

Loan Replacement Grants for Low- and Middle-Income Students:

A Typology of Programs

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Abstract

In recent years, a growing number of four-year institutions have implemented a new type of need-based financial aid policies directed toward low- and middle-income students. These initiatives – referred to in this study as Loan Replacement Grant (LRG) programs – seek to greatly reduce or eliminate loans as part of student financial aid awards and replace them with grants. Continued implementation of LRGs is significant as they may hold promise for improving choice and access to college for lower-income students. This paper develops a LRG definition and summarizes and categorizes 61 currently active programs. The population of LRGs is classified according to a typology developed through analysis of programmatic characteristics that produces eight distinct program types. Presentation of the LRG definition, program specifics, and typology acts to organize these proliferating financial aid initiatives and will facilitate future research.

The underrepresentation of students of low socioeconomic status (SES) in four-year institutions across the United States is well-documented (e.g., Advisory Committee on Student Financial Assistance [ACSFA], 2001, 2002; Baum & Ma, 2007; Institute for Higher Education Policy [IHEP], 2002), and is a trend that is becoming increasingly pronounced (Astin & Oseguera, 2004; Carnevale & Rose, 2003). Reports on postsecondary enrollment point to evidence that lower-income students, although better qualified to attend college and enrolling in greater numbers than ever before, have become overwhelmingly and disproportionately concentrated in broad-access institutions such as community colleges (Haveman & Smeeding, 2006; IHEP, 2002). While low- and middle-income enrollment rates at four-year colleges and universities have essentially remained steady for the past two decades, corresponding figures for wealthier students continue to rise. As such, when enrollment along socioeconomic lines is considered, the US system of higher education has become increasingly imbalanced.

There is no singular explanation for system-wide enrollment inequity. Rather, the circumstance is likely attributable to an amalgam of causes including inadequate academic preparation (e.g., Berkner & Chavez, 1997; Choy, 2002), information constraints surrounding the college admission/financial aid application process (e.g., McDonough, 1994; Perna et al., 2008; Vargas, 2004), and economic barriers to access (e.g., ACSFA, 2002; Heller, 2002b; Paulsen & St. John, 2002; St. John, 2004; St. John et al., 2004). While the root causes of enrollment inequity is debated in higher education literature (St. John, 2004), the recent work of notable “balanced access” scholars has argued that finances play a critical – though not solitary – role in college enrollment behavior among college-qualified lower-income students. Thus, a combination of state, federal, and institutional admission and financial aid initiatives implemented over the past few decades have likely contributed to inequity. For instance,

expansion of the federal loan program, the decreased purchasing power of the Pell grant, and state and institutional aid priorities that have shifted from supporting financial need to rewarding merit have each created economic barriers to access for low-income students (Heller, 2002b; Heller & Marin, 2002, 2004; McPherson & Schapiro, 1998; Redd, 2004).

Seemingly in response to shifting financial aid priorities, a small but growing number of four-year postsecondary institutions have recently instituted aggressive financial aid policies aimed at increasing the representation of lower- and middle-income undergraduates (Pallais & Turner, 2006). These initiatives, which will be referred to in this paper as “Loan Replacement Grants” (LRGs)¹, seek to greatly reduce or eliminate loans in the financial aid awards of eligible students and replace them with grant aid that does not require repayment (The Institute for College Access and Success [TICAS], 2008a). Since the first of these programs was implemented at Princeton University in 1998, nearly 50 four-year institutions have adopted initiatives with similar aims, and over 40 of these colleges and universities have introduced LRGs in the past five years.

In their development and implementation, LRGs are supported by a body of research suggesting that the removal of college price barriers promotes both college access and choice for the economically disadvantaged (Heller, 1997; Paulsen & St. John, 2002; Perna, 2002; St. John, Paulsen, & Carter, 2005). Further, LRG development follows recommendations made by leading higher education scholars promoting financial support of lower-income students through an increase in grant funding and reduction in loan amounts (ACSFA, 2001; Perna, 2008; St. John et al., 2004).

¹ While the phrase “Loan Replacement Grant” has been used by a handful of institutions to describe their financial aid programs for lower-income students, it is not a commonly accepted term. Institutions often refer to their LRGs by their specific brand name or simply a “financial aid initiative.” In order to assure consistency and accuracy, this label will be applied to the programs discussed in this paper.

While LRGs have drawn some attention from higher education researchers and considerable attention in the popular media (e.g., Chaker, 2008; Kingsbury, 2008; Leonhart, 2008), the body of scholarly literature specific to these fledgling programs remains relatively small. Existing studies have investigated the effects of these programs on first-year student enrollment at individual public (Tebbs & Turner, 2006) and private (Avery et al., 2006) institutions. Pallais and Turner (forthcoming) addressed low-income initiatives when they identified a number of the programs at state-run institutions that were implemented prior to 2005. Additionally, TICAS (2008) consistently updates and revises low-income initiative information on its “Project for Student Debt” website. However, to date there has been little formal effort to define LRGs and classify existing programs based upon important distinctions. As a result, much of the complexity in the population of programs is ignored. This paper extends existing work and helps fill this gap in the literature by presenting an LRG definition, identifying the current population of institutions with active LRGs (as of August 2008), and providing a typology of the programs based on distinguishing programmatic features.

In educational literature, established typologies act as a valuable introduction to policies and programs because they introduce a way to organize initiatives along particular dimensions, and establish a useful framework that focuses attention on important variations (Kinser, 2006; Perna, Rowan-Kenyon, Bell, Thomas, & Li, 2008). The development of “mutually exclusive, policy relevant, descriptive, and nonhierarchical categories” (Kinser, 2006, p. 31), highlights distinctions that are useful for policymakers and researchers. Given the rapid proliferation of LRGs across a variety of institutions, their potential promise for addressing equity issues in four-year institutions by promoting college choice, and the publicity they have received, it is likely that their influence on higher education will continue and grow. Establishing a LRG definition

and classifying the population of programs according to the typology highlights diversity in the programs and with the aim of facilitating research on these important policies by providing a frame of reference on which future investigation can be based.

LRG Context

While financial aid funding once existed primarily to make college affordable for students with financial need, in recent decades it has increasingly been awarded on the basis of academic merit (e.g., Heller & Marin, 2004; McPherson & Schapiro, 2002). This shift has been noticeable on the state level with the proliferation of broad scholarship programs that fund students who meet pre-determined academic award criteria (Heller, 2002a). At individual colleges and universities, financial aid has also taken on an increasing role as a tool to attract students with desired credentials (McPherson & Schapiro, 2002). While such tactics have proven effective in growing prestige, they tend to have a corresponding negative effect on the enrollment of economically disadvantaged students (Avery, Fairbanks, & Zeckhauser, 2003). Because students receiving merit-based awards disproportionately come from wealthier families, institutional support for merit aid programs often comes at the expense of funding those with demonstrated financial need.

The trend in institutional financial aid toward greater merit-based assistance has come at a time when more students than ever are graduating from high school with the requisite qualifications to be admitted to selective four-year institutions (ACSFAs, 2002; IHEP, 2002; Winston & Hill, 2005). Among students graduating from high school who are qualified to attend four-year colleges and universities, the greatest percentage increase has been seen among students from low- and moderate-income backgrounds (Fitzgerald & Delaney, 2002). Because lower-income students are highly sensitive to increasing college prices, it has become

increasingly important remove substantial price barriers for students with financial need in order to promote college choice and establish a more equitable system of higher education.

The perception of college cost influences student pre-college behaviors including decisions on where to apply to school, test-taking practices, and even the choice of courses in high school (ACSFA, 2002). In addition to affecting student enrollment behavior, college cost and the amount of aid a student receives for postsecondary education plays a role in student attainment and persistence to graduation (Paulsen & St. John, 2002). The prevalent institutional aid trends away from addressing need and toward rewarding merit have thus likely played a role in the college choice decisions of academically qualified lower-income students who enroll in broad access institutions instead of four-year colleges and universities.

LRGs for Low- and Middle-Income Students

Despite evidence that institutional enrollment management initiatives have limited college choices for lower-income students, the ideal of equitable access remains an oft-cited goal for policymakers and institutional leaders. In recent years, a small but growing number of postsecondary institutions have begun to implement LRGs – policies aimed at significantly reducing the financial obligation for low- and middle-income students seeking to attend college (Pallais & Turner, forthcoming). The adoption of the initiatives appears to represent a small movement toward more proactive efforts by specific institutions to improve access, which may have the wider effect of improving system-wide choice through increased representation of students from lower-income backgrounds.

The first LRG program was introduced at Princeton University in 1998. The initiative guaranteed students from lower-income families – defined by the university as those earning less than \$40,000 – that the entire amount of their financial need would be met with grant assistance

and a federal work study award with no loans required (Princeton University, 1998). In 2003, the University of North Carolina at Chapel Hill became the first publicly funded institution to offer an LRG (Pallais & Turner, 2006). The initiative, known as the *Carolina Covenant*, replaced student loan amounts with grants and work-study to students from families with income at or below 200 percent of the poverty line.

In the years following the introduction of the initiatives at Princeton and North Carolina, similar programs were adopted at Amherst College, the University of Virginia, Brown University, and Harvard University. Since 2003 over 50 low-income student aid initiatives have been adopted by a variety of four-year institutions. Most of these colleges and universities are among the most prestigious and highly selective in the country, and the most likely to have an under-representation of lower-income students enrolled in their student bodies.

The Significance of LRGs

By removing college price barriers, institutions that adopt LRGs encourage students from low- and middle-income families to apply and enroll, thus potentially widening access to four-year institutions by promoting college choice. Anecdotal evidence (Quinones, 2008) and early studies (Avery et al., 2006; Tebbs & Turner, 2006) suggest that LRGs have this type of influence on enrollment and application behavior at adopting institutions. Adding to the significance and importance of LRGs are the possible in-school benefits attached to the initiatives. Extant literature on the effect of financial aid on low-income students provides strong support for loan replacement initiatives. For example, there is an extensive body of research that points to the role that student finances play in college application behavior, enrollment, attainment, and graduation (e.g., ACSFA, 2001, 2002; Heller, 2002b; Paulsen & St. John, 2002; Perna, 2002, , 2008; St. John, Paulsen, & Carter, 2005). Students from lower-income families are more greatly

influenced by college prices and financial aid than their higher-income peers when it comes to enrollment decisions, retention, achievement, and persistence. When financial support is offered in the form of grants that do not need to be repaid, the in-college benefits realized by lower-income students are substantially larger than those experienced by other SES groups (Usher, 2006). These positive outcomes attributed to grant aid offer additional support for LRGs.

The reduction of post-college loan debt obligation for LRG recipients is another aspect supporting their continued adoption. Students from lower-income families whose obligation to repay loans after graduation has been reduced or eliminated are also more likely to be academically successful and persist toward graduation (Paulsen & St. John, 2002). Such an outcome highlights an added benefit of LRGs, which concurrently reduce in-college costs and post-college obligation to repay student loans. Research points to the programs as potentially effective initiatives in promoting success in college for lower-income students.

Studies on Low-Income Student Aid Initiatives

Two studies aimed at evaluating LRG effectiveness provide evidence suggesting that student enrollment behavior does respond to the initiatives at both private and public institutions. Tebbs and Turner (2006), through an investigation of the LRG at the University of Virginia, found an increase in the number of admitted and matriculating low-income students at the institution in the year the program was implemented. The number of entering students with family incomes less than 200 percent of the poverty line increased from 133 to 200 between the fall of 2004 and 2005. At Harvard University, the percentage of students from families earning less than \$60,000 increased from 14.9% to 16.5% in 2004, the first year after adoption of that institution's LRG (Avery et al., 2006). Such increases in lower-income student enrollment at

these highly selective institutions suggest that the initiatives provide some support for LRG influence on student application and enrollment behavior.

Another study conducted by Pallais and Turner (2006) considered the proliferation of LRGs, and evaluated the potential reach of the initiatives. The authors measured low-income student interest in public and private four-year institutions by observing ACT and/or SAT score-sending activities. Using criteria of a hypothetical program, the authors determined the number of students from each state who would be eligible for the awards and concluded that LRGs would have differential costs and benefits for public institutions depending on the state in which they were located. Pallais and Turner also suggest that the programs would be more beneficial to private and select public institutions because of their national student recruitment base, as lower-income students would be drawn to their campuses from across the country. The effect of the programs on state institutions would likely be determined by the number of college eligible lower-income students in each state. The researchers also suggest that, overall, lower-income students will benefit from the competition between institutions to aggressively increase enrollment of this student population. The study also was among the first to recognize the LRG movement and articulate important differences between the programs at state institutions and those at privately funded colleges and universities.

Importance of the Current Study

Given the potential benefits of LRGs, their proliferation, and the possibility of wide-reaching effects on the future of institutional financial aid, it is likely that LRGs will draw more attention from researchers in coming years. To date, the body of research is small and little has been done to systematically organize the programs with regard to type and categorize them according to their varied characteristics. Such an exercise would help open avenues for future

investigation by establishing an organized and simplified framework that allows for grouping and program comparison. In light of the fact that LRGs are relatively new programs, and the likelihood that interest in the initiatives will continue to grow, a system of classification is an important step toward bringing some order to the complexity of existing programs.

Since the first LRGs were developed, information on the programs has been distributed to the public and research community through journal publications, policy reports, and newspaper and magazine articles. The work of Amanda Pallais and Sarah Turner (forthcoming; 2006), in which the authors identify a number of low-income initiatives at state institutions, has brought some attention to the programs. Perhaps the most notable and comprehensive effort to collect LRG information has been done by TICAS through its Project on Student Debt. The policy institute has compiled a list of “Financial Aid Pledges” – institutional aid programs that seek to reduce debt obligation for students – and provided some details of existing programs. Additionally, articles in the popular media have made mention of the programs and provided details of their terms and conditions.

While the existence of LRGs has been recognized and cited in various forms, the vast diversity in programs has been largely ignored. When addressed in the literature, LRGs are commonly lumped together, or only the programs at some of the best known institutions (e.g., Harvard, Princeton, and Yale) are discussed. TICAS is an exception; the institute draws a distinction between initiatives that completely remove loans from aid packages and those that limit loan amounts for students, and points out programs at over 40 institutions (TICAS, 2008b). Highlighting this difference indicates that not all LRGs are the same, but it fails to fully capture the diversity in the programs because it does not do enough to distinguish programmatic

differences. Given the recent proliferation of LRGs, a more nuanced and detailed system of organization for the programs is necessary.

Typologies are effective mechanisms for ordering and classifying program information in a way that highlights distinctions based on key features. They elucidate characteristics in a manner that is deliberately non-hierarchical and non-proscriptive (Kinser, 2006). In the case of LRGs, a typology can act as a valuable tool for researchers looking to investigate programs, consider them in terms of similarities and differences, and assure themselves of making appropriate comparisons. Through the development of an LRG typology, this paper considers a growing trend in institutional financial aid policy and provides parameters for consideration of the new programs. Such organization will provide a framework for researchers to conduct further studies on the topic in an organized, focused, and logical manner while appropriately accounting for differences along programmatic dimensions.

This paper offers an LRG definition and follows with an organized and systematic categorization of LRGs given the current population of programs. This organization is largely based on differences in program characteristics, specifically the composition of the aid awards and their terms of eligibility. It is important to point out and note that the various program types are not constructed in an effort to suggest that one type is “better” or “more beneficial” than another. As with so much that has to do with institutional aid policy, LRG award processes are highly individualized, and “best” programs are student-specific. As a result, the reach and scope of each LRG will depend upon the terms and conditions of program eligibility. Additionally, the undergraduate admissions process at awarding institution will also dictate the reach of the awards because it may limit the number of students who would be able to avail themselves of the aid opportunity. It must then be recognized and highlighted that there are differential effects

of LRGs, and there is no way to tell which is “best” until a student is admitted to the awarding institution and undergoes the need-based aid evaluation process.

Study Procedures

The data for this study consists of publicly available information obtained from a variety of sources. The work done by TICAS (2008a) through its Project on Student Debt acted as a primary source for identifying LRG institutions. Additional programs were identified through a review of survey data collected from 41 institutional financial aid offices which details their respective financial aid initiatives (Hart, 2006). Other potential LRGs were uncovered through thorough web-based searches of publicly accessible popular media, which often report on new institutional financial aid initiatives aimed at promoting access to lower- and middle-income students.

Following the identification of programs individual college and university financial aid and admissions websites were visited to uncover program specifics. When necessary, direct contact was made with the institutions directly to clarify the details of the initiative. Press releases and other similar documents published by the LRG institutions were also reviewed to provide context and insight into program history. Program characteristics, such as terms and conditions, eligibility requirements, award types and amounts, and possible award restrictions were recorded. Following collection of relevant LRG information, the data was organized to detail relevant dimensions of each program in order to allow for comparison.

Using the programmatic dimensions of each low-income student aid initiative, guidelines were developed in order to establish a working LRG definition. The established criteria allowed for an identification of “what counts” as an eligible program. Institutional aid practices that did not meet all criteria specified by this definition were eliminated from consideration. The

emergence of consistent themes between programs suggested the development of a LRG typology was appropriate in order to organize the programs. The resulting LRGs were first categorized broadly into two groups based upon their treatment of student loans to include (a) those that *eliminate* loans (No-Loan LRGs) and (b) those that *reduce* loan amounts (Loan Cap LRGs). The “No-Loan” programs and the “Loan Cap” programs were each further categorized by distinctions along two dimensions – the composition of the aid award and student eligibility for the awards – ultimately producing a total of eight distinct LRG types.

Defining LRGs

For many years, a number of colleges and universities have utilized need-blind/full-need admission and financial aid policies (Ehrenberg, 2000). The approach implies that students will be evaluated for admission without regard for their financial need (need-blind) and will have 100% of their demonstrated financial need met through financial aid, typically a combination of loans, federal work-study, and government and institutional grants (full-need). LRGs represent a form of need-blind/full-need admission policies, but are a more aggressive, generous, and targeted approach to awarding financial assistance to students. Where LRGs differ from the traditional full-need financial aid awarding practices is that they either *eliminate* or *greatly reduce* loans from the financial aid package of students who are eligible.

LRGs are provided to students who are enrolled full-time at the institution, remain in good academic standing, and typically (though not necessarily) are dependent. In order for a need-blind/full-need financial aid initiative to be considered an LRG, it must meet certain criteria. The following six criteria are required for an institution’s financial aid initiative to be considered an LRG. The awarding college or university must, at a minimum:

- 1) Consider students for admission without regard for a family’s financial need

- 2) Meet a student's full demonstrated financial need with financial assistance, after accounting for a family contribution
- 3) Replace a portion of loans with grant aid so that students are awarded no more than \$19,000² in loans over four years
- 4) Publicize clear eligibility requirements in terms of family income or some other transparent benchmark
- 5) Offer awards based on financial need with no merit-based requirement while considering students from a large proportion of the applicant pool³
- 6) Provide grant awards that cover direct billed cost (tuition, fees, room, board) at a minimum

An important aspect of LRGs is the condition related to family income level (Criterion 4), which differs from institution to institution. Programs typically target students from families that are considered “low-income” or “middle-income” as defined by the awarding college or university. In some cases the income criteria may be a specific dollar amount and in others it may be another benchmark such as Pell grant eligibility or a defined situation where the family income is some percentage of the poverty line. For example, at Lafayette College, admitted students with family incomes below \$50,000 qualify for the LRG. At North Carolina State University, students from families whose income is below 150% of the poverty line qualify for the institution's *Pack Promise*. In other cases, the LRG might benefit all aid-eligible students at the institution.

Also of note is the stipulation that the grants must be made available free of merit-based and other excessively limiting restrictions beyond the stated income criteria (Criterion 5). In

² The \$19,000 maximum figure represents the maximum amount of aid in Federally Subsidized Stafford loans that a student can accrue over four years - \$3,500 in the first year, \$4,500 in the second year, and \$5,500 each in the third and fourth year. The Subsidized Stafford Loan is the most commonly awarded federally subsidized loan available to undergraduate students.

³ With regard to this requirement, an institution must extend the LRG to a large proportion of its students. In cases where the program is narrowly limited (e.g., students from a particular high school, county, or background) the institution is excluded. However, included in the population of LRG granting institutions are state-run colleges and universities that offer programs for state residents because the majority of their students are residents.

other words, if an institution offers an LRG-like award to students from a particular high school or county, places academic restrictions (above and beyond satisfactory academic progress) on recipients, or attaches merit-based pre-college academic limitations on the award such as a GPA or test score threshold, the program is not wide-reaching enough to be considered a LRG.

Based upon the six criteria, many institutions that publicize generous need-based financial aid awards that likely promote choice and access for low- and middle-income students do not have programs that are classified as LRGs. For example, some colleges and universities guarantee that tuition will be covered with grant aid for low-income students. However, with annual room and board costs averaging \$7,404 at public four-year institutions and \$8,595 at private institutions (The College Board, 2007), and additional expenses (e.g., books, travel, personal expenses) adding to the total cost, it is likely that lower-income students receiving such tuition-restricted grants will still face significant loan debt upon graduation.

Using the aforementioned definition and criteria for “what counts” as an LRG, the population of currently active programs are summarized in Table 1, and listed by institution. “Program Details” include information on the composition of each award for eligible recipients, and “Eligibility” outlines student characteristics that would qualify them for the program. Also included are details pertaining to the “Family Contribution” for each LRG. It is common practice for institutions to expect families to contribute an amount as determined by the institution. In the majority of cases, this amount represents the sum of the calculated parent contribution and calculated student contribution. However, as part of the terms and conditions of their LRG, some institutions waive portions of the family contribution for particular student populations. For instance, at Stanford University students from families with incomes below \$60,000 are not required to provide a parent contribution for the student’s education. The inclusion of the

“Family Contribution” column thus acts to further clarify the scope and reach of the particular LRG.

As illustrated in Table 1, several institutions have more than one LRG. For example, at Connecticut College, families earning less than \$50,000 qualify for one of the institution’s two LRGs and families earning between \$50,000 and \$75,000 qualify for the other program. Each initiative carries with it separate terms and conditions along with differing eligibility requirements. This paper considers the known population of programs that meet the six aforementioned criteria and are active as of the 2008-09 academic year. Currently, 49 four-year institutions offer a total of 61 LRG programs.

It is valuable to note that while LRGs may act to significantly reduce the loan debt for students at institutions by addressing the loans initially awarded to students they do not – and can not – *guarantee* that students will not avail themselves of student loans. The possibility that the student might have a loan is connected to the common expectation of some obligatory financial contribution from the family. For example, a student attending Vassar College (which has an LRG for families with incomes below \$60,000) may belong to a family with a total income of \$50,000. In this case, based on the terms of Vassar’s program, the family would be required to contribute to the education from their income and assets. Such a family has the option of seeking out a loan to address the assessed expected family contribution. The student would be eligible – but not required – to do so and the loan would not be a part of the initial financial aid award.

LRG Typology

A review of the programmatic characteristics of the LRGs contained in Table 1 indicates clear similarities and differences and these variations allow for a categorization of programs

along thematic lines. The patterns suggest the development of an LRG typology in order to differentiate between programs.

The LRG population is divided into broad types based upon the treatment of loans in the financial aid award of eligible students. Based on the role of student loans in the aid award, there are two broad program categories that emerge – those that include loans as part of the need-based aid offer and those that do not. The resulting types are indicated in the “Program Type” column of Table 1. Eligible programs are labeled as being one of two types: No-Loan LRGs and Loan Cap LRGs. No Loan LRGs *eliminate* loans as part of a student’s aid package, whereas Loan Cap LRGs *greatly reduce* loan amounts for eligible students.

No-Loan LRGs and Loan Cap LRGs are sub-divided into categories that draw finer distinctions and further elucidate program similarities and differences. These categories consider (a) the terms of eligibility for each program and (b) the composition of the aid award (i.e., the type/amount of aid being offered to students). The elements create a two-by-two matrix for both No-Loan LRGs and Loan Cap LRGs (Table 2). The matrices separate existing programs into eight distinct categories, creating a classification system that captures current programs and accounts for to-be-developed LRG initiatives. Further description of the LRG types and the particular details of each of these categories are provided below.

No-Loan LRGs

Institutions with No-Loan LRGs guarantee that students who meet eligibility requirements will have their entire remaining financial need (after a calculated contribution) met with grant assistance or a combination of grant assistance and a federal work-study award. No-Loan LRGs address the total cost of attendance and guarantee that loans will not be included as a component in the student’s need-based financial aid package. When No-Loan LRGs are

subdivided using the two previously detailed elements – program eligibility requirements and award composition – the result is four distinct No-Loan LRG categories (Table 2).

The first element – program eligibility requirements – describes the criteria that institutions use to determine which students will benefit from the LRG. A distinction is made between No-Loan LRGs offered to the entire population of financial aid-eligible students at the institution (All-Aid Eligible) and those for students who fall into certain income categories or “Income Levels” (Income Level Eligible). Income levels can take various forms, including a stated dollar amount, family earning in relation to the poverty line, or Pell Grant eligibility. Eligibility requirement distinctions can be seen on the horizontal axis of Table 2, resulting in initiatives that are either Income Level Eligible No-Loan LRGs or All Aid Eligible No-Loan LRGs.

The second element – award composition – allows for further distinction based on the mixture of aid comprising the student financial aid package. In some cases, institutions will meet entire student need with grant aid, while in others grant awards will be supplemented with federal work study aid. Institutions that include work study in their aid awards offer “Work Included” programs. No-Loan LRGs consisting exclusively of grant awards are categorized as “No Work” initiatives. The “No Work”/“Work Included” distinction is made on the vertical axis in Table 2. The distinctions produce four distinct No-Loan LRG types. A description of the four categories is provided below and programmatic characteristics are explained. In order to enhance the descriptions, relevant examples of each type are referenced.

Income Level Eligible, Work Included

Income Level Eligible, Work Included No-Loan LRGs are offered to students who meet the awarding institution’s defined income criteria. Students from families falling in the stated

income level have their calculated need met with a combination of grant aid and federal work study. An example of an Income Level Eligible, Work Included No-Loan LRG is the recently implemented financial aid initiative at Washington University in St. Louis. Students attending the university who belong to families earning less than \$60,000 have their entire need covered with a combination of grant aid and a federal work study award of \$2,000. The program at Oberlin College, which makes similar aid offers to students qualifying for the Federal Pell Grant, also fits into this category. Other examples include LRGs at Wellesley College, Lehigh University, and the University of Maryland. A total of 23 colleges and universities offer this type of LRG – four state-supported and 19 private institutions.

Income Level Eligible, No Work

Income Level Eligible, No Work No-Loan LRGs seek to meet the entire remaining need for eligible students with grant aid. Recipients meet income requirements and federal work study is not included in the initial financial aid award. For example, students enrolling at the University of Virginia from families with incomes below 200% of the federal poverty level are guaranteed to have their remaining need met with grant assistance through that institution's LRG, *Access U.Va.* Other institutions with Income Level Eligible, No Work No-Loan LRGs include Indiana University - Bloomington and the College of William and Mary. All three of the institutions offering this type of LRG are state supported.

All Aid Eligible, Work Included

All Aid Eligible, Work Included No-Loan LRGs are made available to any student determined by the awarding institution to demonstrate financial need and is eligible to receive need-based financial aid. This type of No-Loan LRG assures recipients that their entire need will be met through an award consisting exclusively of grant aid and federal work-study. In extending

the reach of the programs to all aid eligible students such initiatives may benefit middle-income students as well as those from lower socio-economic strata. One such program is Davidson College's *The Davidson Trust* which makes the promise to all aid-eligible families that the student need will be met through a combination of grant aid and a federal work-study award. Additional examples of this type of No-Loan LRG are observed at Colby College, Swarthmore College, and Yale University. All 15 of the colleges and universities providing this type of LRG are privately funded.

All Aid Eligible, No Work

All Aid Eligible, No Work No-Loan LRGs represent the fourth category of the No-Loan initiatives. In this type of program, all aid-eligible students would have their entire need met through an award that is exclusively grant aid. Self-help assistance would not be offered in the initial financial aid award. To date, there are no institutions that currently employ such a financial aid policy. However, given the aim of this study to provide a system of classification for both *current* and *future* policies, including this No-Loan classification in the typology of programs is necessary. Every year, new institutions are adopting LRGs in various forms. Additionally, several colleges and universities have revised existing programs, usually with the aim of including more students. For example, Princeton University's initiative was initially an Income Level Eligible program, and later shifted to include all aid eligible students. In the past few years the LRG offerings at Williams College, Harvard University, and the University of Pennsylvania have undergone significant revision. With the goals, terms, and conditions of LRGs continuing to change, it is likely that a program fitting this fourth type of No-Loan LRG will emerge. Given the aim of this classification system, it is important to account for this possibility.

Loan Cap LRGs

The second broad LRG type consists of four Loan Cap Programs. Through these LRGs, colleges and universities aim to limit the loan amount a student is awarded with the aim of reducing debt post-graduation. When colleges and universities establish such a limit, eligible students realize increased grant amounts as compared to the previous aid programs. As detailed in the LRG definition, for an institution to have an aid program that is considered a Loan Cap LRG they must assure students that their awarded loan amounts will not exceed \$19,000. As a result, those institutions that have made promises to limit borrowing but advertise higher loan limits are not included in this typology.

As with No-Loan LRGs, distinctions between the various Loan Cap LRGs are made through consideration of two elements – program eligibility requirements and award composition. The dimensions are conceptualized as a matrix producing four distinct categories of Loan Cap LRGs (Table 2). The horizontal axis of the matrix addresses student eligibility for the Loan Cap LRGs, and divides them into Income Level and All Aid-Eligible programs. Along the vertical axis, the “award composition” element subdivides the Loan Cap programs into two categories, each indicating a difference in how institutions cap loan amounts for eligible students. With the No-Loan programs, the distinctions are based upon the presence of work-study awards. However, because Loan Cap LRGs always include work-study, this distinction is not used for the Loan Cap Programs.⁴

Institutions placing a four-year cap on loans represent one category. Such institutions publish a dollar amount that awarded student loans are not to exceed in awarded loans over four

⁴ It is reasonable to assume that Loan Cap Programs would not operate in the absence of a work-study award because of how institutions award financial aid to students. Work-study awards are deemed preferable to student loans and an institution would include work study before adding any loan support to a student financial aid package. Therefore, it is not meaningful to make distinctions along the lines of work-study eligibility for Loan Cap LRGs.

years of attendance. Other institutions place a per-year cap on loans. This per-year cap can be presented in one of two forms. In some cases, the per-year cap is stated as a specific dollar amount. In others, the cap is expressed in terms of the variable expense component of a student's budget for attendance. Loan Cap LRGs with this second variation of per-year cap include those at colleges and universities replacing loans with grants and work-study for billed cost, but award reduced loan amounts to cover unbilled expenses including books, travel, and personal expense. Students eligible for such programs are offered smaller loans, the amounts of which are dictated by the variable expense included in the institutional cost of attendance. The four of Loan Cap program types are provided in Table 2. Each is explained below along with the key programmatic features, and some relevant examples.

Income Level Eligible, Per-Year Cap

Income Level Eligible, Per-Year Loan Cap LRGs are awarded to students meeting particular income criteria, and offer awards that cap loans on a per-year basis. The University of Chicago's *Odyssey Scholarship* program contains an Income Level Eligible, Per-Year Loan Cap component. For students attending the institution from families with incomes between \$60,000 and \$75,000, the University guarantees that the aid award will contain no more than \$3,000 per year in student loans. Another example of this Loan Cap LRG type is Michigan State University's *Spartan Advantage* program. For Michigan Residents who qualify for the Federal Pell Grant, the institution pledges to cover a student's cost of tuition, fees, room, board, and books with grant aid and work study. Remaining expenses – which the institution estimates to be approximately \$1,700 – are eligible to be covered by student loans, meaning that the loan aid is capped at this amount (Michigan State University, 2008). Additional programs fitting this LRG category exist at Cornell University and Lehigh University which also have No-Loan LRGs. A

total of 14 institutions – eight public and six private – offer Income Level Eligible, Per-Year Loan Cap programs.

Income Level Eligible, Four-Year Cap

Institutions that provide Loan Cap options to students from families in particular income levels, and limit the loan amount over four years of attendance provide Income Level Eligible, Four-Year Loan Cap LRGs. The Loan Cap component of Emory University's *Emory Advantage* Program provides an example of an Income Level Eligible, Four-Year Loan Cap program. For students from families earning between \$50,000 and \$100,000, the institution guarantees that the total loan amount will not exceed \$15,000 over four years of attendance. Connecticut College also employs an Income Level Eligible, Four-Year Loan Cap as part of its need-based financial aid programs. The aforementioned cases are the only two examples of this type of Loan Cap LRG. In both situations, institutional financial aid policy includes another Income Level dependent LRG initiative.

All Aid Eligible, Per-Year Cap

Institutional need-based aid programs that make their Loan Cap LRGs available to all aid eligible students and cap the loans on a per-year basis are considered All Aid Eligible, Per-Year Cap initiatives. At the Massachusetts Institute of Technology (MIT) the All Aid Eligible, Per-Year cap program operates in conjunction with the institution's No-Loan LRG. Students attending MIT who come from families earning less than \$75,000 are eligible for the university's Income Level Eligible, Work Included No-Loan initiative. For all other student financial aid recipients, the amount of awarded loan is limited to a total of \$4,750 per year. To date, MIT is the sole institution that has implemented an All Aid Eligible, Per-Year Loan Cap LRG as of the 2008-2009 academic year.

All Aid Eligible, Four-Year Cap

Loan Cap programs made available to the entire population of aid-eligible students that cap the total loan amount over a four year time period fit into this fourth category. Like the All Aid Eligible Per-Year loan caps, these programs are most often seen in conjunction with other No-Loan or Loan Cap programs. For example, at the University of Virginia a No-Loan LRG is made available to students from families earning less than 200% of the Federal Poverty Level and all other aid eligible students are guaranteed to have their loan amounts capped at \$17,000 over the course of four years. The Loan Cap component of the *Maryland Pathways* program at the University of Maryland – College Park, which caps loans at \$15,900 for all aid eligible students, is another example of an All Aid Eligible, Four-Year Loan Cap initiative. The two aforementioned programs, along with the Loan Cap component of Wellesley College’s LRG represent the three program population of this LRG type.

LRGs by Type

Figure 2 details the distribution of all 61 LRGs by type. Approximately two-thirds of all LRGs (41) are of the No-Loan variety, compared to 20 Loan Cap programs. A total of 38 No Loan LRGs include work-study in their awards. Most of these initiatives fall in the Income Level Eligible, Work Included category (23), and the remaining 15 programs that offer federal work study are awarded to all aid eligible students. Only three No Loan LRGs offer programs that do not include a work study award, and all of these programs utilize an income level to identify recipients. As previously mentioned, there are no current programs that fit the All Aid Eligible, No Work No Loan LRGs criteria. The vast majority of Loan Cap LRGs are Income Level Eligible, Per-Year Cap programs (14), and only two of the Income Level Eligible Loan Cap

LRGs adhere to a four year cap. Among the Loan Cap LRGs provided to all aid eligible students, one adheres to a per-year cap, and three have implemented four-year caps.

Clearly, the distribution of LRGs across the various types is uneven, with far more No-Loan programs (41) than Loan Cap programs (20). Additionally, Income Level Eligible programs (42) outnumber the All Aid Eligible programs (19) by more than two to one. This variegated distribution may be related to a variety of factors (e.g., institutional enrollment patterns, endowment, or competition) though at this point these causes are speculative and making determinations pertaining to the reasons for program distribution is beyond the scope of this paper. However, it is observable and valuable to note that shifts have occurred in programmatic dimensions over time and institutions have begun to expand the scope and reach of their programs to include a wider population of students.

This migration and revision of program eligibility requirements and aims speaks directly to the need to include categories that currently contain either no programs or very few programs. Given the rapid proliferation and spread of these increasingly popular programs, it is likely that institutions will begin adopting new LRGs, or altering existing initiatives. As an example, when the first LRGs were developed all programs depended upon income levels to determine eligibility – including the Princeton initiative – and the emergence of the all aid eligible No-Loan and Loan Cap LRGs is a more recent phenomenon. Also, in recent years the University of Pennsylvania, Williams College, Davidson College, and a number of other institutions made dramatic changes to their programs, shifting them from one LRG type to another. Because this project aims to appropriately classify current LRGs while allowing a lasting system of organization for the future population of programs, including the unpopulated and sparsely populated categories is necessary if the typology is to remain useful.

Conclusion

This overview of LRGs and the various types of initiatives serves as a descriptive introduction to these new programs. By outlining a definition for LRGs and presenting the currently known population of institutions with these initiatives, it offers a frame of reference for discussion and investigation into the reach of various LRGs. Because the initiatives are relatively new and may hold tremendous promise for widening college choices for lower-income students, they are fertile ground for future research. Such research may add to the body of literature investigating choice and access issues in American higher education, and also expand inquiry related to higher education policy.

One clear avenue for future studies on LRGs will be considering program effectiveness. The previously mentioned studies by Tebbs and Turner (2006) and Avery et al. (2006) take an initial step toward measuring LRG outcomes. However, these studies simply investigate enrollment trends and do not consider other important outcomes such as student achievement, retention, persistence to graduation, and post-college plans for LRG recipients. The studies are also limited because they are one-year, cross-sectional evaluations of enrollments at individual institutions. As LRGs proliferate, and a critical mass of students move through higher education while aided by the initiatives, determining the extent to which they are effective will help to inform future policy decisions. In their design, LRGs appear to be well-supported by a wide body of literature, but an investigation of actual outcomes will be valuable in determining the role they may play in addressing inequities in postsecondary access and attainment.

The spread and proliferation of LRGs from institution to institution is another area that appears worthy of investigation. Though the programs are a recent phenomenon, more LRGs are being adopted each year in the absence of evidence supporting their relative effectiveness.

Determining why the programs are spreading to various institutions and how colleges and universities are arriving at decisions to adopt the programs is thus a valuable aim. For example, simply looking at the position of institutions with LRGs in national college rankings might suggest that the adoption of the programs may be more closely related to prestige, finances, and competition and may have less to do with inequities in postsecondary attendance. Uncovering rationale and motivations driving program adoption could allow higher education researchers to determine situations in which LRGs are most likely to be implemented and address questions such as whether they signify a new trend in financial aid policy, or represent a fad designed to make institutions appear more attractive to potential applicants.

Future investigation might also look more closely at the LRG program specifics described here, with the aim of determining their reach and effectiveness for particular student populations who might be attending the institutions. In other words, while this paper is not designed to be proscriptive or rank particular programs, later studies might seek to determine if particular program types are more effective than others. Such inquiry could be helpful to institutional and government policymakers considering LRG implementation, and might facilitate the proliferation of beneficial aid initiatives and/or promote certain program attributes among existing programs.

The LRG categories presented in this paper highlight programmatic differences between somewhat similar programs with similar aims. Using the formulated definition and the LRG categories could potentially serve to significantly aid researchers seeking to investigate both the efficacy of LRGs and the spread of the policy. Distinguishing between the various types will allow for some comparison between them, and allows for them to be investigated categorically. It also provides a frame of reference and a vocabulary that can be used when speaking about the

programs in order to differentiate between them based on their finer distinctions. Further analysis of the programs among different types may point to situations in which certain programs are more effective than others, and if there is a particular “fit” between LRG type and institution that best promotes access for lower-income students. Additionally, as suggested by Pallais and Turner (in press) the economic effects of the programs on institutions and states that fund them is one area for potential investigation, as is an investigation into the extent to which they become part of a larger financial aid trend.

This paper represents a first step toward formally collecting information on LRGs, and systematically classifying them in order to facilitate future examination through research. With higher education experiencing a trend in recent years toward becoming less equitable along SES lines, it is possible that LRGs may play a role in slowing or reversing this trend. By presenting terms by which to define “what counts” as an LRG, and offering up a typology of the various LRG initiatives, this inquiry presents a comprehensive and organized overview of the programs. This paper should be considered an introduction and a gateway, but is hopefully one that researchers will find useful as they seek to widen the scope of investigation on LRGs.

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Table 1

Loan Replacement Grant Programs by Institution

Institution - LRG Name	Program Details	Eligibility	Family Contribution	Program Type	Program Category
Amherst College	Replaces loans with grants and work study for the entire cost of attendance.	All aid-eligible students	Combined student and parent contribution	No-Loan	All Aid Eligible, Work Included
Appalachian State University - <i>Appalachian Access</i>	Reduces loan amounts. Cost of tuition, fees, room, and board covered by grant and work study. Remaining cost may be covered by loans.	Family income below the Federal poverty level. North Carolina residency.	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
Arizona State University - <i>ASU Advantage</i>	Reduces loan amounts. Cost of tuition, fees, room, and board covered by grant and work study. Remaining cost may be covered by loans.	Family income below \$25,000. Arizona residency.	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
Bowdoin College	Replaces loans with grants and work study for the entire cost of attendance.	All aid-eligible students	Combined student and parent contribution	No-Loan	All Aid Eligible, Work Included
Brown University (1)	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$100,000	Combined student and parent contribution. No family contribution for those earning less than \$60,000	No-Loan	Income Band Eligible, Work Included
Brown University (2)	Reduces loan amounts. Loans capped at \$3000 or \$4000/year. Remaining need up to cost of attendance replaced with grants and work study.	Family income between \$100,000 and \$125,000 and \$125,000 and \$150,000	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
California Institute of Technology	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$60,000	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Claremont McKenna College	Replaces loans with grants and work study for the entire cost of attendance.	All aid-eligible students	Combined student and parent contribution	No-Loan	All Aid Eligible, Work Included
Colby College	Replaces loans with grants and work study for the entire cost of attendance.	All aid-eligible students	Combined student and parent contribution	No-Loan	All Aid Eligible, Work Included
College of William and Mary - <i>Gateway</i>	Replaces loans with grants for the entire cost of attendance.	Family income below \$40,000. Virginia residency.	Combined student and parent contribution	No-Loan	Income Band Eligible, No Work

Table 1 (Continued)
Loan Replacement Grant Programs by Institution

Institution - LRG Name	Program Details	Eligibility	Family Contribution	Program Type	Program Category
Columbia University	Replaces loans with grants and work study for the entire cost of attendance.	All aid-eligible students	Combined student and parent contribution. Student contribution only for families earning less than \$60,000.	No-Loan	All Aid Eligible, Work Included
Connecticut College (1)	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$50,000 and EFC below \$5,500	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Connecticut College (2)	Reduces loan amounts. Loans capped at \$10,263 over four years. Remaining need up to cost of attendance replaced with grants and work study.	Family income between \$50,000 and \$75,000. EFC between \$5,500 and \$15,000.	Combined student and parent contribution	Loan Cap	Income Band Eligible, Four-Year Cap
Cornell University (1)	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$60,000	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Cornell University (2)	Reduces loan amounts. Loans capped at \$3000/year. Remaining need up to cost of attendance replaced with grants and work study.	Family income between \$60,000 and \$100,000	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
Dartmouth College	Replaces loans with grants and work study for the entire cost of attendance.	All aid-eligible students	Combined student and parent contribution. Student contribution only for families earning less than \$75,000.	No-Loan	All Aid Eligible, Work Included
Davidson College - <i>The Davidson Trust</i>	Replaces loans with grants and work study for the entire cost of attendance.	All aid-eligible students	Combined student and parent contribution	No-Loan	All Aid Eligible, Work Included
Duke University (1)	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$40,000.	Student Contribution	No-Loan	Income Band Eligible, Work Included
Duke University (2)	Reduces loan amounts. Loans capped between \$1000 and \$4000 depending on income. Remaining need up to cost of attendance replaced with grants and work study.	Family income between \$40,000 and \$100,000	Combined student and parent contribution. Student contribution only for families earning less than \$60,000.	Loan Cap	Income Band Eligible, Per-Year Cap

Table 1 (Continued)
Loan Replacement Grant Programs by Institution

Institution - LRG Name	Program Details	Eligibility	Family Contribution	Program Type	Program Category
Emory University - <i>Emory Advantage</i> (1)	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$50,000.	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Emory University - <i>Emory Advantage</i> (2)	Reduces loan amounts. Loans capped at \$15,000 over four years. Remaining need up to cost of attendance replaced with grants and work study.	Family income between \$50,000 and \$100,000.	Combined student and parent contribution	Loan Cap	Income Band Eligible, Four-Year Cap
Georgia Institute of Technology - <i>Tech Promise</i>	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$30,000. Georgia residency.	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Harvard University	Replaces loans with grants and work study for the entire cost of attendance.	All aid-eligible students.	Combined student and parent contribution. Student contribution only for families earning less than \$60,000.	No-Loan	All Aid Eligible, Work Included
Haverford College	Replaces loans with grants and work study for the entire cost of attendance.	All aid eligible students	Combined student and parent contribution	No-Loan	All Aid Eligible, Work Included
Indiana University - <i>Bloomington - 21st Century Scholars Covenant</i>	Replaces loans with grants for the entire cost of attendance.	Students qualifying for the federal school lunch program. Indiana residency.	Combined student and parent contribution	No-Loan	Income Band Eligible, No Work
Lafayette College (1)	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$50,000.	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Lafayette College (2)	Reduces loan amounts. Loans capped at \$2,500 per year. Remaining need up to cost of attendance replaced with grants and work study.	Family income between \$50,000 and \$100,000.	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
Lehigh University (1)	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$50,000.	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included

Table 1 (Continued)
Loan Replacement Grant Programs by Institution

Institution - LRG Name	Program Details	Eligibility	Family Contribution	Program Type	Program Category
Lehigh University (2)	Reduces loan amounts. Loans capped at \$3000 per year. Remaining need up to cost of attendance replaced with grants and work study.	Family income between \$50,000 and \$75,000.	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
Massachusetts Institute of Technology (1)	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$75,000.	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Massachusetts Institute of Technology (2)	Reduces loan amounts. Loans capped at \$4750 per year. Remaining need up to cost of attendance replaced with grants and work study.	All aid eligible students with family incomes above \$75,000	Combined student and parent contribution	Loan Cap	All Aid Eligible, Per-Year Cap
Michigan State University - <i>Spartan Advantage</i>	Reduces loan amounts. Cost of tuition, fees, room, and board covered by grant and work study. Remaining cost may be covered by loans.	Pell eligibility. Michigan residency.	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
North Carolina State University - <i>Pack Promise</i>	Reduces loan amounts. Loans capped at \$2500 per year. Remaining need up to cost of attendance replaced with grants and work study.	Family income below 150% of the federal poverty line	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
Northwestern University	Replaces loans with grants and work study for the entire cost of attendance.	Pell eligibility and an EFC less than 20% of the cost of attendance.	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Oberlin College - <i>Oberlin Access</i>	Replaces loans with grants and work study for the entire cost of attendance.	Pell eligibility	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Pomona College	Replaces loans with grants and work study for the entire cost of attendance.	All aid-eligible students	Combined student and parent contribution	No-Loan	All Aid Eligible, Work Included
Princeton University	Replaces loans with grants and work study for the entire cost of attendance.	All aid eligible students	Combined student and parent contribution	No-Loan	All Aid Eligible, Work Included

Table 1 (Continued)
Loan Replacement Grant Programs by Institution

Institution - LRG Name	Program Details	Eligibility	Family Contribution	Program Type	Program Category
Rice University	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$60,000	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Stanford University	Replaces loans with grants and work study for the entire cost of attendance.	All aid eligible students	Combined student and parent contribution. Student contribution only for families earning less than \$60,000.	No-Loan	All Aid Eligible, Work Included
Swarthmore College	Replaces loans with grants and work study for the entire cost of attendance.	All aid eligible students	Combined student and parent contribution	No-Loan	All Aid Eligible, Work Included
Tufts University	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$40,000	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
University of Arizona - <i>Arizona Assurance</i>	Reduces loan amounts. Cost of tuition, fees, room, board, and books covered by grant and work study. Remaining cost may be covered by loans.	Family income below \$42,400. Arizona residency.	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
University of Chicago - <i>Odyssey Scholarship (1)</i>	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$60,000	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
University of Chicago - <i>Odyssey Scholarship (2)</i>	Reduces loan amounts. Loans capped at \$3000 per year. Remaining need up to cost of attendance replaced with grants and work study.	Family income between \$60,000 and \$75,000	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
University of Illinois at Urbana-Champaign - <i>Illinois Promise</i>	Reduces loan amounts. Cost of tuition, fees, room, board, and books covered by grant and work study. Remaining cost may be covered by loans.	Family income below the federal poverty level and an EFC of zero. Illinois residency.	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
University of Louisville - <i>Cardinal Covenant</i>	Reduces loan amounts. Cost of tuition, fees, room, board, and books covered by grant and work study. Remaining cost may be covered by loans.	Family income below 150% of the federal poverty level. Kentucky residency.	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap

Table 1 (Continued)

Loan Replacement Grant Programs by Institution

Institution - LRG Name	Program Details	Eligibility	Family Contribution	Program Type	Program Category
University of Maryland, College Park - <i>Maryland Pathways</i> (1)	Replaces loans with grants and work study for the entire cost of attendance.	Students with an EFC of zero.	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
University of Maryland, College Park - <i>Maryland Pathways</i> (2)	Reduces loan amounts. Loans capped at \$15,900 over four years. Remaining need up to cost of attendance replaced with grants and work study.	All aid-eligible students	Combined student and parent contribution	Loan Cap	All Aid Eligible, Four-Year Cap
University of Michigan - <i>M-PACT</i>	Replaces loans with grants and work study for the entire cost of attendance.	Students with an EFC of zero. Michigan residency.	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
University of North Carolina at Chapel Hill - <i>Carolina Covenant</i>	Replaces loans with grants and work study for the entire cost of attendance.	Family income below 200% of the federal poverty level.	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
University of Pennsylvania	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$100,000	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
University of Tennessee - <i>Tennessee Pledge Scholarship</i>	Reduces loan amounts. Cost of tuition, fees, room, board, and books covered by grant and work study. Remaining cost may be covered by loans.	Family income below \$36,000. Tennessee residency.	Combined student and parent contribution	Loan Cap	Income Band Eligible, Per-Year Cap
University of Virginia - <i>Access U.Va.</i> (1)	Replaces loans with grants for the entire cost of attendance.	Family income below 200% of the federal poverty level.	Combined student and parent contribution	No-Loan	Income Band Eligible, No Work
University of Virginia - <i>Access U.Va.</i> (2)	Reduces loan amounts. Loans capped at \$17,000 over four years. Remaining need up to cost of attendance replaced with grants and work study.	All aid-eligible students	Combined student and parent contribution	Loan Cap	All Aid Eligible, Four-Year cap
Vassar College	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$60,000	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included

Table 1 (Continued)
Loan Replacement Grant Programs by Institution

Institution - LRG Name	Program Details	Eligibility	Family Contribution	Program Type	Program Category
Washington University in St. Louis	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$60,000	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Wellesley College (1)	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$60,000	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Wellesley College (2)	Reduces loan amounts. Loans capped at \$8,650 or \$12,825 over four years. Remaining need up to cost of attendance replaced with grants and work study.	All aid-eligible students. Family incomes between \$60,000 and \$100,000 receive the lesser amount.	Combined student and parent contribution	Loan Cap	All Aid Eligible, Four-Year Cap
Wesleyan University	Replaces loans with grants and work study for the entire cost of attendance.	Family income below \$40,000	Combined student and parent contribution	No-Loan	Income Band Eligible, Work Included
Williams College	Replaces loans with grants and work study for the entire cost of attendance.	All aid-eligible students	Combined student and parent contribution	No-Loan	All Aid Eligible, Work Included
Yale University	Replaces loans with grants and work study for the entire cost of attendance.	All aid-eligible students	Combined student and parent contribution. Student contribution only for families earning less than \$60,000.	No-Loan	All Aid Eligible, Work Included

Table 2
Number of Loan Replacement Grant Programs by Type.

Award Composition	Award Eligibility	
	Income Level	All Aid
No-Loan		
Work Included	23	15
No Work	3	0
Loan Cap		
Per Year	14	1
Four Year	2	3