



REDESIGN AND EXPAND STUDENT AID TO IMPROVE HIGH SCHOOL AND POSTSECONDARY COMPLETION

The Opportunity and Why It's Important

Education and training beyond high school are key to preparing Oregonians for an era of increasingly complex, technology-dependent work and for closing opportunity gaps. College affordability and other barriers to access prevent students from historically underserved groups from achieving the same share of postsecondary credentials as their white counterparts. Expanding equitable access to postsecondary education increases state prosperity and shares it more widely at the same time.

Current Status

Oregon has ambitious education goals but middling performance. Over half of working-age Oregonians have some postsecondary credentials (through apprenticeships, certificates, industry certifications, and degrees) – slightly below the U.S. average (and nine percentage points below Washington State). Disaggregated data show that benefits of postsecondary education are inequitably distributed. While 56 percent of white Oregonians benefit from the increased earning power conferred by such credentials, that advantage is enjoyed by only 38 percent of Oregonians from underrepresented populations.

The high cost of postsecondary education, driven by a generation of public disinvestment, is a key access barrier. From 1990 through 2020, for example, a full year of average postsecondary tuition, adjusted for inflation and net of discounts and financial aid, has gone from just over \$3,000 to just over \$9,000. Student living expenses have also increased with everything else.

Oregon's two financial aid programs, the Oregon Opportunity Grant (OOG) and Oregon Promise, delivered \$657 per full-time student in 2020. That's well below the U.S. average of \$830, and less than half of the \$1,489 provided in Washington State.

Recommendations

Redesign financial aid to incent high school completion and increase postsecondary attendance and completion rates. Oregon made some progress on affordability during the past decade, but the two aid programs are relatively small and interact in ways that are difficult to explain to prospective students. A redesigned system would consist of three parts:

- **Evidence-based high school learning accounts**, funding for postsecondary studies that students would earn by meeting performance benchmarks as they progress through high school.
- **Expanded postsecondary financial aid**, basically, wider availability of Oregon Opportunity Grants for students aged 18-24, similar to Washington's College Grant Program.
- **Lifelong Learning Grants** tailored to the needs of adult learners for career transitions and retraining, including stronger wraparound support to help students stay on track with their studies.

Maintain state institutional support to reduce pressure on tuition increases, and give public universities and community colleges greater flexibility and incentives to reduce and contain costs.