The Facts on Student Success

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Overview

Every year, millions of students leave college without earning a degree. The consequences are profound for students, the institutions they attend, the communities they live in, and the broader economy. Without a credential, students miss out on the significant earnings boost a degree can provide and face higher risks of unemployment. Students who borrow and don't complete are more likely to default.

Institutional resource and capacity constraints are a major part of the problem. Without adequate funding, colleges struggle to lower costs, expand financial aid, strengthen academic programs, or provide robust student support, which is especially acute for institutions that enroll a large number of students with the greatest needs. These constraints also limit the ability of colleges and universities to implement proven, evidence-based interventions that can dramatically improve completion rates.

To combat these challenges, Congress created several programs under Titles III and V of the Higher Education Act (HEA) to help institutions with a high share of low-income students and students of color strengthen their academic quality, fiscal stability, and institutional management. More recently, Congress created the Postsecondary Student Success Grant Program (PSSG), a competitive grant program for institutions that serve a high share of low-income students or students of color to implement and expand evidence-based practices that improve student persistence and completion.

Key Challenges

- **Overall completion problem:** Only 65 percent of first-time, full-time students who started college in 2016 graduated within 6 years. At community colleges, only 33 percent of students graduate within 3 years. Rates are lower for students of color and low-income students.

- **Students who need the most help are often enrolled at institutions that have the fewest resources.** Community colleges, regional public four-year universities, and minority-serving institutions (MSIs), which enroll the highest share of low-income students, students of color, first-generation students, and other underserved students, receive far fewer financial resources compared to public flagship universities or more selective private colleges.

- **Any intervention to improve student outcomes requires significant capacity and resources to implement, particularly the practices with the strongest evidence.** Funding from Title III and V programs, and PSSG provides the much-needed support for these institutions to improve their capacity and put in place practices to serve and support students better.

- New America's [study](#) of the Strengthening Institutions Program (a Title III grant) shows that without support from the federal government, colleges could not have implemented practices to support students in the first place.
  - Programs with the highest level of evidence, like CUNY's ASAP, [cost more](#) than others to implement. But a study has shown that, for every taxpayer's dollar spent on ASAP, [the return](#) was around $3.5 per associate degree conferred. Funding from PSSG, which prioritizes programs with strong evidence, is essential to expand and replicate programs like CUNY's ASAP on more campuses nationwide.

- **Demand for programs like Title III and PSSG is high, but funding remains limited**.
  - A large number of grants awarded under Titles III and V are [competitive](#), meaning eligible institutions have to apply to be considered for funding. For example, only 27 institutions were awarded the Strengthening Institutions Program grant in fiscal year 2022, out of nearly 1,200 eligible institutions.
  - Congress appropriated $5 million to create PSSG in 2020, resulting in just [five grantees](#) being selected among over 100 applications. Responding to the high interest in PSSG, Congress increased funding to $45 million in fiscal year (FY) 2023. So far, only [22 colleges and universities](#) have received the grants, but more institutions could benefit.

- **Programs are under threat**: Even when Congress appropriated funding for the suite of programs within the Fund for the Improvement of Postsecondary Education (FIPSE) for FY 2025, which includes PSSG, no amount has been allocated yet. The Department of Education in September [announced](#) its plan to end discretionary grants to MSIs, and [recently sent](#) reduction in force notices to the majority of staff overseeing these grants, further threatening the sustainability of these programs.

Policy Goals

- **Sustain and increase funding for institutional aid programs such as PSSG, Title III, and Title V programs**: Funding from institutional programs provides crucial resources to help under-resourced institutions adequately support students with advising, mentoring, and financial, academic, and basic needs—practices that have been rigorously evaluated and shown to improve student retention and completion rates. But demand for such funding has always been higher than the amount available. Continued investment is therefore essential to sustain and expand high-impact practices to more students.
  - There is bipartisan, bicameral interest in expanding PSSG. In 2024, the [Postsecondary Student Success Act](#) was introduced. This bipartisan, bicameral legislation would authorize PSSG, expanding access to proven retention and completion practices to more students.

- **Prioritize programs with strong evidence in improving student outcomes**: What sets PSSG apart from other current institutional aid programs is the emphasis on evidence. PSSG created different [award tiers](#) for applications associated with different levels of evidence, with the largest award amounts reserved for applications that aim to expand programs with the highest level of evidence. This evidence-driven approach ensures taxpayer dollars only go toward interventions that actually move the needle for students, maximizing returns on federal investment.

- **Strengthen technical assistance and grantee support:** High-impact programs are complex and often require significant expertise and coordination to replicate successful student outcomes. Grantees will need tremendous support from experienced third parties or the Department to implement these practices successfully. Congress should create set-asides for technical assistance and program support to ensure grantees can effectively implement these practices and deliver results at scale. However, this requires staff capacity at the Department to manage these programs.