edtrust IN TEXAS

TEXAS BUSINESS LEADERSHIP COUNCIL

Invest To Finish:
Policies To Improve Emergency Aid and Boost Postsecondary Completion in Texas

Texas' economic strength depends on a steady pipeline of skilled, credentialed workers prepared to meet the demands of a fast-changing global economy. This critical need was recognized by Gov. Greg Abbott through the recent launch of the Texas Jobs Council, an advisory board to strengthen workforce development initiatives and ensure Texans are equipped to fill the state's growing number of high-demand jobs. This requires a more educated workforce, but affordability challenges in our state's postsecondary system threaten that progress.

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Challenges to Higher Education Affordability in Texas

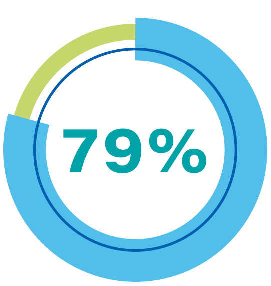
Research shows that graduates who obtain a postsecondary degree or credential earn a substantial wage premium in the labor market and face significantly lower poverty and unemployment rates than those with no education beyond high school. However, as the cost of attendance continues to rise and college becomes less affordable despite tuition freezes, students are forced to forgo, delay, or abandon their pursuit of the college and career credentials needed to compete for the state's high-demand, high-wage jobs.

The Texas Higher Education Coordinating Board's Texas Talent Trajectory (T3) analysis of recent high-school cohorts reveals that 67% enrolled in postsecondary education, but only 50% completed a credential within six years. **The gap is far wider for economically disadvantaged students: 57% enroll, yet only 38% complete within six years.** This completion gap represents nearly 68,000 students from low-income backgrounds — and an estimated $31.6 billion in lower combined lifetime earnings for these cohorts alone.[1]

According to Texas 2036 research, an estimated 1 in 10 students earn 60 or more credit hours in public Texas higher education institutions but leave without completing a credential. These "potential completers" are more likely to demonstrate higher levels of financial need, highlighting the role that financial pressures play in their decision to leave despite investing years of study and thousands of dollars in their education.[2] Among students who stop out of college or consider doing so, 79% cite basic needs insecurity or financial challenges as the underlying reason.[3]

While many complex causes contribute to the completion gap for students from low-income backgrounds, unmet financial need is a clear and significant factor. Unmet need refers to the amount a student still needs to pay for college after all financial aid, work-study, and expected family contributions have been accounted for. Receipt of financial aid, therefore, serves as a fundamental lever for reducing anticipated unmet need and is strongly associated with degree completion. Longitudinal analysis of national data demonstrates that receiving scholarships or grants more than doubles completion odds for economically disadvantaged youth.[4] While the majority of financial assistance is federally funded, students who receive state-authorized need-based aid are consistently more likely to persist and graduate within six years compared to students from low-income backgrounds who do not receive such aid.[5]

When it comes to awarding need-based aid, Texas is tied for first nationally, with 100% of its grant aid operating as need-based programs. In terms of award amounts, Texas is tied for 16th nationally, with an average of $1,220 in state aid per full-time equivalent student.[6] Two foundational programs — the Toward EXcellence, Access and Success (TEXAS) Grant, authorized in 1999 for students enrolled at public universities, and the Texas Educational Opportunity Grant (TEOG), authorized in 2001 for students attending public two-year institutions — repeatedly face fiscal pressures, hindering the state's long-standing commitment to serving 70% of eligible students demonstrating need. Despite data supporting improved graduation and persistence rates for recipients compared to low-income students not receiving such aid, both programs are projected to reach just 67.5% of eligible students in the current biennium.



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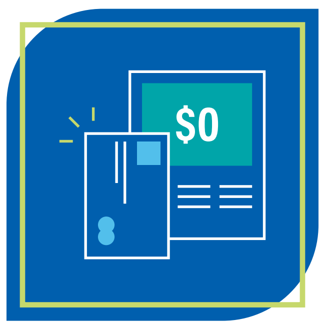
Unfortunately, **Texas students commonly face significant levels of unmet need, averaging $11,682 at public two-year institutions and $11,421 at public four-year institutions.**[7] Analysis from Trellis Strategies' State of Student Aid in Texas reveals that just 35% of students with $10,000 or more in unmet financial need graduate within six years, compared to 62% of students with no unmet financial need.[8] While tuition and fees have increased slightly in recent years, non-tuition expenses such as food, housing, transportation, and childcare make up a growing majority of students' cost of attendance. **Non-tuition expenses represent roughly 80% of the total cost to attend a Texas community college and more than 65% of the total cost at a public four-year institution.**[9]

Confronting these financial barriers, many Texas students work long hours while enrolled. Two-thirds of Texas students report working for pay while enrolled, yet **only 4% are able to solely rely on personal savings and/or current wages to pay for school.**[10] Despite students' best efforts to invest in their education, this demonstrates how the compounding effects of unmet financial need interfere with their ability to successfully complete. Fifty-nine percent of Texas students report experiencing at least one form of basic needs insecurity, such as food or housing. Financial margins are so thin that 73% reported running out of money at least once and **58% reported they would have difficulty finding $500 in cash or credit for an unexpected need,** demonstrating how a simple car repair bill or unforeseen medical expense can derail a student's education.[11]

Texas Undergraduate Students' Financial Challenges

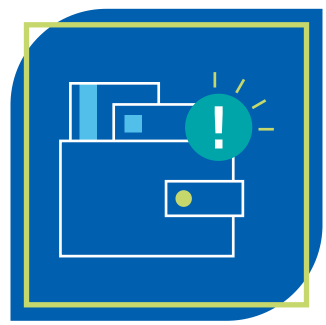
4%

were able to rely on their savings and/or wages to pay for school



73%

reported running out of money at least once



58%

would have trouble getting $500 for an unexpected expense

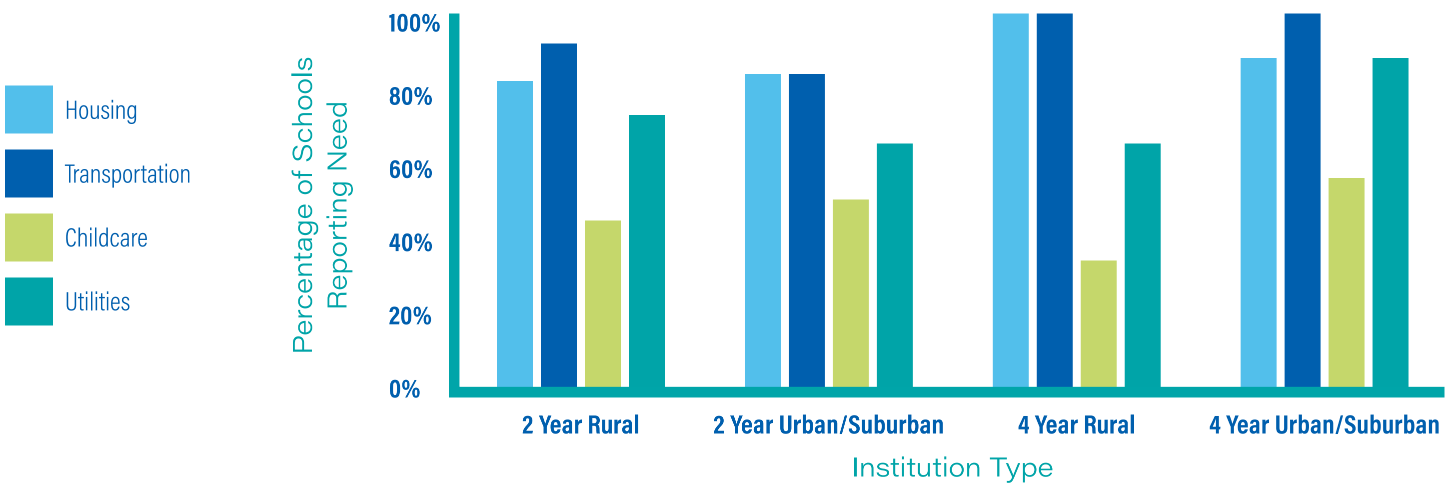
Emergency aid programs — short-term grants intended to address urgent, unexpected financial hardships — have emerged across Texas institutions as a practical, targeted response to these challenges. By helping students cover immediate costs that threaten continued enrollment (such as food, housing, transportation, childcare, technology, or emergency bills), emergency aid complements the state's foundational investments in need-based financial aid. State need-based programs such as TEOG and TEXAS grants remain the most powerful affordability levers for improving completion. Emergency aid is not a replacement for these investments; rather, it is a strategy to maximize the return on the state's prior investments in students by preventing short-term financial emergencies from leading to stop-outs. Available research — including data from Texas institutions — consistently shows that receipt of emergency aid is correlated with improved persistence. Across a cohort of 10 Texas colleges that have implemented comprehensive programs, 75% of students receiving emergency aid persisted to the next academic year.[12] While research on completion outcomes is mixed, the evidence consistently points to program design as the key differentiator, with the strongest results occurring when aid is delivered quickly and paired with proactive student support services.[13]

The State of Emergency Aid at Texas Institutions

To better understand how emergency aid programs operate in Texas, the Texas Business Leadership Council and EdTrust in Texas conducted a mixed-methods landscape analysis at the state's public higher education institutions. Our findings are based on survey results from 35 institutions and focus group interviews with 11 of the respondents. Additional research was conducted online and by directly contacting student support and financial aid offices.

Emergency aid has become a core component of student success infrastructure across Texas. Although programs differ in size, administration, and available resources, **90% of the state's public institutions now offer some form of emergency financial assistance, with awards typically under $600.**

The survey results also provide insight into the types of challenges driving students to seek emergency assistance. Across institution types and geographic settings, emergency aid requests overwhelmingly reflect students' basic needs.



Housing and utilities are consistently the most frequent reasons students seek emergency aid, particularly at urban and suburban four-year institutions where housing is universally identified as a primary need. Transportation is also a leading request across all sectors, with more than 80% of institutions reporting it as a need.

In addition to emergency assistance, Texas institutions report offering a wide range of support services designed to improve persistence and completion.

Wraparound Supports Provided by Texas Public Institutions

SUPPORT SERVICES OFFERED BY SURVEY RESPONDENTS	2-YEAR INSTITUTIONS	4-YEAR INSTITUTIONS	RURAL	SUB/URBAN
Career Support	68%	88%	50%	93%
Clothing Donations	47%	81%	43%	73%
Childcare Support	68%	38%	50%	53%
Food Pantry	84%	94%	79%	93%
Housing Support	58%	56%	36%	67%
Medical	11%	0%	14%	0%
Social Services Referrals	78%	75%	64%	87%
Transportation Assistance	89%	50%	79%	60%
None	11%	0%	14%	0%

The prevalence of these wraparound support services demonstrates that most Texas institutions view emergency aid not as a standalone financial intervention, but as an essential component of a broader student success strategy aimed at providing flexible responses to complex student needs. This aligns with national research finding that the combination of emergency aid with case management and integrated support services produces stronger gains in persistence and completion outcomes.

Our analysis of the emergency aid landscape also revealed three key findings that present opportunities for improvement:

1. **Emergency aid programs are administered inconsistently across institutions.** While some discretion and flexibility are necessary for institutions to design and implement responsive programs, survey results revealed notable differences in award amounts, student eligibility requirements, and allowable expenses. For example, a majority of institutions (69%) report average awards under $600, while several report amounts greater than $1,000. Similarly, most have student eligibility rules limiting the number and frequency of applications (66%), maximum award amounts (66%), and academic standing (60%), yet these are not universally applied. Despite these variations, one area of notable consistency is the processing time: nearly every institution (94%) processes applications and disburses funds within two weeks, with most (77%) reporting turnaround times under five business days.

2. **Emergency aid programs rely on fragile, frequently restricted funding sources that are insufficient to meet demand.** Roughly two-thirds of surveyed institutions report that they cannot consistently meet student demand. After federal pandemic-era emergency aid funds were largely depleted by 2023, most institutions returned to philanthropic and institutional funding streams. More than half of institutions (54%) report that philanthropy, foundations, and private donations supply the majority of their emergency aid funding. While philanthropic partners are indispensable, donor restrictions or requirements sometimes misalign with an institution's program design or students' varied urgent needs. Several institutions report having unused donor funds because their campus does not serve enough students within narrowly defined target populations, while others face waiting lists when available funds are exhausted. To address these challenges, institutions are supplementing or leveraging non-philanthropic funding sources, including institutional and tuition set-aside dollars.

3. **Institutions frequently lack the data systems and administrative capacity to track the long-term impact of emergency aid receipt.** About 30% of surveyed institutions do not collect recipient-level outcomes data on emergency aid. Even among institutions that do track outcomes, metrics are inconsistent, with many reporting only immediate retention or next-term persistence. Smaller campuses frequently have less robust data systems and dedicated staff; often, a single staff member juggles emergency aid administration with other responsibilities, constraining robust data collection and program evaluation. While interview participants all report that emergency aid helps students persist, without standardized reporting and analytic capacity to track long-term outcomes, it is difficult to drive program improvement or fully demonstrate the impact on credit momentum, retention, and credential completion — data that informs policy and practice at scale.

Opportunities for Improvement | 3 Key Findings

1 Emergency aid programs are administered inconsistently across institutions.

2 Emergency aid programs rely on fragile, frequently restricted funding sources that are insufficient to meet demand.

3 Institutions frequently lack the data systems and administrative capacity to track the long-term impact of emergency aid receipt.

Policy Considerations for Strengthening Emergency Aid in Texas

The reach and focus of a state's need-based financial aid programs provide essential context for emergency aid programs. Upfront aid directly mitigates unmet financial need and reduces the likelihood that an unanticipated emergency will derail a student's academic progress. Texas has core investments in need-based financial aid, such as TEXAS Grant and TEOG, that improve persistence and completion. These programs drive long-term improvements in outcomes and must remain central to any policy discussion.

Emergency aid should be understood as a complementary tool that preserves the value of the state's broader, long-term investments by preventing temporary financial challenges from causing significant delays or permanently stopping student completion. Our research findings point to clear opportunities for state policy to address practical challenges and strengthen institutions' emergency aid programs at no significant cost to the state and without supplanting existing need-based programs:

1. **Provide institutions with more predictable, flexible funding sources that can be deployed quickly to meet a range of non-tuition needs.** Virginia offers an instructive example, allowing institutions the discretion to allocate up to 1% of awarded state need-based financial aid for emergency aid. Our research suggests that Texas institutions lack clarity around existing state and institutional funding sources that could be distributed as emergency aid.
2. **Provide institutions — especially smaller and rural campuses — with access to capacity-building resources.** This support, whether through flexible funds or a matching grant modeled on the Texas Higher Education Coordinating Board's Student Success Acceleration Program (SSAP), should enable institutions to invest in dedicated personnel and data systems to efficiently deliver programs and monitor outcomes.
3. **Establish statewide guidance and data collection standards to identify best practices and assess program efficacy across institutions.** Given the notable variation in how institutions administer emergency aid, establishing clear implementation guardrails and data collection protocols would foster consistent program delivery and enable the aggregation of evidence. Common data collected by other states includes the number and amount of grants awarded, reasons for student requests, and recipients' retention and completion outcomes. Such information is vital to inform future state policy design and to guide investments in practices proven to drive student persistence and completion.

Conclusion

Emergency aid has emerged as a targeted intervention widely used by Texas institutions to help students weather unpredictable financial crises and stay on track to credential completion. While state investment in traditional need-based aid programs should remain the foundation of the state's higher education affordability strategy, emergency aid functions as a vital complementary tool that protects this investment by reducing stop-outs, increasing credential completion, and facilitating entry into the workforce to address critical skills gaps. To advance these goals, the Texas Legislature should consider policy solutions that provide institutions with clear guidelines and flexibility to enhance their programs while standardizing outcomes reporting and preserving the state's investment in existing need-based financial aid programs.

About the Texas Business Leadership Council

The Texas Business Leadership Council (TBLC) is a network of Texas based CEOs and senior business executives focused on advancing a long-term vision of a prosperous Texas in a globally competitive business environment. For more information, visit txblc.org.

About EdTrust in Texas

The Education Trust (EdTrust) partners with students, families, educators, and communities across Texas to expand educational opportunity and excellence from early childhood through college and career. For more information, visit edtrust.org/texas.

1 Based on analysis of THECB Texas Talent Trajectory (T3): https://databridge.highered.texas.gov/the-texas-talent-trajectory/

2 Texas 2036, Earned But Not Awarded: https://texas2036.org/wp-content/uploads/2025/10/Earned-But-Not-Awarded-Report-Oct-2025.pdf

3 Hope Center's 2023-2024 Basic Needs Survey: https://hope.temple.edu/research/hope-center-basic-needs-survey/2023-2024-student-basic-needs-survey-report

4 ChildTrends, Public Benefits and Financial Aid Support Education Beyond High School and Long-Term Economic Well-Being for Low-Income Young Adults: https://www.childtrends.org/publications/public-benefits-financial-aid-support-education-low-income-young-adults

5 Based on analysis of THECB Fiscal Year 2024 Report on Student Financial Aid in Texas Higher Education: https://reportcenter.highered.texas.gov/reports/legislative/report-on-student-financial-aid-in-texas-higher-education-fiscal-year-2024/

6 Based on analysis of College Board's Trends in Student Aid: https://research.collegeboard.org/trends/student-aid

7 THECB Fiscal Year 2024 Report on Student Financial Aid in Texas Higher Education: https://reportcenter.highered.texas.gov/reports/legislative/report-on-student-financial-aid-in-texas-higher-education-fiscal-year-2024/

8 Trellis Company, State of Student Aid and Higher Education in Texas: https://files.eric.ed.gov/fulltext/ED625705.pdf

9 Based on analysis of THECB College Student Budget (CSB) 2026: https://reportcenter.highered.texas.gov/agency-publication/miscellaneous/2025-2026-college-costs-table/

10 Trellis Strategies Student Financial Wellness Survey, Fall 2025 Results: https://www.trellisstrategies.org/wp-content/uploads/2026/04/SFWS-Aggregate-Report_FALL2025_FINAL.pdf

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13 HCM Strategists, State Strategies for Scaling Emergency Aid: Insights from a Florida Landscape Analysis: https://hcmstrategists.com/resources/state-strategies-for-scaling-emergency-aid-insights-from-a-florida-landscape-analysis