**Fiscal Facts: Student Financial Aid in Wisconsin Is Doing Less to Keep College Affordable**

Total state financial aid to college and university students in Wisconsin has lagged or declined in the last decade, leaving students to shoulder more of the cost of education – and undermining a tool to stem the state’s higher education enrollment declines and workforce challenges.

Wisconsin has not prioritized financial aid programs in recent state budgets, according to a recent, in-depth Wisconsin Policy Forum report. Instead, state leaders’ college affordability efforts have focused on maintaining a tuition freeze for the University of Wisconsin System.

This approach holds down costs for all UW students but does not target those most in need, or help technical or private college students.

Key report findings include:

* State spending on grants, loans, and scholarships to undergraduate students grew rapidly from 2000 to 2011 but fell 0.5% between 2011 and 2021, without adjusting for inflation.
* Even adjusted for inflation, the average unmet need for in-state undergraduates receiving financial aid at all higher education institutions in Wisconsin has grown 135.6% from $3,755 in 2000 to $8,845 in 2021.
* The average Wisconsin Grant and federal Pell Grant combined paid for 91.4% of in-state undergraduate tuition at UW-Madison in 2002 but only 69% in 2021.
* Wisconsin’s 2020 spending on grants to undergraduates worked out to $541 per student, 44.8% lower than the national average of nearly $980 per undergraduate.
* Wisconsin’s total grant aid to undergraduates increased from $107.2 million in 2010 to $120.9 million in 2020, or 12.8%. That was 36th among the 50 states. Nationally, grant aid increased by 46%, or more than three-and-a-half times as much.

Studies point to financial aid making students more likely to enroll and remain in, and graduate from, college. Such outcomes are crucial as Wisconsin faces workforce shortages in key sectors — and as enrollment in its colleges and universities has declined more than nationally.

Now the state’s unprecedented fiscal standing may create an opportunity to support students while preparing more of tomorrow’s workers. The report looks at a few options that could make progress on financial aid at a relatively low cost.

These include, but are not limited to: consolidating aid programs scattered across state agencies to create a one-stop state information source on all public financial aid programs; tie financial aid to inflation or tuition costs; increase overall funding for need-based financial aid programs, or expand some need-based programs beyond flagship universities to serve students at other universities and colleges.

During the pandemic, students are among those who faced stark challenges. Now, policymakers may have an opportunity to strengthen financial aid programs in ways that could bolster Wisconsin’s students — and its economy — for years to come.

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