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Financial Aid Eligibility Mindsets among Low-Income Students:

Why Do Some Believe They Can't Receive Financial Aid for College?



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FAFSA Completion Overview

High School Seniors

56%

complete FAFSA by graduation (June 30, 2016).

63%

more likely to go to college if complete FAFSA.

College Students

20%

of college students do not apply for financial aid.

44.7%

of college students think they are ineligible for aid.



NPSAS Aid Application Question

Did you apply for financial aid for the 2011-2012 school year? (N12APPAID)

- 0 = Did not apply for financial aid
- 1 = Yes, applied for financial aid

Source: NPSAS:12 Full-scale Student Interview



NPSAS Aid Why Not Apply Question

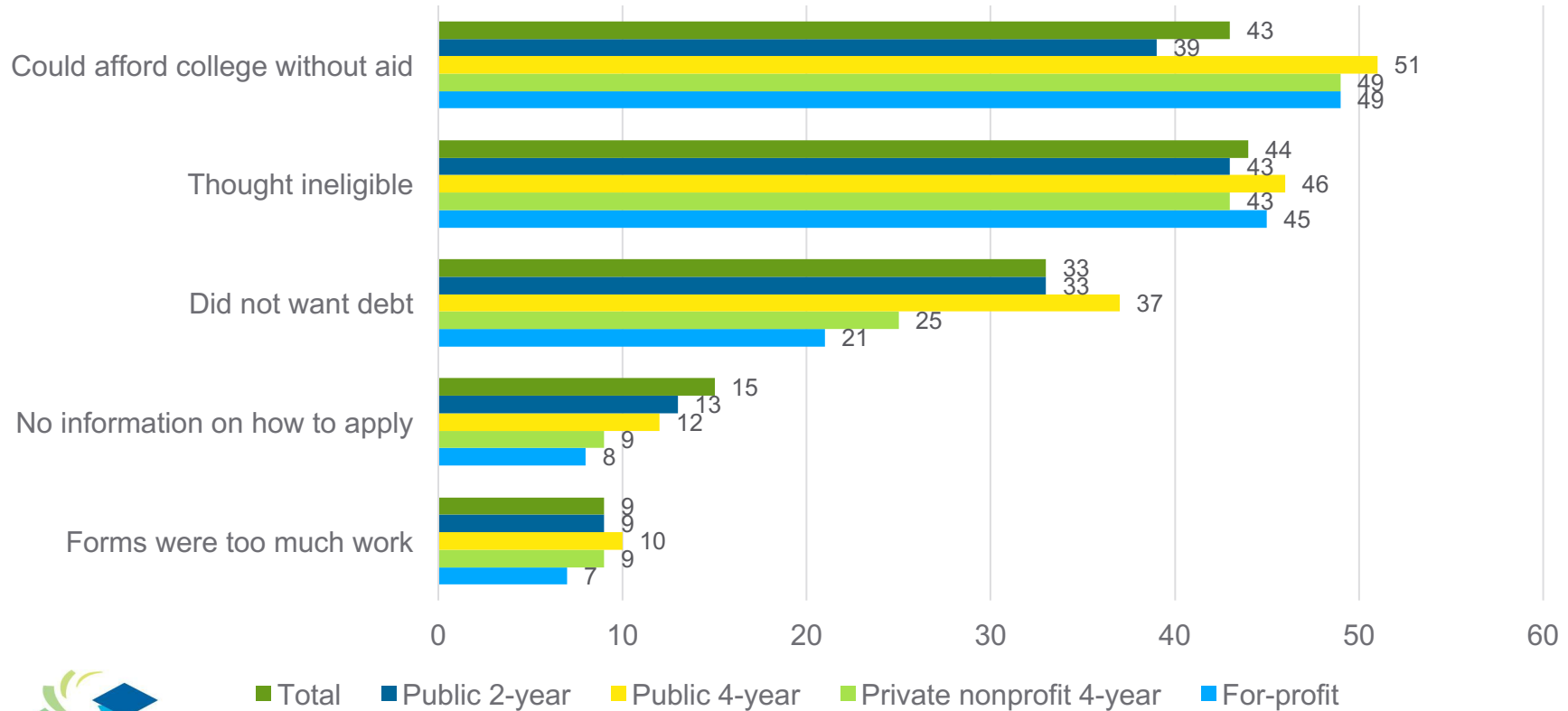
Please indicate whether the following were reasons why you did not apply for financial aid.
Was it because you...

- did not want debt (N12NODEBT)
- did not need financial aid (N12NONEED)
- **thought ineligible (N12THKEL)**
- lack of information (N12HSAPP)
- forms were too much work (N12FMCON)
- other reason (N12APOTH)



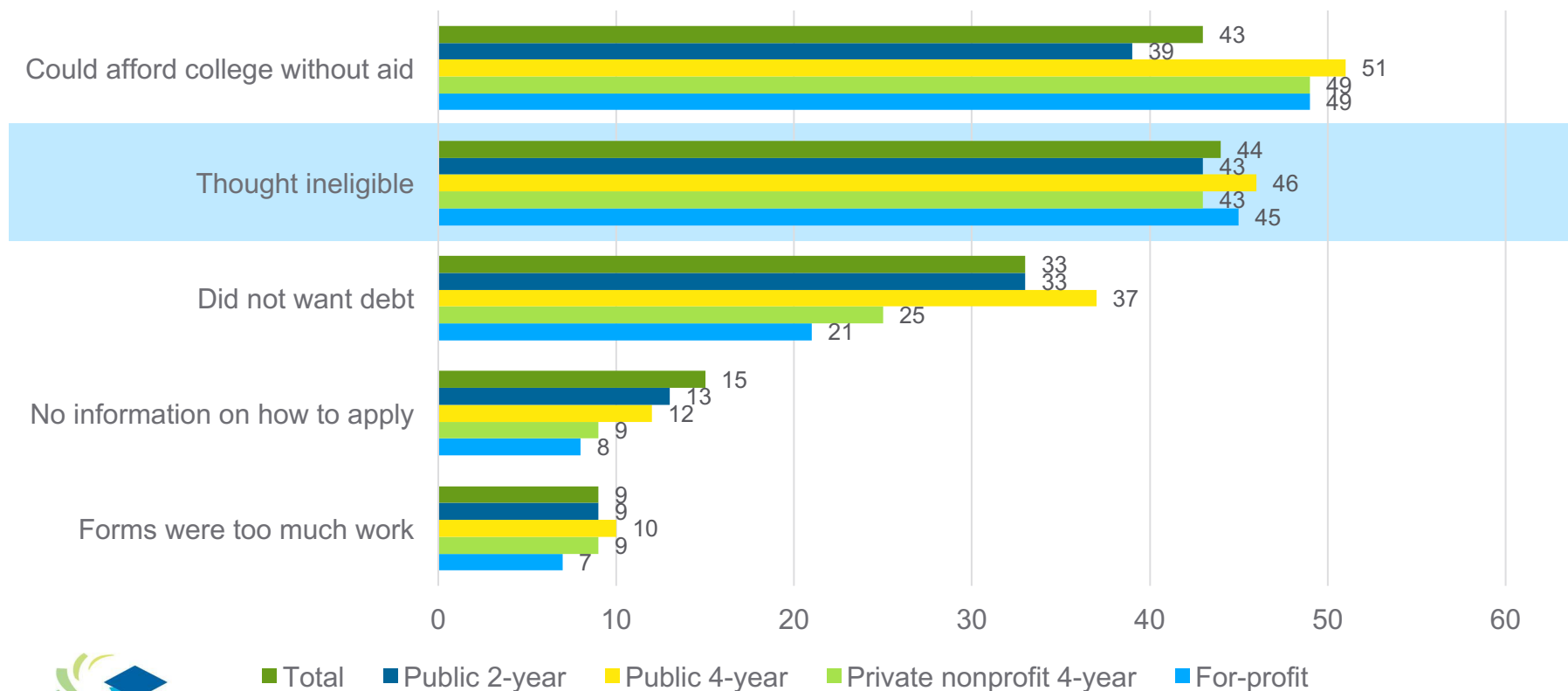
NPSAS Aid Why Not Apply?

DID NOT APPLY FOR AID: Of undergraduates who had not applied for aid and had not received any nonfederal aid, percentage who reported various reasons for not applying, by type of institution: 2011-12.



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Many FAFSA completion efforts
focused on simplification and outreach.



Those don't matter unless students
understand they are eligible for aid.



**Why do students incorrectly believe
they are ineligible?**

Research proposal:

Gain insight into the underlying eligibility mindsets of low-income students embarking on the federal student aid process.



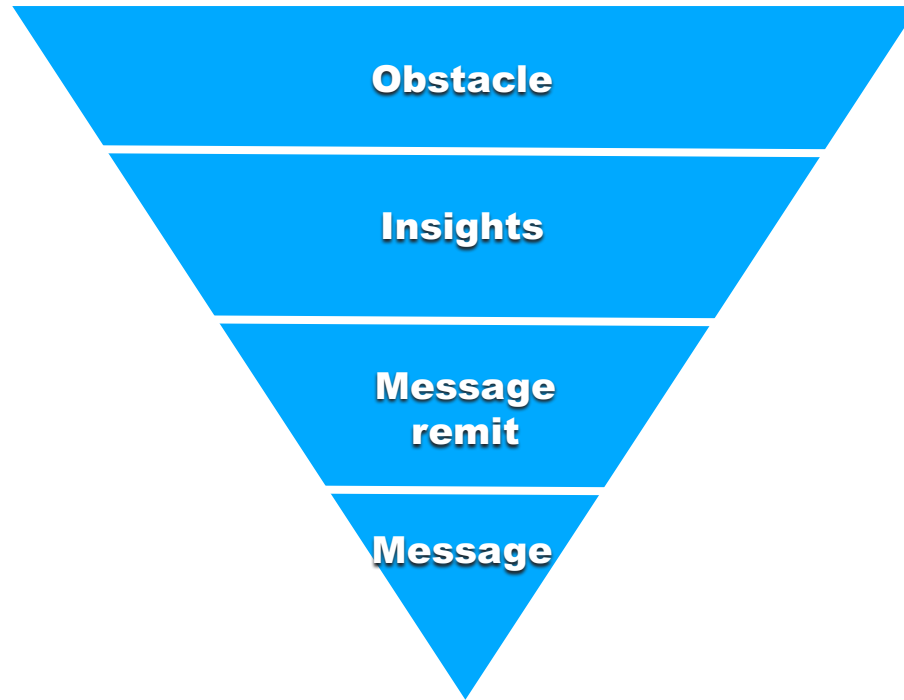
Why insights?



A faster horse isn't always the answer.

"If I'd asked people what they wanted, they would have asked for faster horses." – Henry Ford

For communications planning, we need to go deeper and narrower.



Methodology



We used online bulletin boards to capture raw feelings and thoughts. 2 boards were used – one comprised expressly of students who thought they were ineligible for aid, the other who thought they were eligible.



Bulletin board findings shaped a traditional questionnaire that was sent to the same segments as the focus groups – students who thought they were ineligible, and those who thought they were eligible.



Target recruit and screener criteria:

A.

B.

Low Income: <50K

Low Income: <50K

Thought not eligible

Thought eligible

Didn't complete FAFSA

Completed FAFSA

Age 17-19

Age 17-19

Bulletin Board: 50 Recruits

Bulletin Board: 50 Recruits

Quantitative Survey: 75 Recruits

Quantitative Survey: 75 Recruits

(Low Income: <60K; Age 17-20)

(Low Income: <60K; Age 17-20)



Insights.

“When you think of financial aid, what types come to mind?”

Did Apply.

FAFSA

Scholarships

Grants

Ohio Opportunity Grant

Perkins Loans

PELL

Federal work-study grants

Unsubsidized loans

Subsidized loans

Did Not Apply.

None

None

None

None

None

None

None

Food / housing

Food stamps



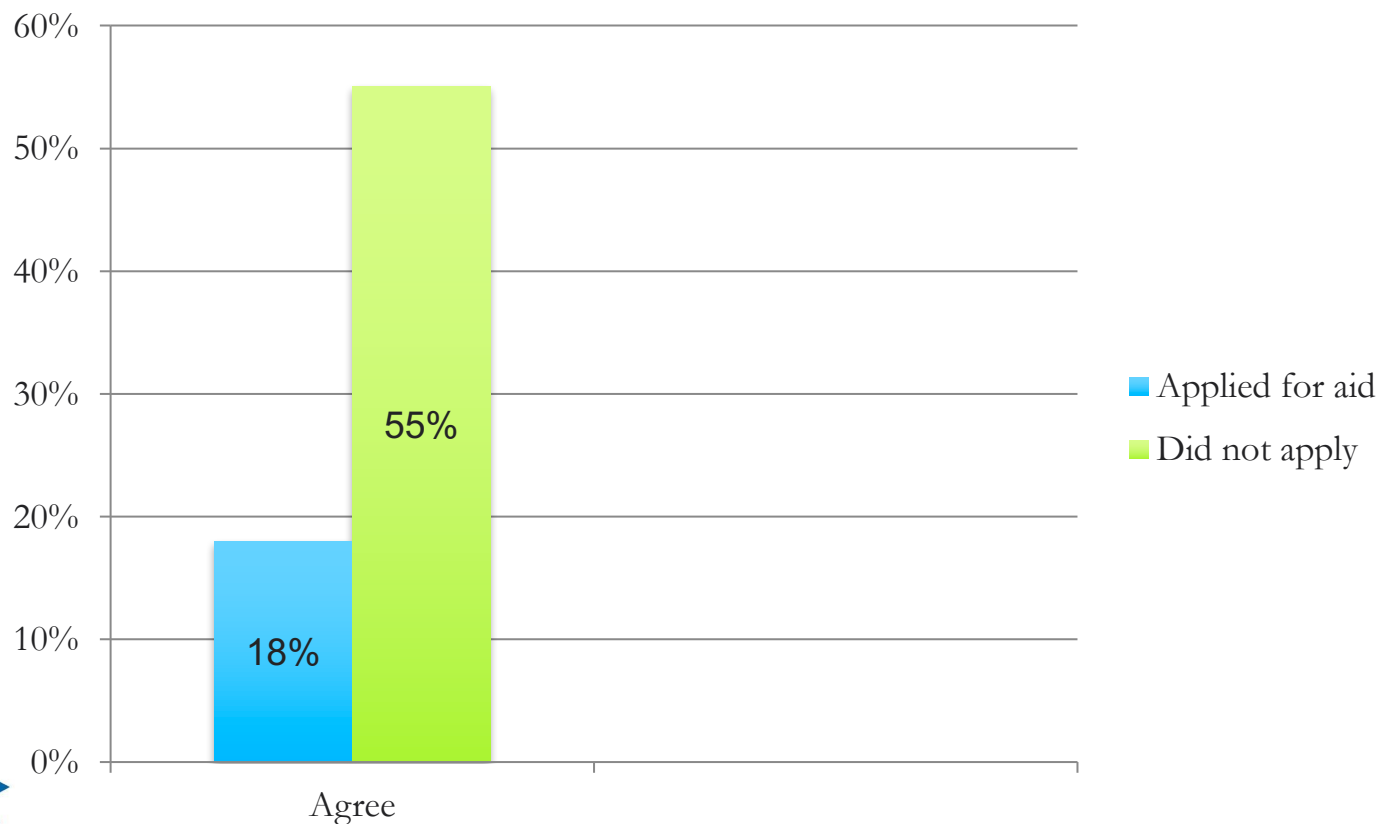
Our survey shows that the majority of our students are starting with zero frame of reference.

64%

Students who did not apply for aid who responded “none” or with inaccurate responses when asked what types of financial aid come to mind.



“I don’t know anything about financial aid.”



Insight #1:

The question of “eligibility” is moot if students don’t actually know anything about financial aid.

**Our students
who did not
apply for aid
have false
beliefs about
who qualifies.**

“I can only get financial aid if I attend full-time.”

“You can’t get financial aid if you attend a community college or trade school.”

“If I have savings, I should not apply.”

“Only people with good credit can get financial aid.”



**Our students
don't know
how grants and
loans work.**

**And a lack of
understanding
leads to fear.**

“I don't know anything about financial aid.”

“If I apply for financial aid, I'll only get loans.”

“If I get a grant, I must pay it back.”

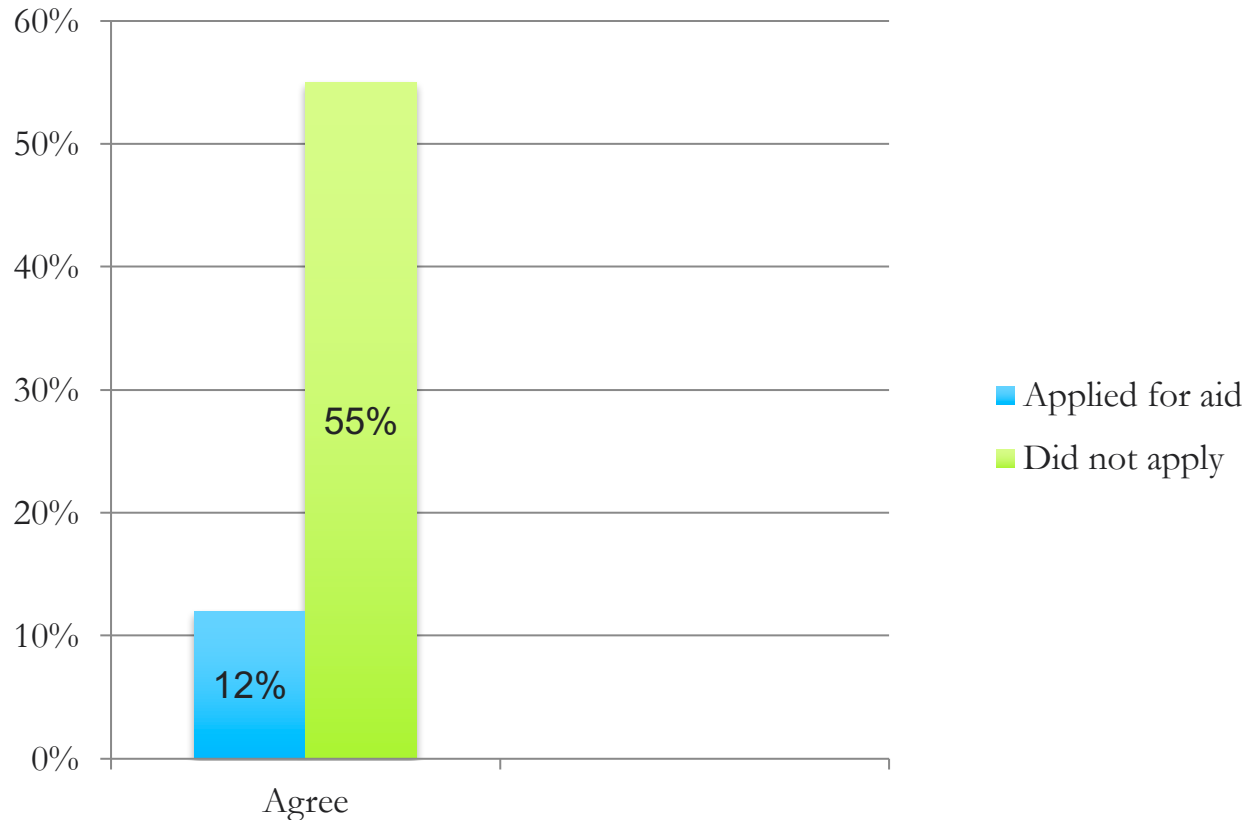
“Once I apply for financial aid, I can't change my mind.”

“I would rather pay on my own.”

“I am afraid to take out loans.”



“If I get a grant, I must pay it back.”



Previous research identified two main reasons why students don't apply for aid:

- 1. Thought ineligible.**
- 2. No information.**



Our research suggests that it's not that students think they are ineligible, but it's that they don't KNOW if they are:

~~1. Thought ineligible.~~

2. Misinformation

3. No information.



Insight #2:

Students count themselves out of the financial aid process because they are misinformed or don't fully understand it.

**Our students are
more likely to be
unsupported.**

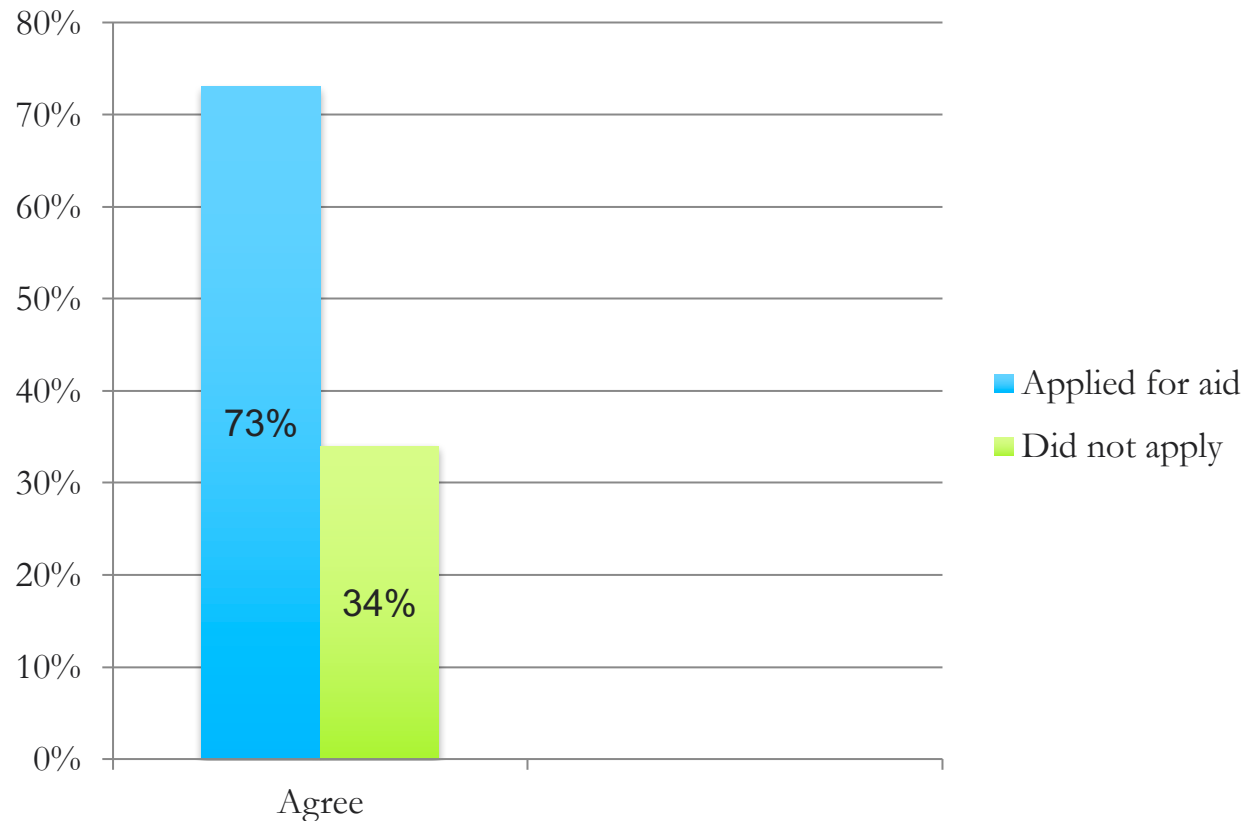
I disagree that “there are plenty of people I can ask about financial aid at my school.”

“No one helped me to learn.”

“Parents don’t want to share info.”



“There are plenty of people I can ask about financial aid at school.”



But counselors can't always be there for our students.

1,000

The number of students per 1 counselor at high schools serving predominantly low-income and minority students—twice the national average.



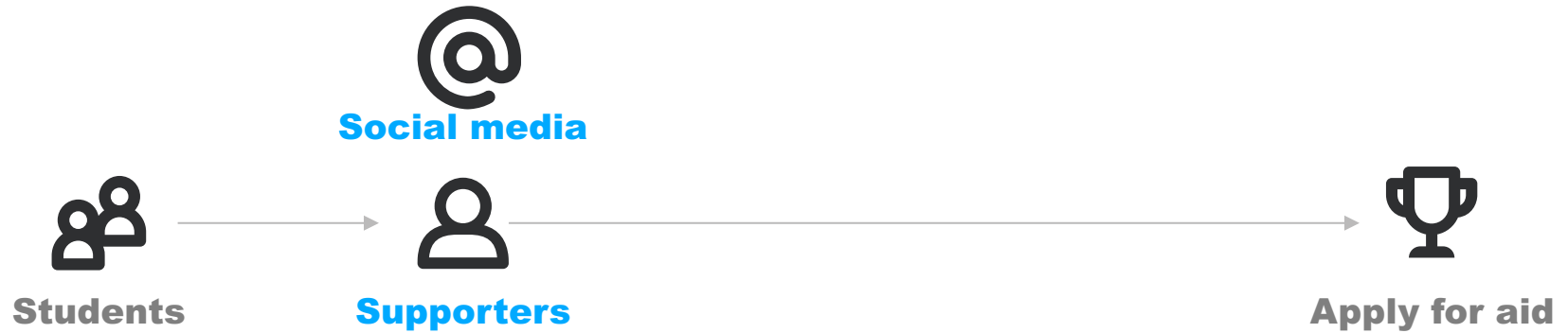
Supported students receive guidance from counselors, advisors, teachers and mentors.



Our students aren't as supported and miss opportunities.



They need intermediaries to guide them towards filling out the FAFSA.




Community groups


Internet / ads



Insight #3:

Students who can only rely on schools for support will remain un/misinformed.



Information

What we thought students were saying.



I did not **think** I was eligible.

Financial aid is not for me.

I did not apply.

What students were actually saying.



I did not **know** I was eligible.

I tried to find out, but it was too
overwhelming.

I couldn't find what I was looking for.

I had no one to help me.

I did not apply.

Had I known I was eligible,
I would have applied.

**How can we
reach the right
students, before
they count
themselves out
of the process?**





Information

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Opportunities for intervention:

Make it simple.

Make it accessible.

Provide direct assistance.



The work messages must do.

Rectify.

Students do not know about financial aid or if they do, have misinformation.

Clarify.

Students need to hear clear messages about aid eligibility.

Simplify.

FAFSA simplification still necessary so that students don't start and then not finish application process.



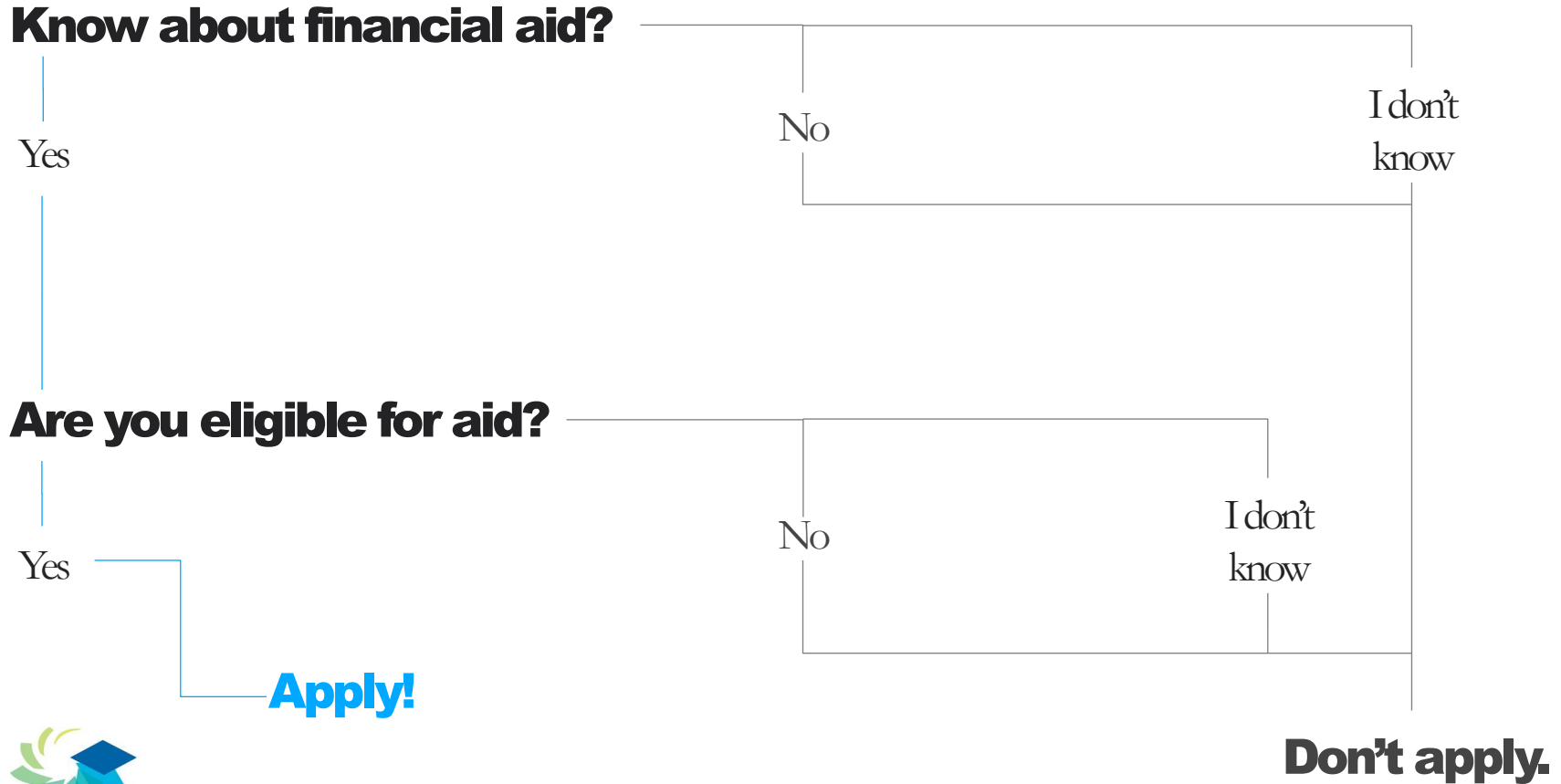
Questions?

NCAN & Huge
Thanks.

Want a copy?
Email mmay@hugeinc.com

Appendix.

It's a decision tree with a dead end.



Resources

Financial Aid Eligibility Mindsets Among Low-Income Students: Why Do Some Believe They Can't Receive Financial Aid for College? (NCAN, October 2016)

- <http://www.collegeaccess.org/images/documents/HugeResearch.pdf>

DATA POINT: Undergraduates Who Do Not Apply for Financial Aid (U.S. Department of Education NCES 2016-406, August 2016)

- <https://nces.ed.gov/datapoints/2016406.asp>

