FINANCIAL AID

A 2022 MINNESOTA MEASURES REPORT

OFFICE OF HIGHER EDUCATION
MINNESOTA MEASURES

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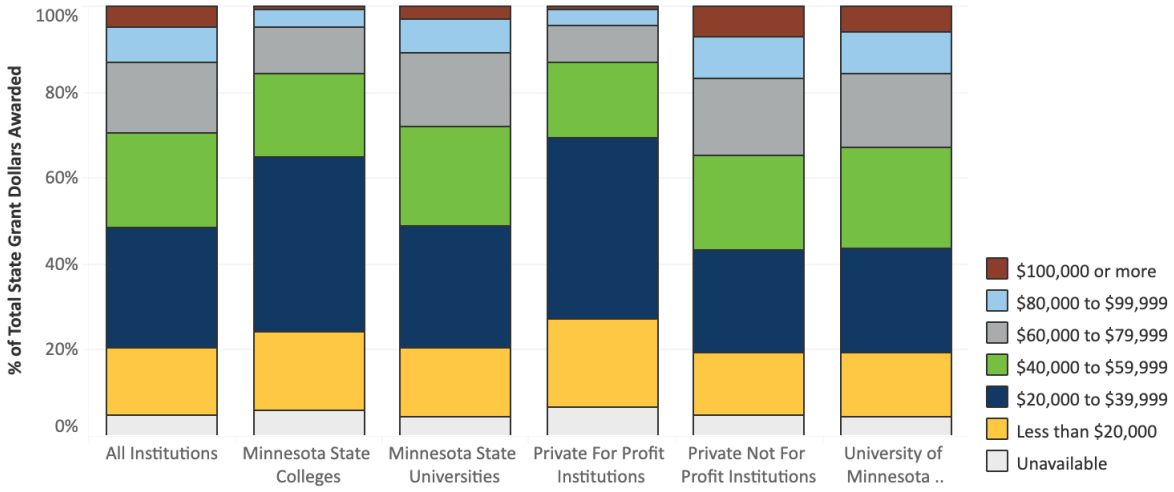
MINNESOTA STATE GRANT

State Grants help students achieve their college goals.

The State Grant program was established in 1969, and is designed to provide choice and access to undergraduate students to attend the postsecondary institutions that best meet their needs. It provides financial aid to students in conjunction with the Federal Pell Grant. Students can receive grants to attend public or private institutions.

Figure 1: *State Grant awards and recipients vary by student characteristics and tuition and fees paid, 2021*



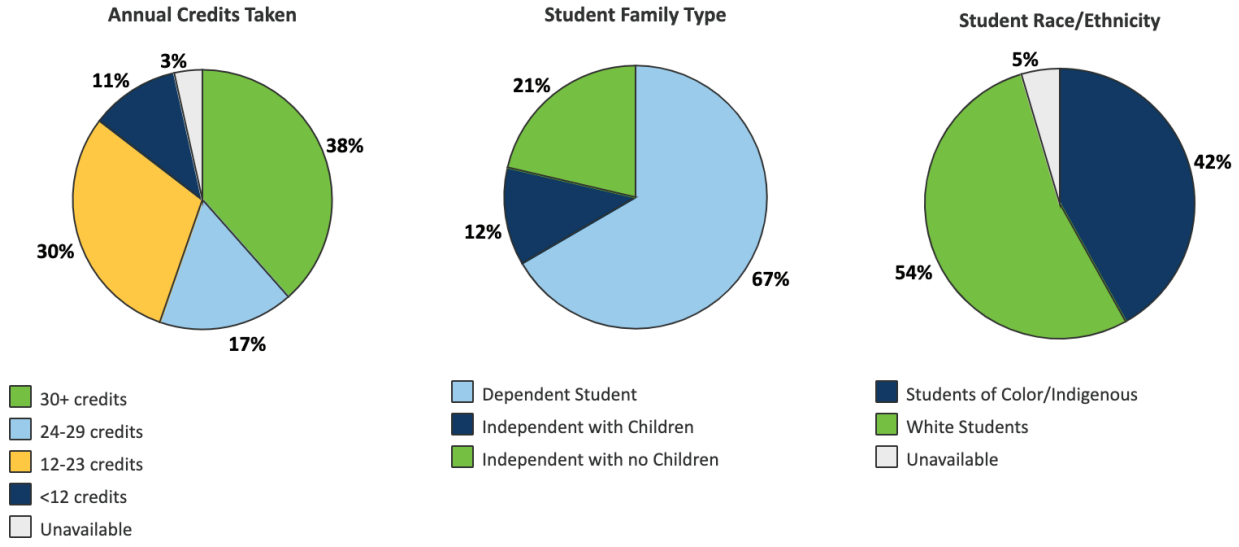
At Minnesota State Colleges and Private for-Profit Institutions, grants to students from families earning less than $40,000 annually represent two-thirds of State Grant dollars awarded. By comparison, grants to students from this income profile make up about half of all State Grant dollars awarded and about half of dollars awarded at Minnesota State Universities, while grants to students from families earning more than $40,000 annually make up nearly 60% of State Grant dollars awarded to recipients attending Private Not-for-Profit Institutions and the University of Minnesota.

About half of all State Grant dollars awarded go to students from families earning less than $40,000 annually.

Table 1: *State Grant awards and recipients vary by student characteristics and tuition and fees paid, 2021*

	All Institutions	Minnesota State Colleges	Minnesota State Universities	Private For Profit Institutions	Private Non Profit Institutions	University of Minnesota
Income unavailable	5%	6%	5%	7%	5%	4%
Less than $20,000	16%	18%	16%	21%	15%	15%
$20,000 to $39,999	28%	41%	28%	42%	24%	24%
$40,000 to $59,999	22%	19%	23%	18%	22%	23%
$60,000 to $79,999	16%	11%	17%	8%	18%	17%
$80,000 to $99,999	8%	4%	8%	4%	10%	10%
$100,000 or more	5%	1%	3%	1%	7%	6%
Total	100%	100%	100%	100%	100%	100%

Figure 2: *Snapshot of State Grant recipients, 2021*

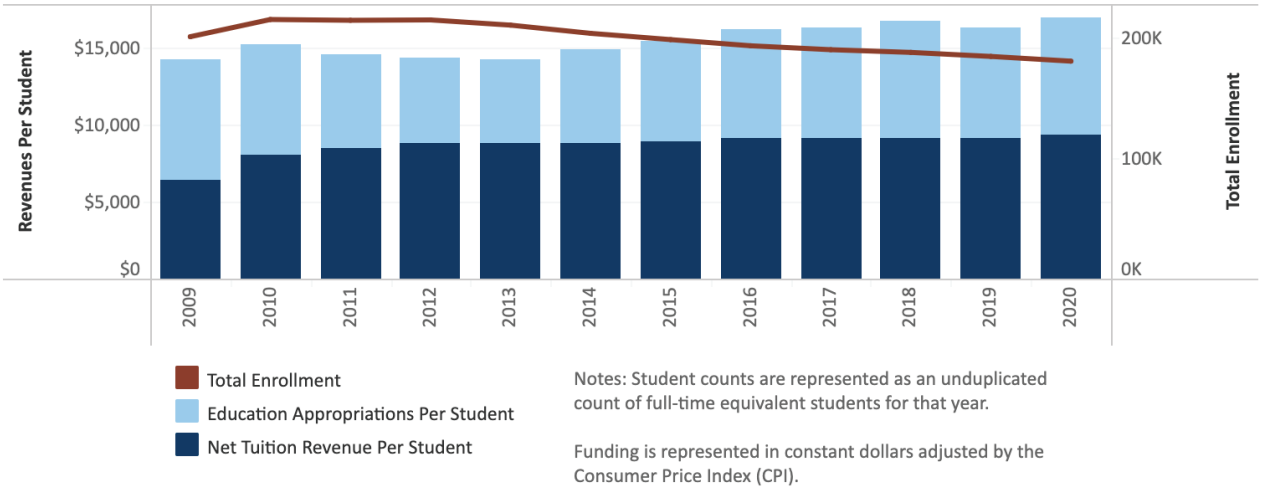


Among all State Grant recipients, 40% of recipients were enrolled for 30 or more credits annually (full-time), 67% of recipients were dependent students, and 42% of recipients were students of color or indigenous students.

APPROPRIATIONS AND SPENDING

Public postsecondary institutions are funded through a combination of state and federal appropriations, along with revenues on tuition paid by students. Starting in 2010, tuition revenues began making up a larger portion of public higher education funding than state and federal appropriations, due to funding cuts made following the Great Recession. This trend continues. Minnesota also spends a greater percentage on state financial aid than the Midwest as a whole. Overall, Minnesota ranked #18 in financial aid spending per student for the 2019-2020 aid year.

Figure 3: *Higher education appropriations still below pre-recession levels*



Notes: Student counts are represented as an unduplicated count of full-time equivalent students for that year.

Funding is represented in constant dollars adjusted by the Consumer Price Index (CPI).

Table 2: *Higher education appropriations still below pre-recession levels*

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Appropriations Per Student	$7,750	$7,211	$6,124	$5,499	$5,449	$6,089	$6,518	$7,123	$7,153	$7,589	$7,222	$7,608
Net Tuition Revenue Per Student	$6,459	$8,033	$8,447	$8,811	$8,777	$8,819	$8,859	$9,117	$9,106	$9,145	$9,116	$9,362

Figure 4: *Higher education spending patterns in Minnesota compare to national average, fiscal year 2020*

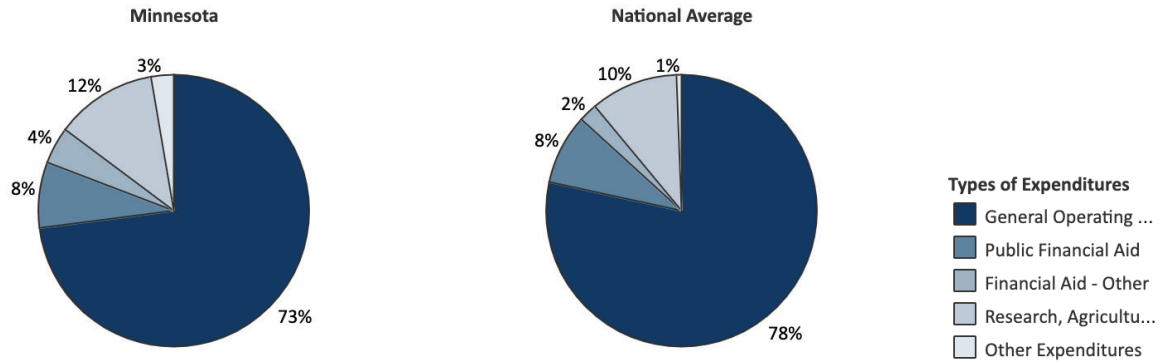


Figure 5: *Funding for state financial aid exceeds national average, lags many states with free college funding*

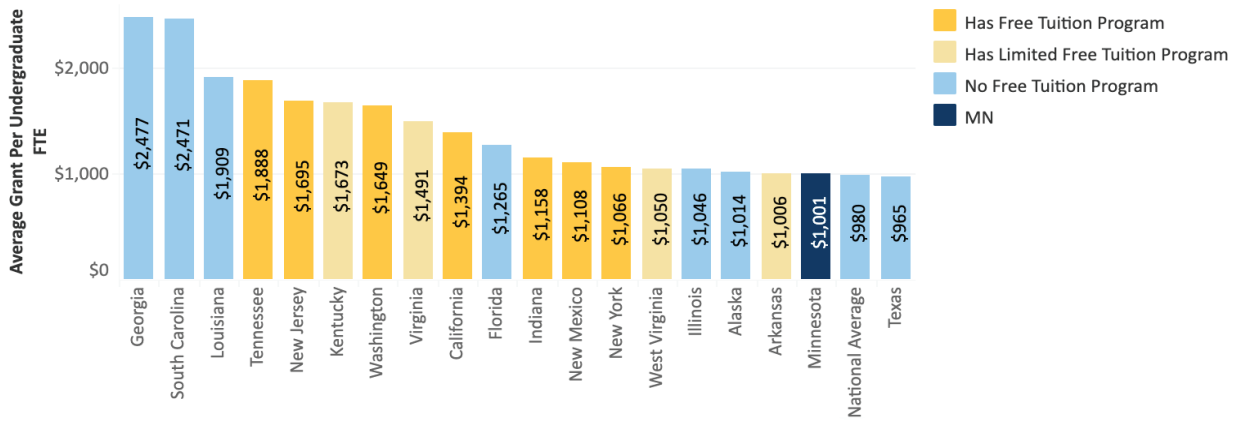


Table 3: *Funding for state financial aid exceeds national average, lags many states with free college funding*

State	Average Grant Per Undergraduate FTE	Has Free Tuition Program?
Georgia	$2,477	No
South Carolina	$2,471	No
Louisiana	$1,909	No
Tennessee	$1,888	Yes
New Jersey	$1,695	Yes
Kentucky	$1,673	Yes, but limited
Washington	$1,649	Yes
Virginia	$1,491	Yes, but limited
California	$1,394	Yes
Florida	$1,265	No
Indiana	$1,158	Yes
New Mexico	$1,108	Yes
New York	$1,066	Yes
West Virginia	$1,050	Yes, but limited
Illinois	$1,046	No
Alaska	$1,014	No
Arkansas	$1,006	Yes, but limited
Minnesota	$1,001	No
National Average	$980	No
Texas	$965	No

PERSISTENCE AND COMPLETION

Most student groups receiving need-based aid persist at higher rates.

Receiving need-based aid can have a profound impact on a student's college experience. In particular, for students completing an associate's degree or less, receiving a State Grant or Pell Grant boosts persistence and completion rates. However, research indicates that the difference in persistence rates for students of color and American Indian students partially results from a lack of sense of belonging, low socialization, and negative campus climates (1). This may mean that financial aid alone may not be able to solve Minnesota's college completion disparities.

Receiving a State Grant or Pell Grant boosts persistence and completion rates for student's completing an associate's degree or less.

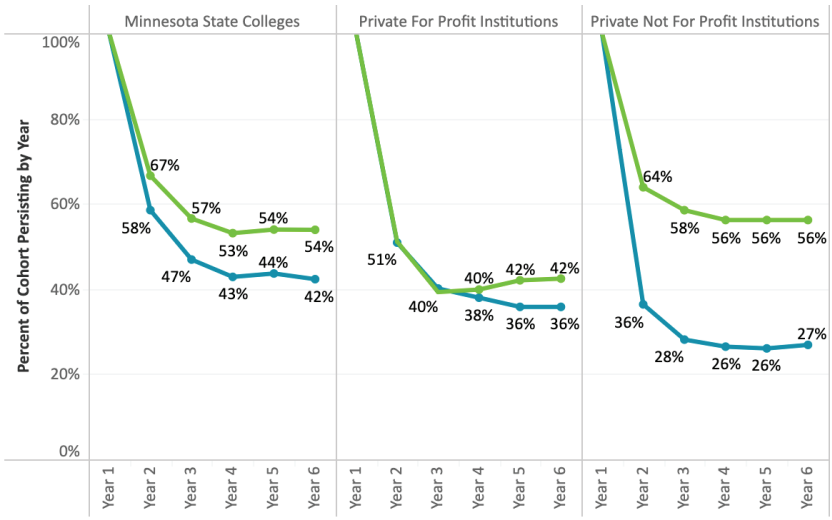


Figure 6: *Percent of State Grant or Pell Grant recipients enrolled in an associate degree or less program persisting or graduating, 2013 first-year student cohort*

White Students
Students of Color and Indigenous Students

Table 4: *Year-to-year persistence of new entering freshmen at Minnesota State colleges*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	67%	57%	53%	54%	54%
Students of Color/ Indigenous Students	100%	58%	47%	43%	44%	42%

Table 5: *Year-to-year persistence of new entering freshmen at private for-profit institutions*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	51%	39%	40%	42%	42%
Students of Color/ Indigenous Students	100%	51%	40%	38%	36%	36%

Table 6: *Year-to-year persistence of new entering freshmen at private for-profit institutions*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	64%	58%	56%	56%	56%
Students of Color/ Indigenous Students	100%	36%	28%	26%	26%	27%

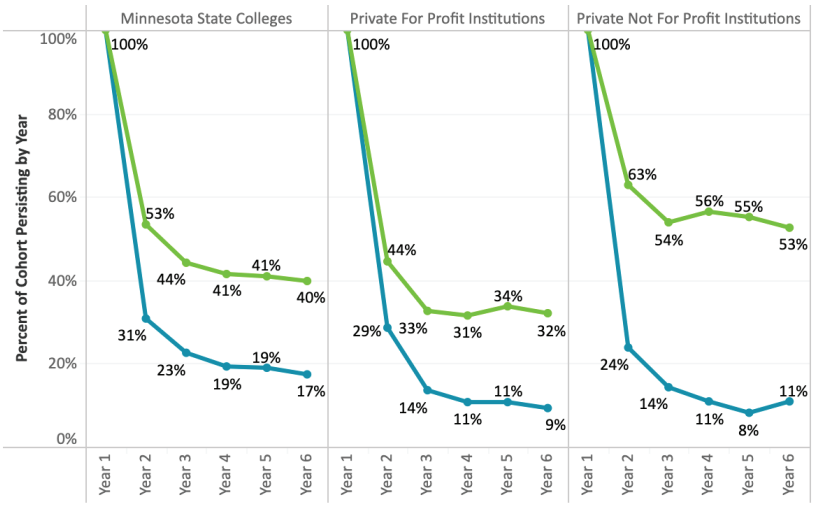


Figure 7: *Percent of non-financial aid recipients enrolled in an associate degree or less program persisting or graduating, 2013 first-year student cohort*

White Students
Students of Color and Indigenous Students

Table 7: *Year-to-year persistence of new entering freshmen at Minnesota State colleges*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	53%	44%	41%	41%	40%
Students of Color/ Indigenous Students	100%	31%	23%	19%	19%	17%

Table 8: *Year-to-year persistence of new entering freshmen at private non-profit institutions*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	44%	33%	31%	34%	32%
Students of Color/ Indigenous Students	100%	29%	14%	11%	11%	9%

Table 9: *Year-to-year persistence of new entering freshmen at private for-profit institutions*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	63%	54%	56%	55%	53%
Students of Color/ Indigenous Students	100%	24%	14%	11%	8%	11%

Figure 8: *Percent of State Grant or Pell Grant recipients enrolled in a bachelor's degree program persisting or graduating, 2013 first-year student cohort*

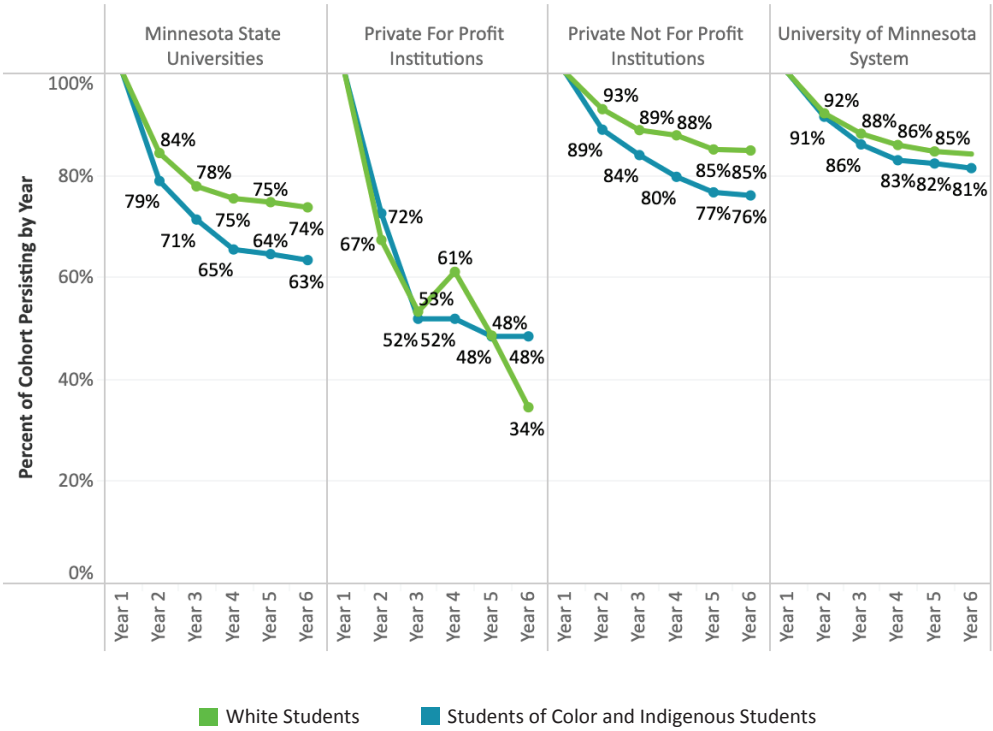


Table 10: *Year-to-year persistence of new entering freshmen at Minnesota State universities*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	84%	78%	75%	75%	74%
Students of Color/ Indigenous Students	100%	79%	71%	65%	64%	63%

Table 11: *Year-to-year persistence of new entering freshmen at private non-profit institutions*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	67%	53%	61%	48%	34%
Students of Color/ Indigenous Students	100%	72%	52%	52%	48%	48%

Table 12: *Year-to-year persistence of new entering freshmen at private for-profit institutions*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	93%	89%	88%	85%	85%
Students of Color/ Indigenous Students	100%	89%	84%	80%	77%	76%

Table 13: *Year-to-year persistence of new entering freshmen at University of Minnesota system*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	92%	88%	86%	85%	84%
Students of Color/ Indigenous Students	100%	91%	86%	83%	82%	81%

Figure 9: *Percent of non-financial aid recipients enrolled in a bachelor's program persisting or graduating, 2013 first-year student cohort*

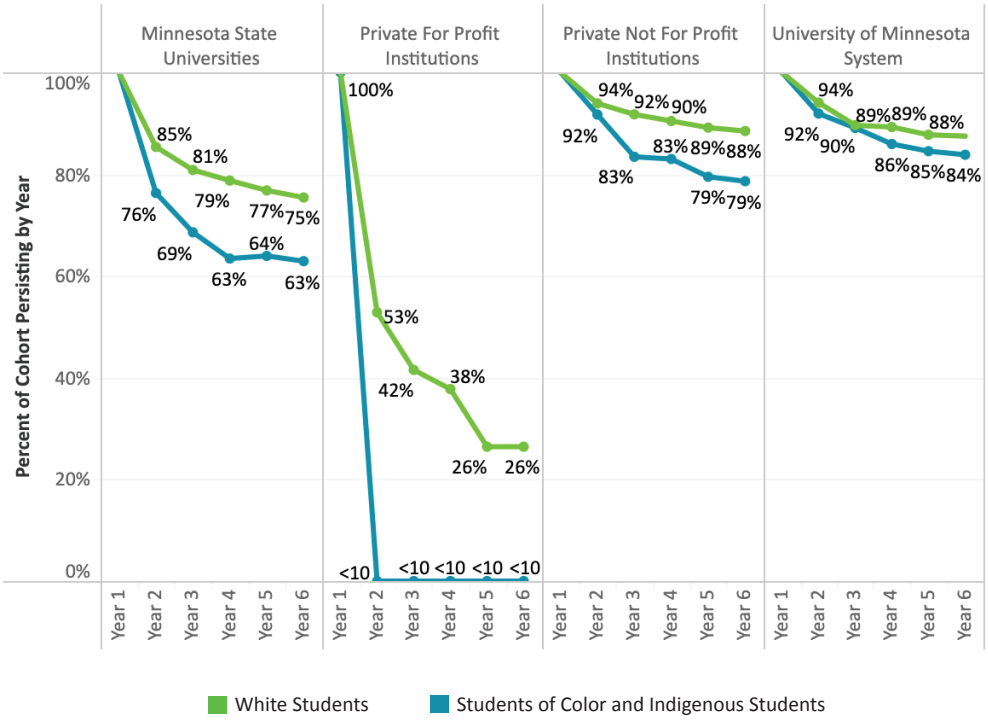


Table 14: *Year-to-year persistence of new entering freshmen at Minnesota State universities*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	85%	81%	79%	77%	75%
Students of Color/ Indigenous Students	100%	76%	69%	63%	64%	63%

Table 15: *Year-to-year persistence of new entering freshmen at private non-profit institutions*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	53%	42%	38%	26%	26%
Students of Color/ Indigenous Students	100%	Suppressed	Suppressed	Suppressed	Suppressed	Suppressed

Table 16: *Year-to-year persistence of new entering freshmen at private non-profit institutions*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	94%	92%	90%	89%	88%
Students of Color/ Indigenous Students	100%	92%	83%	83%	79%	79%

Table 17: *Year-to-year persistence of new entering freshmen at the University of Minnesota System*

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
White Students	100%	94%	90%	89%	88%	87%
Students of Color/ Indigenous Students	100%	92%	89%	86%	85%	84%

PATTERNS IN STUDENT COMPLETIONS

Figure 10: *Percent of students completing an associate degree or less, 2013 first-year student cohort*

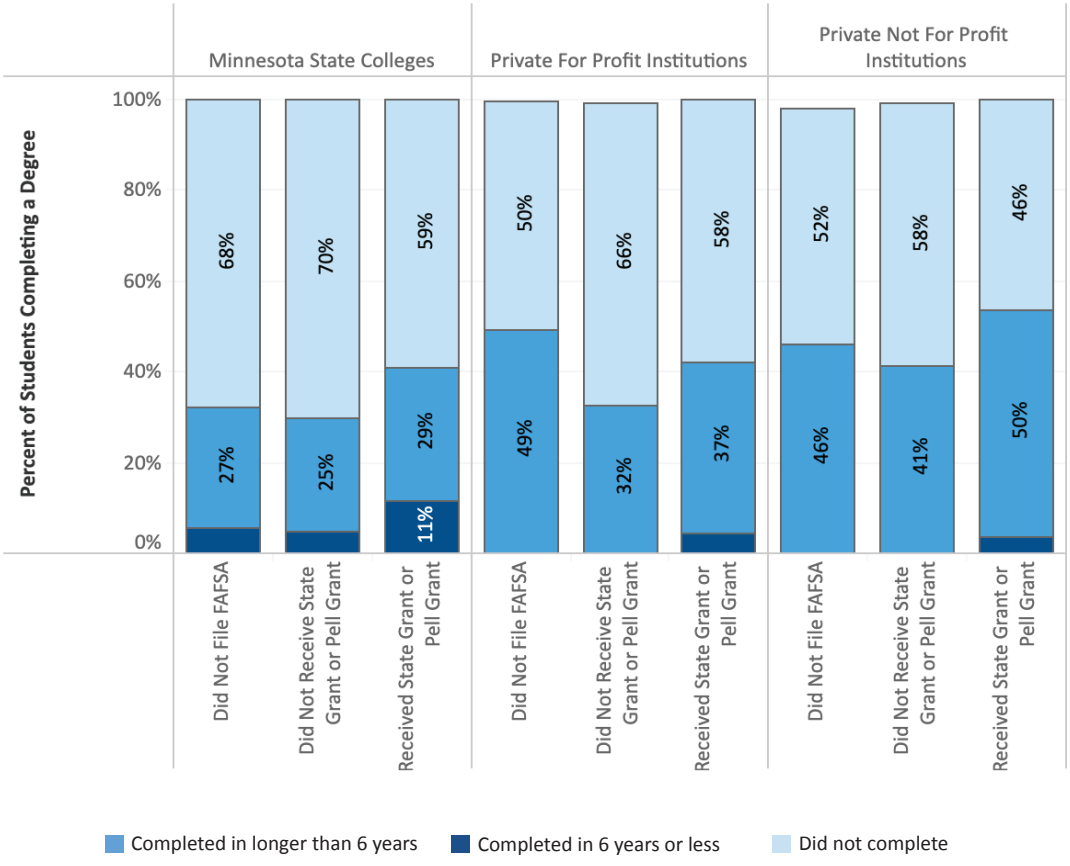
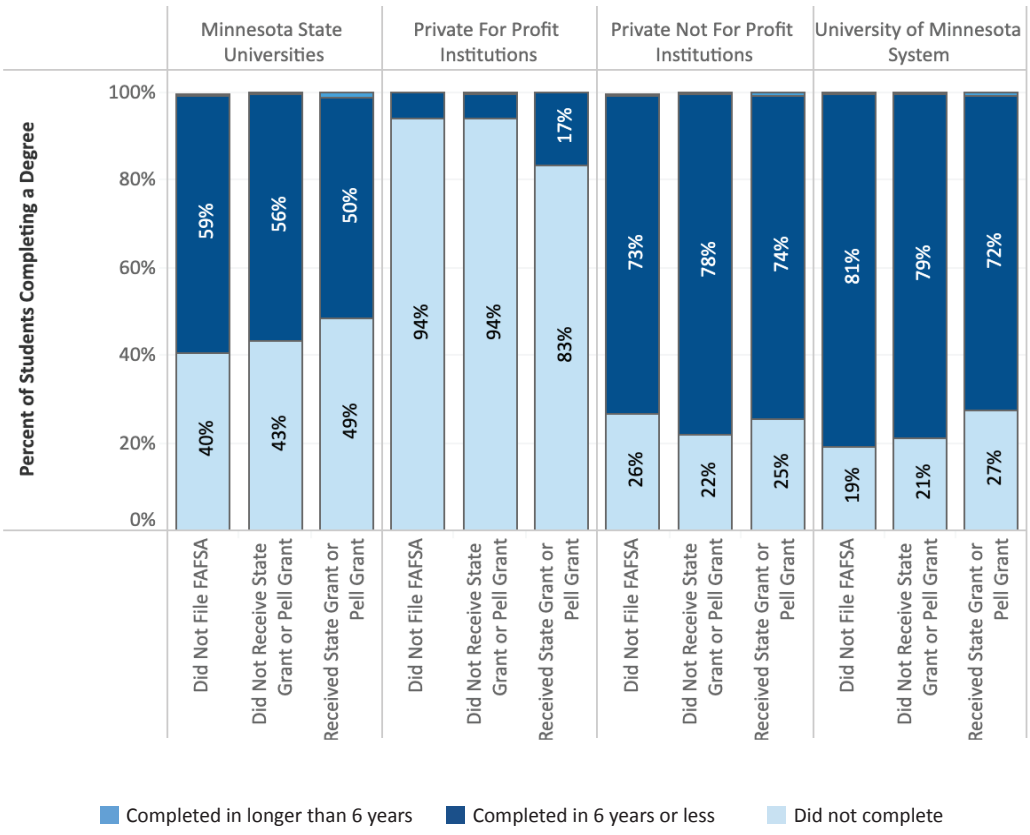


Figure 11: *Percent of students completing a bachelor's degree, 2013 first-year student cohort*



GRADUATE DEBT

Graduate debt has declined for undergraduate degrees.

The Office of Higher Education collects graduate debt data from Minnesota institutions eligible to participate in a Minnesota-funded financial aid program to measure how much students borrow to fund their postsecondary education.

The Office reports the median debt graduates incurred to complete a postsecondary award only at the institution conferring the award for each award level. In other words, data does not include any debt a student may have incurred from previously attended institutions, and debt incurred to receive multiple awards is not combined. For example, debt reported for graduates with a master's degree only includes debt incurred to receive a master's degree at the institution where the student received the master's degree. It does not include any other additional debt a student might have accumulated while completing their bachelor's degree.

Figure 12: *Graduate borrowing patterns vary by degree type (statewide figures)*

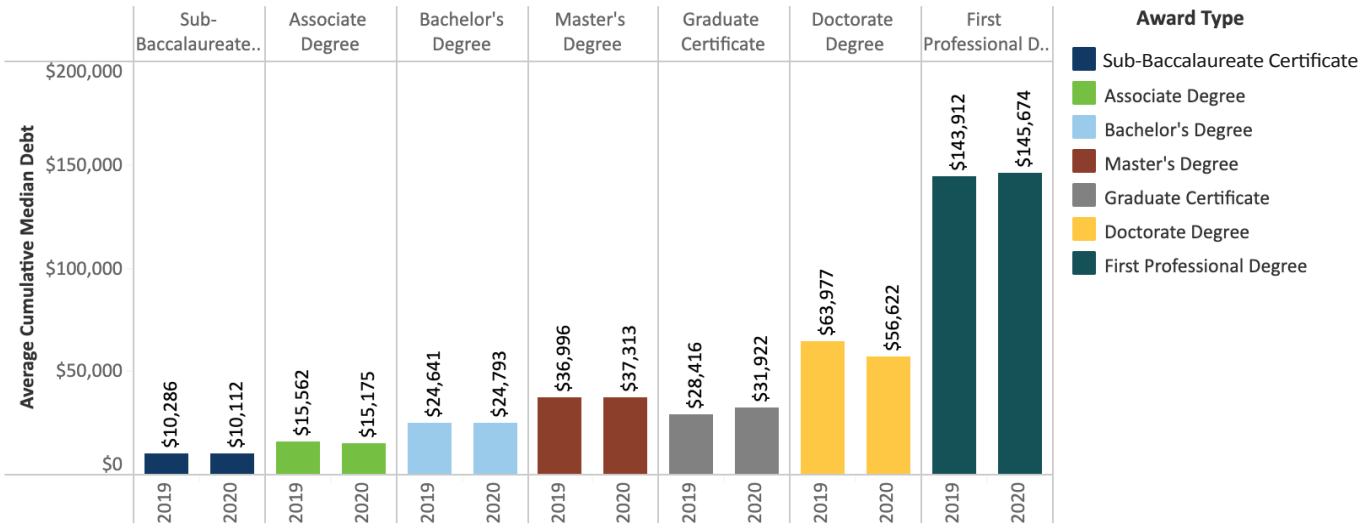
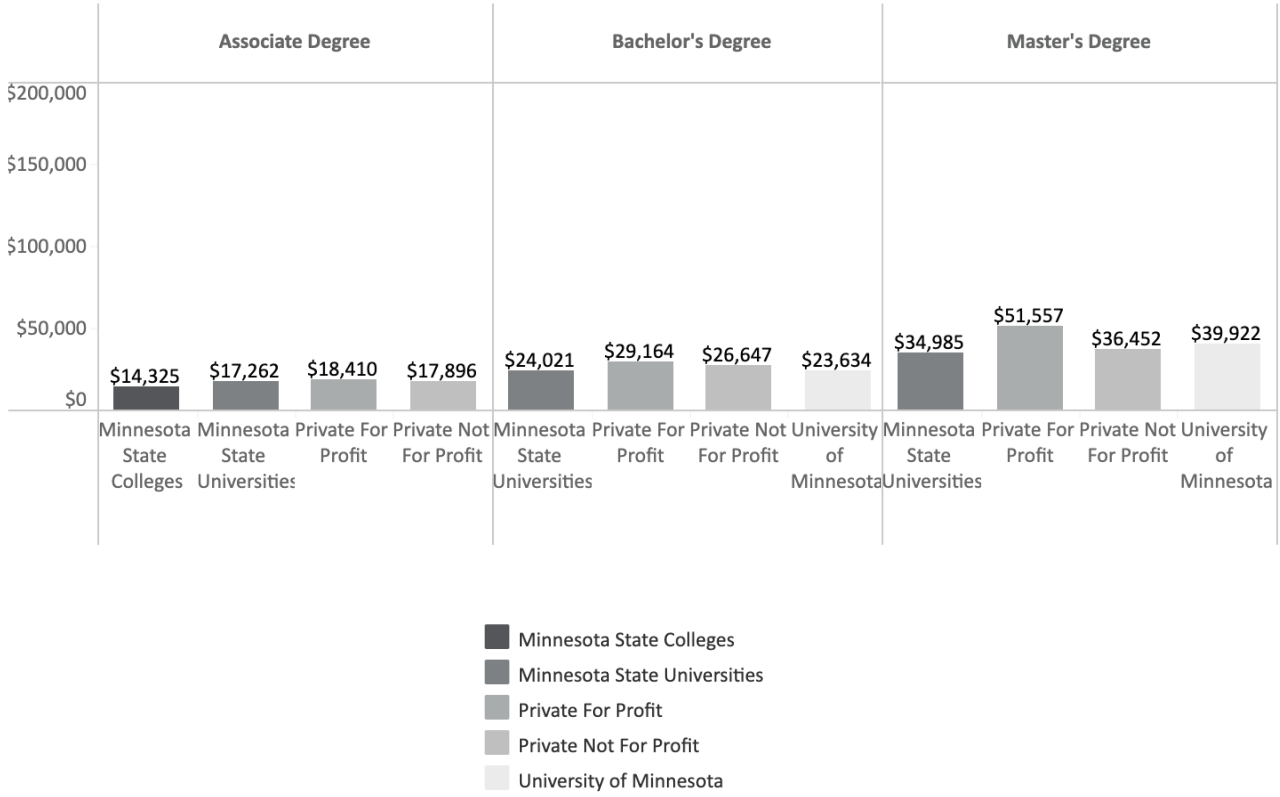



Figure 13: *Within degree types, borrowing patterns vary by institution type, students graduating in 2020*