

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

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.¹

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.² 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.³

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.⁴

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.

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

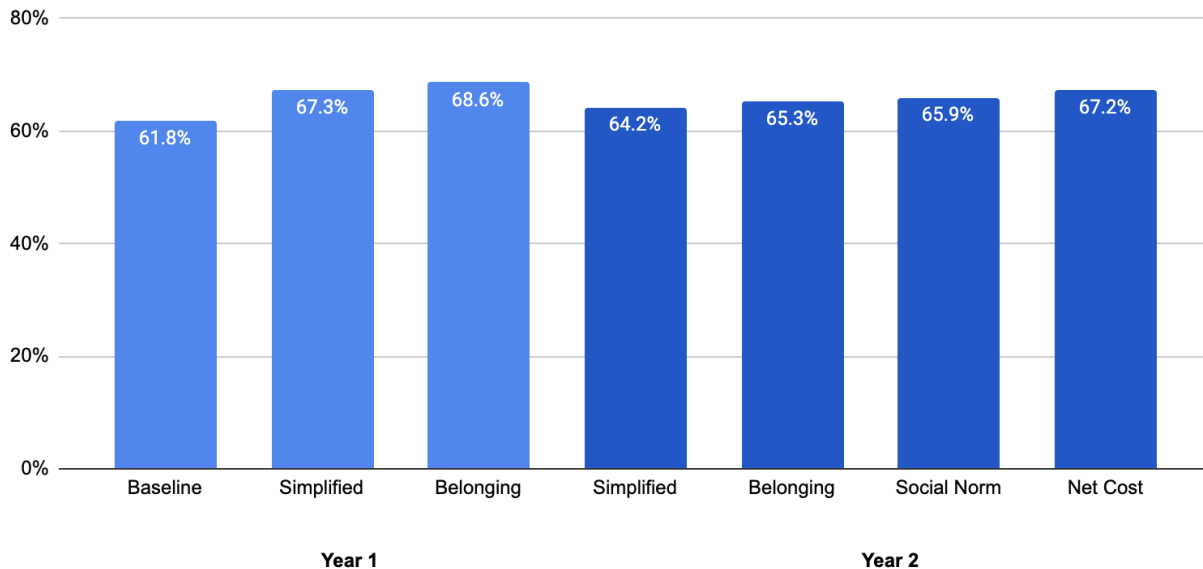
	Living situation	Estimated tuition, fees, housing, and other costs	Estimated grant aid you will receive	Estimated cost for you
University of California - Santa Cruz	<i>on campus</i>	\$33,604	\$24,804	\$8,800
Cal State - East Bay	<i>on campus</i>	\$22,427	\$12,903	\$9,524
De Anza College	<i>off campus</i>	\$19,864	\$5,815	\$14,049

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). 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 enrollment rates. 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 A – Cal Grant experiment letters, Year 1

- 1. Original CSAC letter (year 1)**
- 2. Simplified letter (year 1)**
- 3. Belonging letter (year 1)**

1. Original CSAC letter (year 1)



Cal Grant Preliminary Eligibility Notification

- [REDACTED]
- [REDACTED]
- [REDACTED]

Date 01/19/2018

CSAC ID Number [REDACTED]

Congratulations!

You have been awarded a preliminary Cal Grant award for the 2018-19 academic year!

Governor Edmund G. Brown Jr., the Legislature and the California Student Aid Commission (CSAC) are investing in YOU because of your academic achievements and determination. Based on the information you provided to CSAC on your Free Application for Federal Student Aid (FAFSA) or California Dream Act Application (CADAA) as well as your GPA, you have been determined to be preliminarily eligible for a Cal Grant.

Cal Grant award amounts vary by the type of college you choose to attend and enrollment status. These are the current Cal Grant maximum amounts you could receive if you enroll at an eligible California campus in the following segments:

College Segment	Maximum Cal Grant Award Amount
California Community College (CCC):	\$1,672
California State University (CSU):	\$5,742*
University of California (UC):	\$12,630*
Private, Non-Profit or WASC-accredited colleges:	\$9,084*
Non-WASC accredited For-Profit Colleges:	\$4,000*

*Cal Grant B students may also receive a \$1,672 access award in addition to the amount listed above.

In addition to a Cal Grant you are potentially eligible for a Federal Pell Grant, for approximately \$ 5920

These grants, and any other financial aid that you might receive, will help you cover the costs of attending college, which include tuition and fees, food and housing, and books and supplies.

The Cal Grant and Pell Grant do not require repayment and is only one part of your financial aid package. After you are admitted, the campus financial aid office will provide a full financial aid award notice. In addition to the Cal Grant and Pell Grant, you may also be eligible for one or more of the following:

- Institutional grants or scholarships offered at public and private colleges and universities;
- California College Promise Grant;
- Work-Study Program or Federal Student Loans;
- Other types of financial aid offered at your campus of attendance, such as private scholarships and student loans.

This is an initial Cal Grant award notification only. You must still apply for admission to the campus you plan to attend. Your college makes the final eligibility determination for Cal Grant prior to disbursing your award. For questions about final eligibility determination and disbursement dates, reach out to the financial aid office at your chosen campus.

Make California and your families proud by continuing and completing your education.

Claim your Cal Grant Award by logging onto WebGrants for Students at www.csac.ca.gov/mygrantinfo

See enclosed flyer for more information

Lupita Cortez Alcalá

Executive Director

E1PRP2 (11/17)

PRIVACY STATEMENT: Cal Grant information for students who are 18 years of age or older, or who have attended a postsecondary institution, will only be released to parents or guardians with written [authorization](#) from the student.

2. Simplified letter (year 1)



- [REDACTED]
- [REDACTED]
- [REDACTED]

Date 01/19/2018

CSAC ID Number [REDACTED]

Dear [REDACTED],

Congratulations! Based on your hard work and record of academic achievement, you have been preliminarily selected to receive a **Cal Grant scholarship**. This scholarship will help you pay for the costs of college for all four years if you remain eligible. It does not need to be repaid.

Go to www.csac.ca.gov/mycalgrantinfo and take the first step to claim **your** scholarship!

Grant ID number: [REDACTED]

CSAC ID number: [REDACTED]

As you research different college options, remember that **the Cal Grant is designed so that tuition cost doesn't determine which college you choose to attend**. The maximum amounts you would receive are listed below:

College Segment	Maximum Cal Grant Award Amount
California Community College (CCC):	\$1,672
California State University (CSU):	\$5,742
University of California (UC):	\$12,630
Private, Non-Profit or WASC-accredited colleges:	\$9,084
Non-WASC accredited For-Profit Colleges:	\$4,000

In addition you may be eligible for a living stipend of up to \$1,672 per year, and for other grants, such as an estimated \$ 1170 in a Federal Pell Grant.

Good luck with your applications! You are already on your way to becoming a college graduate!

Sincerely,

Lupita Cortez Alcalá

Executive Director
California Student Aid Commission

E1TG12 (11/17)

PRIVACY STATEMENT: Cal Grant information for students who are 18 years of age or older, or who have attended a postsecondary institution, will only be released to parents or guardians with written [authorization](#) from the student.

3. Belonging letter (year 1)



- [REDACTED]
- [REDACTED]
- [REDACTED]

Date 01/19/2018

CSAC ID Number [REDACTED]

Dear [REDACTED],

Congratulations! Based on your hard work and record of academic achievement, you have been preliminarily selected to receive a **Cal Grant scholarship**. This scholarship will help you pay for the costs of college for all four years if you remain eligible. It does not need to be repaid.

**You have shown that you're the kind of person who belongs in college.
We've been working hard to help you get there!**

Go to www.csac.ca.gov/calgrantinfo and take the first step to claim **your** scholarship!

Grant ID number:

CSAC ID number: [REDACTED]

As you research different college options, remember that **the Cal Grant is designed so that tuition cost doesn't determine which college you choose to attend**. The maximum amounts you would receive are listed below:

College Segment	Maximum Cal Grant Award Amount
California Community College (CCC):	\$1,672
California State University (CSU):	\$5,742
University of California (UC):	\$12,630
Private, Non-Profit or WASC-accredited colleges:	\$9,084
Non-WASC accredited For-Profit Colleges:	\$4,000

In addition you may be eligible for a living stipend of up to \$1,672 per year, and for other grants, such as an estimated \$ 5920 in a Federal Pell Grant.

Good luck with your applications! You are already on your way to becoming a college graduate!

Sincerely,

Lupita Cortez Alcalá

Executive Director
California Student Aid Commission

E1TG22 (11/17)

PRIVACY STATEMENT: Cal Grant information for students who are 18 years of age or older, or who have attended a postsecondary institution, will only be released to parents or guardians with written [authorization](#) from the student.

Appendix B – Cal Grant experiment letters, Year 2

- 1. Simplified letter (year 2)**
- 2. Belonging letter (year 2)**
- 3. Social Norm letter (year 2)**
- 4. Net Cost letter (year 2)**

1. Simplified letter (year 2)



- [REDACTED]
- [REDACTED]
- [REDACTED]

Date 11/16/2018

CSAC ID Number [REDACTED]

Dear [REDACTED],

Congratulations! You have been preliminarily selected to receive a **Cal Grant**. This scholarship will help you pay for the costs of college, and it does not need to be repaid.

Go to www.csac.ca.gov/2019calgrant and take the first step!

CSAC ID number: [REDACTED]

As you research different college options, remember that **the Cal Grant is designed so that tuition cost doesn't determine which college you choose to attend**. The maximum amounts you would receive are listed below:

College Segment	Maximum Cal Grant Award Amount
California Community College (CCC):	\$1,672
California State University (CSU):	\$5,742
University of California (UC):	\$12,570
Private Nonprofit College or University:	\$9,084
Private For-Profit College or University:	\$4,000 - \$8,056

You are also eligible for other grants, such as an estimated \$ [REDACTED] in a Federal Pell Grant. You can learn more about your financial aid options at www.csac.ca.gov/netprice.

Good luck with your applications!

Sincerely,

Lupita Cortez Alcalá

Executive Director
California Student Aid Commission

E1G191 (11/18)

PRIVACY STATEMENT: Cal Grant information for students who are 18 years of age or older, or who have attended a postsecondary institution, will only be released to parents or guardians with written [authorization](#) from the student.

2. Belonging letter (year 2)



- [REDACTED]
- [REDACTED]
- [REDACTED]

Date 11/16/2018

CSAC ID Number [REDACTED]

Dear [REDACTED],

Congratulations! Based on your hard work and record of academic achievement, you have been preliminarily selected to receive a **Cal Grant**. This scholarship will help you pay for the costs of college, and it does not need to be repaid.

**You have shown that you're the kind of person who belongs in college.
We've been working hard to help you get there!**

Go to www.csac.ca.gov/2019grant and take the first step!

CSAC ID number: [REDACTED]

As you research different college options, remember that **the Cal Grant is designed so that tuition cost doesn't determine which college you choose to attend**. The maximum amounts you would receive are listed below:

College Segment	Maximum Cal Grant Award Amount
California Community College (CCC):	\$1,672
California State University (CSU):	\$5,742
University of California (UC):	\$12,570
Private Nonprofit College or University:	\$9,084
Private For-Profit College or University:	\$4,000 - \$8,056

You are also eligible for other grants, such as an estimated \$ [REDACTED] in a Federal Pell Grant. You can learn more about your financial aid options at www.csac.ca.gov/calc.

Good luck with your applications! You are already on your way to becoming a college graduate!

Sincerely,

Lupita Cortez Alcalá

Executive Director
California Student Aid Commission

E1PR91 (11/18)

PRIVACY STATEMENT: Cal Grant information for students who are 18 years of age or older, or who have attended a postsecondary institution, will only be released to parents or guardians with written [authorization](#) from the student.

3. Social Norm letter (year 2)



- [REDACTED]
- [REDACTED]
- [REDACTED]

Date 11/16/2018

CSAC ID Number [REDACTED]

Dear [REDACTED],

Congratulations! Based on your hard work and record of academic achievement, you have been preliminarily selected to receive a **Cal Grant**. This scholarship will help you pay for the costs of college, and it does not need to be repaid.

Join thousands of high school seniors who have claimed their Cal Grant and are now college graduates!

Go to www.csac.ca.gov/2019award and take the first step!

CSAC ID number: [REDACTED]

As you research different college options, remember that **the Cal Grant is designed so that tuition cost doesn't determine which college you choose to attend**. The maximum amounts you would receive are listed below:

College Segment	Maximum Cal Grant Award Amount
California Community College (CCC):	\$1,672
California State University (CSU):	\$5,742
University of California (UC):	\$12,570
Private Nonprofit College or University:	\$9,084
Private For-Profit College or University:	\$4,000 - \$8,056

You are also eligible for other grants, such as an estimated \$ [REDACTED] in a Federal Pell Grant. You can learn more about your financial aid options at www.csac.ca.gov/cost.

Good luck with your applications! You are already on your way to becoming a college graduate!

Sincerely,

Lupita Cortez Alcalá

Executive Director
California Student Aid Commission

E1G291 (11/18)

PRIVACY STATEMENT: Cal Grant information for students who are 18 years of age or older, or who have attended a postsecondary institution, will only be released to parents or guardians with written [authorization](#) from the student.

4. Net Cost letter (year 2)



November 26, 2018

Dear [REDACTED],

Congratulations! Based on your hard work and record of academic achievement, you have been preliminarily selected to receive a **Cal Grant**. This scholarship will help you pay for the costs of college, and it does not need to be repaid.

**You have shown that you're the kind of person who belongs in college.
We've been working hard to help you get there!**

Go to www.csac.ca.gov/2019mygrant and take the first step!

CSAC ID number: [REDACTED]

As you research different college options, remember that **the published cost of college is not necessarily the cost for you**, because of financial aid.

Based on the information you listed on your FAFSA, we estimate that you could be eligible for as much as \$27,731 in financial aid that would reduce your costs at the colleges you listed and does not need to be paid back. The back of this letter has estimates of the aid you would receive at these schools if you attend full time. You can learn more about your financial aid options at www.csac.ca.gov/price.

Good luck with your applications! You are already on your way to becoming a college graduate!

Sincerely,

Lupita Cortez Alcalá

Executive Director

California Student Aid Commission

ESTIMATED 2019-20 COLLEGE COSTS AND FINANCIAL AID FOR [REDACTED]

	Living situation	Estimated tuition, fees, housing, and other costs	Estimated grant aid you will receive	Estimated cost for you
Rice University		Not available	Not available	Not available
Lewis & Clark College		Not available	Not available	Not available
University Of California-Santa Cruz	<i>On Campus</i>	\$36,396	\$23,496	\$12,900
University Of California-Santa Barb	<i>On Campus</i>	\$36,180	\$25,680	\$10,500
University Of California (UCLA)	<i>On Campus</i>	\$33,604	\$24,804	\$8,800
University Of California-Davis	<i>On Campus</i>	\$35,731	\$27,731	\$8,000
Cal State-Long Beach	<i>On Campus</i>	\$23,610	\$12,957	\$10,653
University Of California-San Diego	<i>On Campus</i>	\$31,095	\$21,595	\$9,500

The estimates above were created using the net price calculators on the institutions' websites. Final aid determinations are made by institutions. You can expect details of your full financial aid package from your institution once you have been admitted.

Grant aid estimates include aid from multiple sources, including the Cal Grant and other state, federal, and institutional aid programs. Grant aid does not need to be paid back. Loans or work study may also be available to help you cover costs.

Visit www.csac.ca.gov/price for information about institutions where estimates are not available.