

# Student Success through Scholarships

## *Promising Practices that Support Post-Secondary Graduation*

In 2011, the Oregon Legislature passed a bill establishing “40-40-20” as the state’s official education attainment goal—by 2025 40% of Oregonians will have a bachelor’s degree or higher, 40% will have at least an associate’s degree or postsecondary credential, and 20% will have a high school diploma. Currently, only 30% of working-age Oregonians (25-64 years old) hold a bachelor’s degree or higher, 18% hold an associate’s degree or credential, and 42% have a high school diploma or equivalent.



Cost is one major barrier to increasing postsecondary degree attainment. Oregon ranks as the 7th least affordable state for low-income families attending four-year institutions. Among 15 western states, Oregon community colleges rank as 3rd least affordable (The National Center for Public Policy and Higher Education, 2008). Without aid, students must increase their debt burden, work, or reduce credit hours to make college more affordable. Each of these options has a negative impact on educational attainment. Fear of loan burden can be a strong barrier to attending postsecondary institutions, especially for low-income and minority families. Working even 15 hours per week can have a negative impact on academic performance and persistence, and students enrolled part-time are much less likely to graduate (Complete College America, 2011).

Scholarships can help increase post-secondary enrollment, persistence, and completion by reducing students’ debt burden, enabling students to attend higher-quality institutions, and allowing students to enroll full-time or work fewer hours while pursuing a certificate or degree. Private scholarships also can target groups of students who have trouble accessing other forms of aid and encourage students to pursue degrees in high-wage, high-demand careers. This research brief highlights scholarship practices most likely to lead to student enrollment and completion and suggests implications for scholarship providers.

### PROMISING PRACTICE:

**Even modest awards can influence post-secondary enrollment and completion, but larger, multi-year awards have the greatest impact.**

Providing even relatively small scholarships can encourage postsecondary enrollment and retention. A 2005 Oregon University System survey of high school graduates revealed that of respondents who had chosen not to attend college, approximately 56% indicated that a scholarship would have influenced their decision to attend. Nearly one-quarter stated that an award of just \$1,500 could have prompted them to attend college (Office of Strategic Programs and Planning, Oregon University System, 2006). Other studies

have found that grants of \$1,000 make a significant difference for post-secondary enrollment and completion (Castleman & Long, 2013; Goldrick-Rab, Harris, Kelchen, & Benson, 2012). Although in most instances the amount of student financial aid accounts for relatively small amounts of the variance in persistence, more financial aid has a larger impact than less aid and receiving any two forms of aid (scholarships, loans, work-study, etc.) has a larger positive effect on persistence than receiving only one form of aid. However, large, visible programs that are easy to understand and provide a single source of significant financial aid to students (as opposed to the usual patchwork of aid) have an even greater impact on student outcomes (Hossler et al., 2009).

There often is a significant drop in grant and scholarship aid after the first year for all but those who fall into the lowest income quartile (Cohen, Fox, Kutash, & Pandit, 2010). For students in the bottom half of the income distribution, the loss in aid typically is made up by increased loans or by income from working, both of which have a negative impact on persistence and completion. Further, as grant aid decreases or stays constant over the course of a student's college career, the cost of attendance rises (Cohen, et al., 2010). Predictable funding helps to prevent sudden financial shock that can cause students to leave school or extend their time to degree completion. Renewable, multi-year awards help ensure that students have a reliable base of funding throughout their postsecondary education.

Many scholarships require that students maintain a specified GPA in order to receive aid. A relatively new model called performance-based scholarships takes this academic requirement a step further, but has mixed results. These scholarships are paid directly to the student on top of Pell Grants and any other state or institutional aid that the student is receiving. Students receive payments in 3 increments during the semester as long as they meet key benchmarks (Patel & Rudd, 2012). An initial evaluation of these scholarships by MDRC found that participating students were more likely to meet academic benchmarks and increased the number of credits earned by the end of their first

year. However, the scholarship did not increase the proportion of students who stay in college, and the impact on degree completion is still uncertain (Welbeck, Ware, Cerna & Valenzuela, 2014).

#### **Suggestions for scholarship providers:**

- Increase the dollar amounts of individual scholarships by setting a minimum of \$1,000 and award larger amounts whenever possible;
- Explore ways to group smaller scholarships together to contribute to a single larger award;
- Provide multi-year scholarships that increase incrementally each year to cover rising costs; and
- Allow deferment of all or part of a scholarship to a subsequent year when a single year scholarship ends or when a student is in danger of being over-awarded (receiving more aid than the Cost of Attendance at her/his college).

#### **PROMISING PRACTICE:**

##### **Early notification and flexible application deadlines increase enrollment.**

Guaranteeing scholarships before the senior year of high school can help families determine whether students can attend college and if so, which schools their students will be able to attend. Some programs have had success promising scholarships to students much earlier. Washington's College Bound Scholars program identifies low-income students in middle school and promises college tuition at public institution rates and up to \$500 a year for books if students work hard in school, avoid legal trouble and successfully apply to a postsecondary institution. In a survey of College Bound Scholars attending postsecondary institutions, 85% of full-time students reported the scholarship was critical to attending college and just over half agreed that they could not continue to attend without the scholarship (Baker et al., 2013).

Scholarship availability may also impact middle and high school instruction. In the case of the Kalamazoo Promise, instructors aware of the scholarship were found to embrace higher-education expectations for their students and had

an increased likelihood to communicate those expectations to students (Jones, Miron, & Kelaher-Young, 2012).

Flexible application and notification deadlines may be particularly beneficial for community college students. Nationally, nearly half of all minority undergraduates and more than 40 percent of undergraduates living in poverty attend community colleges. Yet despite serving an increasingly diverse and low-income population, two-year institutions have less access than four-year schools to grant aid from most sources—state, institutional, and private third-party. Although two-year institutions receive the highest percentage of Pell grants, they receive the smallest proportion of most other types of federal aid dollars (Cohen, Hanleybrown, Pandit & Tallant, 2013).

In keeping with the national trend, Oregon's community college students are more dependent on loans than their peers at private or state institutions (Office of Strategic Programs and Planning, Oregon University System, 2006). In addition, unmet student financial need is higher at two-year institutions even though the cost of attendance is lower. Community college students are also less likely to file a FAFSA and are therefore ineligible for many types of aid (Cohen, et al., 2010). Students pursuing career certification through career pathways at community colleges are often ineligible for financial aid because the programs are short-term. These students sometimes cannot access scholarships because they can enroll in a career pathway at the start of any term, and this schedule may not coincide with scholarship application and notification timelines.

#### **Suggestions for scholarship providers:**

- Partner with nonprofits that serve under-represented middle and high school youth to provide scholarships if they meet certain criteria; and
- Consider later or rolling deadlines for community college or Career and Technical Education (CTE) students.

#### **PROMISING PRACTICE:**

##### **Allowing students to use scholarships for a variety of expenses increases retention and completion.**

Unexpected expenses such as car repairs and non-tuition costs such as textbooks and childcare can cause students to leave school or increase time to degree completion. Providing flexible funding that can be used for expenses other than tuition can help reduce these financial burdens. A recent evaluation of The Oregon Community Foundation's Betty Gray Community College Scholarship Program found that award flexibility was associated with higher educational attainment (Weber, Grobe & Lipscomb, 2013). Participating schools with the highest rates of completion allowed students to use their awards for a variety of needs, including transportation and childcare. Schools indicated that flexible funding helped students directly address specific barriers to educational attainment.

#### **Suggestions for scholarship providers:**

- Allow scholarships to be used for all costs included in the cost of attendance, such as books, transportation, and other personal expenses; and
- Work with financial aid staff at colleges to identify how to best use scholarships for flexible funding.

#### **PROMISING PRACTICE:**

##### **Providing additional, non-financial supports increases student success, especially for low-income and minority students.**

Provision of certain support services has been found to help increase post-secondary access, persistence and completion. For example, the Dell Scholars program provides need-based scholarships to low-income students and requires that students participate in a college readiness program provided by external partners for a minimum of 2 years. Once they are in college, students in the program receive access to technology, a private networking community, mentoring, advising, and financial aid counseling. The program has experienced a persistence rate of almost 95%, compared to the national average of 23% for similar students (Cohen, et al., 2010).

Low-income and first-generation students are more likely to remain in school and complete a degree if college support services, such as learning communities, mentoring, internships, tutoring, and advisement, are available to them (Bautsch, 2009). Learning communities are formed by linking together several existing courses so that students have opportunities for deeper understanding and integration of the material they are learning and more interaction with one another and their professors as fellow participants in a community. Current literature on learning communities indicates that they can have a significant impact on the academic success of disadvantaged students, students of color, academically unprepared students, students needing remedial support, and non-traditional students (Myers, 2003).

Mentoring programs can help students establish solid academic foundations, as well as prevent the potential isolation and loneliness that underrepresented minority students often experience on a majority White campus. Mentoring can be extremely valuable in providing support to first-generation, low-income, ethnic minority, and academically unprepared students (Myers, 2003).

Summer bridge programs or transitional programs targeted towards high-risk, low-income, and minority high school students making a transition into college provide unique opportunities for students to get acquainted with their college before the school year starts. Participating students are able to begin building their academic skills and can interact with faculty and staff so that they can understand college expectations before the school year starts (Myers, 2003).

Scholarship programs that have course-load requirements have demonstrated an impact on persistence. For example, the Accelerated Study in Associate Program (ASAP) requires students to enroll full-time and encourages students to graduate with an associate's degree within 3 years (Scrivener & Weiss, 2013). Over a 2-year period, ASAP consis-

tently increased students' likelihood of enrolling each fall and spring semester by about 10 percentage points. It is important to note that students in the ASAP program also received additional support including comprehensive advisement, tutoring and career services.

#### **Suggestions for scholarship providers:**

- Tie scholarship funds to participation in college readiness programs;
- Fund organizations that re-grant scholarships and also support students in the college selection, application and financial aid process, including information about and assistance with FAFSA completion;
- Support financial literacy, student financial aid counseling, and emergency funds; and
- Connect students to academic mentoring and coaching.

#### **PUTTING IT ALL TOGETHER:**

##### **Scholarship Providers' Role in Student Success**

Assisting all of Oregon's students, and in particular Oregon's low-income and minority students, to enroll and complete post-secondary education will be necessary in order for Oregon to meet the 40-40-20 goal. Scholarships play an important role in both enrollment and completion, and the promising practices identified here can help scholarship providers support the students most in-need. Scholarship providers can encourage the spread of these promising practices by partnering with other organizations that provide support services and advocacy and by working with college financial aid offices to ensure scholarship policies and procedures best meet the needs of students. In addition, scholarship providers can encourage new and existing scholarship donors and selection committees to model their scholarships and selection processes off of the practices that lead to student success.

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