THINKING ABOUT STATE GRANT AID

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FINANCIAL AID: THE GOALS

- Reducing financial barriers to college education
- Standard focus is on access
- Access is a means to an end
- Focus should also be on success, educational attainment, improved opportunities throughout life
BALANCING PERSPECTIVES

STUDENTS
• Institutional choice
• Timing
• Manageable work and loans
• Earning degrees of value

INSTITUTIONS
• Student success
• Bottom Line
• Shaping the class

THE STATE
• More productive labor force
• More financial independence for population
• Reduced poverty and inequality
TOTAL GRANT AID IN 2016 DOLLARS BY SOURCE OF GRANT, 1996-97 TO 2016-17

Source: The College Board, Trends in Student Aid 2017, Figure 3.
ELIGIBILITY CRITERIA

• Need
• Income, assets
• Age
• Institution
• Degree program
• Academic history
• Academic progress
NEED-BASED AND NON-NEED-BASED STATE GRANTS PER FULL-TIME EQUIVALENT (FTE) UNDERGRADUATE STUDENT IN 2015 DOLLARS, 1975-76 TO 2015-16

Source: The College Board, Trends in Student Aid 2017, Figure 19A.
NEED-BASED STATE GRANT AID AS A PERCENTAGE OF TOTAL UNDERGRADUATE STATE GRANT AID BY STATE, 2016-17

Source: NASSGAP
OTHER POLICY ELEMENTS

- Application process
- Simplicity: number of programs, complexity of system, process
- Predictability
- Equity (distribution of benefits, relationship to federal aid, cliff effects)
- Efficiency (incentives for students and institutions, impact on behaviors and outcomes, targeting of aid)
EVALUATING AND STRENGTHENING AID PROGRAMS

• Focus on equity and efficiency
• Beyond Need and Merit: Incentives for academic progress vs. rewarding preparation
• Are state grant programs targeting adequate funds to students whose outcomes improve because of the aid?
• Who is left out?
• Do students, families, teachers, counselors, etc. understand the programs?