible for financial aid, this extract only selected students who demonstrated need and were enrolled at least part-time for the fall, spring or summer semester. The file also attempts to be more precise with the students' costs, by adjusting their cost of attendance based on the students' dependency and residency status. Therefore it is not feasible to compare some statistics in this report with what is published on research.schev.edu.

Moreover, the calculations in this report differ from the methodology SCHEV uses in its budget recommendations. In those calculations, SCHEV projects costs students might expect to be charged over the next two years, as SCHEV makes budget recommendations for the biennium. These projections largely stem from the six-year plans institutions submit. Rather than calculate the average unmet need students should expect at each institution, those calculations start with a sector average cost of attendance instead of the projected cost at the institution. This keeps an institution from having its average unmet need rise when tuition is increased. Average unmet need is further manipulated by not allowing it to exceed tuition and fees, reflecting state policy that state financial aid can only be used for direct costs.