

SUPPORTING NEAR-THRESHOLD PELL GRANT RECIPIENTS THROUGH FINANCIAL LITERACY AND FAMILY ENGAGEMENT

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Who Are Near-Threshold Pell Grant Recipients?

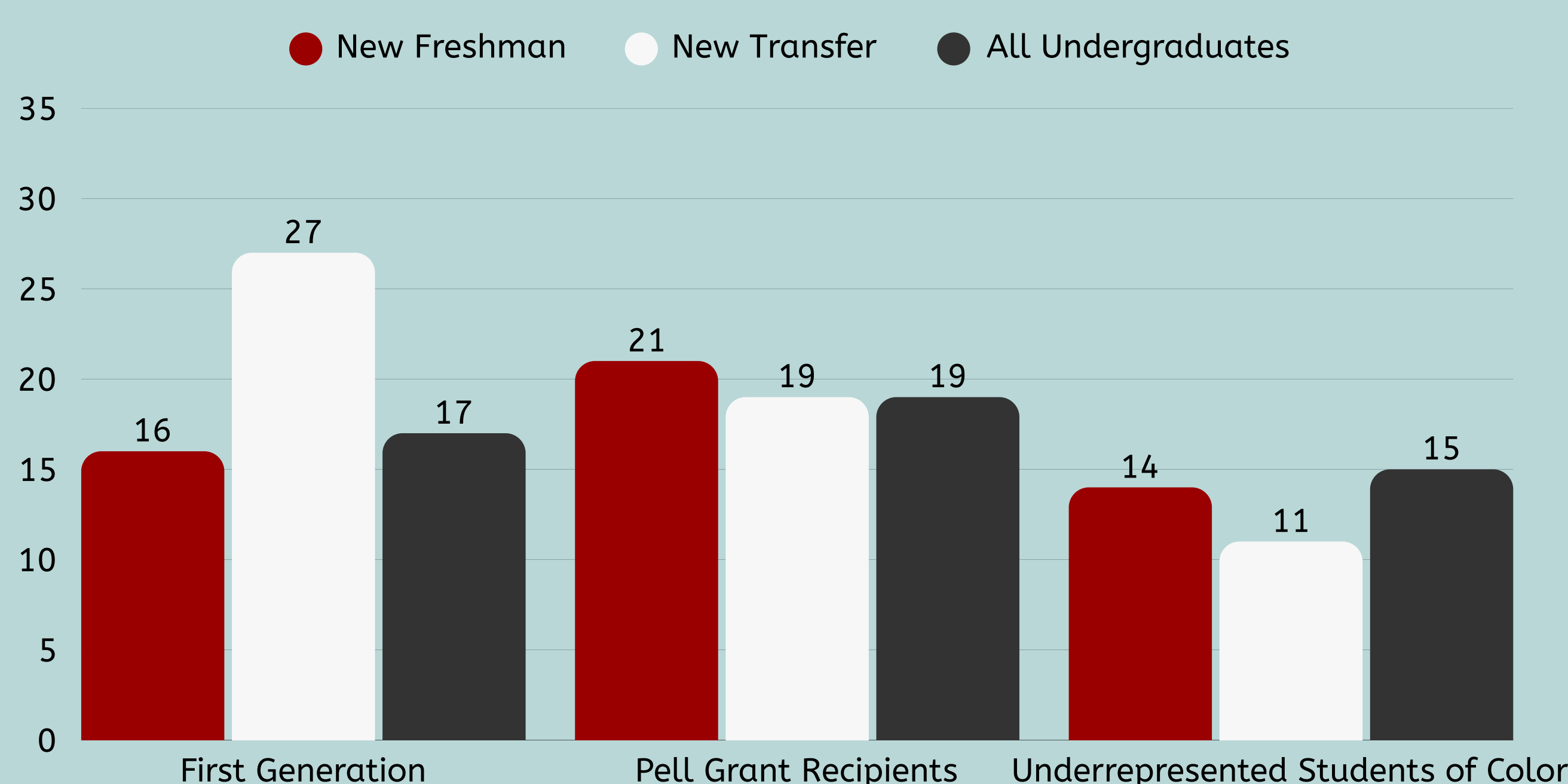
- Near-threshold Pell Grant recipients are students who qualify for the minimum Pell Grant, typically coming from families earning \$50,000–\$60,000
- Students are considered for the grant via FAFSA; eligibility set by the federal government
- Often face high unmet financial need
- May receive limited institutional aid and rely more on loans
- Families have limited ability to contribute
- At greater risk of stopping out due to financial pressures

Objective

How can the Office of Student Financial Aid better support these near-threshold Pell Grant recipients with targeted financial literacy tools and strategies to engage their families in conversations about paying for college?

*This challenge aligns with the Division of Enrollment Management's (DEM) strategic framework by addressing issues of access, affordability, and student success—particularly for those at the margin of need-based aid. Supporting this population advances equity goals and strengthens student retention and satisfaction.

Percentage of Undergraduates in Fall 2024



Learning From Our Big 10 Peers

01

Many peers award funding to their in-state residents similar to our Promise Programs:

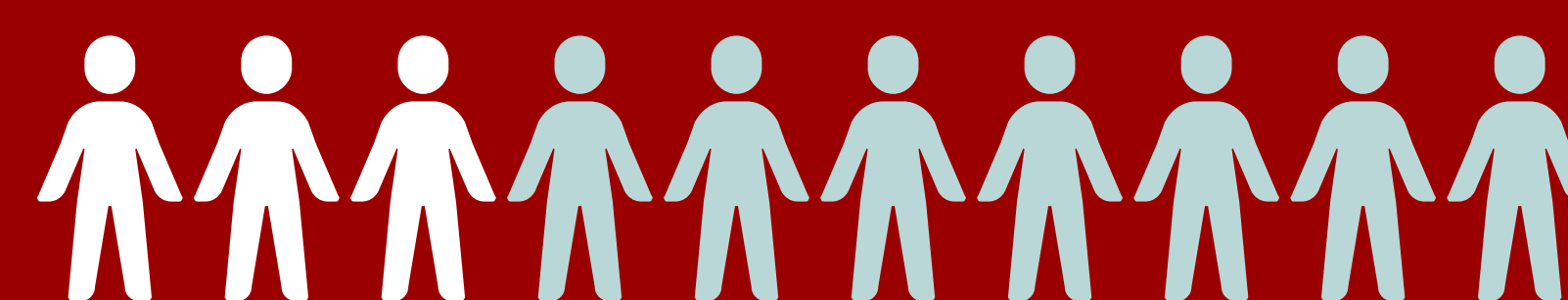
- University of Washington - Husky Promise
- University of Oregon - Pathway Oregon
- Purdue University - Boiler Gold Grant
- University of Michigan - Go Blue Guarantee
- Michigan State University - Spartan Tuition Advantage
- University of Maryland - Terrapin Commitment
- Ohio State University - Buckeye Opportunity Program

02

Areas of Growth

- Establishing a financial literacy course or money management platforms (ex: CashCourse) like Indiana University, Purdue University, and University of Michigan
- How to Read Your Bill breakdown like the University of Nebraska

About 3 in 10 students receive the Federal Pell Grant at UW-Madison



Data pulled from the University of Madison's 2024–2025 DATA DIGEST and UW-Madison News (2025), *Access and affordability drive record interest news article*

Best Practices

1. Early Financial Need Identification

- Use FAFSA/CSS data to flag near-threshold Pell students during admissions
- Communicate unmet need and supports early to reduce summer melt and set expectations

2. Targeted Aid Packaging

- Pilot small renewable “bridge grants” (\$500–\$1,500/year) for students just above Pell threshold
- Track impact on retention, GPA, and borrowing

3. Continuous Assessment & Feedback

- Monitor outcomes with dashboards (retention, time-to-degree, loans)
- Gather student feedback to refine supports
- Share results to guide policy

4. Loan Education

- Offer transparent programming on student loans and debt implications
- Share key considerations and reminders to promote informed financial decisions

5. Campus Collaboration

- Partner with student affairs, housing, and advising to refer at-risk students to aid resources
- Encourage faculty flexibility for students facing financial barriers (e.g., textbook delays, tech issues)

Strategy Development

1. Strengthen Partnerships

- Collaborate with Admissions (OAR) and Financial Aid (OFSA) for joint events
- Provide tailored financial aid info at MoneyWise/Money Hour, Open House (prospective students), and Future Badger Day (admitted students)

2. Support Access Partners

- Create a general OSFA presentation for partners (e.g., TRIO, Upward Bound, AVID)
- Share resources for special populations

3. Short-Term Goals

- Add OSFA website section with:
 - Financial aid basics
 - FAQ and glossary
 - Financial literacy tips

4. Long-Term Goals

- Explore credit-based financial literacy courses in partnership with campus offices
- Pilot through Summer Term programs (e.g., CAE, CeO)

The Case for Supporting Marginal Pell Grant Recipients

Advance Equity & Access: Support near-threshold Pell students to expand affordability for working and middle-class families

Improve Student Success Metrics: Targeted aid (grants, emergency funds) boosts retention and graduation rates

Reduce Financial Barriers: Lower reliance on loans to minimize debt and promote long-term financial stability