

Memorandum:

To: Virginia State Legislature

Re: Possibility of Assistance and Counseling Programs in Virginia

From: Zachary Spahr, University of Notre Dame Class of 2018

The Problem:

According to the Census Bureau survey, college enrollment among people from the bottom 20 percent of the income distribution dropped by roughly 10 percentage points. Within that time frame, only 46% of low-income high school graduates actually enrolled in two-year and four-year institutions (Brown). The recent administration in the Commonwealth of Virginia has stressed that a quality education should be available for all students and programs that provide basic assistance for low income Virginians are a way to improve equity in the current system.

Virginia currently has several grant programs available to help lower income students afford college. Two of these programs are called the Virginia Guaranteed Assistance Program and the Virginia Tuition Assistance Grant. While these programs do help fund the lowest income students, they are expensive relative to programs that increase college attendance by providing better information to low-income students.

Evidence:

Expanding College Opportunities:

The Expanding College Opportunities project was a program that was designed to provide better information regarding college choice and opportunities to high achieving lower-income students. This particular program gave information about the actual cost of attending college, graduation rates of specific colleges, and application fee waivers. Students who received this information submitted 48% more applications and were 56% more likely to apply to a peer college (college whose admission criteria is similar to the qualifications of the applying student). Overall, the access to this information helped low income students go to schools that were better matches based on their qualifications (Hoxby).

Summer Melt Study:

One of the main problems that many lower-income students have is that they often do not actually end up going to college after initially planning to. There are sometimes small costs or informational disparities that prevent a student from actually enrolling in college. This problem has often been referred to as the summer melt problem. In one intervention conducted in Boston and Atlanta, counselors contacted potential students through phone, email, text, and Facebook messaging services to offer counseling. In order to get people to actually meet with the counselors, the researchers also offered a small gift card incentive for showing up. In these meetings, counselors reviewed student financial aid letters, created a calendar of tasks required to matriculate into college, and assessed possible emotional barriers to

college enrollment. They later followed up with students to make sure they were accomplishing the tasks required to matriculate. This intervention increased enrollment by 3 percent overall, with increased effects for low income students, and reduced the summer melt problem by 20% overall (Castleman).

FAFSA Assistance:

In one experiment that looked at the effects of FAFSA assistance on college attendance, economists partnered with H & R Block to provide college assistance to families with less than \$45,000 of income. In this intervention, one group received assistance completing the FAFSA by using the tax return form to answer many of the FAFSA questions. Then, a tax professional conducted a ten-minute interview to answer the remaining questions. The software then provided information about the amount of aid a family could expect. Another group received only the information about the amount of aid they could expect without assistance. The last group received none of these treatments. The combined assistance and aid information increased the likelihood that a high school senior would complete two years of school by eight percentage points (Bettinger).

Cost Effectiveness Relative to Grants:

One of the main reasons that programs that provide better information can be so successful is due to the fact that these programs are much cheaper than more expensive grant programs. For instance, The Hamilton Project estimated that the cost of a mentor that the cost to send one additional student to college is \$1,100 dollars through FAFSA assistance and \$5,300 through college mentorship programs. All other interventions involving loans, tuition decreases, and expansion of grant programs were more than \$19,000. Therefore, the main benefit of programs like the ones discussed above is that they achieve many of the same results as more expensive grant programs without very high costs (Looney).

Additional Considerations:

One potential criticism of focusing on these types of programs rather than funding grants and student loan type programs is that a larger focus on these types of programs would not directly make college more affordable for more people. Therefore, one could reasonably argue that it is better to invest in programs that actually make college more affordable rather than better information. Also, it may be harder to justify spending money on these types of programs to the public. It is easier to say that the government gave a certain number of grants to x number of people who are now in college than to say that the government is funding a program that provides better information, which should eventually lead more people to go to school.

Recommendations:

Based on the evidence available, the Commonwealth of Virginia should invest in programs that provide better information to students. For instance, providing FAFSA assistance to low income students is a cheap way to ensure that students get the financial aid that they need. It is also relatively inexpensive to hire counselors to work and connect with students both in school and during the summer to ensure that students know both what types of colleges they can apply to and the steps to enroll in college before they get there. Lastly, at a high school level, giving students informational pamphlets and counseling that gives low income students a

sense of the types of colleges they can go to would allow these students to be more likely to reach their full potential. Overall, working to provide students with the best information available can increase college attendance at a much lower cost than other interventions.

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