

# TENNESSEE EDUCATION LOTTERY SCHOLARSHIP PROGRAM 2025 ANNUAL REPORT

RECIPIENT OUTCOMES  
THROUGH FALL 2024



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# Executive Summary

## Overview of the Tennessee Education Lottery Scholarship (TELS) Report

This report provides a snapshot of TELS recipients and their outcomes, including narrative discussion on the current context. The report comprises five sections: (1) Program Overview, (2) HOPE Participation, (3) HOPE Recipient Outcomes, (4) Dual Enrollment Grant Participation, and, new this year, (5) Tennessee Reconnect Grant Participation.

An interactive data dashboard and downloadable datasets allow users to explore data on HOPE scholarship participation and recipient outcomes at a deeper level. The **HOPE Scholarship Dashboard** centralizes the most sought-after metrics related to the TELS annual report: HOPE scholarship program participation, recipient academic profiles, renewal rates, retention rates, graduation rates, and cohort progression analyses. Users may filter the data by institutional sector, recipient demographics, and scholarship program to dig deeper into each metric. The dashboard, as well as **datasets with institution-specific statistics**, are available via the [TELS Report landing page](#).

## Key Takeaways

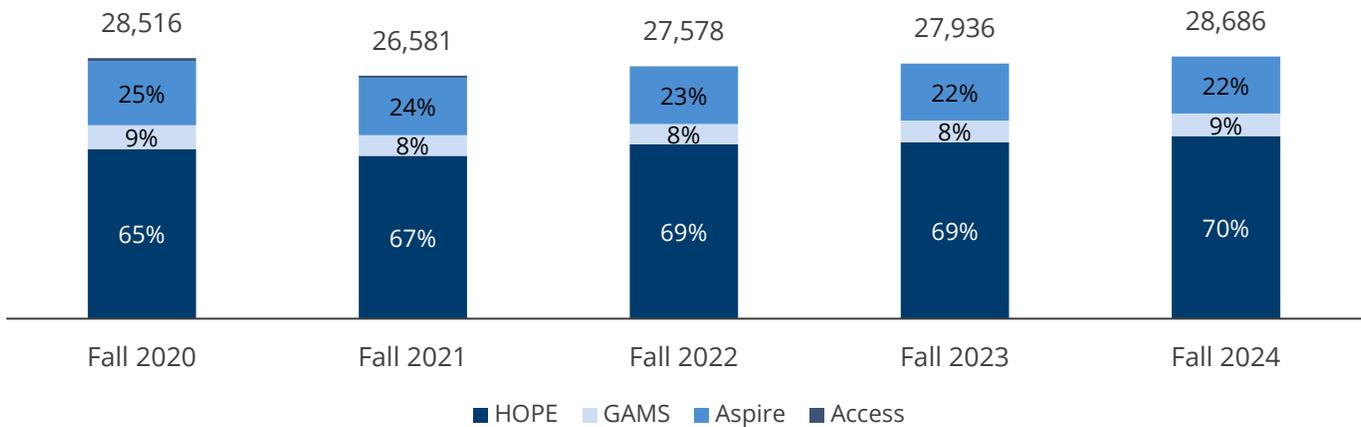
### TELS Suite

In 2024-2025, **169,412 students** received a TELS award (see **Table 1**). This includes over 74,000 HOPE scholarship recipients and over 58,000 Dual Enrollment Grant recipients, among others. There were nearly 11,000 more recipients and over \$34 million more awarded compared to the 2023-2024 aid year.

### HOPE Scholarship

In fall 2024, **28,686 students** enrolled as first-time scholarship recipients of the HOPE scholarship, General Assembly Merit Scholarship (GAMS), or Aspire Award (see **Table 4**). GAMS and Aspire are supplemental awards to the base HOPE scholarship. Most first-time recipients are **women**, and the vast majority are **White, Not Hispanic** (see **Table 6**).

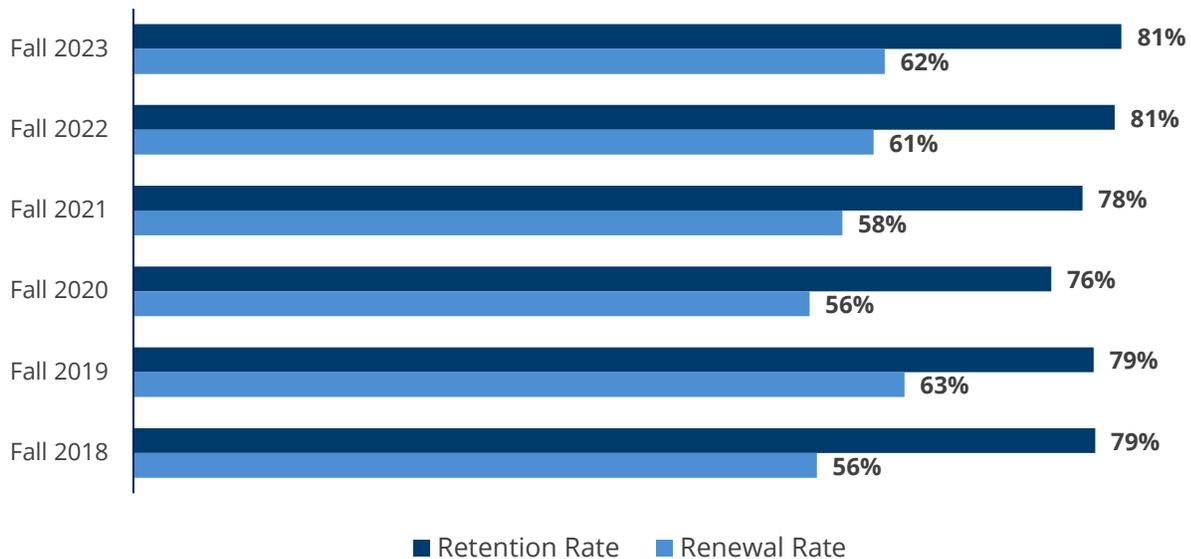
First-Time HOPE Recipients by Program



The HOPE Access grant has traditionally been a small program and was eliminated by the FAST Act of 2020. Applications for new recipients of the HOPE Access grant closed in fall 2021; the fall 2023 first-time recipient cohort is the first cohort with no HOPE Access recipients. All students in the first-time recipient cohort received the HOPE scholarship; those who also received the GAMS or Aspire supplemental awards are categorized separately in this figure. Due to rounding, totals may not sum to 100%.

**Eighty-one percent** of the fall 2023 first-time HOPE recipient cohort remained enrolled in postsecondary education in fall 2024 regardless of scholarship maintenance (see **Table 10**). **Sixty-two percent** of the cohort renewed their HOPE scholarship in fall 2024 (see **Table 10**). **Fifty-four percent** of students who did not renew their HOPE scholarship in fall 2023 returned to postsecondary education in fall 2024 (see **Table 11**).

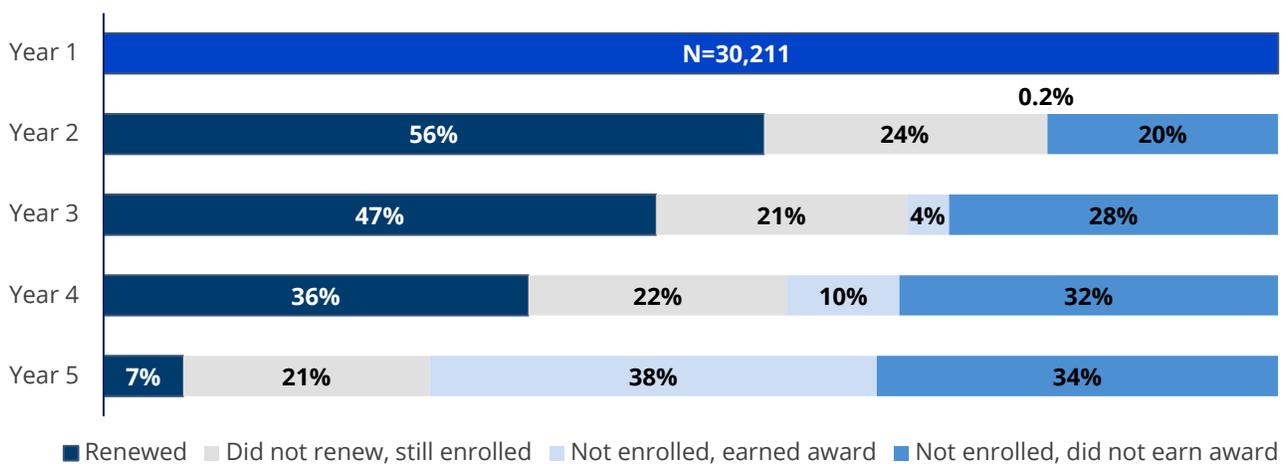
First-Time HOPE Recipient First-Fall-to-Second-Fall Renewal and Retention Rates



All students in the first-time recipient cohort received the HOPE scholarship; those who also received the GAMS or Aspire supplemental awards are included in the cohort in this figure.

Overall, 66% of the fall 2018 cohort of first-time HOPE recipients earned a credential, were still enrolled, or renewed their scholarship at the beginning of the fifth and final year of scholarship eligibility.

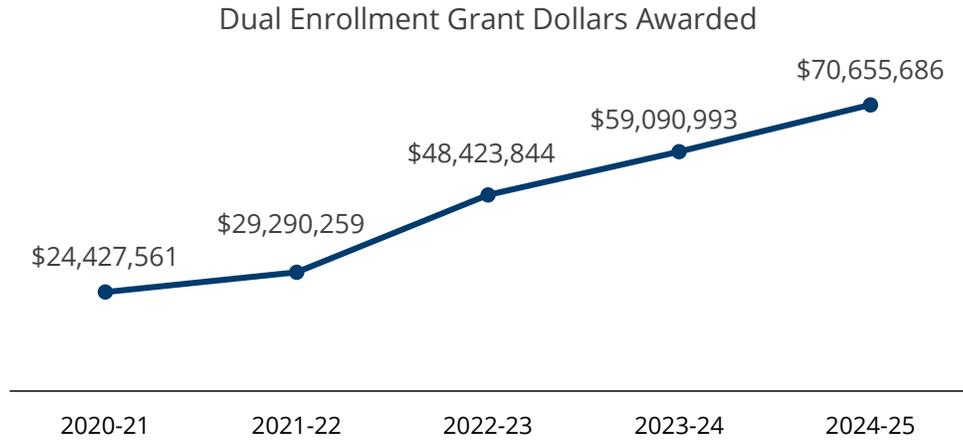
Fall 2018 First-Time HOPE Recipient Progression



All students in the first-time recipient cohort received the HOPE scholarship; those who also received the GAMS or Aspire supplemental awards are included in the cohort in this figure.

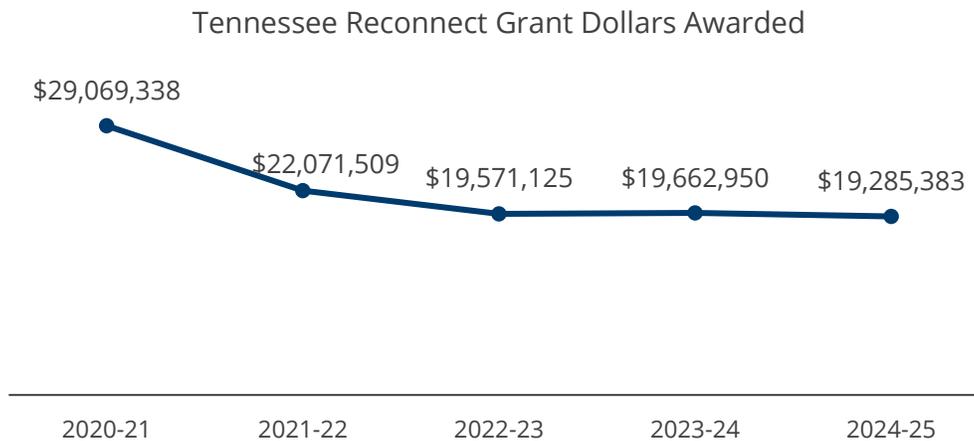
### Dual Enrollment Grant

Dual Enrollment Grant expenditures have grown by more than 189% in recent years. This more than **\$45 million increase** in spending corresponds to **nearly 27,000 more students** receiving the grant in 2024-2025 compared to 2020-2021.



### Tennessee Reconnect Grant

New to the report this year is a section on the Tennessee Reconnect Grant, a grant to support adult learners as they earn credentials. While the program has decreased in expenditures and participation since its inception in 2018-2019, there are still **over 7,000 students** receiving **more than \$19 million** in Tennessee Reconnect funding in 2024-2025.



Tennessee Reconnect Grant dollars here exclude TCAT Reconnect, a separate grant program.

### Areas for Further Research

In fiscal year 2024-2025, revenues from the Tennessee Education Lottery decreased by 18%, or almost \$90 million, from the prior year, while lottery expenditures increased 7%. The shortfall in TELS funding was made up for by revenues from sports wagering. When sports wagering privilege taxes are added for 2024-2025, the result is a net \$3.0 million surplus after all lottery expenditures are accounted. Current estimates indicate there will continue to be a deficit between TELS expenditures and the revenues generated by the Tennessee Education Lottery. As part of recent legislation, state proceeds from sports wagering were reallocated from the TELS programs to a public K-12 facility fund. If in any year the net lottery proceeds are insufficient to

cover TELS program expenditures, then an amount equal to the shortfall will be withdrawn from the K-12 facility fund and deposited into the lottery for education account. Based on these conditions, the opportunities to expand the TELS portfolio are expected to be more limited moving forward.

The soon-to-be released Tennessee Higher Education Master Plan emphasizes higher education's commitment to preserving the viability of Tennessee's financial aid portfolio and encourages the evaluation of financial aid programs to best serve Tennessee's students. The Tennessee Higher Education Commission (THEC) is actively involved in efforts to evaluate the effectiveness and efficiency of TELS programs. These avenues will allow THEC to continue to explore opportunities to best utilize TELS funding in a changing financial landscape.

- THEC has an ongoing research partnership with the University of Michigan to study reasons students lose the HOPE scholarship and their outcomes after scholarship loss. As an extension of this partnership, THEC and the research team received a grant from the Institute of Education Sciences to study the earnings outcomes for students who receive the HOPE scholarship compared to those who do not (see the **Appendix**). Results from these studies will inform policy conversations concerning the future of the HOPE scholarship and its supplements, Aspire and GAMS. As lottery funding allocations change, THEC will use evidence-based research to consider how reallocating funds, including possible future expansions and contractions of TELS programs, will impact students.
- The Dual Enrollment Grant has increased expenditures by over \$45 million in just five years. While the growth in opportunities for high school students to receive experience at TCATs, community colleges, and universities is a benefit to the state, there is a need for research to ensure that programs and courses are supporting students on their pathways. A cross-agency stakeholder group is developing a framework to ensure intentionality with dual enrollment offerings and course-taking for student exploration and efficiency. Additionally, THEC has partnered with the Tennessee Education Research Alliance and MDRC's National Rural Education Center to explore recent expansions in dual enrollment and to understand student outcomes. THEC will utilize the information gleaned in these studies to help inform the future state of dual enrollment in Tennessee.
- The Tennessee Higher Education Master Plan is the result of a year-long process that involved students, legislators, campus partners, and education organizations, among others. Over the course of conversations with these various groups, THEC found that while there is awareness of the state's financial aid, at a macro level, there remains a lack of knowledge among students around many of the specific financial aid offerings, as well as confusion on maintaining them. THEC, in partnership with institutions, will pursue opportunities to raise awareness of scholarship opportunities and seek to streamline and simplify TELS programs and maintenance requirements to best meet the needs of students.

## Introduction

This report is prepared pursuant to Tennessee Code Annotated (T.C.A.) §49-4-903(b), which directs the Tennessee Higher Education Commission (THEC) to:

*“...provide assistance to the general assembly and to [the Tennessee Student Assistance Corporation] by researching and analyzing data concerning the scholarship and grant programs created under this part, including, but not limited to, student success and scholarship retention.”*

## Privacy Notice

Throughout this report, THEC complies with the federal Family Educational Rights and Privacy Act (FERPA) requirements to protect students' personally identifiable information. Therefore, when tables are presented, individual cells containing fewer than 10 observations are suppressed. Adjacent cells may also be suppressed to prevent unmasking via subtraction (i.e., complementary suppression). The suppressed information is included in table totals.

## Data Sources & Technical Notes

### Data Sources

- Unless otherwise noted, data contained within this report are from the Financial Aid System of Tennessee (FAST), the Tennessee Higher Education Commission Student Information System (THECSIS), and the [TN DATA](#) System. Data from the [annual TELS Year-End Reports](#) are used in Section I.
- The current report uses verified payments from FAST to determine all TELS recipients and is supplemented by THECSIS and data from TN DATA, where applicable (e.g., retention and graduation data).
- The National Student Clearinghouse Student Tracker (NSC) tool is used to supplement data for students who enroll in private and out-of-state institutions.
  - In Section III, graduation rates include students who earned associate and bachelor's degrees at institutions other than their original admitting institution, including awards at private and out-of-state institutions; information for these awards come from the NSC.
  - In Section IV, high school graduate data from TDOE is pulled from TN DATA and matched to enrollment data from THECSIS and NSC to present a complete picture of public high school graduates' enrollment behaviors, whether they enrolled in-state or out-of-state, at public or private institutions.
- The TN DATA System is used as an additional source to match **retention and graduation data** from private (i.e., TICUA) institutions. Not all TICUA institutions participate in TN DATA.
  - Twenty-two private institutions currently submit data to TN DATA: Aquinas College, Baptist Health Sciences University, Bethel University, Carson-Newman University, Christian Brothers University, Cumberland University, Fisk University, Freed-Hardeman University, Johnson University, King University, Lane College, Le Moyne-Owen College, Lee University, Lipscomb University, Maryville College, Milligan University, Rhodes College, Tennessee Wesleyan University, Trevecca Nazarene University, Tusculum University, Union University, and Welch College.

## Technical Notes

- Students are identified by higher education sector and scholarship type **at college entry**, unless otherwise noted. Renewal, retention, and graduation rates are also attributed to the higher education sector and scholarship program that a student is aligned with at college entry.
- The full TELS suite includes 13 different financial aid programs. For this report, the focus will be on the HOPE scholarship, General Assembly Merit Scholarship (GAMS), and Aspire Award. Though phased out, student outcomes in the HOPE Access Grant program are still included. The final sections of the report will focus on the Dual Enrollment Grant (DEG) and Tennessee Reconnect Grant (TNR).
- Students who receive the GAMS or Aspire supplementary awards also received the HOPE scholarship. For some analyses, students who received supplementary awards are split out from those who received only the base HOPE scholarship.
- Unless otherwise noted, all tables and figures include Locally Governed Institutions (LGIs), Tennessee Board of Regents (TBR) Community Colleges, University of Tennessee (UT) campuses, and HOPE-eligible private institutions.
- Tennessee Colleges of Applied Technology (TCATs) are not eligible for the HOPE scholarship or its supplements. Data for TCATs are not included in Sections II or III. TCATs are included in Sections IV and V as students are eligible to use the DEG at TCATs and the TCAT Reconnect program is discussed in relation to TNR.
- Martin Methodist College merged with the University of Tennessee System on July 1, 2021, to become Tennessee's newest public university, the University of Tennessee Southern (UTS). For the fall 2021 cohort and following, UTS is included with the UT Campuses.
- Statistics presented in this report exclude [Tennessee HOPE Nontraditional Scholarship](#) recipients, whose eligibility is contingent on enrollment in an eligible bachelor's degree program.

# SECTION ONE

## Program Overview

## Program Overview

This report will focus on three of the four largest state financial aid programs by expenditure: the HOPE scholarship and its supplements, the Dual Enrollment Grant, and the Tennessee Reconnect Grant. A separate report on the [Tennessee Promise program](#) can be found on the THEC website. The second and third sections of this report focus on HOPE scholarship recipients. The fourth and fifth sections provide information on recipients of the Dual Enrollment Grant and Tennessee Reconnect Grant, respectively.

**Table 1** provides a comprehensive overview of recipient counts and total awards for the full suite of TELS programs. Readers interested in learning more about the TELS programs not highlighted in this report are encouraged to review the TELS Year-End Reports available via the [TELS Report landing page](#).

**Table 1: Scholarship Recipients and Dollars Awarded by Scholarship Program, 2022-23 to 2024-25**

Scholarship Program	2022-23		2023-24		2024-25	
	Students	Dollars	Students	Dollars	Students	Dollars
HOPE	47,175	\$206,224,714	48,494	\$214,165,931	50,717	\$226,512,229
GAMS	8,408	\$50,571,280	8,363	\$50,604,268	8,599	\$51,619,635
Aspire	14,387	\$81,423,680	14,209	\$80,033,471	15,463	\$88,149,100
<b>Subtotal (HOPE, GAMS, Aspire)</b>	<b>69,970</b>	<b>\$338,219,674</b>	<b>71,066</b>	<b>\$344,803,670</b>	<b>74,779</b>	<b>\$366,280,964</b>
Tennessee Promise	12,847	\$22,513,667	12,717	\$23,944,797	11,413	\$23,166,788
Tennessee Reconnect	7,804	\$19,571,125	7,828	\$19,662,950	7,160	\$19,285,383
TCAT Reconnect	1,797	\$2,081,454	1,918	\$2,201,737	1,759	\$2,100,245
HOPE Access Grant	14	\$20,515	0	\$0	0	\$0
HOPE Non-Traditional	409	\$1,774,331	397	\$1,824,346	299	\$1,387,484
Wilder-Naifeh Grant	10,924	\$13,895,569	11,522	\$14,534,302	12,288	\$15,733,032
HOPE Foster Care Grant	105	\$594,933	120	\$733,600	186	\$1,285,585
Dual Enrollment Grant	41,709	\$48,423,844	50,211	\$59,090,993	58,078	\$70,655,686
Middle College Scholarship	481	\$1,769,848	834	\$3,012,917	1,239	\$4,289,279
Helping Heroes Grant	238	\$357,000	222	\$324,500	233	\$345,500
TN STEP UP	97	\$375,450	101	\$423,025	108	\$448,450
<b>Total</b>	<b>146,395</b>	<b>\$449,597,410</b>	<b>158,599</b>	<b>\$470,556,837</b>	<b>169,412</b>	<b>\$504,978,396</b>

Source: [TSAC TELS year-end reports](#)

Notes: Totals represent a distinct count of students by scholarship program, where students are counted in each program they participate in. However, students listed in GAMS and Aspire rows also received the base HOPE scholarship, but are counted only once as GAMS or Aspire.

The Financial Aid Simplification for Tennesseans (FAST) Act of 2020 sunset the HOPE Access Grant program and ended the Math & Science Teachers program. Applications for the HOPE Access Grant ceased being collected in fall 2021. For more information about the FAST Act, please see this [brief](#) prepared by the Comptroller of the Treasury's Office of Research and Education Accountability.

**Table 2** provides the count of recipients and the allocated awards by sector in Tennessee. Like Table 1, Table 2 includes the full suite of TELS programs.

**Table 2: Distribution of Scholarship Recipients and Dollars by System, 2022-23 to 2024-25**

Year	System	Students		Allocations	
		Number	Percent	Dollars	Percent
<b>2022-23</b>	UT System	22,418	15%	\$112,628,755	25%
	LGIs	31,260	21%	\$135,194,789	30%
	TBR 2-Year	50,450	34%	\$101,645,582	23%
	Independents	16,812	11%	\$69,792,755	16%
	TCATs	25,776	18%	\$26,916,040	6%
	Proprietary Institutions	945	1%	\$3,419,489	1%
	<b>Total*</b>		<b>146,395</b>	<b>100%</b>	<b>\$449,597,410</b>
<b>2023-24</b>	UT System	23,045	15%	\$115,916,123	25%
	LGIs	32,468	20%	\$137,724,816	29%
	TBR 2-Year	53,208	34%	\$109,076,632	23%
	Independents	17,998	11%	\$73,415,724	16%
	TCATs	30,759	19%	\$31,081,509	7%
	Proprietary Institutions	1,121	1%	\$3,342,033	1%
	<b>Total*</b>		<b>158,599</b>	<b>100%</b>	<b>\$470,556,837</b>
<b>2024-25</b>	UT System	25,283	15%	\$126,358,570	25%
	LGIs	33,852	20%	\$145,977,868	29%
	TBR 2-Year	53,849	32%	\$113,618,251	22%
	Independents	19,032	11%	\$78,595,291	16%
	TCATs	36,098	21%	\$36,320,687	7%
	Proprietary Institutions	1,298	1%	\$4,107,729	1%
	<b>Total*</b>		<b>169,412</b>	<b>100%</b>	<b>\$504,978,396</b>

Source: [TSAC TELS year-end reports](#)

Notes: \*Annual totals represent a distinct count of students and are not always the sum of the sector totals for the year, as students may attend multiple institutions throughout the academic year, and students are counted in each sector, but only once in the total.

Due to rounding, totals may not sum to 100%.

Student and award totals are based on the suite of TELS programs summarized in Table 1.

The next page provides an abbreviated overview of the chronology of the TELS program including legislative updates to the program since 2018.

2018

The Tennessee Reconnect Grant program is launched and Nontraditional HOPE at the associate degree level is eliminated.  
The Middle College Scholarship is created.

2020

Effective July 1, 2021, the Financial Aid Simplification for Tennesseans (FAST) Act eliminated the 120-credit hour accrual terminating event for HOPE eligibility. Applications for the HOPE Access Grant stopped being accepted on September 1, 2021. TSAC temporarily suspended several rules for the HOPE Scholarship, TN Promise, and TN Reconnect for the spring, summer, and fall 2020 semesters.

2022

Base HOPE scholarship is increased to \$2,250/term for freshmen and sophomores and to \$2,850/term for juniors and seniors at 4-year institutions. HOPE award for full-time 2-year students increased to \$1,600/term. The DEG expanded to cover up to the first five dual enrollment courses at a 4-year or 2-year eligible institutions or 1,296 clock hours at a TCAT and expanded the program by allowing high school freshmen and sophomores enrolled in a TCAT to participate. Lowered the renewal GPA for the DEG from 2.75 to 2.00 and eliminated the required reduction of a student's HOPE award by the amount of DEG received after the fourth course. Expanded the HOPE Scholarship for Nontraditional Students by using independent status. Lowered the minimum age for Tennessee Reconnect Grant eligibility from 24 to 23 (or otherwise classified as financially independent on the FAFSA).

2024

The terminating criteria for the Dual Enrollment Grant was separated by institution type. If a student loses eligibility at two-year or four-year institutions, the student would still be eligible to receive the Dual Enrollment Grant from a TCAT.

2019

The DEG expanded from a maximum of 8 courses to 10 courses (effective fall 2020).

Middle College Scholarship semester award increased to \$1,000.

2021

Four-year pilot program to award completion grants to Tennessee Promise students who have an immediate financial need or who are experiencing a financial hardship was created.

The DEG program expanded to cover up to a maximum of the first four dual enrollment courses.

The Middle College Scholarship award increased to \$1,500/year.

An alternate path to HOPE eligibility for home school students created by allowing the use of two dual enrollment courses with a 3.0 average GPA to serve as a proxy for the cumulative high school GPA.

2023

The HOPE Scholarship was expanded to allow a student who earns their first bachelor's degree in less than the projected completion time to continue to receive the Tennessee HOPE scholarship in pursuit of an advanced degree; eligibility remains limited to a total of five years.

2025

Effective July 1, 2025, TSAC is now a division of THEC, transferring the governance of TSAC to the THEC Commissioners to streamline operations and eliminate administrative redundancies.

The Education Freedom Scholarship Act reallocated state proceeds from sports wagering from the TELS programs to a public K-12 facility fund once TELS program shortfalls are covered.

# SECTION TWO

## HOPE Scholarship Participation

## HOPE Scholarship Participation

The Tennessee HOPE scholarship program is the largest program in the TELS suite. **Table 3** below depicts the award amounts and the eligibility criteria to receive and maintain the HOPE scholarship, the General Assembly Merit Scholarship (GAMS), and the Aspire Award as of the 2024-25 academic year. GAMS and the Aspire Award are supplements to the HOPE scholarship. Students apply for HOPE, GAMS, and the Aspire award by completing the Free Application for Federal Student Aid (FAFSA). For additional information on the scholarship eligibility requirements and award amounts, visit [CollegeForTN.org](http://CollegeForTN.org).

Pursuant to Public Chapter 794 (2020), TSAC ceased accepting new applications after September 1, 2021, for the HOPE Access Grant. However, Access recipients and their outcomes will continue to be reported as they progress through higher education from earlier cohorts.

**Table 3: Tennessee Education Lottery Scholarship Criteria and Awards**

Eligibility Criteria	HOPE	GAMS	Aspire
Minimum High School GPA	3.00	3.75	3.00
Minimum ACT Composite	<u>or</u> 21	<u>and</u> 29	<u>or</u> 21
Family Adjusted Gross Income (AGI)	N/A	N/A	<u>and</u> <=\$36,000
Postsecondary Retention GPA*	<i>Traditional Path</i> - Cumulative 2.75 at 24 & 48 hours, cumulative 3.0 at 72, 96, 120 hours		
	<i>Provisional Path</i> - Cumulative 2.75-2.99 at 72, 96, 120 hours with 3.0 prior semester		
4-year: Freshman and Sophomore	\$4,500	\$5,500	\$6,000
4-year: Junior and Senior	\$5,700	\$6,700	\$7,200
2-year: Freshman and Sophomore	\$3,200	\$4,200	\$3,700

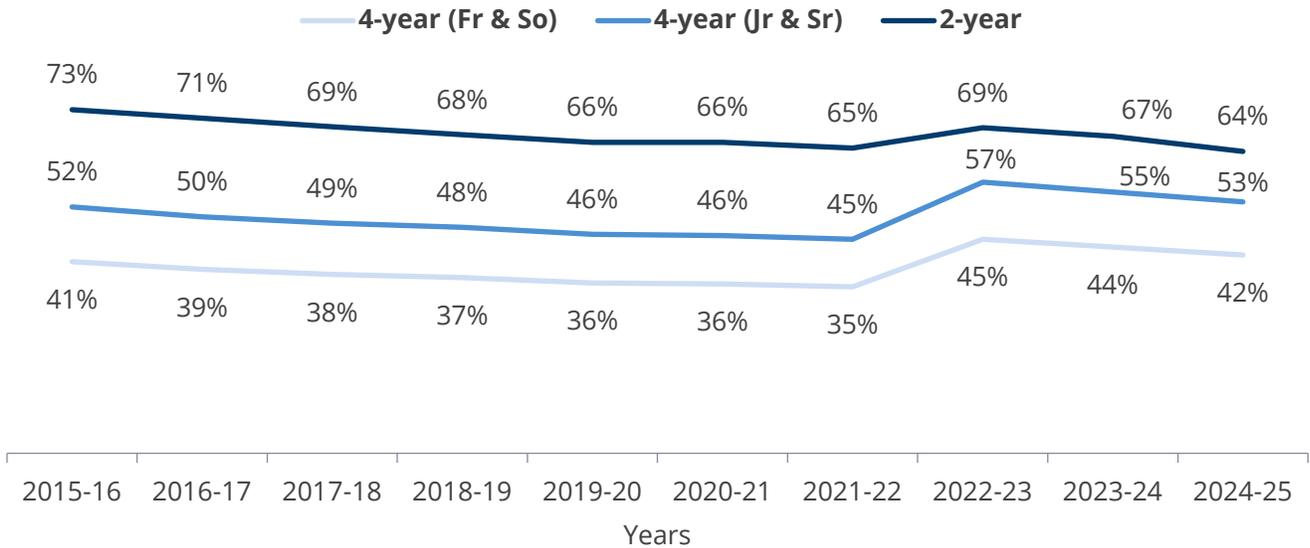
**Notes:** The above award amounts are limited to fall and spring terms, but awards are also available for summer terms. Refer to the historical reports for award amounts prior to 2024-25, including HOPE Access award details. Student Level (i.e., Freshman) is determined by the institution.

\*HOPE eligibility may be renewed for up to five years after initial enrollment or until the student earns an advanced degree. The credit hour checkpoints correspond to 24 hours=end of first year, 48=end of second year, 72=end of third year, 96=end of fourth year, 120=end of fifth year. The provisional path applies to students who do not have a minimum 3.0 cumulative GPA at the end of the semester in which a student attempted 72 semester hours and any multiple of 24 semester hours thereafter. Under the provisional path, a student's continued eligibility will be determined on a semester-by-semester basis, and the student must maintain full-time enrollment.

**Figure 1** displays the maximum base HOPE award as a percent of the average tuition and mandatory fees for Tennessee's public community colleges and universities as reported in the annual [Tennessee Higher Education Fact Book](#). In 2024-25, public community colleges reported an average of \$5,003 in tuition and fees. For public universities, average tuition and fees were \$10,705.

Since 2022-23, the maximum annual (fall and spring) base HOPE amount for freshman- and sophomore-level students is \$4,500 at eligible four-year colleges; for junior- and senior-level students the maximum annual base is \$5,700. At community colleges, the maximum base HOPE award is \$3,200.

**Figure 1: Maximum HOPE Award Amount as a Percent of Average Tuition & Fees at Public Institutions, 2015-16 to 2024-25**



**Notes:** This figure does *not* include the HOPE award or tuition and fees for the summer semester. *Average Tuition and Fees* is an unweighted average of resident tuition and mandatory fees for full-time undergraduate students at public institutions. Refer to Table 3.12 in in 2025 [Tennessee Higher Education Fact Book](#) for more information. This figure does not include information about the GAMS and Aspire supplemental awards.

**Tables 4 and 5** depict the count and share of HOPE scholarship recipients by program and by sector in fall 2024. **Table 4** highlights first-time recipients in fall 2024, and **Table 5** captures all HOPE recipients in fall 2024. Overall HOPE participation increased (5.1% or 3,579 students) from fall 2023 to fall 2024. Driving the increase were over 900 more students receiving HOPE with the GAMS supplement in fall 2024 compared to fall 2023, as well as over 1,800 more students receiving HOPE with the Aspire supplement over the timeframe. The number of first-time recipients increased by 2.7%, or 750 students, during this timeframe, driven by a 10.2%, or 703 students, increase in first-time recipients at the University of Tennessee campuses.

**Table 4: Distribution of First-Time Scholarship Recipients by System and Scholarship Program, Fall 2024**

First-Time HOPE Recipients	System	Student Headcount			
		HOPE	GAMS	Aspire	Total
Student Headcount	LGI Universities	5,718	637	2,063	8,418
	TBR Community Colleges	6,146	89	2,018	8,253
	UT Campuses	5,092	1,230	1,253	7,575
	Private Institutions*	3,025	502	913	4,440
	<b>Total</b>	<b>19,981</b>	<b>2,458</b>	<b>6,247</b>	<b>28,686</b>
Percent	LGI Universities	68%	8%	25%	29%
	TBR Community Colleges	74%	1%	24%	29%
	UT Campuses	67%	16%	17%	26%
	Private Institutions*	68%	11%	21%	15%
	<b>Total</b>	<b>70%</b>	<b>9%</b>	<b>22%</b>	<b>100%</b>

Notes: Percentages may not sum to 100% due to rounding.

\*Includes proprietary and not-for-profit institutions. South College is the only HOPE-eligible proprietary institution. GAMS and Aspire are supplemental awards to the base HOPE award. Students captured in the “HOPE” column are those who only received the base scholarship. Students in the “GAMS” and “Aspire” columns also received the base HOPE scholarship but are not counted in the “HOPE” column.

**Table 5: Distribution of All Scholarship Recipients by System and Scholarship Program, Fall 2024**

All HOPE Recipients	System	Student Headcount			
		HOPE	GAMS	Aspire	Total
Student Headcount	LGI Universities	17,076	2,236	5,291	24,603
	TBR Community Colleges	9,943	160	3,062	13,165
	UT Campuses	14,533	4,207	3,690	22,430
	Private Institutions*	8,401	1,900	2,655	12,956
	<b>Total</b>	<b>49,953</b>	<b>8,503</b>	<b>14,698</b>	<b>73,154</b>
Percent	LGI Universities	69%	9%	22%	34%
	TBR Community Colleges	76%	1%	23%	18%
	UT Campuses	65%	19%	16%	31%
	Private Institutions*	65%	15%	20%	18%
	<b>Total</b>	<b>68%</b>	<b>12%</b>	<b>20%</b>	<b>100%</b>

Notes: Percentages may not add up to 100% due to rounding.

Student enrollment based on system in fall 2024, not necessarily the institution of initial scholarship receipt.

\*Includes proprietary and non-for-profit institutions. South College is the only HOPE-eligible proprietary institution. GAMS and Aspire are supplemental awards to the base HOPE award. Students captured in the “HOPE” column are those who only received the base scholarship. Students in the “GAMS” and “Aspire” columns also received the base HOPE scholarship but are not counted in the “HOPE” column.

The majority of first-time HOPE recipients are female, White, and did not receive a Tennessee Student Assistance Award (TSAA)<sup>1</sup>, which is consistent year to year. **Table 6** compares first-time HOPE recipient demographic characteristics over time by gender, race/ethnicity, parental education, eligibility for federal need-based financial aid, and receipt of TSAA.

**Table 6: Demographic Profile of First-Time HOPE Recipients  
Fall 2022 - Fall 2024**

Recipient Demographic Categories		Fall 2022	Fall 2023	Fall 2024
Gender	<i>Female</i>	58%	59%	58%
	<i>Male</i>	42%	41%	42%
Race/Ethnicity	<i>Black, Not Hispanic</i>	13%	12%	13%
	<i>Hispanic</i>	7%	8%	9%
	<i>Other*</i>	7%	7%	7%
	<i>White, Not Hispanic</i>	73%	73%	71%
Parental Education	<i>Associate Degree or Higher</i>	70%	68%	64%
Aid Eligibility	<i>Federal Pell Grant</i>	41%	44%	50%
	<i>TN Student Assistance Award (TSAA)</i>	38%	42%	42%
<b>Count of First-Time HOPE Recipients</b>		<b>27,577</b>	<b>28,005</b>	<b>28,686</b>

Notes: Percentages may not add up to 100% due to rounding.

\**Other* category includes Alaskan Native, American Indian, Asian/Pacific Islander, Multiracial, and Unknown.

Federal Pell Grant eligibility and TSAA receipt are based on the student's first year of scholarship receipt.

Parental Education is self-reported by students on the FAFSA and is based on the student's first year of scholarship receipt.

For fall 2023 and prior cohorts, the FAFSA asked about education level for both of a student's parents/guardians. Changes to the FAFSA have changed the definition of Parental Education for fall 2024 and for future cohorts. Now it is based on whether either parent attended college.

All students in the first-time recipient cohort received the HOPE scholarship; those who also received the GAMS or Aspire supplemental awards are included in the cohort in this table.

In 2020, the FAFSA Simplification Act was passed by the federal government streamlining the FAFSA and redefining several key aspects within the FAFSA to better represent the financial need of students. The simplified FAFSA went into effect for the 2024-25 academic year. One key change to the streamlined FAFSA was the introduction of federal tax information (FTI) to the form to make income calculation easier for many students. Adjusted Gross Income (AGI) is now sourced from FTI and subject to additional protections, so THEC can no longer report AGI levels as a measure of HOPE recipients' economic background or provide this detail over time.

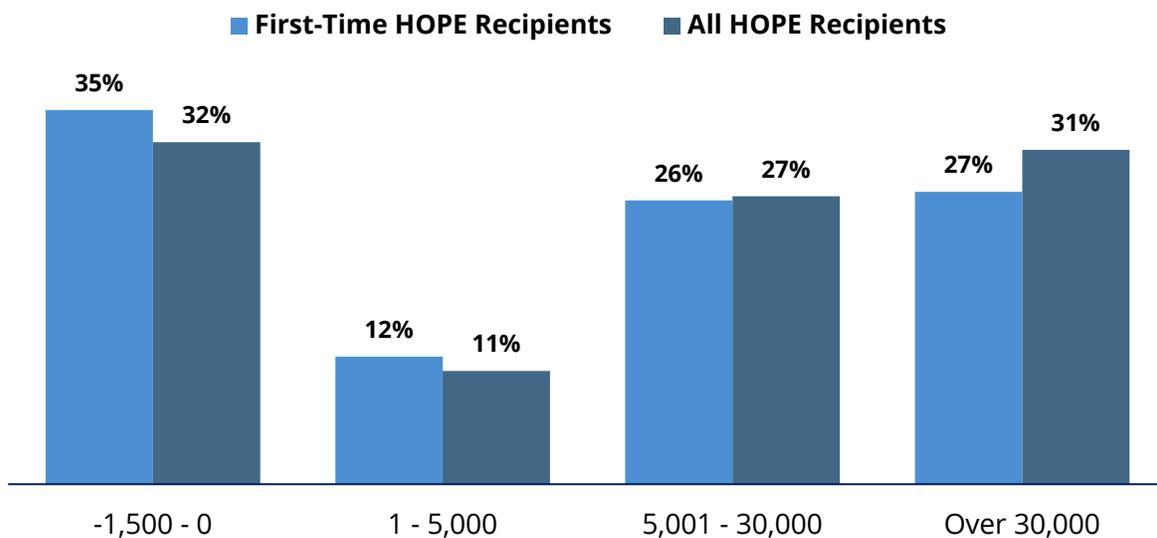
Another key change within the simplified FAFSA was moving from Estimated Family Contribution (EFC) to Student Aid Index (SAI) to estimate student financial need. SAI is a formula-based index that ranges from -1,500 to 999,999, with negative and lower numbers indicating higher financial need. SAI is not a specific dollar amount of aid that a student receives, nor the estimated amount a student's family can provide. There are many resources provided by the [Federal Student Aid](#) office for a more detailed definition of SAI and how it is calculated.

<sup>1</sup> For more information on TSAA, Tennessee's need-based grant for undergraduates, visit [College for TN's TSAA webpage](#).

**Figure 2** provides insight into the fall 2024 cohorts of first-time HOPE recipients and all HOPE recipients by categorizing students into four groups based on their SAI. These groupings are based on the current understanding of SAI. THEC will continuously re-evaluate as we collect more information about SAI in future years.

1. Students with an SAI of zero or lower. All students with a negative SAI have a higher likelihood to qualify for the maximum Federal Pell Grant and need-based aid.
2. Students with an SAI of one to 5,000. Students with an SAI of 5,000 or less are eligible for the Tennessee Student Assistance Award (TSAA).
3. Students with an SAI of 5,001 to 30,000. Students in this category would most likely qualify for some need-based aid at Tennessee’s public institutions.
4. Students with an SAI above 30,000. These students would have a higher likelihood of not qualifying for need-based aid.

**Figure 2: HOPE Scholarship by Student Aid Index (SAI)  
Fall 2024**



Notes: Percentages may not sum to 100% due to rounding. All students in the first-time recipient cohort or all HOPE recipients cohort received the base HOPE scholarship; those who also received the GAMS or Aspire supplemental awards are included in the respective cohorts in this figure.

**Table 7** and **Figure 3** below depict the academic profile of first-time HOPE recipients in fall 2024. Overall, first-time recipients in fall 2024 had a slightly lower average high school grade point average (GPA; 3.56 on a 4.0 scale) compared to the previous cohort (3.57). The average ACT Composite score of 22 (highest possible score of 36) for the cohort was unchanged from the previous cohort.

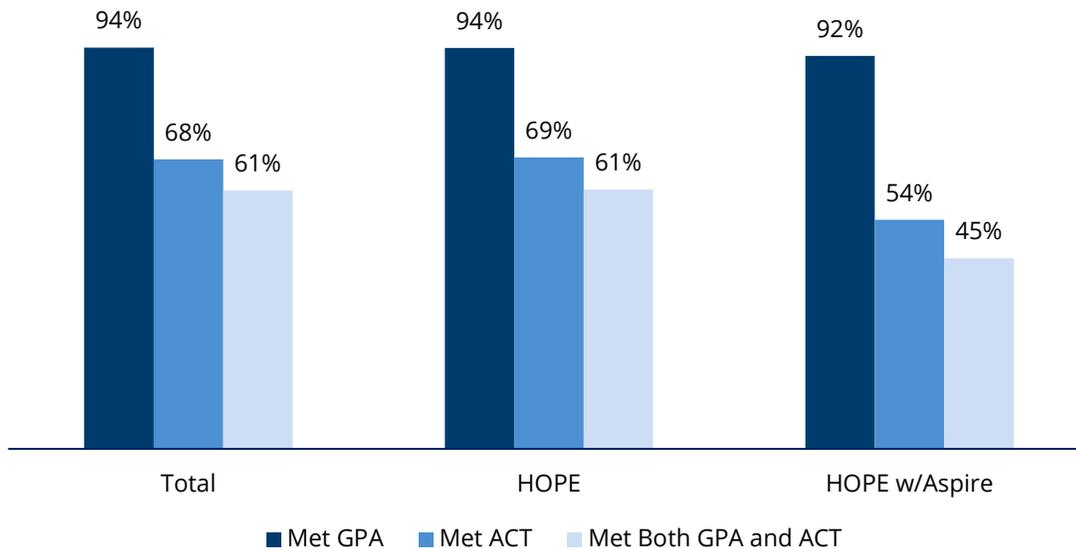
Specific to recipients of the base HOPE scholarship, 61% of first-time recipients in fall 2024 met both the high school GPA (3.0+) and ACT Composite score (21+) requirements, with 94% meeting at least the high school GPA requirement and 68% meeting at least the ACT Composite score requirement.

**Table 7: Average High School GPAs and ACT Composite Scores of First-Time HOPE Recipients by Postsecondary System and Scholarship Type, Fall 2024**

		Average High School GPA	Average ACT Composite Score
Scholarship	HOPE	3.55	22
	HOPE w/GAMS	3.92	31
	HOPE w/Aspire	3.47	20
System	LGI Universities	3.57	22
	TBR Community Colleges	3.45	20
	UT Campuses	3.71	25
	Private Institutions	3.53	22
<b>Total</b>		<b>3.56</b>	<b>22</b>

Notes: Missing data on GPA/ACT from FAST are supplemented with data, where available, from THECSIS. Students with missing GPA or ACT scores are excluded. GPA or ACT values of 0 are treated as missing. GAMS and Aspire are supplemental awards to the base HOPE award. Students captured in the “HOPE” row are those who only received the base scholarship. Students in the “HOPE w/GAMS” and “HOPE w/Aspire” rows also received the base HOPE scholarship but are not counted in the “HOPE” row.

**Figure 3: Share of First-Time HOPE Recipients Achieving GPA and ACT Eligibility Thresholds, Fall 2024**



Notes: Students with missing GPA or ACT scores excluded. GPA or ACT values of 0 are treated as missing. The thresholds of 3.0 high school GPA and 21 ACT do not apply to GAMS. Students captured in the HOPE columns are those who only received the base scholarship. Students who also received the Aspire supplement are captured in the final set of columns; students who also received the GAMS supplement are included in the “Total” portion of the figure. Missing data on GPA/ACT from FAST are supplemented with data, where available, from THECSIS.

In 2023, legislation eliminated the terminating criteria of the HOPE scholarship to allow a student who earns their first bachelor’s degree in less than five years to continue to receive the scholarship in pursuit of an advanced degree for the remaining portion of their five years of eligibility. **Table 8** shows that relatively few HOPE recipients are working towards an advanced degree. While participation is still low relative to the overall number of HOPE recipients, more than 900 more students were using the HOPE scholarship towards an advanced degree in fall 2024 compared to fall 2023.

**Table 8: Count and Share of HOPE Recipients Pursuing an Advanced Degree, Fall 2023 - Fall 2024**

	<b>All HOPE Recipients</b>	<b>Advanced Degree Students Receiving HOPE</b>	
<b>Fall 2023</b>	69,653	38	0.1%
<b>Fall 2024</b>	73,154	1,066	1.5%

Notes: All students in the recipient cohort received the HOPE scholarship; those who also received the GAMS or Aspire supplemental awards are included in the cohort in this table.

# **SECTION THREE**

## **HOPE Recipient Outcomes**

## HOPE Recipient Outcomes

This section reports on the outcomes of first-time HOPE recipients by cohort.

### Definitions

- The **fall-to-fall renewal rate** is defined as the percentage of first-time HOPE recipients who renew their scholarship from the first fall to the second, third, fourth, or fifth fall of eligibility.
- The **fall-to-fall retention rate** is defined as the percentage of first-time HOPE recipients who returned to higher education in Tennessee with or without their scholarship intact. Importantly, students captured in the fall-to-fall retention rate do not necessarily return to the institution they were at when they first received the HOPE scholarship. Students who enrolled at any public or private institution in Tennessee that provides enrollment records to THEC directly or indirectly through TN DATA are included in the fall-to-fall retention rate.
- Complementary to the fall-to-fall retention rate is the **non-renewal retention rate**. This is the share of first-time HOPE recipients who did not renew their scholarship after the first year, but returned to higher education in Tennessee during their second fall term.
- The **four-year graduation rate** is defined as the percent of HOPE first-time freshmen who attained either an associate or bachelor's degree **within four years** of enrollment, regardless of scholarship status at graduation. Graduation rates within five and six years of initial enrollment are also reported.
- The **graduation rate with HOPE intact** is defined as the percentage of HOPE first-time freshmen who attained either an associate or bachelor's degree **within four or five years** of enrollment **without losing scholarship eligibility** (i.e., received a HOPE award in the same term as their graduation).

Additional information on HOPE scholarship eligibility maintenance requirements is available at [CollegeForTN.org](http://CollegeForTN.org). See the [HOPE Scholarship Dashboard](#) for additional details on renewal and retention rates over time.

## Outcomes Over Time

**Table 9** gives an overview of the academic outcomes for successive cohorts of first-time HOPE recipients throughout their time in Tennessee higher education. The fall 2023 first-time recipient cohort saw increases in the first fall to second fall scholarship renewal rate. Increases in both scholarship renewal and overall retention rates have been observed since the pandemic. This growth is also seen as fall 2022 and fall 2021 students are moving into the third year and fourth year of higher education. THEC will continue to assess how these increases in renewal and retention impact graduation rates and where students face stumbling blocks on their way to a credential in order to help institutions produce more on-time graduates.

**Table 9: Scholarship Renewal, Postsecondary Retention, and Graduation Rates by First-Time HOPE Scholarship Recipients, Fall 2018 to Fall 2023**

Cohort Year	First-time HOPE Recipients	Fall-to-Fall Cohort Scholarship Renewal Rates				Fall-to-Fall Cohort Retention Rates				Cohort Graduation Rates				
		Year 2	Year 3	Year 4	Year 5	Year 2	Year 3	Year 4	Year 5	Scholarship intact within 4 years	Scholarship intact within 5 years	Scholarship intact within 5 years	Scholarship intact within 6 years	
<b>2018</b>	30,211	56%	47%	36%	7%	79%	68%	58%	28%	35%	48%	39%	59%	62%
<b>2019</b>	30,326	63%	46%	36%	7%	79%	65%	56%	28%	35%	47%	39%	57%	
<b>2020</b>	28,517	56%	44%	35%	10%	76%	63%	56%	27%	35%	47%			
<b>2021</b>	26,580	58%	48%	39%		78%	68%	58%						
<b>2022</b>	27,577	61%	50%			81%	69%							
<b>2023</b>	28,005	62%				81%								

**Notes:** Scholarship renewals and retention rates are fall-to-fall. Retention means a student returned to higher education the following fall with or without HOPE intact. Retention rates represent the share of the cohort who remained enrolled in postsecondary education (data from the TN DATA system are used to supplement continued enrollment at private institutions) regardless of scholarship renewal or of continued enrollment at the admitting institution. All students in the first-time recipient cohort received the HOPE scholarship; those who also received the GAMS or Aspire supplemental awards are included in the cohort in this table.

As of July 1, 2023, students are eligible to receive a HOPE scholarship for up to 5 years or the completion of an advanced degree, whichever event occurs first. Prior to this date students were only eligible to receive a HOPE scholarship for up to 5 years or the completion of a bachelor's degree, whichever event occurred first. Students who graduated with a bachelor's degree prior to July 1, 2023, are not eligible to use any remaining HOPE scholarship eligibility towards the completion of an advanced degree.

Renewal rates over time and six-year graduation rates are reported within the [HOPE Scholarship Dashboard](#).

The spike in first-time scholarship renewal rates observed for the fall 2019 cohort may be explained by the relaxation of scholarship maintenance rules during the pandemic.

## Scholarship Renewal and Postsecondary Retention

**Table 10** below reports the share of first-time HOPE recipients who renewed their scholarship<sup>2</sup> in their second fall. Students are disaggregated by their initial scholarship program and the sector of postsecondary enrollment. A student is considered a renewal if they receive a scholarship payment in their second fall, regardless of whether that payment was made to their initial postsecondary institution. **Table 10** also reports the share of first-time HOPE recipients who returned to higher education in their second fall by their initial scholarship program and the sector of postsecondary enrollment. A student is considered retained if they returned to any public or participating private postsecondary institution, regardless of if they renewed their HOPE scholarship. THEC and TICUA have collaborated to improve the scope of students captured in the report from private, non-profit institutions of higher education<sup>3</sup>. THEC and TICUA's partnership has resulted in improved record matching and allows THEC to report a more complete picture of TELS recipients and their outcomes.

The overall renewal and retention rates have not only rebounded but have surpassed pre-pandemic levels. The sharp increase in renewal rates observed in the fall 2019 cohort is attributed to THEC's temporary rule suspensions concerning scholarship eligibility and maintenance requirements. However, the overall renewal rate has also increased past pre-pandemic averages.

Readers are encouraged to explore the [HOPE Scholarship Dashboard](#) to learn more about the scholarship renewal rates over time and by student demographic information.

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<sup>2</sup> For more information on the HOPE scholarship renewal criteria, visit [CollegeForTN.org](https://CollegeForTN.org).

<sup>3</sup> Starting in fall 2023, TICUA institutions submit enrollment records for all students who have ever received the HOPE scholarship; previously, only enrollment records for students currently receiving the scholarship were submitted to THEC.

**Table 10: One-Year Scholarship Renewal and Retention Rates by Scholarship Program and System, First-Time HOPE Recipients, Fall 2018 to Fall 2023**

		First-Time HOPE Recipients					
		Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
<b>Renewal Rate</b>	HOPE	56%	64%	55%	58%	60%	62%
	GAMS	90%	93%	88%	91%	92%	92%
	Aspire	48%	55%	46%	49%	51%	50%
	Access	18%	22%	16%	13%	*	-
<b>Retention Rate</b>	HOPE	80%	80%	76%	79%	81%	82%
	GAMS	92%	92%	90%	92%	93%	92%
	Aspire	74%	73%	69%	72%	75%	75%
	Access	60%	52%	46%	45%	*	-
<b>Renewal Rate</b>	LGI Universities	59%	67%	58%	61%	62%	62%
	TBR Community Colleges	45%	50%	42%	45%	49%	47%
	UT Campuses	64%	74%	65%	67%	70%	72%
	Private Institutions^	63%	70%	64%	68%	69%	71%
	<b>Total</b>	<b>56%</b>	<b>63%</b>	<b>56%</b>	<b>58%</b>	<b>61%</b>	<b>62%</b>
<b>Retention Rate</b>	LGI Universities	84%	84%	80%	83%	84%	85%
	TBR Community Colleges	70%	68%	65%	66%	70%	70%
	UT Campuses	90%	90%	88%	89%	91%	91%
	Private Institutions^	74%	77%	71%	76%	80%	81%
	<b>Total</b>	<b>79%</b>	<b>79%</b>	<b>76%</b>	<b>78%</b>	<b>81%</b>	<b>81%</b>

**Notes:** ^Retention rate figures are sourced from THECSIS and supplemented by enrollment information from TN DATA. Not all private institutions report to TN DATA. See the Data Sources & Technical Notes section for a comprehensive listing of the private institutions reporting data to TN DATA at the time of this report.

All students in the first-time recipient cohort received the HOPE scholarship; those who also received the GAMS or Aspire supplemental awards are included in the cohort in this table.

Retention is not limited to continued enrollment at the admitting/initial institution. Retention rates capture enrollment at any Tennessee public college or university (excluding TCATs) and at select private institutions.

UT Southern is included in the UT Campuses system for the fall 2021 cohort onward.

Applications for new recipients of the HOPE Access grant closed in fall 2021; the fall 2023 first-time recipient cohort is the first cohort with no HOPE Access recipients.

Complementing the share of first-time TELS recipients renewing their scholarship eligibility for a second year, **Table 11** reports the share of first-time recipients who did not renew their scholarship eligibility but remained enrolled in postsecondary education. The retention rates below capture enrollment at any Tennessee public college or university (excluding Tennessee Colleges of Applied Technology) and at select private institutions, not necessarily enrollment at the same institution where a student originally received the HOPE scholarship.

The non-renewal retention rate has increased in multiple years since the fall 2019 cohort, but has not yet reached pre-pandemic levels. Like the overall retention and renewal rates, the non-renewal retention rate varies across subgroups of scholarship recipients, with some groups approaching pre-pandemic retention rates while others have been slower to recover. Readers can explore renewal and retention trends over time across different subgroups of scholarship recipients in the [HOPE Scholarship Dashboard](#).

**Table 11: Fall-to-Fall Retention Rate for First-Time Scholarship Recipients Who Did Not Renew their Scholarship Eligibility in Year Two by Scholarship Program and System, Fall 2018 to Fall 2023**

		First-Time HOPE Recipients					
		Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
<b>Non-Renewals</b>	HOPE	8,485	6,836	8,318	7,482	7,558	7,406
	GAMS	249	184	304	197	182	193
	Aspire	4,236	3,760	3,776	3,215	3,039	3,097
	Access	254	309	256	185	*	-
<b>Non-Renewal Retention Rate</b>	HOPE	56%	47%	49%	51%	54%	55%
	GAMS	57%	48%	53%	58%	58%	59%
	Aspire	53%	42%	44%	46%	50%	51%
	Access	52%	39%	37%	37%	*	-
<b>Non-Renewals</b>	LGI Universities	3,670	2,847	3,379	2,980	3,258	3,134
	TBR Community Colleges	5,280	4,984	5,329	4,664	4,277	4,352
	UT Campuses	2,490	1,813	2,329	2,075	2,002	1,917
	Private Institutions <sup>^</sup>	1,784	1,445	1,617	1,360	1,250	1,293
<b>Non-Renewal Retention Rate</b>	LGI Universities	61%	52%	52%	57%	58%	61%
	TBR Community Colleges	45%	36%	39%	39%	42%	43%
	UT Campuses	72%	64%	65%	67%	70%	68%
	Private Institutions <sup>^</sup>	47%	40%	39%	43%	53%	54%
<b>Total</b>		<b>55%</b>	<b>45%</b>	<b>47%</b>	<b>50%</b>	<b>53%</b>	<b>54%</b>

**Notes:** <sup>^</sup>Retention rate figures are sourced from THECSIS and supplemented by enrollment information from TN DATA. Not all private institutions report to TN DATA. See the Data Sources & Technical Notes section for a comprehensive listing of the private institutions reporting data to TN DATA at the time of this report. All students in the first-time recipient cohort received the HOPE scholarship; those who also received the GAMS or Aspire supplemental awards are included in the cohort in this table. Retention is not limited to continued enrollment at the admitting/initial institution. Retention rates capture enrollment at any Tennessee public college or university (excluding TCATs) and at select private institutions. UT Southern is included in the UT Campuses system for the fall 2021 cohort onward. Applications for new recipients of the HOPE Access grant closed in fall 2021; the fall 2023 first-time recipient cohort is the first cohort with no HOPE Access recipients.

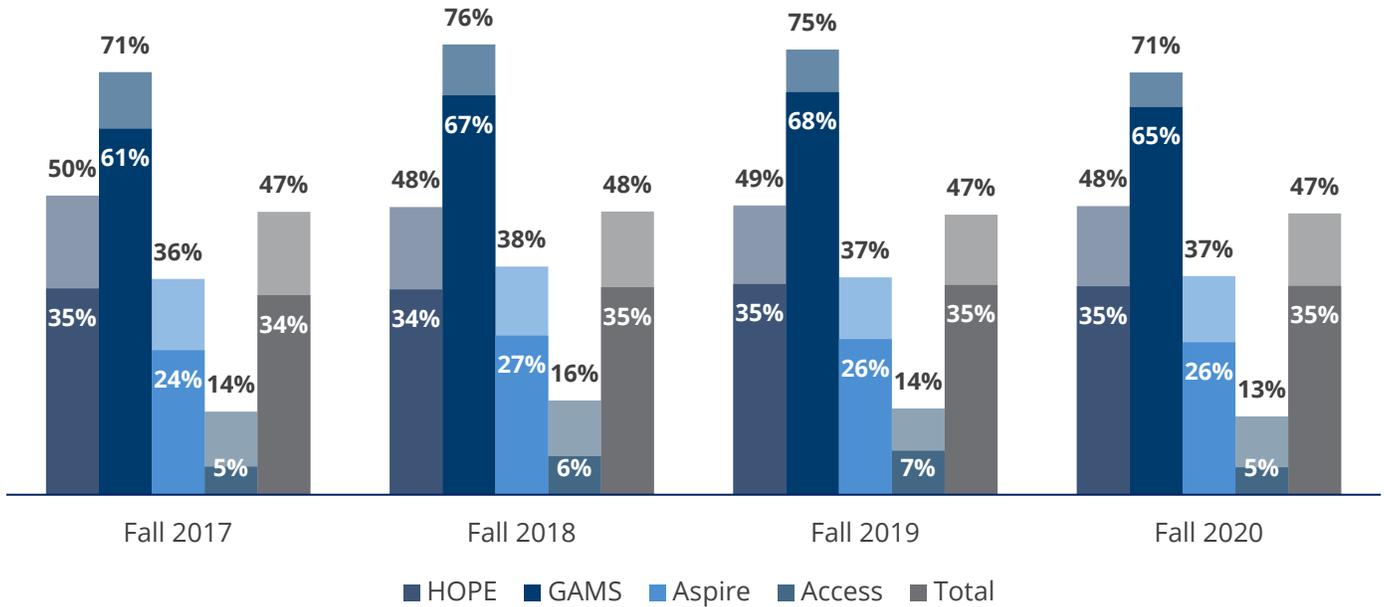
### Four-Year Graduation Rates

**Figure 4** below reports the share of first-time HOPE recipients, by their initial scholarship receipt, who graduated (i.e., earned an associate or bachelor’s degree) within four years of enrolling. To learn and explore more about the four-, five-, and six-year graduation rates both with and without maintaining HOPE scholarship eligibility through graduation, readers should refer to the [HOPE Scholarship Dashboard](#).

The lower, darker bars in **Figure 4** represent the percentage of students who graduated with their HOPE scholarship intact. These students received a HOPE award in the term in which they graduated. The higher, lighter bars represent the share of students who graduated regardless of if they kept their HOPE scholarship intact through their graduation. For example, 50% of the fall

2017 first-time recipient cohort who received the base HOPE scholarship graduated within four years of initial enrollment. A subset of that group, 35%, graduated within four years with the HOPE scholarship intact.

**Figure 4: Four-Year Graduation Rate With and Without Scholarship Intact by Scholarship Program, Fall 2017 to Fall 2020**



**Note:** Graduation rate data for all cohorts incorporates THECSIS, TN DATA, and National Student Clearinghouse Student Tracker to identify graduates. Bars represent actual values, while percentages shown are subject to rounding. All students in the first-time recipient cohort received the HOPE scholarship; those who also received the GAMS or Aspire supplemental awards are included in the cohort in this table. As of July 1, 2023, students are eligible to receive a HOPE scholarship for up to 5 years or the completion of an advanced degree, whichever event occurs first. Prior to this date students were only eligible to receive a HOPE scholarship for up to 5 years or the completion of a bachelor's degree, whichever event occurred first. Students who graduated with a bachelor's degree prior to July 1, 2023, are not eligible to use any remaining HOPE scholarship eligibility towards the completion of an advanced degree.

### HOPE Scholarship Wage Outcomes

THEC's long-standing partnership with researchers at the University of Michigan has already produced findings on the reasons students lose the HOPE scholarship and their outcomes after scholarship-loss.<sup>4</sup> As an extension of this partnership, THEC and the research team received a grant from the Institute of Education Sciences to study the earnings outcomes for students who receive the HOPE scholarship compared to those who do not. To do this, researchers focused on Tennessee high school graduates between 2010 and 2019 who scored either a 20 or a 21 on the ACT and examined their earnings through 2023. By selecting students near the HOPE eligibility threshold for the ACT, researchers were able to compare the earnings outcomes of academically similar groups of students who were eligible to receive the HOPE scholarship (ACT=21) to those who did not (ACT=20).

<sup>4</sup> Read more about the research findings about the effects of HOPE scholarship loss in the [Journal of Higher Education](#).  
Tennessee Education Lottery Scholarship Report

Tennessee’s longitudinal data system, TN DATA, provided postsecondary enrollment, financial aid, and earnings information for students between four and thirteen years after high school graduation. Preliminary results indicate that students who received the HOPE scholarship experienced a quarterly earnings premium of approximately \$500 to \$1,750 in years six through thirteen after high school graduation compared to students who did not receive the HOPE scholarship. Due to smaller sample sizes in later years, the statistical significance of these results varies slightly over time, but these findings suggest modest but steady early-to-mid career benefits to initial HOPE receipt. See the **Appendix** to read the research brief produced by the research team. Future research will continue to look at HOPE receipt and HOPE loss with findings informing conversations about the future direction of the TELS program.

# **SECTION FOUR**

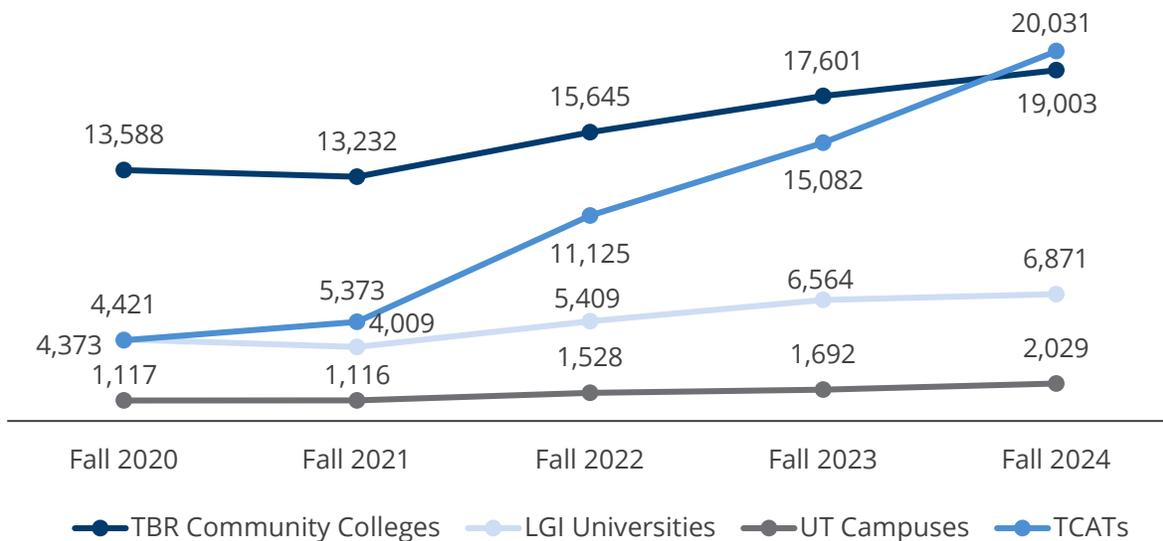
## **Dual Enrollment Grant Participation**

## Dual Enrollment Grant Participation

The Dual Enrollment Grant (DEG) provides opportunities for Tennessee high school students to enroll in postsecondary courses at universities, community colleges, and technical colleges by covering tuition and fees for up to ten courses at eligible four- and two-year institutions or 1,296 clock hours at a TCAT. At eligible four- and two-year institutions, tuition and fees are covered completely for a student’s first five dual enrollment courses, and then partially for the sixth through tenth courses. This program within the TELS suite has grown quickly over the last several years. Expenditures for the grant have increased by nearly \$40 million from 2021-22 to 2024-25 (see **Table 1**). This increase has come as the eligibility of the DEG has expanded to give more high school students access to dual enrollment courses at all of Tennessee’s public institutions, especially at community colleges and TCATs. See **Page 12** for information about legislative changes that have increased access to the DEG.

For the following analyses of the DEG, it is important to note that only Tennessee’s public colleges and universities are included; counts of students utilizing the DEG at private institutions will be available in future reports. **Figure 5** provides the number of fall recipients of the DEG at Tennessee’s public colleges and universities by sector.

**Figure 5: Dual Enrollment Grant Participants by Sector**  
Fall 2020 to Fall 2024



*Note:* Dual Enrollment Grant payment records are sourced from the Financial Aid System of Tennessee (FAST) and matched to enrollment records in the Tennessee Higher Education Commission Student Information System (THECSIS). Due to data reporting practices, TCAT dual enrollments correspond to a full academic year (i.e. the fall 2020 total refers to the 2020-2021 academic year).

**Table 12** shares demographic details about the cohorts of DEG recipients. As the DEG has expanded, students from historically underserved groups have grown from a quarter of recipients to a third in fall 2024. The gender split of DEG recipients has continued to narrow as more students have used the grant at TCATs.

**Table 12: Demographic Profile of DEG Recipients, Fall 2020 to Fall 2024**

Recipient Demographic Categories		Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
Gender	<i>Female</i>	57%	55%	52%	50%	50%
	<i>Male</i>	43%	45%	48%	50%	50%
Race/Ethnicity	<i>Black, Not Hispanic</i>	10%	10%	13%	13%	13%
	<i>Hispanic</i>	5%	6%	7%	8%	9%
	<i>Other*</i>	11%	14%	13%	13%	13%
	<i>White, Not Hispanic</i>	75%	70%	67%	65%	66%
<b>Count of DEG Recipients</b>		<b>23,499</b>	<b>23,730</b>	<b>33,707</b>	<b>40,939</b>	<b>47,934</b>

Note: Dual Enrollment Grant payment records are sourced from the Financial Aid System of Tennessee (FAST). Due to data reporting practices, TCATs dual enrollments correspond to a full academic year (i.e. the fall 2020 total refers to the 2020-2021 academic year). Students without a recorded gender or race/ethnicity are excluded. Due to rounding, percentages may not add to 100%. \**Other* category includes Alaskan Native, American Indian, Asian/Pacific Islander, Multiracial, and Unknown.

**Table 13** presents the college-going rate for dual enrollment grantees by sector. This is defined as the share of high school graduates who received a DEG at any point in their high school careers that seamlessly enroll in higher education. This rate reflects the share of DEG recipients that were converted into postsecondary students for each sector in which they participated in dual enrollment. It is important to keep in mind the different missions of institutions in each sector when examining this table. Despite the expansion of the dual enrollment grant to more students, the rate at which institutions are converting high school seniors who participate in the grant into college goers has remained relatively steady.

**Table 13: College-Going Rate for Dual Enrollment Grantees by Sector**

System	High School Graduating Class				
	2019	2020	2021	2022	2023
<b>TBR Community Colleges</b>	84%	83%	84%	85%	84%
<b>TCATs</b>	44%	45%	47%	47%	47%
<b>LGI Universities</b>	89%	86%	89%	91%	90%
<b>UT Campuses</b>	89%	86%	87%	90%	90%
<b>Total</b>	82%	80%	81%	82%	82%

Notes: Students appear in the sector in which they most recently had a dual enrollment grant record.

# **SECTION FIVE**

## **Tennessee Reconnect Grant Participation**

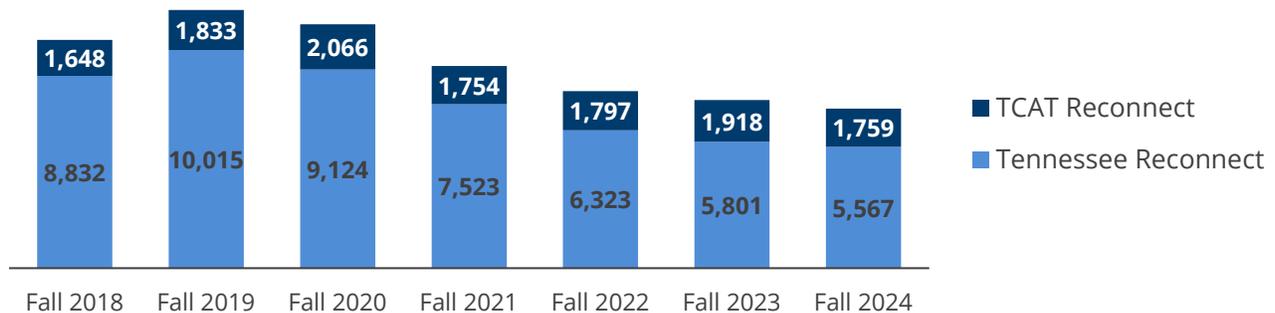
## Tennessee Reconnect Grant Participation

New to the report this year is Tennessee Reconnect Grant participation. The Tennessee Reconnect Grant (TNR) was first awarded in 2018-2019 and provides opportunities for adults in Tennessee to begin or return to higher education to gain new skills and advance in the workplace by completing a degree or credential. The TNR is a last-dollar grant that pays the remaining balance of tuition and mandatory fees after other state and federal financial aid have been applied. The TNR is available for eligible adults who want to pursue an associate degree, technical degree, or technical diploma at a Tennessee community college or TCAT. The TNR can also be used at an eligible public or private college or university towards an eligible associate degree, but it is not a last-dollar grant in these circumstances.

**Figure 6** provides the number of recipients of the TNR at eligible institutions since the inception of the program. The large majority of students receiving the TNR attended TBR community colleges. Some students who are eligible for the TNR receive no actual financial award. One group of these students are those whose tuition and fees are paid by other financial aid. These students are included in the counts of participants in Figure 6. In fall 2024, this group included 997 students.<sup>5</sup> The other group of students eligible for the TNR but receiving no payment are those who decline to accept the grant. Because the TNR can only be received for five sequential semesters, students may opt to delay receiving the award. In fall 2024, there were 3,956 students in this group, which are not included in Figure 6.

Figure 6 also provides the number of students who received the TCAT Reconnect grant. TCAT Reconnect is a separate program than TNR. Unlike TNR, TCAT Reconnect students can be any age but must be independent on the FAFSA and have not previously received TCAT Reconnect funding. TCAT Reconnect grants covers all tuition and mandatory fees for eligible TCAT programs after other gift aid is applied. In 2024-2025, over 1,700 students received over \$2.1 million towards technical education through TCAT Reconnect.

**Figure 6: Reconnect Programs Participants, Fall 2018 to Fall 2024**



*Note:* TNR payment records are sourced from the Financial Aid System of Tennessee (FAST) and matched to enrollment records in the Tennessee Higher Education Commission Student Information System (THECSIS). Students who attend more than one institution during the academic year are counted at each system). Due to data reporting practices, TCAT Reconnect enrollments correspond to a full academic year (i.e. the fall 2020 total refers to the 2020-2021 academic year).

<sup>5</sup> Students who receive \$0 from TNR because their tuition and fees are covered by other gift aid do not start the TNR clock, meaning they are not subject to the five sequential semester limit.

**Table 14** shares demographic details about all cohorts of TNR recipients; TCAT Reconnect students are not included. Most TNR recipients are White females who are eligible for the Federal Pell Grant. TNR recipients are equally likely to be first generation students as to not be and equally likely to have dependents as to not have dependents. The average age of TNR recipients has decreased slightly as the age of eligibility for TNR was reduced from 25 at the start of the program to 23 in the 2022 legislative session.

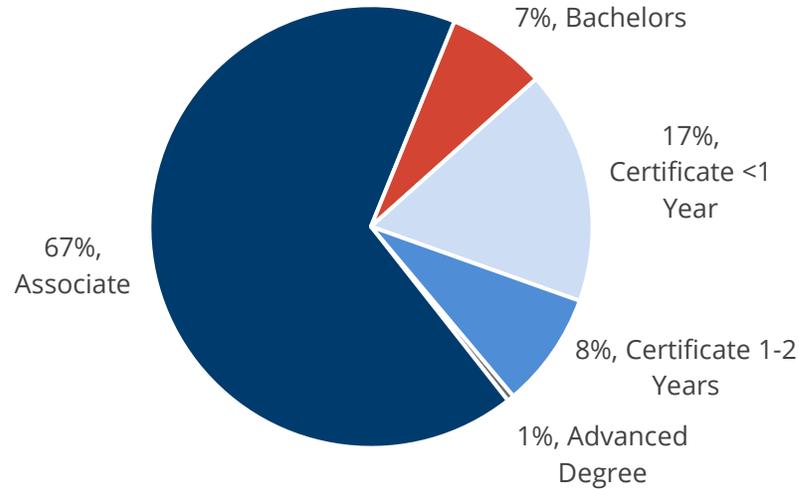
**Table 14: Demographic Profile of TNR Recipients, Fall 2018 to Fall 2024**

Recipient Demographic Categories		Fall 2018	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023	Fall 2024
Gender	<i>Female</i>	67%	67%	69%	68%	67%	67%	65%
	<i>Male</i>	34%	33%	32%	32%	33%	34%	35%
Race/Ethnicity	<i>Black, Not Hispanic</i>	16%	15%	15%	15%	15%	18%	16%
	<i>Hispanic</i>	3%	3%	4%	4%	5%	5%	5%
	<i>Other*</i>	3%	3%	3%	3%	4%	4%	4%
	<i>Unknown</i>	13%	10%	8%	8%	9%	8%	14%
	<i>White, Not Hispanic</i>	66%	69%	71%	70%	68%	66%	62%
First Generation	50%	50%	50%	49%	49%	48%	48%	
Federal Pell Grant Eligibility	78%	79%	80%	81%	82%	84%	85%	
Students with Dependents	48%	48%	49%	47%	45%	43%	41%	
Average Age	34	34	34	34	34	33	33	

*Note:* TNR payment records are sourced from the Financial Aid System of Tennessee (FAST). Students without a recorded gender are excluded. Due to rounding, percentages may not add to 100%. \**Other* category includes Alaskan Native, American Indian, Asian/Pacific Islander, and Multiracial. Students in the *Unknown* category are either unknown or opted not to respond.

**Figure 7** displays all the credentials earned at public and private colleges and universities by students who have ever received the TNR since the program’s beginning in 2018-2019. Over 40,000 credentials have been conferred to recipients. **Table 15** shows that the majority of these credentials have come in Liberal Arts and General Studies (32%), Health Professions and related programs (29%) and Business, Management, Marketing and related programs (14%).

**Figure 7: Credentials Earned by TNR Recipients by Credential Level, 2018-2019 to 2023-2024**



**Notes:** Students who earned multiple credentials are counted more than once.  
Students may or may not be receiving the TNR when they earned a credential.

**Table 15: Top 5 Major Fields of Credentials earned by TNR Recipients, 2018-2019 to 2023-2024**

Major Field	Awards	Share of Awards
Liberal Arts and Sciences, General Studies and Humanities	13,126	32%
Health Professions and Related Programs	11,858	29%
Business, Management, Marketing, and Related Support Services	5,584	14%
Computer and Information Sciences and Support Services	2,310	6%
Engineering/Engineering-Related Technologies/Technicians	2,000	5%

**Notes:** Major fields are defined by their two-digit, 2020 federal CIP code. For a comprehensive list of all certificate and degree programs (active and inactive) offered by public institutions in Tennessee, please refer to the [Academic Program Inventory](#).

# Conclusion and Appendix

## Conclusion

This report presents an overview of the TELS suite of programs, HOPE scholarship participation in fall 2024, first-year HOPE scholarship renewal and retention of fall 2023 first-time recipients, and longitudinal educational outcomes for previous cohorts of first-time HOPE recipients. Additionally, information about participation in the Dual Enrollment Grant and the Tennessee Reconnect Grant are provided.

The fall 2024 first-time HOPE recipient cohort saw 2.7% growth over the fall 2023 cohort (see **Table 4**). Due to strong scholarship retainment and overall retention rates, the overall HOPE-receiving cohort in fall 2024 was 5.1% larger than the fall 2023 cohort (see **Table 5**). The demographic and academic make-up of the first-time HOPE recipient cohort remains largely similar to previous cohorts of students, however, there has been a notable uptick (6.6%) in the number of first-time HOPE recipients who are eligible for the Federal Pell Grant (see **Table 6**). This is likely due to changes to the FAFSA implemented for the 2024-25 year. Part of these FAFSA changes instated a new metric to determine student financial need called the Student Aid Index (SAI). See **Figure 2** for more information on SAI and to see how HOPE recipients are distributed by this new metric.

Continuing trends seen since the end of pandemic era distributions, the first-year scholarship renewal rate (based on scholarship payment in the second fall after the initial fall of receipt) and the overall fall-to-fall retention rate of first-time scholarship recipients, regardless of scholarship renewal, continue to rise for the fall 2023 cohort (see **Table 10**). Scholarship renewal rates are not just up for the fall 2023 cohort as they move from year one to year two, but also for the fall 2022 cohort as they move from year two to year three, and for the fall 2021 cohort as they move from year three to year four (see **Table 9**).

This year's report provides four-, five-, and six-year graduation rates, focusing in detail on the four-year graduation rate. The four-year graduation rate of the last four cohorts held largely steady at 47%, with around 35% of each first-time HOPE recipient cohort graduating within four years while maintaining receipt of the scholarship (see **Figure 4**).

New to the TELS report last year was a section on the Dual Enrollment Grant (DEG). In this year's iteration of the report, we continue to see growth in DEG participation across all sectors in Tennessee (see **Figure 5**). New to the TELS report this year is a section on the Tennessee Reconnect Grant (TNR). TNR provides opportunities for adult learners to engage or re-engage with higher education by providing last-dollar aid for students 23 years of age or older who are seeking a certificate or associate degree. While there has been a slight but steady decline in TNR students since the program's implementation in 2018-2019 (see **Figure 6**), students who have ever received TNR have gone on to earn over 40,000 credentials at Tennessee's institutions (see **Figure 7**).

## Appendix: The Effect of Receiving Tennessee HOPE on Labor Market Outcomes, 2010-2023

Research Brief by Jennifer M. Trigger, Chenjun Yu, Josh Skiles, Brian P. McCall & Stephen L. Desjardins; University of Michigan, Ann Arbor<sup>6</sup>

Through merit-based financial aid, states aim to induce improvements in high school students' academic performance, increase postsecondary access and attainment at in-state colleges, and encourage more students to remain in the state post-college.<sup>7</sup> Prior work has found that one such program – Tennessee's HOPE scholarship (HOPE) – does not affect whether eligible students attend college, but primarily redirects students from community colleges into four-year public institutions.<sup>8</sup>

This redirection raises an important question: does HOPE have a positive effect on students' earnings? Though research is limited, some evidence suggests that at the margin of eligibility, students who receive aid experience positive, albeit imprecise, earnings gains a decade or more after college entry.<sup>9,10</sup> Further, compared to need-based financial aid, merit-based policies have weaker impacts on student outcomes,<sup>11</sup> especially for some historically disadvantaged groups.<sup>12</sup> These inconsistent findings may be related to losing scholarships during one's academic career, which could dilute any potential positive effects of merit aid.<sup>13</sup>

Our current study examines whether receiving the HOPE scholarship impacts students' post-college earnings between four and thirteen years after graduating from high school. HOPE supported nearly 30,000 first-time recipients in the fall of 2024. Tennessee graduates from participating high schools are eligible for HOPE if they have an ACT composite score of 21+ or a cumulative high school GPA of 3.0+. The maximum base amount awarded per term to HOPE recipients is based on the type of institution at which they enroll and their undergraduate student level (e.g., freshman, sophomore). The maximum base HOPE awards have also changed over time. For example, the maximum base HOPE award for junior- and senior-level students at four-year institutions in our sample increased over time, from \$2,000 in our sample's first year (2010) to \$2,850 for the most recent year in our sample (2023).<sup>14</sup>

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<sup>6</sup> This project is partially supported by two grants from the Institute of Education Sciences, U.S. Department of Education (PR/Award R305B150012#), which provided training support to Jennifer Trigger and AWD026117 which provided support for research activities. Any opinions expressed are entirely the authors' own ideas and opinions.

<sup>7</sup> Dynarski, S. (2004). The new merit aid. In C. M. Hoxby (Ed.), *College choices: The economics of where to go, when to go, and how to pay for it* (pp. 63–100). University of Chicago Press.

<sup>8</sup> Bruce, D. J., & Carruthers, C. K. (2014). Jackpot? The impact of lottery scholarships on enrollment in Tennessee. *Journal of Urban Economics*, 81, 30-44.

<sup>9</sup> Bettinger, E., Gurantz, O., Kawano, L., Sacerdote, B., & Stevens, M. (2019). The long-run impacts of financial aid: Evidence from California's Cal Grant. *American Economic Journal: Economic Policy*, 11(1), 64-94.

<sup>10</sup> Scott-Clayton, J., & Zafar, B. (2019). Financial aid, debt management, and socioeconomic outcomes: Post-college effects of merit-based aid. *Journal of Public Economics*, 170, 68-82.

<sup>11</sup> Nguyen, T. D., Kramer, J. W., & Evans, B. J. (2019). The effects of grant aid on student persistence and degree attainment: A systematic review and meta-analysis of the causal evidence. *Review of Educational Research*, 89(6), 831–874.

<sup>12</sup> Herbaut, E., & Geven, K. (2020). What works to reduce inequalities in higher education? A systematic review of the (quasi-) experimental literature on outreach and financial aid. *Research in Social Stratification and Mobility*, 65, 100442.

<sup>13</sup> Cummings, K. M., Deane, K., McCall, B. P., & Desjardins, S. L. (2022). Exploring race and income heterogeneity in the effects of state merit aid loss among four-year college entrants. *The Journal of Higher Ed.* 93(6), 873–900.

<sup>14</sup> Students may receive supplemental HOPE grants, ASPIRE or GAMS. The max. base award refers to an upperclassman at a 4-yr institution. For example, in the last year of our study (2022), students at a 2-yr institution would receive a max. base award of \$1,600 and freshmen at a 4-yr would receive a max. base award of \$2,250.

Our work is situated in both the human capital theory of investment in higher education<sup>15</sup> and economic and sociological theories that posit diverse mechanisms driving student choices around enrollment, their academic journey, and workforce plans.<sup>16,17,18</sup> Studies show students who graduate from college have higher earnings than those who never attend college or those who enroll but never receive a credential.<sup>19</sup> This positive return on a college degree also holds true in Tennessee, where the lifetime earnings premium from a two-year associate degree is higher than having some college without a credential.<sup>20</sup> Similarly, research has shown that students at the scholarship eligibility margin are more likely to graduate from college, and subsequently experience higher earnings.<sup>21</sup>

Aligned with prior research, we expect that HOPE recipients will matriculate in college, specifically at higher rates in four-year institutions than two-year institutions.<sup>22</sup> Thus, we anticipate that high school graduates who do not receive HOPE will earn more in the short term, as they would be more likely to enter the workforce sooner than their HOPE-recipient peers. Similarly, we would expect HOPE recipients to have higher mid- and long-term earnings than students who do not receive HOPE.

We estimate the effect of HOPE scholarship receipt on labor market outcomes, specifically quarterly earnings within four to thirteen years of high school graduation.<sup>23,24</sup> We use data from the TN DATA system for the high school graduating cohorts of 2010-2019. Our analytical dataset comprises 66,831 students; all were between the ages of 17-19 when they graduated high school and scored a 20 or 21 on the ACT.<sup>25</sup>

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<sup>15</sup> Becker, G. S. (1975). *Human capital: A theoretical and empirical analysis, with special reference to education* (2<sup>nd</sup> ed.). NBER.

<sup>16</sup> Goldrick-Rab, S., Harris, D. N., & Trostel, P. A. (2009). Why financial aid matters (or does not) for college success: Toward a new interdisciplinary perspective. In J. C. Smart (Ed.), *Higher Education: Handbook of Theory and Research* (Vol. 24, pp. 1–45). Springer Netherlands.

<sup>17</sup> Harris, D. N., & Mills, J. (2021). Optimal college financial aid: Theory and evidence on free college, early commitment, and merit aid from an eight-year randomized trial. (EdWorkingPaper: 21-393).

<sup>18</sup> Rosinger, K., Meyer, K., & Wang, J. (2021). Leveraging insights from behavioral science and administrative burden in free college program design: A typology. *Journal of Behavioral Public Administration*, 4(2).

<sup>19</sup> Toutkoushian, R.K., Paulsen, M.B. (2016). Introduction. In: *Economics of Higher Education*. Springer, Dordrecht.

<sup>20</sup> “The earnings premium is \$417,000 with an associate’s degree and \$258,000 with some college but no degree”. Carruthers, C. K. (2023). *The Value of a College Education in Tennessee*. Boyd Center for Business and Economic Research.

<sup>21</sup> Scott-Clayton, J., & Zafar, B. (2019). Financial aid, debt management, and socioeconomic outcomes: Post-college effects of merit-based aid. *Journal of Public Economics*, 170, 68-82.

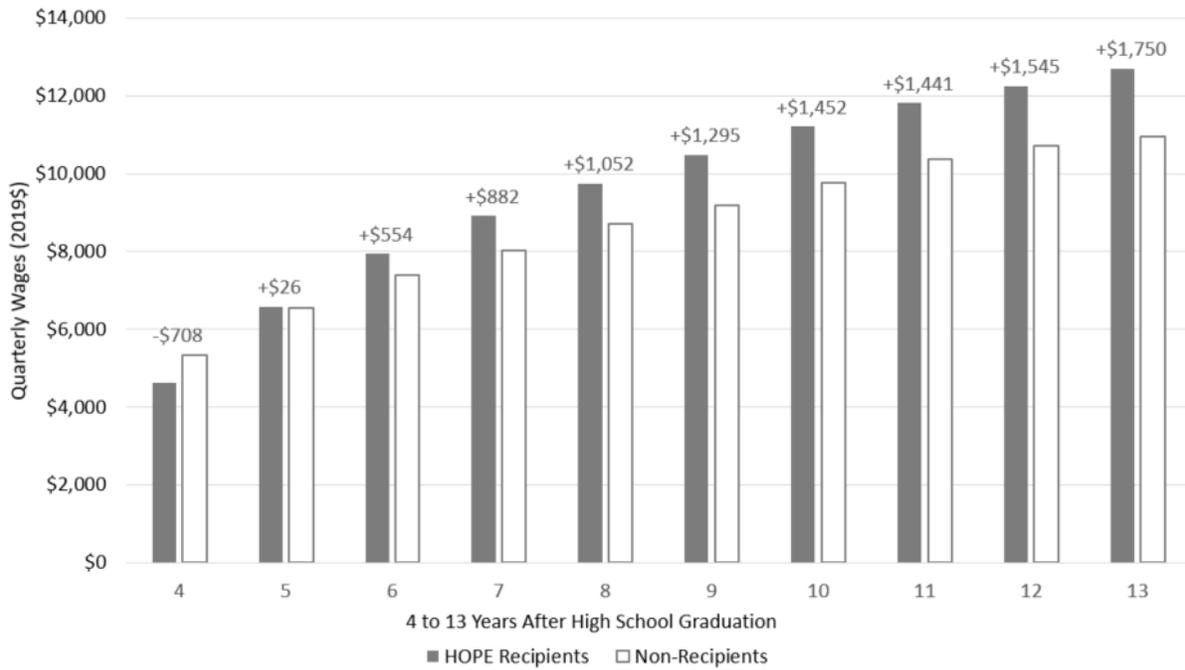
<sup>22</sup> Bruce, D. J., & Carruthers, C. K. (2014). Jackpot? The impact of lottery scholarships on enrollment in Tennessee. *Journal of Urban Economics*, 81, 30-44.

<sup>23</sup> For details regarding methods, specifications and robustness checks please reference our academic work, Yu, C., Trigger, J., Skiles, J., McCall, B.P., & Desjardins, S. (In progress) *The effect of financial aid on student academic and labor market outcomes: The case of Tennessee HOPE*.

<sup>24</sup> This corresponds to the 16, 20, 24, 28, 32, 36, 40, 44, 48, and 52 quarters post-high school.

<sup>25</sup> Students can also qualify with a high school GPA of 3.0. While we conduct our analysis on a sample restricted to the ACT threshold (20 or 21), some of HOPE recipients in our analytic sample likely qualify through their high school GPA and not their ACT score.

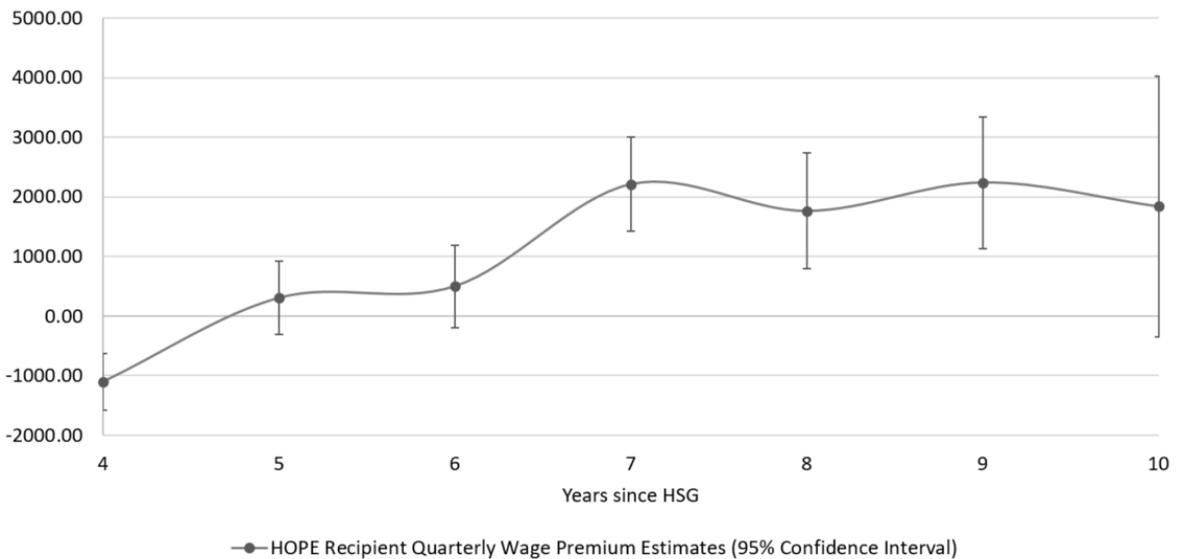
**Figure 1: Wage Premium of HOPE Receipt for Students near the ACT threshold (scored 20 or 21)**



Note. Quarterly wages in 2019 dollars. The wage premium for HOPE recipients at the eligibility margin by ACT score (20 or 21) begins in year five after high school graduation, rising from a negative gap in year 4 to a positive peak in year 13.

In Figure 1, we observe that, in general, students who received the HOPE scholarship have higher quarterly earnings than their peers who did not receive HOPE near the eligibility threshold. This positive pattern begins five years after graduating from high school and lasts through year 13. For example, six years after high school graduation, we see a gap of \$554 in quarterly earnings between HOPE recipients and non-recipients. As expected, non-recipients have higher earnings in the short term (i.e., year 4 in Figure 1), but the earnings gap favors HOPE recipients over time, increasing in more distal years after high school graduation. For example, the wage premium surpasses \$1,000 per quarter from eight through thirteen years after high school graduation.

**Figure 2: Effect of Receiving HOPE on Quarterly Wages on HOPE Receipt for Students at the ACT Threshold (20 and 21), IV 2SLS**



Note. The ACT score cutoff is 21. IV 2SLS robust estimation.

In Figure 2, which shows the confidence intervals for each earnings estimate, we can determine whether the wage premiums are statistically significant for HOPE recipients from four to ten years after high school graduation. In our causal model, we consider the influence of attending different institutions, graduating high school in different years, and variations across student demographics. As expected, non-HOPE recipients earn more in year four after high school graduation. However, in years five and six after high school, there appears to be no meaningful difference in quarterly earnings between those who receive and do not receive HOPE. However, in the mid-term (seven to nine years after graduation), we see positive and statistically significant wage premiums, in the neighborhood of \$2,000 per quarter. This indicates early-to-mid career benefits of receiving HOPE. Roughly half of students at Tennessee four-year institutions are still enrolled six years after starting post-secondary education. One possible mechanism of the positive effect of HOPE receipt is on-time college completion. Both figures show a positive relationship between receiving HOPE and earnings, specifically in the mid-term.

Currently, we are not able to draw strong conclusions regarding the long-term relationship between receiving HOPE and earnings. Looking at earnings further from high school graduation, our sample size decreases, and thus our estimates become less precise (as seen by the increasing size of the confidence intervals in Figure 2).<sup>26</sup> As more time passes and our sample size increases, we can incorporate additional cohorts and years of earnings data, which should improve the precision of the estimates over a longer time horizon. We also plan to continue this work by examining earnings for every quarter (i.e., including *all* quarters and not just those listed in footnote 24), annual averages, and unpacking missing wages.<sup>27</sup>

## Conclusions

Our work aims to contribute to policy conversations regarding how Tennessee's scholarship resources can best contribute to positive student academic and labor market outcomes. Tennessee invests heavily in financial aid programs to support students and is committed to strengthening Tennessee's workforce and encouraging more students to remain in-state for college and workforce participation. Our preliminary findings indicate the HOPE scholarship generates modest but positive returns on quarterly earnings for HOPE recipients, particularly in the early-to-mid career period (years 7-9). It is important to note that these estimates are based on earnings in a given *quarter* and likely underestimate the potential premium in *annual* earnings for HOPE recipients. Based on these findings, we encourage continued investment in this scholarship to support the earnings trajectories of Tennessee residents.

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<sup>26</sup> Specifically, our earnings estimate for four years after high school graduation includes our entire sample (ten high school graduate cohorts from 2010-2019). However, the longer-term projections include far fewer cohorts. For example, only four cohorts are included in the estimate for year ten, and only one cohort is considered for the earnings estimate thirteen years after high school graduation.

<sup>27</sup> We also note the standard limitations associated with state-level earnings data, where there can be missingness associated with students working outside Tennessee, being self-employed, unemployed, or continuing their postsecondary education, among other reasons. Thus, we will look at gaps in reported wages and whether and when a person files an unemployment insurance (UI) claim.