
THE GEORGIA COLLEGE AFFORDABILITY CRISIS

Georgia needs to adopt a comprehensive need-based aid program to ensure that college is affordable for all

WHO WE ARE

The Legal Defense Fund

LEGAL DEFENSE FUND

Founded in 1940 by Thurgood Marshall, the Legal Defense Fund (LDF) is the nation's premier racial justice law organization. For more than 85 years, LDF has relied on the Constitution and federal and state civil rights laws to pursue equality and justice for Black communities in the United States. LDF's mission has always been transformative and designed to achieve racial justice, equality, and an inclusive society.

Currently, our programmatic pillars focus on Education Equity, Economic Justice, Political Participation, and Criminal Justice.

LDF has offices here in Atlanta as well as in New York and Washington, D.C.



SOME OF LDF'S HISTORIC WORK IN GEORGIA

- In 1961, the University of Georgia accepted its first two Black students, Hamilton Holmes and Charlayne Hunter-Gault, after LDF's advocacy in federal court in Georgia.
- In 1964, LDF's Constance Baker-Motley argued *Calhoun v. Latimer* before the U.S. Supreme Court, opposing Atlanta's desegregation plan, on the basis that it did not comply with the standard set by LDF's case *Brown vs. Board of Education* (1954).
- In 2025, LDF worked in coalition to advocate for the passage of Resolution 1357 in Dekalb County, Georgia. That resolution created a first of its kind income-based water affordability plan, robust shutoff protections for vulnerable residents, and a Customer Advocates office for water billing disputes.



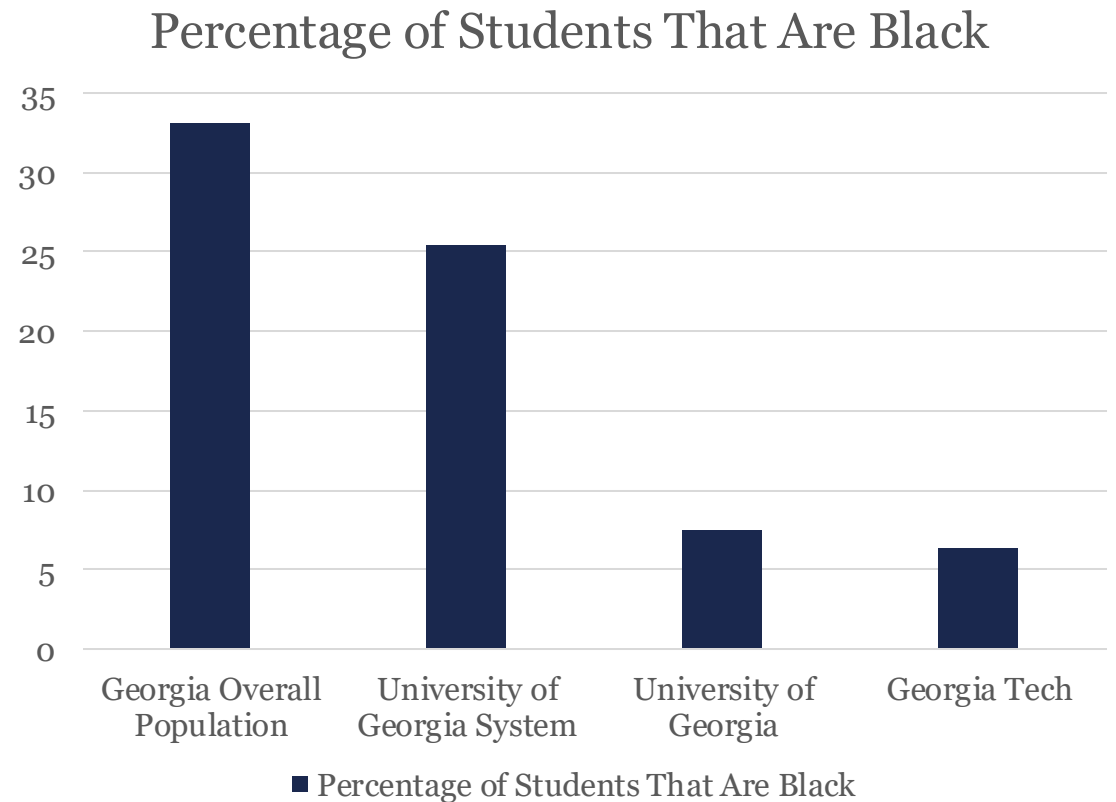
THE CONTEXT

GEORGIA STUDENTS FACE COST BARRIERS TO COLLEGE ATTENDANCE

- Georgia public four-year colleges have the **sixth lowest** in-state tuition and fees in the nation and the **third lowest** in the Southern Region Educational Board (SREB) area.
- Even then, SREB analyses indicate that for families making less than \$30,000 a year, median tuition and fees at public 4-year colleges in Georgia require up to **61% of those families' income**.
- Federal financial aid options, like the Pell Grant, provides families some relief, but the average **unmet need** of Pell Grant recipients enrolled in Georgia public 4-year colleges is **\$11,883 a year**.
- To cover that amount of unmet need, Pell recipient students would need to work **33 hours** per week.
- Many students turn to student loans to make up the gap between cost of attendance and what they can afford.
- Georgia currently boasts the **second highest** average student loan debt per borrower in the country.

BLACK GEORGIANS ENROLL IN COLLEGE AT LOWER RATES

- The college affordability crisis does not affect all Georgians equally. Unaffordable costs of attendance particularly harm access for students from under resourced communities, including Black students, low-income students, first-generation college students, and rural students.
- While the state of Georgia is 33% Black, **only 25.4% of students enrolled in the University System of Georgia (USG) are Black.**
- At two of the most expensive and selective institutions in the USG: University of Georgia and Georgia Tech, **fewer than 8% of the enrolled students are Black.**



USG Fall 2024 Enrollment Report

A TALE OF TWO NUMBERS

25.4%

Percentage of USG college students
that are Black students

USG Fall 2024 Enrollment Report

45.6%

Percentage of USG student loan debt
held by Black borrowers

GBPI Analysis of the University System of Georgia Data, Fiscal Year
2024, Student Loan Debt by Race

GEORGIA IS AN OUTLIER IN FAILING TO PROVIDE COMPREHENSIVE NEED-BASED AID

State	Comprehensive Need-Based Aid Program	Grant Amounts	Annual State Allocation
Alabama	Alabama Student Assistance Program	\$5,000	\$10,000,000
Florida	Florida Student Assistance Grant Program	\$3,260	\$269,299,624
Kentucky	College Access Program Grant	\$5,300	\$139,025,000
Louisiana	Louisiana Go Grants	\$3,000	\$70,480,716
Mississippi	Mississippi Higher Education Legislative Plan (HELP)	Full tuition and fees	\$30,172,816

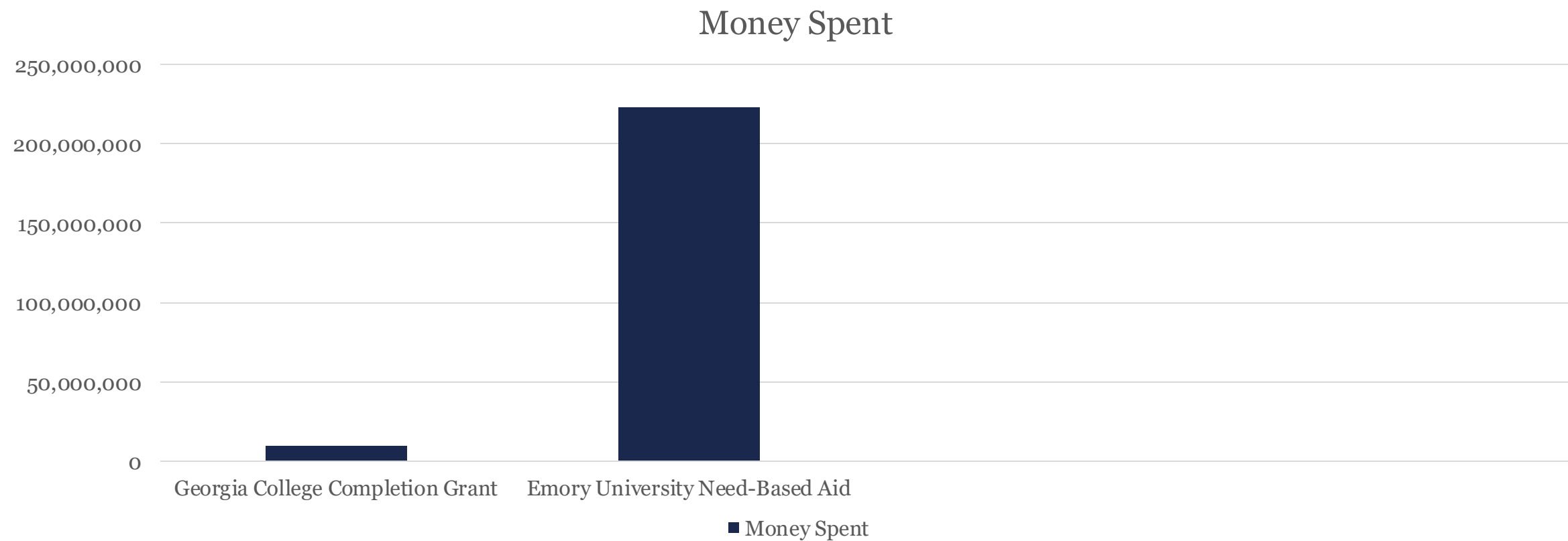
GEORGIA IS AN OUTLIER IN FAILING TO PROVIDE COMPREHENSIVE NEED-BASED AID

State	Comprehensive Need-Based Aid Program	Maximum Grant	Annual State Allocation
North Carolina	North Carolina Next	\$3,950	\$166,541,946
South Carolina	S.C. Need-Based Grant	\$3,500	\$88,089,385
Tennessee	Tennessee Student Assistance Award	\$4,000	\$121,771,712
Texas	Toward Excellence, Access and Success (TEXAS) Grant	\$16,287	\$592,857,777

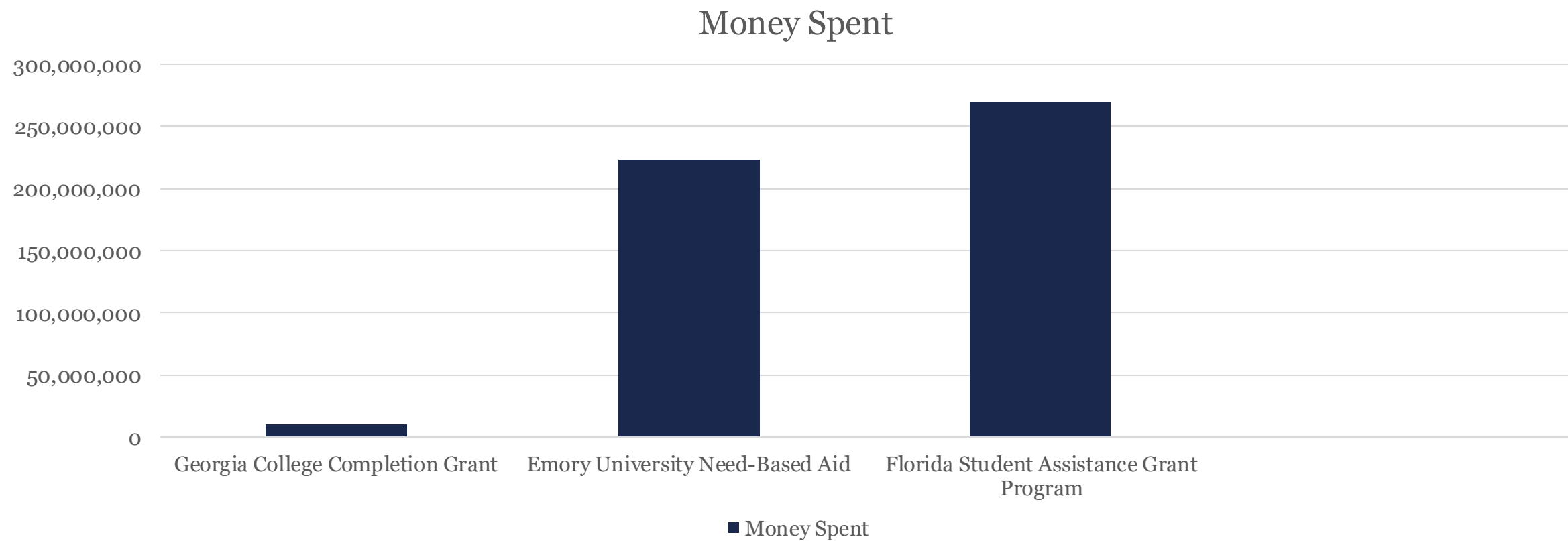
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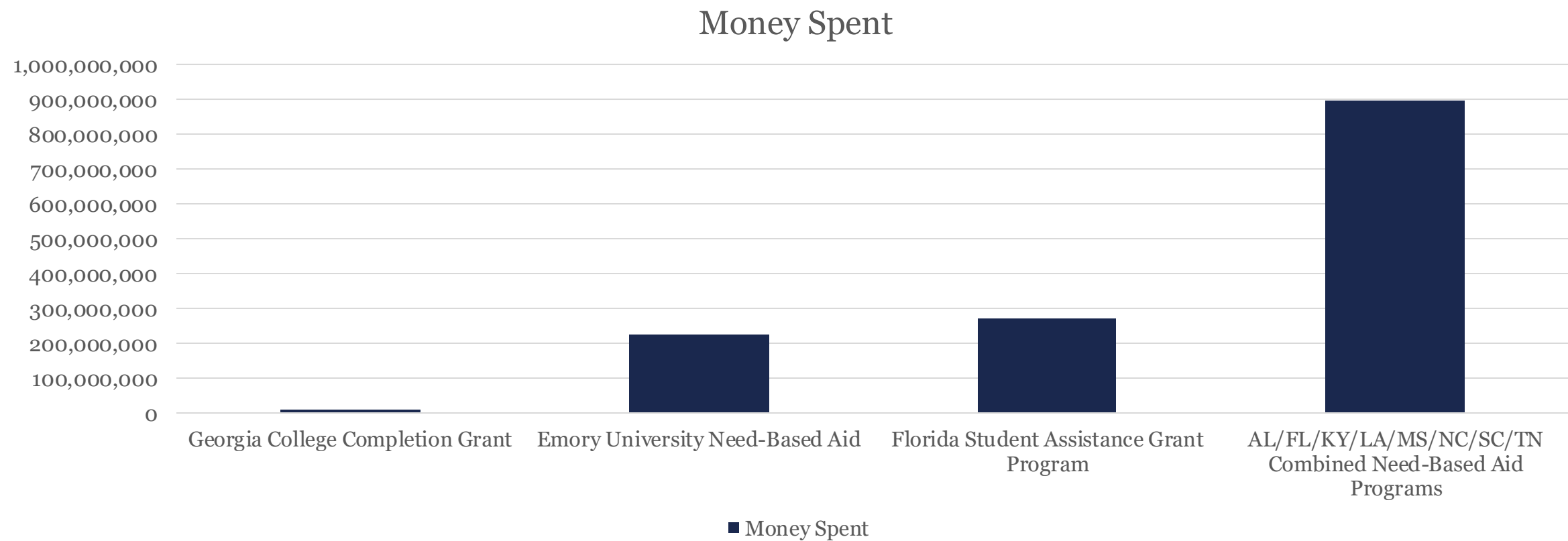
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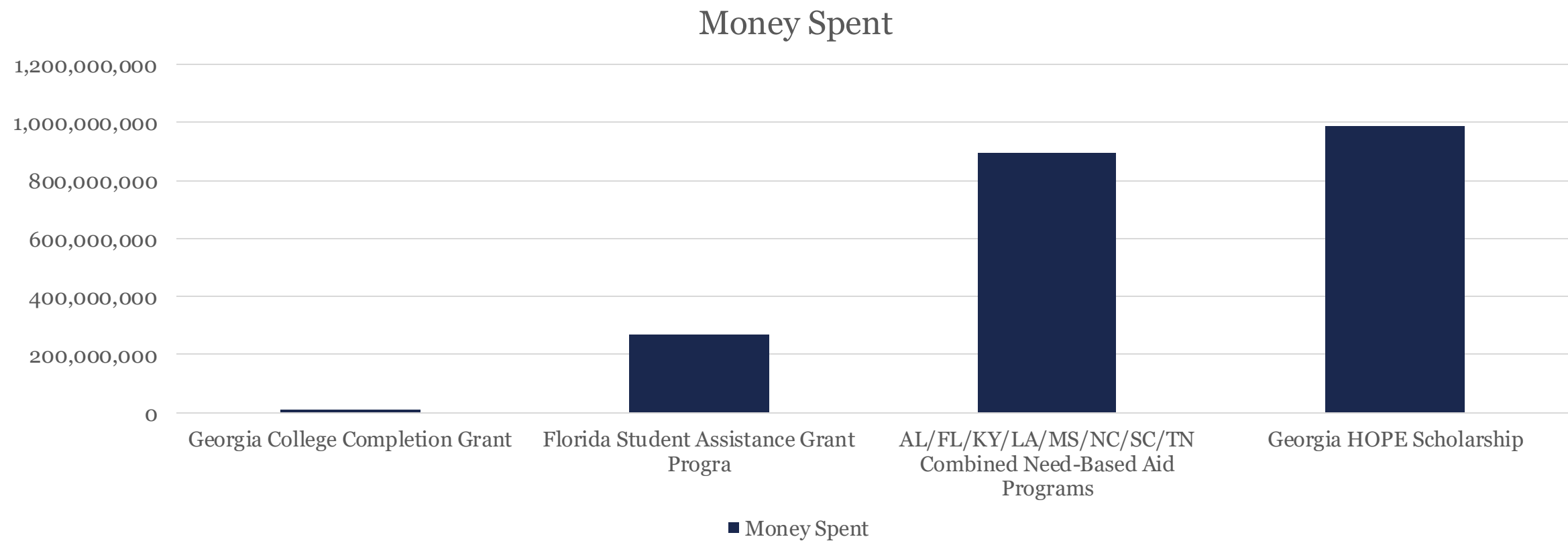
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EXAMPLES

Student A

Student A is a senior at a public high school in Columbia County, GA. Student A is being raised by a single father who earns \$42,000 a year, which is the median income for the area. Student A likes school but is unable to devote his full attention to coursework as he works 20 hours a week at a local restaurant to help his father with the bills. He graduates with a 2.9 GPA and is admitted to East Georgia State College.

The state of Georgia awards Student A \$0 in financial aid.

Student B

Student B is a senior at the Westminster Schools in Atlanta where high school tuition is \$40,685 a year. Student B's parents are both corporate attorneys in Atlanta with a total household income of over \$1.5 million. Student B enjoys school but is also passionate about baseball and spends high school focused on that. He graduates with a 3.3 GPA and is admitted to Kennesaw State University.

The state of Georgia awards Student B \$5,600/year in financial aid.

Student C

Student C is Student A's cousin and lives a few miles away, across the state border in Aiken, SC. Student C is also a high school senior who is working a part-time job to support her family. Her family earns \$50,000 a year, which is typical for the area. She graduates with a 2.9 GPA and is admitted to the University of South Carolina – Aiken.

The state of South Carolina awards Student C \$3,000/year in financial aid.

THIS IS A POLICY CHOICE

FEDERAL CUTS TO HIGHER EDUCATION FUNDING WILL EXACERBATE THESE PROBLEMS

- College costs of attendance have been rising nationwide for years. Recent changes at the federal level will only further exacerbate these costs as the federal government pulls back from its own investment in American higher education.
- Recent changes in legislation and U.S. Department of Education regulations that will make college less affordable for Georgians include:
 - Elimination of the **most affordable repayment options** for federal student loans. New repayment plans would take longer, include higher payments, and exclude borrower friendly provisions.
 - Elimination of the **Grad PLUS Loan program** which helps students pay for graduate school.
 - Caps **Parent PLUS loans**, which eliminates one avenue for families to help students pay for school.
 - Caps **federal loan amounts for graduate school**, meaning students will have to use private loans for many programs that exceed these caps (e.g. medical school, law school, business school).
 - Changes to the **Public Service Loan Forgiveness program** that will result in fewer public service employees from getting loan relief.

FEDERAL CUTS TO HIGHER EDUCATION FUNDING WILL EXACERBATE THESE PROBLEMS

- The U.S. Department of Education has also **eliminated funding for the Minority Serving Institutions program** which provides institutional aid for a variety of institutions including Hispanic Serving Institutions and Predominately Black Institutions. The following institutions in Georgia will therefore lose access to a significant amount of federal funding:
 - Albany Technical College
 - Atlanta Metropolitan State College
 - Atlanta Technical College
 - Central Georgia Technical College
 - Clayton State University
 - Columbus Technical College
 - Dalton State College
 - East Georgia State College
 - Georgia Gwinnett College
 - Georgia State University
 - Georgia State University – Perimeter College
 - Oconee Fall Line Technical College
 - Savannah Technical College
 - South Georgia Technical College
 - Southern Crescent Technical College
 - Wiregrass Georgia Technical College

THE PROBLEM

GEORGIA'S MERIT AID PROGRAMS LEAVE TOO MANY STUDENTS BEHIND

- While Georgia's HOPE Scholarship and Zell Miller Scholarship remain the most recognized pathways for students seeking state support, their **overly restrictive criteria** leave behind many with financial need.
- For example, Zell Miller Scholarship recipients must earn at least a 3.7 GPA and a 1200 SAT or 26 ACT—benchmarks **strongly correlated with higher family income and high school resources**.
- Test score requirements are especially **biased against Black and low-income students**. Students from rural or low-income districts, and those balancing work or family responsibilities, are less likely to meet or maintain these criteria.
- As articulated in the Thurgood Marshall Institute's recent publication, [Admissions for Democratic Merit](#), the **SAT and ACT are narrow and incomplete academic performance measures** limited in their ability to reliably predict college student achievement—especially for Black and low-income students.

THE STUDENTS HOPE LEAVES BEHIND

Black Students

Only 35% of Black students receive the HOPE Scholarship or Zell Miller Scholarship compared to 50% of Hispanic students, 61% of white students, and 69% of Asian students.

Black students have the highest rate of student loan borrowing a result of lower investments in aid from the state.

HBCUs in Georgia also have the lowest percentage of HOPE/Zell recipients even though they enroll some of the highest number of Pell recipients.

Low-Income Students

Low-income students are far less likely to receive the HOPE and Zell Miller Scholarships as compared to wealthier peers.

This is particularly true with regards to the Zell Miller Scholarship which includes SAT/ACT score cutoffs. These tests have historically been correlated with familial wealth.

Only 7% of students from families making less than \$30k/year receive the Zell Miller Scholarship as compared to 31% of peers making \$120k/year.

Rural Students

Students in rural communities also have fewer resources than others in Georgia. Students from rural high schools have some of the lowest numbers of HOPE Scholarship and Zell Miller Scholarship recipients.

In 16 counties, less than 30 percent of the students are eligible for the HOPE Scholarship.

HOPE IS NOT ENOUGH

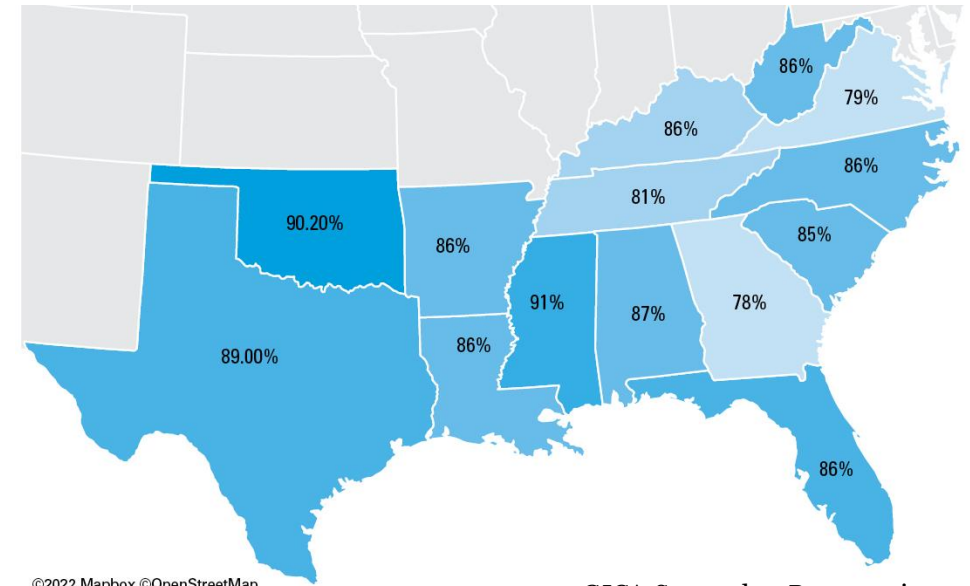
- The HOPE Scholarship and Zell Miller Scholarship provide meaningful support to many students in Georgia. However, these programs **need to be supplemented by need-based aid** in order to ensure that college is affordable for all Georgians.
- Around **56% of students in the USG system do not receive the HOPE Scholarship or Zell Miller Scholarship**. These students generally receive no aid from the state of Georgia to attend college.
- Of students who receive the HOPE Scholarship or Zell Miller Scholarship, **42% will lose that scholarship** at some point during their academic careers.
- Even for students that do receive the HOPE Scholarship or Zell Miller Scholarship, these scholarships only cover tuition and fees leaving students **needing another way to finance the other costs of attendance**.
- The total cost of attendance at each USG institution **exceeds the amount a student receives in aid** from HOPE/Zell Miller as well as the maximum federal Pell Grant.

EXAMPLE: GORDON STATE COLLEGE

Costs	Amount
Tuition	\$3,270
Fees	\$1,012
Housing	\$7,044
Food	\$3,400
Transportation	\$3,636
Books and Supplies	\$2,000
Personal Expenses	\$3,376
Loan Fees	\$120
Total Cost of Attendance	\$23,858
Maximum Pell Grant	\$7,395
Zell Miller Scholarship	\$3,204
Unmet Need	\$13,259
Hours Students Need to Work to Cover Unmet Need	36 hours per week

LACK OF NEED-BASED AID LIMITS STUDENTS' CHOICES FOR COLLEGE

- Many students **delay enrolling or forgo college altogether** because they do not think that they can afford to go. A 2023 Gallup survey indicated that **55% of students who chose not to enroll in higher education cited the cost** of the degree as the reason.
- Other students may choose to attend more affordable schools that are less well suited for them because they are further from home, lack the academic program they intended to study, or are have fewer resources to help them succeed.
- Some students even **go to college out of state** because out-of-state institutions offer need-based financial aid packages that make them more affordable than their in-state options.
- Georgia has the lowest home-state college attendance in the region meaning the state is facing **brain drain** as some of the most talented students leave the state due to college costs and never return.



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GICA September Presentation

STUDENT TESTIMONIALS

“*My mom is a single mom and she does want to seek out higher education but she is hesitant to because of all the student loans she has already taken out in her name to support my siblings.*

- Brooke

“*I am in a teacher education program and I see these struggles [with affordability] with my peers. Many of my peers have considered stepping back from the program because of the financial strain. These students are passionate about teaching, they want to serve Georgia's children.*

- Emily

“*There were no public four-year schools that offered me enough aid to make staying in-state affordable. I was Salutatorian of my class ... and I thought Georgia Southern could be a good option for me. ... [even after Zell and Pell I had] a gap of \$10,000 my freshman year. I enrolled at American University and left Georgia.*

- Kamore

FINANCIAL PRESSURES ARE THE NUMBER ONE REASON STUDENTS STOP OUT OF COLLEGE

- Financial constraints are the **number one reason** cited by students for stopping out of their college programs.
- The National Institute for Student Success at Georgia State University **found that even small balances of \$300 or less** were enough to cause students to financially stop out of their programs. Many students stop their programs temporarily and never find their way back to complete their degrees.
- Students who work while in college are often faced with the impossible decision of whether to **pay their bills or pay tuition**, making degree completion significantly more challenging.
- The Hope Center for College, Community, and Justice recently conducted a survey that found that 18% of two-year college students and **14% of four-year college students were affected by homelessness** while enrolled.
- Researchers have also found significant negative effects of working more than **20 hours per week** while enrolled in college, including one study finding that such students accrued **66 percent fewer credits** per year compared to similarly situated students who did work as many hours.

STUDENT TESTIMONIALS

“ I’m a first-generation college student. ... I have struggles working and trying to help out my single mother who is taking care of seven boys. I am helping my family out while I am in college. I do work three jobs trying to help my mother who works three jobs herself.

- Shakira

“ I grew up in a one parent household. ... Luckily, I did not take out student loans this year, I have four jobs. I was able to pay off my first payments of student loans but the rest had to go to my mother. Students should not have to choose between paying for college and paying their bills.

- BreAsia

“ I am the middle child of five. As a first year student I have already seen how financial challenges affect every part of college life. It has been difficult finding a work-study program to abide by my living expenses. The pursuit of knowledge should not come with a lifetime of debt

- Camile

STUDENT LOAN BURDENS DRAG DOWN THE GEORGIA ECONOMY

- With an average of **\$11,883 in unmet need** for Pell grant recipients, students often turn to student loans in order to pay for college.
- Georgia has the **second highest average student** loan burden in the country with the average borrower owing **more than \$40,000**.
- Debt burdens make it harder for student loan borrowers to buy homes, start families, or take meaningful but lower-paying jobs for the public good, including in teaching, public service, or other work that helps to build and sustain our communities.
- This debt is not distributed equally. The Student Borrower Protection center found that majority Black neighborhoods in Atlanta had average student debt burdens of **\$7,000 more** than majority white neighborhoods in Atlanta. That gap is continuing to widen.

DEBT LOAD FOR UNDERGRADUATE DEGREES

USG Institution Type	Bachelor's Average Loan Debt	Average Cost of Attendance Per Year	Average HOPE/Zell Award
Research Universities	\$21,577	\$27,820	\$4,308
Comprehensive Universities	\$24,248	\$25,476	\$2,384
State Universities	\$25,401	\$23,075	\$2,447
State Colleges	\$22,094	\$21,208	\$1,389

Chancellor Perdue's USG September Presentation
Additional Information from USG Data Request

THIS IS A POLICY CHOICE

THE SOLUTION

OTHER STATES HAVE NEED-BASED AID MODELS:

NORTH CAROLINA

- Eligibility Criteria for Next NC Scholarship:
 - NC residents eligible for in-state tuition
 - High school graduate (or equivalency)
 - Enrolled in eligible undergraduate curriculum program
 - Meet Pell Eligibility and Satisfactory Academic Progress
 - Not be in default on any state loan or grant
 - Filed FAFSA
 - Student Aid Index of 7500 or below
 - Adjusted Gross Income of \$80,000 or below

Tier	Total Aid	# of Students	Average Aid Award
1	\$33,229,943	10,316	\$3,221
2	\$98,310,769	40,888	\$2,404
3	\$23,635,578	12,333	\$1,916
4 (Promise Schools)	\$11,365,656	12,537	\$907
Total	\$166,541,946	76,074	\$2,189

Next NC October Presentation

COMPARISONS



Average Next NC Recipient

Family Income: \$37,700

Credits Attempted Per Term: 14.3

Semester Retention Rate: 94.0%



Average Non-Recipient

Family Income: \$134,600

Credits attempted per term: 14.5

Semester Retention Rate: 94.7%

OTHER STATES HAVE NEED-BASED AID MODELS:

FLORIDA

- Eligibility Criteria for Florida Student Assistance Program:
 - Be a Florida resident
 - Not have previously received a baccalaureate degree
 - Enroll for a minimum of six credit hours per term
 - Complete the FAFSA
 - Financial need is determined by subtracting the expected contribution and other aid from the cost of attendance

Tier	Total Aid	# of Students	Average Aid Award
Public	\$236,041,077	10,316	\$1,709
Career	\$3,282,850	40,888	\$784
Private	\$24,245,454	12,333	\$1,806
Postsecondary	\$5,730,243	12,537	\$1,311
Total	\$269,299,624	160,024	\$1,683

Data from Florida Student Assistance Program Website

OTHER STATES HAVE NEED-BASED AID MODELS: TEXAS

- Eligibility Criteria for TEXAS Grant:
 - Be a Texas resident
 - Be registered with Selective service
 - Complete FAFSA
 - Have financial need
 - Be enrolled $\frac{3}{4}$ time or more
 - Not have earned a baccalaureate degree
 - Not have been convicted of a felony or controlled substance violation

TEXAS Grant	Amount
Semester Maximum	\$5,394
Year Maximum	\$16,182
Target Semester Grant	\$2,500
Target Year Grant	\$7,500
Total Allocated	\$592,857,777

Data from TEXAS Grant Guidelines
and TEXAS Grant Total Allocations

**IN ADDITION TO
AID PROGRAMS THE
UNIVERSITY OF TEXAS
SYSTEM HAS MADE
A HISTORIC
INVESTMENT IN MAKING
COLLEGE MORE
AFFORDABLE FOR ALL
STUDENTS IN TEXAS**

HIGHER EDUCATION

UT System expands free tuition and fees to all undergraduates whose families make \$100,000 or less

The Board of Regents is lifting the income threshold to expand eligibility across all nine of its UT System campuses.

BY KATE MCGEE

REPUBLISH ↗ SHARE

NOV. 20, 2024, 3:54 P.M. CENTRAL UPDATED NOV. 21, 2024, 6:51 P.M. CENTRAL



A PROPOSAL FOR NEED-BASED AID IN GEORGIA

- Eligibility Criteria for a Georgia need-based aid program:
 - High school graduate (or equivalency)
 - Enrolled in eligible undergraduate curriculum program
 - Meet Pell Eligibility and Satisfactory Academic Progress
 - Filed FAFSA
 - Student Aid Index (SAI) of 6000 or below

The University System of Georgia

SAI	Average Award Amount	# of Students	Award Amount
-1,500 to 0	\$1,562	62,397	\$97,419,043
0 to 6,000	\$534	40,888	\$21,825,348

The Technical College System of Georgia

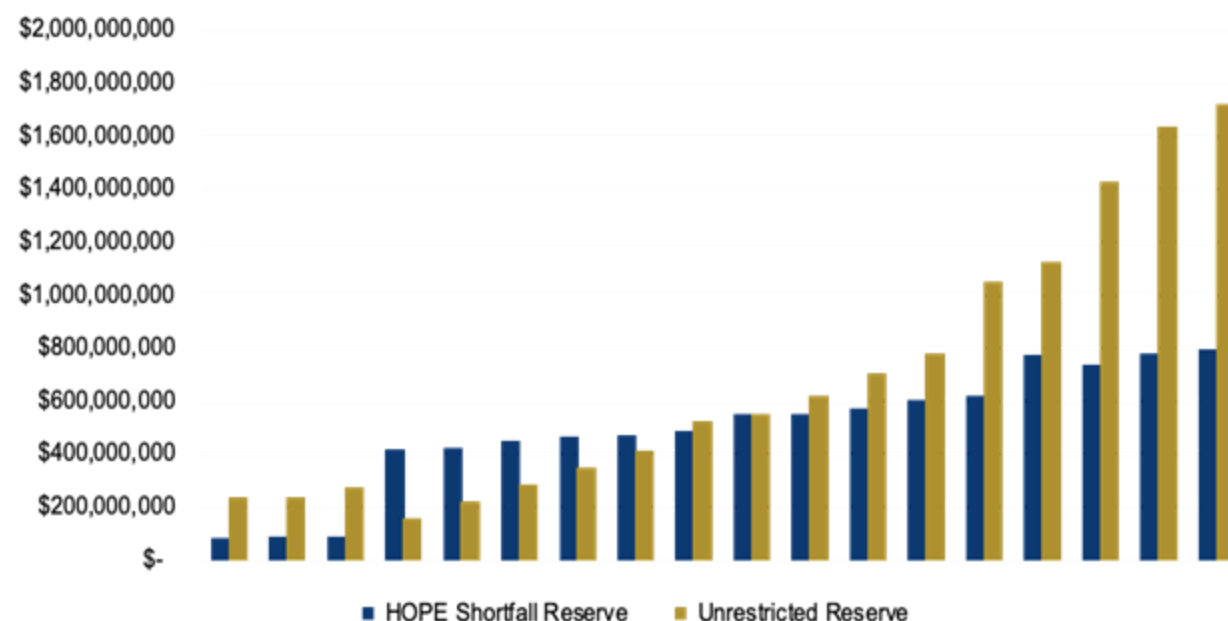
SAI	Average Award Amount	# of Students	Award Amount
-1,500 to 0	\$501	12,123	\$6,082,177
0 to 6,000	\$336	3,022	\$1,014,937
Totals		118,420 students	\$126,341,505

GBPI October Presentation

A PROPOSAL FOR NEED-BASED AID IN GEORGIA

- This need-based aid program should be administered by the Georgia Student Finance Commission.
- The program should not include work requirements, which are not required by other need-based aid programs in the region.
- The program would provide annual renewable funding for students through the Georgia Education Lottery. Specifically, the Georgia Education Lottery currently has **\$1.6 billion in unrestricted reserves**.
- **Interest on the unrestricted reserves** alone in the most recent year **amounted to \$119 million**. That number alone could cover almost the entire cost of the proposed program.

In Fiscal Year 2025, The Education Lottery Reserve Totaled \$2.5 Billion, \$1.6 Billion in Unrestricted Education Lottery Reserves



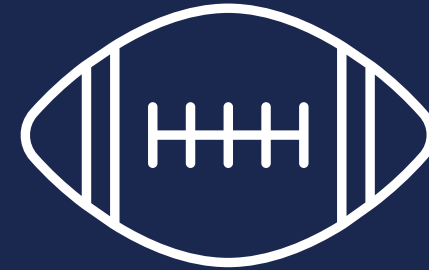
Source: GBPI Analysis of the Georgia Revenues & Reserves, Fiscal Year 2025, Education Lottery Reserves

A MODEST SUM



The cost to create a comprehensive need-based financial aid system that would benefit **118,000** Georgia students a year:

\$126 million



The cost to extend University of Georgia Football Coach Kirby Smart's contract:

\$130 million

GEORGIA HAS A STRATEGIC OPPORTUNITY TO INVEST IN ITS STATE

- Investing in need-based aid will **supercharge the Georgia economy**, which is already the #1 state to do business.
- Need-based aid may entice some students from leaving the state, **reducing brain drain** and retaining talent in Georgia.
- Lower debt burdens mean that borrowers will be able to **take on big financial hurdles earlier**, like purchasing a home or starting a family.
- Research has shown that the introduction of the Florida Student Assistance Grant program substantially **increased six-year graduation rates by 22%**.
- If Georgia takes advantage of this strategic opportunity to invest in its students and its economy, the state will likely see a **massive return on that investment**.

Estimated Return on Investment

Category	Number
Total Graduates Per Cohort Year	43,686
Current USG Graduation Rate	38.6%
Need-Based Aid Boost to Graduation Rate	22%
Additional 4-Year College Graduates Per Year	9,610
Lifetime Earnings Premium Per Graduate	\$1,418,108
Total Increased Earnings in Georgia	\$13.6 Billion
State Income Tax Rate	5.19%
Total Income Tax Generated Per Cohort Year	\$707,361,839
Estimated Cost of Need-Based Aid Per Cohort Year	\$119,244,391
Return on Investment for the State of Georgia	493%

Data from USG Analysis by Jeffrey Humphrey

THIS IS A POLICY SOLUTION

THANK YOU

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