



# Simplifying communications can help high school students navigate college costs and the Cal Grant program

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## SUMMARY

Rising costs of college have outpaced available federal and state grant aid, contributing to unmet student need. Financial aid (including grants, that don't have to be repaid) is available to make college more affordable for students, but the system is complex and aid often fails to reach students who would benefit from it most. An estimated \$24 billion in potential aid is left on the table by eligible college students who do not fill out the Free Application for Federal Student Aid (FAFSA) every year, which raises questions about what the barriers are to accessing this aid.<sup>1</sup>

The California Policy Lab partnered with the California Student Aid Commission (CSAC) to test whether simple, low-cost changes to letters notifying students of their eligibility for aid could impact students' enrollment decisions and increase take-up of financial aid. Over the course of two academic years, we found that merely modifying the content and language of award eligibility notification letters successfully "nudged" students into completing a key step in the application process: registering for an online account with CSAC. When supplemented with individualized net-cost information, these improved letters also moved students towards selecting lower-cost schools. However, the modified letters had no impact on eventual take-up of financial aid. This suggests that improved communications have the potential to help students navigate the early steps of learning about and applying for college financial aid. However, they should be combined with other changes, such as simplifying the application process and providing direct assistance to students, to meaningfully increase financial aid take-up and college-going rates.

## CONTEXT

Fewer than two-thirds of U.S. high school seniors enroll in college immediately after completing high school, despite widespread evidence that the benefits of attending college outweigh the costs.<sup>2</sup> This share is even lower among students from low-income families, those whose parents did not go to college, and those from underrepresented minority groups.<sup>3</sup>

One of the key barriers to college access is cost. While financial aid awarded to students has quadrupled in the last decade, the process for receiving such aid is extremely complex and many eligible students do not benefit from it. One analysis, for instance, found that more than 20% of California community college students who were eligible for a federal Pell Grant did not receive it.<sup>4</sup>

California’s largest financial aid program is the Cal Grant, a scholarship administered by the California Student Aid Commission that covers the full cost of tuition and fees at public colleges and universities (or part of the cost at private institutions) for low and moderate income, high-achieving students. CSAC sends notification letters to high school seniors in the fall of each academic year informing them of their likely eligibility for the Cal Grant (which, unlike loans, do not need to be repaid).

In the 2017–18 academic year, we tested two **variations of letters** alongside CSAC’s original letter. The first variation dramatically simplified the language and design of the original letter—removing acronyms, clarifying the Cal Grant program—and provided clear guidance about the suggested next step for the student, registering for an account on CSAC’s online portal. The second letter was also simplified, but added a few sentences emphasizing that the student receiving the letter belonged in college. Evidence from behavioral science research indicates that simple “nudges” like adding belonging language can help overcome students’ hesitancy, particularly for students from underrepresented groups.

In the 2018–19 academic year, we tested these simplified and belonging letters along with two additional letters. The third letter added language emphasizing that many other high school students were enrolling in college and receiving Cal Grants, with the goal of framing college as a normal choice. Again, behavioral science evidence supports the impact of this kind of “social norm” framing. The fourth letter added personalized information about the total amount of financial aid available, including both Cal Grants and other sources, and the resulting net costs of attendance for the specific California public colleges and universities to which a student had applied. Many students and families do not appreciate the degree to which aid programs can dramatically change the costs of different options, and providing information about this in advance of eventual financial aid offers may help students anticipate the choices they will eventually face. **Table 1** shows an example of the tables that were included in the fourth letter. For this hypothetical student, it would be dramatically cheaper to enroll at a four-year University of California or California State University campus than to attend a community college, the opposite of many students’ expectations.

TABLE 1: Example of net cost information included in modified letter

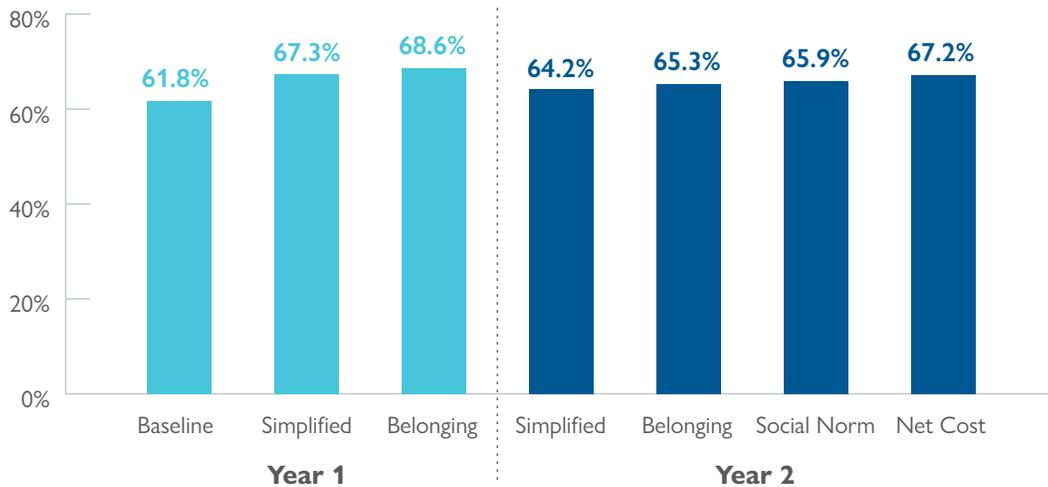
	LIVING SITUATION	ESTIMATED TUITION, FEES, HOUSING, AND OTHER COSTS	ESTIMATED GRANT AID YOU WILL RECEIVE	ESTIMATED COST FOR YOU
University of California - Santa Cruz	on campus	\$33,604	\$24,804	<b>\$8,800</b>
Cal State - East Bay	on campus	\$22,427	\$12,903	<b>\$9,524</b>
De Anza College	off campus	\$19,864	\$5,815	<b>\$14,049</b>

## RESULTS

We found that simplified, behaviorally informed letters substantially increased the rate at which students registered for accounts on CSAC’s online portal, a key first step to receiving a Cal Grant award. In the first year, students who received the simplified letter were 9% (5.5 percentage points) more likely to register for accounts than those who received the baseline letter, while the letter that added language emphasizing social belonging had an 11% (6.8 percentage

points) effect. (see **Figure 1**).<sup>5</sup> In the second year, the simplified letter was used as the baseline. The letters with belonging and social norm language yielded small, further improvements in account registration that were not statistically distinguishable from zero. Adding individualized information on net costs, however, significantly increased registration by 5% (3.0 percentage points) over the simplified letter.

FIGURE 1: Account-creation rates by letter variation



We also looked at eventual college enrollment, as measured by payout of the Cal Grant, and found that none of the letter variants impacted take-up of the grant. However, letters that included personalized cost information shifted where students enrolled: Students who received this letter were 10% more likely to enroll at the lowest-net-cost school and 12% more likely to enroll at a community college, which was often the lowest-cost option.

## POLICY IMPLICATIONS

Our findings suggest that simple, low-cost interventions such as changing the language of notification letters can help guide students in their immediate decisions, such as registering for online accounts. However, it will take more than this to help the nearly 40% of students (both in California and nationwide) who do not enroll in college to overcome the complex barriers that they face. Even students who do enroll lack important information about the financial aid process, and providing simple, seemingly readily available information at a key stage in the process can impact decisions. **An effective strategy for increasing take-up of financial aid and other public benefit programs may involve combining nudges with directly alleviating barriers to take-up, which could include simplifying the application process, offering application assistance, and providing clearer, concrete information on cost and benefits.**

A policymaker aiming to improve college access may thus consider interventions that directly address barriers students

face in their college-going journeys, taking into account different types of learning, compliance, or psychological barriers at each stage in the process. These could include inclusive language on financial aid communications, comparable and personalized information on costs (such as in the letters tested in this study), and even the provision of direct assistance to students filling out the FAFSA.

Policymakers could also design and test improvements to the application process itself, such as by reducing the number of steps required to receive financial aid and introducing personalized communications well before financial aid applications are due. The process for establishing eligibility for and subsequently claiming federal or state financial aid is complex and burdensome for students. To use the Cal Grant as an example, there are at least seven distinct stages prior to payout—from high schools verifying student GPAs, to students registering for accounts to confirm information and select colleges, to students enrolling in a qualifying college and receiving a payout.

For recent high school graduates—especially first-generation college students—who may already be overwhelmed with the numerous logistical and financial hurdles involved in applying to and selecting a college, the additional complexity of applying for financial aid could well be judged as too difficult to be worth navigating. Reducing burdensome frictions that prevent eligible students from accessing financial aid might thus change the cost-benefit calculus and enable a larger proportion of high school students to attend college and reap the subsequent benefits.

## APPENDIX

### Variations of letters sent to students

## THE CALIFORNIA POLICY LAB

The California Policy Lab (CPL) seeks to improve the lives of Californians by working with the government to generate evidence that transforms public policy and to help address California's most urgent issues, including homelessness, poverty, criminal justice reform, and education inequality. CPL facilitates close working partnerships between policymakers and researchers at the University of California to evaluate and improve public programs through empirical research and technical assistance.

## THE PEOPLE LAB

The People Lab aims to transform the public sector by producing cutting-edge research on the people in government and the communities they serve. We collaborate with governments and other stakeholders to evaluate strategies that can strengthen the public-sector workforce, improve public service delivery, and foster engaged communities. Our team brings together public management scholars, behavioral economists, political scientists and public policy experts who are committed to evidence-based policy making, and who use rigorous quantitative, qualitative, and experimental methods to better understand what works. All projects are codesigned with our partners to ensure feasibility and scalability.

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### Endnotes

- 1 Government Accountability Office, United States. (2018). Food Insecurity: Better Information Could Help Eligible College Students Access Federal Food Assistance Benefits. United States Government Accountability Office Report to Congressional Requesters; Kofoed, M. S. (2017). To Apply or Not to Apply: FAFSA Completion and Financial Aid Gaps. *Research in Higher Education*, 58(1), 1–39.
- 2 National Center for Higher Education Management Systems. (2018). College-going rates of high school graduates - directly from high school; Bengali, L. & Daly, M. (2014). Is it still worth going to college? FRBSF Economic Letter; Federal Reserve Bank of San Francisco; Webber, D. (2016). Are college costs worth it? How ability, major, and debt affect the returns to schooling. *Economics of Education Review*, 53, 296–310; Zimmerman, S. (2014). The returns to college admission for academically marginal students. *Journal of Labor Economics*, 32(4), 711–754.
- 3 Wilbur, T. G. & Roscigno, V. J. (2016). First-generation Disadvantage and College Enrollment/Completion. *Socius*, 2, 2378023116664351.
- 4 Martorell, P. & Friedmann, E. (2018). Money Left on the Table: An Analysis of Pell Grant Receipt Among Financially Eligible Community College Students in California. *Wheelhouse Research Brief*, 3(3), 1–8.
- 5 See [Linos et al. \(2018\)](#) for further detail on initial results from the first year of the experiment.