Philanthropy ADVOCATES

Who Are The Stopouts?
A THREE-PART RESEARCH SERIES



PART 1

The Cost of Stopping Out

STUDENT DEBT, COLLEGE READINESS, AND THE COST OF LEAVING COLLEGE WITHOUT A CREDENTIAL IN TEXAS

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About Philanthropy Advocates

Philanthropy Advocates is a membership organization of nearly 60 Texas foundations that are deeply invested in student success in rural, urban, and suburban communities across the state. Together we advocate for policies that give all Texas students a high-quality education, equipping them to pursue their dreams and enjoy lifelong economic mobility.

We commission objective, non-partisan research to fill data holes and provide credible data to lawmakers and education stakeholders. This series is part of that work.

About This Series

Who Are the Stopouts? is a three-part research series from Philanthropy Advocates and Dr. Jacob Kirksey on the Texas students who enter two- and four-year colleges and leave without a credential. The series follows 913,443 recent Texas high school graduates through linked state records, connecting their high school histories, college enrollment, financial aid, and wages across three state agencies.

All three reports use the same data and definitions. The Technical Appendix in each report describes the methodology, and findings across the series are designed to be read together.

Report 1 · The Cost of Stopping Out.

How many students stop out, when they leave, and what leaving costs them: at least $1.09 billion in student debt with no credential attached, and earnings that a decade later barely outpace never enrolling.

Report 2 · Coming Soon · Who Stops Out?

A closer look at the students behind the numbers: their backgrounds, high schools, colleges, fields of study, and the paths they took before leaving.

Report 3 · Coming Soon · What Predicts Stopping Out?

The academic signals that separate students who persist from students who leave, and what they mean for how Texas measures college readiness.

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Executive Summary

Over the past two decades, researchers and policymakers have raised attention to the fact that Texans need an education beyond a high school diploma to attain a family-sustaining wage. In response, Texas has set ambitious goals to increase the number of postsecondary credentials statewide, expanded dual credit and other college readiness programs, and invested in pathways designed to move students from high school into college and careers. However, most of the metrics used to track this progress count only college graduates. Students who enroll in college but leave without a credential are largely invisible in these measures.[1] We show the same is true in Texas.



Building a Talent Strong Texas, the state's strategic plan for higher education, calls for 60% of working-age Texans to hold a degree, certificate, or other credential of value by 2030, and 63% of Texas jobs are projected to require postsecondary education or training by 2031.[2] Enrollment is rising. Texas colleges and universities enrolled a record 1.72 million students in fall 2026.[3] The attainment goal, though, counts credentials rather than enrollments. While the goal of increasing credentials earned can drive efforts to increase enrollment and provide supports during a student's time in postsecondary education, there is minimal goal tracking or resources put towards the students who enroll but fail to persist. A student who enrolls and leaves without finishing counts toward the record enrollment but not toward the goal of credential attainment.

At least $1.09 billion

in student debt held by the 331,373 stopouts who never completed.

38%

of Texas high school students who enrolled in college within one year of high school graduation between 2017 and 2022 stopped out with no credential, so far.

51%

of stopouts leave during their first year of college, and 78% have left by the end of year two. Among year-one leavers, 40% exit with GPAs below 0.75.

$20,800

separates the annual earnings of completers and non-completers a decade after high school. Non-completers earn only about $2,700 more than Texans who never enrolled at all.

18 points

less likely to stop out: Students who demonstrated college readiness through dual credit or college entrance exams (SAT/ACT) are 18 percentage points less likely to stop out than similar peers, cutting their risk of stopping out by more than half.

60%

of working-age Texans holding a credential of value by 2030 is the state's attainment goal. Ensuring that students who enroll in postsecondary education complete is key to reaching this goal. Stopouts count toward enrollment records, not toward the goal.



Our analysis examines these students in Texas. We refer to them as "stopouts:" students who enter college but leave without earning a credential and remain out of college for more than a year.[4]

We address three questions:

1. How many Texas students stop out of college, and when do they leave?
2. How much student debt do stopouts carry, and who among them borrows?
3. What does stopping out cost students in the labor market, and what predicts avoiding it altogether?

WHY "STOPOUT," NOT "DROPOUT"

Researchers reserve "dropout" for students who never return and "stopout" for students who leave and come back, but no one can tell which is which on the day a student leaves. We use one term for every student who leaves without a credential and stays out for more than a year, because departures are not always permanent. A dropout is a finished outcome. A stopout can still return.

Our analysis uses statewide data on 913,443 students from Texas high schools who enroll in college within one year of high school graduation between 2017 and 2022. Using data from the Texas Education Agency, the Texas Higher Education Coordinating Board, and the Texas Workforce Commission, we link students' high school academic records to their enrollment in postsecondary institutions, financial aid information, and eventual wages.

Key Takeaways

Nearly as many Texas students stop out as complete.

Within six years of entering college, 38% of the 2017 to 2022 entering classes stopped out with no credential, while 49% completed. The rest, 14% of entrants, were still enrolled without a credential. A quarter of entrants (26.4%) have stopped out within two years of initial enrollment. For the more recent cohorts in this group, their full six-year window is not complete. But the data paints a clear picture, the percentage of students stopping out in the most recent cohorts of students will rise as they spend more time in postsecondary education.

Stopping out is most common within one year of college enrollment.

Just over half of stopouts (51%) leave during year one, and 78% have left by the end of year two. Exits after year two are less common and decrease for every year. Year-one leavers also show the lowest signs of college readiness. Among these year-one leavers, half exit with a college grade point average (GPA) of 1.0 or below, and 40% exit with GPAs below 0.75. Students who leave later fall within the middle and upper GPA ranges.

Stopouts hold at least $1.09 billion in student debt with no credential.

Following the entering classes as far as the data allow, 331,373 students stopped out and never completed, and their student debt totals at least $1.09 billion. Approximately 29% of six-year stopouts left with debt. The typical stopout borrower owes $6,250, and the average is $12,155. The later a student leaves, the more likely they are to leave with debt. Only 23% of year-one leavers borrowed, compared to 58% of those who left in year six.

Stopouts borrow less than completers in total, but not less per credit.

Completers borrow more often and owe more, but they also leave with a credential while stopouts do not. The gap in total debt mostly reflects time enrolled. The typical stopout attempted 18 credits over two years, while the typical completer attempted 115 credits over four. Adjusted for time enrolled, stopout borrowers owe about three-quarters what completers owe per year, and slightly more per attempted credit.

Stopouts earn far less than completers, and the gap widens over time.

By year eight, completers earn $17,900 more per year than stopouts, and a decade after high school the gap is about $20,800. Non-completers barely outpace Texans who never enrolled in college.

Genuine readiness predicts who avoids stopping out.

Comparing students with similar backgrounds and academic achievement, students who demonstrate college readiness via dual credit and standardized assessments are 18 percentage points less likely to stop out. Students completing college-prep courses in high school are much more likely to stop out. Completion and readiness are key elements of postsecondary affordability.



Definitions and Terminology

This page defines the terms used throughout this report. The Technical Appendix at the end of the report describes the data and methodology in detail.

College preparatory course

A high school course in mathematics or English language arts that school districts develop in partnership with an institution of higher education, typically a community college, for students who have not yet met a college readiness standard. Successful completion carries a college-ready designation under state accountability rules.

Completer

A student who earns a postsecondary credential.

Credential

Any postsecondary award that includes Level I and II certificates, associate degrees, and bachelor's degrees.

Credential of value

Under the state's definition, a credential whose typical graduate earns enough within ten years to recoup the cost of the education and out-earn a typical high school graduate. Texas sets its attainment goal, and funds community colleges, in terms of credentials of value.

Dual credit

College credit-bearing courses that students complete while in high school.

Economically disadvantaged

Students identified in Texas Education Agency data as economically disadvantaged, generally based on eligibility for free or reduced-price school meals in high school.

Entering class

The group of Texas public high school graduates who enrolled in a Texas public college or university within one year of high school graduation, grouped by the year they entered.

Grants

Financial aid that does not need to be repaid.

Observation window

The number of years a student can be followed in the data after entering college. Recent entering classes have shorter windows, so some statistics are limited to students whose full window can be observed.

Some college, no credential (SCNC)

Adults who enrolled in college at some point but hold no credential and are no longer enrolled. The National Student Clearinghouse counts 2.64 million SCNC Texans under age 65.[5]

Stopout

A student who enters college but leaves without earning a credential and remains out of college for more than a year.

Student debt

Federal, state, and school-certified private loans disbursed while a student was enrolled, as recorded in financial aid files derived from students' applications for financial aid through the FAFSA or TASFA.

Two-year and four-year colleges

Texas public community and technical colleges are two-year institutions, and Texas public universities are four-year institutions. Students are classified by the sector they entered first.

Wages

Annual earnings recorded in Texas state wage records, adjusted for inflation, that reflect 2024 dollars.

SECTION 1

More Texans Hold Some College and No Credential Than Are Enrolled in College

Most of what Texas tracks about its college students ends at two points: the day they enroll and the day they graduate. This section covers the students who fall between those points. It lays out what research nationally and in Texas says about them, introduces the data behind this analysis, and sets out the state goals and recent policy changes their outcomes affect.

THE LANDSCAPE

- 2.64 million Texans under age 65 hold some college credit but no credential; more people than Texas colleges enroll. Only California has more.[6]
- Prior research finds that students who leave in good standing most often cite tuition, living expenses, and lost aid eligibility, not academic failure.[7]
- Borrowers who leave without a credential face far higher rates of financial distress than graduates who borrow.[8]
- Texas has set a 60% attainment goal for 2030 and rebuilt community college finance around credentials of value.[9] No state goal, target, or funding formula yet tracks the students who enroll and leave along the way.
- Providing a more in-depth look at the Texas context, our analysis focuses on 913,443 students from Texas high schools who enrolled in college within one year of high school graduation, in the entering classes of 2017 to 2022. One analysis of long-run earnings draws on all Texas public high school graduates in the classes of 2012 to 2016.

What We Already Know

The population of adults with some college and no credential (SCNC) is large and growing. The National Student Clearinghouse counts 43.1 million Americans in this group as of July 2023, including 37.6 million under age 65. Texas accounts for 2,832,320 of them, 2.64 million under age 65, and the count grew by 86,030 in the most recent year alone. Only California has more.[10] The trend is long-running: in 2018, researchers counted 2.29 million adults last enrolled in a Texas institution, already more than the 1.45 million students enrolled in the state at the time. These former students do not appear in graduation rates, and most state accountability metrics leave them out; however, they carry the costs of college attendance, including student debt, without the credential that makes those costs pay off.

Some do come back. More than 71,000 SCNC Texans re-enrolled in the 2023-24 academic year, and 4,258 earned a first credential within a year of returning.[11]

Previous research on why students leave points more to money and life circumstances than to grades. Among former community college students who left in good academic standing with at least 30 credits, the most commonly cited reasons for leaving were tuition and fees (52.8%), living expenses (48.3%), and

the loss of financial aid eligibility (42.8%).[12] Research also shows that students who stop out once are more likely to stop out again and less likely to graduate.[13] Some students leave close to completion. Roughly one-third of all students who leave college do so after completing at least three-quarters of the credits typically required for a degree.[14]

In the fall 2024 Student Financial Wellness Survey, more than one-third of undergraduates surveyed reported spending 40 or more hours per week on employment and caregiving combined, and about half worried about covering their monthly expenses.[15]

Leaving with debt and no credential is a particularly costly combination. Adults with student debt but no degree report more financial hardship and anxiety than degree holders with debt, and borrowers who do not complete default at far higher rates than graduates.[16] Most of this evidence is national. **Texas-specific evidence on who stops out, what they owe, and what happens to their earnings has been limited, which is the gap this report addresses.**

THE MODERN LEARNER IN TEXAS [i]

The students behind these numbers rarely match the picture of a full-time student whose main job is school. Research from Trellis Strategies finds that among Texas undergraduates:

63% work while enrolled, and 35% of working students consider themselves workers going to school rather than students who work.

57% are first-generation college students. 17% are caregivers for children or other dependents.

58% would have trouble getting $500 in cash or credit to meet an unexpected need in the next month.

Tuition and fees account for 21% of the average cost of attendance at a Texas public two-year college and 37% at a four-year university. Most of the rest is food, housing, and other living costs.

Covering two semesters at a Texas public college on minimum wage alone would take 70 hours of work per week at a two-year college and 83 at a university.

The Data Behind This Analysis

Our analysis uses statewide data on 913,443 students from Texas high schools who enrolled in college within one year of high school graduation between 2017 and 2022. Using data from the Texas Education Agency, the Texas Higher Education Coordinating Board, and the Texas Workforce Commission, we link students' high school academic records to their enrollment in postsecondary institutions, financial aid information, and eventual wages. One analysis of long-run earnings draws on all Texas public high school graduates in the classes of 2012 to 2016. Definitions of the terms used in this report appear in the Definitions and Terminology section, and the Technical Appendix describes the data and methodology in detail.

The State's Goals Run Through These Students

Building a Talent Strong Texas, the state's strategic plan for higher education, sets three targets that our findings bear on directly:

60% of Texans ages 25 to 64 holding a degree, certificate, or other credential of value by 2030;

550,000 students completing credentials of value each year;

95% of students graduating with no undergraduate debt, or debt that is manageable relative to their potential earnings.

The Georgetown University Center on Education and the Workforce projects that 63% of Texas jobs will require postsecondary education or training by 2031.[17]

Enrollment is moving toward those targets. Texas colleges and universities enrolled a record 1.72 million students in fall 2026, a preliminary count, with every sector up from 2025 and above its 2019 level. The goal, though, is denominated in credentials, and the findings in the next section show how much distance sits between enrolling and completing: 38% of recent entering classes have stopped out with no credential. The 2.64 million working-age Texans who already hold credit without a credential count toward neither the enrollment record nor the goal.

What the State Has Already Built

Texas has spent the last several legislative sessions building policy around completion and credential value:

- House Bill 8 (2023) rebuilt community college finance around outcomes. The large majority of state formula funding is now driven by outcomes (credentials of value attainment, transfers to four-year institutions, and dual credit completion) rather than for seats filled.
- The same law funds adult learners directly: outcomes for students 25 and older carry extra weight in the formula, as do outcomes for economically and academically disadvantaged students.
- House Bill 8 also created the Financial Aid for Swift Transfer program (FAST), which makes dual credit free for educationally disadvantaged high school students.[18]
- House Bill 120 (2025) requires districts to set and publicly report goals for their graduates' postsecondary outcomes, with TEA publishing outcome data down to the high school campus.
- Senate Bill 1786 (2025) refined the credential-of-value methodology and directed the Coordinating Board to evaluate county-level self-sufficient wage standards by December 2026.
- Senate Bill 2314 (2025) wrote My Texas Future into statute, a statewide platform combining direct admissions offers with personalized financial aid award opportunities and labor market data.[19]
- The 2026-27 state budget added roughly $328 million in student financial aid, funding TEXAS Grant and Texas Educational Opportunity Grant awards for 67.5% of eligible students.[20]
- Since the class of 2022, every Texas high school senior completes a financial aid application or formally opts out.[21]

WHAT COUNTS AS A CREDENTIAL OF VALUE

The definition has sharpened over three legislative years:

2023
House Bill 8 ties community college funding to credentials of value and leaves the test to the Coordinating Board, whose implementing rules set it: a typical student must earn enough within ten years to recoup the cost of the education and out-earn a typical high school graduate.[ii]

2025
Senate Bill 1786 writes the return-on-investment test into statute and adds an individual self-sufficient wage standard.[iii]

2026 and beyond
The refined test reaches associate degrees in 2025-26 and all other certificates and credentials in 2027-28, and the Coordinating Board must evaluate the feasibility of county-by-county wage benchmarks by December 1, 2026.[iv]

Each revision ties the definition more closely to whether the credential pays off for the student.

- Beginning in July 2026, federal Workforce Pell grants extend need-based aid to short-term workforce programs that meet completion, placement, and earnings tests.[22]

Each of these policies touches a point in the pipeline we examine: readiness before entry, affordability at entry, and the value of the credential at the end. The students in the middle, those who enroll, accumulate credits and sometimes debt, and leave, are the population no current policy addresses directly. The state supported returning students once before, through the Texas Reskilling Support Fund, using one-time federal relief dollars; those funds have been spent, and no successor program has taken their place.[23] The state's active reskilling program, TRUE, works at a different level: it funds community and technical colleges, up to $500,000 apiece, to build short-term workforce credential programs in high-demand fields.[24] It builds programs a returning student could enroll in; it does not fund the student's return.



SECTION 2

Nearly as Many Students Stop Out as Complete

Roughly 150,000 Texas public high school graduates enter college within a year of finishing high school each fall. This section follows the entering classes of 2017 through 2022 to answer the first of our three questions: how many leave without a credential, and when.

THE TAKEAWAY

- Within six years, 38% of the 2017 to 2022 entering classes stopped out with no credential, nearly as many as completed (49%).
- Just over half of stopouts (51%) leave during year one, and 78% have left by the end of year two.
- The earliest stopouts show signs of academic struggle in college. Among year-one leavers, half exit with GPAs of 1.0 or below, and 40% exit with GPAs below 0.75.
- Stopping out is common across students' stated goals. Among community college entrants, 55% of certificate seekers and 56% of associate degree seekers stop out within six years of entry.

For Every Five Completers, Four Students Leave With No Credential

Of the 913,443 Texas high school graduates who enrolled in college within one year of high school graduation in the classes of 2017 to 2022, 45% (411,855 students) completed a credential without ever stopping out, and another 4% (31,618 students) stopped out at some point but went on to complete (443,473 completers in all). In contrast, 38% (347,061 students) stopped out with no credential within six years, and 14% (122,909 students) remain enrolled without a credential. Figure 1 shows these outcomes. That is, for every five students in these entering classes who have completed, roughly four have stopped out without a credential so far.

FIGURE 1. POSTSECONDARY OUTCOMES WITHIN SIX YEARS OF ENTRY

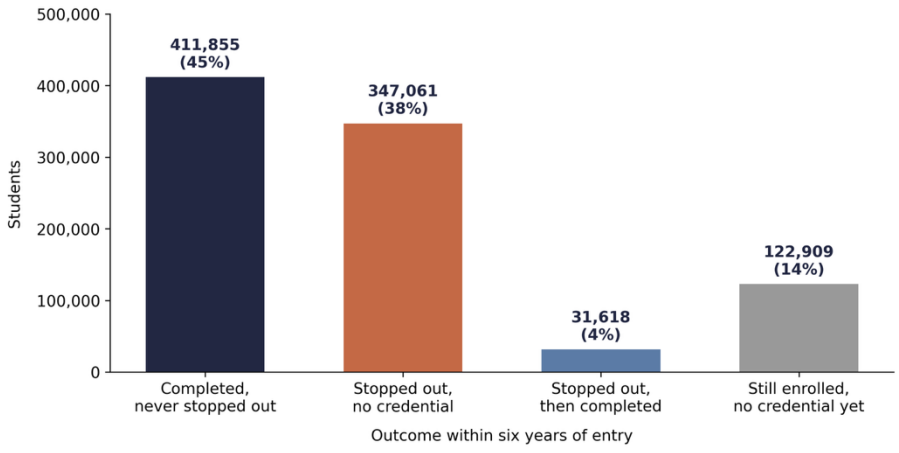
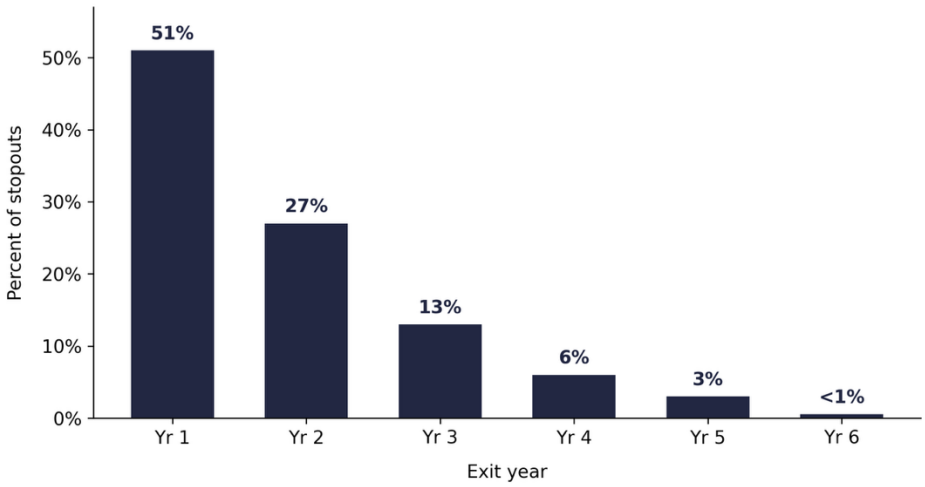


FIGURE 2.
WHEN STOPOUTS LEAVE: EACH EXIT YEAR'S SHARE OF ALL STOPOUTS



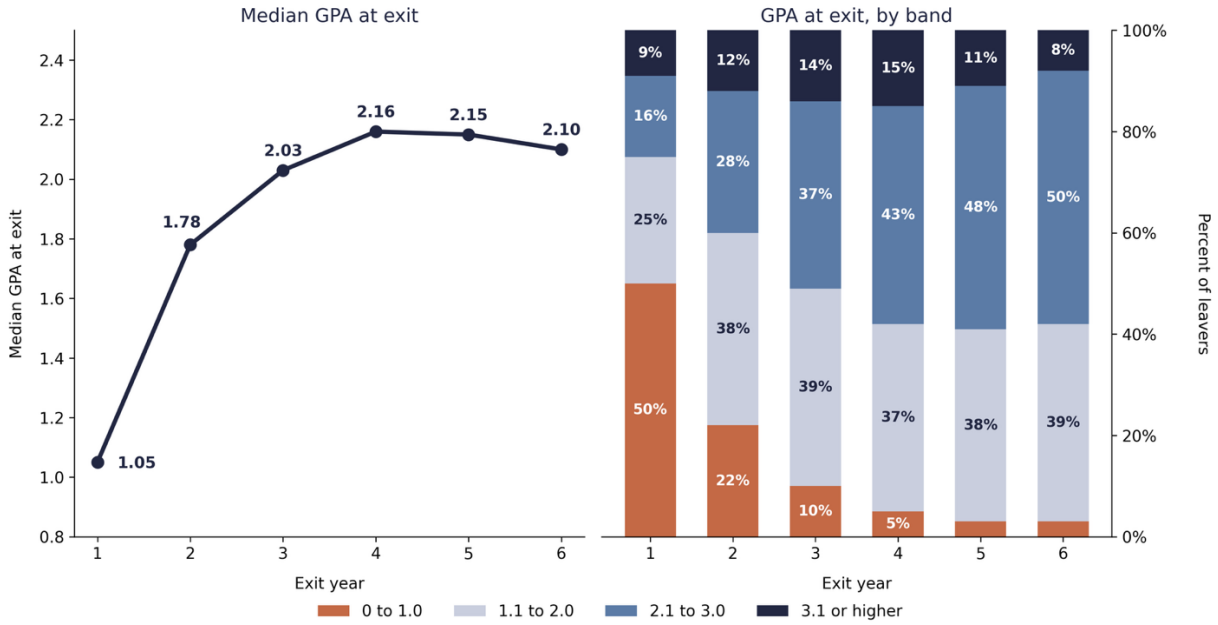
Most Stopouts Leave in the First Year

Among students who stopped out, half (51%) leave during year one, and 78% have left by the end of the second year. As shown in Figure 2, exits after year two are less common, accounting for 13%, 6%, and 3% of stopouts in years three, four, and five, respectively, and fewer than 1% of stopouts leave in year six. The students who leave first also show the lowest levels of college readiness. Among six-year stopouts with GPAs, half of year-one leavers exit with a college grade point average (GPA) of 1.0 or below, and 40% exit with GPAs below 0.75. As shown in Figure 3, the median GPA at exit for year-one leavers is 1.05, compared to 2.03 or higher for students who leave in year three or later. Students who leave later fall within the middle and upper GPA ranges, suggesting that college academic struggle is concentrated in the first year, while later exits look more like the financial pressures and life circumstances documented in prior research.[25]

51% of stopouts leave before their second year begins.
Supports meant to keep students enrolled need to reach students in the first two semesters.

No meaningful current accountability or incentive structure considers and registers these exits as they happen. High school accountability credits districts for college readiness at graduation, and the CCMR outcomes bonus pays districts $3,000 to $5,000 for each readiness-demonstrating graduate above a threshold;[26] the college-ready route even requires the graduate to enroll in a postsecondary institution. House Bill 120 (2025) gives school districts information about their students' longitudinal postsecondary outcomes and requires districts to set and publicly report goals against that data, but it attaches no consequences to whether the outcomes improve. Most measures for high school fail to follow the student past enrollment. The first year of college, where half of stopouts leave, sits between systems that stop at enrollment and systems that pick up at completion. Section 6 returns to this gap.

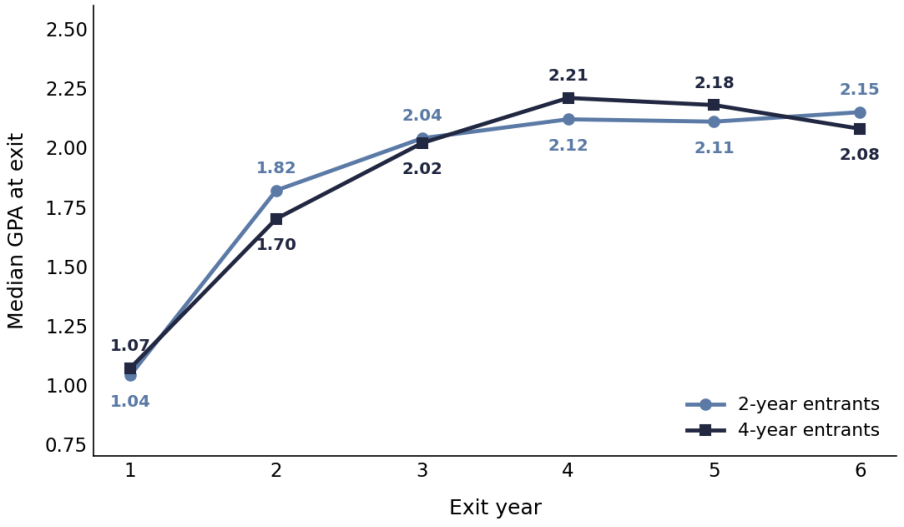
FIGURE 3.
GPA AT EXIT, BY EXIT YEAR



Early Leavers Struggle Academically in Both Sectors

Students who leave in their first year show nearly identical grades whether they entered a two-year or a four-year institution. As shown in Figure 4, the median GPA at exit among year-one leavers is 1.04 for community and technical college entrants and 1.07 for university entrants, and the two sectors track each other closely in every later exit year. Early academic struggle appears at about the same rate in both sectors.

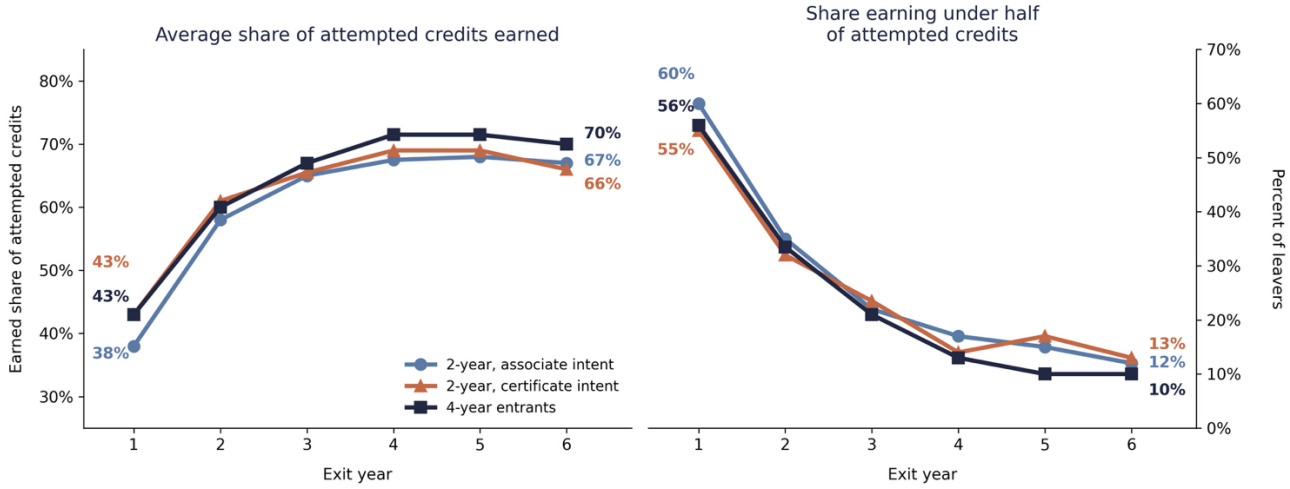
FIGURE 4.
MEDIAN GPA AT EXIT,
BY ENTERING SECTOR



The earliest leavers also completed few of the courses they started. Figure 5 shows the average share of attempted credit hours that leavers earned before exit, counting withdrawn courses as attempted.

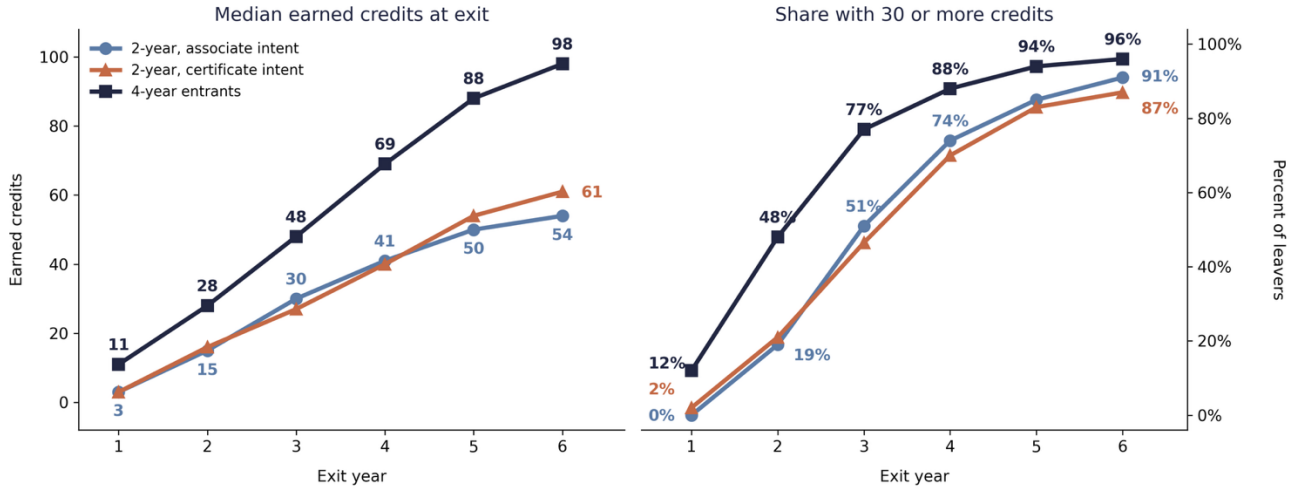
Year-one leavers earned 38% of their attempted credits when they entered a community college seeking an associate degree, 43% when seeking a certificate, and 43% when they entered a four-year institution. In all three groups, more than half of year-one leavers earned less than half of the credits they attempted. Students who leave in year three or later earned about two-thirds of the credits they attempted.

FIGURE 5. SHARE OF ATTEMPTED CREDITS EARNED AT EXIT, BY SECTOR AND STATED GOAL



The earliest leavers exit with very few credits. As shown in Figure 6, year-one leavers from community and technical colleges exit with a median of 3 earned credits, and fewer than 2% hold 30 or more, whether they stated an associate degree goal or a certificate goal. By year three, about half of two-year leavers hold at least 30 credits, the equivalent of a year of full-time coursework. Four-year entrants who leave in year five or six hold a median of 88 to 98 credits, close to the 120 typically required for a bachelor's degree.

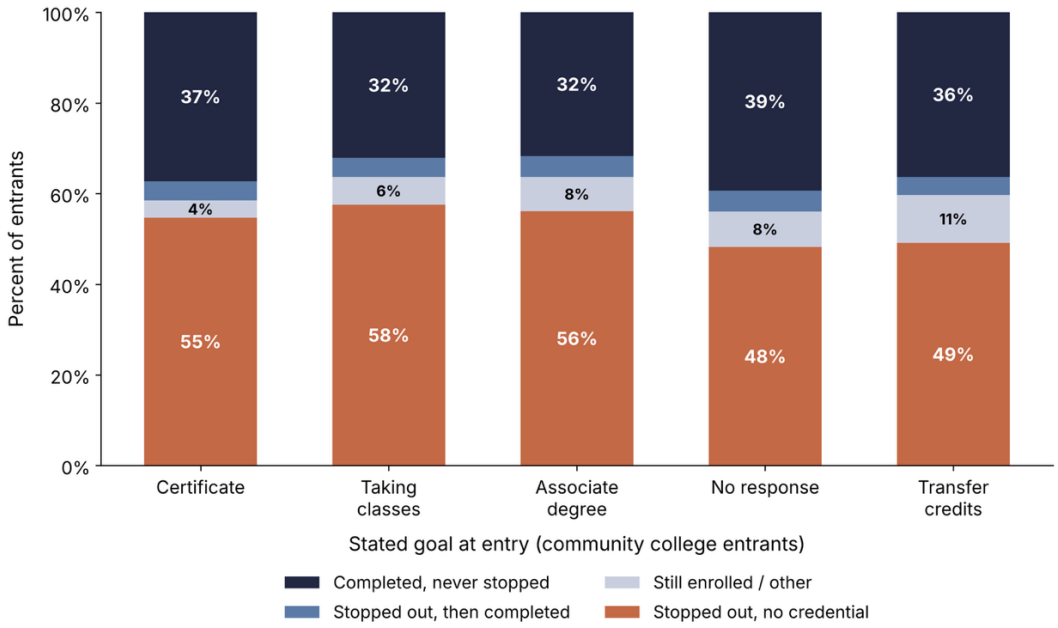
FIGURE 6. CREDITS EARNED AT EXIT, BY SECTOR AND STATED GOAL



Stopping Out Is Common Across Students' Stated Goals

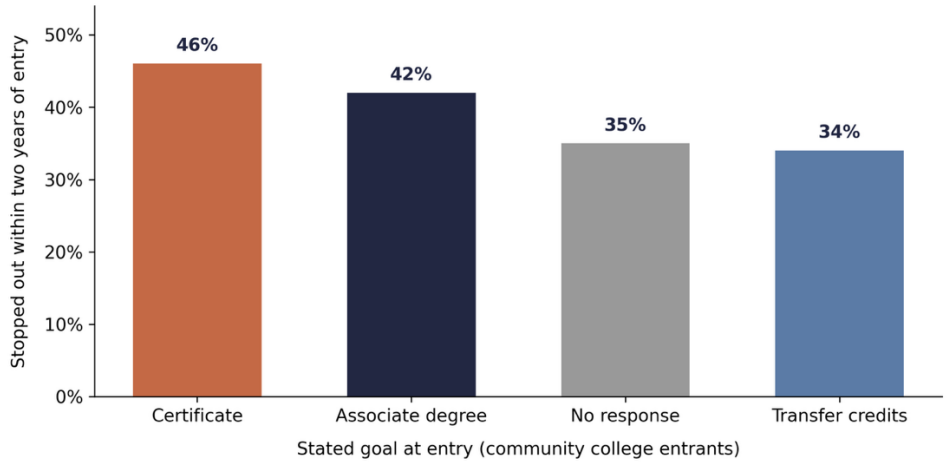
When students enter a Texas public community or technical college, they state a goal: an associate degree, a certificate, credits to transfer, or coursework by itself. Figure 7 shows outcomes within six years of entry for each group. Stopping out with no credential is the most common single outcome in every group. Among entrants who stated an associate degree goal, 56% stopped out with no credential, compared to 55% of certificate seekers and 49% of students seeking credits to transfer.

FIGURE 7. OUTCOMES WITHIN SIX YEARS, BY STATED GOAL AT ENTRY



Certificate seekers leave earliest. As shown in Figure 8, 46% of students who stated a certificate goal stopped out within two years of entry, compared to 42% of associate degree seekers, 35% of students who gave no response, and 34% of students seeking credits to transfer. A stated credential goal at entry does not protect students from stopping out, and students seeking the shortest credentials leave at the highest rates. The rates in Figure 8 are for community college entrants; the 38% six-year figure earlier in this section covers all entrants, including recent classes observed for fewer than six years.

FIGURE 8. SHARE STOPPING OUT WITHIN TWO YEARS, BY STATED GOAL AT ENTRY



SECTION 3

The Debt Stopouts Carry

This section examines how much student debt stopouts hold and who among them borrows. We then compare stopout borrowing to the borrowing of students who completed, in total and adjusted for time enrolled.

THE TAKEAWAY

- The 331,373 stopouts who never completed hold at least $1.09 billion in student debt.
- Approximately 29% of six-year stopouts left with debt. The typical borrower owes $6,250.
- The later a student leaves, the more likely they are to leave with debt. Only 23% of year-one leavers borrowed, compared to 58% of the latest leavers.
- Completers borrow more often and owe more in total; however, adjusted for time enrolled, stopouts owe slightly more per attempted credit.
- The debt burden is concentrated among students who entered four-year colleges. The typical four-year stopout borrower owes 41% of a year of pay, compared to 20% at two-year colleges.
- Borrowing is concentrated among four-year, full-time entrants and is highest among graduates of rural high schools.

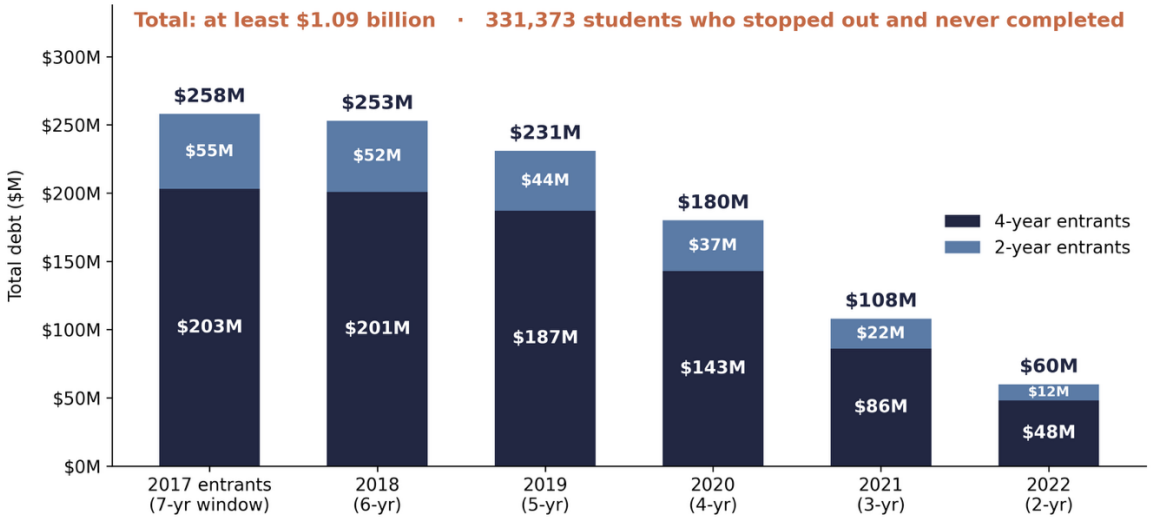
Stopouts Hold at Least $1.09 Billion in Debt With No Credential

Following each entering class as far as the data allow, the 331,373 stopouts who never completed hold at least $1.09 billion in student debt. This count differs from the 347,061 six-year stopouts reported in Section 2 only because the observation windows differ, a fixed six-year window there and the full observable window here. Figure 9 shows the total by entering class and entering sector, from $258 million for 2017 entrants, whom we observe for seven years, to $60 million for 2022 entrants, whom we observe for only two. Students who entered four-year institutions account for about $869 million of the total, roughly four of every five dollars, even though two-year entrants are the majority of stopouts. Because the more recent classes are still early in their windows, **this total will grow**, and we describe it as a floor rather than an estimate of the eventual debt for these students.

$1.09 billion

Student debt held by the 331,373 Texans who stopped out and never completed, with no credential attached to it. This is a floor, as the most recent classes will accumulate more debt as their time in postsecondary increases. Additionally, many students may take out additional loans and financing not captured in publicly available data.

FIGURE 9. TOTAL DEBT HELD BY STOPOUTS WHO NEVER COMPLETED, BY ENTERING CLASS AND SECTOR

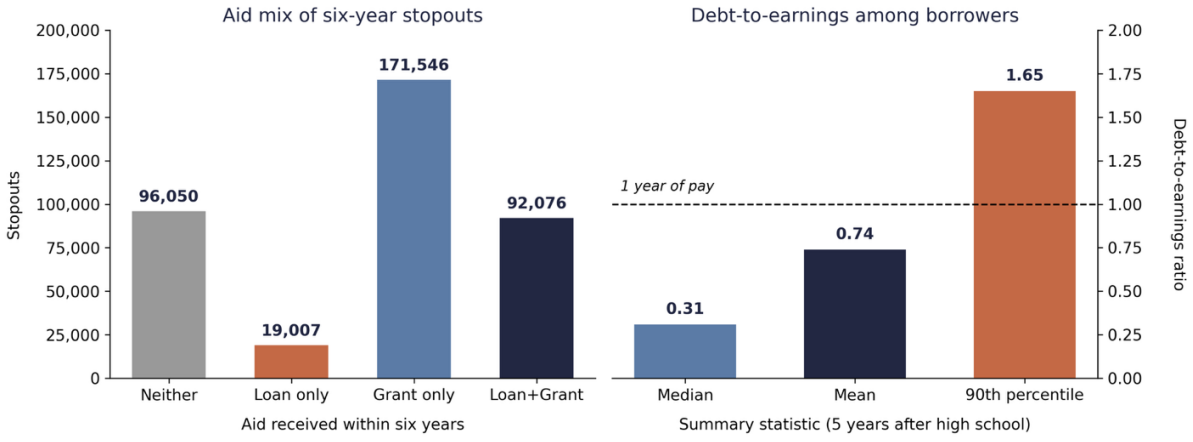


Not all stopouts borrow. Approximately 29% of six-year stopouts left with debt. The typical stopout borrower owes $6,250, and the average is $12,155, pulled upward by a smaller group with much larger balances. Most stopouts leave with grants only or no aid at all. Among the six-year stopouts we observe, 45% received grants without loans and another 25% received neither.

Texas community colleges are among the least expensive in the country, and at public two-year colleges nationally, grant aid has covered average tuition and fees for full-time students since 2009-10.[27] What grant aid does not cover is everything else. Tuition and fees account for 21% of the average cost of attendance at a Texas public two-year college; food, housing, and other living expenses account for 73%.[28] A student covering two semesters on minimum wage alone would need 70 hours of work per week at a two-year college and 83 at a university.

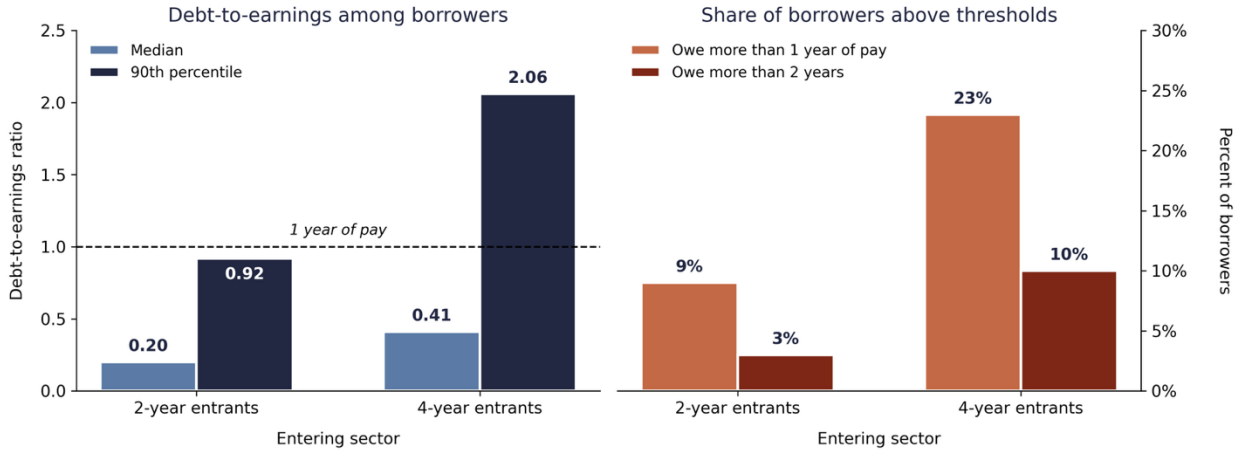
Most stopout borrowers owe an amount that is modest relative to their earnings; however, they hold this debt without a credential. Among borrowers, median debt equals about a third of a year's pay at five years after high school. The top tenth of borrowers owes 1.7 years' worth, as shown in Figure 10. Nationally, borrowers who leave without a credential default at far higher rates than graduates who borrow.[29] While our data do not track repayment, these national patterns suggest greater attention is warranted for the group of stopouts owing more than a full year's earnings.

FIGURE 10. AID MIX AND DEBT-TO-EARNINGS AMONG STOPOUTS



The debt burden is concentrated among students who entered four-year colleges. The typical four-year stopout borrower owes 41% of a year of pay, compared to 20% at two-year colleges. Among four-year stopout borrowers, 23% owe more than a full year of pay, compared to 9% at two-year colleges, as shown in Figure 11. Among the top tenth of borrowers, debt reaches 92% of a year's pay for two-year entrants and 206% for four-year entrants. Owing more than two years of pay is also concentrated in that sector, at 10% of four-year stopout borrowers compared to 3% at two-year colleges.

FIGURE 11. DEBT-TO-EARNINGS AMONG STOPOUT BORROWERS, BY ENTERING SECTOR



Who Borrows, and How Much

Borrowing is concentrated among four-year, full-time students. As shown in Figure 12, approximately 58% of stopouts who entered four-year institutions borrowed (a comparison by entering sector, distinct from the year-six share above), with average debt of $14,875, compared to 15% of stopouts who entered two-year colleges, with average debt of $6,832. Students enrolled full time in year one borrowed at more than twice the rate of part-time entrants (40% compared to 15%). Borrowing also varies by geography. The share of stopouts who borrowed rises from 27% among graduates of major-urban high schools to 36% among graduates of rural high schools, and students who left rural and town college campuses borrowed most (45% and 37%, respectively), as seen in Figures 13 and 14.

FIGURE 12. BORROWING BY ENTERING SECTOR AND YEAR-ONE ENROLLMENT STATUS

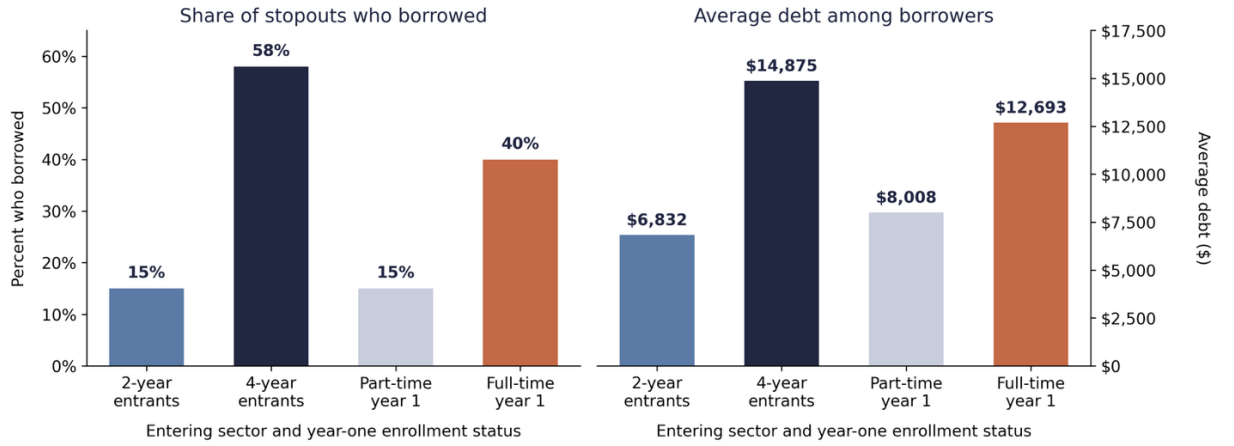


FIGURE 13. BORROWING BY HIGH SCHOOL COMMUNITY TYPE

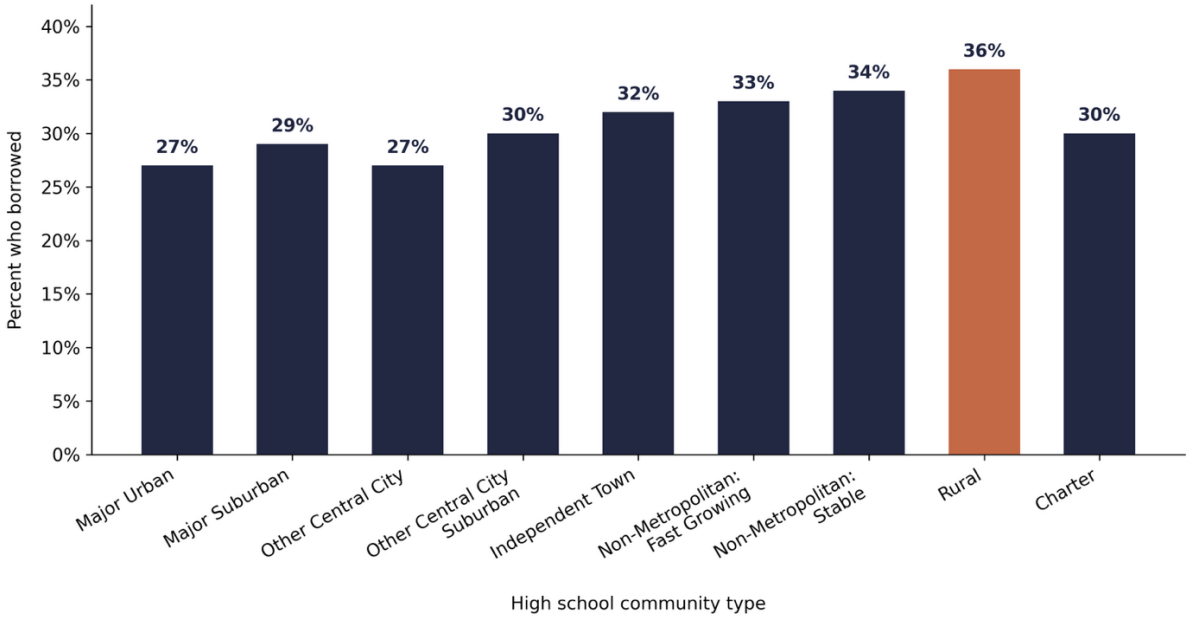
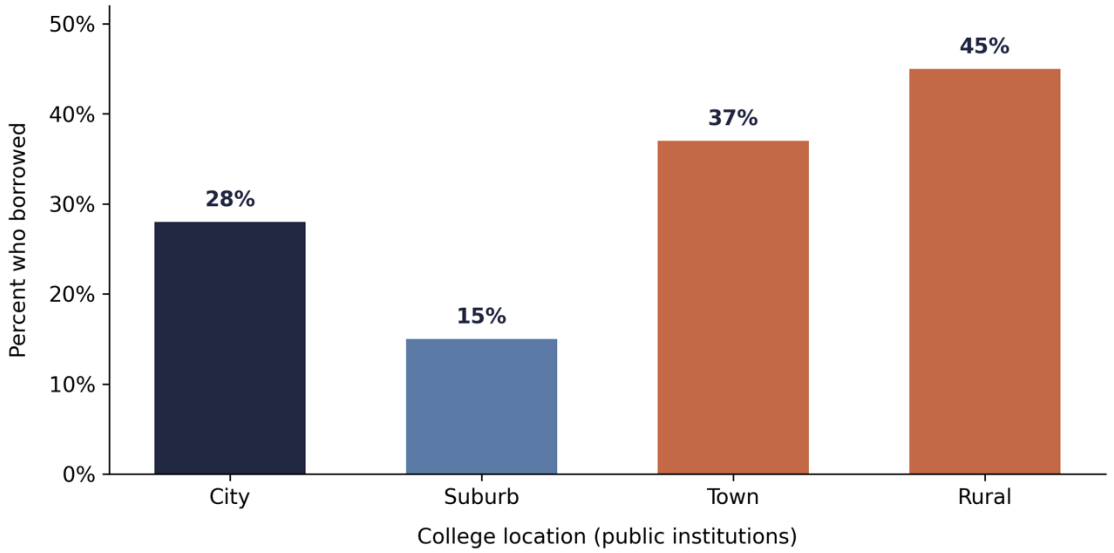
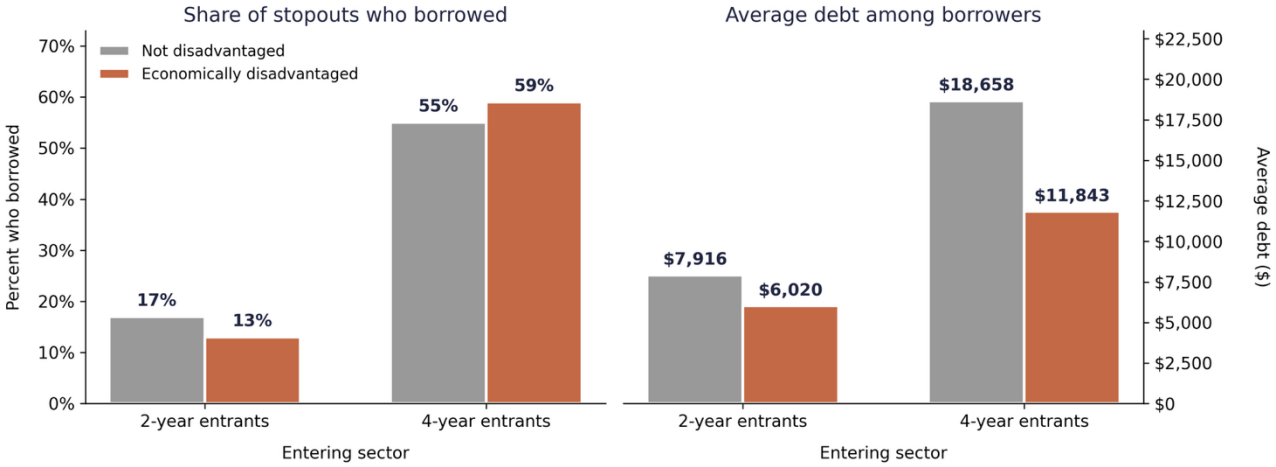


FIGURE 14. BORROWING BY COLLEGE LOCATION



Students from low-income households borrow less often overall and owe $5,400 less when they do, even though they are 13 percentage points more likely to stop out within two years of entry than similarly situated peers, a contrast we return to in Section 5. As shown in Figure 15, economically disadvantaged stopouts, who tend to be eligible for grant aid such as Pell Grants, owe less in both sectors. The dollar gap is wider at four-year colleges ($11,843 compared to $18,658 on average). At four-year colleges they borrow slightly more often than their peers (59% compared to 55%), and at two-year colleges they borrow less often (13% compared to 17%). Students who persisted longest before stopping out, and graduates of rural high schools, carry the largest debts. A smaller debt without a credential can strain an economically disadvantaged family more than a larger debt strains a family with more resources, and the state's main affordability tool does not illustrate whether these students finish.

FIGURE 15. BORROWING AND AVERAGE DEBT AMONG SIX-YEAR STOPOUTS, BY ECONOMIC DISADVANTAGE AND ENTERING SECTOR

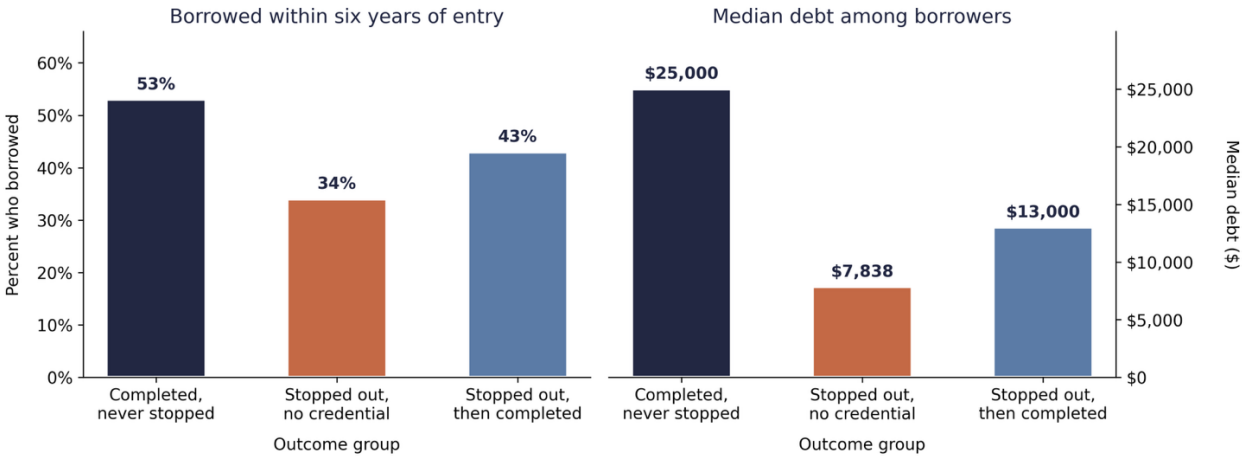


Debt also varies by what students were studying. Liberal Arts and Sciences is the largest declared field among stopouts, accounting for 34% of declared majors at exit, with average debt of $8,933 among borrowers. Undecided students carry the highest average debt at $14,853, and median debt across the twelve largest fields runs from $5,500 to $9,000.

Stopouts Borrow Less in Total, but Not Less per Credit

Completers borrow more often and owe more, but their debt comes with a credential attached. Stopouts' debt does not. Among the 2017 and 2018 entering classes, whose full six-year windows we observe, 53% of students who completed without stopping out borrowed, compared to 34% of stopouts with no credential. Median debt among borrowers was $25,000 for completers and $7,838 for stopouts, as shown in Figure 16. These figures run slightly higher than the 29% share and $6,250 median reported earlier in this section only because the base here is restricted to the two classes whose full six-year windows we observe.

FIGURE 16. BORROWING AND MEDIAN DEBT, WITH AND WITHOUT A DEGREE



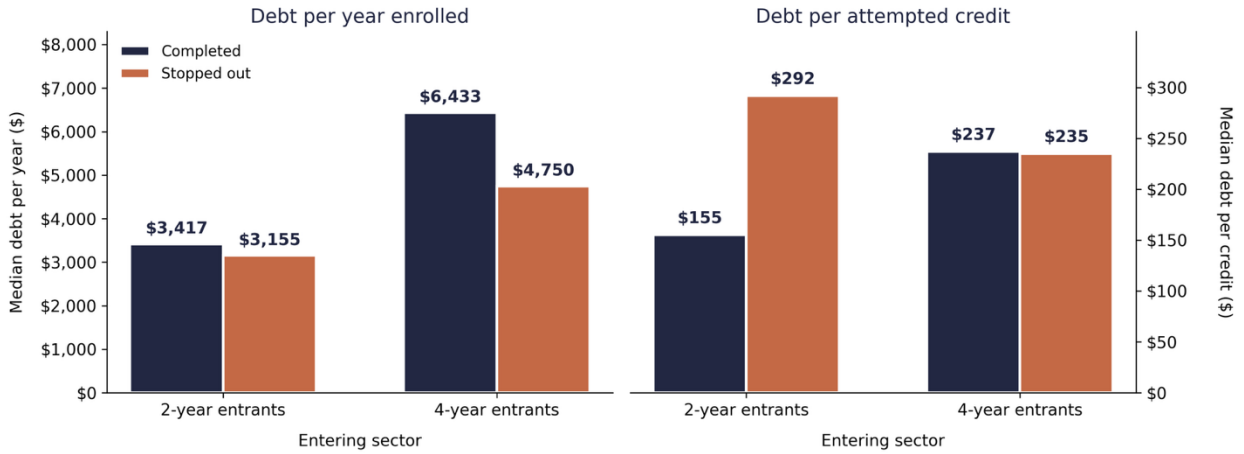
Much of that gap reflects time enrolled rather than differences in borrowing behavior. The typical stopout left after two years and 18 attempted credits, while the typical completer accumulated four years and 115 attempted credits. Adjusted for time enrolled, the gap nearly closes. Per year, stopout borrowers owe about three-quarters of what completers owe ($4,050 compared to $5,451), and per attempted credit they owe slightly more ($257 compared to $212), as shown in Figure 17. Stopouts carry a comparable debt load for the education they received; however, completers left with a credential that raises earnings, and stopouts did not.

FIGURE 17. DEBT PER YEAR ENROLLED AND PER ATTEMPTED CREDIT, AMONG BORROWERS



The per-credit comparison differs by sector. Per attempted credit, two-year stopout borrowers owe nearly double what completers owe ($292 compared to $155 at the median), and four-year stopout borrowers owe about the same as completers ($235 compared to $237), as shown in Figure 18. Per year enrolled, stopout borrowers owe somewhat less than completers in both sectors.

FIGURE 18. DEBT PER YEAR ENROLLED AND PER ATTEMPTED CREDIT, BY ENTERING SECTOR



SECTION 4

The Earnings Gap of Stopouts and Completers

This section compares the earnings of stopouts and completers over the decade after high school.

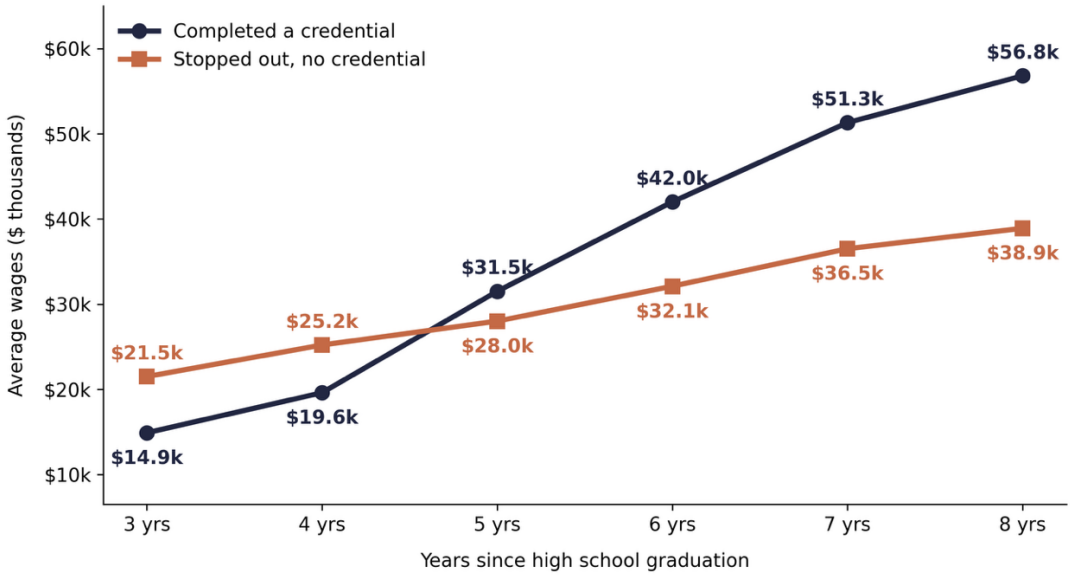
THE TAKEAWAY

- Stopouts earn far less than completers over time. By year eight, completers earn $17,900 more per year, and a decade after high school the gap is about $20,800.
- Non-completers barely outpace Texans who never enrolled in college.
- Stopouts out-earn completers only in the first four years after high school. The lines cross by year five overall, and a year later at two-year colleges.
- Among stopouts, borrowing more was not associated with higher pay.

Stopouts Earn Less Than Completers Over Time

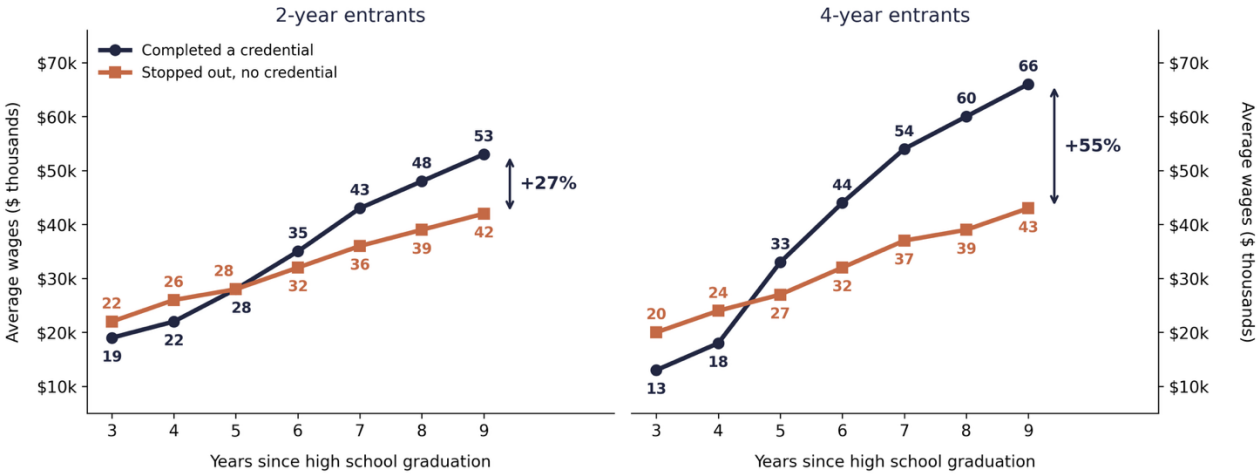
Stopouts earn far less than completers, and the gap widens over time. By year eight, completers earn $17,900 more per year ($56,800 compared to $38,900 among 2017 entrants). The comparison looks different in the first few years. Stopouts out-earn completers for the first four years after high school, while completers are still enrolled and working part time, if at all, and the lines cross by year five overall. Figure 19 shows this crossover. We caution that any evaluation of stopping out based on the first few years of earnings would reach the wrong conclusion, which may be one reason the costs of stopping out receive less attention than the costs of debt.

FIGURE 19. WAGES BY YEARS SINCE HIGH SCHOOL GRADUATION, 2017 ENTRANTS



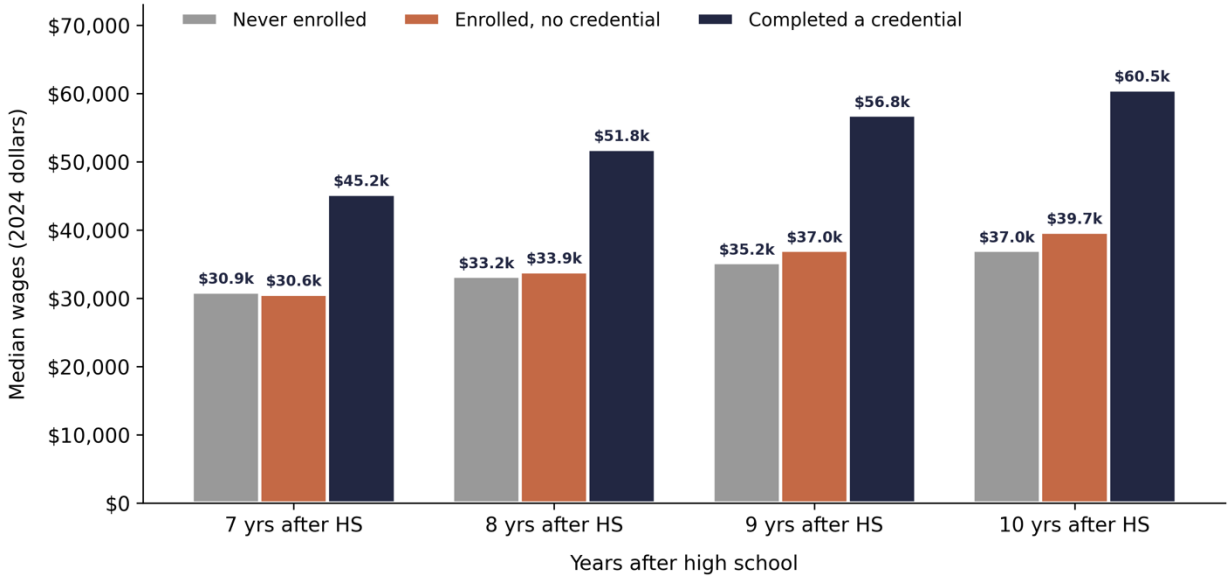
Stopouts out-earn completers early in both sectors; however, the lines cross a year later at two-year colleges, between years five and six, compared to between years four and five at four-year colleges. By nine years after high school, completers earn $11,192 more per year at two-year colleges and $23,418 more at four-year colleges, as shown in Figure 20.

FIGURE 20. WAGES BY YEARS SINCE HIGH SCHOOL GRADUATION BY ENTERING SECTOR, 2017 ENTRANTS



The gap continues to widen with time. A decade after high school, Texans who completed a credential earn about $20,800 more per year than those who enrolled but never finished ($60,500 compared to $39,700 among the high school classes of 2012 to 2016). As shown in Figure 21, non-completers barely outpace those who never enrolled at all, who earn $37,000. That is, ten years out, the earnings of a Texan who attended college without finishing look far more like the earnings of someone who never went than of someone who completed. This pattern is consistent with national estimates that place most of the earnings return to college in the credential rather than in credits alone.[30]

FIGURE 21. THE COMPLETION PREMIUM AT 10 YEARS



The state applies the same calculations to programs.[31] Under the community college finance system, a credential of value is one whose typical graduate earns enough within ten years to recoup the cost of the education and out-earn a typical high school graduate. Stopouts fall outside that test entirely: it evaluates credentials, and they left without one. They incurred the costs, and ten years later they earn about $2,700 more than Texans who never enrolled. The value the state funds programs to produce is concentrated at completion, and that does not translate to students leaving colleges without a credential.



$20,800 a year.

The completion premium a decade after high school. Non-completers earn about $2,700 more than Texans who never enrolled.

Borrowing More Did Not Come With Higher Pay

Within the stopout population, debt and earnings are largely disconnected. Unlike the comparisons in the previous subsection, which are anchored to years since high school graduation, the figures here are measured from college entry. Among stopouts, earnings six years after entry sit near $31,000 at every debt level, from students who borrowed nothing to students who borrowed $20,000 or more. Borrowing more was not associated with higher pay. Stopout borrowers actually earn somewhat less than stopouts who never borrowed at every point we measure, a difference of roughly $1,400 to $2,700 per year, which likely reflects who needs to borrow rather than any effect of the debt itself.

The comparison with completers is more consequential. At the median, the gap at five years after entry is small ($27,450 compared to $27,240), but the averages separate quickly as completers' careers advance. The average gap reaches $3,300 at five years after entry and continues to widen. Six years after entry, students who stopped out without a credential earn about $9,000 a year less than completers. This means that the typical stopout borrower carries debt equal to about a third of a year's pay, as described in Section 3, while their own earnings flatten and completers' earnings continue to rise.

SECTION 5

Who Persists?

This section identifies which college readiness indicators predict avoiding stopping out.

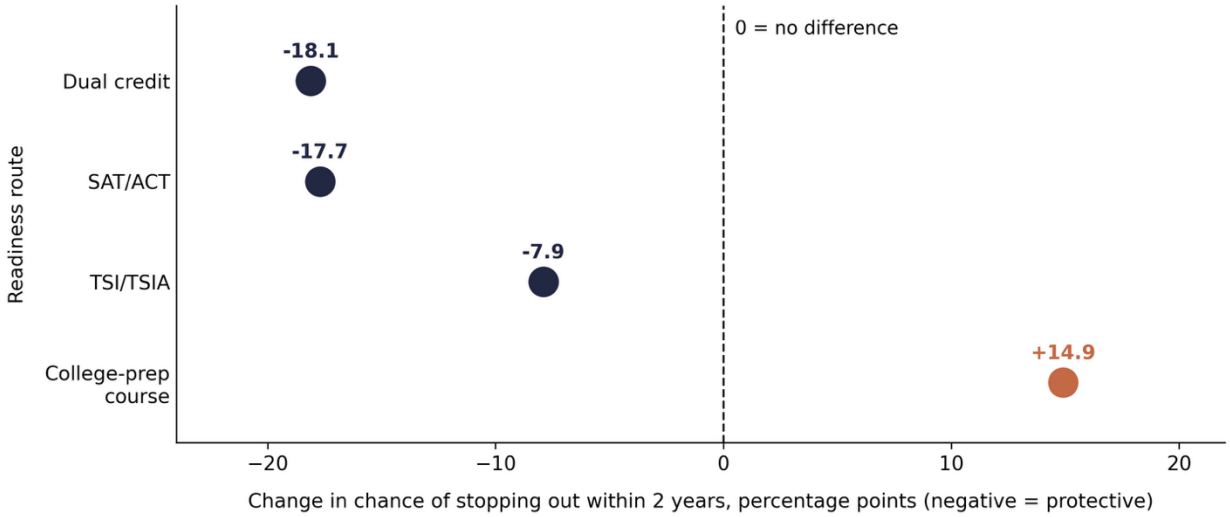
THE TAKEAWAY

- Comparing students with similar backgrounds and academic achievement, students who demonstrate college readiness through dual credit or standardized assessments are about 18 percentage points less likely to stop out.
- Students whose designation comes from the college preparatory course are 15 percentage points more likely to stop out.
- Economically disadvantaged students are 13 percentage points more likely to stop out than similarly situated peers.

Genuine Readiness Predicts Who Persists

Texas high schools designate college readiness in several ways, and these designations differ sharply in what they predict. Comparing students with similar backgrounds and academic achievement from the same high schools, students who demonstrate college readiness through dual credit or standardized assessments are about 18 percentage points less likely to stop out within two years. Meeting readiness benchmarks on the Texas Success Initiative (TSI) assessment is associated with a smaller reduction of about 8 percentage points. In contrast, students whose college-ready designation comes from completing a college preparatory course are 15 percentage points more likely to stop out, as shown in Figure 22.

FIGURE 22. CHANGE IN THE CHANCE OF STOPPING OUT WITHIN TWO YEARS, BY READINESS ROUTE



These comparisons hold background and achievement constant, but they are not causal effects. Dual credit students differ from their peers in ways no model fully captures. The pattern still matters for how the state reads its own readiness statistics. Readiness routes that require students to demonstrate college-level performance, by passing actual college courses or meeting test benchmarks, identify students who persist. A course completion designation given to students who have not demonstrated that performance identifies students at elevated risk, and treating all readiness designations as equivalent overstates how prepared these students are.

Both routes sit inside policy the state already controls. The college preparatory course carries its college-ready designation under state accountability rules, and FAST has made dual credit, the route associated with persistence, free for educationally disadvantaged students since 2023. The accountability system is starting to move this direction. House Bill 8 (2025, second called session) instructs TEA to weight each CCMR indicator by its correlation with postsecondary success and wages, and the rulemaking to implement that weighting is underway.[32] It is unclear at the time of publishing how the differentiation will align with college-level definitions of readiness or reflect the predictive data used in this analysis. Section 6 returns to this.

The demographic patterns echo this concern. Economically disadvantaged students are 13 percentage points more likely to stop out than otherwise similar peers, and as shown in Section 3, they owe less when they do borrow. The students most likely to leave without a credential are underrepresented among the heavy borrowers, which suggests that the barriers documented in prior research, including tuition, living expenses, and lost aid eligibility, operate here as well.[33]

18 points

Students who showed college-level performance before entry, through dual credit or test benchmarks, are 18 points less likely to stop out than similar peers. Students whose designation comes from the college preparatory course are 15 points more likely to stop out.

SECTION 6

Policy Opportunities for Texas

This section considers what these findings mean for Texas policy and where the state has opportunities to act. We weigh our findings against national evidence on what has kept students enrolled and what has brought former students back.

THE BOTTOM LINE

- The 331,373 stopouts who never completed, and the $1.09 billion they owe, are not counted in affordability metrics that include only completers.
- Persistence is the measure that shows when students leave college. Enrollment and graduation counts alone do not.
- Genuine readiness before entry predicts who avoids stopping out. The college preparatory course designation does not.
- Assistance for former students is most likely to pay off when it is targeted to those who left close to completing.
- Debt pays off only when the student earns a credential. The state should align its affordability programs with its completion goals.

The Five Opportunities

Our findings support five policy opportunities for the state, each taken up in turn below:

1. Measuring student debt, and debt relative to earnings, across all college entrants rather than among completers alone.
2. Targeting re-engagement outreach to former students with substantial completed credits, and pairing that outreach with last-mile funding to carry them to completion.
3. Aligning affordability programs with completion goals, so that persistence and completion are treated as outcomes of state aid.
4. Prioritizing academic readiness and high-impact pathways prior to postsecondary enrollment to support increased retention and completion.
5. Setting state goals around persistence rather than enrollment alone, reporting first-year persistence by high school alongside CCMR results, and refining persistence reporting by program and beyond the second year.

OPPORTUNITY 1

Measure Student Debt Across All Entrants, Not Just Graduates

Affordability debates in Texas tend to focus on the balances of students who graduate. The metrics the state uses to track postsecondary progress do not count students who leave without a credential. The 331,373 stopouts who never completed, and the $1.09 billion they owe, do not often appear in the affordability debates. Our findings suggest the affordability conversation is incomplete without them. The typical stopout borrower owes $6,250, a modest balance by the standards of that debate; however, the burden is not modest for everyone. Among four-year entrants, 23% of stopout borrowers owe more than a full year of pay. Measuring student debt, and debt relative to earnings, across all college entrants rather than among completers alone would give policymakers an accurate account of what college costs students who leave without a credential.

The state's own affordability goal works the same way. Building a Talent Strong Texas commits Texas to 95% of students graduating with no undergraduate debt or manageable debt relative to their earnings. Because that measure covers graduates, the students in our data fall outside it entirely. Extending the state's debt-to-earnings lens from graduates to all entrants would bring them into view using a tool the Coordinating Board already operates, and it would give lawmakers a better understanding of what college costs Texans, with or without a credential. After all, it is the act of earning a credential that sets students on a path towards economic mobility and, in turn, can make the cost of education affordable.

OPPORTUNITY 2

Target Re-Engagement and Last-Mile Funding to Students Close to Finishing

For the 2.64 million Texans who have already left, assistance is most likely to pay off when it is targeted to students who left close to completing. Roughly one-third of students who leave college do so after completing at least three-quarters of the credits typically required for a degree,[34] and students with more completed credits are the most likely to return.[35] Efforts in other states found that some former students already qualified for degrees they were never awarded.[36]

Research from Texas 2036 identifies more than 54,000 Texans who earned 60 or more credit hours at public universities between 2012 and 2022 and left without any credential; among those who earned all their credits at a single institution, more than one in ten passed 120 hours, enough for a bachelor's degree.[37] The recommendations attached to that research, retroactive and embedded credentialing and streamlined reverse transfer, are aimed at students who have already done most of the work.

Messaging alone did not increase attainment for students near completion,[38] while states that paired outreach with financial support, such as Tennessee's adult promise grant, saw measurable enrollment gains.[39] Most stopouts in our data left early, with few credits. Targeting concentrates limited resources on the smaller group for whom one more year of support could produce a credential. The funding side of that pairing has lapsed in Texas: the Reskilling

Support Fund, which gave returning students $500 to $2,500 per semester, ran on one-time federal relief dollars that have since been spent, and no successor program has been funded. TRUE grants continue, but they fund colleges to build short-term programs rather than funding the returning student. Whether Texas rebuilds a dedicated re-engagement fund is a budget decision beyond our data. The design lesson is narrower: outreach paired with money moved enrollment, and outreach alone did not. A last-mile fund, aid reserved for former students who have amassed significant credits and need a semester or two to finish, is the version of that pairing these findings point to: it concentrates dollars on the students for whom one more year most often produces a credential.

OPPORTUNITY 3

Align Affordability Programs with State Outcomes and Completion Goals

Our findings do not support treating college affordability and college completion as separate problems. Per attempted credit, stopout borrowers owe slightly more than completers overall, and nearly double at two-year colleges. The debt pays off only when the student earns a credential. Their earnings do not separate until completers begin finishing, and the gap then widens in every year we can observe. Prior research points in the same direction. Students most often leave over tuition, living expenses, and lost aid eligibility,[40] and the interventions that raised completion paired support with money.[41] Texas funds affordability through one set of programs and pursues completion goals through another. Aligning them, by treating persistence and completion as outcomes of state aid and by tying re-engagement aid to a completion plan, would direct both funding streams toward credential completion.

The state's grant programs already point toward persistence. The 2026-27 budget added roughly $328 million in financial aid, funding TEXAS Grant and TEOG awards for 67.5% of eligible students, and keeping a TEXAS Grant requires staying on pace: a 2.5 cumulative GPA and 24 completed credit hours a year.[42] The gap is at initial eligibility. TEXAS Grant requires enrolling within 16 months of high school graduation with no more than 30 attempted credit hours, so most returning stopouts cannot start one; TEOG carries no such clock and is the grant a returning community college student would use, though the stopouts near completion would not be eligible, as initial awards are limited to students that have less than 45 credit hours attempted. Federal Workforce Pell, effective July 2026, ties aid for short-term programs to completion, placement, and earnings tests. Treating persistence and completion as outcomes of the state's own aid, and building a re-entry pathway into the grants themselves, would finish the alignment the renewal rules start.

OPPORTUNITY 4

Prioritize Academic Readiness and High-Impact Pathways Before Students Enroll, to Support Retention and Completion

Students who demonstrate college readiness through dual credit or standardized assessments are about 18 percentage points less likely to stop out in our data, while students whose designation comes from the college preparatory course are at elevated risk. Texas has invested heavily in expanding dual credit, and our findings suggest the benefits of those investments extend into college persistence. FAST builds on that investment, giving educationally disadvantaged students greater access and opportunity by covering dual credit costs entirely. The same findings caution against treating course-completion designations as evidence of readiness. One opportunity to strengthen the state's readiness measures is to distinguish, in accountability reporting, between readiness demonstrated through performance and readiness conferred by course completion.

The state has started to refine the metrics it uses to incentivize and hold schools accountable for ensuring every student is ready for life after high school. House Bill 8 (2025, second called session), a different bill from the 2023 community college finance law of the same number, instructs TEA to weight each CCMR indicator by its correlation with postsecondary success and wages, and the rulemaking to implement that weighting is underway. It is unclear at the time of publishing how the new differentiation will align with college-level definitions of readiness or reflect the predictive data used in this analysis. Studies have found that readiness indicators differ widely in how well they predict later wages,[43] and our findings add the persistence case: the college preparatory course designation, associated in our data with elevated stopout risk, is the kind of signal an outcomes-anchored system should treat differently.

The opportunity is for the state to prioritize academic readiness, demonstrated through college-level performance, as a foundation of both completion and affordability, and to carry that priority into the readiness statistics it reports publicly.

OPPORTUNITY 5

Connect College Persistence Back to High Schools and State Goals

Enrollment counts show who starts college, and graduation rates show who finishes, but neither shows when students leave. Persistence is the measure in between. Half of stopouts leave in the first year and 78% have left within two years, so a persistence measure anchored to the first year captures most exits while there is still time to respond. The Coordinating Board already publishes one- and two-year persistence rates for entering undergraduates, but only at the institution and sector level: not by program, and not beyond the second year. A college can see its own retention. A high school cannot see what happened to its graduates after they enrolled.

The state pays high schools for the front end of that pipeline. The CCMR outcomes bonus pays districts $5,000 for each economically disadvantaged graduate, $3,000 for each other graduate, and $4,000 for each special education graduate who demonstrates readiness above a threshold, and the college-ready route requires the graduate to actually enroll in a postsecondary institution. The bonus requires enrollment but does not consider persistence. House Bill 120 now requires districts to set one-, three-, and five-year goals for their graduates' postsecondary

outcomes, and it builds the data to match: TEA must publish those outcomes down to the individual high school campus, covering the ten most recent graduating classes, with the results in the hands of school boards, superintendents, and counselors. Reporting first-year persistence by high school alongside CCMR results would connect the readiness the state pays for to the outcome it is meant to produce, using data the state already collects and without adding an accountability mandate.

TWO ADDITIONS BELONG WITH IT:

Persistence in state goals

Building a Talent Strong Texas sets targets for attainment, completions, and student debt; none of its measures touches persistence. A persistence goal alongside the completion goal would register the students in the middle, and it would give House Bill 8's completion incentives a leading indicator: colleges are paid when students finish, and persistence shows, class by class, whether that incentive is reaching students in the window when most exits happen.

Visibility past year one and two

Institution-level, first and second-year rates cannot show which programs lose students or when, and exits continue: 22% of stopouts leave in years three through five. Reporting persistence by program and through the later years would show where support belongs, and it would line up with the credential-of-value framework the state already applies program by program.

Closing

Texas has built its higher education strategy around completion, and the strategy is working for the students who complete. This report has examined the students who are not counted in those measures.

Nearly as many recent Texas entrants have stopped out as have completed. They hold more than a billion dollars in debt with no credential. A decade later their earnings are only slightly higher than those of Texans who never enrolled.

The opportunities our findings point to are measuring affordability across all college entrants, reaching students who left close to completing, aligning affordability programs with completion goals, building genuine readiness before entry, and supporting persistence in the first year. If Texas does not act on those opportunities, the state's completion gains will continue to sit alongside a population of former students who carry the costs of college without the credential that makes those costs pay off.

Texas set its goal: 60% of working-age adults holding a credential of value by 2030.[44] Our data show the shortest path to it runs through students who already chose college. In the classes we followed, 347,061 students stopped out within six years, half before what would be beginning their second year.

The 331,373 who never completed in any year we can observe left having $1.09 billion in debt toward earnings that ten years later are expected to be $20,800 lower than their peers who completed. Those numbers come from data the state already maintains.

The opportunity these findings point to is keeping the students Texas has already enrolled.



Technical Appendix. Data and Methodology

Data sources

Our analysis uses individual-level administrative records linked across three state agencies: high school records from the Texas Education Agency (TEA), enrollment files and Financial Aid Database System (FADS) records from the Texas Higher Education Coordinating Board (THECB), and wage records from the Texas Workforce Commission (TWC). All data were accessed and linked at the student level through the University of Houston Education Research Center.

Sample

The main sample includes all Texas public high school graduates who enrolled in a Texas public two-year or four-year institution within one year of high school graduation, in the entering classes of 2017 to 2022 (N = 913,443). The ten-year earnings analysis draws on all Texas public high school graduates in the classes of 2012 to 2016, followed through state wage records.

Defining stopping out

We classify a student as a stopout if the student left college without a credential and did not re-enroll in any Texas institution for more than a year, defined as two or more consecutive missed fall and spring terms. Students who leave and return within a year are not counted as stopouts, and students who stop out and later complete are reported separately throughout. Because more recent entering classes have had less time in the data, we report outcomes within fixed windows, such as two or six years of entry. Six-year statistics are restricted to students whose full six-year window is observable, and totals that mix observation windows are labeled as such.

Measuring debt

Debt figures reflect federal, state, and school-certified private loans disbursed through Texas institutions while students were enrolled, as recorded in state financial aid files, not current balances, which is why the report says students left with this debt. Debt accumulated out of state is not observed, which is one reason we describe the $1.09 billion total as a floor. Per-year and per-credit debt figures are computed for each borrower individually and then summarized, so they will not equal the ratio of the medians reported in the text.

Measuring earnings

Wages are annual earnings from state wage records, expressed in real 2024 dollars. Earnings comparisons exclude years with no recorded Texas wages. Some analyses measure earnings from college entry and others from high school graduation, and each figure and passage names the measure it uses.

Comparing similar students

Where the report compares students with similar backgrounds and academic achievement, estimates come from models that account for student demographics, economic disadvantage, English learner and special education history, prior achievement, college readiness indicators, entering sector, and the high school and entering class a student shared with peers. Students are not randomly assigned to readiness programs or to borrowing, and the estimates should not be interpreted as causal effects.

Endnotes

1 Shapiro, D., Ryu, M., Huie, F., & Liu, Q. (2019). Some college, no degree: A 2019 snapshot for the nation and 50 states (Signature Report No. 17). National Student Clearinghouse Research Center.

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3 Texas Higher Education Coordinating Board. (2026, November 16). Enrollment fall 2026 [Board presentation, Agenda Item VIII-B]. The preliminary count of 1.72 million compares with a certified fall 2025 count of 1,674,070. Every sector grew and exceeded its fall 2019 level.

4 Although prior research sometimes reserves the term “stopout” for students who temporarily leave and then return to college and “dropout” for students who never return (DesJardins, Ahlburg, & McCall, 2006), we apply one term to all students who leave without a credential because the two groups cannot be distinguished at the time of departure, and departures are not always permanent.

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8 Jabbari, J., Despard, M., Kondratjeva, O., Gupta, B., & Grinstein-Weiss, M. (2023). Nothing to show for it: Financial distress and re-enrollment aspirations for those with non-degreed debt. Research in Higher Education, 64, 1-32.

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18 House Bill 8, 88th Texas Legislature (2023); Texas Higher Education Coordinating Board, Community college finance, https://highered.texas.gov/community-college-finance. FAST is the Financial Aid for Swift Transfer program.

19 Senate Bill 2314, 89th Texas Legislature (2025), enrolled version; https://mytexasfuture.org

20 Texas Higher Education Coordinating Board. (2025). Summary of higher education legislation: 89th Texas Legislature, p. 8. The Legislative Budget Board's conference committee documents fund each grant at 67.5% of eligible students.

21 Texas Education Code § 28.0256, added by House Bill 3, 86th Texas Legislature (2019). Beginning with the class of 2022, students meet the requirement by submitting a FAFSA or TASFA or by filing a signed opt-out form.

22 Public Law 119-21 (2025). Workforce Pell programs must run 150 to 599 clock hours over 8 to 15 weeks, be certified by the governor as aligned to in-demand occupations, and meet completion, job placement, and earnings requirements. As of October 2, 2026, federal officials had approved nine programs at five Texas community colleges.

23 Texas Higher Education Coordinating Board, Texas Reskilling Support Fund awards (2020-2022). The fund awarded roughly $38 million across three rounds from federal Governor's Emergency Education Relief funds, supporting displaced workers and students who had stopped out with grants of $500 to $2,500 per semester.

24 Texas Education Code §§ 61.881-886, the Texas Reskilling and Upskilling through Education (TRUE) program (Senate Bill 1102, 87th Texas Legislature, 2021); THECB, TRUE 2025-27 Grant Program. Grants of up to $500,000 per institution ($800,000 for consortia) fund creation and expansion of short-term workforce credential programs in high-demand fields.

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Endnotes for Explainer Callouts

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