Improving Outreach and Accessibility of Financial Aid

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Key strategies to improve accessibility:
• Simple
• Easy
• Often

Students as “rational actors”

Cognitive factors lead to inattention, fatigue, heuristics
Light touch

- Advertisements
- Direct information
- Materials / toolkits
- Workshops
- Social norms
- Targeted campaigns
- “Nudges”
- Financial incentives
- Application assistance
- Counseling

Heavy touch

What do we know about interventions to improve outreach and accessibility?

More info does not cut through the clutter

Example:
- Simplified loan letters

Corrective:
- Shift to opt-out policy
  improved first-year outcomes

Light touch

- Advertisements
  Direct information

Heavy touch

Materials / toolkits
- Workshops
- Social norms
- Targeted campaigns
- “Nudges”
- Financial incentives
- Application assistance
- Counseling
Info with more human contact has potential

Example:
• TN FAFSA Frenzy, “Path to College”

Corrective:
• Unclear; little rigorous evidence

Frequent and highly directed messaging and reminders

Example:
• Text message reminders
• MI HAIL scholarship

Challenge:
• Identifying students
Small financial barriers have outsized impact

Example:
• CA’s Cash for College scholarship lottery

Challenge:
• Politically tough
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Overcome inertia through direct assistance

Example:
- H&R Block experiment
- Texas GO

Challenge:
- Might not have long-term impacts

Light touch
- Advertisements
- Direct information
- Materials / toolkits
- Workshops
- Social norms
- Targeted campaigns
- “Nudges”
- Financial incentives
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Heavy touch

Some students need significant support

Example:
- College Advising Corps
- Admithub AI bot

Challenge:
- Most intense
Recommendations

• Better data
  – Can reach out to students earlier and more often
  – TN created “one-click” application
  – MI cited data as key to offering targeted packages

• Better data
• Improve FAFSA completion
  – Push services more frequently and into high schools (e.g., FAFSA Day)
Recommendations

• Better data
• Improve FAFSA completion
• Simplify messaging
  – How much aid are students likely to receive?
  – Deliver information from state and not colleges?

• Experiment with incentives
  – School or student recognition
  – Financial incentives can have low expected value
Recommendations

• Better data
• Improve FAFSA completion
• Simplify messaging
• Experiment with incentives
• Streamline the application process
  – More information on where students fall off
  – Centralized application portal (e.g., TX)

Recommendations

• Better data
• Improve FAFSA completion
• Simplify messaging
• Experiment with incentives
• Streamline the application process
• Provide consistent supports for students
  – Counselors, application assistance biggest rewards, especially hard to reach students, diminishing returns
Recommendations

• Better data
• Improve FAFSA completion
• Simplify messaging
• Experiment with incentives
• Streamline the application process
• Provide consistent supports for students
• Track outcomes

Questions?

• Better data
• Improve FAFSA completion
• Simplify messaging
• Experiment with incentives
• Streamline the application process
• Provide consistent supports for students
• Track outcomes