

Abstract Title Page
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Title:

Paying Parents for Performance:
The Performance-Based Scholarship Demonstration in Ohio (working title)

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Abstract Body

Limit 5 pages single spaced.

Background/context:

Description of prior research, its intellectual context and its policy context.

Community colleges and financial aid play critical roles in American higher education. Community colleges, with their open admissions policies and relatively low costs of attendance, provide opportunities to millions of adults who would ordinarily be unable to participate in higher education. Financial aid further increases the affordability. Notwithstanding these accomplishments, longitudinal research suggests that nearly half of students who begin at community college do not complete a degree, nor enroll in another college or university in a six-year timeframe. Many factors explain the low rate of persistence, but one is the expense of attending college. In spite of having low costs and receiving financial aid, many community college students have substantial unmet need. These factors indicate that innovation and a challenge to traditional thinking about financial aid may be one path to increasing persistence at community colleges.

Purpose / objective / research question / focus of study:

Description of what the research focused on and why.

These reports provide early results from a rigorous evaluation of one of the performance-based scholarship programs in MDRC's Performance-Based Scholarship (PBS) Demonstration. The programs are designed to help low-income students cover more of their expenses, and also provide a financial incentive to make good progress. The scholarship is one that had been run by the State of Ohio, and had since been defunded. It was reinstated as part of the PBS Demonstration at three community colleges. Eligible students in Ohio can earn up to \$450 per semester for two semesters (or \$300 per quarter for three quarters) for earning grades of 'C' or better in 6-11 credits, and up to \$900 per semester for two semesters (or \$600 per quarter for three quarters) for earning grades of 'C' or better in at least 12 credits. The awards are made in one lump-sum at the end of the semester upon verification of performance. To the extent possible, the scholarships are paid *in addition* to existing financial aid programs, and typically result in more money for students. The research presented focuses on these questions:

1. Did the performance-based scholarships have an impact on academic outcomes, including credit attempts, credit completion, and persistence?
2. How many students went on to earn the scholarship?
3. What was the effect of the scholarship on students' financial aid packages?

Setting:

Description of where the research took place.

The Ohio program operated at three institutions: Lorain County Community College (Lorain), Owens Community College (Owens), and Sinclair Community College (Sinclair). The full study in Ohio ran from fall 2008 through spring 2009.

Population / Participants / Subjects:

Description of participants in the study: who (or what) how many, key features (or characteristics).

The Performance-Based scholarship in Ohio was targeted towards low-income parents enrolled at least part-time at Lorain, Owens, or Sinclair. To be eligible, students had to meet the following criteria:

- Be 18 years or older
- Be a US citizen and an Ohio Resident
- Be the parent or legal guardian of at least one dependent child
- Have completed the FAFSA and have an Expected Family Contribution of zero

Intervention / Program / Practice:

Description of the intervention, program or practice, including details of administration and duration.

The Ohio intervention consisted of:

- A scholarship tied to academic performance, on top of regular financial aid for two semesters or three quarters, paid at the end of the semester or quarter:
 - Part-time payment of \$450 at Lorain and Owens, or \$300 at Sinclair, upon the successful completion of 6 to 11 credits with a grade of “C” or better
 - Full-time payment of \$900 at Lorain and Owens, or \$600 at Sinclair, upon the successful completion of 12 or more credits with a grade of “C” or better

Research Design:

Description of research design (e.g., qualitative case study, quasi-experimental design, secondary analysis, analytic essay, randomized field trial).

The evaluation employs a random assignment research design. Students who met program eligibility criteria at each site were randomly assigned to two groups: a program group that received the performance-based scholarship, or a control group that received whatever financial aid was available to all students. Random assignment ensured that the motivation levels and personal characteristics of students in all groups were the same at the start of the study. By tracking the groups over time, researchers could measure the difference, or impact, that the study had on student outcomes.

Data Collection and Analysis:

Description of the methods for collecting and analyzing data.

The analyses will be based on data collected from several data sources:

- Baseline Information Form, consisting of demographic and other background information on students prior to any influence by the program
- Student-level transcript data, used to provide a look at sample members’ performance in college through measures such as enrollment status, credits attempted, and credits earned
- Financial aid data, consisting of grant, loan, and work study amounts paid to students

- Performance-based scholarship payment records, used to describe program implementation

The evaluation will also use data collected from a student survey to be administered to sample members, as well as National Student Clearinghouse data which can help track student transfers. The primary analytic method to determine program impacts will be comparing average outcomes for program and control group members, using standard statistical tests such as the t-test.

Findings / Results:

Description of main findings with specific details.

Analysis of data for students who entered the Ohio study in fall 2008 (n=1,329) show that during the academic year over which students are eligible for the scholarship:

- **The program increased the number of credits attempted.** Program group students attempted more credits on average than their control group counterparts in the second program term.
- **The program increased the number of credits earned.** Program group students earned more credits in both the first and second program terms, and earned an average of two full credits more than the control group over the program year.
- **The program reduced educational debt.** The program caused loans to make up a smaller proportion of total financial aid for program group students than for control group students. On average, program group students were awarded \$237 fewer loan dollars.
- **The program did not impact persistence in the second program term.** However, this is tempered by the fact that the control group students registered at a high rate that was difficult to improve upon for this population.

These early findings suggest that a performance-based scholarship can have a significant positive effect on students' course-taking patterns and academic achievement. The SREE presentation will provide details on these program impacts.

Conclusions:

Description of conclusions and recommendations based on findings and overall study.

The primary need-based financial aid program for college students in the U.S. is the federal Pell Grant program, which makes awards to students based on the cost of attendance at an institution (generally, the sum of tuition and fees; an allowance for books, supplies, transportation, and personal expenses; and a room and board allowance) minus the expected family contribution (which takes into account available income and assets). With such a high cost of attendance though, a natural question is how students manage to attend college despite unmet financial needs. For independent, low-income students attending college, a substantial amount tends to be covered by student earnings while enrolled in school.

Findings from this program suggest that a financial incentive for low-income parents to enroll and make good progress in community college could fill an unmet gap. The findings thus far suggest that supplemental funding, not targeted at the most elite students, could be successful in increasing persistence and credit accumulation. As well, they suggest that a performance-based

scholarship can affect whether students enroll full or part-time, and ultimately influence their academic achievement.

Appendices

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Appendix A. References

References are to be in APA version 6 format.

Appendix B. Tables and Figures
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