Cal Grant experiments:
Simplifying communications to help students navigate college costs and the Cal Grant program

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September 8th, 2021

CALIFORNIA POLICY LAB

DRSP Committee

Presented on September 8, 2021

California Policy Lab

Mission: Create lasting partnerships between University of California researchers and California government agencies to harness the power of research and administrative data to improve the lives of Californians

We work across six policy areas: Labor and employment; homelessness and high-needs populations; social safety net; criminal justice; education; health

Partnership with CSAC: Since 2017, focused on improving communications regarding CalGrant and other student aid (e.g., CalFresh benefits)

Cal Grant experiments

- CSAC notifies high school seniors of their eligibility for Cal Grant A/B entitlement awards.
- CSAC and the California Policy Lab (CPL) partnered to test changes to these letters. Goals:
  - increase students signing up for an online webgrants4students account (to apply for aid)
  - increase student take-up of financial aid, and
  - support more informed college enrollment decisions
- Two large-scale experiments in 2017-8 and 2018-9, varying notification letters sent to 265,570 students
- We found that:
  - simplified, behaviorally informed letters **substantially increased the share of students registering for accounts** on CSAC's online portal
  - communicating personalized and comparable information about costs also **impacts *where* students enroll**

Year 1 - AY 2017-2018

- In the first experiment, we tested the original CSAC letter + two variations

1. The **original** letter

Year 1 - AY 2017-2018

- In the first experiment, we tested the original CSAC letter + two variations

2. The **simplified** letter
   - Shortened text
   - Removed acronyms
   - Clarified the Cal Grant program
   - Provided clear guidance about the suggested next step of registering for an account on CSAC's online portal.

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Date: 01/19/2018
CSAC ID Number: ▬

Dear ▬ ▬,

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: ▬
CSAC ID number: ▬

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,

Year 1 - AY 2017-2018

- In the first experiment, we tested the original CSAC letter + two variations

3. The **belonging** letter
   ○ Simplified
   ○ Emphasized the student belongs in college - evidence from behavioural science suggests this can help overcome hesitancy, particularly for students from underrepresented groups

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Year 2 - AY 2018-2019

- In the second experiment, we tested four variations, building on what we learned in year one

4. The **simplified** letter
   ○ Further simplification

Year 2 - AY 2018-2019

- In the second experiment, we tested four variations, building on what we learned in year one

5. The **belonging** letter
   - Further simplification
   - Same belonging message

Date   11/16/2018
CSAC ID Number ████

Dear ████ ██,

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: ████

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 $ ████ 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,

Presented on September 8, 2021

Year 2 - AY 2018-2019

- In the second experiment, we tested four variations, building on what we learned in year one

4. The **Social Norm** letter
   - Simplified
   - Emphasized that many other high school students were enrolling in college and receiving Cal Grants, to frame this as a 'normal' choice

DRSP Committee

Date 11/16/2018
CSAC ID Number ▮

Dear ▮ ▮,

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: ▮

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 $▮ in a Federal Pell Grant. You can learn more about your financial aid options at www.csac.ca.gov/cost.

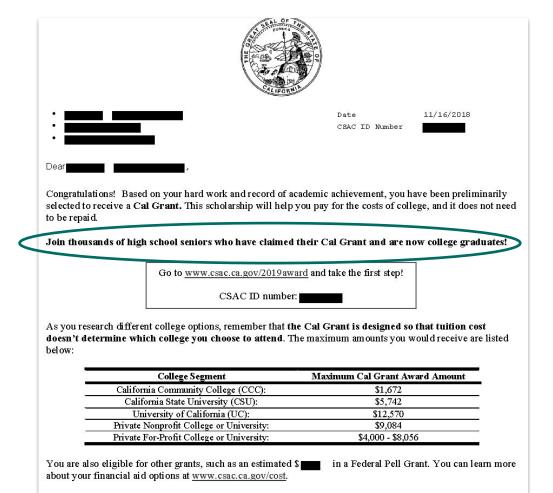Good luck with your applications! You are already on your way to becoming a college graduate!

Sincerely,

Presented on September 8, 2021

Year 2 - AY 2018-2019

- In the second experiment, we tested four variations, building on what we learned in year one

5. The **Net Cost** letter
   ○ Simplified + belonging
   ○ Table with personalized net costs of attendance for colleges and universities listed on student's FAFSA

DRSP Committee

November 26, 2018

Dear ██████,

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: ████████

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,

Presented on September 8, 2021

Year 2 - AY 2018-2019

- In the second experiment, we tested four variations, building on what we learned in year one

5. The **Net Cost** letter
   - Simplified + belonging
   - Table with personalized net costs of attendance for colleges and universities listed on student's FAFSA
     - Total cost
     - Total grant aid
     - Net cost

ESTIMATED 2019-20 COLLEGE COSTS AND FINANCIAL AID FOR ▮▮▮▮▮▮▮

	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	On Campus	$36,396	$23,496	**$12,900**
University Of California-Santa Barb	On Campus	$36,180	$25,680	**$10,500**
University Of California (UCLA)	On Campus	$33,604	$24,804	**$8,800**
University Of California-Davis	On Campus	$35,731	$27,731	**$8,000**
Cal State-Long Beach	On Campus	$23,610	$12,957	**$10,653**
University Of California-San Diego	On Campus	$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.
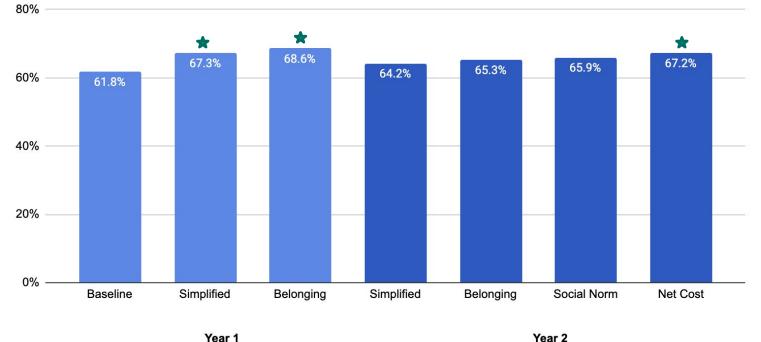
Grant aid estimates include aid from multiple sources, including the Cal Grant and other state, federal, and institutional aid programs. Grant aid does not need to be paid back. Loans or work study may also be available to help you cover costs.

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

Impacts on registering for an online account

Figure 1: Account-creation rates by letter variation

Impacts on college enrollment

- None of the letters impacted college enrollment rates

- However, the Net Cost letter did shift *where* students enrolled:
  - Increased enrollment in the ***lowest cost*** option by 10%
  - Increased likelihood of enrolling in a ***community college*** (often the lowest cost option) by 12%

Lessons for policymakers

- Simple, low-cost changes, such as in letters to students, can help guide students in short-term decisions such as signing up for online accounts

  - "Behavioral" nudges make a difference in the short run.

  - But limits to what a nudge can accomplish.

  - Informational limits also have effects.

- To increase take-up of financial aid and other public benefit programs, further testing could combine simple 'nudges' with directly alleviating barriers to take-up, such as:
  - comparable and personalized information on actual costs and available aid
  - simplifying the process for determining eligibility and applying for aid, such as by:
    - reducing the number of steps required to receive financial aid
    - offering direct assistance for applications, including for filing FAFSAs
  - personalized communications well before financial aid applications are due

Questions?