

GAO  
Accountability • Integrity • Reliability

# Highlights

Highlights of [GAO-03-905](#), a report to the Chairman, Committee on Education and the Workforce, and Chairman, Subcommittee on 21st Century Competitiveness, Committee on Education and the Workforce, House of Representatives

## Why GAO Did This Study

Despite the availability of federal, state, and other sources of student aid, concerns have been raised that adult undergraduates—those 24 and older—receive inadequate assistance in meeting the costs of postsecondary education, particularly those adults who take one to five credits per term (or less than half-time). These concerns have been raised because less-than-half-time adult students are unable to participate in the largest federal student loan programs, the Stafford Loan programs, and they are eligible to receive only one of the two federal higher education tax credits, the Lifetime Learning tax credit.

To better understand the needs of these adult students, GAO was asked to identify (1) the extent to which adults enroll less than half-time, the characteristics and factors associated with less-than-half-time enrollment, and the rates of completion among these students; (2) the extent to which adult students enrolled less than half-time receive federal, state, and other assistance to help them meet the cost of postsecondary education; and (3) the implications, including the budgetary impact, of changing the Pell Grant Program to allow less-than-half-time students to count room and board costs and personal expenses in their application for federal financial aid, and changing the Stafford loan programs to permit participation by less-than-half-time students.

[www.gao.gov/cgi-bin/getrpt?GAO-03-905](http://www.gao.gov/cgi-bin/getrpt?GAO-03-905).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Cornelia Ashby at (202) 512-8403 or [ashbyc@gao.gov](mailto:ashbyc@gao.gov).

## FEDERAL STUDENT AID

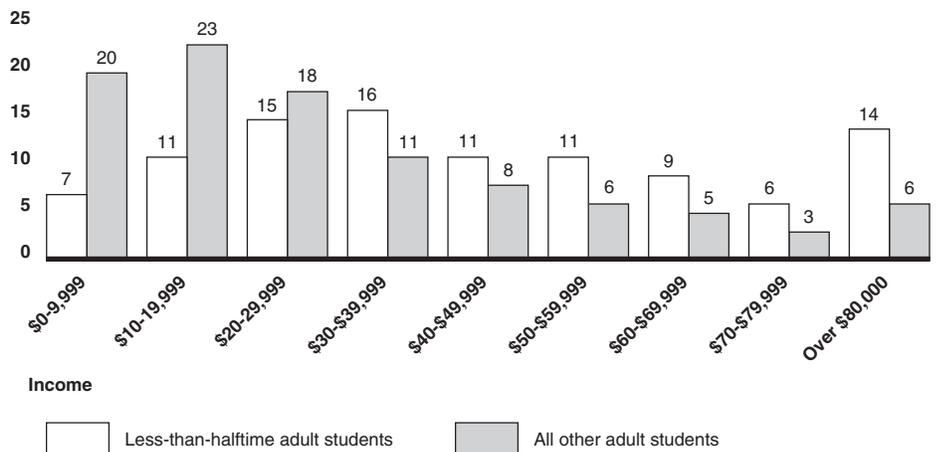
### Expanding Eligibility for Less Than Half-time Students Could Increase Program Costs, But Benefits Uncertain

#### What GAO Found

In the 1999-2000 school year, 2.3 million adults enrolled in undergraduate education on a less-than-half-time basis, many seeking to balance school with other responsibilities. Compared with other adult students, the typical less-than-half-time adult student was more likely to work full-time, be married, and have a household income over \$30,000. Though 3 out of 4 less-than-half-time adult students expect to complete a degree or certificate program when they begin their education, most leave school without completing one.

**Household Income of Adult Undergraduate Students, 1999-2000**

Percentage of adult students



Source: GAO calculations from National Postsecondary Student Aid Study, 1999-2000.

About 70 percent of less-than-half-time adult students received some assistance—about 44 percent of their schooling costs—typically from sources other than federal or state student aid. The sources of assistance they received varied by household income: lower-income adult students enrolled less than half-time relied primarily upon student financial aid in meeting school costs, while higher-income households were assisted primarily by work-related sources such as the Lifetime Learning tax credit or employer assistance.

We estimate that proposed changes to the Pell Grant programs would cost the federal government a minimum of \$25 million for the 2003-2004 school year. Allowing less-than-half-time students to participate in the Stafford Loan programs would cost about \$113 million per year. College administrators expressed reservations about expanding Stafford Loan eligibility due to concerns about increasing default rates.

In commenting on our draft report, Education noted that they found it to be thorough and useful.