Tracking the Reach of Emergency Relief Funds During the Pandemic

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The coronavirus pandemic brought unprecedented challenges to higher education, intensifying long-standing systemic inequities in college affordability and access. For many students, the total cost of attendance — including tuition, housing, food, transportation, and technology — exceeds what they can afford, even with financial aid. This persistent gap in financial aid has forced countless students, particularly those from low-income backgrounds, to reduce their course loads, work excessive hours, or leave college altogether.

To address these challenges, the federal government established the Higher Education Emergency Relief Fund (HEERF) through the CARES Act. Over three years, this program provided nearly $76 billion to colleges and universities, with over $30 billion going directly to students, representing a historic investment in higher education during a time of crisis. These funds were intended to stabilize financially strained institutions while delivering direct emergency aid to students to address critical needs and support student retention.

However, the federal government gave institutions significant discretion on how to distribute these funds to students. While students had to be Title IV eligible under HEERF I, there were no specific eligibility criteria under HEERF II and III, though institutions were urged to prioritize Pell-eligible students. This posed a considerable challenge for many financial aid offices. Staff — some without the benefit of large teams or established protocols — had to determine how to equitably allocate emergency aid. These efforts were complicated by remote work environments, as financial aid staff worked to adapt their processes while navigating the same uncertainties and disruptions affecting their students.

While EdTrust previously published two studies on the distribution and impact of HEERF funding on public four-year and community college students in Texas, this brief looks at the effects of HEERF aid on students across the country, particularly how it impacted student retention during the COVID-19 pandemic.

This brief explores:

- **The relationship between emergency aid disbursement and retention rates across various demographic and institutional contexts**
- **How HEERF reduced common financial barriers to higher education**
- **The strategies institutions employed to allocate funds equitably**

In 2020, the Department of Education launched a public transparency portal to track how institutions were using Education Stabilization Funds (ESF). EdTrust used these publicly available reports to analyze the allocation and disbursement of HEER funds. Although each annual reporting period required institutions to submit distinct key metric reports, approximately 134 variables remained consistent across the three years of data collection. The final dataset includes a total of 4,814 unique institutions, representing data reported during the 2020-2022 period.

Findings

Institutions varied in their approaches to disbursing emergency aid to students, with significant differences observed based on institutional control, MSI designation, and the racial and ethnic composition of their student bodies. Our analysis found seven key takeaways.

1. Institutions that predominantly offer certificate programs typically allocated the highest average amount of aid to their students.

As Figure 1 shows, when we examined data by control and over time, we found that institutions that predominantly offer certificates frequently allocated the highest amounts of emergency aid per student. On average, students in these programs received the most aid at private nonprofit institutions, with an average of $2,046 per student in 2022. In that same year, institutions focused on certificate programs awarded an average of $1,417 per student, compared to $1,292 for those that primarily offer associate degree programs and $1,219 for those that primarily offer bachelor's degree programs. This, combined with lower average student enrollment in certificate programs, likely contributed to the higher per-student disbursements observed at these institutions.

Figure 1: Average Emergency Aid Distributed To Students By Predominant Degree Granted

		2020	2021	2022
Public	Certificate	$1,086	$1,635	$1,417
	Associate Degree	$872	$1,496	$1,292
	Bachelor's Degree	$966	$1,747	$1,219
	Graduate Degree	$888	$894	$902
	Not Reported		$1,565	$1,201
Private Not-For-Profit	Certificate	$1,168	$2,034	$2,046
	Associate Degree	$1,171	$2,004	$1,630
	Bachelor's Degree	$1,043	$1,948	$1,580
	Graduate Degree	$868	$1,678	$1,243
Private For-Profit	Certificate	$1,287	$1,524	$1,357
	Associate Degree	$1,260	$1,697	$1,185
	Bachelor's Degree	$1,472	$1,536	$1,337
	Graduate Degree	$746	$1,052	$728
	Not Reported		$655	$1,027

N = 4,814 Source: EdTrust analysis of the Department of Education's Education Stabilization Fund (ESF) data 2020-2022 reports.

2. Historically Black colleges and universities most often allocated, on average, the highest or second-highest amount of aid to their students.

Minority-serving institutions (MSIs) played a critical role in delivering emergency aid to students from communities hit hardest by the pandemic. As Figure 2 shows, the only time in which non-MSIs provided more per-student aid than MSIs was in 2020; and only in 2020 and 2021did non-MSIs provide more per-student aid than private for-profit non-MSIs. Among MSIs, Historically Black colleges and universities (HBCUs) distributed the highest average amounts of aid to their students at public universities, amounting to $2,539 per student. Other MSIs, such as Native American non-tribal institutions (NANTIs) and tribal colleges and universities (TCUs), also allocated substantial aid to their students. This is unsurprising, since Black and Native American students tend to have lower expected family contributions, on average, than students from other racial and ethnic groups.

FIGURE 2: Average Emergency Aid Distributed To Students By Minority-Serving Institution Status

		2020	2021	2022
Public	Non-MSI	$1,011	$1,589	$1,261
	AANAPII	$775	$1,521	$1,365
	ANNHI	$805	$1,333	$1,183
	HBCU	$906	$2,539	$1,906
	HSI	$839	$1,576	$1,326
	NANTI	$917	$1,362	$940
	PBI	$868	$1,378	$1,249
	TCU	$885	$1,924	$2,241
Private Not-For-Profit	Non-MSI	$1,034	$1,858	$1,496
	AANAPII	$1,200	$2,181	$1,836
	ANNHI	$989	$2,534	$2,182
	HBCU	$1,212	$2,632	$3,113
	HSI	$1,027	$2,192	$1,820
	NANTI	$1,767	$3,404	$1,784
	PBI	$1,109	$2,568	$1,499
	TCU	$670	$2,312	$2,101
Private For-Profit	Non-MSI	$1,284	$1,530	$1,324
	HSI	$1,004		$4,119

N = 4,814 Source: EdTrust analysis of the Department of Education's Education Stabilization Fund (ESF) data 2020-2022 reports.

3. American or Alaska Native students were more likely to receive less emergency aid, on average, than other students in 2021 and 2022.

Figure 3 shows that, on average, Black students received the highest levels of aid at public and private nonprofit institutions. Native American or Alaska Native students consistently received lower average amounts of aid across all institutional control types; however, public TCUs and HBCUs disbursed higher than average amounts of emergency aid to Native American or Alaska Native students. These inequities were most pronounced at private institutions; the gap between the highest and lowest average aid allocations was approximately $402 at private nonprofit institutions and $445 at private for-profit institutions. In contrast, public institutions had smaller disparities, with an average gap of about $167.

FIGURE 3: Average Emergency Aid Distributed To Students By Race Or Ethnicity

		2021	2022
Public	Asian	$1,508	$1,180
	Black	$1,635	$1,318
	Latino	$1,535	$1,230
	Native American or Alaska Native	$1,452	$1,168
	Pacific Islander	$1,484	$1,289
	White	$1,567	$1,241
Private Not-For-Profit	Asian	$1,774	$1,456
	Black	$2,100	$1,711
	Latino	$2,024	$1,611
	Native American or Alaska Native	$1,782	$1,322
	Pacific Islander	$1,950	$1,501
	White	$1,686	$1,454
Private For-Profit	Asian	$1,811	$1,076
	Black	$1,617	$1,281
	Latino	$1,468	$1,293
	Native American or Alaska Native	$1,295	$1,111
	Pacific Islander	$1,139	$1,083
	White	$1,538	$1,273

N = 4,028 Source: EdTrust analysis of the Department of Education's Education Stabilization Fund (ESF) data 2021 & 2022 reports.

4. Institutions that considered a student's FAFSA dependency status, as well as the costs of food, course materials, and on-campus/off-campus living when determining aid typically awarded the highest median amounts of emergency aid to students.

As Figure 4 shows, institutions used a variety of factors to determine how much emergency aid to distribute to students. Institutions that considered whether a student is independent or dependent on the FAFSA, as well as the costs of food, course materials, or on-campus/off-campus living tended to allocate the most aid to their students. Many schools also required students to complete applications as part of the aid process. These institutions provided, on average, about $203 more in aid per student than schools that did not require applications. Schools that required applications *and* considered the elements within those applications provided an average of $28 more than institutions that only required applications.

FIGURE 4: Median Emergency Aid Distributed To Students By Aid Determination Category

Increases / Decreases	2020		2021		2022	
	Considered	Did Not Consider	Considered	Did Not Consider	Considered	Did Not Consider
Application Required	$979.91	$808.19	$1,557.08	$1,362.63	$1,261.90	$1,016.17
Academic Level	$840.39	$886.71	$1,534.72	$1,463.56	$1,144.13	$1,137.51
Administrative Data	$875.88	$1,069.52	$1,479.78	$1,539.69	$1,137.77	$1,348.09
Application Elements	$993.03	$947.54	$1,594.90	$1,486.18	$1,288.57	$1,223.96
Childcare	$1,037.70	$878.10	$1,605.72	$1,571.80	$1,266.90	$1,345.44
Course Materials	$1,006.96	$945.00	$1,635.91	$1,496.22	$1,315.38	$1,230.70
Enrollment Intensity	$829.97	$932.33	$1,448.68	$1,510.07	$1,113.18	$1,174.65
FAFSA Elements	$878.65	$874.02	$1,537.89	$1,340.61	$1,143.91	$1,123.58
FAFSA Estimated Family Contribution	$879.26	$866.29	$1,538.28	$1,469.22	$1,140.41	$1,155.78
FAFSA Family Income	$1,011.74	$862.83	$1,713.35	$1,522.72	$1,293.56	$1,101.86
FAFSA Independent/Dependent Status	$1,049.20	$848.80	$1,710.70	$1,522.61	$1,345.44	$1,098.40
Food	$1,010.27	$936.10	$1,622.51	$1,471.27	$1,296.77	$1,221.58
Healthcare	$1,020.36	$936.10	$1,622.35	$1,492.62	$1,276.87	$1,335.70
Housing	$1,007.82	$943.37	$1,616.12	$1,478.55	$1,298.10	$1,196.37
Location	$874.02	$875.86	$1,559.35	$1,475.48	$1,080.74	$1,141.50
Lost Income			$1,612.45	$1,553.81	$1,311.74	$1,246.49
On-Campus/Distance Education	$838.12	$912.00	$1,543.38	$1,472.35	$1,149.93	$1,138.03
On-Campus/Off-Campus Living	$881.86	$873.09	$1,619.57	$1,463.05	$1,329.24	$1,119.58
Other Factor	$920.66	$868.33	$1,448.93	$1,487.20	$1,182.17	$1,123.85
Other Priority	$1,000.36	$988.17	$1,609.26	$1,586.06	$1,337.87	$1,275.44
Pell Grant Eligibility	$872.98	$899.20	$1,487.20	$1,424.37	$1,126.62	$1,163.50
Same Amount Distributed Regardless of Circ..	$1,000.00	$915.79				
Specific Methodology Used			$1,492.62	$1,476.39	$1,114.17	$1,221.50
Supporting Documentation Required			$1,605.72	$1,590.03	$1,238.36	$1,305.48
Technology	$1,013.96	$885.60	$1,622.35	$1,480.11	$1,306.47	$1,241.21
Transportation			$1,615.13	$1,552.51	$1,329.24	$1,168.70

N = 4,814 Source: EdTrust analysis of the Department of Education's Education Stabilization Fund (ESF) data 2020-2022 reports.

5. Institutions that considered factors such as location, FAFSA family income, on-campus/off-campus living costs, and/or FAFSA dependency status when determining aid saw higher retention changes for both the fall 2020 and 2021 cohorts.

As Figure 5 shows, for the fall 2020 cohort, institutions that considered location but did not factor in FAFSA estimated family income or Pell eligibility experienced the only positive average change in retention when students returned in fall 2021. In contrast, institutions that required applications had some of the lowest changes in retention rates. The average change in retention for the fall 2020 cohort was -1.13%, while the fall 2021 cohort had a 0.65% increase. These changes were lower than those at schools that did not require applications, which had an average change of -0.64% for fall 2020 and 1.33% for fall 2021.

FIGURE 5: Average Retention Rate Change By Aid Determination Category

Increases / Decreases	2020 Considered	2020 Did Not Consider	2021 Considered	2021 Did Not Consider
Academic Level	-1.94%	-0.86%	-0.18%	0.99%
Administrative Data	-1.01%	-0.87%	0.77%	1.59%
Application Elements	-1.10%	-1.20%	0.73%	0.50%
Application Required	-1.13%	-0.64%	0.65%	1.33%
Childcare	-1.23%	-0.61%	0.54%	1.48%
Course Materials	-1.10%	-1.11%	0.30%	1.70%
Enrollment Intensity	-0.73%	-1.33%	0.73%	0.81%
FAFSA Elements	-1.12%	-0.89%	0.62%	1.08%
FAFSA Estimated Famil..	-1.29%	0.82%	0.76%	-2.17%
FAFSA Family Income	-0.08%	-1.33%	0.98%	0.54%
FAFSA Independent/De..	-0.68%	-1.25%	1.97%	0.34%
Food	-1.05%	-1.51%	0.80%	0.27%
Healthcare	-1.26%	-0.47%	0.67%	0.97%
Housing	-1.03%	-1.59%	0.68%	1.04%
Location	0.73%	-1.15%	1.89%	0.69%
Lost Income			0.84%	0.44%
On-Campus/Distance E..	-1.00%	-1.04%	1.92%	0.60%
On-Campus/Off-Campu..	-0.62%	-1.13%	0.74%	0.77%
Other Factor	-1.65%	-0.83%	1.14%	0.68%
Other Priority	-1.11%	-1.10%	0.84%	0.67%
Pell Grant Eligibility	-1.56%	0.08%	0.59%	1.68%
Same Amount Distribut..	-0.99%	-0.98%		
Specific Methodology U..			0.96%	0.87%
Supporting Documenta..			0.94%	0.67%
Technology	-1.17%	-0.49%	0.47%	1.64%
Transportation			0.83%	0.45%

N = 4,814 Source: EdTrust analysis of the Department of Education's Education Stabilization Fund (ESF) data 2020 & 2021 reports and Integrated Postsecondary Education Database System (IPEDS) retention rates of first-time degree/certificate seeking students 2020 & 2021.

6. Institutions with the highest percentages of Pell recipients experienced some of the most significant declines in retention rates for the fall 2020 cohort; however, they also saw the largest increases in retention rates for the fall 2021 cohort.

Retention rates significantly declined during the pandemic, particularly for institutions with higher percentages of Pell recipients. As shown in Figure 6, institutions with the highest percentages of Pell recipients experienced the sharpest decline in retention for the fall 2020 cohort. However, these same institutions grew their retention by 2.5% on average for their fall 2021 cohort. Institutions with the lowest percentage of Pell recipients, both public and private not-for-profit, saw higher retention rates. Conversely, institutions with the lowest percentage of Pell recipients had higher rates of retention in public and private not-for-profit institutions with little to no change for the fall 2020 and fall 2021 cohorts.

FIGURE 6: Retention Rate By Percentage Of Pell Recipients

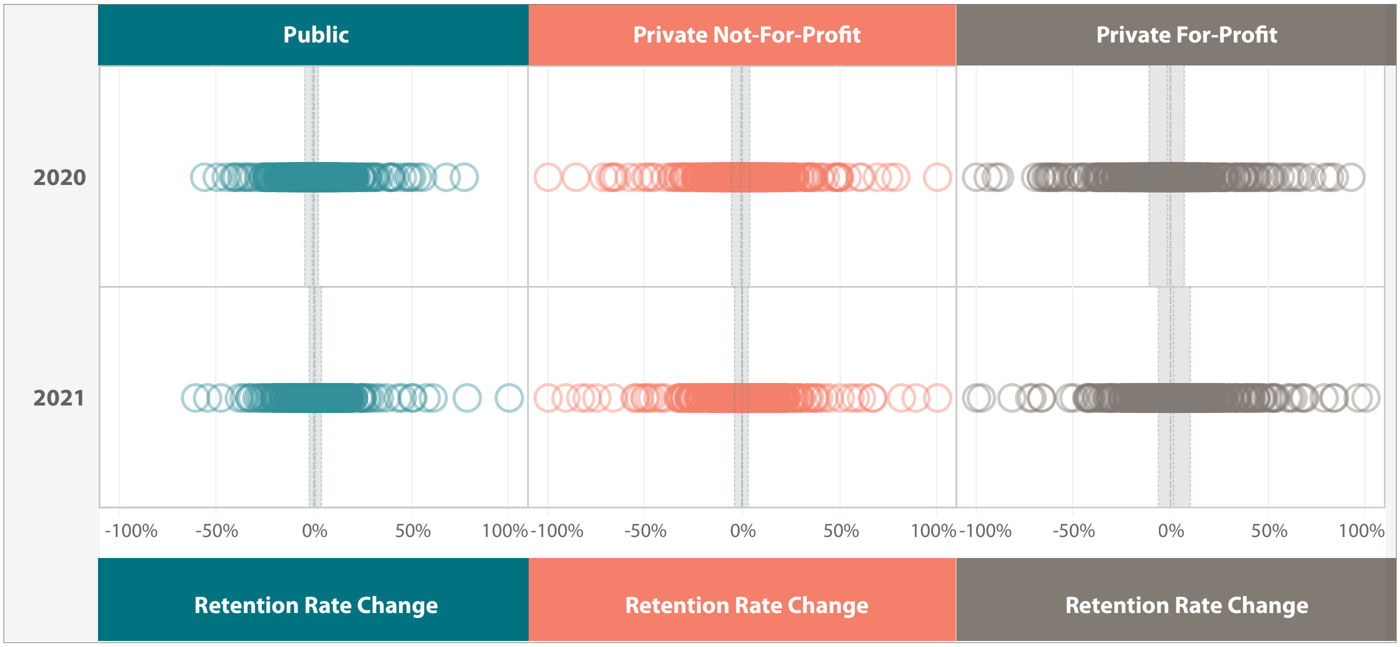
% of Pell Recipients		PELL RETENTION		
		Public	Private Not-For-Profit	Private For-Profit
0%-25%	Fall 2019	75%	87%	77%
	Fall 2020	88%	90%	73%
	Fall 2021	87%	90%	72%
25%-50%	Fall 2019	66%	74%	70%
	Fall 2020	69%	74%	72%
	Fall 2021	70%	75%	72%
50%-75%	Fall 2019	67%	67%	68%
	Fall 2020	58%	64%	66%
	Fall 2021	59%	62%	70%
75%-100%	Fall 2019	65%	65%	65%
	Fall 2020	58%	63%	64%
	Fall 2021	60%	65%	67%

N = 4,609 Source: EdTrust analysis of the Department of Education's Education Stabilization Fund (ESF) data 2020-2022 reports and Integrated Postsecondary Education Database System (IPEDS) retention rates of first-time degree/certificate seeking students 2019-2021.

7. Retention rate changes varied less at public institutions than at private institutions.

As shown in Figure 7, about 50% of the institutions fall within the gray band, indicating that a significant portion of institutions had relatively stable retention rate changes. At half of the public institutions, retention changes ranged from -5% to 3% for the fall 2020 cohort and from -2% to 4% for the fall 2021 cohort, which showed the least variation. Private for-profit institutions experienced greater fluctuation, with retention rate changes ranging from -11% to 7% for the fall 2020 cohort and from -6% to 11% for the fall 2021 cohort. Figure 8 examines the changes in retention rates in relation to the average amount of aid distributed. Although no clear correlation was found between retention changes and aid amounts, private universities exhibited the most variation in both retention changes and aid distribution, highlighting differences in cost and financial aid.

FIGURE 7: Change In Retention Rate For First-Time Degree Seeking Students



N = 3,869 Source: EdTrust analysis of Integrated Postsecondary Education Database System (IPEDS) retention rates of first-time degree/certificate seeking students 2020 & 2021.

FIGURE 8: Change In Retention Rate V. Average Amount Disbursed Per Student

N = 3,869 Source: EdTrust analysis of the Department of Education's Education Stabilization Fund (ESF) data 2020 & 2021 reports and Integrated Postsecondary Education Database System (IPEDS) retention rates of first-time degree/certificate seeking students 2020 & 2021.

HEERF played a vital role in addressing the significant financial challenges faced by students and institutions during the COVID-19 pandemic. Its flexible distribution requirements allowed schools to adapt aid programs to the specific needs of their student populations and institutional contexts. Although the overall impact on student retention was mixed, the funds were especially effective in supporting low-income students, including those at MSIs. However, disparities in the distribution of aid highlight the need for more focused and equitable strategies in future emergency relief programs. The varied retention outcomes across different types of institutions and student populations underscore the importance of considering not just financial aid, but also institutional policies and student support services in fostering retention.

As institutions navigated the challenges of distributing aid, many improved their campus-based basic-needs and emergency aid programs. However, the absence of a standardized approach to aid disbursement, coupled with inconsistent criteria across institutions, led to unequal benefits — often disadvantaging students from certain racial and ethnic backgrounds. Moving forward, it is essential for institutions to critically examine their methods for allocating financial and emergency aid. This includes evaluating whether to award larger amounts to fewer students or smaller amounts to more students, as well as assessing the application processes and criteria used.

Although HEERF funds are no longer available, the insights gained from this process can guide the development of more equitable and effective strategies for future emergency relief efforts, ensuring that underserved student populations receive the support they need in times of crisis. Policymakers and institutions must prioritize transparency, streamline processes, and allocate resources equitably to address these persistent challenges.

Recommendations

For Institutions

1. **Streamline the emergency aid application process and eligibility requirements.**
    - To maximize the impact of emergency aid programs, institutions should minimize eligibility requirements, simplify the application process and forms, and use clear language to emphasize that the aid is a grant, not a loan. Additionally, having dedicated support staff to assist students with completing applications would help ensure broader access to these critical resources.

2. **Include emergency funding when setting institutional persistence and completion goals.**
    - Institutions should integrate emergency funding into strategic planning for student persistence by establishing protocols to identify students at risk of stopping out for financial reasons and allocating resources for specific needs such as technology, fees, rent, and food. Training support staff to incorporate emergency aid into counseling discussions ensures that students are aware of the assistance available to them. Additionally, connecting eligible students to sustainable external support programs, such as the Supplemental Nutrition Assistance Program (SNAP), housing assistance, and Temporary Assistance for Needy Families (TANF), can provide long-term stability beyond immediate aid.

3. **Make data-driven adjustments to aid distribution strategies.**
    - Using data to assess the impact of aid on student retention and persistence can refine distribution methods, ensuring that aid reaches those most in need and aligns with institutional goals for student success. Data-driven adjustments can also inform targeted outreach to underrepresented or at-risk groups, ultimately improving overall aid effectiveness.

For State & Federal Policymakers

4. **Incentivize institutions to develop or enhance their internal basic-needs programs, specifically, emergency aid programs.**
    - Matching funds or competitive grants could encourage colleges and universities to allocate resources toward the development of more robust emergency aid and basic-needs programs.

5. **Establish a permanent framework for an emergency aid program that institutions can activate during times of crisis, ensuring a rapid response.**
    - This framework should include clear eligibility criteria, streamlined application processes, and mechanisms for rapid fund disbursement. By providing institutions with a pre-established system, policymakers can ensure that colleges and universities can respond swiftly and effectively to student needs during emergencies.

About The Data

Publicly available annual performance reports from higher education institutions receiving HEERF money over a three-year period (2020–2022) were used to create the dataset for this report. These reports were collected through the Department of Education's Education Stabilization Funds transparency portal, which tracks how institutions used federal emergency relief funding.

The dataset includes a total of 4,814 unique institutions across all 50 states and seven U.S. territories. Institutions were included in this analysis if their total HEERF recipients did not exceed 125% of their total students enrolled. While the reporting requirements varied slightly across years, approximately 134 variables were consistent throughout, making it possible to compare trends over time. The data includes information on student aid disbursement, institutional allocations, and the prioritization of specific student groups.

The accuracy of the dataset was shaped by how institutions collected data, and differences in how aid programs were implemented could affect the findings. Additionally, inconsistencies in the reporting requirements across the three years presented challenges. Some variables that were included in the 2020 reports were no longer used in 2021 and 2022, which limited our ability to make more robust comparisons across all three years. As a result, some of the findings in this brief could have been more robust if these changes had not occurred in the later reporting periods. Furthermore, retention rates, which were calculated using the Integrated Postsecondary Education Data System (IPEDS), have their own limitation, as this database only tracks first-time degree or certificate-seeking students, excluding other types of student enrollments.