Overview

• Large federal and state investment in higher education, but funding streams differ

• Big shift in levels of state and federal funding in recent years

• Levels of federal and state support varies across states
Federal and State Investments Are Both Sizable, But Different in Nature

Federal
- State financial aid grants: $13.6 Billion
- Federal Pell Grants: $27.7 Billion
- Federal research grants: $26.5 Billion
- Other federal financial aid grants: $10.5 Billion
- Federal veterans educational benefits: $2.2 Billion
- Other federal grant programs: $2.2 Billion

Total Federal Investments: $74.8 Billion

State
- State research, agriculture, and medical education appropriations: $11.0 Billion
- Other state financial aid grants: $10.2 Billion
- General purpose appropriations: $66.0 Billion

Total State Investments: $87.1 Billion

Local
- General purpose appropriations: $10.5 Billion

Total Local Investments: $10.5 Billion
Most Pell and Research Dollars Go to Public Institutions, While More Veterans Benefit Funding Flows to Private Ones

<table>
<thead>
<tr>
<th></th>
<th>Pell</th>
<th>Research</th>
<th>Post-9/11 GI Bill</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>70%</td>
<td>61%</td>
<td>37%</td>
<td>70%</td>
</tr>
<tr>
<td>Private Non-Profit</td>
<td>15%</td>
<td>0%</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>Private For-Profit</td>
<td>14%</td>
<td>37%</td>
<td>35%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Source: pewtrusts.org/fiscal-federalism
Federal and State Higher Education Funding Converged Shortly After the Recession
Federal and State Higher Education Spending Shifted Significantly During and After the Great Recession

Federal Pell grants
Federal veterans educational benefits
State general purpose appropriations
State research, agriculture, and medical education appropriations
Federal research funding
State financial aid grants
Federal and State Investments Are Both Sizable, But Different in Nature

Federal State Local

- State financial aid grants
- Federal Pell Grants
- Federal research grants
- Other federal financial aid grants
- General purpose appropriations
- State research, agriculture, and medical education appropriations
- Other federal educational benefit programs
- Federal veterans educational benefits
- General purpose appropriations

Federal:
- $40.0 Billion
- $27.7 Billion
- $1.7 Billion
- $26.5 Billion
- $13.6 Billion
- $3.3 Billion

State:
- $74.8 Billion
- $11.0 Billion
- $10.2 Billion
- $66.0 Billion
- $87.1 Billion

Local:
- $10.5 Billion
- $10.5 Billion

pewtrusts.org/fiscal-federalism
Federal Support for Postsecondary Education Via the Tax Code Expanded Substantially Around the Recession
$94 billion
Federal Student Borrowing Grew Sharply After the Recession and Has Since Been Declining
Public Institutions Rely on Federal, State, and Other Major Funding Sources at Varying Levels Across States

Federal revenue
Local revenue
Private gifts, investment returns, and endowment income
Self-supporting operations
All other
Key Takeaways

• Large federal and state investment in higher education, but funding streams differ

• Big shift in levels of state and federal funding in recent years

• Levels of federal and state support varies across states