

NEWS R ELEASE

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New Research Shows California Students' Financial Aid Needs Are Rapidly Increasing

RANCHO CORDOVA—The California Student Aid Commission and EDFUND today released the latest update on trends in financial aid for California's students. The report, *California Trends in Student Aid, 1994-95 to 2003-04*, adds an additional two years worth of data to a series of reports that has been documenting financial aid trends since 1995.

The report indicates that California students' financial aid needs are rapidly increasing. California students received \$9 billion in financial aid during the 2003-04 academic year, an increase of 12 percent over the prior year and a 71 percent increase over a 10-year period. During that same 10-year period, state

aid – almost exclusively in the form of Cal Grants – rose 141 percent to \$666 million.

“The research shows that now, more than ever, California students need financial aid options for college, and they need to be aware of those options,” said Commission Executive Director Diana Fuentes-Michel. “We hope this report assists higher education policy makers and others as they research and develop options that are geared to increasing access to postsecondary education.”

In the 10-year span the report covers, the cost of attending college rose significantly, an ominous sign that higher education is becoming less affordable for many aspiring students.

Other highlights from the report period of 1994-95 to 2003-04 include:

- The cost of attendance (fees, books, room and board) rose from \$12,452 to \$15,179 at the University of California (UC) and from \$8,838 to \$10,433 at California State University campuses (CSU).
- In California, median household income rose from \$43,713 to \$49,300. The percentage of the

median household income that it took to pay for college – a rough measure of affordability – was 31percent at UC and 21percent at CSU by 2003-04.

- Over the decade across the nation, the tuition/fees for public four-year universities rose 39 percent to an average \$4,645 compared to an increase of 8 percent at UC (total fees: \$5,490) and 11 percent at CSU (total fees: \$2,552).

“A key part of EDFUND’S mission is to help students get to college,” said EDFUND President Sam Kipp. “It is our hope that this comprehensive information will be helpful as the many higher education stakeholders work together to reach sound policy decisions that can achieve that goal.”

The report was written by Watson Scott Swail and Lawrence E. Gladieux of the Educational Policy Institute.

The *California Trends in Student Aid, 1994-95 to 2003-04* report may be ordered. Simply visit EDFUND’s Web site at www.edfund.org; e-mail orders to publications@edfund.org; fax an order form to 916.526.8838; write to the EDFUND Shipping Center at: P.O. Box 419045,

Rancho Cordova, CA 95741-9045; or call the telephone hotline at 916.526.7282 for personal service.

Visit www.csac.ca.gov and www.edfund.org for more information on programs and services available through the Commission and its nonprofit auxiliary, EDFUND.

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The California Student Aid Commission is the state's principal provider of intersegmental statewide grant aid to postsecondary students. Founded in 1955 as the California State Scholarship Commission, the Commission's primary programmatic responsibilities include operation of the Cal Grant program, which is distributing nearly \$800 million to California's college students during the 2005-2006 school year; operation of the California Chafee Grant Program; and several multi-million dollar targeted state scholarship and loan forgiveness programs. The 15-member Commission oversees the activities of its nonprofit student loan services auxiliary, EDFUND. The Commission is headquartered in Rancho Cordova, California.

EDFUND, a nonprofit public benefit corporation, is the nation's second largest provider of student loan guarantee services under the Federal Family Education Loan Program. EDFUND offers students a wide range of financial aid and debt management information while supporting schools with advanced loan processing solutions and default prevention

techniques. Operating as an auxiliary corporation of the California Student Aid Commission, EDFUND processes more than \$7.8 billion in student loans annually (including Consolidation loans) and manages a portfolio of outstanding loans valued at \$26 billion. EDFUND is headquartered in Rancho Cordova, California with regional offices located throughout the nation.

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