

Item 5

(Information Item)

Cal Grant Policy Brief on award letters

SUMMARY:

This item will describe the results of a study performed whereby California Student Aid Commission (CSAC) and the California Policy Lab examined the differences in getting Cal Grant award recipients to create new CSAC grant award accounts by varying the wording of their award letters.

RECOMMENDATION:

This is an information item only; no action is required.

BACKGROUND:

The California Policy Lab partnered with the 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. Therefore, 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.

RESPONSIBLE PERSON(S):

Patrick Perry, Deputy Director
Data, Analysis, and Research Team

Jesse Rothstein, Professor of Public Policy and Economics
Faculty Director, California Policy Lab
University of California, Berkeley

**California Student Aid Commission
Data, Research and Strategic Planning Committee**

Anna Doherty, Research Manager
California Policy Lab
University of California, Berkeley

ATTACHMENT(S):

CPL Cal Grants Policy Brief and Letters

2021-22 Cal Grant Award Letter

California Policy Lab Cal Grant presentation presented on September 8, 2021