

LAST MILE FINANCIAL AID

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EXECUTIVE SUMMARY

This study examines late-stage student attrition at WGU by defining and analyzing the Last Mile: students who withdraw after completing the majority of their program requirements. Using institutional data, this study identifies when and for whom Last-Mile drops occur, with particular attention to financial and equity-related barriers. The analysis establishes a baseline understanding of Last Mile outcomes in the absence of a scholarship program.

- Drop patterns cluster near program completion, supporting a Last Mile definition of 15 remaining CUs.
- Approximately **1.7%** of undergrad and **14.7%** of graduate drops occur in the Last Mile (**4.0%** blended average).
- 25% of undergraduate and 33% of graduate Last Mile drops reported financial hardship as the primary reason.
 - Random sampling suggests financial hardship may be contributing to **up to 53%** of Last-Mile drops.
- Last Mile drop patterns are consistent across academic programs.
- Last Mile drops are linked with critical Equity KPIs.

These findings matter because improving completion among near-graduates represents a high-leverage opportunity to increase graduation rates without increasing enrollment. Prior research, including external literature and WGU's HEERF analysis, has already established that financial aid can causally improve student outcomes. This study lays the groundwork for a future pilot that can rigorously evaluate whether targeted financial support can reduce Last-Mile drops and advance institutional equity goals.

BACKGROUND

Students who leave an academic program shortly before graduation represent a distinct and consequential form of attrition often referred to as the "Last Mile." These students have completed the majority of their degree requirements and are academically close to earning a credential, yet exit prior to completion. Unlike early-term departures, Last-Mile drops occur after substantial academic progress has already been made, making them qualitatively different from early retention challenges and warranting focused analysis.

Last-Mile attrition has direct implications for several core institutional metrics, including graduation rates, credential attainment, and overall student success. Students who exit at this stage have typically incurred most of the costs associated with enrollment while receiving limited credential value in return. From an institutional perspective, improving completion among near-graduates represents a high-leverage opportunity to increase graduation outcomes without requiring proportional increases in enrollment or instructional investment.

Financial barriers are frequently cited as a contributing factor to late-stage attrition and may become especially consequential as students approach completion. Tuition balances, exhausted funding eligibility, or unexpected financial obligations can create obstacles that disproportionately affect students who are otherwise academically prepared to graduate. Even relatively modest financial shortfalls may be sufficient to delay or prevent completion at this stage, highlighting the importance of understanding how financial constraints intersect with Last-Mile outcomes.

This study builds on prior work at WGU examining student retention, financial aid, and equity gaps across the academic lifecycle, while shifting focus specifically to the completion stage. Importantly, WGU does not currently offer a dedicated Last-Mile Aid program; this analysis therefore examines existing patterns in the absence of such an intervention. By defining the Last Mile and quantifying associated outcomes and barriers, this work establishes a baseline for future program design and evaluation.

GUIDING QUESTIONS

This study was grounded in a central question that reflects WGU's broader strategic priorities:

Central Question

Can targeted financial aid from WGU mitigate Last Mile Drops?

Cornerstone Questions

This question is intentionally ambitious by design and is not directly testable. However, it forms the basis for a long-term research agenda that aims to uncover targeted, actionable insights that can inform strategy and policy. In service to this central question, this research brief addresses several key cornerstone questions:

1. How do we want to define the Last Mile as an institution?
2. What proportion of our drops occur in the Last Mile?
3. What proportion of Last Mile drops happen for financial reasons?
4. How much financial aid would it take to retain these students?

KEY FINDINGS

Drop Patterns Lead to Defining the Last Mile at 15 CUs

Analysis of withdrawal timing shows a clear clustering of student drops within a narrow window near program completion, motivating a working definition of the "Last Mile" as students within 15 remaining competency units. This threshold captures a distinct group of near-completers whose attrition patterns differ meaningfully from earlier-stage departures and is consistent across degree levels.

A Meaningful Share of Drops Occur in the Last Mile

A substantial proportion of all student drops occur after students have completed the majority of their program requirements, within the defined Last-Mile window (2.5% of undergraduate students; 15% of graduate students). These late-stage departures represent a concentrated opportunity to improve overall graduation outcomes without increasing incoming enrollment.

Last Mile Drops are Consistent across Programs

Last-Mile drops appear consistently across undergraduate and graduate programs, indicating that late-stage attrition is not isolated to a small number of academic pathways. This consistency suggests that the Last Mile represents a structural stage of risk rather than a program-specific issue.

Last Mile Drops Present Equity-Based Challenges to Students

Students from equity-relevant groups, including those with higher financial need and other indicators of structural disadvantage, are overrepresented among Last-Mile drop cases relative to their overall enrollment share. These patterns indicate that financial and socio-economic barriers continue to shape outcomes even at the final stage of degree completion.

FINANCIAL AID, THE LAST MILE, AND CAUSALITY

Extensive external research has established a causal relationship between grant-based financial aid and improved student persistence and completion. This is further supported by prior work at WGU. In particular, the HEERF III analysis leveraged federally imposed eligibility thresholds to create quasi-experimental conditions, allowing WGU to estimate the causal impact of emergency financial aid on student outcomes. That study demonstrated that timely financial support can meaningfully improve persistence when aid assignment is governed by an exogenous policy rule.

However, the analytical conditions that enabled causal inference in the HEERF study do not exist for Last-Mile students in historical WGU data. Aid outside the HEERF context is not assigned randomly or according to a cutoff unrelated to student characteristics, making causal estimation inappropriate using observational methods. As a result, this study

focuses on defining the Last Mile, quantifying the scope of Last Mile drops, and identifying associated financial and equity patterns. Establishing causal impact for a Last Mile Aid intervention is therefore best understood as a next step, requiring a prospective pilot design that introduces exogenous variation in aid assignment.

RECOMMENDED ACTIONS

We recommend adopting a consistent institutional definition of the Last Mile to enable standardized tracking and reporting of near-completion outcomes. We also recommend using the findings from this study to scope the size and characteristics of the Last-Mile population, with particular attention to financial and equity-related barriers. To evaluate whether targeted financial support can causally improve completion, we recommend designing a limited Last-Mile Aid pilot that introduces exogenous variation in aid assignment, such as randomized offers or invitations to apply. Finally, we recommend establishing clear success metrics in advance to ensure that any future evaluation yields actionable and interpretable results.

APPENDIX

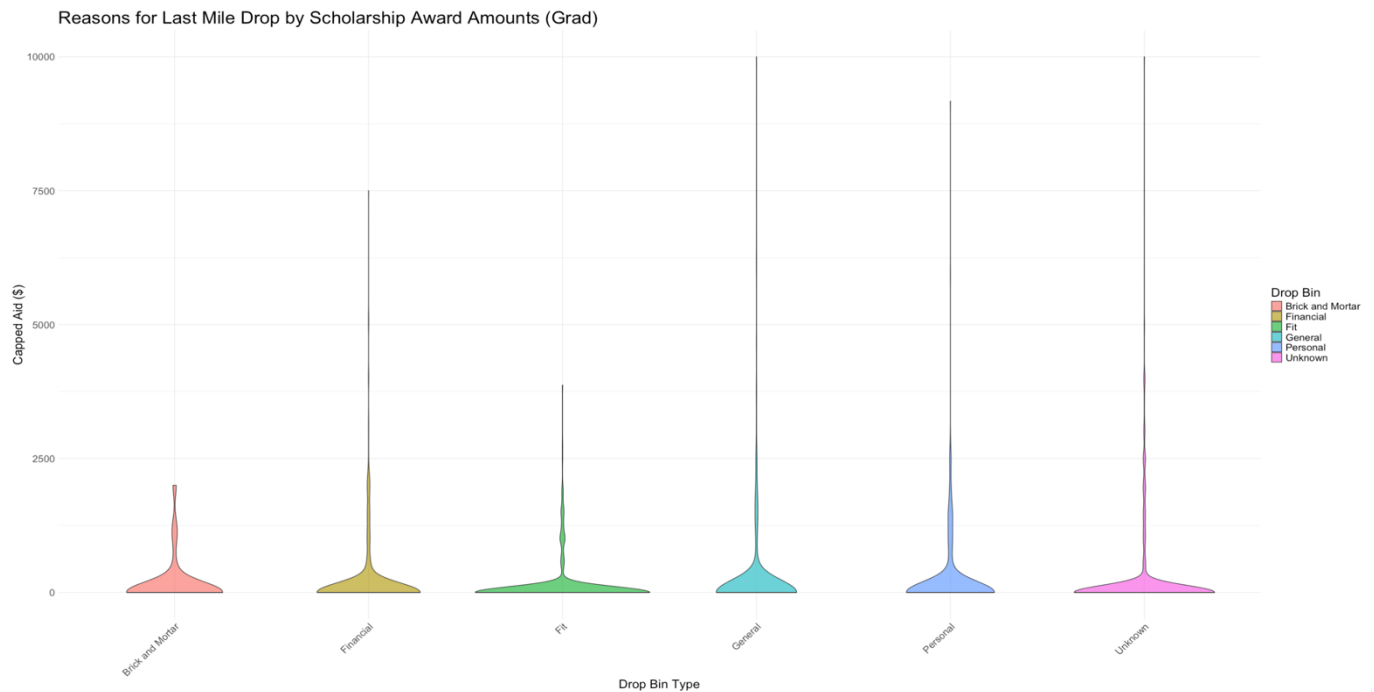


Figure 1: Reasons for Last Mile Drop by Scholarship Award amount among undergraduates. This figure displays the distribution of scholarship award amounts among undergraduate students who dropped in the Last Mile, segmented by reported drop reason. Each violin illustrates the spread and density of award amounts within a drop category, highlighting variation in financial support levels across different stated reasons for withdrawal. The figure is intended to provide descriptive context on how scholarship amounts intersect with late-stage drop reasons, not to imply causal relationships.

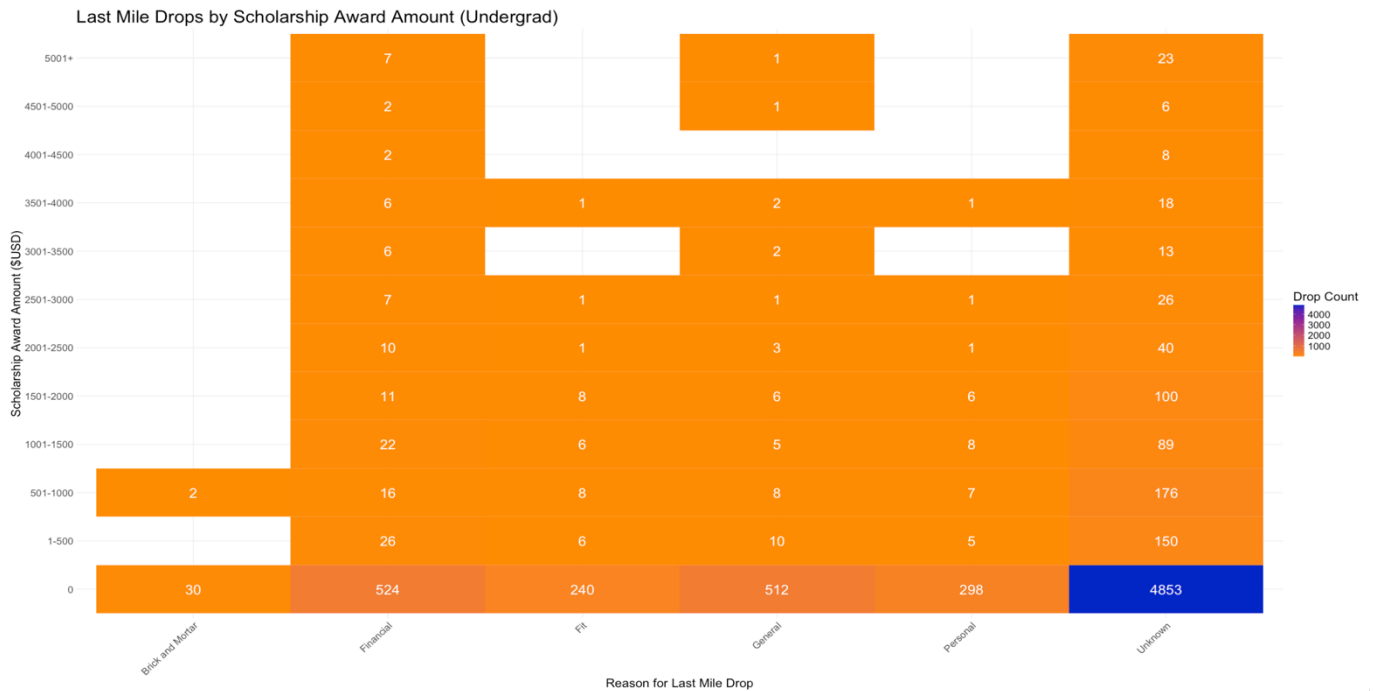


Figure 2: Last Mile Drops by Scholarship Award Amount and Drop Reason among Undergraduates. This heatmap shows the count of undergraduate Last-Mile drop cases by scholarship award amount (y-axis) and reported reason for withdrawal (x-axis). Cell values represent the number of students within each award-reason combination, highlighting how late-stage drops are distributed across different levels of financial support and drop categories. The figure provides a descriptive view of patterns in scholarship exposure among Last-Mile drop cases and does not imply causal effects of award amount on withdrawal behavior.