

# Students at Risk to Withdraw

## Emails to freshman encouraging FAFSA completion decreased enrollment

**Agency Objective** Encourage first-year college students to renew their Free Application for Federal Student Aid (FAFSA) for the upcoming academic year or prepare to enter student loan repayment.

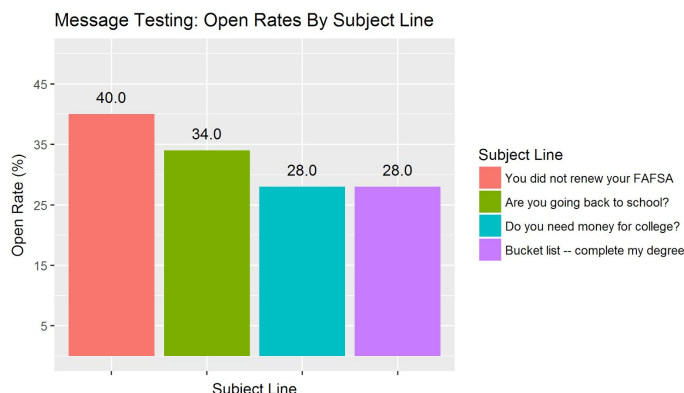
**Background** Students must renew their FAFSA annually in order to maintain their financial aid, but 15 to 20 percent of freshman Pell Grant recipients in good academic standing do not successfully re-file their FAFSA.<sup>1</sup>

**Program Change** Federal Student Aid (FSA) sent first time freshman borrowers at risk of withdrawing from their academic program emails reminding them that fall was rapidly approaching and to either prepare for the upcoming academic term by completing the FAFSA or prepare to enter student loan repayment.

**Evaluation Methods** In July 2015, FSA sent emails to approximately 195,000 freshman borrowers who had completed their first year but were at risk of discontinuing their education in subsequent semesters. An additional 50,000 borrowers were selected into a control group. In the first phase of the trial, FSA randomly assigned borrowers to be sent emails with one of four subject lines. In the second stage, FSA used the winning subject line from the first phase and randomly assigned borrowers to be sent one of two emails, each prompting an active choice. The first email included buttons that linked to the FAFSA web page or the borrower's loan servicer's web page, while the second email included text and hyperlinks to the same pages.

**Results** In the first phase, borrowers receiving emails with the subject line, "You did not renew your FAFSA" had the highest open rates (40.0%), which was significantly better than the next best

subject line, "Are you going back to school?" (difference=6.0 ppt,  $p<0.01$ , 95% CI [4.69,7.32]).



Borrowers sent emails in the second phase were less likely to be enrolled the following Spring semester (37.5 percent) than those who were not sent an email (38.5 percent; difference = 1.0 ppt,  $p<0.01$ , 95% CI [-1.4, -0.5]). The results persisted through the Fall 2016 semester, with borrowers sent the email 0.9 percentage points less likely to be enrolled (31.3 percent vs. 30.3 percent;  $p<0.01$ , 95% CI [-1.4, -0.5]).

Additional analyses suggest that the decrease in enrollment was concentrated among public (decrease of 1.33 ppt,  $p<0.01$ ) and private, not-for-profit institutions (decrease of 1.56 ppt,  $p=0.05$ ). There were no significant differences in enrollment when looking at for-profit institutions alone. The results also suggest an interaction with family income, with larger decreases in enrollment among those with lower incomes.

**Conclusion** Prompting students who are at risk to withdraw from school can affect subsequent enrollment decisions, especially among those who are at the highest risk of withdrawal. The decline in enrollment persisted at least two semesters without narrowing, suggesting the effect is not entirely due to inducing those who otherwise would have withdrawn to do so earlier.

<sup>1</sup> Bird, K., & Castleman, B. L. (2016). Here today, gone tomorrow? Investigating rates and patterns of financial aid renewal among college freshmen. *Research in Higher Education*, 57(4), 395-422.