



Wisconsin Center for Education Research

SCHOOL OF EDUCATION

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What is the impact of information about college costs and financial aid on low-income students' college trajectories?



Low-Income = Free and Reduced Price Lunch Eligible

Financial Aid = Federal, State and Institutional Grants
and Scholarships

College = 2 Year and 4 Year Institutions

- All students and parents tend to **overestimate** costs and **underestimate** aid
- Poor knowledge of eligibility for financial aid
- 2x as likely to indicate higher school counselor as source of information (2009 HSLs)

But how is having this information related to a student's college going trajectory?



Theory: Students who perceive college as financially in reach will have higher aspiration rates

(Destin and Oyserman 2009, Miron,. Jones and Kelaher-Young 2009)



The Degree Project

- Milwaukee Public Schools
- \$12,000 promise in 9th grade:
 - 2.5 gpa, 90% attendance rate
- Increased awareness about opportunities does not always lead to changes in behaviors towards college readiness
- Students are limited by their high school environments and available resources

Theory: Students who are college ready are unaware of financial opportunities



H&R Block Experiment

(Bettinger et al. 2009)

Information Treatment

Information and Assistance

No

8

significant

effect

Percentage

Point ↑

How much potential does information
have to close the gap?



Information gaps explain little of *attendance* gaps

- Information alone could increase enrollment rates by around 5 % points
- Depends on many other factors
- College is largely unaffordable for low-income students (Lumina Foundation 2015)

- Lack research on the importance of early information (George-Jackson and Gast 2015)
- Upcoming Promise Program Research
- We should work to help low-income students understand their eligibility for financial aid

