



THE OFFICE FOR ACCESS & SUCCESS FACT SHEET

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This OAS Fact Sheet provides information on the impact of changes to the Parent Plus Loan program on HBCUs and provides data about enrollment, degree production and the economic impact of 1890 land-grant institutions and HBCUs overall.

IMPACT OF PARENT PLUS LOAN CHANGES ON HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

PARENT PLUS LOAN CHANGES

- ◆ In 2011, The U.S. Department of Education added new underwriting standards for the PLUS loan program for parents and graduate students.
- ◆ The U.S. Department of Education now stipulates that charge-off accounts and accounts in collections within the last five years-previously 90 days- makes applicants ineligible to be approved for PLUS loans.
- ◆ The U.S. Department of Education did not convene a rule-making panel or issue a letter to colleges explaining the change.

CONTEXT

- ◆ During the recent economic downturn, many low-income and minority families were financially impacted by the loss of jobs and homes.
- ◆ The changes to the PLUS loans arose as HBCUs experienced a 5.1% budget cut via the sequester.
- ◆ The federal government also ended summer Pell Grants that has resulted in lower persistence by students.

IMPACT

- ◆ 14,616 students at HBCUs learned that the U.S. Department of Education had rejected applications from the students' parents or guardians for loans to help pay college expenses in the Fall of 2012.
- ◆ HBCUs lost an estimated \$168 million as a result of the large number of students who were not able to start or continue their college education.

INSTITUTIONAL EXAMPLES OF IMPACT

- ◆ At Tennessee State University, 42 % of students who applied for the PLUS loan were approved prior to the changes now the approval rate is down to 27 %.
- ◆ Morehouse College was forced to furlough staff and many students had to leave school.
- ◆ At Clark Atlanta University, 500 students were not able to enroll last fall because their parents were denied PLUS loans, resulting in an \$8 million budget deficit.
- ◆ Hampton University in Virginia reported a loss of \$6 million in anticipated revenue, traceable to parents of students enrolled at all levels being denied PPLs. In the fall of 2012, there were 371 students declined PLUS loans at Hampton University.
- ◆ At Tuskegee University in Alabama, 268 students were declined PLUS loans. The approval rate at Tuskegee University for Parent PLUS loans plummeted from 55% last year to 23% this year.
- ◆ Bennett College in North Carolina had 400 parents applied in 2011 and 250 were approved (63 %). In 2012, 400 parents applied and 72 were approved (18 %).

The 5 schools that saw the most students denied loans in the fall of 2012 were the following:

1. North Carolina Central University (NC): **609**
2. Howard University (DC): **607**
3. Florida A&M University (FL): **569**
4. Prairie View A&M (TX): **528**
5. Grambling State University (LA): **523**

CONTRIBUTIONS OF 1890 LAND-GRANT INSTITUTIONS & HBCUs

1890 LAND-GRANT INSTITUTIONS

- ◆ The eighteen 1890 land-grant institutions represent 24% of all land-grant institutions (76 institutions total).¹
- ◆ 1890 land-grant institutions enrolled 98,397 students in 2011 (31% of all student enrolled in HBCUs).
- ◆ 1890 land-grant institutions enrolled only 6.2% of all students enrolled in land-grant institutions and 52% (79,433) of all African American students enrolled in land-grant institutions.¹
- ◆ 1890 land-grant institutions produced 10,761 bachelor's degrees, 3,060 master's degrees, 212 doctoral degrees and 406 professional degrees in 2011.
- ◆ 1890 land-grant institutions produced 33% of all bachelor's degrees, 41% of all master's degrees, 45% of all doctoral degrees and 24% of all professional degrees awarded at HBCUs
- ◆ 1890 land-grant institutions awarded 45% of all bachelor degrees, 44% of all masters' degrees, 16% of all doctoral degrees and 32% of all professional degrees awarded to African American students at land-grant institutions.
- ◆ 1890 land-grant institutions create economic impacts in terms of output, value-added, labor income, and employment for their host communities. The combined economic impact of the nation's eighteen land-grant institutions on their host communities includes:²
 - ⇒ \$3.1 billion in output (sales),
 - ⇒ \$1.8 billion in value-added (gross regional product),
 - ⇒ \$1.3 billion in labor income, and
 - ⇒ 56,450 full-and part-time jobs.

HBCUs OVERALL

- ◆ HBCUs represent 3% of American institutions.
- ◆ HBCUs Enrolled 322,610 students in 2011 (1.5% of total student enrollment in the United States).
- ◆ There were 2,846,449 African American students enrolled in all U.S. colleges and universities in 2011 and 254,480 African American Students enrolled at HBCUs in 2011 (9% of all students).
- ◆ HBCUs produced 32,683 bachelor's degrees, 7,442 master's degrees, 469 doctoral degrees and 1,717 professional degrees in 2011.
- ◆ Overall, HBCUs awarded 17% of all bachelor's degrees, 8% of all master's degrees, 8% of all doctoral degrees and 17% of all professional degrees earned by African American students in 2011.
- ◆ HBCUs award about 22% of STEM bachelor's degrees, 16% of STEM masters degrees, 12% of STEM doctoral degrees earned by African Americans.³
- ◆ About 30% of African Americans who go on to earn doctorates received their bachelor's degrees at Historically Black Colleges and Universities.⁴
- ◆ HBCUs create economic impacts in terms of output, value-added, labor income, and employment for their host communities. The combined economic impact of the nation's 101 HBCUs on their host communities includes:⁵
 - ⇒ \$10.2 billion in output (sales),
 - ⇒ \$6.0 billion in value-added (gross regional product),
 - ⇒ \$4.4 billion in labor income, and
 - ⇒ 180,142 full-time and part-time jobs.

¹All data in this fact sheet are derived from the Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), 2013 unless otherwise noted. All data analyses and calculations provided by John Michael Lee, Jr., Ph.D. (APLU).

²Humphreys, J. (2005). *Economic Impact of the Nation's Historically Black Colleges and Universities* (NCES 2007-178). U.S. Department of Education, National Center for Education Statistics. Washington, DC: U.S. Government Printing Office.

³Lan, F. (2012), Characteristics of Recent Science and Engineering Graduates: 2008. NSF 12-328. Washington, DC: National Science Foundation.

⁴Lan, F. (2008), Role of HBCUs as Baccalaureate-Origin Institutions of Black S&E Doctorate Recipients. NSF 08-319. Washington, DC: National Science Foundation.

⁵Humphreys, J. (2005).



ABOUT APLU

The **Association of Public and Land-grant Universities (APLU)** is a research, policy, and advocacy organization representing 234 public research universities, land-grant institutions, state university systems, and affiliated organizations. Founded in 1887, APLU is North America's oldest higher education association with member institutions in all 50 states, the District of Columbia, four U.S. territories, Canada, and Mexico. Annually, member campuses enroll 4.7 million undergraduates and 1.3 million graduate students, award 1.1 million degrees, employ 1.3 million faculty and staff, and conduct \$41 billion in university-based research.



ABOUT THE COUNCIL OF 1890 UNIVERSITIES

APLU's **Council of 1890 Universities** collectively represent the interests of 1890 land-grant institutions including the University of the District of Columbia and the University of the Virgin Islands. The Council seeks to maintain, insure and increase funding, to present a unified approach for presentation of views regarding these institutions and to serve as a forum to share ideas and resources. The Council works with other 1890 associations in developing a comprehensive agenda for APLU regarding congressional and federal policies and programs impacting 1890 institutions.



ABOUT OAS

APLU's **Office for Access and Success (OAS)** is dedicated to equity, access, and educational excellence for all individuals with a special focus on underserved students and minority-serving institutions. OAS is primarily responsible for supporting the APLU Council of 1890 Universities; the Commission on Access, Diversity and Excellence (CADE); Hispanic-Serving Institutions; and the OAS Advisory Board. To reach the authors, please email oas@aplu.org.

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