



(<http://www.insidehighered.com>)



FAFSA Experiment Boosts College Going ^[1]

Submitted by [Doug Lederman](#) ^[2] on September 23, 2009 - 3:00am

Isn't it nice when an idea works like you hoped it would?

That's how a trio of higher education researchers (and the many high-profile groups that supported their work) are probably feeling about the experiment they engineered ([described in this 2007 article](#) ^[3]) to see if simplifying the process of applying for federal financial aid would increase the likelihood that low-income Americans apply for aid, receive it, and enroll in college.

Financial aid experts have increasingly argued that while making enough money available is obviously essential, one reason for the lower college going rates of low-income people is that potential students from lower socioeconomic groups are either unaware of how much need-based financial aid is available or intimidated by the process of applying for federal student aid, and officials in the Obama administration, among other policy makers, have embraced the idea that simplifying the process will make a big difference.

But data to fully back up that hypothesis have been lacking -- until now.

In [a report on their study](#) ^[4] released today and available for purchase from the National Bureau of Economic Research, the researchers report that their experiment -- in which tax preparers at H&R Block helped some low- and moderate income clients fill out the Free Application for Federal Student Aid using existing financial data from the Internal Revenue Service -- significantly boosted the rate at which participants in the program applied for financial aid, the number who received aid and the amount they got, and the proportion of participants who enrolled in college. The researchers found significant effects for students coming straight out of high school and for adults with no prior college experience.

"The results of the H&R Block FAFSA experiment are unambiguously positive in terms of the effects of simplifying the financial aid application process combined with providing individualized aid eligibility information," write the authors, economists all: Eric P. Bettinger of Stanford University, Bridget Terry Long of Harvard University, and Philip Oreopoulos of the University of Toronto.

"This program is so relatively cheap -- we're not throwing money around here, just helping people fill out the forms," Oreopoulos said in an interview Tuesday. "The fact that just doing that appears to raise college enrollment is a result that we're really excited about."

To say that financial aid simplification is "hot" is a gross understatement, and the list of funders whose names are attached to the study released today hints at just how much thought leaders want to be associated with a high-profile piece of research that aims to offer "proof of concept": the Bill and Melinda Gates, Kauffman, Spencer and MacArthur Foundations, and the National Science Foundation and U.S. Education Department.

They have all thrown their weight behind a project that sprung from a collaboration between H&R Block and the researchers, designed to gauge what kinds of assistance -- information alone about going to college and getting financial aid, information *and* significant help filling out and filing the FAFSA, or no information or help at all -- might increase the rates at which low and middle-income young people seek financial aid and enroll in college.

Under the study's design, when taxpayers with annual incomes of \$45,000 or below (and a family member between the ages of 17 and 30 who lacked a bachelor's degree) sought tax help from an H&R Block office in parts of Ohio or Charlotte, N.C., those who consented to participate were placed into one of three groups: one in which they got (1) help completing the FAFSA as well as personalized guidance about their eligibility for college aid, (2) advice alone about financial aid, or (3) no intervention at all.

For the first group, specially trained H&R Block representatives helped the taxpayers fill out the FAFSA, first using a piece of software to populate the form with existing tax data and then interviewing the taxpayer to tease out the FAFSA information that the IRS doesn't collect, related to parental education, etc. (The latter process took an average of eight minutes, the researchers report.) The software then calculated the value of the federal financial aid the would-be student was likely to qualify for, and the H&R Block rep offered to submit the FAFSA to the federal government at no charge.

The second group received an individualized estimate of likely federal aid and a sense of how much that would help him or her at local colleges, but no assistance on the financial aid form. The last group got no help. More than 10,000 people were in the first group, about 1,500 in the information only group, and nearly 12,000 in the control group.

Among those who received the full FAFSA treatment:

- Independent students (those 24 or older, married, parents or veterans) who had never been to college were nearly three times likelier (40 percent vs. 14 percent) than were those in the control group to submit the FAFSA to the federal government; submissions by independent students who had previously been to college rose by 58 percent, while high school seniors who got the help were 39 percent likelier than others their age to do so (56 percent for the treatment group vs. 40 percent for the control group). Much of the effect in submission of the form came because of electronic submission, and much of that among those study participants for whom H&R Block submitted the forms on their behalf.
- Those in the treatment group on average filed their FAFSA forms a month earlier than did those in the control group, which matters because while Pell Grants and federal loans are essentially entitlement programs that don't run out of money, some institutions and states allocate their need-based financial aid on a first come, first served basis, and sometimes do tap out (especially in lean years like these ^[5]).
- Graduating high school seniors were 7 percentage points more likely to go to college than were their peers in the control group or those who received information only (34 percent vs. 27 percent). For older students, the increase was 2 percentage points -- but the rise was from 10 to 12 percent, translating to about a 20 percent boost.
- Students of all types were more likely to receive a Pell Grant upon enrolling than were their peers in the control group -- about 33 percent more likely for high school seniors, 20 percent for independent students who had never before been to college, and about 13 percent for

students with previous college experience. Students who received the FAFSA help also got somewhat bigger aid awards.

The researchers found that "simply informing high school seniors and older adults about their aid eligibility" had virtually no impact on college going, though the scholars note that efforts designed to inform families about aid prospects earlier in high school or middle school, as increasing numbers of state, institutional and other programs aim to do, might have an impact.

The study's findings, the researchers say, largely support some of the policy directions in which the Obama administration (and to some extent the Bush administration before it) have been going, such as using Internal Revenue Service data to prepopulate prospective students' FAFSA applications.

But it's unclear from the data, Oreopoulos of the University of Toronto said, how much of the beneficial result the researchers found came from the prepopulation of the form with tax data and how much came from the hands-on assistance the tax preparers provided, or from both. "There really hasn't been much talk in the government initiatives about the assistance piece -- the hand holding with someone helping to fill out and file the form," he said. "The fact that most of the result we found came from the people who elected to have the form filed for them electronically suggests that, even with prepopulating the form with IRS data, leaving the onus on the individual to look up the form, download and fill it out could still be a barrier."

The researchers are therefore exploring ways in which they might be able to replicate on a larger scale the help that H&R Block provided -- perhaps through other tax preparers, Oreopoulos said, or even through high schools.

The other major focus of the scholars' future work will be keeping tabs on how the students who were drawn into higher education through the FAFSA simplification project fared once they enrolled in college -- whether they stayed in school, graduated, etc.

"There's a question here of, are we just taking people who can barely fill out forms and affecting them to go to college?" Oreopoulos said. "The be all and end all is not that we've helped people get to college. The hope is that it helps them later in life. We need to make sure it does."

Source URL: <http://www.insidehighered.com/news/2009/09/23/fafsa>

Links:

[1] <http://www.insidehighered.com/news/2009/09/23/fafsa>

[2] <http://www.insidehighered.com/users/doug-lederman>

[3] <http://www.insidehighered.com/news/2007/02/20/fafsa>

[4] <http://www.nber.org/papers/w15361>

[5] <http://www.insidehighered.com/news/2009/07/31/qt#204720>