

*The National Perspective*

# Faults in the Financial Aid System Limit Homeless Students' Ability to Afford Higher Education

by Matt Adams, Martha Larson, and Alyson Silkowski

Nearly 22 million undergraduate and graduate students filed the Free Application for Federal Student Aid (FAFSA) during the 2012–13 application cycle, seeking help in paying for college. A small fraction of these students, 0.27% or 58,158 applicants, were homeless and contending with the stress of affording college without the support of a parent or guardian. Higher education offers unaccompanied homeless youth the opportunity for a more stable future because the average college graduate earns approximately \$800,000 more in lifetime earnings than a high school graduate. Unfortunately, homeless students face unique challenges in completing the FAFSA; although 96.4% of all FAFSA applications were accepted in 2012–13, the acceptance rate was less than half (48.1%) for those submitted by homeless youth.

The FAFSA requires parents' financial information to determine a student's need, which can be difficult, if not impossible, for unaccompanied homeless youth to provide. The College Cost Reduction and Access Act of 2007 addressed this barrier by allowing homeless youth to omit this information if they are verified as both unaccompanied and homeless by one of the following: a McKinney-Vento Act school district homeless liaison, a U.S. Department of Housing and Urban Development (HUD) homeless assistance program director, or a Run-away and Homeless Youth Act (RHYA) program director. If a student is not verified but indicates on the FAFSA that

they are an unaccompanied homeless youth, college financial aid administrators are required to make a determination of their status (and may use a documented interview with the student to do so if no written documentation is available). Data from the U.S. Department of Education show that this process is successful when students are assisted by one of the first three authorities; 95.2% of FAFSA applications verified by a homeless program were accepted in 2012–13. However, when financial aid offices made a determination, the acceptance rate was only 5.9%.

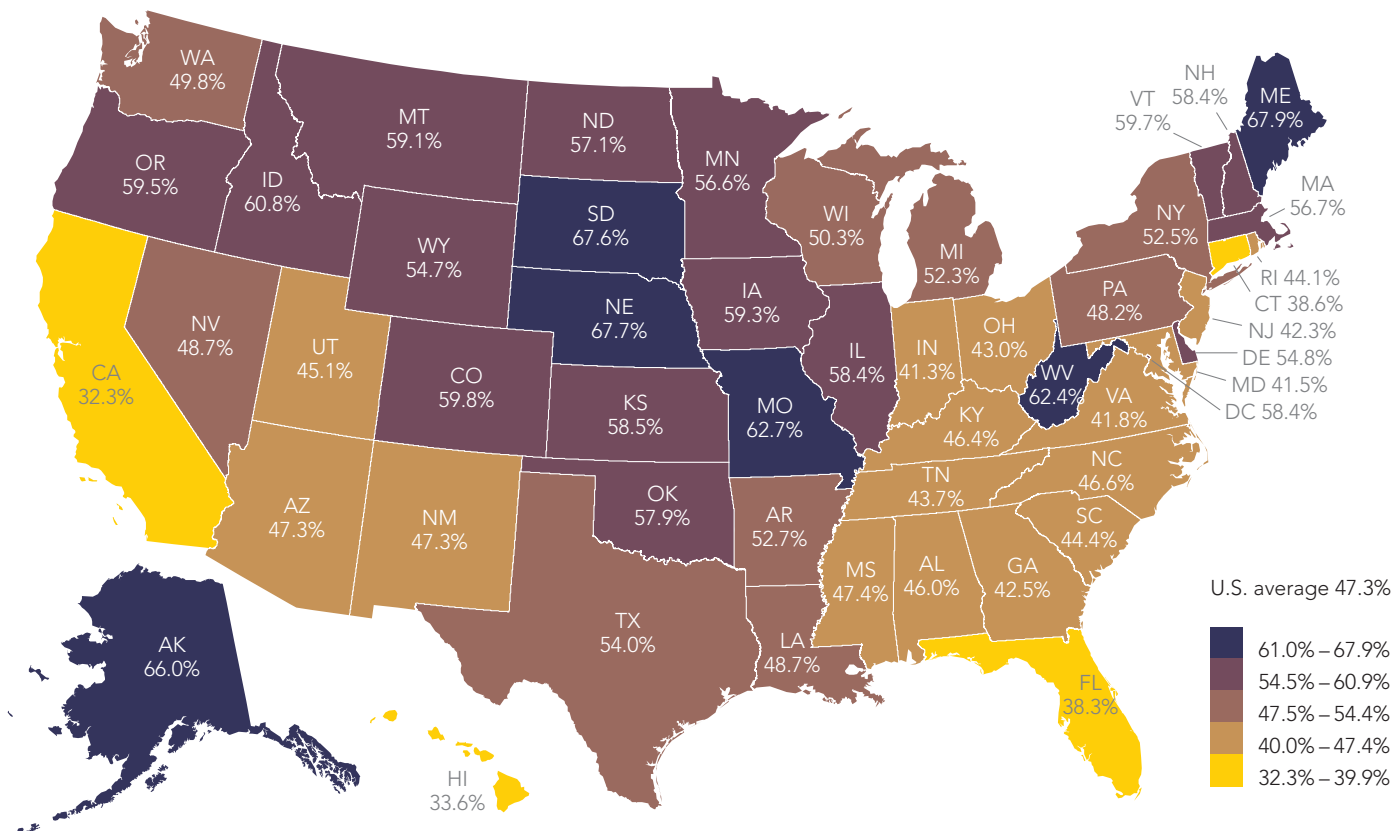
---

***Nearly 22 million undergraduate and graduate students filed the Free Application for Federal Student Aid (FAFSA) during the 2012–13 application cycle, seeking help in paying for college.***

---

During the 2012–13 FAFSA application cycle, less than half (47.3%) of unaccompanied homeless applicants were verified by a school liaison, HUD-funded program director, or RHYA program director. The states with the highest percentages of assisted unaccompanied homeless students were concentrated in the Midwest and New England, with homeless programs in Maine, Nebraska, and South

**Figure 1**  
 PERCENTAGE OF UNACCOMPANIED HOMELESS FAFSA APPLICANTS ASSISTED BY A HOMELESS SCHOOL LIAISON, HUD-FUNDED SHELTER, OR RHYA PROGRAM, 2012–13



Note: Alaska is represented at half the scale of the other states. Data are classified using Jenk's optimization.

Source: Data from June 7, 2013 to June 30, 2013 are missing from the 2012–13 FAFSA application cycle; U.S. Department of Education, Office of Federal Student Aid, "Applicants with Homelessness Indicated on the FAFSA by State: 2012–13 Application Cycle" (unpublished data).

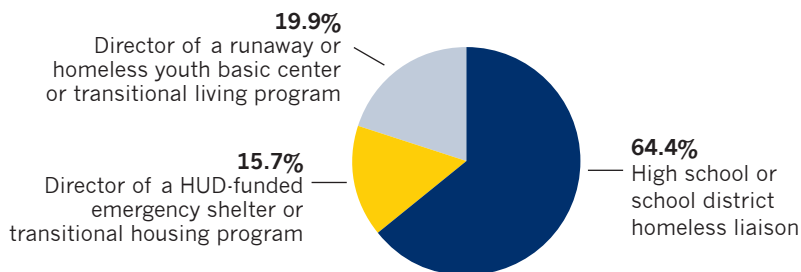
Dakota verifying applicants at the highest rates— 67.9%, 67.7%, and 67.6%, respectively (Figure 1). Most states in the Southeast and Southwest assisted fewer students than the national average; California, the state with the highest number of applicants by far, had the lowest percentage, only assisting one-third (32.3%) of FAFSA applicants who identified as unaccompanied homeless youth.

Nearly two-thirds (64.4%) of unaccompanied homeless FAFSA applicants who were verified by a homeless program were assisted by a school district homeless liaison (Figure 2); one-fifth (19.9%) of unaccompanied homeless

applicants were assisted by a RHYA program, and 15.7% by a HUD-funded program. Given that there is a shortage of shelter beds and that unaccompanied homeless youth often avoid adult shelters, these findings are not surprising. However, since homeless liaisons may only verify unaccompanied homeless youth while they are in high school, the majority of unaccompanied homeless students who are assisted with their FAFSA applications are likely first-time applicants (prospective college freshmen). Older unaccompanied homeless students, including those already enrolled in college, may find it more difficult to verify their status.

Figure 2

PERCENTAGE OF UNACCOMPANIED HOMELESS FAFSA APPLICANTS ASSISTED BY A HOMELESS PROGRAM, 2012–13  
(by program type)



Source: Data from June 7, 2013 to June 30, 2013 are missing from the 2012–13 FAFSA application cycle; U.S. Department of Education, Office of Federal Student Aid, “Applicants with Homelessness Indicated on the FAFSA by State: 2012–13 Application Cycle” (unpublished data).

A 2012 survey of school liaisons, service providers, and financial aid administrators conducted by the National Association for the Education of Homeless Children and Youth and the National Association of Student Financial Aid Administrators indicates that some financial aid administrators are not complying with the U.S. Department of Education’s guidance on unaccompanied homeless applicants; respondents cited that administrators make burdensome requests for unnecessary documentation and often fail to verify students’ homelessness, despite being required to do so, resulting in these applications being rejected.

---

***By allowing unaccompanied homeless youth to file the FAFSA without their parents’ financial information, the College Cost Reduction and Access Act of 2007 has made it easier for many homeless students to afford college, but more must be done to assist these vulnerable students in accessing financial aid.***

---

Survey respondents also identified aspects of the College Cost Reduction and Access Act of 2007 and related guidance as barriers to homeless students accessing financial

aid, including requiring yearly redeterminations of their homelessness status, the restrictive definition of “youth” as 21 and under, and the limitations on the types of shelters that can verify students’ independent status. The Higher Education Access and Success for Homeless and Foster Youth Act, federal legislation that was introduced in 2013 but did not become law, would specifically address these barriers. The bill would also require higher education institutions to designate a single point of contact to assist homeless youth—essentially serving as a homeless liaison for college, which would help to create a more supportive environment for all students on campus experiencing homelessness. The single point of contact would, for example, coordinate access to housing resources during semester breaks and between academic terms.

Due to the steadily increasing cost of college, financial aid is essential to make higher education affordable, especially for youth who do not have financial help from their families. By allowing unaccompanied homeless youth to file the FAFSA without their parents’ financial information, the College Cost Reduction and Access Act of 2007 has made it easier for many homeless students to afford college, but more must be done to assist these vulnerable students in accessing financial aid. Until positive changes are made, greater awareness and clarification of the financial aid determination rules related to unaccompanied homeless youth are necessary to ensure that the current law supports homeless students as intended. ■