



THE COST OF **OPPORTUNITY**

STUDENT STORIES OF
COLLEGE AFFORDABILITY

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Introduction & Key Takeaways

“Even though [it] has not been easy for me to be here in college, thank God [for] the help that the government gave me...without that financial aid, [I] probably [would] not be able to come to school.”

– Yuderka

Aissatou is a young mother pursuing a bachelor’s degree in public health at Lehman College, where she is working hard to “graduate with a 4.0” grade point average because she plans to attend medical school and ultimately hopes to become a doctor. Similarly, Adejoke, a student at Prince George’s Community College, dreams of becoming a sports medicine physician, and Justin H., a student at Ivy Tech Community College, is striving to earn a doctorate in physical therapy.

Higher education helps hardworking students of all backgrounds—like Aissatou, Adejoke, and Justin H.—achieve their dreams, yet it cannot fulfill its true potential as a driver of equity and mobility without tackling our nation’s college affordability problem. In 2018, the Institute for Higher Education Policy (IHEP) interviewed 17 low-income and working-class college students to understand the affordability challenges they face and how policymakers can better support their college success.

All of the students IHEP spoke with are deeply motivated to succeed in college and beyond. Despite facing significant financial obstacles, they are doing everything they can to make their dreams a reality. DeJoiry,


a Howard University student from Michigan, hopes to go on to law school. Casey, an Ivy Tech Community College student and mother of two, plans to become a paralegal. Brandy, a 38-year-old Prince George’s Community College student, is working to become a nurse. And Justin U. and Coleen, both Ivy Tech Community College students, plan to pursue careers in business.

These students know the value of college and understand its important role in helping them to achieve their goals. And they are proud of their accomplishments. Ashley, a student at Lehman College, emphasized just how important earning a bachelor’s degree would be to her and her family. She explained, “Honestly, to many people, a bachelor’s degree might just be a paper on a wall, but for me that’s like 10 years of sacrificing...That paper probably will be in...a gold frame for me because I’ve worked so hard to be here...especially being the first person to go to college...in my household.” Ashley went on to tell IHEP, “It’s hard to pay for college, but it’s something that’s going to help [me] in the long run...It’s going to help me get a good job. It’s going to help me provide for my family.”

Our conversations with students like Ashley illuminated three key takeaways that should inform, inspire, and motivate policymakers, practitioners, and all who have a stake in the success of today's students:

- 1. Targeted need-based financial aid is critical for helping students to overcome substantial affordability challenges and to access the benefits of higher education, but low-income and working-class students still struggle to cover tuition and non-tuition costs.** Throughout our interviews, students emphasized just how important need-based financial aid is to their college success. Yuderka, a mother of three building on the associate degree she earned at Bronx Community College, is studying business administration and human resources at Lehman College. Despite working between 35 and 40 hours per week at two jobs, she shared that "the help that the government gave to me to pay my tuition has been amazing because without that financial aid, [I] probably... [would] not be able to come to school."

Justin U., a U.S. Navy veteran and business administration student at Ivy Tech Community College in Columbus, Indiana, shared that he's, "not struggling too bad[ly]" to cover college costs because he receives a Pell Grant and GI Bill benefits. Without this aid, he explained that he would need to "work more" and "probably focus less on school," compromising his ability to do well academically. With this financial support, Justin is on track to complete his associate degree in five semesters.



Financial aid is a great help. It's helping low-income students get to college, get their degree, and become something in life.

Diana
Student at Lehman College

While need-based aid helps students persist and earn their degree, in many cases, low-income and working-class students do not receive enough aid to cover their tuition and non-tuition costs. Diana, a psychology major at Lehman College who lives with her family, explained that while the Pell Grant and state financial aid she receives are helpful, "at the same time, the money runs like water" and doesn't fully cover her expenses beyond tuition like transportation costs, medical bills, and the contributions she makes to her family for rent and groceries.

- 2. To address the systemic tuition and non-tuition affordability challenges they face, students are forced to make unacceptable decisions about how to make ends meet, many of which can jeopardize their college success.** For example, some students like Markeith and Leo who attend Wayne State University in Detroit, Michigan, take fewer courses to make ends meet. Others, like Nada who attends George Mason University in Fairfax, Virginia, forgo purchasing textbooks.



I've been alternating [attending full- and part-time]...If I have the money to go full-time, I will go full-time.

Markeith
Student at Wayne State University

Students struggling to find money for food have to decide when, whether, and what to eat. Ashley, who lives at home with her parents and sisters, explained that there are times when she thinks, "I'm [going to] have to eat a little less," because, "if [the food] doesn't last us [until] the end of the month, then what are we going to do?" And when Adejoke is waiting to receive her next paycheck, she "stick[s] to vending machine snacks."

Low-income and working-class students also have to make choices such as whether to take on substantial student loan debt or work long hours and put their grades and health at risk in order to afford college—decisions no student should be forced to make.

3. Our financial aid process is confusing, complicated, and leads to great uncertainty about how students will afford college year to year and semester to semester. As Markeith told us, “I know that I’ll get aid, but the question every year is how much.” He told us that he was eligible for the Supplemental Educational Opportunity Grant, “but the university didn’t know how much money they would have for that grant. That amount could have very well been zero.” He explained, “Even though you’re eligible for grants, it doesn’t guarantee that you’re going to get them, or that they’re going to exist this semester.”

In October 2018, we asked Diana if she knew how she was going to pay for college next semester—her final semester before graduation. She replied, “No...I really don’t know because I’m not getting [financial aid] since I’m just taking one course.” She went on to say that she might try to use her credit card to pay her tuition, but in the end said simply, “I don’t know how I’m going to pay for...next semester.”


The stories students shared with IHEP make clear that the status quo is unacceptable. Until we address our college affordability problem, higher education will continue to perpetuate racial and socioeconomic inequities rather than drive mobility for underserved students. To ensure the doors of opportunity are open to hardworking students of all backgrounds, policymakers must make a greater commitment to advance equity in higher education by improving affordability for low-income and working-class students.

METHODOLOGY

IHEP interviewed 17 students over the course of the spring and summer 2018 semesters and spoke with 16 of those students again during the fall 2018 semester.¹ Institutional representatives connected IHEP with students who were interested in participating. Student interviews were conducted in person by two IHEP researchers and ranged in length from approximately 30 minutes to 90 minutes.² Prior to the interviews, students

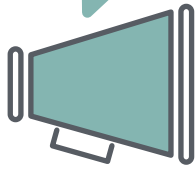
completed a financial and demographic questionnaire provided by IHEP. Some students also shared copies of their institutional bill and/or federal Student Aid Report. All student participants signed a waiver granting IHEP permission to share their stories, and all student participants were offered the opportunity to review any instances where this report specifically references them.

Meet the students



ADEJOKE is a 19-year-old Black student who lives at home with her parents and four siblings. She receives a Pell Grant and has worked as many as 24 hours per week to help pay for her college and living expenses while attending Prince George's Community College in Largo, Maryland. After earning her associate degree, Adejoke plans to transfer to Towson University and ultimately earn a doctorate in physical therapy.


AISSATOU is a 22-year-old Black student, who is the first in her family to attend college. She transferred to Lehman College after attending Borough of Manhattan Community College. Aissatou has worked between 20 and 40 hours per week throughout her postsecondary education and is also caring for her young son.



ALYSON is a moderate-income White student who works three different jobs to afford college and pay her bills. She plans to transfer to a school in the Indiana University system after completing her associate degree from Ivy Tech Community College in Kokomo, Indiana.

ASHLEY is a 24-year-old Latinx student who transferred to Lehman College after earning an associate degree from Bronx Community College. The first in her family to go to college, Ashley lives at home with her parents and siblings. In combination with a Pell Grant and state financial aid, she works 20 hours per week to cover her college costs.

BRANDY is a 38-year-old Black student attending Prince George's Community College in Largo, Maryland. An adult student with some college but no degree, she aspires to become a nurse and is taking pre-requisite courses to prepare for an associate degree in nursing.



CASEY is a 31-year-old multiracial student in the paralegal studies program at Ivy Tech Community College in Bloomington, Indiana. A single mother supporting two children, she previously received a bachelor's degree in anthropology from the University of Indiana-Bloomington but returned to school after having trouble finding a well-paying job. Casey has incurred approximately \$40,000 in student loan debt while earning her degrees.



DEJOIRY is a 21-year-old Black student at Howard University studying political science who plans to go to law school. Originally from Michigan, he is a Pell Grant recipient and has accumulated approximately \$21,000 in federal student loan debt.

HECTOR is a 21-year-old Latinx student and Pell Grant recipient attending Lehman College in the Bronx. The first in his family to attend college, he shares an apartment with six family members and has worked nearly full-time while enrolled at Lehman College.

DIANA is a 22-year-old Latinx student and Pell Grant recipient attending Lehman College in the Bronx. The first in her family to attend college, she earned her associate degree from Borough of Manhattan Community College and has worked as many as 40 hours per week throughout her college career.



JUSTIN H. is a 20-year-old White student and Pell Grant recipient attending Ivy Tech Community College in Columbus, Indiana. He has worked as many as 30 hours per week while in school and plans to transfer to a four-year institution after receiving his associate degree.

TAYLOR is a 22-year-old multiracial student who attends Howard University in Washington, D.C. She has several jobs and works more than 40 hours per week. In her final semester of college, Taylor was no longer eligible for an institutional scholarship and struggled to make ends meet. The scholarship covered nearly all of her tuition and non-tuition costs during her first four years at Howard University.



COLEEN is a 20-year-old White student who has worked multiple jobs to cover her expenses while enrolled at Ivy Tech Community College in Lafayette, Indiana. The oldest of nine children, she has received little financial support from her family for her postsecondary education. Coleen initially delayed transferring to Purdue University because she was uncertain about how she would pay for the increase in college costs. She now plans to transfer in fall 2019 after learning that she is eligible to receive an institutional need-based grant that covers unmet tuition and fees for Pell-eligible students.



JUSTIN U. is a 25-year-old White student attending Ivy Tech Community College in Columbus, Indiana. He is a veteran of the U.S. Navy and the first in his family to attend college. Justin has relied on the GI Bill and Pell Grant to help cover his college and living expenses and plans to transfer and earn a bachelor's degree in business.

MARKEITH is a 20-year-old multiracial student attending Wayne State University in Detroit, Michigan. An emancipated Pell Grant recipient, he lives off campus and has \$26,000 in student loan debt. Markeith has been enrolled both full- and part-time and expects to graduate in Spring 2021.



YUDERKA is a Latinx adult student attending Lehman College. She immigrated to the United States from the Dominican Republic and later earned her associate degree from Bronx Community College. She works nearly full-time to support her two teenage children and has almost \$50,000 in student loan debt.



NADA is a 20-year-old White student and Pell Grant recipient studying global affairs at George Mason University in Fairfax, Virginia. Before transferring to George Mason, she completed her associate degree at Northern Virginia Community College in Alexandria, Virginia. Nada is the first in her family to attend college in the United States.

LEO is a 25-year-old multiracial student studying broadcast journalism at Wayne State University in Detroit, Michigan. A Pell Grant recipient, he has a total of \$35,000 in student loan debt and works 30 hours per week to help cover his expenses.

What are students' college costs?

"College is really expensive."

- Aissatou

That's how Aissatou summed it up. Similarly, Diana explained that college is "very expensive, especially if you're not getting...financial aid." Despite working between 20 and 40 hours per week, Diana told IHEP she "would not be here right now," if it wasn't for the financial aid she received. When we asked Markeith how he was feeling about paying for college he said, "Stressed... Honestly, it's a lot, and you can only do what your money allows you to do."

Targeted need-based financial aid provides essential assistance to low-income and working-class students. The Pell Grant is the cornerstone of federal financial aid and helps hardworking students with financial need access the benefits of higher education. All of the Pell Grant recipients we spoke with reported relying on their Pell funding—often in combination with other federal, state, or institutional aid—to cover their tuition and

non-tuition costs. The research validates what the students already know. Financial aid programs like these help students stay enrolled and graduate.³

But it's no surprise that students feel stressed about paying for college. Since 1986, tuition and fees have increased at nearly five times the rate of inflation, outpacing income growth.⁴ At the same time, recent trends in federal, state, and institutional aid have shifted the financial burden of earning a college degree to students and their families. The purchasing power of the Pell Grant has declined precipitously as award increases have failed to keep pace with rising college costs.⁵ More than half of all states rely more heavily on tuition dollars than state funding to fund public higher education.⁶ And in the 2016-17 academic year, less than half (46 percent) of state dollars spent on undergraduate aid were awarded based on need alone.⁷

STATE POLICY RECOMMENDATION:

Free college programs, when designed to prioritize an equitable distribution of resources, are promising strategies for helping more students access and complete a college education. However, IHEP research reveals that two statewide free-college programs—New York's Excelsior Scholarship and the Tennessee Promise—do not allocate enough scarce state dollars to students with the

greatest need, nor do they improve college affordability for these students because their "last-dollar" design only pays tuition and fees not already covered by grant aid, such as the Pell Grant.⁸ To be equity-driven, state-based free college programs must invest first in low-income students, fund non-tuition expenses for low-income students, and support well-targeted need-based aid programs, like New York's Tuition Assistance Program.

On top of this, many institutions also use financial aid dollars to attract affluent students, diverting critical aid away from students who need financial support to earn a degree.⁹ And non-tuition costs are inconsistently, and often poorly, articulated by colleges ahead of enrollment and can be unpredictable from semester to semester.¹⁰

Today, low-income students must devote an amount equivalent to more than 150 percent of their family in-

come towards college, while a student from the highest income quintile only needs to expend 14 percent of their average household income to cover their net price.¹¹ Casey explained, "Money is always a challenge. I think that's the most stressful thing." Justin H. shared that success for him in fall 2018 would be getting A's in all of his classes and, "not worrying about money." But, he continued, "that's very hard."

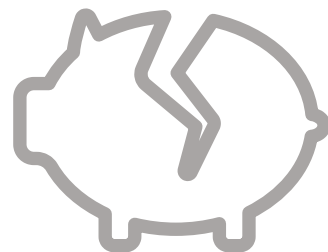
HOW MUCH DO STUDENTS NEED TO PAY?

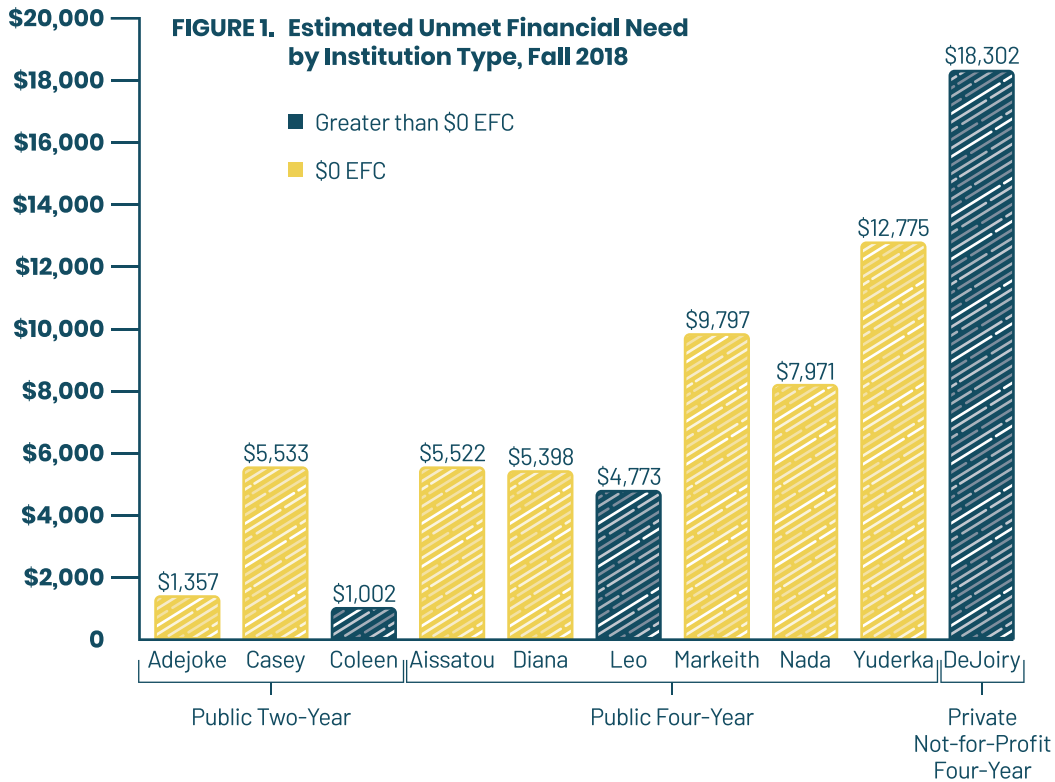
Feeling confident about affording college is especially difficult for students with unmet financial need. Unmet need is the gap between a student's net price (cost of attendance minus grant aid) and expected family contribution (EFC).¹² EFC is calculated by the federal government based on information students provide on their Free Application for Federal Student Aid (FAFSA) and is used to determine students' eligibility for federal student aid.¹³ In other words, unmet need is the amount students must finance above and beyond what they can afford. A student's full cost of attendance, as determined by their institution, is considered when calculating unmet need (see the What is Cost of Attendance? call-out box for more information). Students finance their unmet need through a combination of loans, work, and cutting out basic, yet much-needed expenses, among other strategies.

What is Cost of Attendance?

A student's cost of attendance (COA) is determined by a federal formula that measures costs that a student must cover during a single year of college. These costs include tuition and fees as well as non-tuition costs such as room and board (based on the student's living arrangement), books and supplies, and other expenses like transportation and personal items.¹⁴

Nationally, the average student had \$8,880 in unmet need in 2016.¹⁵ Black and Latinx students were more likely to have unmet need—and in greater amounts—than their White peers.¹⁶ And student parents had greater unmet need than students without dependent children.¹⁷





Note: IHEP analysis of 2018 cost of attendance data published on institutional websites. IHEP analysis of expected family contribution and financial aid award information made available to IHEP by students from a variety of data sources including federal Student Aid Reports, institutional bills, and self-reported data collected on financial questionnaires, as well as 2018-19 Pell Grant payment schedules. Data availability varied widely across students.

Ten of the students IHEP interviewed provided the information necessary to calculate their unmet need—which ranged from \$1,002 to \$18,302 for the fall 2018 semester (Figure 1). Students attending public two-year institutions had the least amount of unmet need, whereas DeJoiry, who attends a private not-for-profit four-year institution, had the greatest amount (Figure 1).

The seven lowest-income, highest-need students—those the federal government deems to have zero financial resources to pay for college—were expected to cover an average of \$6,907 in tuition and non-tuition costs for one semester after accounting for their grant aid.¹⁸ Even Adejoke, who had the least amount of unmet need among the zero EFC students we spoke with, needed to come up with more than \$1,300 to cover one semester of tuition and non-tuition costs at her local community college (Figure 1).

High levels of unmet need leave some students without enough money to cover their tuition and non-tuition costs. These students are then forced to make difficult, and sometimes damaging, decisions about how to come up with the money they need to persist and complete college, which are discussed in-depth later in this report.

FEDERAL POLICY RECOMMENDATION:

The federal government treats all students with a zero EFC the same way when awarding financial aid, despite the fact that some of these students have even greater financial need than others. The current formula for calculating EFC artificially raises the lowest income students' EFC to zero, even when the formula results in a negative number. To direct more grant aid to the lowest-income Pell Grant recipients and better account for students' true level of financial need, federal policy-makers should adjust the federal needs analysis rules to allow for a negative EFC.



STUDENT SPOTLIGHT:

When we spoke in summer 2018, Justin U. had just started collecting GI Bill benefits to supplement his Pell Grant funding and cover his living expenses. This additional support fully covered his tuition and non-tuition costs, leaving him with no unmet need during his second year at Ivy Tech Community College. He explained, “I’m not struggling like I was...the first two semesters.” Justin told us that he now feels, “financially stable,” giving him “the opportunity to focus more on school.” Justin’s story goes to show how removing financial obstacles allows students to focus on what should matter most—learning.

WHAT EXPENSES DO STUDENTS NEED TO COVER?

Tuition and fees comprise only a portion of students’ college costs. Students must also pay for housing, food, and child care while they’re enrolled—expenses that can’t be put on hold. Students told IHEP repeatedly that covering these and other non-tuition costs like books and course materials, transportation to and from school and work, and unforeseen emergencies, present significant financial burdens.

Coleen shared, “I actually had a panic attack” the week before moving for the start of school. She explained, “it was like how am I going to afford this—living and college? It just seemed impossible.” And Yuderka worried that her finances might prevent her from succeeding in college. “I have a family. I have a lot of expenses that I have to cover at home.”

During our interviews, students highlighted the non-tuition costs discussed below as particularly burdensome. These include books and access codes, food and housing, transportation, and emergency expenses. **Ultimately, the best way to address students’ unmet need—including these pressing non-tuition costs—is to tackle the larger challenge of affordability for low-income and working-class students through increased investment**

“Winter is coming, so I have to go buy [my baby] some clothes. And...diapers—they run out [of diapers] fast when they [are] little!”

Aissatou
Student at Lehman College

in need-based aid at the federal, state, and institution level. Until such broader reforms take hold, however, states and institutions should take steps to help students in tangible, intermediate ways, like offering stipends to help cover the cost of required course materials or connecting eligible students with Supplemental Nutrition Assistance Program (SNAP) benefits.

Books and Access Codes

After covering the cost of tuition, students across the country report buying required course materials as their top financial stress.¹⁹ As DeJoiry explained, his initial “mindset is like, ‘Oh, I paid my tuition, phew.’” But later, “it’s like no, actually I have to find \$500 more...to pay for my books...[and] if you take a math class you have to pay for an access code—that’s usually \$150.”

**YOU COULD JUST IMAGINE...
PAYING \$200 FOR A BOOK,
AND THEN \$84 JUST FOR
AN ACCESS CODE, WHICH
YOU'RE JUST GOING TO USE
FOR ONE SEMESTER. IT'S
INSANE.**

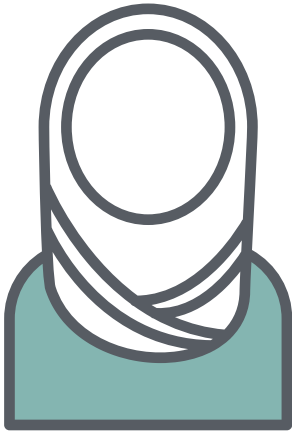
DIANA, Student at Lehman College

Access codes, which Coleen described as “the bane of my existence,” allow students to access online course materials, such as study materials, homework assignments, quizzes, and tests. Adejoke explained, that if “you don’t have it, you’ll fail the class because most of the work on there is half of your grade...there’s no way around it.” She told us, “those access codes are what really makes the books more expensive.” Justin. U. reiterated this point. When asked about the cost of books, he shared, “They’re expensive. I try to get them used, but a lot of times we have to buy the books with the [access] code...[and] you can’t buy the code used.”

In 2015–16, the average full-time undergraduate reported spending approximately \$836 on required course

materials.²⁰ As Taylor put it, “Books are expensive. They add up.” In fall 2018, the students IHEP interviewed reported spending anywhere from \$100 to \$700 on books and access codes—even though they employed a number of strategies to try to keep their book costs down.²¹

To afford their required course materials, research reveals that students skip meals, work more hours, forgo purchasing textbooks, and take fewer classes.²² When asked if they had ever not purchased a required textbook due to the cost, Nada replied, “Oh yeah” and De-Joiry said, “Of course.” Leo shared that he’s at the point where “even if the professor tells me I need a book I don’t buy it because I can’t afford it.”



STUDENT SPOTLIGHT:

Just like books and access codes, students need access to the internet to be successful in college. Casey told us that she had been having a hard time getting her schoolwork done because she couldn't afford to pay for internet in her apartment. Figuring out how to balance her classwork with work and child care responsibilities was challenging without internet at home. She told us that she was, "basically screwing herself" academically anytime she went home since she couldn't complete her homework there. She hoped things would be easier after learning that she could use her old phone as a hotspot. At least now, she explained, "I know...I [can] do homework at home."

Rented or used textbooks are still expensive, and other alternatives—like relying on printed copies from a professor or classmate, taking pictures of a classmate's book or using reserved books in the library—are unreliable and can jeopardize students' academic performance. Casey, who is earning her degree in paralegal studies, shared that she once came close to dropping a legal course with a \$400 required textbook. Of the book, she said, "I just could not get it." The professor told Casey that he had an extra copy of the book but, "he kept forgetting to bring it in." She explained that he "would print off the chapters for me for a couple of weeks and then he would forget."

STATE AND INSTITUTIONAL POLICY RECOMMENDATION:

To help support low-income and working-class students access required course materials, states and institutions should offer book stipends as part of their need-based financial aid programs. An example of this type of support is New York's Search for Education, Elevation and Knowledge (SEEK) program, which provides students in the program with a stipend to cover a portion of the cost of required course materials such as books and access codes.

Food and housing

Like far too many of their peers across the country, a number of the students IHEP interviewed struggle with food security.²³ DeJoiry told IHEP that he didn't think he had any food at his house because, "I just have not had the money to go buy groceries." Adejoke shared, "Two days ago, I didn't eat all day...I went to sleep hungry." And Ashley explained, "There [are] those days that you just have to starve a little bit."

Students of limited means struggle with challenges that may never cross the minds of their more well-off peers, or administrators at institutions. For instance, Markeith told IHEP that he is most concerned about college costs during school breaks because he relies on his meal plan for food. "The cafeteria closes during Thanksgiving and Christmas [and] New Year's break...At that point in time, I don't know what I'm going to do."

Worrying about how and when you'll eat your next meal makes it difficult to be successful in college. Research finds that food insecure students report their class performance is compromised by their hunger.²⁴ Students of color and first-generation students are particularly likely to struggle with food security.²⁵

Struggling to meet other basic needs, like housing and transportation costs, can exacerbate food insecurity. A number of students we spoke with reported paying rent as one of the first places their money needs to go each month. As Yuderka explained, "The first thing I

pay [is] my rent, because if you don't have a house, it will not be good."

Despite working approximately 20 hours per week at two jobs during the spring 2018 semester, Coleen shared, "[I] felt like I didn't even have enough money to pay my rent, let alone [for] my food." She explained, "It's hard to settle down and study if you're thinking about, 'Am I going to have enough money for rent?'" Receiving Supplemental Nutritional Assistance Program (SNAP) benefits helped Coleen feel more confident that she could cover her food and housing costs without having to sacrifice one for the other. SNAP provides food assistance to low-income individuals and families across the country and increasing low-income college students' access to public benefits like SNAP could support persistence and completion.²⁶

INSTITUTIONAL POLICY RECOMMENDATION:

Institutions should support food insecure students on their campus by helping eligible students access Supplemental Nutritional Assistance Program (SNAP) benefits; developing or expanding programs that serve food insecure students, such as food pantries and meal swipe donations; and keeping dining halls open during school holidays.

Transportation

The cost of travel between school, work, and home presents a significant financial barrier for many students. The students IHEP spoke with reported spending an average of \$967 on transportation-related expenses during the fall 2018 semester, with one student spending as much as \$2,360. In spring 2018, nine students told IHEP that transportation is one of the first places their money needs to go each month.

Across all transportation types, the students we spoke with experienced long commute times and delays that made getting to campus, work, and home difficult. In order to take an in-person calculus class, Justin U. had

to drive to a different Ivy Tech Community College campus, approximately 40 minutes away. Adejoke and Diana both reported bus and train rides between school and work that lasted as long as an hour.

Given the unreliable and time-consuming nature of public transportation, many students—particularly those who attend school in more urban areas—rely on ride share services to get to and from school and work. But these services tend to come at a higher cost than public transportation. Nada, understandably, decided it was a better use of her time to pay for an Uber from school to her off-campus job rather than take a two-hour one-way bus trip, despite the cost. After realizing how much he was spending on ride shares to get to and from work, DeJoiry quit his job located in a part of Washington, D.C. that is not easily accessible by public transportation. When he put in his two weeks notice, he told his managers, "It's not y'all, I just can't afford to come to work every day."

While students with cars are able to drive to school, work, and home without depending on rides from family members, public transportation, or expensive ride share services, this convenience came at a high cost. Those who relied on their own vehicle for transportation spent an average of \$1,272 per semester on car-related expenses. Their per-semester car costs were as high as \$300 for on-campus parking permits, \$460 for car insurance, \$740 for car loan payments, \$800 for gas, and \$800 for car repairs and maintenance.

Emergency expenses

Emergency expenses like car repairs or replacing a broken or stolen computer can derail low-income and working-class students' education. DeJoiry told us his laptop for school, "went kaput," explaining, "I'm in the limbo stage of not having a computer...It's very stressful." Leo described emergency expenses as "scary, because you just never know...your car could break down, which happened to me, [and] you need \$800 right there." Similarly, Justin H. told us that despite working approximately full-time across multiple jobs, he "only had three cents to my name" after having to deal with unexpected repairs on his truck. He explained, "My mom gave me gas

money because I could not buy gas to get to school. It was not fun.”

Nationally, half of all undergraduate students report that they “certainly” or “probably” would not be able to cover an unexpected \$2,000 expense.²⁷ Black, Latinx,

and low-income as well as student parents, were especially likely to indicate that they would not be able to afford such an emergency.²⁸

When we asked students if they would be able to cover a \$2,000 emergency should one arise, they responded:

“I could cover a \$20 emergency right now. That’s it.”

CASEY



“I really hope it doesn’t happen. And that’s all.”

NADA

“That one? I don’t know. Because my mom, she [doesn’t] have \$2,000 on her...That’s so much.”

AISSATOU

“Where am I [going to] get that money from? No. I don’t know how I’m [going to] pay for that, unless I go get a credit card.”

ADEJOKE

“I would just die. There’s not much I can really do about it.”

MARKEITH

Students were more likely to say that they could cover a \$250 emergency—but some, like DeJoiry and Nada told us that they “would be broke” until their next pay check if they did so.

Many of the students were unsure if their institution offered an emergency grant or loan that they could turn to if they did experience an emergency. This is unsurprising given that word of mouth is the most common strategy for disseminating information about emergency aid on campus.²⁹ It is troubling, however, since research demonstrates that emergency grants can help low-income students persist and complete college.³⁰

INSTITUTIONAL POLICY RECOMMENDATION:

To support students facing financial emergencies, institutions should offer emergency grants for students in need. These grants should be designed without restrictive requirements or disbursement methods that would prevent students in crisis from accessing them. Institutions must also publicize the availability of emergency grants to ensure students know they exist—and how to access them.

How do students attempt to make ends meet?

“Financial aid is a prime reason why many people [can] go to college who are low-income...If I didn’t have financial aid, I’d probably have two jobs and still have to manage school.”

– Ashley

As Yuderka told us, “Decid[ing] to go back to school, follow[ing] my dream to get my education has not been easy.” Since she first began taking classes at Bronx Community College, she and her children have had to make many sacrifices. They do so—even when it’s difficult—because, as Yuderka explained, “if you have a bachelor’s [degree], you have...better opportunit[ies]...and your lifestyle will change.” And while college is meant to be challenging, those challenges should be primarily academic—not financial.

Going without cable—as frustrating as that may be for Yuderka’s teenage children—might seem like an easy strategy for making ends meet while in college, but others carry much higher consequences. For example, Yuderka has incurred nearly \$50,000 in student loan debt while earning her degree. In the face of high college prices and limited financial resources, students are forced to make sometimes impossible decisions in order to pay their tuition and non-tuition costs, including those that can make it difficult for them to persist and complete.

Casey, who drives back and forth to campus and to pick her children up from school and daycare, estimated that she spends \$40 per week on gas. If she doesn’t have that \$40, she told us, “I have to get it. I sell my clothes I don’t need anymore. I sell toys.” She also told us that, “you can sell cans...or scrap metal,” and that she signed up for research studies at Indiana University, where she could earn as much as \$20 per hour for participating. Leo shared that he once “had to take a semester off”

to work because he “didn’t have enough money.” While this was necessary at the time, Leo explained that, in the end it “just prolongs the time you’re here,” in college.

Despite high tuition and non-tuition costs and insufficient need-based grant aid, the students we spoke with found ways to persist. They have skipped meals, sold clothes, taken on thousands of dollars in student loan and credit card debt—all because they believe in the promise that higher education can improve their lives and the lives of their families. But institutions, states, and the federal government are not holding up their end of the bargain if those students with the fewest resources—who can benefit most from a college degree—have to employ such strategies to succeed in college.

STUDENTS WORK

Many of the students we spoke with work to help pay for college and living expenses. In doing so, however, they often struggled to balance the demands of their employment with school and family obligations. The students we spoke with worked an average of 21 hours per week, with one student working as many as 60 hours per week while enrolled full-time. Fourteen of the 17 students interviewed worked 20 hours per week or more and the students who were employed worked an average of 25 hours per week.

Yuderka works 35 hours per week, 20 hours at Bronx Community College as a college assistant and 15 hours in a work study position in Lehman College's financial aid department. She loves this work so much that she hopes to become a financial aid administrator when she graduates. But she explains, "it's not easy, being a mom, [a] student," and working so many hours per week.

Students like Yuderka struggled with a choice they shouldn't have to make. Should they work long hours to meet their financial needs, but in doing so, sacrifice their success and wellbeing? Or should they work shorter hours but not have enough income to cover their full cost of attendance? After working full-time, Aissatou struggled to make ends meet when she dropped her hours to just 20 per week during the spring 2018 semester. She explained that her reduced income, "is not enough to...save and to pay for everything that I need to pay for." But Aissatou also told us that working fewer hours helped her focus on her academics. She said, "When I was working [full-time at] Dunkin' Donuts, it was very hard for me to get the grades that I wanted...now I actually have more time to study and read. My head is clear; I'm doing well in my classes."

Similarly, Coleen told us, "I pay for college on my own, so trying to balance finances [and] work with school is one of the biggest challenges." She explained, "A lot of times it's not just the fact that you might not have money to pay for an additional three credit hours...it's actually that having to work to pay for your existing credit hours takes away from the time that you could spend studying and focusing on those classes."

Research supports what Aissatou and Coleen know. There is evidence that students who work more than 20 hours per week earn lower grades.³¹ And students who work more than 15 hours per week have lower persistence rates and are less likely to earn a bachelor's degree within six years than those who do not.³² Hector, who was working as many as 37 hours per week while enrolled at Lehman College, described dividing time between work and school as "very challenging." He shared, "I'm not [going to] lie, sometimes I'll [get] to places late," or turn in assignments late, "because there's just so many things to do."

FEDERAL, STATE, AND INSTITUTIONAL POLICY RECOMMENDATION:

Evidence suggests that low-income students who receive additional grant aid are less likely to work, less likely to work extensively or during the overnight or early morning hours, and work fewer hours per week than similar peers.³³ As Ashley, who worked 20 hours per week during the spring 2018 semester, told us, "If I didn't have financial aid, I'd probably have two jobs and still have to manage school." Institutions, states, and the federal government can support low-income and working-class students' college success by strengthening investments in need-based aid programs that can help them work fewer hours while enrolled.

Working while taking classes also impacted students' physical and emotional health. Justin H. was working between 20 and 25 hours per week when we spoke with him in summer 2018. He told us that balancing work and school has been, "very hard." And he shared, "I've had emotional breakdowns because of it. Like the second day this semester." DeJoiry, who works to help pay his living expenses, told us that the day before speaking with us he left campus around 3:30 p.m. and worked a 4 p.m. to 12 a.m. shift. After work, he went home and tried to study. He explained, "I didn't actually go to sleep. I'm still running on yesterday's sleep."

In addition to managing long hours at work, students also struggled with jobs and supervisors that did not offer flexible scheduling to accommodate their academic commitments. Alyson, who was juggling work schedules at three different jobs, explained, "I was failing in my classes within three weeks of starting them due to the fact that I was not getting [my class schedule] worked around." Similarly, Justin H. was looking for a new job when we spoke in fall 2018 because his hours at the grocery store had been cut unexpectedly. Research reveals that over a third of working students between ages 26 and 32 have no input in their work schedules, and nearly half of young adults with some post-secondary experience but no degree identify the inability to find classes that fit their schedules as an obstacle to returning to school.³⁴



**I WISH I
DIDN'T HAVE
TO WORK AS
MUCH. I'VE
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[IT] HAS PLACED
A HUGE TOLL ON
MY SCHOOLING.**

DEJOIRY, Student at Howard University

When asked how he managed dividing his time between school and 30 hours of work each week, Leo emphasized the importance of having an understanding supervisor. He explained, “Having a boss that allows you to take classes and...schedule[s] you on days that you don’t have to go to school...and be cool about that,” makes it possible to balance demanding school and work schedules. He continued, “I was fortunate when I was working at the shipping department [that] I had a boss...[who] allowed me to focus on school, but not everybody is fortunate [enough] to have that.”

Many of the students we spoke with benefited from Federal Work-Study jobs, which provide flexible scheduling that recognizes students as students first, and employees second. These jobs accommodate the demands of being a student, are often conveniently located on-campus, and can help students build connections at their institutions. Research suggests that low-income students who participate in Federal Work-Study are more likely to complete a bachelor’s degree in six-years and be employed six years after entering college than low-income students who do not participate in the program.³⁵

Casey explained the benefits of her Federal Work-Study job as follows: “With the job that I have...it’s okay to study, it’s encouraged to do [well] in school. Really, it’s been beneficial more than anything for me, because it keeps me on campus a lot more, too.” Diana had similar feelings about her Work-Study experience. She shared, “I love it...I suggest any college student to do Work-Study. It’s convenient, it’s in the school, you’re able to print for free, and just interact with other students and help them out.”

FEDERAL POLICY RECOMMENDATION:

Low-income and working-class students and students of color stand to benefit from participating in the Federal Work-Study program, yet the formula for distributing funds to institutions can limit access to the program for many underserved students.³⁶ Adjusting the funding allocation formula to more equitably distribute funds to institutions where low-income students and students of color enroll could direct more Federal Work-Study dollars to students with the greatest need.³⁷

STUDENTS BORROW

Because income from work isn’t always enough to close the gap between students’ grant aid and college costs, many low-income students turn to student loans or credit cards to make up the difference. When Ashley first transferred from Bronx Community College, where she earned her associate degree, to Lehman College, she told us, “I got Pell, but I didn’t get TAP,” the New York State Tuition Assistance Program, “so I had to [take out] a loan.” When asked why she took out a student loan, Yuderka explained that it was the only way that she could cover her expenses at home without having, “to stop school and look for a full-time job.” She told us, “I had my financial aid, but the financial aid was only for the tuition,” not for her non-tuition costs.

Ashley and Yuderka are not alone. In 2016, 57 percent of Pell Grant recipients also took out student loans.³⁸ In contrast, just 27 percent of students who did not receive a Pell Grant needed to do so.³⁹ Students of color are more likely to rely on student loans than their White peers. In 2016, 51 percent of Black students took out student loans, compared with 40 percent of White students.⁴⁰ The disproportionate student debt burden borne by students of color is in part a function of longstanding inequities, like the racial wealth gap, which leaves Black or Latinx households with fewer resources available to pay for college expenses.⁴¹

Ten of the students IHEP spoke with had taken out federal student loans at some point during their time in college, with their cumulative debt ranging from \$2,250 to \$49,515 (Figure 2). Many of these students were carrying more than \$10,000 in debt (Figure 2). Students of color were especially likely to have taken out student loans (Figure 2).

Many students told us they would rather not have to take out student loans. Coleen explained, “I don’t want to take out loans until I’ve exhausted all the other options.” Despite this, many students—including Coleen—discovered that their grant aid and income from work was not enough to meet their basic needs while earning their degree. When we asked Casey, a mother of two, how she

“I haven’t needed [loans], because the financial aid covers... everything. This is a really affordable college to come to.”

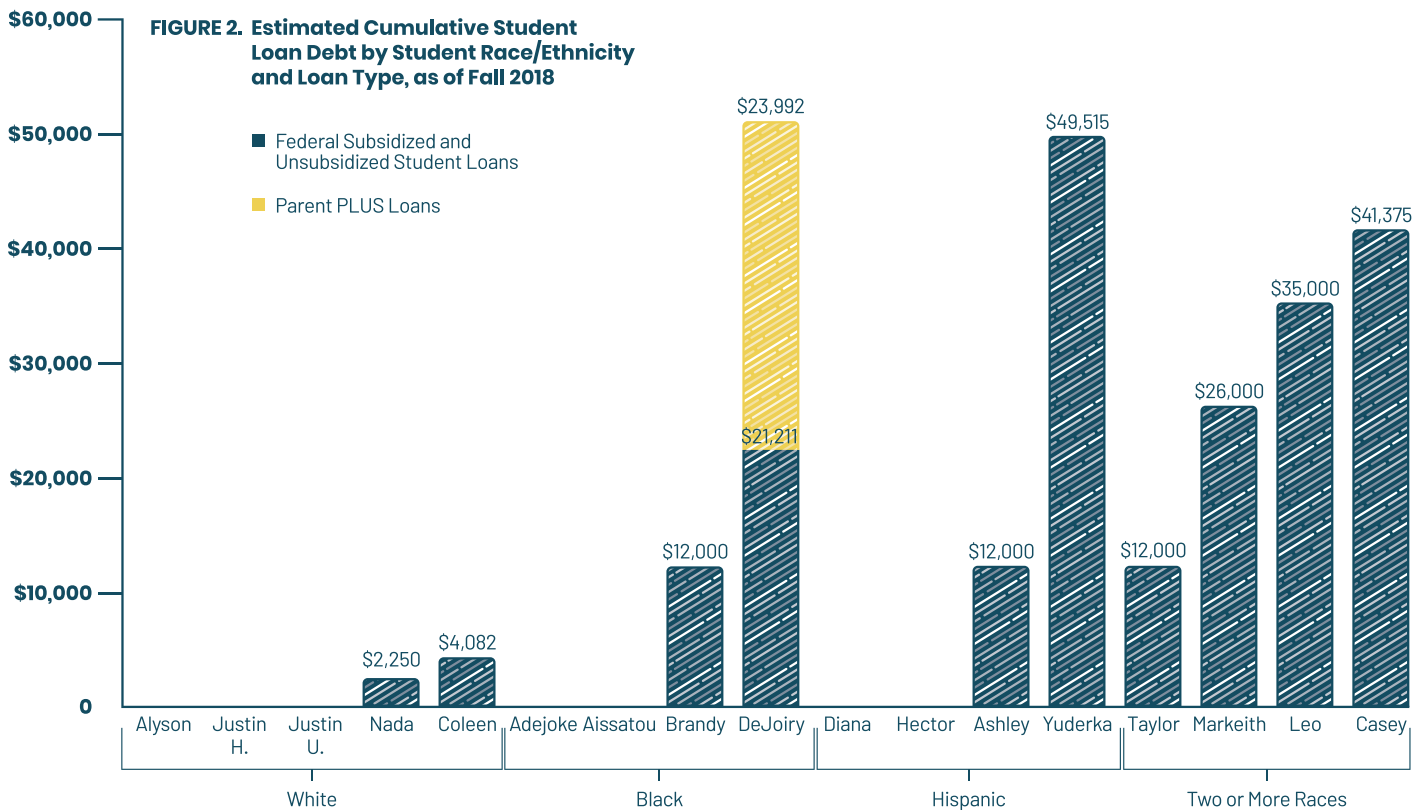
Hector
Student at Lehman College

decided to take out loans, she explained, “I needed money to pay for school and live—there’s no other option.”

When asked the same question, Leo responded, “I don’t think it’s really a decision, I think it’s more of a thing that I have to do in order to get an education. In order for me to get a job out of school that pays \$30,000 to \$40,000 a year, I have to put myself...\$38,000 in debt...It’s just something I have to do.” Similarly, Justin H. told us he knew he would need to take out a loan at some point in order to earn a master’s degree in athletic training. He explained, “It’s just what you got to do.” He continued, “I mean, I’m not doing something dumb. I’m going into

a lucrative field, which I’m passionate about, so I don’t think that’s going to be a problem.”

Markeith explained that taking out a loan seemed like his only option, sharing that, “there wasn’t really an alternative if I wanted to go to school.” He continued, “in theory, I could take like two classes or three classes a semester and then just pay those off with the Pell Grant, but I don’t think anyone wants to be in college for eight years.” Instead, Markeith decided he wanted to finish school in as close to four years as possible, and told us, “in order to do that, I need more money and those loans provided the money.”



Note: These numbers are based on student-reported data throughout their time in college, including at both two-year and four-year institutions. These levels of debt were not necessarily incurred exclusively while students were attending their current institution. For example, Casey incurred a portion of her student loan debt while earning her bachelor’s degree at Indiana University—Bloomington, but now attends Ivy Tech Community College, where she has also taken out student loans.

FEDERAL POLICY RECOMMENDATION:

High-quality data and increased transparency around affordability could help students like Ashley, Yuderka, Coleen, Casey, Leo, Justin H., Markeith, and DeJoiry as they wrestle with their decisions about where to go to college, what to study, and whether to take out student loans. It is clear that there are risks associated both with borrowing large amounts and with borrowing too little. While taking on too much debt can make it difficult for students to repay their loans after graduation—a risk that is compounded by the existing racial wealth gap for borrowers of color—borrowing too little can make it difficult for students to complete. Research has found that students who borrow moderate amounts earned additional credits and had higher grade point averages than those who did not.⁴² And students who leave college with debt but no degree are more likely to default on their loans than students who complete—even if their balances are small.⁴³

Students need better information about expected debt, expected earnings, and expected repayment outcomes to make informed decisions about borrowing, but current data do not provide students with enough information to assess these tradeoffs at the program level. Through the creation of a student-level data network, federal policymakers could use existing federal and institutional data sources to provide students with more accurate and reliable program-level information on access, completion, costs, and post-college outcomes.⁴⁴

DeJoiry explained that he had to take out loans in order to persist at Howard University, even though he'd, "prefer not to have them." He told us that he had more student loan debt than he initially expected because, "it was one of those situations where I'm here now, I'm not going to give up. I just want to pay for it, [what]ever way. And my parents have the same energy...You're there now, you've already put this money into it...I've got to figure out how to pay." But heavy debt burdens, like those borne by Yuderka, DeJoiry, and Casey can keep low-income and working-class students from achieving the American Dream. Students with debt, on average, have lower credit scores, are less likely to own homes, have significantly lower retirement savings, and are less likely to start small businesses.⁴⁵

Sometimes students with financial need who don't want to take out student loans incur credit card debt instead. Aissatou, who has credit card debt, but no student loan debt, uses her credit card to cover costs like baby clothes, textbooks, and class supplies. When asked why she uses credit cards instead of student loans to cover these costs, she explained, "Let's say if I need \$400, I can take out just \$400 and [pay] back \$400. But I feel like with loans, they give you \$5,000." Diana, who also has no student loan debt but approximately \$3,000 in credit card debt uses her credit cards "as a safety net" to cover essential expenses like food, books, transportation, and medical bills.

STUDENTS RELY ON THEIR COMMUNITY

In addition to working and taking on debt, many students also rely on family financial support or campus connections to help them make ends meet.⁴⁶ Coleen's grandparents help her pay for her cellphone and Alyson's mom occasionally buys her groceries. Diana has borrowed money from her parents to pay for books when her financial aid disbursement was delayed, Justin H.'s mom has given him gas money when he was in a pinch, and DeJoiry's parents took out a PLUS loan to help him attend college. Ten of the 17 students we spoke with—dependent and independent—lived with their parents while enrolled.⁴⁷ And Casey, Yuderka, and Aissatou—the three students with dependent children—told us that their families helped them with child care.

Students also turned to campus connections when they needed support. For example, Taylor told us that sometimes, "I don't know how I'm [going to] eat my next meal." But she's been lucky to have someone in the Student Affairs office who has bought her lunch when she's in need. Alyson's connections with the Student Life office helped her find scholarship opportunities. And Ashley's Work-Study supervisor in the Financial Aid office reminded her to complete her FAFSA and answered her questions about filing as an independent student.

STUDENTS START AT TWO-YEAR COLLEGES

Brandy, who is starting her path to a nursing degree at Prince George's Community College, told us, "I feel like community college is a great thing." She continued, "you should take all the classes you can...in community college before going to a university because if you could get English 101 for \$600 compared to \$1,600—I think it goes without saying which one you choose."

Many of the students we spoke with agreed with Brandy, pointing to transfer from two-year to four-year institutions as an effective strategy for keeping down their overall college costs. Of the 17 students IHEP interviewed, four transferred from a two-year to a four-year institution before we first spoke. Another student transferred from a two-year to a four-year institution between the first and second time we spoke. And six others were attending two-year institutions in 2018 with plans to transfer to a four-year institution and ultimately earn a bachelor's degree.

After coming out of active service in the Navy, Justin U. knew he was going to need to take remedial classes and found Ivy Tech Community College's price appealing. Given that his associate degree from Ivy Tech "will transfer really easily," to a number of four-year institutions in Indiana, paying less in tuition to earn it, "seemed like a more financially responsible decision." Alyson also plans to transfer to an institution in the Indiana University (IU) system after earning her associate degree from Ivy Tech Community College. She told us, "My Ivy Tech experience has been great—I believe a lot better than... if I went straight into Bloomington or any IU institution due to the fact that I'm not in debt."

When we first spoke with Nada in spring 2018, she was completing her associate degree at Northern Virginia Community College before transferring to a four-year institution in the area because, "four years in a row with [the] tuition of [George] Mason [University] or something like that would be harder." By the time we spoke



again in the fall, she had transferred to George Mason University to pursue her bachelor's degree.

While the students we spoke with overwhelmingly agreed that following this path was an effective way to help keep down the overall cost of college, they also expressed great uncertainty about their ability to cover cost increases after transferring to a four-year institution. Adejoke, who plans to transfer from Prince George's Community College to Towson University in fall 2019 told us, "For next year, I'm kind [of] worried now [be]cause I'll be going to a four-year, and they're go[ing to] be asking for more money, so I'm anxious to see how I'm go[ing to] pay for that, how much financial aid [is] go[ing to] give me." And Coleen, who plans to transfer from Ivy Tech Community College to Purdue University in fall 2019 shared, "I don't know if it's going to be a pipe dream" to keep borrowing to a minimum after transferring.

On top of uncertainty surrounding increased costs, earning a four-year degree after transferring is far from a sure thing. Approximately eight percent of low-income students who start at a community college go on to earn a four-year degree within six years.⁴⁸ And only five percent

IF YOU COULD GET ENGLISH 101 FOR \$600 COMPARED TO \$1,600 — I THINK IT GOES WITHOUT SAYING WHICH ONE YOU CHOOSE.

BRANDY, Student at Prince George's Community College

of Black and seven percent of Latinx students who started at two-year institutions earned a bachelor's degree.⁴⁹

In addition, many students face challenges accessing information or advice about transferring course credits, which can lead to credit loss. Nationally, students who transferred between 2004–2009, lost, on average, nearly half of their credits.⁵⁰ Determining which of their credits will transfer was a source of frustration for those students who had already transferred and those who were planning to. For example, Coleen told us, “The whole transfer thing has always been really confusing. I wish I would have had a better map of here’s what you need to take so I could avoid taking extra things...I don’t really think that I took anything unnecessary but how am I supposed to know?”

STATE AND INSTITUTIONAL POLICY RECOMMENDATION:

It is clear that students are taking to heart the message that starting at a two-year institution and transferring to a four-year institution can be a cost-effective way to earn a bachelor's degree. But the system needs to do a better job of serving students—who are likely to be low-income students and students of color—who opt for this path. Institutional policies and related state policies must provide clear pathways to ensure students who start at a two-year institution with plans to transfer stay on track to earn a four-year degree. Clear articulation agreements and easy access on two-year college campuses to counselors from four-year institutions can help students successfully transfer and earn their bachelor's degree while keeping down overall college costs.

What leads students to experience uncertainty in the financial aid process?

"I've always had enough with financial aid, except this semester."

- Hector

"If I don't have financial aid, I can't pay for school," Casey told us. "That's just a fact." Many of the students we spoke with were just like Casey—they relied on federal, state, and institutional aid to pay for their tuition and non-tuition costs. Yet our conversations with students made clear that the financial aid process is confusing and complicated. All too often students are left wondering how they will be able to afford college and what difficult decisions they will be forced to make in order to stay enrolled.

In fall 2018, when we asked Adejoke if she knew how she was going to pay for college next semester, she told us, "financial aid—hopefully no loans." In response to the

same question, Coleen said, "No, not necessarily." She continued, "I don't feel uncertain to the degree that I don't know if I'll be able to come back, but [I'm] just not sure of what [I'm] going to do in order to pay for it." DeJoiry was even less sure, stating simply, "No. I couldn't tell you."

Difficulty calculating college costs, changes in financial aid packages from year to year, and delays in receiving funds were among the biggest sources of uncertainty for the students we spoke with. This uncertainty often leaves students scrambling to figure out how to cover their expenses, making it difficult for them to feel confident in their ability to afford college and placing them in jeopardy of stopping out or delaying graduation.





CALCULATING COLLEGE COSTS

Many students told IHEP that they tried their best to estimate their college costs before the start of a semester or academic year, but this often proved difficult to do. After earning her associate degree and transferring to George Mason University, Nada discovered that, “Somehow I calculated something wrong...I thought the FAFSA [was going to] cover...more.” She told us that she had tried to use her previous year’s FAFSA and refund to estimate her out-of-pocket costs at George Mason University. When she realized that she had a large balance remaining on her account and knew she couldn’t pay it, she told us, “I definitely freaked out.”

Other students were especially weighed down by the unpredictability of book costs. Justin H. shared, “Depending on the class...you can either have a \$30 book

or a \$700 book. There’s no consistency and there’s no heads up either.” Coleen explained, “You’re prepared for the cost of tuition, but you don’t necessarily know how much your books will be. So maybe you have...\$300 available, but...the books they want you to get are \$600.” During the fall 2018 semester, Coleen shared, “I knew that I had the money for the tuition, but it was just kind of like, ‘I hope I have the money for the books.’”

Not only are textbooks expensive, students can’t be sure if professors will actually teach from the books they require students to purchase. Alyson shared, “We don’t even need the book for micro[biology] and I paid \$400 for [it].” DeJoiry described this as, “his biggest frustration with professors.”

FEDERAL POLICY RECOMMENDATION:

Financial aid offers often poorly communicate financial aid options, leaving students and their families to make college decisions with incomplete and, in some cases, misleading information.⁵¹ What’s worse, not all institutions provide these letters to students.⁵² Federal policymakers should increase transparency for students through a standard financial aid offer that all institutions must use. This standard offer should clearly communicate aid packages by using consistent terminology and clearly defining each form of aid as well as providing total cost of attendance and comparable calculations of what students still owe.

IF I DON'T HAVE FINANCIAL AID TO PAY FOR SCHOOL, THEN

CASEY, Student at Ivy Tech Community College

CHANGES IN FINANCIAL AID FROM YEAR TO YEAR

Changes in aid from the 2017–18 to 2018–19 school years pulled the rug out from underneath students who previously felt confident in their ability to predict their college costs. Three Lehman College students (Aissatou, Diana, and Hector) did not receive New York State Tuition Assistance Program (TAP) funding in fall 2018—aid they had previously described as crucial to their ability to cover college costs. Coleen finished her term as student government president in the spring, leaving her without the \$1,200 per semester stipend that came with holding that position for the fall 2018 semester. And Taylor was not eligible to receive the full-ride scholarship she relied on to afford four years at Howard University in fall 2018—her ninth and final semester before graduation.

Instead of looking forward to celebrating their accomplishments at graduation or searching for jobs, substantial changes in their financial aid forced DeJoiry, Hector, and Casey to spend their final semesters in college worrying about how and if they would be able to afford to finish their degrees.

DeJoiry experienced one of the most dramatic changes in his aid. When we spoke in fall 2018—his senior year at Howard University—he told us, “This year has been really crazy in [terms of] financial aid. This is the first

year where I did not receive the amount of financial aid that I needed to go to school.” He explained that, after completing his FAFSA for the 2018–19 academic year, “it came back with an EFC of four quarters,” or just one dollar. As he explained, “it gets even more ridiculous—because I had four quarters to contribute to my education, I was not able to receive institutional funds.” Since the institutional grant DeJoiry had previously received required him to have a zero EFC, this one-dollar increase meant he lost out on a Pell Grant match—or \$6,095 for the 2018–19 academic year.

This change contributed to DeJoiry’s \$18,302 in unmet need for the fall 2018 semester. Unsurprisingly, DeJoiry wasn’t sure how he was going to cover such a substantial gap. When we spoke in late October, he still had a balance on his account, which would prevent him from registering for his final semester of classes. He told us, “Registration started on Monday, so as of yet, I have not been able to register [for classes].” He described this as “very worrisome, because if [I] don’t get into the core classes,” his “likelihood of graduating dwindles.”

Hector was in his final semester at Lehman College when we spoke in the fall, and he, too, was scrambling to pay off the balance on his student account. In the spring, Hector told us that he felt confident in his ability to pay for college, sharing, “I feel pretty [good]. I will get financial aid for next semester.” In reference to his eligibility for the Pell Grant, he explained, “I have like four or five semesters more of coverage and I only need one. So, I’m good.”

FINANCIAL AID, I CAN'T THAT'S JUST A FACT.

But in the fall, Hector did not receive the TAP funding he was counting on because he needed fewer credits to graduate than the minimum course load required to receive the aid. Hector worried how he was going to pay his bills—especially the balance on his student account. If he didn't come up with a way to cover his outstanding balance, he was in danger of not graduating at the end of the semester. He told us, "I've always [had] enough with financial aid, except this semester," and described his institutional bill as, "a \$1,500 emergency" he needed to handle by October 31.

Similarly, Casey told us that she hadn't been concerned about college costs, "until now, the very end of my degree, because of the whole five credit thing." Casey was going to be just a single credit hour below the threshold for receiving an institutional scholarship and federal student loans in her final semester at Ivy Tech Community College—financial support that she relied on to afford college. She told us, "I don't know what I'm going to do yet," but, "I would like to finish."

Neither Hector nor Casey, could take additional credits to maintain their aid eligibility. In Hector's case, the TAP grant is restricted to full-time students taking a minimum of 12 credits in their declared major.⁵³ Since Hector only needed three classes to graduate and was therefore attending school part-time, he was no longer eligible to receive a TAP award. Similarly, Casey explained, "Unfortunately, financial aid will not let me add another class just to get the six credits because it doesn't count

towards my major." She continued, "because I have two kids...I never went full-time," and the design of her paralegal degree curriculum only requires five credits in her final semester.

STATE AND INSTITUTIONAL POLICY RECOMMENDATION:

Restrictive eligibility requirements can make it difficult for today's students to access the need-based financial aid that is critical to their ability to stay enrolled and earn a degree. States and institutions should ensure that eligibility requirements for receiving need-based financial aid are easy to understand, clearly communicated to students, and adequately account for the myriad paths today's students take to earn a degree.

DELAYS IN FINANCIAL AID DISBURSEMENT

Many of the students we spoke with told us they regularly have to wait well into the semester to receive their financial aid awards and subsequent refund—funding they rely on to cover their tuition as well as their non-tuition costs, like rent, books, and food.

Disbursement delays can be caused by a number of factors, including errors in paperwork or FAFSA verifi-

cation. Of the 17 students we spoke with, 10 shared that they had been selected for verification at least once, and five of them had been selected multiple times. Research confirms what we heard in our interviews. The verification process, which requires students to provide documentation confirming the information provided on the FAFSA is accurate, is burdensome for students and their families.⁵⁴ And evidence suggests that Pell-eligible students are particularly likely to be selected for verification and that this process presents an obstacle to their enrollment in higher education.⁵⁵

Adejoke was selected for verification because of trouble with her parents' IRS tax return transcript. She was so scared that her financial aid wasn't going to post to her account that she set up a payment plan, which can require an additional fee. Luckily her financial aid was disbursed quickly enough that she could cancel the plan, but she described the process as, "a waste of time."

Diana told us that she was selected for verification four or five times. She explained, "You have to bring paperwork [and] keep bringing paperwork...For example, you need your transcript...[and] you need your parents' transcript." The first time she was selected, Diana needed to make an appointment at the closest IRS office. But, she explained, "you don't see them right away," sharing that she had waited, "a whole two months" for an appointment. Diana described verification as "a long process" and told us that she wasted time and transportation money going back and forth to the IRS office in Harlem and the financial aid office on campus and her home, both in the Bronx. She explained, "you're wasting so many expenses that could have been covered if they would have sped the process up."

FEDERAL POLICY RECOMMENDATION:

Students, particularly those students who were selected for FAFSA verification multiple times, described the process as a burdensome hurdle to receiving critical financial aid. Federal policymakers should explore cross-agency data sharing opportunities to reduce the burden of verification on low-income students.⁵⁶

Disbursement delays can force students to pay for expenses like their textbooks out of pocket—something Brandy told us happened to her. Similarly, Coleen explained, "I think it's not until late September [that] the disbursement comes, and your classes start August 16. There's a huge gap there, and that's really too long not to have a textbook, [but]...you might not be able to get your textbooks unless you have the money set aside."

INSTITUTIONAL POLICY RECOMMENDATION:

To support low-income and working-class students access required course materials in a timely manner, institutions should offer advance financial aid payments for books and access codes. For example, the City University of New York (CUNY) System offers eligible Pell recipients an advance financial aid refund payment approximately one week before the start of the semester.⁵⁷ This advance is disbursed via direct deposit or check, allowing students the flexibility to purchase or rent books through third-party websites, which often offer lower prices than the campus bookstore.

Uncertainty about how to pay for college, stemming from delays in financial aid and unmet financial need can result in students having registration holds placed on their accounts or getting dropped from classes they are already registered for. As Leo explained, "Each semester you get a certain amount of time in which you get to register for classes for the following semester," and for some classes, particularly senior level classes, "there's only a specific [number] of students [who] can enroll." He continued, "If you come across financial aid issues...then [the] likelihood of missing the boat to enroll in that class increase[s]." When this happens, students are forced to take the class the following semester, which can be especially challenging for students like Leo, who are close to finishing their degree.

How can policymakers improve equity through college affordability?

Higher education cannot fulfill its promise as a driver of equity and mobility without first tackling the nation's college affordability problem. Need-based aid helps narrow access and completion inequities by promoting affordability for low-income and working-class students. Yet these students still have financial need that is not met by grant aid. The resulting gap leaves them struggling to afford college costs, particularly non-tuition costs.



Targeted need-based financial aid is essential for students to cover systemic and substantial affordability challenges. To ensure that students of all backgrounds can access and the benefits of higher education, policymakers must:

Strengthen the need-based federal Pell Grant

- The Pell Grant is the cornerstone of federal student aid and for decades has helped low-income and working-class students climb the ladder of economic mobility. But the purchasing power of this essential program has declined precipitously in recent years. Federal policymakers should significantly increase the maximum award to **restore the purchasing power of the Pell Grant; permanently index the grant to inflation** to prevent future decline; and **make program funding mandatory, not discretionary**, to reduce annual uncertainty.

Better target financial aid funding toward students with the greatest need

- Institutions, especially well-resourced institutions, should **target scarce financial aid dollars to students with the greatest need**.
- State policymakers should design need-based aid programs that **prioritize reducing tuition and non-tuition expenses for students with financial need**, not discounting college for well-resourced students.
- Federal policymakers should adjust the federal needs analysis rules to **allow for a negative EFC** to direct more grant aid to the lowest-income Pell Grant recipients.
- Federal policymakers should **adjust the Federal Work-Study funding formula to more equitably distribute funds to institutions where low-income students and students of color are likely to enroll**, ensuring underserved students have the greatest opportunity to take advantage of the benefits the program offers.

Students and their families have the right to know how likely they are to complete their degree, repay their loans, and earn a decent wage. To ensure low-income and working-class students, have the information they need to make informed college decisions, policymakers must:

Provide greater transparency to students navigating a complicated and confusing higher education landscape

- States and institutions should ensure that eligibility requirements for receiving need-based financial aid are easy to understand, clearly communicated to students, and adequately account for the myriad paths today's students take to earn a degree.
- States and institutions should have clear articulation agreements and strong transfer pathways in place to help students who start at two-year institutions successfully transfer and earn bachelor's degrees at four-year institutions.
- Federal policymakers should increase transparency for students through a standard financial aid offer that clearly communicates aid packages by providing total cost of attendance and comparable calculations of what students still owe, using consistent terminology, and clearly defining each form of aid.
- Federal policymakers should create a secure, privacy-protected student-level data network (SLDN) to empower students, families, policymakers, and institutions to make informed college decisions.
- Federal policymakers should explore cross-agency data sharing opportunities to reduce the burden of FAFSA verification on low-income students.

The most effective policies are based in the experiences of those they intend to serve. To ensure higher education policies meet the needs of today's students, policymakers must:

Include students in policy conversations about supporting their success

- As researchers and policymakers work to address our nation's college affordability problem and inequitable outcomes in higher education, it is critical that a diverse array of students have a seat at the table and that their perspectives and experiences inform policy proposals.

ENDNOTES

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