

## **Financial Aid 101: Pell Grants and Campus-Based Aid Programs Work Together**

All Americans, regardless of family income, should be able to pursue a life-changing college degree and reap the vast associated benefits<sup>1</sup>. Flat-funding Pell Grants and slashing campus-based aid will pull funding from students on the path to degree completion and erect barriers for the next generation of students.

### **Pell Grants: the Cornerstone of Federal Financial Aid**

Pell Grants are targeted to students most in need. For many, Pell Grants make the difference between being able to afford college or not. More than six million students receive a Pell Grant: two in five undergraduates.

**Pell Grants and other need-based aid increase enrollment, persistence, and completion.**<sup>2</sup> Pell Grant recipients' higher wages and taxes after graduation help the government recoup the cost in just ten years.<sup>3</sup>

In the 1970s, the maximum Pell Grant covered nearly 80 of the cost of attendance at four-year public universities, but now it covers less than a third.

- States reduced their share of higher education funding since 1980, leaving students to pick up the tab.
- Congress has made tremendous progress over the past three years, increasing the Pell Grant maximum award by more than \$1,000.
- Net in-state tuition and fees, when subtracting average aid, is \$2,250 in the 2022-2023 school year – \$1,430 lower than in the 2006-2007 school year in inflation-adjusted terms.

### **Federal Work-Study (FWS): Working to Learn and Earn**

Work-Study is a critical partnership between the federal government, institutions, and students. It provides students the opportunity to earn additional aid through part-time employment on campus, in community service, and in jobs related to their studies. FWS is an essential part of a financial aid package and a strong alternative to additional loan debt. In addition to funding, students gain valuable work experience that enables them to be more competitive in today's workforce.

- **Students in work-study jobs have higher rates of persistence, degree completion, and employment after college than their peers in other jobs.**<sup>4</sup>
- Colleges must match part of Work-Study funds, and set aside a portion for community service employment, such as reading, tutoring, counseling, or support in a nonprofit organization.<sup>5</sup>
- 660,000 students earn Work-Study;<sup>6</sup> **only about 10% of first-time, full-time undergrads participate.**<sup>7</sup>

### **Supplemental Educational Opportunity Grants (SEOG)**

SEOG provides up to \$4,000 in extra grant aid to Pell Grant recipients, with institutions matching a quarter of SEOG dollars. SEOG provides important flexibility to institutions, allowing financial aid officers to target funds to support students who have experienced unexpected financial changes.

- SEOG is a critical tool to help students access college and persist on the path to a degree.
- SEOG served more than 1.6 million students in FY23, and the average award was \$780 per student.<sup>8</sup>

<sup>1</sup> <https://www.aplu.org/our-work/4-policy-and-advocacy/publicvalues/>

<sup>2</sup> <https://journals.sagepub.com/doi/abs/10.3102/0034654319877156>

<sup>3</sup> [https://www.nber.org/system/files/working\\_papers/w23860/w23860.pdf](https://www.nber.org/system/files/working_papers/w23860/w23860.pdf)

<sup>4</sup> <https://ccrc.tc.columbia.edu/publications/participation-federal-work-study.html>

<sup>5</sup> <https://crsreports.congress.gov/product/pdf/RL/RL31618>

<sup>6</sup> <https://www2.ed.gov/about/overview/budget/budget24/summary/24summary.pdf>

<sup>7</sup> <https://ccrc.tc.columbia.edu/publications/participation-federal-work-study.html#cite8>

<sup>8</sup> <https://www2.ed.gov/about/overview/budget/budget24/summary/24summary.pdf>