

# Keeping It Affordable in Michigan: Disinvestment in Financial Aid Grants Hurts Students and Their Families

## EXECUTIVE SUMMARY

Going to college or getting occupational training after high school is more important than ever, but in Michigan, it is more expensive than ever. At most Michigan public universities, tuition for four years of college has more than doubled in the past ten years; students graduating in 2013 will pay more than twice the amount of students who graduated in 2003. Yet Michigan has disinvested in a key strategy for making it affordable: state grant aid.

Most students depend on some form of financial assistance to help them get through college or vocational school. For low-income individuals in particular, tuition and related costs can hinder persistence and completion of a postsecondary program. Yet during the past decade, Michigan policymakers:

- Cut need-based grants by 20% over the past decade while other states increased their need-based grants by 84%.
- Invested the least in grant dollars per student in the Midwest.
- Offered grants to only 14% of students, ranking Michigan 40th in the country.
- Gave a large share of need-based grants to students from higher-income families attending private colleges.

Disinvestment in such grant programs is a disinvestment in Michigan's brain trust. As tuition and student debt have increased dramatically and Michigan's economy has experienced a downturn, the need for financial aid grants is as important as ever.

The Michigan League for Public Policy recommends the following:

- Prioritize appropriations for state need-based grant programs, particularly those that are most effective in helping individuals whose postsecondary enrollment, persistence and completion is dependent upon receipt of grant aid.
- Use the appropriations process to encourage public postsecondary institutions to keep tuition affordable. Michigan should continue to provide incentive funding based on tuition restraint.
- Strengthen state grant programs to be more effective in targeting those with the most need, including determining how Michigan can get the most for its money when balancing "merit versus need" and "public versus private" considerations.
- Support a strong state revenue structure that will enable the restoration of grant money that has been cut or programs that have been eliminated.
- Support policies and programs that can help alleviate hardship for low-income students, including policies that permit low-income students to receive certain kinds of public assistance while prohibiting fraud and abuse by other students.

*Skilling Up Michigan* is a series of policy briefs from the Michigan League for Public Policy that addresses the access and affordability of postsecondary skill building in Michigan, and urges the state to prioritize public investment in occupational skill building as a strategy for fighting poverty, reducing unemployment and building communities. This is the first paper in the series and is published with the support of the Working Poor Families Project.