



The Role of Information and Simplification in College Decisions:

Results from the H&R Block FAFSA Experiment & Next Steps to Expand Outreach

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*AEI Higher Education Reform Forum
May 10, 2010*



The Problem: *FAFSA Complexity*

“The FAFSA, at **five pages and 128 questions**, is lengthier than Form 1040EZ and Form 1040A. It is comparable to Form 1040 (two pages, with 118 questions).”
Dynarski & Scott-Clayton (2006)

→ 850,000 students who would have been eligible in 2000 did not complete necessary forms (ACE 2004)

→ Many more who would have been eligible may not have elected to attend college at all

Significant movement towards simplifying the FAFSA, but there is little research on whether such policies will truly improve college access

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Even with simplification, there are additional concerns...

Lack of info/Misinformation among families

- Individuals, particularly low-income students, often greatly overestimate the cost of higher education (Horn, Chen, and Chapman 2003)

Lack of awareness of the FAFSA

- Key gatekeeper to federal, state, and institutional aid

Missed Deadlines

- ACE (2004) found that more than half of 1999-2000 filers missed the April 1st deadline to be eligible for additional state and institutional aid

Late Information

- Do not learn about aid eligibility until a few months before attending college

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The H&R Block Experiment (Bettinger, Long, Oreopoulos, & Sanbonmatsu)

Goal: Test the effects of helping families complete the FAFSA in a simplified manner and give them personalized information

Why a partnership with H&R Block?

- A service that specializes in the information needed for FAFSA
- Serves many low- to moderate-income families
- Ability to process income information and meet deadlines in a timely fashion
- Scalable – could replicate in many communities and with other organizations

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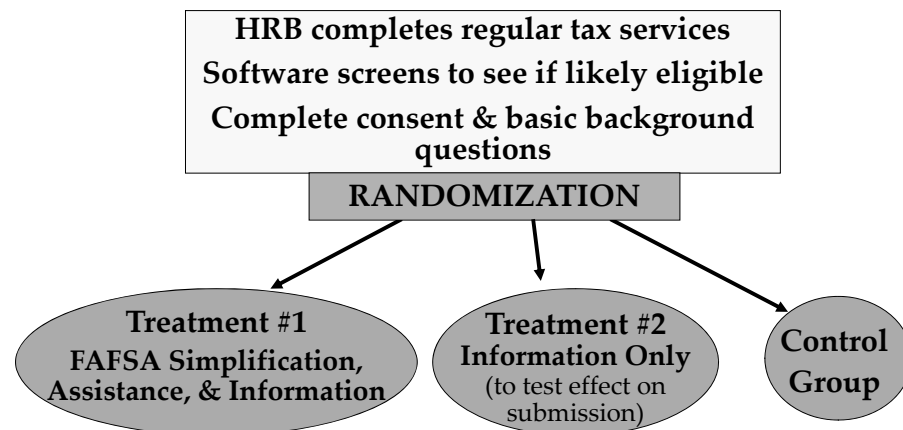
The FAFSA Experiment

Who was Eligible to Participate?

- Income less than \$45,000 (~Pell Grant eligible)
- Family member between ages of 17 and 30 who did not already have a college degree
- Group #1: **Dependents** - High school seniors (under age 18; reliant on parents)
- Group #2: **Independents** - young adults (Age 24+ or married, parents, veterans, orphans)
- Other Project: High school students (soph./juniors)
 - Gave them an early estimate of eligibility while they still have time to prepare academically

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Flow of the Randomized Trial



- Assignment Based on SSN
- Software Prevents Reassigning the Treatment
- T-statistics & basic regressions verify the randomization

The Interventions

- **FAFSA Treatment group:**
 - Transfers relevant tax info *already* collected into appropriate FAFSA cells (“**pre-population**”)
 - Streamlined and automated interview used to collect remaining info (**personal assistance protocol**)
 - Calculate an individualized estimate of aid eligibility and info on local college options (**information**)
 - Submit FAFSA (if participant wants) or send them paper FAFSA to submit themselves
 - If needed, follow-up assistance by Call Center
- **Information-only Treatment Group:** Eligibility information but no pre-population or FAFSA help

GRANT/SCHOLARSHIP AID

You appear eligible for \$3,458.00

in college grants per year based on the information we have from helping you complete your taxes and the formula the Department of Education uses. Even better, this financial aid would not need to be repaid.

The following is a list of local colleges, the full- and part-time tuition expenses, and estimates of the financial assistance you could get from your state or the federal government.

College	Full-Time		Part-Time	
	Tuition	Estimated State and Federal Aid*	Tuition	Estimated State and Federal Aid*
Cleveland State University	7920	3458	3960	1732
Lakeland Community College	3333	3458	1322	1732
Cuyahoga Community College	3194	3458	1278	1732
Lorain County Community College	2890	3458	1334	1705

*The estimate of financial aid is based on information reported to you needed for the formula was not available, this may affect the reliability of the estimate. We will continue to work with you to arrange receipt of aid and provide the most accurate estimate of financial aid.

Then information on government student loans...

H&R Block FAFSA Project Implementation Results

- 2007 (Pilot): 3,206 individuals in Cleveland
- 2008: 26,013 in Ohio and North Carolina
- Eligible participants overwhelmingly interested in receiving college info and willing to participate
- Able to complete most FAFSAs in under 10 min

“The FAFSA program is simple, uncomplicated, and unobtrusive to the clients, but it offers an incredible benefit...” (HRB Tax Professional)

"A few of my students have brought in the aid estimates from H&R Block. These aid estimates had made the students want to come and learn more about their college options." (Local HS Guidance Counselor)

Implementation Tax Season 2008 Sample Statistics

- Average cash/savings/checking balance: \$76
- Many received public assistance, e.g., Food Stamps, TANF, Free/Reduced Price Lunch, WIC
- Most have at least one child
- Many have a GED rather than a regular HS degree

Survey Question: What do you think is the main reason why some people don't go to college?

Tuition is too expensive	42.2%
They have to Work	23.2%
They have to raise a family	18.2%
They don't like school	6.4%
Job opportunities not much better after college	2.2%

Note: The question was asked of all participants before randomization.

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Summary: Impact on FAFSA Submission (application for aid)

Assistance with the FAFSA increased the likelihood of submitting the aid application substantially

- 39% for HS seniors
- 186%(from 14 to 40%) among independent students who had never been to college
- 58% for independent students who had previously attended college

Compared to the control group, FAFSA's were filed over one month earlier for HS seniors and almost three months earlier for independent students

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Summary: Impact on College Enrollment & Aid Receipt

The FAFSA Treatment significantly increased enrollment among graduating HS seniors

- Substantial increase of 7 percentage points in college going (34% compared to 27% for the control group)

Among older, independent students who had not previously attended college, there was also an effect

- The effect was concentrated among those with incomes less than \$22,000

For other independents, there was an effect on aid receipt (addressing problem of eligible college students not getting aid)

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What is driving the Effects? *Simplification, Assistance, and/or Information?*

Treatment Effects by Submission Category

We were able to complete the FAFSA in the office for most of independent sample

- Participants in these cases were given the option of having H&R Block submit the FAFSA electronically, without requiring any follow-up
- Conditional on completing the FAFSA, the effects are driven by the electronic submission cases
- Could be due to selection

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Addressing Concerns with the Current System

The “Problems”

- *Complexity/Time*
- *Misinformation*
- *Low Visibility*
- *Late Information*
- *Missed Deadlines*

The HRB Intervention

- Avg Interview: 8 minutes
- ED reported rejection rate was lower than usual
- Increase in FAFSA Filing
- Enrollment Effects
- Increased Receipt of Aid

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Broader Implications: *The sign-up process matters greatly*

1. Even with good information, the complexity of the FAFSA and/or the burden of navigating the application process alone are significant barriers → simplification and outreach are important
2. To simplify FAFSA, it is not only possible but also likely efficient to use information from tax forms (*ala* current initiatives)
3. Additional outreach would also greatly improve the current system → **"Spring it on them"**
4. Beyond simplifying the form, it is also important to simplify the process because momentum is important to maximizing the chance of FAFSA completion → **"Ride the wave"**

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FAFSA II: Expanding Outreach (funded by the Gates Foundation)

(a) *FAFSA Assistance and Counseling Software*

- “Open source” software to pre-populate, guide families through the rest of the questions, and provide personalized information
- Exploring partnerships

(b) *Outreach and Distribution: Implementing the Intervention*

- Community tax preparation sites or online at tax preparation/submission websites
- Computers with the software in schools and community organizations
- Distribute the software directly to families

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FAFSA II: Expanding Outreach (funded by the Gates Foundation)

(c) *Research and Evaluation*

- Questions remain about which methods of outreach, information delivery, and FAFSA assistance are best
- Testing the relative effectiveness of using technology to provide FAFSA assistance
- Implications for the best way to bring this project to scale nationally
- Also an opportunity to explore how to implement partnerships with ED (similar to H&R Block)

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How else could we help students? *Possible Outreach Models*

- Notification of eligibility to beneficiaries of public assistance (already proven that they are poor so likely eligible for aid) → Increase awareness
- Early notification → Could this influence academic preparation?
- High school monitoring of FAFSA submission rates – what is the effect?

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Other Coming Attractions

- Continuing the Analysis
 - Tracking the participants over time → Persistence?
 - Student Transcripts for 75%+ of Sample → Course selection? Certificate or Degree Courses, Credits Earned, Grades
- The Effects of Early Information (high school sophomores and juniors)

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