



## **Merit and Non-Merit Aid Funds Analysis**

*February 28, 2025*

### **Introduction**

This analysis has three main goals: 1) to determine the in-state tuition and fees coverage by merit aid funds, 2) to establish the in-state cost of attendance coverage by merit aid funds, 3) to analyze the comparable scholarship 2021 data from other states with South Carolina's, and 4) to determine at the student level the share of the in-state cost of attendance that the merit aid funds (LIFE Scholarship, Palmetto Fellows Scholarship, and SC HOPE Scholarship), state non-merit aid funds (Need-based Public, Need-Based Independent, Lottery Tuition Assistance, National Guard, and Foster Care), and the Pell Grant help cover.

The report is grouped into four major analysis sections which reflect the type of data that were used:

- I. In-State Tuition and Fees Analysis
- II. In-State Cost of Attendance Analysis
- III. Merit Aid Funds Comparison Analysis
- IV. Student Level Analysis

## Executive Summary

On average, 25 percent of all Fall enrolled in-state students in the last six years received LIFE scholarships (LIFE), five percent received Palmetto Fellows Scholarships (PFS), and two percent received SC HOPE scholarship (HOPE) funds. Also, on average, these students received \$4,676 in LIFE, \$7,650 in PFS, and \$2,527 in HOPE; note that the scholarship enhancement was included in the scholarship amounts during 2017 and 2022.

The weighted average coverage of tuition and fees shows that the PFS covers on average 64 percent, LIFE covers 58 percent, and HOPE covers approximately 19 percent. The analysis of the weighted average coverage of cost of attendance shows that the PFS covers on average 28 percent, LIFE covers 20 percent, and HOPE covers nine percent. While there was an average of 12 percent (\$2,585) increase in the cost of attendance, the scholarships' weighted average coverage remains mostly flat.

We have seven groups of students depending on the combination of funds they can receive. The groups of funds that cover the highest share of in-state cost of attendance were the Merit & Non-Merit & Pell group with a coverage of 52 percent and the Merit Aid & Pell group with a coverage of 45 percent. However, the average share of the students who receive these funds out of all recipients during this period was low at about seven percent (6,081 students) for the Merit & Non-Merit & Pell group and six percent (5,027) for the Merit Aid & Pell group.

The share of students receiving Merit Aid & Pell funds has dropped by 66 percent (4,325 students), the share of those receiving Only Pell Grant decreased by 32 percent (10,260 students), and the share receiving Only Merit Aid decreased by two percent (546 students). This signals that there were some issues in enrolling and retaining the students from low-income families and a considerable portion of high achieving in-state students.

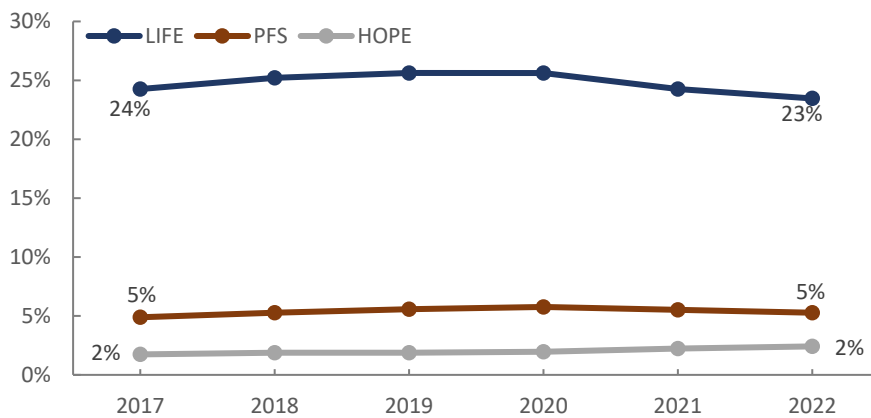
In the last six years, 85 percent of all recipients received an average funding of \$4,740 and the remaining 15 percent received \$9,894, enhancement not included. The funds covered on average 21 percent of the in-state cost of attendance while for the remaining 15 percent these funds covered 43 percent.

The analysis of the comparison between other states' scholarships and those in SC concludes that there are two major differences: 1) the average count of recipients was less for SC for LIFE-type scholarships (24 percent difference, or about 14,000 recipients) and for HOPE-type scholarships (74 percent difference, about 11,443 recipients) and 2) the in-state cost of attendance for SC was 26 percent higher in comparison with the other states considered (in-state cost of attendance in other states averages \$18,399 versus \$23,106 in SC).

## I. In-State Tuition and fees Analysis

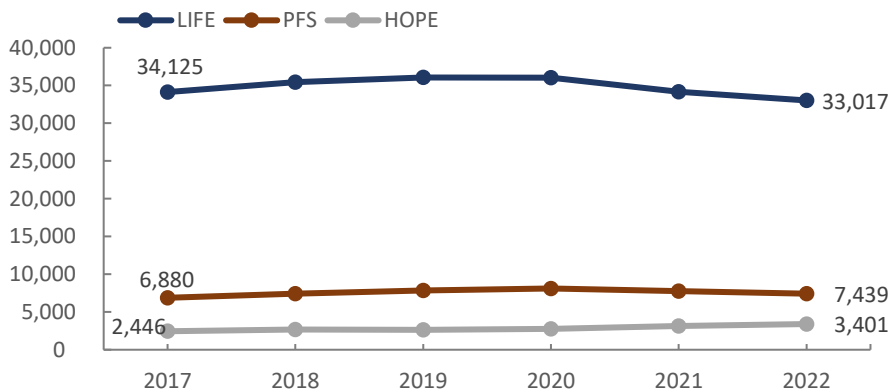
Using the count of Fall, unique count of in-state undergraduates and the count of Fall, in-state scholarship recipients for 29 institutions out of the 33 that CHE coordinates (four of the two-year regional campuses of USC were excluded) published in the [CHE Statistical Abstract](#) (Table 1.9 and Table 5.2), several trends were analyzed. Figure 1 shows that, on average, 25 percent of all Fall enrolled in-state students in the last six years received LIFE scholarships (LIFE), five percent Palmetto Fellows (PFS), and two percent HOPE scholarship (HOPE).

**Figure 1: Percent of Fall, In-State Undergraduates with Scholarship**



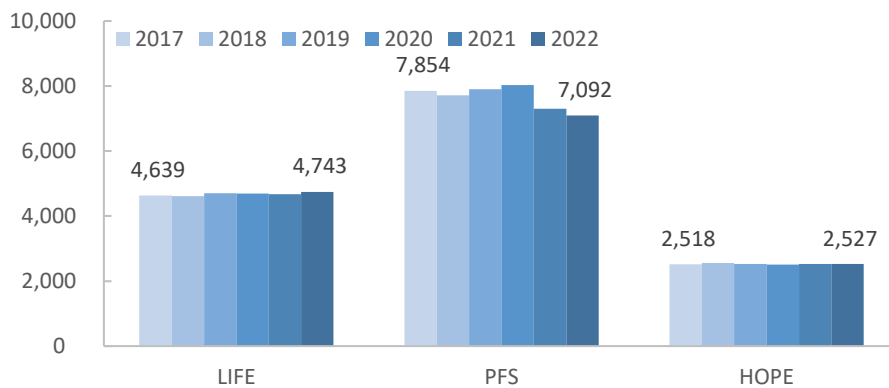
According to Figure 2, the number of LIFE recipients dropped by three percent (828 students) between 2017 and 2022 and increased by 42 percent (945) for HOPE and by eight percent (566 students) for PFS.

**Figure 2: Count of Recipients by Scholarship and Year**



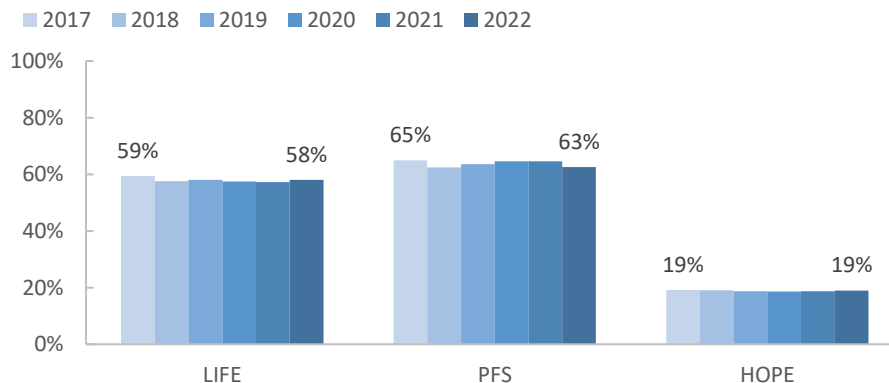
Next, we explored the average amount received for all enrolled, in-state students for each scholarship in the last six years. We employed the aggregated numbers from the Statistical Abstract (Table 5.1). The amount includes additional scholarship enhancement of up to \$2,500 starting with sophomore year.<sup>1</sup> This program started in Fall 2007 and awarded STEM majors.<sup>2</sup> According to Figure 3, on average, in-state students received \$4,676 in LIFE, \$7,650 in PFS, and \$2,527 in HOPE. Also, between 2017 and 2022, the amount rewarded dropped for PFS by 10 percent, increased by two percent for LIFE and increased very slightly for HOPE by 0.4 percent.

**Figure 3: Average Amount Received by Scholarship and Year**



Continuing our investigation, we determined the share of tuition and fees covered by scholarships and enhancement. Figure 4 shows that the PFS scholarship covers on average 69 percent of tuition and fees, LIFE covers 59 percent, and HOPE approximately 21 percent.

**Figure 4: Share of Tuition and Fees Covered by Scholarships**



<sup>1</sup> [2015-02-05 scholarship enhancement program eligibility process.pdf](#)

<sup>2</sup> [https://che.sc.gov/sites/che/files/Documents/Institutions%20and%20Educators/Scholarship%20Policies%20and%20Regulations/2024.08.01\\_Education%20and%20Accounting%20Enhancement%20Guidelines%20FAO\\_V2.pdf](https://che.sc.gov/sites/che/files/Documents/Institutions%20and%20Educators/Scholarship%20Policies%20and%20Regulations/2024.08.01_Education%20and%20Accounting%20Enhancement%20Guidelines%20FAO_V2.pdf)

There was an increase of 12 percentage points in the weighted average for PFS starting in 2021. This increase might be due to the way the PFS scholarship is applied. The PFS is a “last dollar” scholarship, thus is applied after all other awards (public and private) have been considered. Also, as of the 2021 academic year, the PFS became eligible for award by technical colleges that have lower tuition and fees.<sup>3</sup>

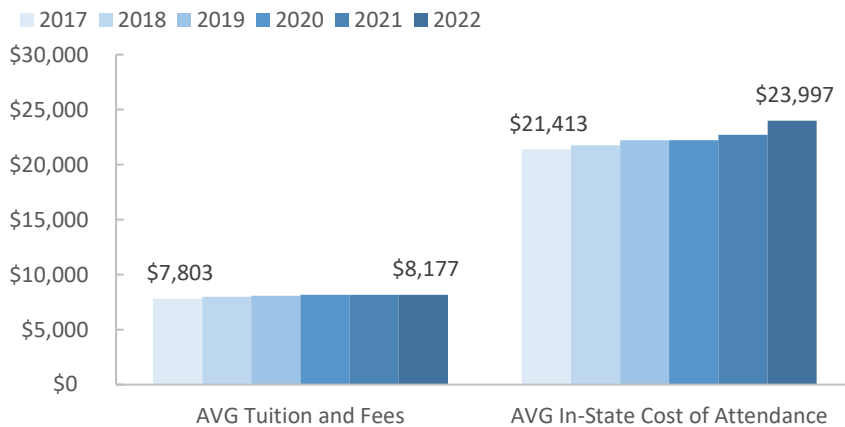
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<sup>3</sup> [https://che.sc.gov/sites/che/files/Documents/General%20Public/PFS\\_and\\_LIFE\\_2\\_Year\\_Memo\\_May\\_2021.pdf](https://che.sc.gov/sites/che/files/Documents/General%20Public/PFS_and_LIFE_2_Year_Memo_May_2021.pdf)

## II. In-State Cost of Attendance Analysis

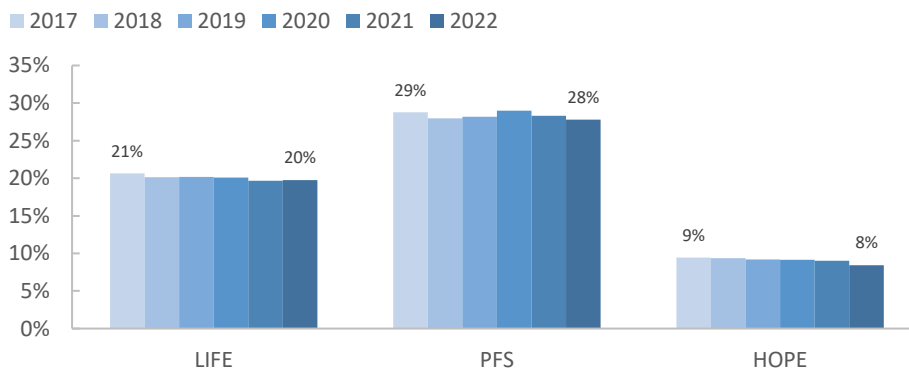
All merit aid scholarships are rewarded to cover the in-state cost of attendance according to the scholarships' specifications. We direct our analysis to determine the share of in-state cost of attendance covered by scholarships. The aggregated data at the institution level used for this analysis have been retrieved from Integrated Postsecondary Education Data System (IPEDS) Institutional Characteristics Survey and the Statistical Abstract (Table 5.1). Figure 5 depicts the average distribution for in-state tuition and fees and in-state cost of attendance between 2017 and 2022. According to this graph, tuition and fees increased by \$374 (4.8 percent) and in-state cost of attendance by \$2,585 (12 percent) during this period.

**Figure 5: Average Cost of Attendance and Tuition and Fees by Year**



According to Figure 6, the PFS scholarship has the highest weighted average coverage of cost of attendance of about 28 percent on average, followed by LIFE with 20 percent, and HOPE with approximately nine percent coverage. The overall trend remains flat with a slight decrease for all three scholarships of 1 percentage point each.

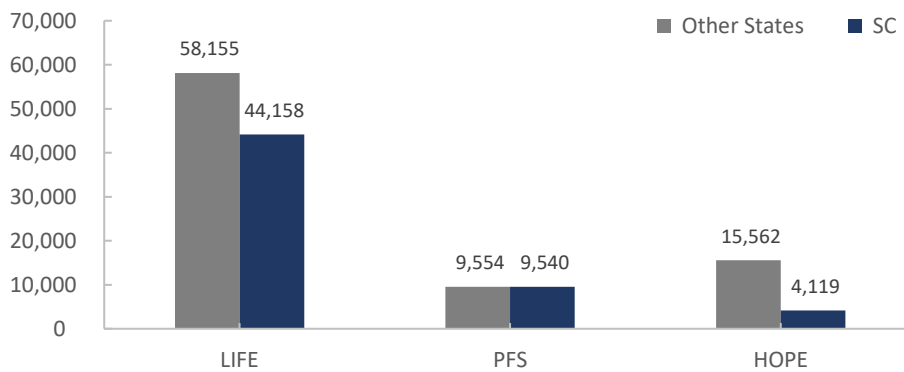
**Figure 6: Share of In-State Cost of Attendance Covered by Scholarships**



### III. Merit Aid Comparison Analysis

This analysis used the 2021 in-state cost of attendance for in-state students' data from IPEDS (all the institution types that reported to IPEDS were considered). Also, the data on scholarship spending for 2021 come from the National Association of State Student Grant and Aid Programs (NASSGAP). According to these data, South Carolina has comparable scholarship programs with 13 states (Arkansas, Florida, Georgia, Louisiana, Tennessee, Virginia, West Virginia, Kentucky, Mississippi, Missouri, New Mexico, Washington, New York). Seven scholarship programs are comparable to LIFE, five with PFS, and eight with HOPE, according to the number of recipients and the average amount allocated for each (see Appendix Table 1). In comparison with similar scholarships from the other states mentioned above, SC recorded fewer recipients on average for LIFE-type (24 percent difference, about 14,000 recipients) and for HOPE-type (74 percent difference, about 11,443 recipients) (see Figure 7).

**Figure 7: Comparable Scholarships Average Count of Recipients**



Interestingly, the comparison of the average amount allocated per recipient for each scholarship shows that in 2021 SC spent nearly eight percent more on LIFE while one percent and eight percent less on PFS and HOPE, respectively (see Figure 8).

**Figure 8: Comparable Scholarships Average Amount Allocated Per Recipient**

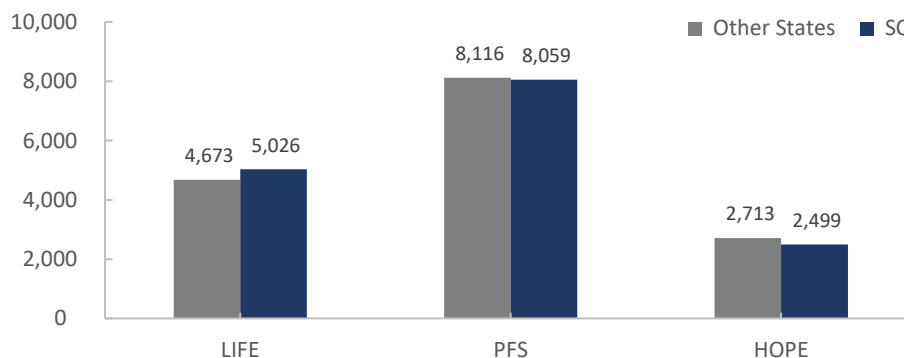
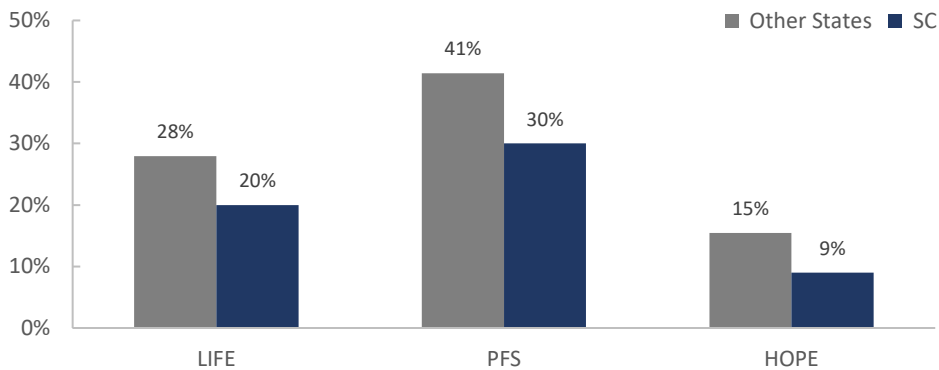


Figure 9 shows that merit scholarships from other states similar to SC cover on average more in-state cost of attendance than SC (eight percentage points for LIFE; 11 percentage points for PFS; and six percentage points for HOPE). This difference is caused by the in-state cost of attendance. The SC in-state cost of attendance is 26 percent higher in comparison with the other states considered (in-state cost of attendance in other states averages \$18,399 versus \$23,106 in SC).

**Figure 9: Share of In-State Cost of Attendance Covered by Comparable Scholarships**



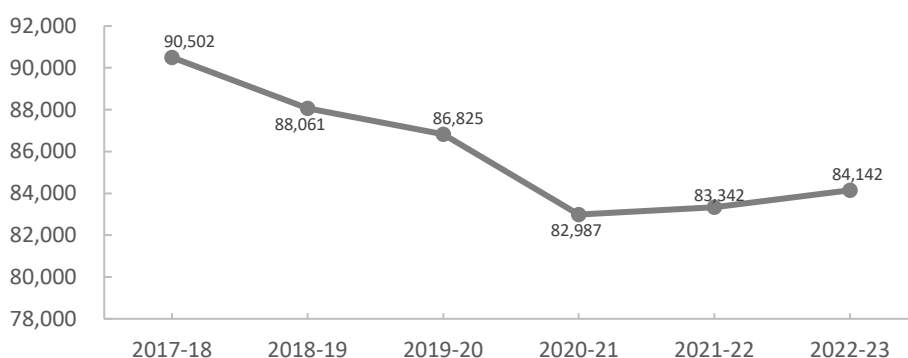
We may conclude that the in-state cost of attendance is a better metric to consider when analyzing the coverage that the scholarships offer. Also, the comparison between other states' scholarships and those in SC offers a perspective on spending and coverage that directs us to reason that there were two major differences: 1) the count of recipients for LIFE (24 percent difference for LIFE-type recipients) and HOPE (74 percent difference for HOPE-type recipients) and 2) the in-state cost of attendance coverage. Thus, SC should increase the number of recipients for LIFE and HOPE and develop a strategy on lowering the in-state cost of attendance. This will ensure a balanced comparison between SC and other states' scholarships as well as a financial benefit for in-state students. Since each enrolled student receives an individually tailored financial package from the institutions, we will continue our investigation at the student level to determine the count, amount, and in-state cost of attendance coverage.



## IV. Student Level Analysis

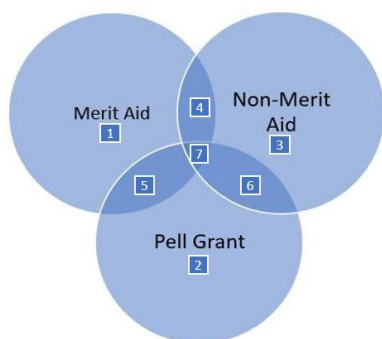
We continue our analysis employing the scholarship disbursement student level data submitted by institutions to the CHE between 2017 and 2022. Since students might receive different types of funds – 1) merit aid (LIFE, PFS, HOPE), 2) state non-merit aid (Lottery Tuition, Need-based (Publics), Need-based Grant, National Guard, Foster Care), and 3) Pell Grant – we analyzed these funds in the combination that students received them. The goal of this analysis was to determine the count, amount, and average coverage of in-state cost of attendance. We focused our analysis on students who had more than two terms in an academic year and were full time. According to Figure 10, there was a drop of seven percent in the number of students who received any of the above-mentioned funds.

Figure 10: Funds Recipients by Year



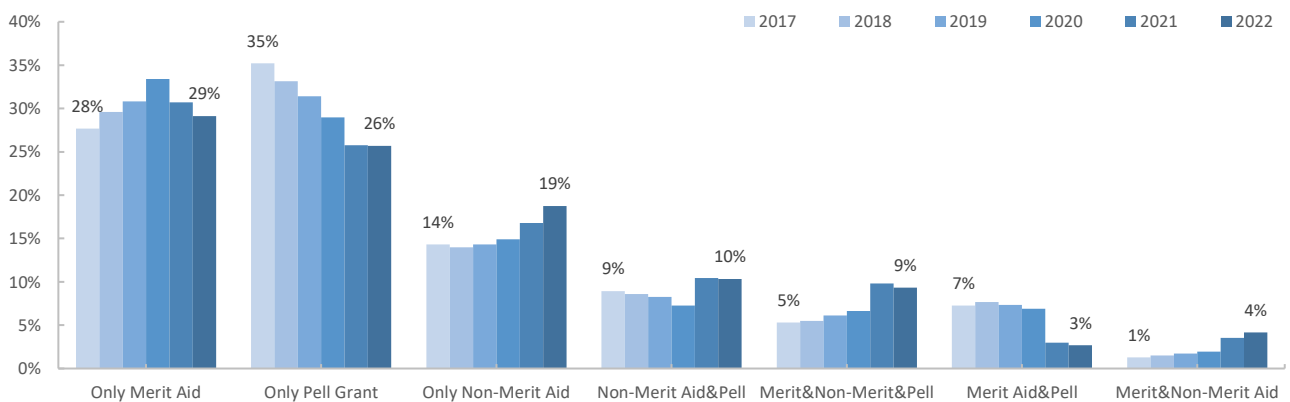
The three types of funds (merit-aid, non-merit aid, and Pell Grant) that students receive could be further analyzed using a Venn Diagram approach. We have seven groups of students depending on the combination of funds they can receive: 1) Only Merit Aid, 2) Only Pell Grant, 3) Only Non-Merit Aid, 4) Merit & Non-Merit Aid, 5) Merit Aid & Pell, 6) Non-Merit Aid & Pell, 7) Merit, Non-Merit, & Pell (see Figure 11).

Figure 11: Venn Diagram of Funds Distribution



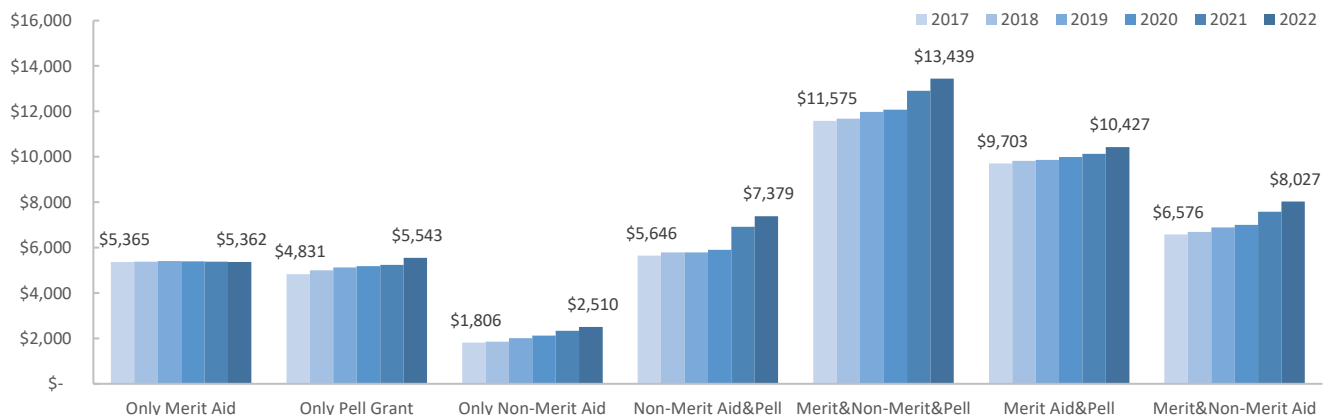
According to Figure 12, the *Only Pell Grant* and *Merit Aid & Pell* groups had a decrease in the share of recipients of 10 and 5 percentage points respectively between 2017 and 2022. According to National College Attainment Network (NCAN) research, the Pell grant share drop might be related to affordability issues; with just a Pell Grant award, college may become unaffordable. Consequently, many in-state students might choose to join the workforce after graduating high school rather than going to college. The same behavior might be attributed to the Merit and Pell recipients. Another interesting observation is that the rest of the five groups of funds recorded an increase in the share of recipients: 1) *Merit & Non-Merit & Pell* group by four percentage points; 2) *Only Non-Merit Aid* group by four percentage points; 3) *Merit & Non-Merit Aid* group by three percentage points; and 4) *Only Merit Aid* and *Non-Merit Aid & Pell* groups by one percentage point each.

**Figure 12: Distribution of the Share of Recipients by Source and Year**



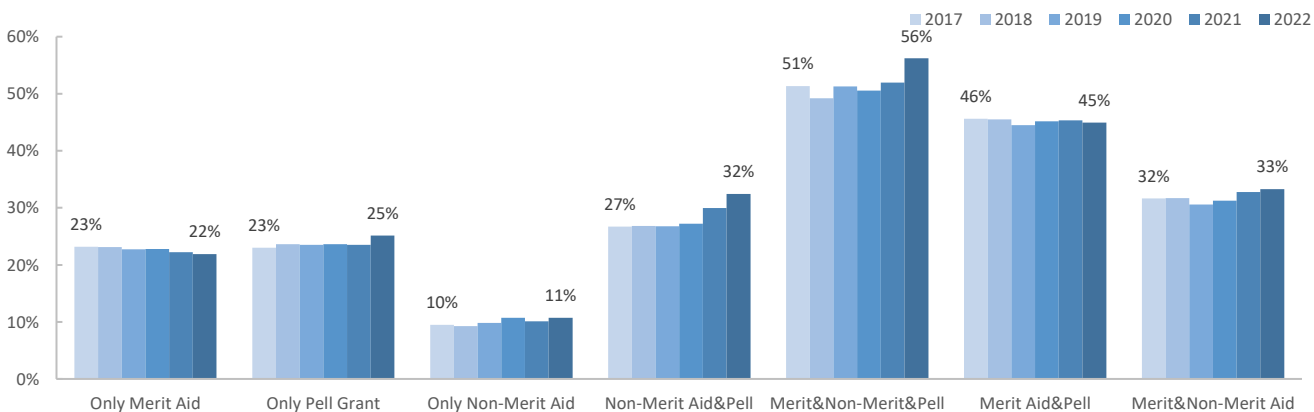
Next, we explored the average amounts received by recipients in the above-mentioned groups of funds. The average in this analysis does not include the scholarship enhancement. Figure 13 shows that all groups with the exception of *Only Merit Aid* have registered an increase up to 39 percent in the average amount; the *Only Merit Aid* remained the same. The highest average amount for all six years received was awarded by the *Merit & Non-Merit and Pell* (\$12,421) group and the lowest was *Only Non-Merit Aid* (\$2,107). The largest growth in amount was recorded by Only non-Merit Aid (39 percent), followed by *Non-Merit & Pell* (31 percent), and *Merit & Non-Merit* (22 percent).

**Figure 13: Average Amount Received by Source and Year**



As expected, the higher the average amount per recipient the higher the in-state cost of attendance coverage. The groups of funds that cover the maximum of in-state cost of attendance were Merit & Non-Merit & Pell with 52 percent and Merit Aid & Pell with 45 percent, and the lowest in-state cost of attendance coverage was observed in the Only Non-Merit Aid group of 10 percent (see Figure 14).

**Figure 14: Share of In-State Cost of Attendance Covered by Source and Year**



Finally, Table 1 lists all the groups and the average percent share of those who received the funds, the percentage difference in the count of recipients between 2017 and 2022, the average amount that was received as well as the percent coverage of in-state cost of attendance. Interestingly, in the last six years, 85 percent of all recipients received an average of \$4,740 (Only Merit Aid; Only Pell Grant; Only Non-Merit Aid; Non-Merit Aid & Pell) and the remaining 15 percent received \$9,894 (Merit & Non-Merit & Pell; Merit Aid & Pell; Merit and Non-Merit Aid).

For the 85 percent of recipients, the funds covered on average 21 percent of the in-state cost of attendance while for the remaining 15 percent these funds covered 43 percent.

**Table 1: Groups of Funds and Average Amount, Percentage Difference and In-State Cost of Attendance Coverage**

Groups	Average Percent Share Received	Percentage Difference in Recipients (2017-2022)	Average Amount Received	Average Percent Cover Cost of attendance
Only Merit Aid	30%	-2% (from 25,037 to 24,491) ↓	\$5,382	23%
Only Pell Grant	30%	-32% (from 31,868 to 21,608) ↓	\$5,154	24%
Only Non-Merit Aid	16%	22% (from 12,947 to 15,761) ↑	\$2,137	10%
Non-Merit Aid & Pell	9%	7% (from 8,090 to 8,681) ↑	\$6,289	28%
Merit & Non-Merit & Pell	7%	63% (from 4,811 to 7,837) ↑	\$12,421	52%
Merit Aid & Pell	6%	-66% (from 6,584 to 2,259) ↓	\$9,909	45%
Merit & Non-Merit Aid	2%	201% (from 1,165 to 3,505) ↑	\$7,352	32%
<b>Total/Average</b>	<b>100%</b>		<b>\$6,949</b>	<b>31%</b>

The largest increase in the number of recipients between 2017 and 2022 was recorded for those who received: 1) *Merit and Non-Merit Aid* (201 percent), 2) *Merit & Non-Merit Aid & Pell* (63 percent), and 3) *Only Non-Merit Aid* (22 percent). Also, there was a decrease of 66 percent in those who received *Merit Aid and Pell*, 32 percent in those who received *Only Pell Grant*, and 2 percent in those who received *Only Merit Aid* (see Table 1). The number of recipients of *Only Merit Aid*, *Only Pell Grant*, and *Merit Aid & Pell* has dropped, which signals that there were some issues in enrolling and retaining the students from low-income families and a considerable portion of high achieving in-state students. Another important matter to consider is that these two groups of students were the most affected by COVID-19 events (migration, change in instruction mode – many classes were provided online, cost of attendance, institutions’ infrastructure and resources, increase in income level, etc.)

## Key Limitations

The aggregated numbers used for the two analysis sections (tuition and fees and cost of attendance analysis) offer a general look into the count, amount, and in-state weighted average cost of attendance coverage, which might overlook some specific details that a more granular data would provide. The student level data give us a more granular analysis and a better understanding of the reality. However, there are limitations to be considered when analyzing student-level data. Since we do not collect the end of semester data, we are limited to know the exact number of in-state students enrolled each semester. Also, these data have two facets that are missing: 1) the selection and retention of funds criteria considered by the higher education institution when allocating a specific source fund and 2) the amount allocated for each semester for new and continuing students. Institutions submit historical data to the CHE which should reflect all the details required for analysis and the necessary projections. However, student-level data as submitted to the CHE appear to be incomplete; many criteria variables lack the information (for example, SAT scores are missing).

Another issue is that for many students the high school codes were missing or were coded as unknown. Lastly, there are/were state funds that the CHE does not track. These funds are/were allocated by other agencies, so we do not know the amount and thus cannot make any definite conclusions regarding the final financial aid package each student in South Carolina received and the impact of these funds on affordability.

## Appendix

Appendix Table 1: Comparison List of Scholarships by State and Programs' Detailed Information

	State	Program Name	Type	Funding	2021 Expenditures	2021 Recipient Count	2021 Average Allocated	2021 Average Cost of attendance
<b>Compare to LIFE Scholarship</b>								
1	GEORGIA	HOPE Scholarships	Merit	Lott	476,217,102	113,088	4,211	18,788
2	FLORIDA	Florida Bright Futures Scholarship Program-FAS Awards	Merit	Lott	438,638,162	67,369	6,511	11,912
3	LOUISIANA	Taylor Opportunity Program (TOPS)	Merit	Gen; Other	320,186,829	55,825	5,736	21,050
4	TENNESSEE	HOPE Scholarship	Merit	Gen	269,249,056	75,814	3,551	20,689
5	<b>SOUTH CAROLINA</b>	<b>LIFE Scholarship</b>	<b>Merit</b>	<b>Lott</b>	<b>221,952,427</b>	<b>44,158</b>	<b>5,026</b>	<b>23,106</b>
6	FLORIDA	Florida Bright Futures Scholarship Program-FMS Awards	Merit	Lott	212,251,523	51,818	4,096	11,912
7	VIRGINIA	VSFAP - Virginia Guaranteed Assistance Program	Merit; Need	Gen	97,860,406	17,083	5,729	22,752
8	ARKANSAS	Arkansas Academic Challenge Scholarship Program	Merit	Gen; Lott	75,104,798	26,088	2,879	19,805
<b>Compare to Palmetto Fellow Scholarship</b>								
9	GEORGIA	Zell Miller Scholarship	Merit	Lott	292,363,595	35,740	8,180	18,788
10	<b>SOUTH CAROLINA</b>	<b>Palmetto Fellows Scholarship</b>	<b>Merit</b>	<b>Lott</b>	<b>76,879,729</b>	<b>9,540</b>	<b>8,059</b>	<b>23,106</b>
11	WEST VIRGINIA	PROMISE Scholarship	Merit	Lott	44,794,193	9,769	4,585	18,058
12	FLORIDA	Benacquisto Scholarship	Merit; Other	Gen	27,127,335	1,645	16,491	11,912
13	ARKANSAS	Arkansas' Governor's Distinguished Scholarship	Merit; Other	Gen	21,637,324	2,159	10,022	19,805
14	VIRGINIA	Virginia Teacher Scholarship Loan Program	Merit; Other	Gen	689,159	72	9,572	22,752
15	WEST VIRGINIA	Underwood Smith Teacher Scholarship	Merit; Other	Gen	263,044	32	8,220	18,058

Compare to HOPE Scholarship								
16	KENTUCKY	Kentucky Educational Excellence Scholarship	Merit	Lott	118,732,526	71,248	1,666	18,656
17	MISSOURI	A+ Program	Merit	Gen; Lott; Other	50,040,693	14,809	3,379	20,844
18	NEW MEXICO	Legislative Lottery Scholarship	Merit	Lott	43,577,612	15,196	2,868	17,380
19	WEST VIRGINIA	West Virginia Higher Education Grant	Merit; Need	Gen	35,343,863	14,287	2,474	18,058
20	WASHINGTON	WSOS BA Scholarship Program	Merit; Need; Other	Gen; Matching	14,689,462	3,935	3,733	15,453
21	<b>SOUTH CAROLINA</b>	<b>HOPE Scholarship</b>	<b>Merit</b>	<b>Lott</b>	<b>10,293,564</b>	<b>4,119</b>	<b>2,499</b>	<b>23,106</b>
22	MISSISSIPPI	Eminent Scholars Grant	Merit	Gen	7,785,215	3,438	2,264	17,967
23	WASHINGTON	WSOS Career Technical Scholarship Program	Need; Other	Gen; Matching	2,395,430	724	3,309	15,453
24	ARKANSAS	Teacher Opportunity Program		Gen	1,728,285	859	2,012	19,805