



Minnesota
Education Equity
Partnership

Advancing **Race Equity** & Excellence

“Reducing Racial Disparities in College Completion: The Case for More Equitable Higher Education Financial Aid Policies in Minnesota”

Background:

College Equity = Economic Success

Creating a more equitable statewide higher education system that supports POCI students in completing college via certificate or degree attainment has been, and will continue to be, a key indicator marking the socioeconomic health of Minnesota. The state needs more highly skilled workers to support a growing economy and, completing a college credential is an issue of social and racial justice that can no longer be ignored.

Minnesota = Not a Race Equity Education State

The racial disparities in Minnesota’s higher education system are also among the worst in the nation. People of Color and American Indian and/or Indigenous students (POCI) are less likely to enroll, remain in, and succeed in college. The racial disparities in Minnesota’s higher education system, and more specifically the policies governing the financial aid system, have disproportionately impacted POCI students throughout the state. As a result, POCI students are far less likely to graduate with a college credential in Minnesota than their White peers.

MnEEP is examining Minnesota’s higher education financial aid system as a way to understand how it reflects systemic behaviors that drive inequities. We assert that Minnesota’s higher education financial aid policies, and the broader higher education financial aid system, contribute to racial disparities and consequences that negatively have an impact on POCI students’ college completion.

Most importantly, the study asserts that updating and reforming the higher education financial aid system and policies of Minnesota will unleash the talents and creativity of People of Color and American Indian and/or Indigenous students.

Policy Recommendations: A New Call to Action in Financial Aid

The policy recommendations represent a **new call to action**. This call to action demands the use of a race equity “lens” to support the crafting of new, innovative, and supportive higher education financial aid policies that are specifically designed to help POCI students succeed. A race equity lens requires asking deeper questions on: what racial disparities we need to eliminate, assessing what groups are most adversely impacted by current policy, engaging those most impacted by the policies, and understanding how proposed solutions get to the root causes of the problem.

A more racially equitable financial aid system in Minnesota creates significant increases in financial investments targeted specifically, toward POCI students. The design of that system must respond to the unique social-financial challenges and realities POCI students face and not assume that a “one size fits all” meets their needs. These recommendations identify existing limitations built into the present financial aid design that work against POCI student real-world realities.



Minnesota
Education Equity
Partnership

Advancing **Race Equity** & Excellence

Additional steps involving other aspects of financing higher education and changing institutional practices at the campus and system levels will be needed and, as such, MnEEP calls upon other institutions to conduct further research on Minnesota's Higher Education Finance System.

- **Recommendation A** – reduce the student responsibility for the Minnesota State Grant.

Race Equity Lens: increase the State's duty to making racially equitable student financial aid investments in POCI students to increase college completion of POCI students.

- **Recommendation B** - increase the calculation for the cost of living allowance for financial aid.

Race Equity Lens: decrease the State's unrealistic expectations of POCI students' financial capacity to fund their education.

- **Recommendation C** - extend the State grant eligibility to the equivalent of 10 full-time semesters (150 credits) and developmental education courses should not count against state grant eligibility.

Race Equity Lens: modernizing the State grant program to recognize the unique pathways POCI students take to complete college and the state's refusal to connect K-12 with postsecondary opportunities.

- **Recommendation D** – provide support and hold systems accountable for all POCI students attending high poverty school districts to apply for financial aid.

Race Equity Lens: centering state policy on powerfully equipping POCI students with the tools to access financial aid.

- **Recommendation E** - Expand Minnesota Work Study

Race Equity Lens: making it possible for POCI students to earn income while being a part of campus communities.