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## **California Economy Missing Up to \$500 Million in Federal Dollars Due to Low Financial Aid Application Rates at Community Colleges**

Berkeley, CA – [New research](#) shows that hundreds of thousands of California Community College (CCC) students are eligible for federal Pell Grants but do not apply, leaving up to \$500 million unclaimed in 2009-10. These grants, worth up to \$5,350 each, can help students pay for college costs including textbooks, housing, food, and transportation as well as tuition and fees.

“Low financial aid application rates at California community colleges are leaving hundreds of millions of dollars on the table that could be helping more students earn a degree or transfer to a four-year school,” said Debbie Cochrane, program director at the Institute for College Access & Success, which published the new analysis. “Pell Grants go straight into our local economies where community college students pay for books, rent, gas, food, and other necessities.”

The most recent federal data show that only a third (33 percent) of CCC students apply for federal financial aid, compared to nearly half (46 percent) of community college students in [other states](#). If Pell-eligible CCC students simply applied for federal financial aid at the same rate as their counterparts in the rest of the nation, they could have received more than \$100 million in additional grant dollars during 2009-10. If *all* Pell-eligible CCC students applied and received grants, up to \$500 million more dollars would have flowed into California’s economy this academic year.

The Institute also found that full-time CCC students are just as likely to need financial aid as full-time students at the state’s four-year colleges, but more likely to have unmet need after aid has been awarded. The report also notes that that per-student funding of financial aid services is much lower at CCCs than at other public colleges in the state.

[Recent research](#) from MPR Associates Inc., a prominent education research firm, found that CCC students who received Pell Grants were more likely to earn a degree or become transfer-ready than students who did not receive grants. In a [separate analysis](#), MPR also found low financial aid application rates at the CCCs.

“Financial aid can make it possible for community college students to work reasonable hours, take more classes, and succeed academically,” said Cochrane. “In California, fees make up just five percent of what it really costs to go to community college. Students may not realize there’s much more help available to cover other costs, even if they’re attending part-time. To avoid missing out on hundreds of millions of dollars again next year, we need to make sure that more of California’s community college students apply for federal aid.”

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