

For Immediate Release

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## New Report Makes a Case for Need-based Financial Aid in Georgia

**ATLANTA** (December 8, 2011) - Georgia is far from graduating enough students to meet future workforce demands, according to the new report, Making a Case for Need-based Financial Aid in Georgia, released today by the Georgia Budget and Policy Institute (GBPI).

By 2020 an estimated 61 percent of all jobs in the state will require a career certificate or college degree; however, only 34 percent of adults in Georgia have an associate degree or higher. This creates a sizable skills gap that must be closed. The report found that a need-based financial aid program coupled with a reallocation of existing state funding could help to close the skills gap and make higher education more affordable for low-income students.

“Making college more affordable is important for the overall economic health of Georgia. Providing our students with an opportunity to pursue higher learning and build valuable skills equates to a more educated workforce, which is a vital investment in Georgia’s economy,” said Alan Essig, GBPI Executive Director.

Various factors, including cost, influence whether a student pursues a postsecondary education and ultimately completes a program of study. The cost of higher education in Georgia has steadily increased over the past decade. Tuition and fees have increased by an average annual rate of 12.6 percent since 2000. The report highlights how the increasing cost of higher education and disinvestment in state support for higher education may limit access to higher education in Georgia.

Georgia is the only southern state that does not have a need-based grant aid program. Ironically, the state does however offer a loan program. For FY 2012, the state allocated \$20 million of higher education lottery funding for an interest bearing loan program for students that demonstrate financial need.

“Reallocating current funding for the loan program toward a need-based grant aid program will not only get more students into the higher education pipeline, it will also reduce the amount of debt students incur. Establishing a meaningful need-based financial aid program presents an opportunity to make certain that more students exit the higher education pipeline with a credential that has value in the market place,” said Cedric Johnson, GBPI Policy Analyst. “Ultimately, Georgia’s ability to attract and retain good paying jobs will largely depend on the quality of its workforce.”

The GBPI’s report offers several recommendations to help build a workforce that can meet the demands of a 21st century economy. [Visit the GBPI website to download the full report.](#)

To schedule a media interview, contact Utoia Wooten at [uwooten@gbpi.org](mailto:uwooten@gbpi.org) or on 404.420.1324 ext. 109.

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### About the Georgia Budget and Policy Institute

GBPI is the state’s leading independent, nonpartisan nonprofit engaged in research and education about the fiscal and economic health of the state of Georgia. GBPI provides reliable, timely analysis of Georgia’s budget and tax policies, and promotes greater state government fiscal accountability, improved services and an enhanced quality of life for all Georgians.