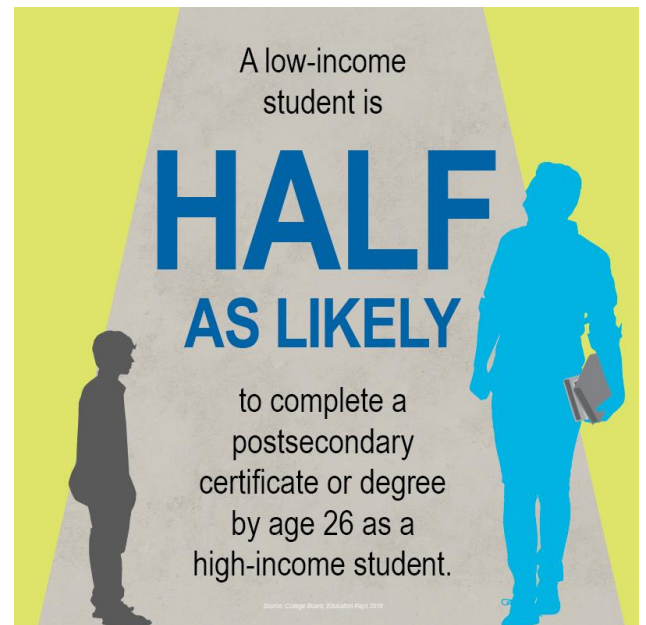




## How Federal Aid Could Help More Low-Income Students Enter and Complete Postsecondary Education Right Now

A low-income student is **only half as likely** to complete a postsecondary certificate or degree by age 26 as a high-income student. Moreover, students of color and those who are the first in their families to attend college also experience disproportionately lower rates of postsecondary success. Closing the equity gap in postsecondary access and completion is a compelling national priority with a tremendous potential payoff because the lowest-income Americans who obtain a college degree are **five times more likely** than their peers to rise from poverty.

Drawing on the expertise of hundreds of organizational members who serve more than 2 million students in almost every U.S. state, the National College Access Network is dedicated to improving the quality and quantity of support that underrepresented students receive to apply to, enter, and succeed in postsecondary education, whether through a two- or four-year degree or high-quality certificate program. NCAN members know that students who receive federal aid are more likely to succeed in higher education. The U.S. Congress can make the following three changes now to help more students benefit from federal aid and get the postsecondary credentials the U.S. economy needs.



### 1. Simplify the FAFSA

- **Eliminate unnecessary questions:** The FAFSA currently poses 142 questions to prospective college students, some of which are applicable to less than 1 percent of all filers. NCAN's user-tested "Streamlined FAFSA," which eliminated many unnecessary questions for low-income students, improved completion times by 39 percent and decreased the error rate by 56 percent. Learn more at [www.collegeaccess.org/FixFAFSA](http://www.collegeaccess.org/FixFAFSA).
- **Expedite the process for the neediest students:** Award automatic full Pell Grants to students who receive most means-tested federal benefits such as Temporary Assistance for Needy Families or the Supplemental Nutrition Assistance Program without resubmitting income data they have already provided to qualify for those benefits.



- **Decrease verification:** Roughly half of all filers eligible for a Pell Grant are flagged for verification, an audit-like process to confirm information provided on the FAFSA. An estimated 22 percent of applicants abandon the aid process at this point, making it much less likely that they will enroll in college. By comparison, the Internal Revenue Service audits just 0.7 percent of all income tax filers.

## 2. Keep the Promise of the Pell Grant Program

- **Index the program to the rate of inflation:** Legislation that tied the size of Pell awards to the rate of inflation expired in 2018. Policymakers should reinstate this provision to ensure that the purchasing power of the Pell Grant does not further dwindle over time. A maximum Pell Grant now covers less than 30 percent of the cost of attendance at a four-year, public university — the lowest purchasing power in more than 40 years.
- **Fund the Pell Grant with mandatory spending:** A vast majority of appropriations for the Pell Grant comes from discretionary federal spending, leaving the maximum award vulnerable to fluctuation in the annual federal budget process. To keep the primary source of grant aid for low-income students from shrinking, Pell Grants should be supported by mandatory spending.

## 3. Improve the Federal Work-Study Program (FWS)

- **Make the program available to students who need it most:** An outdated policy allocates a disproportionate amount of FWS dollars to private colleges and universities that enroll smaller percentages of low-income students. An updated system would target more FWS dollars to institutions that serve large numbers of Pell Grant recipients.
- **Expand the program to serve more students:** The FWS program currently serves approximately 700,000 students per year, less than 10 percent of the 7.8 million students who receive a Pell Grant. Because students who participate in FWS are more likely to complete college, Congress should increase funding so more low-income students can benefit.

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