

Increasing the take-up of Cal Grants

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Each year, the California Student Aid Commission (CSAC) mails letters to 150,000 high school seniors regarding their eligibility for a Cal Grant. These awards can cover tuition, fees, books, and supplies at in-state institutions and are guaranteed to students who meet various requirements, detailed below. CSAC believes there are students who are leaving Cal Grant money on the table, and that there are students who might make different decisions about college if they better understood the available financial aid.

There is evidence that existing aid programs fail to reach students whom they would benefit (Martorell & Friedmann, 2018), and that helping students to navigate a very difficult system can be effective. An experiment that helped students fill out the Free Application for Federal Student Aid (FAFSA) yielded large effects on college-going (Bettinger et al., 2009). Simple changes to phrasing and framing of communications can increase take-up of government benefits (Bhargava and Manoli, 2015). Similar improvements may be possible with college aid.

Research Question

CSAC partnered with the California Policy Lab (CPL) to improve their communications with Cal Grant-eligible students. Our research question is:

Can take-up of Cal Grant awards be increased via more accessible communications from CSAC to potential awardees?

We hypothesize that a simplified version of the CSAC notification sent to high school seniors will result in:

- Increased registration on the CSAC website;
- Increased college attendance;
- Greater take up of the Cal Grant award;
- A shift in enrollment patterns toward colleges where the Cal Grant is more generous.

Setting

This research took place in California. CSAC printed and mailed letters to students across the state. 2,272 schools enrolled students who qualified for Cal Grants in the 2018-19 year. CPL researchers at UC Berkeley conducted the analyses.

Population

This study includes students who filed a FAFSA and met Cal Grant eligibility requirements. General requirements include citizenship, residency, non-incarceration, and other qualifications. Financial requirements vary based on family size – for students enrolling in

college in 2018-19, incomes must be below \$98,900 for a family of four to qualify for the Cal Grant A, and \$52,000 for a Cal Grant B (CSAC, 2018). GPA requirements stipulate a GPA of 3.0 or higher for the Cal Grant A and 2.0 or higher for the Cal Grant B.

This proposal covers the 131,903 students to whom CSAC mailed notification letters by May 1st, 2018. Table 1 shows the makeup of treatment groups on available demographic characteristics.

Intervention

CPL worked with CSAC to clarify the language and presentation of its existing letter, but the letter remained quite dense and contained several undefined acronyms and terms. The alternate versions, designed using insights from behavioral science to maximize the chance that students reading them would understand and act on them, were dramatically simplified, with far less text than the baseline letter, and with graphical design features that drew attention to the specific ask. The two simplified letters were identical to one another in all but one regard. The second letter contained two additional sentences, printed in bold, that aimed to convey a sense of shared purpose and belonging: “You have shown that you’re the kind of person who belongs in college. We’ve been working hard to help you get there!”

Research Design

This study employed a randomized control trial design. The treatment was clustered at the school level. High schools were grouped into strata based on the number of students who had received Cal Grants in previous years. Schools within each stratum were equally likely to be assigned to any of the three letter variants.

Data Collection and Analysis

CSAC transferred data to CPL that included FAFSA information, GPA, the date on which a student’s letter was mailed, whether the student had created a WebGrants4Students account, and, if so, the date on which they created the account.

We use OLS regressions to look for differences among the groups. We include controls to account for the fact that the first wave of control letters was mailed before the first treatment letters, and that control letters went out earlier in the week than treatment letters after the initial large batches of letters had been mailed.

Findings

Initial analyses focus on registration for WebGrants4Students accounts. Figure 1 shows the share of students who had registered for accounts as a function of the elapsed time from the mailing of the notification letter. There are sharp increases in registrations immediately following the mailing of the letters, much larger for the students receiving the simplified letters than for those receiving the baseline letter.

Table 2 displays the share of students in each treatment arm who had registered for accounts by the second week of June, and the impacts of each letter variant after adjusting for the mailing date, as discussed above. Students who received the first simplified letter were 5.7 percentage points more likely to create WebGrants accounts than students who received the baseline letter. Students who received the second simplified letter, with the additional belonging language, were 8.5 percentage points more likely to create accounts than those who received the baseline letter and 2.8 percentage points more likely than students who received the simplified letter without the additional belonging language. All of these differences are statistically significantly different from zero.

Conclusions

Early evidence indicates that clearer presentation of information about the Cal Grant in the preliminary letter can help in reaching students. Data on enrollments and Cal Grant payout at four-year institutions will be available this fall, and data on community college enrollment shortly thereafter. We will include analyses of this data in the final paper.

This year, CSAC and CPL are testing further enhancements to their notification letters. Letters mailed to high school seniors during the 2018-19 year will be based on the simplified letters from the study reported here. Variants will include additional information on the net price of the colleges students list on students' FAFSAs, and variations of the belonging nudges employed in the 2017-18 letters.

References

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Bettinger, E. P., Long, B. T., Oreopoulos, P., & Sanbonmatsu, L. (2009). The Role of Simplification and Information in College Decisions: Results from the H&R Block FAFSA Experiment NBER Working Paper No. 15361. Cambridge, MA: National Bureau of Economic Research

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Tables and Figures

Table 1. Characteristics of Sample by Letter Variant Assigned

	Baseline	Simplified	Simplified + Belonging
Number of Students	43,883	44,768	43,252
Number of Schools	769	747	756
Age (years)	17.76	17.76	17.78
Female	58.7	58.8	59.0
High School GPA	3.08	3.06	3.07
Pell Grant Amount	\$5,446	\$5,454	\$5,438
Cal Grant A eligible (% Yes)	58.1	57.3	58.0
Cal Grant B eligible (% Yes)	89.3	89.5	89.1
Cal Grant A and Cal Grant B eligible (%Yes)	47.4	46.8	47.1
Dependent (% Yes)	92.74	93.32*	92.75+
Parent Income	\$20,679	\$20,567	\$20,680
Parent College (% Yes)	31.5	30.8	32.2
Days between letter mailing and 05/01/2018	107	105	102****

Table 2. Effects of Treatment Status on WebGrants4Students Account Creation

	Baseline	Simplified	Simplified + Belonging
Share of students with WebGrants Accounts	62.0%	67.6%	69.0%
Effects of Treatments			
Relative to Business as Usual		+5.7 percentage points (+9.2%)	+8.5 percentage points (13.7%)
Simplified relative to Simplified + Belonging			+2.8 percentage points (+4.1 %)

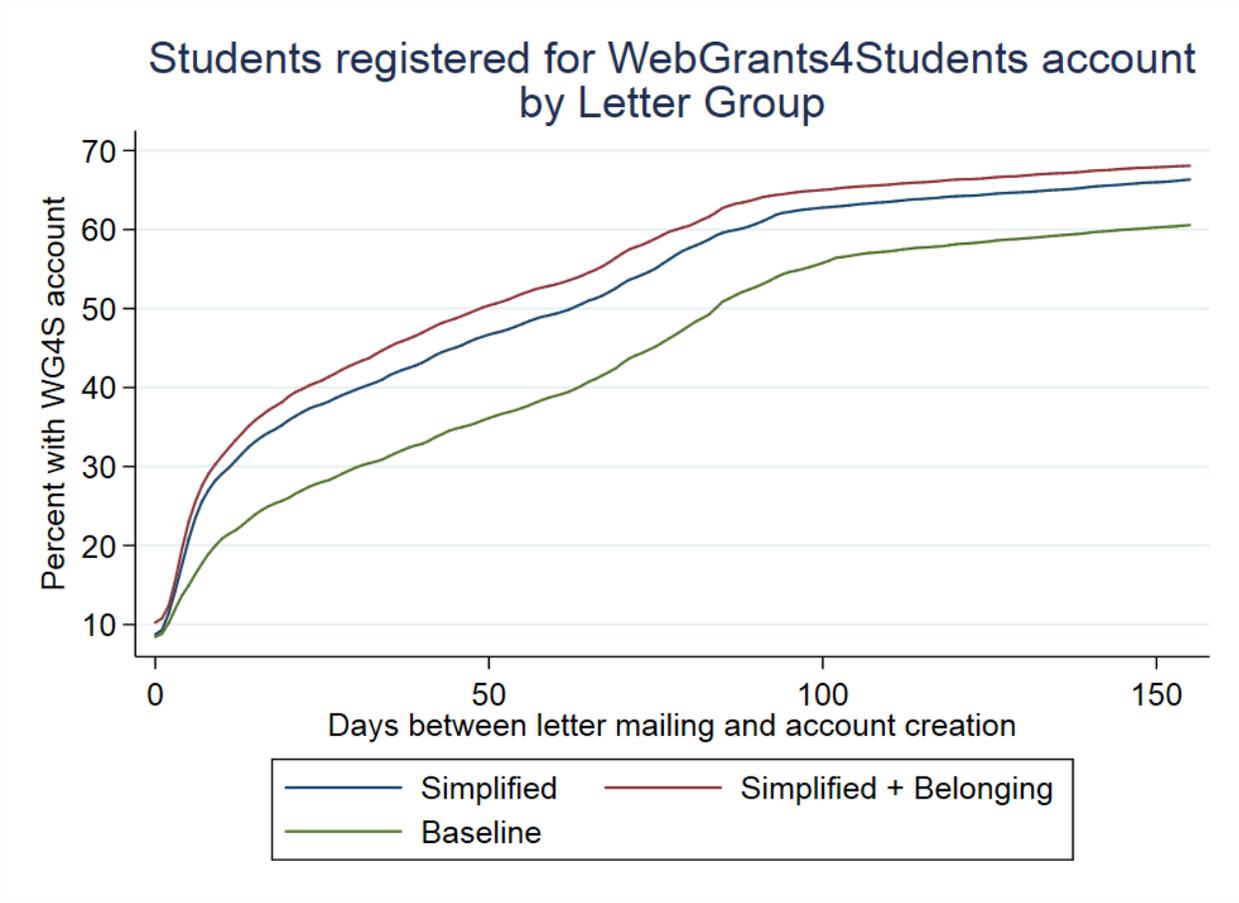


Figure 1