

# WAICU 2022 Advocates In 2022 Campaign

## - Frequently Asked Questions (FAQ)

To sign up for the campaign, click this link: <https://bit.ly/WAICU2022in2022>

### 1. What are Wisconsin Grants?

Wisconsin Grants provide financial assistance to low- and low-middle-income-Wisconsin residents enrolled in undergraduate programs at Wisconsin-based colleges and universities. Eligible students can use their Wisconsin Grant awards to pursue a degree at any accredited private, non-profit institutions, University of Wisconsin, Wisconsin Technical College, and Tribal institutions. Eligibility for Wisconsin Grant is determined using student data from the Free Application for Federal Student Aid (FAFSA).

### 2. Who does the Wisconsin Grant serve?

The Wisconsin Grant program targets students from low- and low-middle-income families to help them realize their full potential at the institution that best meets their needs. For 2020-21, there were 8,828 Wisconsin Grant recipients from everywhere across the state enrolled in the private nonprofit colleges and universities<sup>1</sup>. 63% of them had Expected Family Contributions (EFC) of 4,000 and lower, which signifies the highest financial need<sup>2</sup>.

### 3. How much is a Wisconsin Grant award?

The Wisconsin Grant is administered by the Wisconsin Higher Education Aids Board (HEAB). Each year, HEAB reviews the proposals from each higher education sector to determine the maximum amount, minimum amount, and other factors in the state grant formulas. For 2022-23, the maximum grant is \$3,800 and minimum is \$500 for eligible Wisconsin students attending independent college<sup>3</sup>. The average grant for Wisconsin students enrolled in a private nonprofit institution is of \$3,160 as of 2020-21<sup>4</sup>.

### 4. How much do Wisconsin Grant cost the state of Wisconsin?

For 2020-21, the total state spending on Wisconsin Grants is approximately 110 million dollars, one-fourth of which were awarded to students at private nonprofit colleges and universities. The Wisconsin Grant is the primary state-

funded need-based financial aid program for Wisconsin students attending private nonprofit colleges or universities in the states. The 2020-21 Wisconsin Grant appropriation for private, nonprofit students of 28.5 million dollars represents only about 1.6 percent of funding for the whole higher education sector <sup>5</sup>.

WAICU member colleges and universities receive no direct operating support from state taxpayers as public colleges do. Private nonprofit higher education is a bargain for state taxpayers. Over four years, the cost to state taxpayers per degree at public institutions is \$125,378 compared to only \$10,041 at WAICU-member institutions <sup>6</sup>.

## **5. What is Pell Grant?**

The Pell Grant Program has been the foundation of federal student aid since it was created in 1972. The program provides student assistance grants based on student need directly to low-income students to help pay for college at the school the students choose to attend. For more information about the Pell Grant and the current national campaign to Double the Pell grant, please visit the Double Pell official website by the Double Pell Alliance: <https://doublepell.org/>

During the 2020-21 academic year, there were 17,169 Pell recipients attending Wisconsin private non-profit colleges and universities, a total of over \$72 million<sup>7</sup>.

## **6. How does increasing student financial aid benefit the state of Wisconsin?**

State need-based financial aid programs like Wisconsin Grants are a strategic investment in the state future workforce. Increasing financial aid means more students, especially low-income students, could afford going to college, and concentrate on pursuing their bachelor's degree without having to take multiple part-time jobs at once.

### *- Wisconsin's 60Forward goal and the achievement gap*

Wisconsin postsecondary attainment is currently 54.7 percent, exceeding the national average of 51.9 percent <sup>8</sup>. While Wisconsin is on track to reach the state's 60 percent attainment goal in 2027, the gap persists among racial and ethnic groups. Low-income youth in Wisconsin and nationwide are less likely to attend college than their economically advantaged counterparts. Wisconsin high

school students participating in free and reduced-price lunch programs are 35 percentage points less likely to attend a 4-year college than those who do not qualify<sup>9</sup>. A student's belief that their family can afford college affects their college enrollment within three years of high school completion, as demonstrated by data from the National Center for Education Statistics<sup>10</sup>. In addition, financial constraint stands out as the top driving force for college drop-out; about 42% of students who left their institutions cited financial pressures as the reason for college departure<sup>11</sup>.

As the state is working towards its 60Forward goal, Wisconsin grants, Pell grant and other need-based financial aid programs are important for closing the achievement gap by enabling more students from the low- and low-middle-income families to live up to their potential and fulfill their college dream at the institution that best fits their needs.

- *Stronger workforce*

Wisconsin's unemployment rate reached the record low of 2.8 percent in March of 2022, indicating a high demand for workers among current employers statewide<sup>12</sup>. Bachelor's degree holders have higher earning and lower unemployment rate than those with only a high school diploma. Furthermore, Wisconsinites with at least a bachelor's degree are also 25 percent more likely to participate in the labor force than those who only have a high school diploma<sup>13</sup>. College education equips people with the skills and mindset they need to join and remain participating in the workforce.

WAICU members produce 23 percent of all bachelor's degrees and 35 percent of all advanced degrees in the state, with no direct operating support from the tax payers. Among the bachelor's degrees, the private nonprofit colleges and universities produce 24 percent of the business graduates, 27 percent of the engineering graduates, and 53 percent of the nursing graduates. At the graduate level, WAICU members produce 43% of the business degrees, 59% of the physician assistant degrees, 60% of the medical doctor degrees, 45% of the education degrees, and 100% of the dentistry degrees<sup>14</sup>.

- *Enhanced economy*

An average Wisconsin Grant awarded to a Wisconsin resident attending a private nonprofit college in the state is \$3,160 in the academic year 2020-21<sup>15</sup>.

Considering the standard student loan payment plan of 5 percent interest rate over a 30-year period, Wisconsin Grant could save \$24,427 for each students over 4 years of college enrollment. This means a total of over \$215 million dollars that could be contributed to the economy instead of money used for loan payments for 8,828 Wisconsin Grant recipients at Wisconsin private nonprofit institutions <sup>16</sup>.

A recent report by the College Board shows that bachelor's degree recipients paid an estimated \$7,100 more in taxes and took home \$17,800 more in after-tax income than high school graduates <sup>17</sup>.

- *Other social benefits from college education*

The value of a college education to a society far exceeds just higher earnings to individuals. Wisconsinites with a bachelor's degree are more likely to get involved and contribute to their community in multiple ways. Compared to high school graduates, people with bachelor's degree in Wisconsin are 2.3 times more likely to spend their time volunteering. In addition, there is a higher percentage of bachelor's degree holders who vote in local elections, donate their money to non-political charity, and participate in public meetings to discuss issues <sup>18</sup>.

## **7. Why join the WAICU 2022In2022 campaign NOW?**

There are currently many moving parts in the political and policy landscape affecting student financial aid:

- The Consolidated Appropriations Act of 2020, changed eligibility qualifications for Pell Grants and Wisconsin Grants.
- WAICU has established a Task Force to determine how those federal changes will impact Wisconsin Grants appropriations and student eligibility.
- The 2023-2025 – Biennial Budget will be the critical time to address these changes and make sure students are not disadvantaged by the changes.

The November 2022 Elections may also impact state leadership.

In addition, the share of college costs covered by federal, and state financial aid have decreased significantly through time as the purchasing power of the grants has declined. Nineteen years ago, the maximum Pell grant and Wisconsin grant could cover 45 percent of the median tuition and fee at Wisconsin private

colleges. However, in 2020-21, maximum Pell and Wisconsin Grant together only cover approximately one third (31 percent) of those costs<sup>19</sup>.

The impacts of the COVID-19 pandemic on student access to college are tremendous and long lasting. Students, especially low-income students, have faced numerous financial, academic, and mental challenges as they pursue their college degrees.

### **8. What can I do to support student financial aid?**

Collective efforts are powerful and important in raising awareness and advocating for increasing student financial aid. If you believe in the important role that Pell Grants, Wisconsin Grants, and other need-based grants play in making college accessible to all students, here are something you can do:

- Write an email to thank or encourage policymakers to increase Wisconsin Grant awards. Find out who represents you ([Link](#)) .
- Write letters to the editor or post comments on local news stories.
- Help local business and community leaders understand the importance of the Wisconsin Grant program and student financial aid for Wisconsin's economy.
- Sign up to join WAICU's 2022 Advocates In 2022 campaign ([Link](#)). You will receive:
  - updates on on the federal and state activity impacting student financial aid;
  - inspirational short stories of Wisconsin Grant recipients.
  - alerts to take action at critical times in the policy process.

- [1] State of Wisconsin Higher Education Aids Board (HEAB), Student Aid Expenditure, 2020-21
- [2] Calculation by WAICU using data provided by HEAB
- [3] HEAB, 2022-2023 Wisconsin Grant - PNP Formula
- [4] HEAB (n1)
- [5] Calculation by WAICU this using data from HEAB and State Biennial Appropriations Bill, 2021 Wisconsin Act 58
- [6] Calculation by WAICU using 4-year trend data from LFB, HEAB, IPEDS
- [7] The U.S. Department of Education's office of Federal Student Aid, Grant volume data, Quarter 4, 2020-21
- [8] Lumina Foundation, "A Stronger Nation," 2020
- [9] Hirschl, N., & Smith, C. M. (2018). College Attendance among Low-Income Youth: Explaining Differences across Wisconsin High Schools (WCER Working Paper No. 2018-6)
- [10] NCES, College affordability views and college enrollment, 2022
- [11] UPCEA & Straighter, "Today's Disengaged learner is tomorrow's adult learner," 2021
- [12] Wisconsin Public Radio, "Wisconsin's unemployment rate hit record low in March, " 2022
- [13] Calculation by WAICU using the 2020 Current Population Survey Annual Social and Economic (March) Supplement
- [14] IPEDS, Completions Survey, 2019-20
- [15] HEAB (n1)
- [16] Calculation by WAICU using data from HEAB's Student Aid Expenditure report
- [17] College Board, "Education Pays 2019"
- [18] Calculation by WAICU using data from US Census's Current Population Survey Volunteering and Civic Life Supplement 2019
- [19] Calculation by WAICU using data from American Council on Education (ACE)'s Fact sheet on higher education ([Link](#)), Department of Education Office of Federal Student Aid, and HEAB