Executive Summary

Higher education remains a critical determinant of economic mobility in the United States. Federal financial aid plays a crucial role in making postsecondary institutions affordable for millions of low-income students each year. To encourage students to remain on track for degree completion, Congress also mandates that institutions monitor whether students are making satisfactory academic progress (SAP) to maintain eligibility for federal student aid.

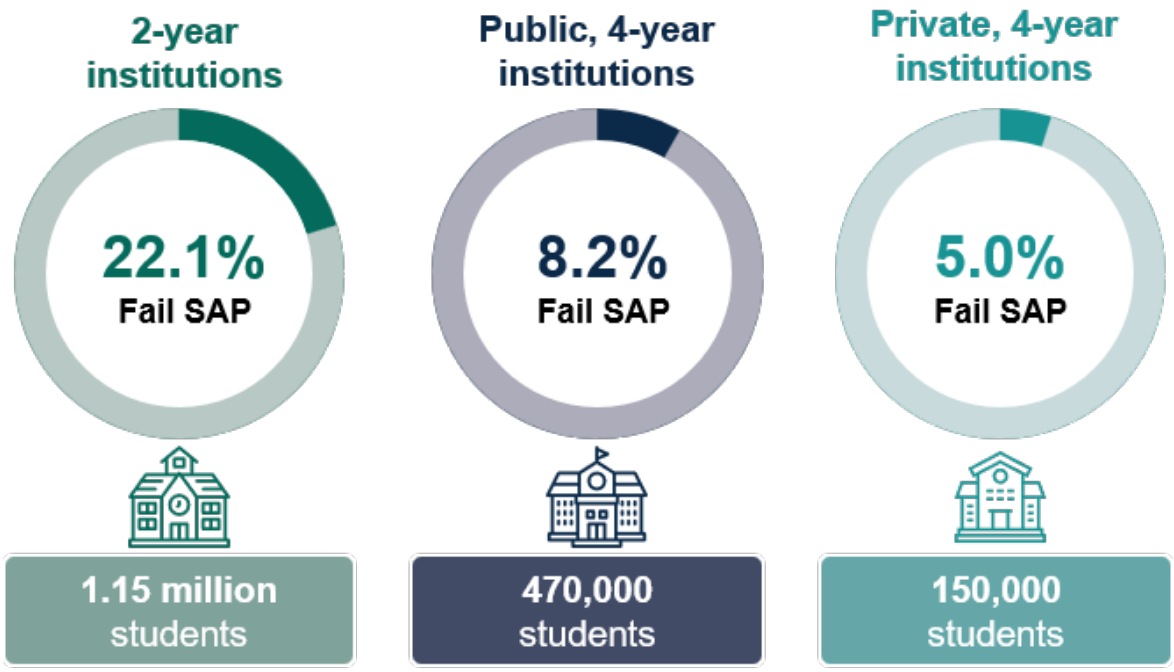
There are many open questions about how SAP is implemented and the role SAP policies can play in helping or hindering students seeking to complete a postsecondary degree. Federal regulations establish key SAP requirements but also give institutions the flexibility to define important aspects of these requirements, develop practices to support students in making SAP, and apply discretionary procedures for students who are at risk or fail to make SAP, such as the conditions for a successful appeal to retain financial aid eligibility (34 CFR § 668.34). Despite the importance of these requirements for students who depend on financial aid, little is known about how many students are struggling to meet federal SAP requirements, how strictly or leniently institutions set SAP standards, and how institutions differ in how they support students to maintain aid eligibility. Understanding these issues is an important first step towards identifying how SAP implementation can best support student success.

This study seeks to answer each of these questions for the first time using data from an enrollment-weighted national sample of 2- and 4-year institutions (including for-profit institutions) and insights from a rich set of interviews with students, financial aid administrators, and academic advising and financial aid support staff. Results from this study provide the first clear picture of the number of students failing to meet SAP requirements each year and the extent of variation across institutions in SAP standards and student supports.

Nationally, more than one in 10 undergraduate students failed to meet SAP requirements in spring 2025, during end-of-term or end-of-year evaluations. Most students in the U.S. attend an institution that evaluates SAP once per payment period, as opposed to once per academic year. During the spring 2025 SAP evaluation for these institutions (or at the end of the 2024–25 academic year, for institutions that evaluate SAP once per year), 13 percent of undergraduate students in the U.S. failed to meet SAP requirements. The failure rate was higher for students at 2-year institutions (22 percent), compared to public 4-year institutions (8 percent) or private 4-year institutions (5 percent) (Exhibit ES.1).[1] In total, this translates to approximately 1.8 million credential-seeking undergraduates failing SAP requirements, meaning they were at risk of losing eligibility for federal financial aid.

[1] The study's sample of institutions providing data on SAP failure rates included fewer than 10 for-profit colleges—a sample size that is too small to reliably estimate SAP failure rates at for-profit institutions.

Exhibit ES.1. Estimated percentage and number of students failing SAP nationally, by sector, in spring 2025 end-of-term or end-of-year evaluations



Source: FAA survey and IPEDS 2023–24 Institutional Characteristics and Fall 2024 Enrollment components.

Notes: The percentage of students failing to meet SAP requirements was calculated among 194 FAA survey responses using nonresponse weights. The number of students shown in each category is the total number of credential-seeking undergraduates reported for each sector (2-year, public 4-year, and private 4-year) from the IPEDS 2024 fall enrollment data. The number of enrolled students failing to meet SAP requirements in each sector was estimated by multiplying the percentage of students failing SAP in each sector by the corresponding sector-specific undergraduate enrollment totals. These numbers are rounded to the nearest 10,000.

FAA = financial aid administrator; IPEDS = Integrated Postsecondary Education Data System; SAP = satisfactory academic progress.

Financial aid administrators surveyed and interviewed for this study most often identified first-generation, low-income, and first-year students as groups that struggle to meet SAP requirements—often due to a lack of information about how SAP rules work (for example, being unaware of a minimum grade point average [GPA] standard) and the absence of strong support networks to help students navigate life circumstances such as work obligations, family caregiving commitments, or health challenges.

Just over half of students who failed to meet SAP requirements lost access to federal financial aid the following term. In other words, approximately 970,000 undergraduates lost federal aid eligibility in the spring 2025 SAP evaluation round. Federal regulations offer institutions some flexibility to support students after they fail SAP requirements, such as allowing institutions to grant appeals to students under certain circumstances or allowing them to offer students a warning term, if the institution evaluates SAP more than once per year. In practice, only one-quarter of students who failed SAP filed an appeal, even though all institutions allowed appeals and most appeals succeeded in preserving aid eligibility for at least one term.

Most institutions are not choosing to adopt optional policies that would make SAP more lenient. For example, only about one-quarter of students attend institutions with a laddered GPA requirement in

the first two academic years, and only about one in 10 attend an institution with a laddered pace-of-progress requirement in the first two academic years (as defined in federal regulations, these options allow institutions to use more lenient requirements in earlier academic terms). In addition, roughly 2 in 3 students attend institutions that count developmental courses (sometimes referred to as remedial courses) toward the maximum time frame requirement. These courses do not count toward a student's degree but are required for students who are not academically ready for other college-level courses. Counting developmental coursework toward the maximum time frame standard may make SAP harder, because students in developmental courses must attempt and pass more courses in total to complete their degree. In interviews, financial aid administrators cited pressure to conform with peer institutions, as well as the staffing burden associated with shifting complex financial aid policies as barriers to revising SAP. In addition, some institutions deliberately choose stricter SAP requirements to align with the institution's higher overall academic standards or to encourage students who are unlikely to be successful in the short term to withdraw rather than incur further student loans (in some circumstances, withdrawing from a program early, with less debt, could better position some students to return to college in the future). In other settings, state legislatures can also play an active role in requiring a specific SAP approach (such as recent legislation in California that prohibited institutions from imposing SAP requirements that are stricter than the federal minimum).

Institutions have many opportunities to improve how they communicate about SAP requirements and support students in maintaining aid eligibility. Most institutions rely on websites and email, but these channels have significant limitations, as websites can be difficult to navigate or interpret, and students reported in interviews that they often experience email fatigue. Multi-modal and individualized communication, paired with proactive outreach early on in a student's program, may be more effective. There are also opportunities to improve student advisory supports. Although students who fail to meet SAP do commonly have access to an advisor, this is far less common for the broader population of students who are *at risk* of failing to meet SAP. Interviewed students expressed a strong desire for more personalized advising and proactive outreach throughout the term, rather than waiting until after they receive a negative SAP evaluation. There is also a strong desire for improved coordination across financial aid and academic advising support staff to improve the consistency and accuracy of SAP-related guidance. For example, academic staff may encourage students to withdraw from courses to protect their GPA, without realizing that withdrawals can negatively affect SAP evaluations under pace-of-progress requirements that count a withdrawal similarly to a course failure.

These findings provide important evidence on how SAP regulations affect students nationwide and provide timely information to inform ongoing federal and state policy debates about SAP standards. Each term, hundreds of thousands of students lose access to financial aid— outcomes that are directly affected by policy decisions governing SAP requirements and institutional choices about how those requirements are implemented. Although a great deal remains to be learned about the relationship between specific SAP approaches and longer-run student outcomes, the potential consequences of these decisions are substantial. This study highlights numerous opportunities to reconsider how SAP policies, procedures, and student supports could help more students to maintain access to financial aid, persist in college, and earn a degree.