

Massachusetts' Largest Need-Based Grant is So Small

A closer look at the MASSGrant

Executive Summary:

Massachusetts has a complex higher education financial aid system offering a wide range of grants and tuition waivers that are difficult for students and families to navigate. While there is certainly a strong case to be made for merging and streamlining this system, we specifically focus our analysis on the effectiveness of its largest need-based grant, the MASSGrant.

Some important data points are:

- MASSGrant serves about **50,000 students** per year.
- The maximum award is \$1,600, but **the median student only receives \$600**.¹
- Undoubtedly, for too many families, especially those with lower household incomes, this grant is nowhere near to putting a dent into the costs associated with attending college.
- The purchasing power of the MASSGrant **has been falling from covering 80 percent of average tuition and mandatory fees in 1988 to only 9 percent in 2013**.²
- MASSGrant has not kept up with the constant increases in tuition and fees which are in direct result of the deep funding cuts we witnessed—**32% decrease in funding per student since 2001**.
- In the meantime, our state has also **cut state scholarship funding by 32 percent** since 2001.
- Compared to other States' largest need-based grant, the **average amount of MASSGrant ranks 48th**.³
- **A \$100,000,000 increase in MASSGrant scholarship funds** would bring Massachusetts' average grant award to the national average of \$2,405.

¹ Long, Bridget Terry, Ph.D., and Monnica Chan, Ph.D. Candidate. The Massachusetts Student Financial Aid Study. Report. Graduate School of Education, Harvard University, 2017.

https://scholar.harvard.edu/files/btl/files/long_chan_-_ma_aid_study_-_full_report_appendices_2017-10_final_revised.pdf

² Higher Education Finance Commission. "Report to the General Court of Massachusetts." October 2014.

<http://www.mass.edu/bhe/lib/documents/HigherEducationFinanceCommission-FinalReport10-2014.pdf>

³ Jeremy Thompson, "Educated and Encumbered: Student Debt Rising with Higher Education Funding Falling in Massachusetts," Massachusetts Budget and Policy Center, March 1, 2018,

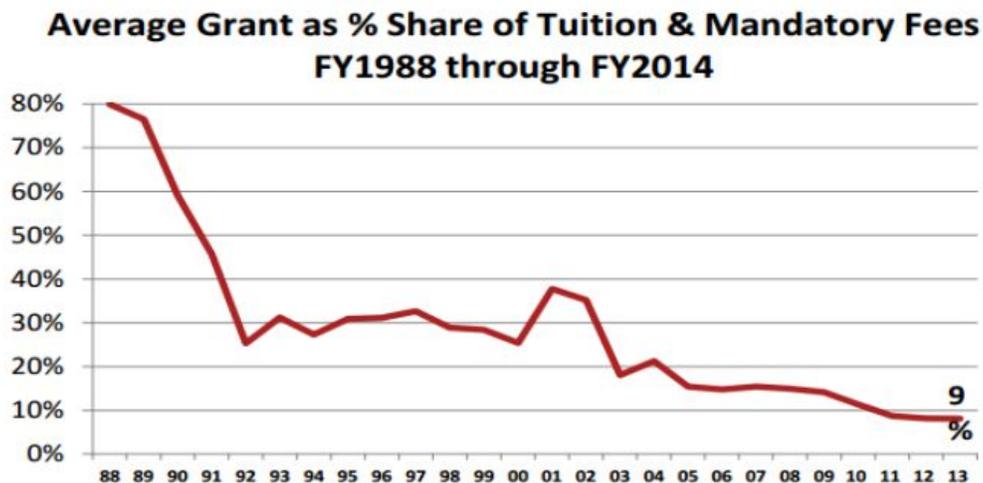
http://www.massbudget.org/report_window.php?loc=Educated-and-Encumbered.html.

For a state that prides itself on educational excellence, it is astonishing that we are not willing to adequately help those who need a college degree the most with the adequate and necessary financial aid.

Full Report:

Massachusetts has a complex higher education financial aid system which offers a wide range of grants and tuition waivers that can be confusing and overwhelming for students and families to navigate. In FY2014, the Commonwealth awarded about \$136 million, 82% in need- and 18% in non-need-based grant aid. This was offered through 31 different state financial aid programs which vary in size (at least 5 programs serve fewer than 100 students), average award amount and focus. While, there is certainly a strong case to be made for merging and streamlining this system, Here, we analyze the effectiveness of the MASSGrant, its largest need-based grant. The MASSGrant serves 49,540 students and provides a maximum award of \$1,600, but the median award is only \$600. Undoubtedly, for too many families, especially those with lower household incomes, this grant fails to offset the costs associated with attending college. State disinvestment from higher education, coupled with cuts in state scholarship funding, have resulted in tuition increases that erode the purchasing power of the MASSGrant. In 1988 it covered 80 percent of the average tuition, in 2013 the MASSGrant only covered 9%.

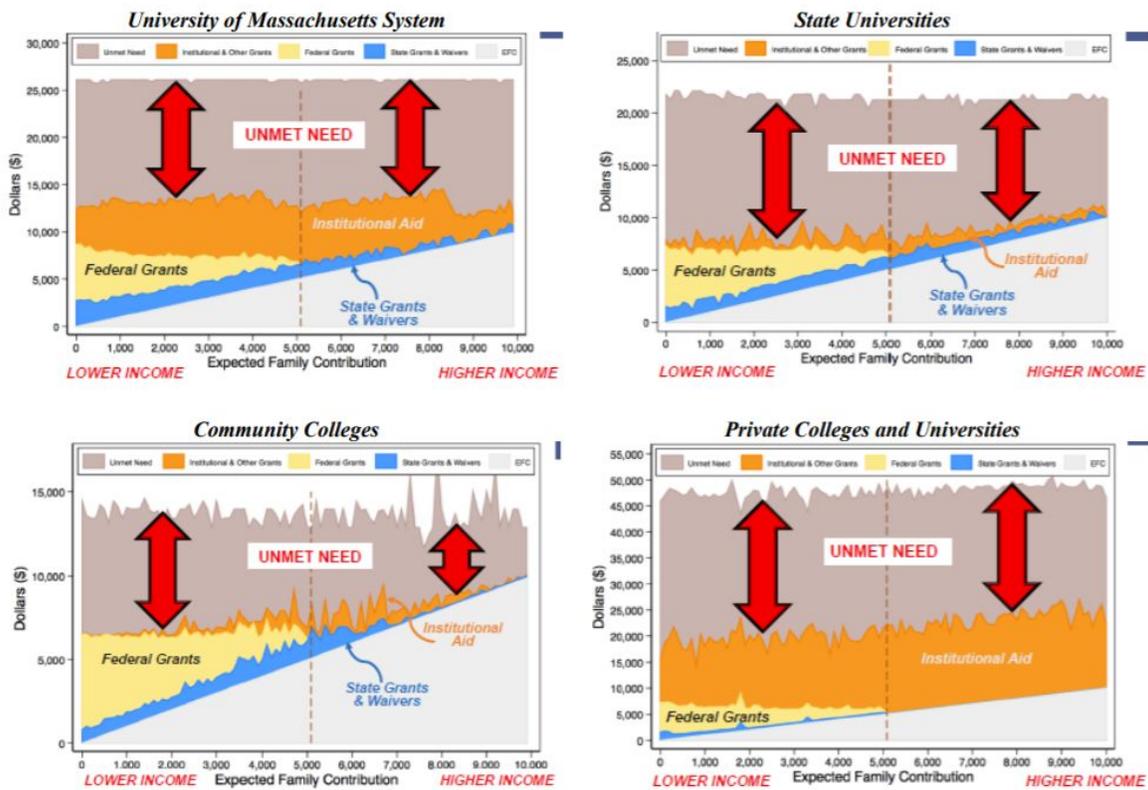
State Financial Aid
Trend in MASSGrant Buying Power



Source: Higher Education Finance Commission. "Report to the General Court of Massachusetts." October 2014.

Even after accounting for the availability of other financial aid, low-income students still have to cover on average 44 percent of the costs at community colleges, 47 percent at the state universities, and 55 percent at UMass campuses.

Figure 2: Median College Costs, Aid Awards, and Unmet Need, FY2014 – Full-time, Full-Year Students

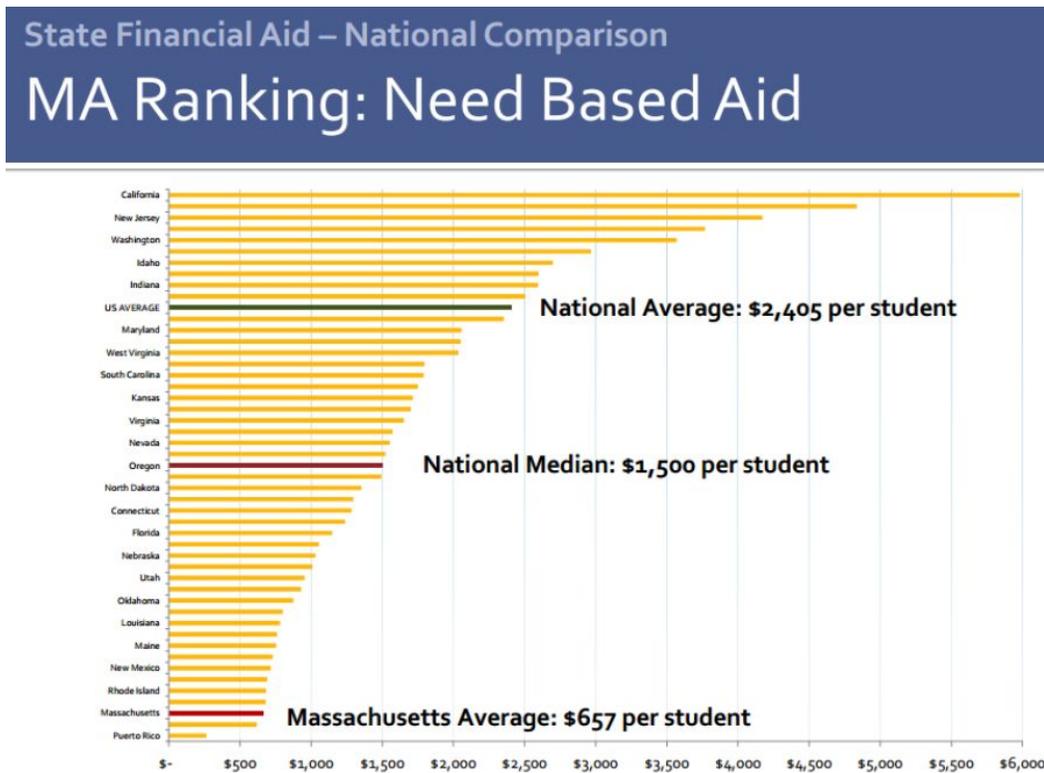


Source: Long, Bridget Terry, Ph.D., and Monnica Chan, Ph.D. Candidate. The Massachusetts Student Financial Aid Study. Report. Graduate School of Education, Harvard University, 2017.

Studies demonstrate that one contributing factor to gaps in college success and completion is the financial burden created by unmet need. The lack of financial aid has consequences that go far beyond educational outcomes. We are increasingly witnessing poverty, hunger, and homelessness in our public higher education institutions. In a recent national survey, 36 percent of college students said they experienced food and housing insecurity, with 9 percent reporting being homeless.⁴ These percentages are much higher for community college students.

⁴ Goldrick-Rab, Sara, Jed Richardson, Joel Schneider, Anthony Hernandez, and Clare Cady. "Still Hungry and Homeless in College." Hope4College. April 2018. <https://hope4college.com/wp-content/uploads/2018/09/Wisconsin-HOPE-Lab-Still-Hungry-and-Homeless.pdf>.

Compared to other States' largest need-based grant, the average amount of MASSGrant ranks 48th across the US. Taking into consideration that the price of college in our state is much higher than in other states (raking 46th), it is clear that our largest need-based grant is ineffective as a financial aid tool.



Source: Higher Education Finance Commission. "Report to the General Court of Massachusetts." October 2014.

[A \\$100,000,000 increase in MassGrant scholarship](#) funds would bring Massachusetts' average grant award to the national average of \$2,405. **For a state that prides itself on educational excellence, it is astonishing that we are not willing to adequately help those who need a college degree the most with the necessary financial aid.**