

# Student Parents and Financial Aid

By Mark Huelsman and Jennifer Engle, Institute for Higher Education Policy

## Working Paper

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# STUDENT PARENTS AND FINANCIAL AID:

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*By Mark Huelsman and Jennifer Engle, Institute for Higher Education Policy*

Student parents face many challenges to accessing, persisting, and completing postsecondary education. While some of these challenges are unique to student parents – such as finding quality child care during class and work hours and juggling studying and academic assignments with parenting duties – others are typical of low-income and underserved populations more generally, who face financial difficulties and the need to work to cover college expenses. These factors influence student parents’ decisions about the type of institution they attend, as well as whether they attend full- or part-time. College choice and enrollment status may also affect the persistence and graduation rates of student parents, and reduce their ability to receive federal, state, and institutional financial aid.

The federal government, in particular, has a range of financial aid resources to offer students, though the sheer number of options in addition to the complexity in eligibility and delivery of awards may make it difficult for student parents to understand and take advantage of the options available to them. This brief aims to explain the circumstances of student parents – particularly vis-à-vis the financial aid system – as well as detail major federal programs that could impact student parents’ college-going experience. Given that this population makes up around 1 in 4 students in higher education, it is important that these programs are better understood, utilized, and improved upon where needed.

## **Part I: Who are Student Parents and How Do They Pay for College?**

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### ***Student Parents Make Up a Sizeable and Unique Portion of the Student Population***<sup>1</sup>

Students with dependents are a substantial portion of the undergraduate population in the United States, making up over a quarter (25.4 percent) of all undergraduates in the 2007-2008 school year, and over half (54 percent) of all independent students.<sup>2</sup> Furthermore, *single* student parents – defined as students with dependents who are either unmarried or separated – constitute 13.4 percent of the overall undergraduate population. More than half of student parents (52.6 percent) are single.

Table 1 displays key characteristics of student parents relative to the total undergraduate population. Over two-thirds (68.8 percent) of all student parents are female, a higher proportion than among all undergraduates (56.9 percent). Student parents are typically older than college students at large. Nearly 85 percent of student parents are 24 or older, compared to just over 40 percent of all undergraduates.

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<sup>1</sup> Percentages in this brief are drawn from the author’s analysis of the 2008 National Postsecondary Student Aid Survey. “Student Parents” are identified as students whose dependents received more than half of their support from the student during the school year. By definition, this qualifies student parents as “independent” students for purposes of federal financial aid. Where possible, student parents have been disaggregated by marital status, with “separated” parents being categorized as “unmarried.” Additionally, many of these analyses are limited to students who attended only one institution – either full- or part-time – in 2007-2008.

<sup>2</sup> Independent students made up 47% of the total student population in 2008. There are several ways that students qualify as independent, one of which is having dependents who receive more than half of their support from the student for the ensuing school year.

Student parents – particularly single student parents – are also more likely than their peers to come from underrepresented minority backgrounds.

**Table 1. Characteristics of Student Parents**

	Gender		Race/Ethnicity					Age			
	Male	Female	White	Black or African American	Hispanic or Latino	Asian	Other	Under 24	24-29	30-39	40 or older
<b>Total</b>	43.1%	56.9%	61.8%	14%	14.1%	5.9%	4.2%	59.7%	17.3%	12.6%	10.5%
Dependent Students	47.2%	52.8%	65.8%	10.3%	13.5%	6.3%	4.1%	100%	N/A%	N/A	N/A
Independent Non-Parent Students	46.9%	53.1%	61.5%	13.7%	13.9%	6.5%	4.3%	12.8%	49.9%	19%	18.3%
<b>All Student Parents</b>	31.2%	68.8%	53.5%	21.9%	15.7%	4.5%	4.4%	15.6%	25.6%	33.2%	25.6%
Single Student Parents	26.5%	73.5%	44.6%	29.5%	17.2%	3.9%	4.8%	23.2%	28.1%	29.4%	19.3%

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

**Student Parents More Likely to Be Financially Disadvantaged**

Table 2 displays the financial characteristics of student parents. Student parents are more likely to be low-income than their peers. Over half (57.3 percent) of all student parents are low-income (defined as 200 percent of the federal poverty level or below), and over three-quarters (76.3 percent) of all single student parents are low-income. Student parents are over *twice* as likely to be low-income and single student parents are nearly *three times* as likely to be low-income than non-parent dependent students. Further, compared to dependent students, single student parents in particular are *three times* as likely to report no income. Median parental income for dependent students was over \$66,000 in 2007-2008, while income for single student parents was less than \$18,000.

Reflecting their financial situation, 61.4 percent of student parents work full-time – 30 hours a week or more – while in school, compared to 27 percent of dependent students. In addition, student parents spend a substantial amount of time not only caring for their children and dependents, but finding and arranging for child care during class and study time as well. Over two-thirds (68 percent) of married parents and over half (56 percent) of single parents spend 30 or more hours a week on dependent care.<sup>3</sup>

**Table 2. Financial Characteristics of Student Parents**

<sup>3</sup> Miller, Kevin, Barbara Gault, and Abby Thorman. *Improving Child Care Access to Promote Postsecondary Success among Low-Income Parents*. (Washington, DC: Institute for Women’s Policy Research, March 2011).

	<b>Total Income</b>	<b>200% Poverty Level or Below</b>	<b>Percent Working Full Time (30 Hours+)</b>
<b>Total</b>	\$43,568	39.8	42.8
Dependent Students	\$66,621	27.2	27.3
Independent Non-Parent Students	\$20,786	50	59
<b>All Student Parents</b>	<b>\$30,704</b>	<b>57.3</b>	<b>61.4</b>
Single Student Parents	\$17,996	76.3	58.9

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

### **Student Parents Attend College in Ways that May Reduce Chances of Success**

Likely due to their family obligations and financial circumstances, student parents also face challenges to enrolling full-time, or maintaining at least half-time enrollment throughout the school year which can affect the amount of financial aid available to them. Table 3 displays attendance patterns for student parents. In fact, student parents are half as likely to be enrolled full-time as dependent students. Nearly two-thirds (65.8 percent) of student parents enroll part-time, compared to 30 percent of dependent students. Additionally, 29 percent of student parents have enrolled less than half-time (often defined as taking fewer than two courses) for at least one month out of the school year. The latter is significant, as less than half-time enrollment in particular can reduce the amount of financial aid for which a student is eligible.

**Table 3. Attendance Patterns for Student Parents**

	Attendance pattern						Months enrolled less than half time	
	Full-Time, Full Year	Full-Time, Part Year	Total Full-Time	Part-Time, Full Year	Part-Time, Part Year	Total Part-Time	None	1 or More
<b>Total</b>	<b>39.3</b>	<b>14</b>	<b>53.3</b>	<b>22.1</b>	<b>24.6</b>	<b>46.7</b>	<b>80.5</b>	<b>19.5</b>
Dependent Students	56.2	13.8	70	16.5	13.5	30	89.2	10.8
Independent Non-Parent Students	20.7	14.3	35	28	37.1	65.1	70.4	29.6
<b>All Student Parents</b>	<b>19.8</b>	<b>14.4</b>	<b>34.2</b>	<b>28.6</b>	<b>37.2</b>	<b>65.8</b>	<b>71</b>	<b>29</b>
Single Student Parents	22.9	16.5	39.4	26.7	34	60.7	76.6	23.4

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

Part-time students are less likely to complete a degree once enrolled and more likely to withdraw from college altogether,<sup>4</sup> and student parents who attend part-time are even less likely to complete. Table 4 displays the persistence and attainment rates of student parents who began college in the 2003-2004 school year. Among those attending school full-time, over half (55.2 percent) of dependent students attained a bachelor's degree within six years, compared to only 5.2 percent of student parents. One of every two student parents (50.5 percent) attending full-time left school without returning, while less than a quarter of dependent students left without returning (23.8 percent). Only three percent of student parents who ever attended part-time attained a bachelor's degree. However, a slightly higher percentage of student parents who attended part-time attained an associate's degree than student parents who always attended full-time (9.6 percent to 8.1 percent, respectively). Perhaps unsurprisingly, student parents are more likely than non-parents to say that financial difficulties are likely to result in dropping out of school.<sup>5</sup>

**Table 4. Cumulative 6-Year Persistence and Attainment Rates At Any Institution For Students Beginning in 2003–2004<sup>6</sup>**

	Attained Bachelor's Degree	Attained Associate's Degree	Attained Certificate	No Degree, Still Enrolled	No Degree, Left Without Return
<b>Full-Time Students</b>					
<b>Total</b>	44.9	8	9.8	7.6	29.7
Dependent Students	55.2	7.7	5.6	7.7	23.8
Independent Non-Parent Students	10.5	11.6	19.4	5.2	53.2
<b>All Student Parents</b>	5.2	8.1	27.6	8.7	50.5
Single Student Parents	5.3	6.7	24.1	10	53.9
<b>Part-Time Students</b>					
<b>Total</b>	16.7	10.7	9.1	22.3	41.2
Dependent	23.2	11.2	6.5	23.8	35.3
Independent Non-Parent Students	7.8	10	12.5	19.5	50.1
<b>All Student Parents</b>	3.2	9.6	14.6	19.7	52.9
Single Student Parents	1.4!	5.9	12.4	24.3	56

Source: U.S. Department of Education, National Center for Education Statistics, 2003-04 Beginning Postsecondary Students Longitudinal Study, Second Follow-up (BPS:04/09). (! = Interpret Data with

<sup>4</sup> National Center for Education Statistics, *Persistence and Attainment of 2003–04 Beginning Postsecondary Students: After 6 Years, First Look* (NCES 2011-151), (Washington, DC: Institute of Education Sciences, 2010).

<<http://nces.ed.gov/pubs2011/2011151.pdf>>

<sup>5</sup> Miller, Kevin, Barbara Gault, and Abby Thorman. *Improving Child Care Access to Promote Postsecondary Success among Low-Income Parents*. (Washington, DC: Institute for Women's Policy Research, March 2011).

<sup>6</sup> Part-Time Students include students who attended school part-time for at least 1 month between 2003-2004 and 2009.

*caution. Standard Error represents over 30% of the estimate)*

Not only do family and financial pressures likely affect *how* student parents attend college, they also impact *where* student parents attend, which also affects their chances of success. Over half (50.6 percent) of all student parents attend public 2-year institutions, while 17.5 percent of student parents attend private for-profit institutions (Table 5). Table 6 also shows the representation of student parents at different types of institutions. Student parents are notably overrepresented at for-profit schools: While making up 25.4 percent of the total undergraduate population, student parents represent nearly half (49.4 percent) of the student enrollment at for-profit institutions. Student parents are overrepresented in the public 2-year sector as well.

**Table 5. Institution Types Attended by Student Parents**

	Public 4-year	Private Not-for-Profit 4-year	Public 2-Year	Private for-Profit	Others or Attended More than One School
<b>Total</b>	29.2	13	40	9	8.8
Dependent Students	38.2	16.3	32.3	4	9.2
Independent Non-Parent Students	24.3	9.5	46.3	11.1	8.8
<b>All Student Parents</b>	14.9	9.1	50.6	17.5	7.9
Single Student Parents	13.9	7.8	49.1	21.2	7.9

*Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).*

**Table 6. Distribution of Student Parents Within Institution Sector**

	Dependent Students	Independent Non-Parents	Student Parents
<b>Total</b>	53	21.6	25.4
Public 4-year	69.1	18	13
Private not-for-profit 4-year	66.4	15.9	17.7
Public 2-year	42.8	25.1	32.2
Private for-profit	23.8	26.7	49.4
Others or attended more than one school	55.5	21.6	22.8

*Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08)*

While there is wide variance in the success of these types of institutions, students who attend community colleges and for-profit schools are less likely to graduate than students who attend four-year public and private non-profit institutions. Nationally, around 30 percent of students who begin at four-year for-profit institutions, and 26 percent of students who begin at 2-year public schools, graduate with either an associate's or bachelor's degree within six years, compared to 63 percent of students who

begin at public four-year schools and 68 percent of students who begin at private four-year schools.<sup>7</sup> And student parents, as noted above, are less likely to persist and complete a degree than other students regardless of institution type.<sup>8</sup>

### ***Student Parents Attend Lower-Cost Institutions, but Demonstrate Substantial Financial Need***

Due largely to the attendance patterns noted above, student parents are more likely to attend lower-cost institutions than non-parents. In 2012-2013, the average cost of attendance (including tuition, fees, and room and board) at public-four year institutions was \$17,860, and \$39,510 at four-year private non-profit institutions. For-profit institutions charged on average \$15,172, while public two-year schools cost \$10,550.<sup>9</sup>

While cost of attendance may affect the choices of student parents in selecting institutions, the net price that students pay after various sources of financial aid is a better measure of college affordability, particularly relative to the students' financial circumstances. For example, a student who has a cost of attendance that exceeds \$20,000 but receives enough grant aid to attend for free is in a better financial circumstance than a student who attends a lower-cost institution but receives little or no grant aid.

### ***Student Parents' Federal Financial Aid Eligibility***

In order to be eligible for financial aid, both federal and state, students must first apply. Over half of student parents (57.4 percent) and two-thirds (66.4 percent) of single student parents applied for financial aid—a comparable percentage to non-parent groups. In fact, single student parents are more likely to apply for federal aid than all other student groups. However, given the income profile of student parents, it is concerning that nearly half of all student parents, and nearly one-third of single student parents, do not apply for aid at all. Full-time student parents (81.9 percent) are more likely to apply for aid than part-time student parents (44.7 percent). But, given the proportion of student parents who attend part-time and the impact of part-time enrollment on completion outcomes, it is important to counsel part-time students to apply for aid so that they may receive enough funds to attend full-time.

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<sup>7</sup> National Center for Education Statistics, *Persistence and Attainment of 2003–04 Beginning Postsecondary Students: After 6 Years, First Look* (NCES 2011-151), (Washington, DC: Institute of Education Sciences, 2010).

<<http://nces.ed.gov/pubs2011/2011151.pdf>>

<sup>8</sup> Providing completion rates by institution type and enrollment intensity using BPS was not feasible given the unreliability of the estimates based on small sample sizes.

<sup>9</sup> College Board, *Trends in College Pricing 2012*, (Washington, DC: The College Board, 2012).

<[http://advocacy.collegeboard.org/sites/default/files/college-pricing-2012-full-report\\_0.pdf](http://advocacy.collegeboard.org/sites/default/files/college-pricing-2012-full-report_0.pdf)> This variable does not include personal expenses such as transportation and child care – meaning that the total cost needed to be covered by student parents in order to attend college is likely higher.

**Table 7. Which Students Applied for Federal Aid?**

	No	Yes
<b>Total</b>	<b>41.8</b>	<b>58.2</b>
Dependent Students	39	61
Independent Non-Parent Students	47.6	52.4
<b>All Student Parents</b>	<b>42.6</b>	<b>57.4</b>
Single Student Parents	33.6	66.4

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

When students do apply for federal financial aid, they are given an Expected Family Contribution (EFC)<sup>10</sup>, a number that signifies a student's ability to afford higher education. Not surprisingly, a larger percentage of student parents (39.7 percent) have an EFC of \$0, indicating substantial financial need. Further, over half (59.7 percent) of single student parents have an EFC of \$0. Additionally, in 2007-2008, the EFC eligibility threshold for receiving any Pell Grant was \$4,110.<sup>11</sup> Table 8 shows that 65.5 percent of all student parents, and 84.1 percent of single student parents were potentially eligible for a Pell Grant in 2007-2008 based on their EFC.

**Table 8. Expected Family Contribution**

	\$0	\$1-\$4,110	\$4,111 - \$18,599	\$18,600 or more
<b>Total</b>	<b>24.6</b>	<b>21.6</b>	<b>35</b>	<b>18.8</b>
Dependent	15.1	16.9	40.1	27.8
Independent Non-Parents	30.1	28	34.7	7.2
<b>All Student Parents</b>	<b>39.7</b>	<b>25.8</b>	<b>24.7</b>	<b>9.9</b>
Single Student Parents	59.7	24.4	13	2.9

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

### Student Parents' Cost of Attendance<sup>12</sup>

Examining students' cost of attendance minus the EFC allows us to better understand the need that students have for financial aid. Table 9 displays the net cost of attendance after EFC has been calculated. It shows that, despite the fact that student parents are more likely to attend lower-cost institutions,

<sup>10</sup> The EFC numbers related here were estimated by the National Postsecondary Student Aid Survey, which was gleaned from the 2007-2008 Pell grant record in the National Student Loan Data System (NSLDS) files. If not available, the primary EFC from the 2007-2008 Free Application for Federal Student Aid (CPS record) was used. If both were not available, the EFC reported by the NPSAS institution was used. If not available from any of these sources, EFC was imputed by regression using dependency, family size, income, and number in college. EFC is nearly always imputed for students who received no federal aid

<sup>11</sup> Federal Student Aid, "Central Processing System (CPS) Changes Necessary for Implementing the 2008-2009 Federal Pell Grant Maximum Award." (Washington, DC: U.S. Department of Education, 2007).

<<http://ifap.ed.gov/eannouncements/122707FOTWMessPellEligibility.html>>

<sup>12</sup> The numbers in Tables 10-17, and the corresponding narrative, are limited to students who attended for a full-year at one institution during the 2007-2008 school year.

higher percentages of both full- and part-time student parents demonstrate financial need than dependent students, and student parents exhibit more need on average than their counterparts. More than 97 percent of all full-time student parents and 77 percent of all part-time student parents demonstrate financial need. Single student parents demonstrate the highest average amounts of financial need regardless of enrollment status.

**Table 9. Student Need for Financial Aid (Student Budget Minus EFC)**

	Percent with Financial Need	Average Financial Need (\$)
<b>Full-Time Students</b>		
<b>Total</b>	79.7	14,930
Dependent Students	74.1	13,288
Independent Non-Parent Students	97.1	17,262
<b>All Student Parents</b>	97.7	19,296
Single Student Parents	99.5	19,949
<b>Part-Time Students</b>		
<b>Total</b>	70.3	7,175
Dependent Students	58.5	6,310
Independent Non-Parent Students	78.8	7,024
<b>All Student Parents</b>	77.3	7,871
Single Student Parents	90.3	8,693

*Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).*

***How Much Financial Aid Do Student Parents Receive to Defray the Cost of Attending College?***

*Pell Grants*

Student parents are more likely to receive the Pell Grant than non-parent groups. Over two-thirds (68.2 percent) of all student parents who attended full-time received a Pell award in 2007-2008, and over three-fourths of single student parents did (77.6 percent). Table 10 also shows that full-time student parents were also over twice as likely to receive the maximum Pell Grant than full-time students overall (\$4,310 in the 2007-2008 school year). This is consistent with both the income and EFC observations, given that the Pell Grant is targeted at the neediest students.

**Table 10. Federal Pell Grants**

	Percent Receiving Pell Grants	Average Pell Grant Award	Percent Receiving Maximum Pell Grant
<b>Full-Time Students</b>			
<b>Total</b>	33	4,060	14.6
Dependent Students	24.8	3,860	9.8
Independent Non-Parent Students	47.2	4,260	23.5
<b>All Student Parents</b>	68.2	4,309	35.1
Single Student Parents	77.6	4,309	44.1
<b>Part-Time Students</b>			
<b>Total</b>	28.5	2,155	0.3
Dependent Students	21.9	2,240	0.3
Independent Non-Parent Students	23	1,977	0.4
<b>All Student Parents</b>	40.7	2,155	0.3
Single Student Parents	54.5	2,260	0.4!

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08). (! = Interpret Data with caution. Standard Error represents over 30% of the estimate)

#### *State and Institutional Aid<sup>13</sup>*

In addition to the federal aid programs, a wide variety of state and institutional grant programs also exist to lower the net cost of attendance for students. On the state level, student parents are about as likely to receive grants as non-parents, though non-parent students tend to receive higher average state aid awards than student parents. Yet, dependent students are less likely to demonstrate financial need relative to independent students – including student parents. Therefore, this may be a signal that state grant aid is structured to serve more traditional college populations.

<sup>13</sup> While state and institutional aid primarily comes in the form of grants, there are examples of state and institutional loan programs as well.

**Table 11. State-Based Aid**

	<b>Percent Receiving State Aid</b>	<b>Average State Financial Aid Award</b>	<b>Percent Receiving State Need-Based Grants</b>	<b>Average State Need-Based Grant Award</b>
<b>Full-Time Students</b>				
<b>Total</b>	28.4	2,676	19.4	2,363
Dependent Students	29.5	2,827	19.5	2,623
Independent Non-Parents	24.1	2,470	18.2	2,092
<b>All Student Parents</b>	25.6	1,992	19.9	1,814
Single Student Parents	26.7	1,908	21.2	1,790
<b>Part-Time Students</b>				
<b>Total</b>	14.2	1,206	9.7	1,075
Dependent Students	15.2	1,435	9.3	1,270
Independent Non-Parents	10.9	1,193	7.6	1,102
<b>All Student Parents</b>	15.8	1,036	11.8	975
Single Student Parents	19.4	1,050	14.6	990

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

The same is true at the institutional level. Table 12 shows that considerably fewer student parents receive institutional aid, including merit-based or non-need-based<sup>14</sup> institutional aid which, as mentioned, is given to students who demonstrate high academic potential or previous academic success. Full-time student parents are less than half as likely to receive institutional aid as students overall, and only 6.1 percent of full-time student parents in 2007-2008 received institutional merit or non-need awards, compared to nearly a quarter (23.5 percent) of dependent students. Given that merit-based aid accounts for an increasing portion of institutional aid across the country, this aid source is likely to be increasingly unavailable for student parents.

<sup>14</sup> Non-need based aid could include awards such as athletic scholarships, legacy awards, or awards based on criteria other than financial need.

**Table 12. Institutional Financial Aid**

	Percent Receiving Institutional Financial Aid	Average Institutional Financial Aid Award	Percent Receiving Institutional Merit or Non-Need Grant	Average Institutional Merit or Non-Need Grant
<b>Full-Time Students</b>				
<b>Total</b>	34.7	4,300	19.7	4,704
Dependent Students	39.5	5,000	23.5	4,992
Independent Non-Parents	24.8	2,500	9.5	2,990
<b>All Student Parents</b>	15.4	1,342	6.1	1,579
Single Student Parents	16.1	1,307	5.8	1,683
<b>Part-Time Students</b>				
<b>Total</b>	14.4	646	4.1	1,479
Dependent Students	17	800	5.7	2,100
Independent Non-Parents	13.6	600	2.9	1,228
<b>All Student Parents</b>	11.9	592	3.3	771
Single Student Parents	12.8	550	2.5	954

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

Even when factoring in all forms of grant aid, which reduces the net price that students pay and unlike loans is not required to be repaid at any time, student parents still have large amounts of unmet need compared to their non-parent counterparts.<sup>15</sup> Nearly all (99.2 percent) full-time single student parents have unmet financial need after grant aid is taken into consideration, compared to 69.1 percent of dependent students (Table 13). The same trends are true for part-time students as well. Further, full-time student parents who do exhibit financial need have nearly twice the average amount of unmet need as their dependent counterparts (\$15,083 compared to \$8,310, respectively).

<sup>15</sup> Grant aid, in this analysis, includes need-based federal grants, including the Pell Grant, as well as need-based state or institutional aid, as well as institutional and state need and non-need scholarships.

**Table 13. Student Unmet Need After All Grant Aid**

	<b>Percent with Unmet Need after All Grant Aid</b>	<b>Average Unmet Need after All Grant Aid</b>
<b>Full-Time Students</b>		
<b>Total</b>	75.9	9,923
Dependent Students	69.1	8,310
Independent Non-Parent Students	96.6	13,246
<b>All Student Parents</b>	97.4	15,083
Single Student Parents	99.2	15,644
<b>Part-Time Students</b>		
<b>Total</b>	68.4	5,821.00
Dependent Students	56.2	4,869.00
Independent Non-Parent Students	77.2	6,107.00
<b>All Student Parents</b>	75.6	6,464.00
Single Student Parents	89.1	7,114.00

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

### *Student Loans*

Grant aid – from the federal government, states, and institutions – is only one type of financial aid that students receive. Students are also eligible for loans, which make up the greatest share of federal financial aid to college students,<sup>16</sup> as well as other forms of aid including work-study, veteran’s benefits, employer tuition reimbursements, and various state and institutional aid programs.

Student loans have become a larger part of financing college over time, and can help supplement grant aid (or lack thereof) that students receive. However, since student loans must eventually be paid back, they do not reduce the actual price students must pay to attend college. Given that student parents have higher rates of financial need – even after grant aid – than other students, it is unsurprising that they borrow at higher rates as well. Table 14 shows that nearly two-thirds (63 percent) of full-time student parents took out federal loans in 2007-2008, compared with 45.6 percent of full-time dependent students. Nearly a quarter (23.2 percent) of full-time student parents took out private loans to finance college – a slightly higher percentage than average – though the actual loan average amounts among borrowers were slightly less. Private loans offer less favorable terms and fewer protections than federal loans. While the average amount of loans taken out by student parents may be less than dependent students, it is concerning that a much more economically disadvantaged population is

<sup>16</sup> College Board, *Trends in College Pricing 2012*, (Washington, DC: The College Board, 2012).  
<[http://advocacy.collegeboard.org/sites/default/files/college-pricing-2012-full-report\\_0.pdf](http://advocacy.collegeboard.org/sites/default/files/college-pricing-2012-full-report_0.pdf)>

borrowing riskier private loans, particularly when they are borrowing at rates similar to their more advantaged peers.

**Table 14. Student Loans**

	<b>Percent Receiving Federal Loans</b>	<b>Average Federal Loan Award<sup>17</sup></b>	<b>Percent Borrowing Private Loans</b>	<b>Average Private Loan Amount</b>
<b>Full-Time Students</b>				
<b>Total</b>	49.3	5,300	19	6,000
Dependent Students	45.6	4,500	17.7	6,994
Independent Non-Parent Students	58.3	7,500	22.7	5,000
<b>All Student Parents</b>	63	7,842	23.2	5,000
Single Student Parents	62.2	7,042	21.8	4,983
<b>Part-Time Students</b>				
<b>Total</b>	26	5,248	9.6	4,500
Dependent Students	22.7	3,750	10.1	5,000
Independent Non-Parent Students	28	6,272	9.8	4,500
<b>All Student Parents</b>	28.2	5,806	9	3,902
Single Student Parents	32.3	5,666	10.6	3,835

*Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).*

#### *Federal Work Study*

Finally, federal work study is a form of financial aid that is neither a grant nor a loan. Instead, the federal government subsidizes the pay of students while working in school, thereby reducing the net cost of attendance to students. Students must work for a certain number of hours over an academic year to receive the full benefit of work study. In other words, it is not front-loaded like a grant or student loan, and must be earned throughout the school year. Although the overall expenditure on federal work-study programs is minor compared with that of federal grants and loans, work-study programs are designed to provide additional financial opportunities for needy students. Very few student parents, including 5.5 percent of full-time student parents and 2.7 percent of part-time student parents, receive any federal work-study money, compared to 15.7 percent and 5.6 percent of full-time and part-time dependent students, respectively.

Given that over half of all single parents work over 30 hours a week while attending school, these numbers are likely an indication that student parents are working in a job that does not receive federal work-study money. Thus, there appears to be sizable room for the federal government to leverage student employment for this more low-income population.

<sup>17</sup> Federal loans, in this case, exclude Parent PLUS Loan awards, which can be awarded to parents of dependent students with no adverse credit history.

**Table 15. Federal Work Study**

	Percent Receiving Work Study	Average Work Study Award
<b>Full-Time Students</b>		
<b>Total</b>	13.7	1,996
Dependent Students	15.7	1,996
Independent Non-Parent Students	10.2	2,000
<b>All Student Parents</b>	5.5	1,932
Single Student Parents	6	1,898
<b>Part-Time Students</b>		
<b>Total</b>	4.1	2,145
Dependent Students	5.6	2,000
Independent Non-Parent Students	3.7	3,188
<b>All Student Parents</b>	2.7	2,106
Single Student Parents	3.6	1,835

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

***After All Forms of Aid, Student Parents are Still More Likely to have Substantial Unmet Need***

Despite all of the potential sources of aid, Table 16 shows that student parents demonstrate much higher levels of unmet need<sup>18</sup> than non-parents. Eighty-five percent of full-time student parents demonstrate some financial need after all forms of aid, including federal loans. The average amount of unmet need is also nearly twice as high among full-time student parents as it is among dependent students who attend full-time. Almost two-thirds of part-time student parents have unmet need as well. By contrast, less than half of dependent full- or part-time students had any unmet need after all sources of financial aid.

These figures are important, as they demonstrate that, while financial aid – and grants in particular – ostensibly reduce the price that students must pay out of pocket to attend school, student parents still face substantial financial barriers to afford the cost of college. They must also finance child care costs and other expenses that non-parent students do not encounter.

<sup>18</sup> NPSAS:08 variables for unmet need after all forms of financial aid, in this case, include the expected family contribution (EFC), total grants from federal, state and institutional sources, total loans from all sources (including Parent PLUS loans and private/alternative loans), as well as veteran’s benefits and military tuition, where applicable.

**Table 16. Unmet Student Need After All Forms of Financial Aid**

	Percent with Unmet Need After All Aid	Average Unmet Need after All Aid
<b>Full-Time Students</b>		
<b>Total</b>	55	7,460
Dependent Students	46.5	6,134
Independent Non-Parent Students	77.3	9,423
<b>All Student Parents</b>	85.1	10,862
Single Student Parents	89.6	11,590
<b>Part-Time Students</b>		
<b>Total</b>	53.5	4,975
Dependent Students	42.4	4,230
Independent Non-Parent Students	59	5,259
<b>All Student Parents</b>	62.1	5,391
Single Student Parents	76.9	5,648

Source: U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08).

## Part II: A Scan of Major Federal Policies Impacting Student Parents

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Because student parents are more likely to face personal and financial challenges to financing and completing postsecondary education, it is imperative that student parents know what resources – particularly at the federal level – are available to them. Equally important is examining ways federal benefits might be designed differently, to ensure that those without children, benefits, and resources are made accessible and applicable to student parents. The following will detail major financial aid and other federal programs that student parents may be able to access, with particular attention toward these programs’ treatment of students with dependents, and how they could be better designed with the unique circumstances of student parents in mind.

### Federal Financial Aid Policies and Programs

#### *The FAFSA and EFC Calculations*

In order to be eligible for need-based financial aid, students must first complete the Free Application for Federal Student Aid (FAFSA). The size and structure of awards are distributed based on a formula that determines a student’s ability to afford higher education, given family financial circumstances and potential educational costs, also known as the Expected Family Contribution (EFC). Over four-in-ten (41.8 percent) students, one-third (33.6 percent) of single student parents, and over half (52.6 percent) of all married parents do not apply for federal financial aid, thereby making them ineligible for the benefit of the federal aid programs described below.<sup>19</sup>

The calculation of a student’s EFC begins with the determination of whether a student is dependent or independent. There are several ways that students qualify as independent, one of which is having dependents – including children – that receive more than half of their support from the student for the ensuing school year (beginning in July).<sup>20</sup> In other words, all student parents are considered independent, provided they are the primary caregiver for a dependent child. For context, 47 percent of all undergraduates were considered independent in 2008.

An independent student parent may qualify for a simplified EFC calculation, which excludes assets from consideration in determining need-based financial aid awards and likely increases the total aid package a student will receive if several conditions are met. These include having an annual income below \$50,000 AND (1) receiving benefits from means-tested government programs such as TANF, SSI, SNAP (food stamps), WIC, or Free and Reduced Price School Lunch, OR (2) being eligible to file a simplified tax return in that same year, which would indicate that the family was low- to middle-income with few or no assets. The simplified EFC calculation, in effect, removes several cumbersome questions for students on the FAFSA, as well as increases their eligibility for federal financial aid.<sup>21</sup>

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<sup>19</sup> Author’s calculations based on the 2008 National Postsecondary Student Aid Survey.

<sup>20</sup> Federal Student Aid, 2013, “Am I Dependent or Independent?” <<http://studentaid.ed.gov/fafsa/filling-out/dependency#am-i-dependent-or-independent>>

<sup>21</sup> U.S. Department of Education, *The EFC Formula, 2012-2013*, (Washington, DC: U.S. Department of Education, 2012). <<https://studentaid.ed.gov/sites/default/files/2012-13-efc-formula.pdf>>

Student parents may also be eligible for an “automatic zero” EFC, which indicates that a student would be expected to contribute no money towards financing postsecondary education, if several conditions are met. These include (1) having an annual income of \$23,000 or less<sup>22</sup> AND (2) receiving benefits from means-tested government programs such as TANF, SSI, SNAP (food stamps), WIC, or Free and Reduced Price School Lunch, OR (3) being eligible to file a simplified tax return in that same year.

*The following is a set of recommendations from the U.S. Department of Education in 2008 suggesting the ideal budget breakdown for student expenses. While this is not official law, this presents an example of the expectations of students—which do not include the unique circumstances of student parents. Institutions also use several other suggested student budget breakdowns from the College Board and others.*

**30% food**  
**22% housing**  
**9% transportation**  
**16% clothing and personal care**  
**11% medical care**  
**12% other family consumption**

If students do not qualify for a simplified or automatic-zero EFC, and assets are taken into account, the EFC formula includes an asset protection allowance, meaning a certain amount of assets are exempt from financial aid calculations to finance educational expenses. For independent students with children, the typical family receives an asset allowance of \$45,000, with seven percent of assets above that amount considered available to finance postsecondary education. In addition to asset protection allowance, the EFC formula provides income protection allowance, meaning a certain amount of income is also exempt from

financial aid calculations. Depending on how many dependents a student has and how many college students are in the student’s household, between \$19,590 and \$50,130 may be protected from the EFC calculation.<sup>23</sup>

To put these numbers in context, the current Income Protection Allowance figures are designed to allow a student a minimal standard of living before factoring in financial aid.<sup>24</sup> The allowance that is exempt from financial aid calculations ranges from 100 percent to slightly over 150 percent of the poverty level for students (including student parents), providing very little cushion above a meager standard of living when calculating the amount of financial aid students receive.

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<sup>22</sup> The income threshold for an automatic zero EFC was originally scheduled to increase from \$31,000 to \$32,000 for the 2012-2013 Award Year. Because of legislative changes in December 2011, this amount was decreased to \$23,000. U.S. Department of Education, *The EFC Formula, 2012-2013*, (Washington, DC: U.S. Department of Education, 2012). <<https://studentaid.ed.gov/sites/default/files/2012-13-efc-formula.pdf>>

<sup>23</sup> U.S. Department of Education, *The EFC Formula, 2012-2013*, (Washington, DC: U.S. Department of Education, 2012). <<https://studentaid.ed.gov/sites/default/files/2012-13-efc-formula.pdf>>

<sup>24</sup> Federal Student Aid, U.S. Department of Education, *Federal Needs Analysis Methodology for the 2013-2014 Award Year: Federal Pell Grant, Federal Perkins Loan, Federal Work-Study, Federal Supplemental Educational Opportunity Grant, William D. Ford Federal Direct Loan, and TEACH Grant Programs* (Federal Register, Vol. 77, No. 103), (Washington, DC: U.S. Department of Education, 2012); Poverty numbers are derived from "Annual Update of the HHS Poverty Guidelines," U.S. Department of Health and Human Services, Federal Register, Vol. 77, No. 17.

## Pell Grants<sup>25</sup>

Once EFC is calculated, students may be eligible for a Pell Grant, which acts as a voucher to be used at the Title IV eligible institution the student chooses to attend. Currently, Pell Grant awards range from \$575 to \$5,550. The average grant in the 2011-2012 school-year was \$3,685.<sup>26</sup> Since the EFC formula takes into account whether or not a student has children, students with dependents may receive higher Pell Grants than those without dependents. However, there are no additional awards for student parents beyond the maximum award delivered to the neediest students.

Students are also eligible for a zero EFC if they have a parent or guardian who died as a result of service in Iraq or Afghanistan since September 11<sup>th</sup>, 2001, thus increasing the likelihood of receiving a Pell Grant. Students whose parent or guardian died in Iraq or Afghanistan are also able to receive an Iraq and Afghanistan Service Grant equal to the amount of the Pell Grant they would have received if their EFC were zero, even if they are not Pell eligible.<sup>27</sup>

There have been several changes to the Pell Grant program in recent years that may have a direct effect on student parents. First, prior to 2012, students were eligible for a summer Pell Grant, an additional grant to pay for summer classes. This year-round Pell Grant was eliminated as a part of a bi-partisan budget deal in 2011, and while it did not apply only to students with dependent children, its elimination may have had a deleterious impact on student parents who may require more flexible schedules, including summer classes, in order to persist in college.

Second, students are now eligible for Pell Grants for a maximum equivalent of 12 full-time semesters (or 6 full-time years), down from 18 full-time semesters (or 9 years) previously. Given that student parents are more likely than non-parents to enroll part-time,<sup>28</sup> these changes may negatively affect Pell eligibility for this group of students. Whether or not some of the more negative impacts of these eligibility changes are mitigated by an increase in the overall Pell Grant in recent years is unknown, and likely is further complicated by increases in the overall cost of higher education over time.

## Federal Student Loans<sup>29</sup>

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<sup>25</sup> Federal Student Aid, 2012, "Federal Pell Grant." <<http://studentaid.ed.gov/types/grants-scholarships/pell>>

<sup>26</sup> College Board, 2012, "Federal Aid per Recipient by Program in Current and Constant Dollars over Time," <<http://trends.collegeboard.org/student-aid/figures-tables/federal-aid-recipient-program-current-and-constant-dollars-over-time>>. For more information about the Iraq and Afghanistan Service Grant, see:

<http://studentaid.ed.gov/types/grants-scholarships/iraq-afghanistan-service>. For more information about aid amounts for military and veterans' families, see: <http://studentaid.ed.gov/types/grants-scholarships/military>

<sup>27</sup> Federal Student Aid, "Chapter 3: Expected Family Contribution," *Federal Student Aid Handbook* (Washington, DC: U.S. Department of Education, 2013). <<http://ifap.ed.gov/fsahandbook/attachments/1314AVGCh3.pdf>>

<sup>28</sup> <sup>28</sup> Miller, Kevin, Barbara Gault, and Abby Thorman. *Improving Child Care Access to Promote Postsecondary Success among Low-Income Parents*. (Washington, DC: Institute for Women's Policy Research, March 2011).

<sup>29</sup> Federal Student Aid, 2012, "How Much Can I Borrow?" <<http://studentaid.ed.gov/types/loans/subsidized-unsubsidized>>

The amount a student receives in federal student loans is also determined by the EFC formula, as is the makeup of student loans within each aid package. Students often receive both subsidized loans—meaning that the government is responsible for paying interest while a student attends school—and unsubsidized loans, which may have lower rates than private loans but still accrue interest while students are enrolled. The Stafford loan is the most common federal loan, and students with unmet need after their grant aid can receive a limited amount of subsidized Stafford loans. Unsubsidized Stafford loans are available to students beyond this amount. Some institutions have a limited amount of Perkins loans to distribute to needy students; these loans have the greatest benefits, with subsidized interest, an interest rate of five percent, and the longest grace period (nine months).

In addition, while institutions determine the actual loan amount for which students are eligible each year, the federal government sets limits on the maximum amount in subsidized and unsubsidized federal loans for which students are eligible. These loan limits differ by year in school (with second-, third-, and fourth-year students being eligible for higher amounts), as well as by dependency status. Independent students have higher loan limits than dependent students, given that independent students cannot expect their parents to help finance college either via family income or Parent PLUS loans.<sup>30</sup> Student parents, who by definition are independent students, are thus eligible for more in federal subsidized and unsubsidized loans than dependent students. Despite these higher limits, a considerable number student parents who attend school full-time still take out private loans. Almost one-fourth (23.2 percent) of full-time student parents take out private student loans, compared to 18.3 percent of non-parents.<sup>31</sup>

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<sup>30</sup> Federal Student Aid, 2012, “How Much Can I Borrow?” <<http://studentaid.ed.gov/types/loans/subsidized-unsubsidized>>

<sup>31</sup> Author’s calculations based on the 2008 National Postsecondary Student Aid Survey.

<b>Maximum Annual and Total Loan Limits For Subsidized And Unsubsidized Loans, 2012–2013</b>		
	<b>Dependent Students</b>	<b>Independent Students (and dependent undergraduate students whose parents are unable to obtain PLUS Loans)</b>
<b>First-Year Undergraduate</b>	\$5,500—No more than \$3,500 of this amount may be in subsidized loans.	\$9,500—No more than \$3,500 of this amount may be in subsidized loans.
<b>Second-Year Undergraduate</b>	\$6,500—No more than \$4,500 of this amount may be in subsidized loans.	\$10,500—No more than \$4,500 of this amount may be in subsidized loans.
<b>Third-Year and Beyond Undergraduate</b>	\$7,500 per year—No more than \$5,500 of this amount may be in subsidized loans.	\$12,500 per year—No more than \$5,500 of this amount may be in subsidized loans.
<b>Graduate or Professional Degree Students</b>	Not Applicable	\$20,500
<b>Maximum Total Debt from Subsidized and Unsubsidized Loans</b>	\$31,000—No more than \$23,000 of this amount may be in subsidized loans.	\$57,500 for undergraduates—No more than \$23,000 of this amount may be in subsidized loans.  \$138,500 for graduate or professional students—No more than \$65,500 of this amount may be in subsidized loans. The graduate debt limit includes all federal loans received for undergraduate study. As of July 2012, graduate and professional students are no longer eligible for subsidized loans, but may take out unsubsidized loans.

Source: Federal Student Aid, 2012, "How Much Can I Borrow?" < <http://studentaid.ed.gov/types/loans/subsidized-unsubsidized> >

In addition to the EFC calculation for initial loan awards, student repayment options upon leaving school also take into account family size in determining whether a borrower is eligible for income-based repayment (IBR). IBR is a system in which monthly payments are capped at 15 percent of discretionary income (an amount of income based on income and family size, calculated by federal poverty guidelines) with balances being forgiven after borrowers make payments on loans for 25 years. Students qualify for IBR if they have low incomes and high total loan balances upon leaving school. Currently, the IBR definition of family size specifies that a borrower's children are included in eligibility calculations if they receive more than half of their support from the borrower, regardless of who claims the child for tax purposes or who has physical custody. Despite this, borrowers must submit an IBR plan request and be approved by their loan servicer, otherwise they are required to pay loans based on a 10-year standard repayment plan, which requires higher monthly payments. The Obama Administration has also introduced a modified version of IBR, known as Pay As You Earn (PAYE) for borrowers who have taken out loans after 2007. PAYE is similar to IBR but has more generous terms for borrowers: monthly payments capped at 10 percent of discretionary income, and loan forgiveness after 20 years.

While a reasonable amount of loans can be a prudent strategy for financing a college education, the number of student borrowers who drop out of school has been rising over the past decade, leaving

behind loan balances without a degree.<sup>32</sup> Risk factors associated with dropping out of college include delaying enrollment after high school, enrolling part-time, and working full-time while enrolled in school,<sup>33</sup> all of which are more common among student parents. Student parents are also more likely than non-parents to cite financial difficulties as a reason to leave school,<sup>34</sup> making it likely that many student parents are at risk of having unpaid loan balances without having earned a postsecondary credential. Among students who have earned their degrees, single student parents are more likely to have more accumulated debt upon graduating and higher unpaid loan balances 10 years after graduation.<sup>35</sup>

Enhancing efforts to pay interest on loans while student parents are in school, given the additional expenses they are likely to incur during this period, as well as automatically enrolling low-income student parents in IBR plans upon leaving school, may alleviate some of the unique financial burden that student parents face.

### *Federal Work-Study*<sup>36</sup>

Federal Work-Study (FWS) is neither a grant nor a loan; instead, the recipient works for pay at a part-time job while in college, typically on campus. The federal government provides most of the pay, with the institution providing the remainder. Work-study programs are designed to provide additional financial opportunities for needy students. To receive FWS, students may be employed by: the institution itself; a federal, state, or local public agency; a private nonprofit organization; or a private for-profit organization. In most cases, the school or the employer must pay up to a 50 percent share of a student's wages under FWS. In order to receive the maximum FWS award to which they are entitled, students must work the number of hours that the wage offered by the employer would satisfy in order to reach that amount. For example, a student entitled to \$5,000 in FWS in a position paying \$15 per hour would have to work 333 hours (or nearly seventeen 20-hour work weeks) over the course of an academic year in order to reach the maximum award. FWS does not provide special exceptions for student parents with regard to eligibility, pay, or hours.

Since student parents face more complicated financial and time constraints than students without dependents, and student parents are more likely to have to work to finance both education and child

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<sup>32</sup> Mary Nguyen, , *Degreeless in Debt: What Happens to Borrowers Who Drop Out*, (Washington, DC: Education Sector, 2012).

<[http://www.educationsector.org/sites/default/files/publications/DegreelessDebt\\_CYCT\\_RELEASE.pdf](http://www.educationsector.org/sites/default/files/publications/DegreelessDebt_CYCT_RELEASE.pdf)>

<sup>33</sup> National Center for Education Statistics, *Six-Year Attainment, Persistence, Transfer, Retention, and Withdrawal Rates of Students Who Began Postsecondary Education in 2003–04*, (Washington, DC: U.S. Department of Education). <<http://nces.ed.gov/pubs2011/2011152.pdf>>

<sup>34</sup> Miller, Kevin, Barbara Gault, and Abby Thorman. *Improving Child Care Access to Promote Postsecondary Success among Low-Income Parents*. (Washington, DC: Institute for Women's Policy Research, March 2011).

<sup>35</sup> Kevin Miller, *Single Student Parents Face Financial Difficulties, Debt, Without Adequate Aid* (Washington, DC: Institute for Women's Policy Research, May 2012).

<sup>36</sup> Federal Student Aid, 2012, "Federal Work-Study jobs help students earn money to pay for college or career school." <<http://studentaid.ed.gov/types/work-study>>

care expenses, FWS may be inadequate in meeting the needs of these students. First, providing FWS as part of an aid package, and thus requiring student parents to work, may have negative effects on the ability of that student to progress. While no study has examined the academic impacts of FWS on student parents, research is mixed on the impact of FWS, and work broadly, on academic performance and persistence. Some studies suggest that working on-campus less than 20 hours a week has positive effects on student engagement, persistence and completion,<sup>37</sup> while others indicate that work incentives produce mixed effects on grade point average and the likelihood of graduating within four years, and affects females more negatively than males.<sup>38</sup> Second, the fact that the full financial award is not received until a student works a maximum number of hours may disadvantage student parents who may have to stop out of school or work for extended periods of time, require leave for family emergencies, or simply cannot juggle the triple commitments of school, child care, and work. Finally, student parents may need to earn higher wages to cover their many living expenses than are available through the FWS program.

### **Federal Education Tax Benefits**

Students who attend college are also eligible for an array of tax-based financial aid, including tax deductions on tuition and fees paid over the course of a year, as well as deductions on student loan interest incurred either while enrolled in school or after a student attends. In addition, students may be eligible for education-based tax credits that reduce their overall federal tax bill. In particular, the federal government created the Hope Credit (now known as the American Opportunity Tax Credit, or AOTC<sup>39</sup>) as well as the Lifetime Learning Credit in the late 1990s, which were designed to help families offset the cost of tuition.

Student parents are not treated differently with regard to eligibility (or amount) for either credit, and must file a federal tax return independently in order to receive the credit (or in the case of dependent students, the credit may be claimed by the parents of the student). Filers cannot claim both the AOTC and the Lifetime Learning Credit in the same year, and both credits must be used to offset qualified higher education expenses. These include tuition, books, and computers, but – notable for student parents – they do not include childcare, room and board or housing, insurance or medical expenses.

In addition to limitations in terms of eligible expenses, higher education tax credits are also less likely to be available to low-income student parents. Currently, the credit is partially refundable, meaning low-income families with no tax liability are eligible to receive only 40 percent (or \$1,000) of the total credit.

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<sup>37</sup> Laura Perna, "Understanding the Working College Student," *Academe* 96 (July-August 2010) <<http://www.aaup.org/article/understanding-working-college-student#.UVyTkpPU-uo>>; Pike, Gary R., Kuh, George D., and Massa-McKinley, Ryan, "First-Year Students' Employment, Engagement, and Academic Achievement: Untangling the Relationship Between Work and Grades," *NASPA Journal* 45(4-2008): 560-582.

<sup>38</sup> Judith Scott-Clayton, "The Causal Effect of Federal Work-Study Participation," *Educational Evaluation and Policy Analysis* 33 (December 2011): 506-527.

<sup>39</sup> In 2009, the Hope Credit was reformed and replaced with the AOTC. The maximum credit available was increased to \$2,500. The new credit is also partially refundable, meaning that students with no tax liability are eligible for up to \$1,000 of the total benefit.

In fact, over four-in-ten (40.8 percent) student parents, and nearly half (49.1 percent) of single student parents, were ineligible for any education tax benefit (including both deductions and credits) in 2007-2008, due to having no income tax liability, having too high of an income to be eligible, or having no net tuition and fees after grant aid. Nearly a quarter (22.7 percent) of student parents either had no tax liability or failed to claim a benefit for which they were eligible.<sup>40</sup>

Even for students who are eligible, timing issues limit the effectiveness of tax credits. The credit is still delivered months after tuition bills come due and materials are required for educational purposes. While these issues affect all who claim the credit, student parents in particular may be less likely to receive the full award given their income profile, and may be unduly penalized by the delay in receiving the credit, given the additional expenses (such as child care) they incur throughout a given academic year. Eligibility for tax credits may be further reduced for students who receive Pell and other forms of grant aid, because grant aid almost always applies to tuition and fees before other expenses. If grants cover most or all of the cost of tuition and fees, students will be ineligible for the AOTC, despite incurring other costs due to attending college, such as transportation and child care.<sup>41</sup> Simultaneously, students whose tuition is offset by grant aid must keep track of education-related expenses incurred throughout the year – including books, fees, and computers – in order to prove eligibility for tax credits, which may prove onerous.

### ***Other Federal Higher Education Programs***

#### *TRIO and CCAMPIS Programs*<sup>42</sup>

TRIO Programs are Federal outreach and student services programs designed to identify and provide services for individuals from disadvantaged backgrounds. TRIO includes eight programs targeted to serve and assist low-income individuals, first-generation college students, and individuals with disabilities to progress through the academic pipeline from middle school to post-baccalaureate programs. Specially, TRIO programs support adult students, including student parents, through Educational Opportunity Centers (EOC).

The Educational Opportunity Centers program provides counseling and information on college admissions to qualified adults who want to enter or continue a program of postsecondary education. The program also provides services to improve the financial and economic literacy of participants. An important objective of the program is to counsel participants on financial aid options, including basic financial planning skills, and to assist in the application process. The goal of the EOC program is to increase the number of adult participants who enroll in postsecondary education institutions. However, it is unclear how many EOCs provide additional student support services for student parents, including

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<sup>40</sup> Author's calculations from U.S. Department of Education, National Center for Education Statistics, 2007-08 National Postsecondary Student Aid Study (NPSAS:08)

<sup>41</sup> Reimherr, Patrick, Tim Harmon, Julie Strawn, and Vickie Choitz, *Reforming Student Aid: How to Simplify Tax Aid and Use Performance Metrics to Improve College Choices and Completion*. (Washington, DC: Center for Law and Social Policy, 2013). <<http://www.clasp.org/admin/site/documents/files/Final-RADD-WhitePaper-Feb-2013.pdf>>

<sup>42</sup> U.S. Department of Education, 2013, "Federal TRIO Programs." <<http://www2.ed.gov/about/offices/list/ope/trio/index.html>>

counseling on child care and other benefits for which students may be eligible, particularly before they make it to campus.

The Department of Education also administers the Child Care Access Means Parents In School (CCAMPIS) Program<sup>43</sup>, a grant program for institutions to set up child care on campus for low-income students. In 2012, awards totaling over \$15 million were made to 153 institutions. To be eligible for grants, total federal Pell Grant funds at participating institutions must equal \$350,000 or above.<sup>44</sup> That is to say, CCAMPIS funds are targeted at institutions where low-income student parents are more likely to attend. However, given that the CCAMPIS program is not a direct reward to students – rather they must attend one of the grantee institutions – it is incumbent on the schools themselves to communicate to students that child care services will be provided on campus.

### ***Federal Child Care Assistance Programs***

#### *Child Care and Development Fund<sup>45</sup>*

The Child Care and Development Fund (CCDF) is the largest federal subsidy for low-income child care. The CCDF is a block grant from the federal government's Department of Health and Human Services (HHS), administered to states to subsidize the cost of child care for low-income families. According to the Urban Institute, 1.7 million children received child care subsidized via CCDF programs in 2010.<sup>46</sup> While the CCDF is a federal program, states are provided substantial leeway in designing and administering programs. Subsidies may be provided for children who are under 13 (or children under 19 who have special needs), provided that their parents are working or in school and that their family income does not exceed 85 percent of the median income in the state. The Federal Government also attempts to ensure that states provide subsidies to families who are not subsidized through CCDF to make certain they're receiving equal access to child care services those families receive. The majority of CCDF funds are provided through vouchers to families who may then use them for authorized care providers.

For low-income student parents, CCDF is a well-targeted program overall. According to the HHS, nearly half of all families served by the CCDF in 2010 were below the federal poverty line, and only 13 percent

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<sup>43</sup> U.S. Department of Education, 2012, "Child Care Access Means Parents in School Program."

<<http://www2.ed.gov/programs/campisp/index.html>>

<sup>44</sup> <sup>44</sup> U.S. Department of Education, 2012, "Child Care Access Means Parents in School Program."

<<http://www2.ed.gov/programs/campisp/index.html>>; U.S. Department of Education, *FY2012 Grantees: Child Care Access Means Parents in Schools Program*, (Washington, DC: U.S. Department of Education).

<<http://www2.ed.gov/programs/campisp/ccampisgrantees2012.pdf>>

<sup>45</sup> U.S. Department of Health and Human Services Office of Child Care [HHSOCC], 2012, "Characteristics of Families Served by Child Care and Development Fund (CCDF) Based on Preliminary FY 2010 Data," <<http://www.acf.hhs.gov/programs/occ/resource/characteristics-of-families-served-by-child-care-and-development-fund-ccdf>>

<sup>46</sup> Minton, Sarah, Christin Durham, Erika Huber, and Linda Giannarelli, *The CCDF Policies Database Book of Tables: Key Cross-State Variations in CCDF Policies as of October 1, 2011* (OPRE Report 2012-51), (Washington, DC: The Urban Institute, 2012). <<http://www.urban.org/UploadedPDF/412707-The-CCDF-Policies-Database-Book-of-Tables.pdf>>

of families served were above 150 percent of the federal poverty line.<sup>47</sup> States determine whether or not families are required to pay for child care, and how much the cost is for those required to pay. Approximately 74 percent of families paid a copayment in 2010 and copayments averaged six percent of recipient family income.<sup>48</sup> Given that the average cost of child care in the most expensive state (Massachusetts) was at \$15,000 annually, nearly equal to 100 percent of family income for a two-person household living in poverty—this indicates that CCDF funds are well-targeted and provide substantial benefit to low-income households.<sup>49</sup>

Although the CCDF is well-targeted and potentially helpful to student parents, it could likely be enhanced in a campus setting through formal coordination within financial aid and student service offices. Information to students about this subsidy and helping them to find a child care center — whether on campus or off campus—that qualifies for the subsidy, could be integrated into student services. Unfortunately, variability across states can make the program more complex for student parents. For instance, state eligibility rules designate the activities that qualify for the subsidy, such as the minimum number of hours that parents must work to qualify. In fact, six states do not include post-secondary education as an activity that qualifies for CCDF funds.<sup>50</sup> Clearly, the impact of CCDF is dependent on state commitments and coordination, as well as the ability of student parents to navigate the process within the state they live.

#### *Child and Dependent Care Tax Credit*<sup>51</sup>

The Child and Dependent Care Tax Credit (CDCTC) is a tax credit to offset a portion of child and dependent care expenses, for parents who have children under age 13. Families can receive a credit for up to \$3,000 in childcare expenses for one child and up to \$6,000 for two or more children. The credit is calculated by income, with families who have income below \$15,000 annually qualifying for a credit of 35 percent of the annual childcare expenses, or a maximum credit of \$1,050 for one child and \$2,100 for two or more children. While there is no income cap, the potential benefit decreases as income increases. For every \$2,000 in additional annual income above \$15,000, the portion of the expenses

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<sup>47</sup> U.S. Department of Health and Human Services Office of Child Care [HHSOCC], 2012, “Characteristics of Families Served by Child Care and Development Fund (CCDF) Based on Preliminary FY 2010 Data,” <<http://www.acf.hhs.gov/programs/occ/resource/characteristics-of-families-served-by-child-care-and-development-fund-ccdf>>

<sup>48</sup> U.S. Department of Health and Human Services Office of Child Care [HHSOCC], 2012, “Characteristics of Families Served by Child Care and Development Fund (CCDF) Based on Preliminary FY 2010 Data,” <<http://www.acf.hhs.gov/programs/occ/resource/characteristics-of-families-served-by-child-care-and-development-fund-ccdf>>

<sup>49</sup> Child Care Aware of America, *Parents and the High Cost of Child Care* (Report 2012) <[http://www.naccrra.org/sites/default/files/default\\_site\\_pages/2012/cost\\_report\\_2012\\_final\\_081012\\_0.pdf](http://www.naccrra.org/sites/default/files/default_site_pages/2012/cost_report_2012_final_081012_0.pdf)>; U.S. Department of Health and Human Services, *Annual Update of the HHS Poverty Guidelines, 2012* (Federal Register, Vol. 77, No. 17), (Washington, DC: U.S. Department of Health and Human Services, 2012)..

<sup>50</sup> Minton, Sarah, Christin Durham, Erika Huber, and Linda Giannarelli, *The CCDF Policies Database Book of Tables: Key Cross-State Variations in CCDF Policies as of October 1, 2011* (OPRE Report 2012-51), (Washington, DC: The Urban Institute, 2012). <<http://www.urban.org/UploadedPDF/412707-The-CCDF-Policies-Database-Book-of-Tables.pdf>>

<sup>51</sup> Internal Revenue Service, 2013, “Topic 602 – Child and Dependent Care Credit.” <<http://www.irs.gov/taxtopics/tc602.html>>

covered decreases by one point; families with Adjusted Gross Income above \$43,000 are eligible for a credit of 20 percent, or a maximum of \$600 for one child and \$1,200 for two or more children.

The CDCTC is non-refundable, so families with no tax liability are ineligible to benefit. The primary beneficiaries of the credit are families making between \$50,000 and \$200,000 annually. Over six million families claimed the CDCTC in 2010, with 33 percent of recipients making \$50,000 annually or below, and only 2 percent of recipients making \$20,000 or below.<sup>52</sup> Further, the average benefit for all families in 2010 was \$532, but the average benefit for families making below \$20,000 was \$207.<sup>53</sup>

The CDCTC provides a relatively meager benefit to low-income student parents who pay for child care expenses. The credit itself is small in relation to annual childcare costs – which vary by state but range from \$4,600 to \$15,000 – and the non-refundability of the credit makes it unavailable to student parents who do not earn enough money to have a tax liability.<sup>54</sup>

### *Dependent Care Assistance Programs<sup>55</sup>*

Dependent Care Assistance Programs allow families to exclude up to \$5,000 in child care contributions from taxable income annually through their employers. In many cases, Dependent Care Assistance Programs take the form of employers setting up flexible spending accounts for employees in which employers deduct money from employee paychecks and deposit into an account for childcare, which can include preschool or nursery school, at-home care, or after-school care for children.

For student parents, Dependent Care Assistance Programs are likely inadequate in helping alleviate financial burdens while enrolled in school. For one, students must be employed while in school and their employer must provide Dependent Care Assistance Programs as a benefit. Moreover, families with no tax liability receive no benefit from this tax exclusion, and in many cases employers are not contributing to the child care themselves, but rather setting up an account structure for employees, who then contribute to the accounts themselves. In short, for a low-income student parent to be eligible for this program, he or she must be employed while in school, as well as working for an employer that provides this benefit. Even if these conditions are met, low-income students are excluded from the benefit if they have no tax liability.

### ***Temporary Assistance for Needy Families***

Under the Temporary Assistance to Needy Families program (TANF), states qualify for an annual block grant from the federal government that may be used for cash assistance to low-income families, as well as other services including child care. In 2007-2008, 5.5 percent of single student parents lived in

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<sup>52</sup> Tax Policy Center, 2013, “Quick Facts: Child and Dependent Care Tax Credit.”  
<[http://www.taxpolicycenter.org/press/quickfacts\\_CDCTC.cfm](http://www.taxpolicycenter.org/press/quickfacts_CDCTC.cfm)>

<sup>53</sup> Tax Policy Center, 2013, “Quick Facts: Child and Dependent Care Tax Credit.”  
<[http://www.taxpolicycenter.org/press/quickfacts\\_CDCTC.cfm](http://www.taxpolicycenter.org/press/quickfacts_CDCTC.cfm)>

<sup>54</sup> Child Care Aware of America, *Parents and the High Cost of Child Care* (Report 2012)  
<[http://www.naccrra.org/sites/default/files/default\\_site\\_pages/2012/cost\\_report\\_2012\\_final\\_081012\\_0.pdf](http://www.naccrra.org/sites/default/files/default_site_pages/2012/cost_report_2012_final_081012_0.pdf)>

<sup>55</sup> Internal Revenue Service (2013). “Dependent Care Assistance,” *Employer’s Guide to Fringe Benefits* (Publication 15-B: Main Content) <[http://www.irs.gov/publications/p15b/ar02.html#en\\_US\\_2013\\_publink1000193662](http://www.irs.gov/publications/p15b/ar02.html#en_US_2013_publink1000193662)>

households that received TANF benefits, compared to only 0.4 percent of non-parents (and 1.1 percent of all students).<sup>56</sup>

Under TANF, states must spend a specific amount of state funds on needy families in order to qualify for federal funding (otherwise known as a “maintenance of effort” provision), and welfare-to-work provisions require recipients to seek work or training in order to continue their eligibility. Overall, 10.9 percent of all TANF recipients engage in job training or educational activities, and the average monthly amount of assistance for TANF recipient families was \$392 in 2010.<sup>57</sup>

Federal law requires states to engage at least 50 percent of families in core “work activities” – defined broadly as being employed, engaging in community service, job searching, or engaging in on-the-job training – for at least 30 hours a week (or 20 hours for single parents with children under age 6). The law also limits the degree to which education and training count toward “work” activities. Vocational training in particular may count as a work activity, but only for 12 months. Education “directly related to employment” can only count for TANF eligibility if the individual also participates in at least 20 hours of work activities a week.<sup>58</sup> The only exception is for parents under age 20, who may use education “directly related to employment” as a core work activity.<sup>59</sup>

These regulations may not allow low-income student parents to attend school full-time without also working. The emphasis on vocational educational training may be arbitrary, penalizing low-income students and student parents who may want to enter other fields that require degrees. At the same time, the limit on 12 months of vocational training for TANF eligibility could further limit options for TANF recipients looking to retrain and return to the workforce. Further, one in six (16.5 percent) student parents who receive TANF do not apply for federal financial aid at all.<sup>60</sup> Given that TANF recipients, as previously mentioned, receive simplified or “auto-zero” EFC calculations when applying for financial aid and have a higher chance of receiving Pell Grants, many students who would be eligible for Pell Grants are not taking advantage of the benefit.

### ***Federal Anti-Discrimination Laws for Student Parents: Title IX Equal Access Provisions***

Title IX of the Education Amendments of 1972 prohibits schools that receive federal funds, including postsecondary institutions, from discriminating against students on the basis of sex, which includes a student’s “actual or potential” parental, family or marital status and a student’s “pregnancy, childbirth, false pregnancy, termination of pregnancy or recovery there from.”<sup>61</sup> Read literally, the statute requires that student parents are given the necessary arrangements to successfully complete their program while

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<sup>56</sup> Author’s calculations based on the 2008 National Postsecondary Student Aid Survey.

<sup>57</sup> U.S. Department of Health and Human Services Office of Family Assistance, 2012, “Characteristics and Financial Circumstances of TANF Recipients, Fiscal Year 2010,” <<http://www.acf.hhs.gov/programs/ofa/resource/character/fy2010/fy2010-chap10-ys-final>>

<sup>58</sup> Liz Schott, *Policy Basics: An Introduction to TANF* (Washington, DC: Center on Budget and Policy Priorities, 2012). <<http://www.cbpp.org/cms/?fa=view&id=936>>

<sup>59</sup> Elizabeth Lower-Basch, *Improving Access to Education and Training for TANF Participants* (Washington, DC: Center for Law and Social Policy, 2007). <<http://www.clasp.org/admin/site/publications/files/0363.pdf>>

<sup>60</sup> Author’s calculations based on the 2008 National Postsecondary Student Aid Survey.

<sup>61</sup> 20 U.S.C. § 1681(a) (2012)

pregnant or recovering from childbirth, while providing equal access to school programs and extracurricular activities. The statute does require students to provide medical documentation to support absences, and if faculty confer advantages based on class attendance, students must be given the opportunity to earn back the credit from classes missed because of pregnancy. If institutions provide separate services for pregnant and parenting students to complete their studies, they must be both voluntary and provide the full range of educational options available to students who are not pregnant or recovering from pregnancy. Schools must let students make up the work they missed while out due to pregnancy or any related conditions, including recovery from childbirth.

Despite these protections, enforcement of Title IX has been uneven and mixed throughout postsecondary institutions, with pregnant and parenting students often facing discrimination or inadequate services.<sup>62</sup> In addition to uneven compliance and enforcement, Title IX only protects students who are pregnant or recently recovered from pregnancy, without offering legal protections for students whose children are older. Therefore, institutions are not required to offer student parents who are *not* recovering from pregnancy – that is, parents of older children – with the same protections from absences or equal access to student support services as other students.<sup>63</sup>

### **Conclusion**

The federal government has a variety of resources for students to help access, afford, and complete higher education. In some cases, the programs may be overwhelming in their complexity or eligibility rules, may not be communicated well to students, or may simply be unavailable to low-income and underserved populations. This is particularly true for student parents, who not only face specific hurdles to engaging with the higher education system, but may attend in ways that reduce their ability to take full advantage of federal financial aid, tax, and other programs meant to ease the burden of college costs.

Better communication, outreach and design of these programs, where needed, could have a substantial impact on college access, institutional choice, and persistence for student parents. Given that this population makes up nearly a quarter of all students, improving these programs could make a considerable dent in achieving national college attainment goals as well.

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<sup>62</sup> National Coalition for Women and Girls in Education, *Title IX: Working to Ensure Gender Equity in Education*, (Washington, DC: National Coalition for Women and Girls in Education, 2012).  
<<http://www.ncwge.org/TitleIX40/TitleIX-print.pdf>>

<sup>63</sup> National Women's Law Center, *Title IX Protections for Pregnant and Parenting Students: A Guide for Schools*, (Washington, DC: National Women's Law Center, 2009). <<http://www.nwlc.org/sites/default/files/pdfs/ProtectionsforPregnantandParentingStudents.pdf>>

**Table 17. Federal Financial Aid and Other Programs, Description, Statistics, and Impact on Student Parents**

Program/Policy	Description	Total Recipients and Average Benefit per Recipient (If Available) <sup>64</sup>	Impact on Student Parents
<b>Expected Family Contribution (EFC)</b>	<p>EFC calculations determine eligibility for grants as well as loans and work-study.</p> <p>Those with low-incomes who also qualify for means-tested public-benefit programs are eligible for a simplified or “auto-zero” EFC calculation, increasing aid eligibility.</p> <p>Those with slightly higher incomes are afforded an asset protection allowance, as well as income-protection allowance that takes into account the number of dependents in the household and exempts some income from being considered as “available” to finance higher education.</p>	<p>Recipients: 31 million (total federal financial aid)</p> <p><u><a href="#">Average award: \$13,218 per full-time equivalent student in financial aid, including \$6,932 in grant aid from all sources, and \$5,056 in federal loans.</a></u></p>	<p>Income Protection Allowance is based on a very minimal standard of living.</p> <p>Students may demonstrate an EFC of \$0, but may still have unmet need, depending on the type of institution they attend and the amount of grant aid awarded.</p>
<b>Pell Grant</b>	<p>Pell Grants act as a voucher to be used at whichever Title IV institution the student chooses to attend.</p>	<p>Recipients: 9.4 million</p> <p>Average Grant: \$3,685</p> <p>Maximum award: \$5,645</p>	<p>Since the EFC formula takes into account whether or not a student has children, students with dependents more likely to receive higher Pell Grants than those without dependents.</p> <p>However, there are no additional awards for student parents beyond the maximum award delivered to the neediest students.</p> <p>Recent changes in Pell including the elimination of the Summer Pell, as well as reduction in eligibility from 18 full-time semesters to 12 full-time</p>

<sup>64</sup> Aid recipients and average benefits in this table, unless noted otherwise or referenced directly prior in this paper, are for the 2011-2012 school year and retrieved from College Board, *Trends in College Pricing 2012*, (Washington, DC: The College Board, 2012). <[http://advocacy.collegeboard.org/sites/default/files/college-pricing-2012-full-report\\_0.pdf](http://advocacy.collegeboard.org/sites/default/files/college-pricing-2012-full-report_0.pdf)>

			semesters, may have disproportionate impact on student parents, given the likelihood of part-time enrollment and need for flexible schedules.
<b>Federal Student Loans</b>	<p>The amount a student receives in federal student loans is also determined by the EFC formula, as is the makeup of student loans – subsidized or unsubsidized – within each aid package.</p> <p>While institutions determine the actual loan amount for which students are eligible each year, the federal government sets limits on the maximum amount in subsidized and unsubsidized federal loans for which students are eligible.</p>	<p>Recipients: 18.2 million total subsidized and unsubsidized Stafford Loan</p> <p>Average subsidized loan: \$3,645</p> <p>Average unsubsidized loan: \$4,247</p>	<p>Since the EFC formula takes into account whether or not a student has children, students with dependents are more likely to receive subsidized student loans than those without dependents. Student parents (who by definition, are independent students) are also eligible to borrow more each year than dependent students. Student parents are, however, more likely to drop out, raising concerns about debt without a degree.</p> <p>Student repayment options upon leaving school take into account family size in determining whether a borrower is eligible for income-based repayment (IBR), which reduces the amount borrowers are required to pay monthly upon leaving school.</p>
<b>Federal Work Study (FWS)</b>	<p>Under FWS, the recipient works for pay at a part-time job while in college, typically on campus. The federal government provides most of the pay, with the institution providing the remainder. To receive FWS, students may be employed by: the institution itself; a federal, state, or local public agency; a private nonprofit organization; or a private for-profit organization.</p>	<p>Recipients: 684,000</p> <p>Average Award: \$1,422</p>	<p>FWS is not really financial aid award since students have to earn it through work. The fact that the full award is not received until a student works a maximum number of hours may be unfair to student parents who may have to stop out of school or work for extended periods of time, require leave for family emergencies, or simply cannot juggle the triple commitments of school, child care, and work. FWS wages or hours also may not meet student parents' needs.</p>
<b>Higher Education Tax Benefits (AOTC, Lifetime Learning, Tuition and</b>	<p>Students are eligible for tax deductions on tuition and fees paid over the course of a year, as well as deductions on student loan interest incurred either while enrolled in school or after a student attends.</p>	<p>Recipients (2013)<sup>65</sup></p> <p>AOTC: 12.6 million</p>	<p>Student parents are not treated differently with regard to eligibility (or amount) for either credit, and must file a federal tax return independently in order to receive the credit (or in the case of dependent students, the credit may be claimed by the parents of the student).</p>

<sup>65</sup> Tax Policy Center, 2013, "Quick Facts: Child and Dependent Care Tax Credit." <[http://www.taxpolicycenter.org/press/quickfacts\\_CDCTC.cfm](http://www.taxpolicycenter.org/press/quickfacts_CDCTC.cfm)>

<p><b>Fees Deduction, Student Loan Interest Deduction)</b></p>	<p>Higher Education Tax Credits are designed to help families offset the cost of tuition and other educational costs. The AOTC is worth up to \$2,500 annually. Recipients must first file a tax return, and in the case of the AOTC, families with no tax liability are eligible to receive only 40 percent (or \$1,000) of the total credit.</p>	<p>Lifetime Learning: 2.6 million Tuition and Fees Deduction: 2.4 million</p> <p><b>Average Amount:</b></p> <p>AOTC: \$1,698 Lifetime Learning: \$652 Tuition and Fees Deduction: \$299</p>	<p>Eligible expenses do not include child care, room and board or housing, insurance or medical expenses.</p> <p>Credits are delivered months after tuition bills come due and materials are required for educational purposes. Student parents may be unduly penalized by the delay, given the additional expenses (such as child care) they incur throughout a given academic year.</p>
<p><b>Other Education Programs</b></p>	<p>TRIO Programs are Federal outreach and student services programs designed to identify and provide services for individuals from disadvantaged backgrounds. TRIO includes eight programs targeted to serve and assist low-income individuals, first-generation college students, and individuals with disabilities to progress through the academic pipeline from middle school to post-baccalaureate programs.</p> <p>The Department of Education also administers the Child Care Access Means Parents In School (CCAMPIS) Program, a grant program for institutions to set up child care on campus for low-income students.</p>	<p>Participants: 800,000 (in 2,800 individual programs)</p> <p>Average benefit: N/A</p>	<p>It is unclear how many TRIO programs provide additional student support services for student parents, including counseling on child care and other benefits for which students may be eligible, particularly before they make it to campus.</p> <p>Advantages of CCAMPIS program are only for students who attend an institution who is a CCAMPIS grantee (153 schools in 2012).</p>
<p><b>Child Care and Development Fund</b></p>	<p>The Child Care and Development Fund (CCDF) is the largest federal subsidy for low-income child care. The CCDF is a block grant from the federal government's Department of Health and Human Services (HHS), administered to states to subsidize the cost of child care for low-income families.</p> <p>Subsidies may be provided for children who</p>	<p>Recipients: 1.7 million children in 2010</p> <p>Average Award: Not available, though recipients paid on average 6 percent of family</p>	<p>CCDF is a well-targeted program overall; nearly half of all families served by the CCDF in 2010 were below the federal poverty line. Copayments among recipients average six percent of recipient family income, a lower percentage than average child care costs.</p>

	are under 13 (or children under 19 who have special needs), provided their parents are working or in school and their family income does not exceed 85 percent of the median income in the state.	income for child care.	Better coordination of CCDF on campuses, within financial aid or student service offices would help students know about the subsidy to which they may be entitled and find a child care center that qualifies for the subsidy, whether on campus or off-campus.
<b>Child and Dependent Care Tax Credit (CDCTC)</b>	The CDCTC is a tax credit to offset child and dependent care expenses, for parents who have children under age 13. The credit is calculated by income, with families who have income below \$15,000 annually qualifying for a credit of 35 percent of the annual childcare expenses (up to \$3,000 for one child and \$6,000 for two children). For every \$2,000 in additional annual income above \$15,000, the portion of the expenses covered decreases by one point. The CDCTC is non-refundable.	Recipients: 6.67 million in 2010  Average Award: \$532	The CDCTC provides a relatively meager benefit to low-income student parents who pay for child care expenses. The credit itself is small in relation to annual childcare costs – which vary by state but range from \$4,600 to \$15,000.  Non-refundability of the credit makes it unavailable to low-income student parents who do not have a tax liability.
<b>Dependent Care Assistance Programs (DCAP)</b>	Dependent Care Assistance Programs allow families to exclude up to \$5,000 in child care contributions from taxable income annually through their employers.  Programs take the form of employers setting up flexible spending accounts for employees in which employers deduct money from employee paychecks and deposit into an account for childcare, which can include preschool or nursery school, at-home care, or after-school care for children.	N/A N/A	In order to benefit, students must be employed while in school and their employer must provide Dependent Care Assistance Programs as a benefit.  Families with no tax liability receive no benefit from this tax exclusion, making many low-income student parents ineligible.
<b>Temporary Assistance for Needy Families (TANF)</b>	Under TANF, states qualify for an annual block grant from the federal government that may be used for cash assistance to low-income families, as well as other services including child care.  Welfare-to-work requirements require	Recipients: 1.8 million monthly in 2010  Average Benefit: \$392 per month per recipient in 2010. Monthly cash payments	The emphasis on vocational educational training and not higher education may be arbitrary, penalizing low-income students and student parents who may want to enter other fields that require degrees.  At the same time, the limit on 12 months of vocational training for TANF eligibility could further

	<p>beneficiaries to be engaging in (or seeking) work or training.</p> <p>Vocational education may count as a work activity for up to 12 months, and education directly related to employment qualifies as a secondary activity, meaning recipients must engage in 20 hours of work-related activities as well.</p>	<p>to TANF families averaged \$327 for one child, \$412 for two children, \$497 for three children, and \$594 for four or more children.<sup>66</sup></p>	<p>limit options for TANF recipients looking to retrain and return to the workforce.</p> <p>TANF eligibility is included in EFC calculations, increasing a student's ability to receive federal financial aid, although 16 percent of students receiving TANF do not apply for aid, suggesting a need for more coordination.</p>
<p><b>Title IX Equal Access Provisions</b></p>	<p>Under Title IX, pregnant and parenting students must be given the opportunity to earn back the credit from classes missed because of pregnancy.</p> <p>If institutions provide separate services for pregnant and parenting students to complete their studies, they must be both voluntary and provide the full range of educational options available to students who are not pregnant or recovering from pregnancy.</p> <p>Schools must let students make up the work they missed while out due to pregnancy or any related conditions, including recovery from childbirth.</p>	<p>N/A</p>	<p>Title IX only protects students who are pregnant or recently recovered from pregnancy, without offering legal protections for students whose children are older. Therefore, institutions are not technically required to offer student parents who are not recovering from pregnancy with the same protections from absences or equal access to student support services as other students.</p>

<sup>66</sup> U.S. Department of Health and Human Services Office of Family Assistance 2012