

Paving the Way: How Financial Aid Awareness Affects College Access and Success

Literature Review

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In a time of ever-rising college costs, financial aid is critical to increase college access and success. Federal, state, and institutional aid programs help to ensure that students can afford higher education regardless of economic background. Financial aid is most effective when students and families learn about it early enough to make the right choices and plans about high school coursework, family savings, work and earnings, and college options.

This literature review explores the questions of how and when students and families learn about college costs and financial aid, and how the timing and substance of that information may impact college-going behavior. The research for this review was conducted in 2007 by graduate intern Deland Chan, who wrote it with Deborah Frankle Cochrane. Shannon Gallegos and Edie Irons helped create the finished product.

1) What do students and parents know about the cost of college and financial aid?

a) Many parents and students lack adequate knowledge to accurately estimate college costs.

- i) Low-income and minority parents tend to overestimate the costs of attending college and are more likely to have inaccurate knowledge of actual college costs (Grodsky and Jones 2004; Horn, Chen, and Chapman 2003).
- ii) Generally, parents' ability to estimate college costs accurately is positively correlated with income and negatively correlated with Latino and African-American ethnicities (Horn, Chen, and Chapman 2003).
- iii) High school students also overestimate college costs, and to a greater extent for two-year colleges than four-year colleges. Students typically estimate three times the mean tuition for two-year colleges and twice the tuition for four-year colleges (Long 2004; Horn, Chen, and Chapman 2003).
- iv) Students and parents with more information about college are much more likely to accurately predict college costs. Well-informed 11th graders overestimate actual two-year costs by 5 percent. Parents without basic college knowledge overestimate costs by 228 percent (Grodsky and Jones 2004; Goldrick-Rab 2006; Zarate and Pachon 2006).

b) Those who are eligible for financial aid are least likely to know about it, although awareness levels are low among students and parents at all income levels.

- i) Many parents have limited knowledge about financial aid. Sixty-two percent of all parents with children who are planning to attend college do not name grants as a source of financial aid, 58 percent do not name scholarships, and 64 percent do not name loans (Sallie Mae Fund and Harris Interactive 2003).
- ii) Low-income parents are more likely to lack sufficient information about financial aid.
 - (1) Of parents with incomes under \$25,000, three out of four can not identify scholarships, grants, or loans as sources of financial aid (Sallie Mae Fund and Harris Interactive 2003).
 - (2) Sixty percent of parents with annual incomes under \$50,000 say they need more information about how to pay for college, compared to only 37 percent of parents with annual incomes of \$75,000 or more (Sallie Mae Fund and Harris Interactive 2003).
- iii) Many students have limited knowledge of financial aid: 65 percent of students who are planning to attend college do not name grants as a source of financial aid, 72 percent do not name scholarships, and 71 percent do not name loans (Sallie Mae Fund and Harris Interactive 2003).
- iv) Pell Grant recipients are often first-generation college students, and they lack essential information about financial aid and admissions information (McSwain 2008).
- v) Students whose parents earned at least a bachelor's degree are more likely to report that the family is aware of and willing to pay college costs (Lippman et al. 2008).

c) Knowledge of financial aid varies by race and ethnicity.

- i) Regardless of whether their parents attended college, Asians are least likely, and African Americans are most likely, to know about federal student aid programs when they are in high school (Teran 2007).
- ii) Three out of four African-American parents do not identify scholarships as a source of aid, compared to half of White parents. Similarly, 83 percent of Latino parents do not mention grants as a source of aid versus 58 percent of White parents (Sallie Mae Fund and Harris Interactive 2003). Most Latino non-college-going youths can not name one source of financial aid (Zarate and Pachon 2006).
- iii) Two-thirds of African-American parents and 62 percent of Latino parents say they need more information about how to pay for college, compared to only 44 percent of White parents (Sallie Mae Fund and Harris Interactive 2003).

d) Some students have inaccurate perceptions of their eligibility for financial aid.

- i) Many current and former community college students, especially those from two-parent households, assume that their household income is too high to make them eligible for federal financial aid (Matus-Grossman and Gooden 2002).
- ii) In California, far fewer Latino students than are eligible actually apply for Cal Grants because they erroneously believe that high grades are required (Zarate and Pachon 2006).
- iii) Many low-income students who do not apply for financial aid believe that they do not need financial aid. Twenty-nine percent of low-income dependent students and 39 percent of low-income independent students say they did not file a Free Application for Federal Student Aid (FAFSA) because they believed they could afford to pay (American Council on Education [ACE] 2004).

2) How do students learn about financial aid?

a) Counselors are influential in disseminating financial aid information, especially among low-income and minority students, and their personal biases may affect the information given to students.

- i) Counselors are the most frequently cited source for financial aid information for high school juniors and seniors. Almost 85 percent of high school seniors hear about financial aid from teachers, counselors, or coaches (Luna De La Rosa 2006; Art & Science Group, Inc. 2000).
- ii) African-American, Latino, and low-income students are the most dependent on high school personnel for information about college (Perna 2004; Freeman 1997; Horn, Chen, and Chapman 2003; Terenzini, Cabrera, and Bernal 2001; Goldrick-Rab 2006; Zarate and Pachon 2006).
- iii) Low-income students are more likely to rely on counselors to discuss financial aid (72 percent) than their higher-income peers (34 percent) (Terenzini, Cabrera, and Bernal 2001).
- iv) While most high school guidance counselors (89 percent) say that student loans help low-income students attend college, more than one-third of counselors (37 percent) believe that low-income students should avoid student loans because of the risks of default (National Association for College Admission Counseling and the Project on Student Debt 2007).
- v) There is a positive correlation between student access to guidance counselors and enrollment in college preparatory classes (Lee and Ekstrom 1987; Vargas 2004). Forty-three percent of students report that they choose their high school curriculum with the help of teachers or counselors (Choy 2001). Additionally, 85 percent of low-income SAT takers see a school counselor at least two or three times during their junior and senior years to discuss future plans (King 1996).
- vi) Most counselors express a “personal bias for education” but cannot articulate a clear reason why they steer students toward college. Many find it difficult to discourage unrealistic college expectations because parents might disapprove of counselors who tell students that college is not for them. Often, counselors and teachers lack training in advising students about postsecondary options other than college (Krei and Rosenbaum 2001).
- vii) Counselors favor students who are more aggressive in seeking their assistance or students whom they deem are “college material” (Hart and Jacobi 1992; Virginia State Department of Education 1993; Vargas 2004).
- viii) Counselors may treat low-income and minority students as academically incapable and steer them toward less rigorous academic or vocational programs (Grubb 2001). Some counselors report having low academic expectations for African-American and Latino students (Freeman 1997; Immerwahr 2003).
- ix) Counselors’ personal notions of affordability may steer students toward community college because they believe that is all those students can afford, even though low-income students may receive better aid at private schools (McDonough and Calderone 2004).
- x) High school counselors are often only able to answer the most basic questions about financial aid and are frequently overburdened or unavailable (Burdman 2005).

b) Parents may directly influence their children’s information and expectations about college costs and financial aid.

- i) The college experiences of parents play a significant role in determining their children’s college preparation. Students often form college aspirations in accordance with their parents’ educational level (Luna De La Rosa 2006). Parents who attended college are more involved in their children’s high school curricular decisions and college planning activities (Choy 2001).

- ii) Parents who are aware of financial aid programs tend to have higher degree aspirations for their children (Horn, Chen, and Chapman 2003).
 - iii) Students whose parents received financial aid are more likely to have heard about financial aid themselves (Terenzini, Cabrera, and Bernal 2001).
 - iv) Low-income students who receive college information from friends and/or parents and who expect to receive financial support from parents are 66 percent more likely than other students to plan on attending a four-year college (King 1996).
 - v) Latino parents have trouble gathering information even if they attend college events due to language barriers, and this difficulty is more pronounced for lower-income parents and recent immigrants (Tornatzky, Cutler, and Lee 2002).
- c) Peers and classmates are a valuable source of information about college costs and financial aid.**
- i) Peers and classmates are a commonly cited source of financial aid information for 11th graders and 12th graders. More 12th graders report that they hear about financial aid from friends or classmates (62 percent) than 11th graders (48 percent) (Luna De La Rosa 2006).
 - ii) Peer counseling has the potential to be a rich source of financial aid information and college counseling, particularly in light of overburdened high school counselors (Tierney and Venegas 2006).
- d) The internet is an increasingly important source of financial aid and postsecondary information for students.**
- i) A significant portion of students and parents obtain college-related information from the internet (Luna De La Rosa 2006; Tornatzky, Cutler, and Lee 2002). More than two-thirds of college-bound students say that their counselors direct them to use the web in their college search process. Thirty-seven percent of students report that college web sites are second only to counselors in helping them decide where to apply (Art & Science Group, Inc. 2000).
 - ii) The availability of information online does not necessarily mean that students will be aware of or rely on it. In California, most students visit federal web sites for information about financial aid but do not know that a similar site exists for Cal Grants. Some bypass scholarship web sites altogether because they do not think they have a good chance of getting an award (Venegas 2006).
 - iii) Students find college web sites and financial aid calculators highly useful in their search for college and financial aid information (Art & Science Group, Inc. 2000; Venegas 2006).
 - iv) In general, students are suspicious about offering personal information on scholarship search engines and mistrustful of web sites not linked to a specific institution or governmental service (Venegas 2006).
 - v) Students with limited computer and internet access encounter a variety of problems in completing a FAFSA and applying for college.
 - (1) FAFSA.gov, the official web site for students to apply for federal financial aid, does not function well with slower internet connections and older computers (Venegas 2006).
 - (2) Most students complete the FAFSA at home for better access to parental information but then face difficulty when no expert is available to offer assistance or explain difficult questions (Venegas 2006).
 - (3) Some schools offer discounted application fees to students submitting online applications. Students without internet access miss out on these discounts (Vargas 2004).

- e) **Other sources may provide crucial information about college costs and financial aid information.**
 - i) One in three 11th and 12th grade students rely on media sources such as television, radio, and newspapers to learn about financial aid (Luna De La Rosa 2006).
 - ii) Students do not consider community organizations to be an important source of financial aid information (Luna De La Rosa 2006).
 - iii) For Latino parents, the internet (13 percent) and printed materials (11 percent) are rated most highly for gathering financial aid information. Radio, TV, and newspaper media are not considered helpful. Thirteen percent of Latino parents rate college nights, visits, and outreach most helpful (Tornatzky, Cutler, and Lee 2002).

3) When do students learn about financial aid?

- a) **Students and families tend to learn about college tuition and financial aid toward the end of high school.**
 - i) Most students learn about financial aid in the final years of high school, after already making decisions about whether or not to attend college (Perna 2004).
 - ii) Some students do not learn the details about specific types of financial aid until the 11th or 12th grade, or until they have received their financial aid award letter (Fitzgerald 2006; Heller 2006).
 - iii) One in three 6th through 8th graders speak with parents, teachers, or counselors about college tuition and fees, compared to three in four 11th and 12th graders. Fewer talk with parents, teachers, or counselors about financial aid: just 27 percent of 6th through 8th graders, and 71 percent of 11th and 12th graders (Horn, Chen, and Chapman 2003).
- b) **Students and families most in need of financial aid information tend to receive it later than others.**
 - i) The lowest-income and Latino families get financial aid information later than higher income and other families (Sallie Mae Fund and Harris Interactive 2003).
 - ii) The average age at which a student first receives financial aid information is 14 years for families with household incomes over \$75,000, 16 years for families with household incomes under \$25,000, and 17 years for Latino families (Sallie Mae Fund and Harris Interactive 2003).
- c) **Many students develop college aspirations before attending high school, which may affect their decision to seek information about financial aid.**
 - i) Students typically decide whether they will attend college between 8th and 10th grades. Among 8th graders, 55 percent of those whose parents did not attend college expect to get a bachelor's degree, compared to 91 percent of students whose parents had a bachelor's degree or higher. Among 12th graders, these figures remain virtually unchanged at 53 percent and 90 percent respectively (Choy 2001).

4) How do students' awareness and expectations about college affordability and financial aid affect college-going behavior?

- a) **Awareness of financial aid does not necessarily cause students to apply for aid.**
 - i) In a survey of adults in Texas, 43 percent of first-generation college-going African-American adults knew about federal aid when they were in high school, but only 24 percent of them filled out the FAFSA at that time. White and Latino adults recalled having a similar level of financial aid

knowledge (43 and 40 percent, respectively), but were much less likely to have applied for aid (12 and 16 percent) (Teran 2007).

b) Financial aid influences students' college-going decisions.

- i) Students with more information about financial aid programs consider financial aid a less important factor in deciding where to go to college (Hossler, Hu, and Schmit 1999).
- ii) African-American, Latino, and low- and middle-income students who read information about financial aid are more likely to take steps toward attending four-year institutions than those who do not read any information (Berkner and Chavez 1997).
- iii) Female students, those with greater paternal educational attainment, and those with higher family incomes are less likely to report that financial aid is important in their college choice (Hossler, Hu, and Schmit 1999).
- iv) Students who expect a larger parental contribution to educational expenses, as well as those who are confident about their family's ability to pay, are less likely to regard financial aid as important in their college choice (Hossler, Hu, and Schmit 1999).
- v) Students of color are more likely to modify their final choice of college based on financial aid offers (Hossler, Hu, and Schmit 1999).

c) A lack of timely financial aid knowledge affects a student's likelihood of going to college.

- i) One in four young adults who consider but do not attend college would be more likely to enroll if they had better information about how to pay for college when making educational decisions (Sallie Mae Fund and Harris Interactive 2003).
- ii) Three-fourths of young Latino adults in California who do not attend college would have been more likely to enroll if they had known more about financial aid when making college-going decisions (Zarate and Pachon 2006).

d) A student's expectations concerning financial aid eligibility influence whether they will apply to and attend college.

- i) Low-income students who expect to receive aid are more likely to aspire to college than those with low incomes who do not expect aid (King 1996).
- ii) Low-income students say that they are more likely to apply to college if they anticipate financial assistance (Terenzini, Cabrera, and Bernal 2001).
- iii) Student perceptions about ability to pay affects college selection, and availability of financial aid can predispose students to select a particular institution (Terenzini, Cabrera, and Bernal 2001).
- iv) Students who are knowledgeable about financial aid are more likely to go to college, enroll in a four-year rather than a two-year-college, and attend full-time rather than part-time (Ekstrom 1992).
- v) African-American students' perceived inability to pay for college restricts their college enrollment (Freeman 1997).

e) Parents' understanding of college costs and financial aid eligibility affects students' decisions to apply to and attend college.

- i) Parents who think they cannot afford to pay for college may discourage children from applying (Grotsky and Jones 2004).

- ii) Parental reluctance to share financial information needed to apply for financial aid can serve as a barrier to student enrollment in college (Burdman 2005).
- f) **Aversion to student loan debt can be a barrier to college enrollment, especially for low-income, minority, and first-generation college-going students.**
 - i) Low-income and minority students are less comfortable borrowing to finance their educations.
 - (1) Latinos, low-income individuals, and those with less education are less inclined to borrow to finance their educations (Mortenson 1988; Burdman 2005).
 - (2) Mexican-American students at UC Berkeley borrow less than \$13,000 on average, while other Latinos and African-American students average more than \$17,000 in loans after four years (Burdman 2005).
 - ii) Latino students are more likely to enroll in a community college than a four-year institution to avoid borrowing (McDonough and Calderone 2004).
 - iii) Students whose parents did not go to college tend to consider loans only after exhausting other financing options, including full-time employment (Burdman 2005).
 - iv) Other factors may also affect debt tolerance:
 - (1) Students with higher educational expectations are more accepting of borrowing. Those expecting to earn a first professional degree are seven times more likely to be debt tolerant (Trent, Lee, and Owens-Nicholson 2006).
 - (2) Students who believe in good luck and chance are three times more likely to be debt tolerant (Trent, Lee, and Owens-Nicholson 2006).
- g) **Racial and ethnic groups prioritize long-term economic benefits and short-term costs of attending college differently.**
 - i) Nearly all California Latino youth think a college education is important, but 38 percent do not think that the benefits outweigh the costs (Zarate and Pachon 2006).
 - ii) Latina students' desire to attend college is diminished by concerns about student debt, bills and expenses, uncertainty of the receipt of financial aid, and long work hours (Rodriguez, Guido-DiBrito, Torres, and Talbot 2000).

5) What are barriers to accessing financial aid?

- a) **Parents and students often have limited knowledge about college costs and financial aid when planning and applying for college.**
 - i) Students and families typically learn specifics about financial aid amounts and types *after* they receive financial aid offers very late in the college process (Fitzgerald 2006; Heller 2006).
 - ii) Many community college students have no idea that certain financial aid programs exist or that they might be eligible for them. Most of these students have to track down information themselves or learn about financial aid through word of mouth from other students (Matus-Grossman and Gooden 2002).
 - iii) Inaccurate cost estimates discourage students from attending college (Goldrick-Rab 2006).
 - iv) One in four low-income students who meet eligibility criteria for a Pell grant does not apply for federal aid (ACE 2004).

- b) The complexity of the financial aid application discourages students from applying for aid.**
- i) Students report that it takes too long to determine financial aid eligibility, and that it is burdensome to research available financial aid and scholarship programs (Matus-Grossman and Gooden 2002).
 - ii) Deadlines for financial aid programs are barriers for those unfamiliar with the process or who learn about available aid programs too late. One in four low-income dependent students says they didn't apply because they missed the deadline. Of undergraduates who do apply, 55 percent do so in March or later, missing deadlines for many state aid programs (ACE 2004).
 - iii) The most underserved and needy students are those most likely to be deterred by the aid application process (Dynarski and Scott-Clayton 2006).
- c) Financially needy students face a variety of barriers that limit their access financial aid.**
- i) Many nontraditional students need child care on campus and are particularly concerned about supervision of their children while they attend evening or weekend classes (Matus-Grossman and Gooden 2002).
 - ii) Visiting the financial aid office can conflict with the logistics of applying for work-based safety net services, such as food stamps, Medicaid, the Earned Income Tax Credit, or Section 8 housing vouchers, as students may need to apply for these services during the same hours that financial aid offices are open (Matus-Grossman and Gooden 2002).
 - iii) Major barriers to financial aid assistance include exceeding income qualifications for financial aid despite relatively low earnings, attending school less than half-time, defaulting on past student loans and grants, and being on academic probation (Matus-Grossman and Gooden 2002).
 - iv) First-generation immigrant students face additional problems accessing financial aid.
 - (1) Students residing unlawfully in the U.S. and who have applied to legalize their immigration status are ineligible for federal aid and most forms of state financial aid (Szelenya and Chang 2002).
 - (2) Institutions within states often have different policies regarding whether undocumented immigrants are eligible to pay in-state tuition, which can be confusing for students (Szelenya and Chang 2002).
 - v) Colleges themselves sometimes create additional obstacles to financial aid.
 - (1) As an enrollment management strategy, some colleges use institutional merit grant aid to attract high-achieving students, which reduces the overall amount of aid available to help low-income students (St. John 2001).
 - (2) Some community colleges restrict access to information about student loans to students who actively request such information and provide more in-depth counseling only to students who have already decided to borrow (Burdman 2005; The Institute for College Access & Success 2007).
 - (3) Many community colleges do not participate in the federal student loan programs at all. Nationally, one in ten community college students lacks access to loans, and the rate is twice that for African-American and Native American community college students (The Project on Student Debt 2008).
 - vi) Changing demographics of undergraduate student populations increasingly render outdated the traditional concept of how students manage college costs (McSwain 2008).

- d) The availability of financial aid, or lack thereof, can affect college enrollment and completion.**
- i) States' college completion rates are positively associated with the amount of money that they spend on grant aid, measured as a proportion of states' total higher education spending (Titus 2006).
 - ii) Financial barriers – including insufficient available aid – keep half of all college-ready low-income students from attending a four-year college (Advisory Committee on Student Financial Assistance 2002).
 - iii) Financial aid offers encourage college enrollment, and just being offered an award is more influential than the amount of aid (Jackson 1978).
 - iv) Students with no calculated financial need who received aid and students with need that was fully met persist at higher rates than other students (Bresciani 2002).
 - v) Students with large loans and little grant aid persist at lower rates than those with smaller loan burdens, no need, or unmet need (Bresciani 2002).
 - vi) Community college students who borrow may be less likely to persist in their education than nonborrowers (Dowd and Coury 2006).

Annotated Bibliography

Advisory Committee on Student Financial Assistance (ACSFA). 2002. *Empty Promises: The Myth of College Access in America*. Washington, D.C.: ACSFA.

The Advisory Committee finds that financial barriers have kept millions of college-qualified high school students out of college in the past decade. Shifts in college financing policies and priorities at the federal, state, and local levels, in conjunction with rising college costs, have resulted in a shortage of student aid, particularly need-based grant aid. The Committee suggests a set of federal policy recommendations to address this problem, including comprehensive federal access strategies; strengthened early intervention and student support programs; and fortified federal, state, and institutional access partnerships, particularly concerning increased grant aid.

American Council on Education (ACE). 2004. *Missed Opportunities: Students Who Do Not Apply for Financial Aid*. Washington, D.C.: American Council on Education.

The American Council on Education examines the question of why eight million students – nearly 50 percent of students enrolled for credit at institutions offering Federal Title IV student aid programs – did not complete a FAFSA for the academic year 1999–2000. Data from the National Postsecondary Student Aid Survey 1999–2000 demonstrate that upper-income students and part-time students are least likely to submit a FAFSA, but a significant portion of low-income and full-time students also do not file applications. Therefore, lack of financial need is not a plausible explanation for low application rates, as many nonapplicants would have been eligible for a Pell Grant. In addition, community college students are less likely to apply for federal aid than students attending other institutions. Many applicants complete the FAFSA after important deadlines have passed, which limits their eligibility for state and institutional aid programs. Overall, one of every five dependent low-income students and one in four independent low-income students fail to apply for federal and institutional financial aid. The report concludes that policies should ensure that students have sufficient information about aid programs and the financial aid application process so that no student will miss the opportunity for financial assistance.

Art & Science Group, Inc. 2000. *Internet Now Pervasive and Powerful Element in College Choice; Promises to Become Decisive Factor in Near Future*. (StudentPOLL: Vol. 4, Number 1). Accessed on September 19, 2008, from http://www.artsci.com/studentpoll/archivedissues/4_1.pdf.

This report relies on data from StudentPOLL, a national sample of high school seniors who plan to enroll in a four-year college in the fall and have minimum SAT I scores of 800. Telephone interviews reveal that the internet is an important tool in the college process and often the preferred medium students use to fill out an application, obtain information, and make decisions about final enrollment. The article states eight major points regarding internet access and its effect on college application decisions. The study claims that internet access is almost universal (93 percent of students say that they had computer access at both home and school), with no significant digital divide between races or income levels. The internet has become a significant factor in the college process, as students rely on the internet second only to guidance counselors and visit college web sites to help make their final enrollment choices. Regarding college web sites, students are likely to cite that information about admissions, programs of study, and costs are more influential in their college choices than faculty

profiles or the online campus tour. In addition, one-third of students apply to college using an online application, but other students are reluctant due to security concerns or lack of immediate confirmation. The study concludes with several recommendations for colleges: increase comprehensive academic content on college web sites; make an online application available, with instant confirmation to students after submission; and improve security of college web servers.

Berkner, Lutz and Lisa Chavez. 1997. *Access to Postsecondary Education for 1992 High School Graduates*. Washington, D.C.: National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education.

This report uses data from the National Education Longitudinal Study of 1988 to examine enrollment patterns and access to postsecondary education of 1992 high school graduates two years after their graduation. The report focuses specifically on low-income students and racial/ethnic minorities, looking at whether financial constraints keep academically qualified students from attending college. The analysis reveals relatively low four-year college enrollment rates for Latino, African American, and low-income high school graduates. Also, the proportion of all students who enrolled in postsecondary education within two years of high school graduation was directly related to family income, with 64 percent of low-income, 79 percent of middle-income, and 93 percent of high-income students attending postsecondary education by 1994. The authors explore factors that may contribute to enrollment rates, including college costs and financial aid, educational expectations and college plans, and academic preparation as measured by a four-year “college qualification index.”

Bresciani, Marilee J., and Lewis Carson. 2002. *A Study of Undergraduate Persistence by Unmet Need and Percentage of Gift Aid*. *NASPA Journal*, Vol. 40, no. 1, Fall 2002.

Bresciani and Carson studied the persistence rates of financial aid recipients and nonrecipients to explore the role of financial aid in retention. Using reported financial aid packages of a cohort group over a four-year span, the authors tracked cost of attendance, Expected Family Contribution, and specific sources of aid (i.e., loans and grants). For aid recipients with unmet need, larger gaps between financial aid and total cost of attendance correspond to lower persistence rates. Bresciani and Carson conclude that if institutions want to improve retention rates, they should increase financial aid to needy students and minimize unmet need.

Burdman, Pamela. 2005. *The Student Debt Dilemma: Debt Aversion as a Barrier to College Access*. Project on Student Debt. Accessed on July 26, 2007, from <http://projectonstudentdebt.org/files/pub/DebtDilemma.pdf>.

This article explores how the increasing shift from need-based grants to loans may negatively affect college-bound students who are averse to borrowing. In particular, the article claims that Latinos, low-income individuals, and those with lower educational attainment are less inclined to borrow, despite financial need. In addition, Burdman suggests that academic institutions could offer more support to students before they decide to take out loans. She finds that high school counselors are only able to answer basic questions about financial aid and are often not available for consultation. Some community colleges only offer loans to students who request them or only guarantee loan counseling to students once they have decided to borrow. The author suggests that further research is necessary in order to explain how the “debt dilemma” deters students from considering college in the first place,

and that survey instruments regarding students' perceptions and choices about paying for college would enhance knowledge of student debt aversion.

Choy, Susan P. 2001. *Students Whose Parents Did Not Go to College: Postsecondary Access, Enrollment, and Persistence* (NCES 2001-126). Washington, D.C.: National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education.

Using data from the National Education Longitudinal Study (NELS: 1988/1994), the Beginning Postsecondary Students Longitudinal Study (BPS), and the Baccalaureate and Beyond Longitudinal Study (B&B), Choy argues that first-generation college-going students are more likely to come from African-American or Latino families, and from families in the lowest income quartile. The likelihood that a student will enroll in some form of postsecondary education is related to parents' educational attainment. The enrollment rate is 93 percent among those whose parents had at least a bachelor's degree, compared to 59 percent of students whose parents did not go to college. The report concludes that first-generation students report lower educational expectations, are less prepared academically, receive less support from their families in college planning, and are likely to delay enrollment even if they are accepted at a four-year institution. Choy recommends policies that create rigorous high school curricula in order to negate the disadvantages of first-generation college-going status. Although the author does not address the availability and awareness of student financial aid, she claims that improving efforts in these areas could further remove barriers to college enrollment and degree persistence.

Dowd, Alicia and Tarek Coury. 2006. The Effect of Loans on the Persistence and Attainment of Community College Students. *Research in Higher Education* 47(1): 33–62.

Using data from the National Center for Education Statistics (NCES), including the National Postsecondary Student Aid Survey (NPSAS) and the Beginning Postsecondary Students, Second Follow-up Survey (BPS 90/94), the authors examine the effects of borrowing on persistence and degree attainment among community college students. Dowd and Coury find that loans have a negative association with persistence, as 27 percent of borrowers persist compared to 45 percent of nonborrowers; however, there is no significant effect of loans on degree attainment. Community college students who borrow are more likely to report dissatisfaction with their investment and withdraw from school. The authors observe that current literature on the effects of borrowing on community college students is sparse and that further research is necessary.

Dynarski, Susan M. and Judith E. Scott-Clayton. 2006. *The Cost of Complexity in Federal Student Aid: Lessons from Optimal Tax Theory and Behavioral Economics*. Cambridge, MA: National Bureau of Economic Research.

Dynarski and Scott-Clayton compare the federal income tax filing process to the FAFSA application process, and make the case that FAFSA simplification is not only feasible, but necessary to increase college enrollment for low-income students. They use optimal tax theory and behavioral economics to simulate changes to the FAFSA formula for calculating need, such as eliminating assets from the equation. The authors argue that reducing complexity in the application would make the federal aid allocation more efficient and equitable. The authors examine the FAFSA, the IRS 1040, 1040A, and 1040EZ forms, noting the number of questions and the time it takes to fill out each form. Dynarski and Scott-Clayton evaluate the time and resources required to learn how to navigate the application process and student aid system, which tend to discourage low-income families from applying.

Ekstrom, Ruth B. 1992. *Attitudes Toward Borrowing and Participation in Postsecondary Education*. New York: College Board. Accessed September 30, 2008, from <http://professionals.collegeboard.com/research/pdf/RR%2092-6.PDF>.

Using High School and Beyond, a National Center for Education Statistics (NCES) survey, the author examines the relationship between students' stated willingness to borrow and the college decisions they make. Without enough money to pay for college expenses, high school seniors who choose to take out student loans rather than working more, delaying college entry, or choosing a different college, are more likely to attend college within four years of graduating from high school. Among college-goers, students who are willing to borrow are also more likely to attend four-year colleges. Low-income and minority students were less likely to express a willingness to borrow to pay college expenses. To encourage low-income and minority student enrollment, Ekstrom recommends that institutions offer these students grant and work-study aid in addition to loans.

Fitzgerald, Brian K. 2006. Lowering Barriers to College Access: Opportunities for More Effective Coordination of State and Federal Student Aid Policies. In P. C. Gándara, G. Orfield, and C. L. Horn (Eds.), *Expanding opportunity in higher education: Leveraging promise*. Albany, NY: State University of New York Press.

In an effort to improve coordination between state and federal policies, Fitzgerald conducted a literature review summarizing college enrollment rates and the barriers to college enrollment for low-income, first-generation college-going, and minority students. He notes that federal and state governments have invested substantial resources in student aid and that many states offer grants that exceed the Pell Grant maximum award, enabling further access for low- and moderate-income students. However, as state budgets become increasingly constrained, state tuition has increased dramatically. Fitzgerald details the college participation gap, citing inadequate academic preparation, confusion and misinformation about the aid application process, and unmet financial need as possible factors that explain lower enrollment rates among college-qualified low- and moderate-income high school graduates. Fitzgerald concludes with several policy recommendations, including adoption of a simplified FAFSA; encouragement of state statutory changes to adopt simpler aid application forms; expansion of the income threshold for Auto-Zero Expected Family Contribution (EFC); and alignment of the Auto-Zero EFC with federal benefits programs, which would help with early identification of students in middle or high school who would qualify for a maximum Pell Grant. These recommendations follow Fitzgerald's central argument that federal-state government access partnerships could boost middle and high school achievement and lower financial barriers to college enrollment.

Freeman, Kassie. 1997. Increasing African Americans' Participation in Higher Education: African American High School Students' Perspectives. *Journal of Higher Education* 68(5): 523–550.

Freeman's study examines how 70 African-American high school students attending a cross section of school types (inner-city, suburban, magnet, and private schools) in five cities (Atlanta, Chicago, Los Angeles, New York, and Washington, D.C.) perceive the barriers to college facing African-American students. Students report two types of barriers, the first being economic, such as not being able to afford college or fearing an insufficient income after completing college. The second type of barrier is psychological, involving intimidation, lack of hope, and the feeling that college is not a realistic option. In response to these barriers, the respondents offer four possible solutions to increase African Americans' participation in higher education: improve the physical/financial capital of schools, provide motivated teachers and counselors as information channels, create strong college aspirations, and

change high school curriculum to emphasize African-American cultural awareness. Freeman concludes that the assistance of African-American students in developing solutions that would increase their participation in postsecondary education would be enlightening to policy makers and empowering to the students involved.

Goldrick-Rab, Sara. 2006. *Promoting Academic Momentum at Community Colleges: Challenges and Opportunities*. CCRC Working Paper No. 5. Accessed July 26, 2007, from http://ccrc.tc.columbia.edu/DefaultFiles/SendFileToPublic.asp?ft=pdf&FilePath=c:\Websites\ccrc_tc_columbia_edu_documents\332_492.pdf&fid=332_492&aid=47&RID=492&pf=Publication.asp?UID=492.

Goldrick-Rab's literature review focuses on how the actions of higher education institutions and characteristics of the community college student population result in a high percentage of enrolled students dropping out before earning a degree. The second part of the literature review identifies opportunities for improving students' lack of progress and degree persistence. The author identifies college affordability as a significant reason why low-income and minority students do not attend college or drop out once enrolled. Disadvantaged students and their parents are more likely to overestimate the cost of college, which discourages them from applying to and attending college. The author also cites evidence that once students enroll, those who receive financial aid are more likely to make consistent progress in college. Lastly, Goldrick-Rab highlights the Opening Doors Program as a model in which scholarships offered to low-income students improve academic success and persistence, suggesting that similar financial aid strategies can increase persistence among community college students.

Grodsky, Eric and Melanie T. Jones. 2004. Real and Imagined Barriers to College Entry: Perceptions of Cost. *Social Science Research* 36:745–766.

This study uses data from the 1999 National Household Education Survey (NHES:99) to examine what parents with a child between 6th and 12th grade know about college costs. Grodsky and Jones find that less-educated and low-income parents and African-American and Latino parents are least willing to give a college cost estimate when asked. Disadvantaged parents who provided a cost estimate, however, tend to overestimate tuition by two to three times the actual cost. These findings suggest that parental errors in cost estimation may affect students' perceptions of college affordability.

Grubb, W. Norton. 2001. *Guidance and Counseling in Community Colleges*. CCRC Brief, July. Community College Research Center.

The author highlights the particular challenges of providing guidance and counseling services in community colleges, as well as some of the types and approaches typically employed. Since community colleges serve a wide range of students with diverse educational interests and goals, it is necessary for the colleges to provide a wide array of services to meet the counseling and guidance needs of all students. Community colleges typically have low completion rates. Better-targeted and timed counseling services and increased availability of counseling may help students to identify and meet educational goals. The author calls for additional research on community college students' need for counseling and on approaches and strategies that are effective with this population.

Hart, Phyllis J. and Maryann Jacobi. 1992. *From Gatekeeper to Advocate: Transforming the Role of the School Counselor*. New York: College Entrance Examination Board.

Hart and Jacobi examine the training of high school counselors and propose short-term changes, as well as long-term systemic changes for both schools and communities. The first section of the policy brief summarizes current literature, addressing problems with academic tracking in schools, the pivotal role of counselors in offering information and advice regarding college planning, and the potential benefits of including counseling in school reforms. The second section describes three counselors and how their backgrounds, training, expectations for students, and personal willingness to bend the rules affect their job performance. The third section details the counseling profession, including access to and outcomes of counseling, typical counseling activities and responsibilities, and problematic counseling models that are often vague and focus on competencies rather than student achievement. The fourth section focuses on how counselors are trained and how training programs and trade associations rarely address inequities in the educational system. The fifth section describes six major problems with counseling: lack of basic philosophy, poor integration within the school, insufficient student access to educational guidance, inadequate guidance of some students, lack of accountability, and failure to use other resources. The sixth section notes four ways in which counselors can move the profession toward positive changes, such as believing in all students' capacity to learn, coordinating school and community resources, and being accountable for student outcomes. Hart and Jacobi conclude with three strategies to achieve those goals, including professional preparation and licensing requirements, rigorous in-service training for counselors, and incentives to involve counselors in tackling school-wide problems, such as tracking and issues of equity and college access.

Heller, Donald E. 2006. Early Commitment of Financial Aid Eligibility. *American Behavioral Scientist* 49(12): 1719–1738.

This article focuses on the detrimental effects of low-income students hearing about financial aid eligibility late in the college admissions process. The first section analyzes how the notification of eligibility for financial aid currently works and the type of students who receive various forms of financial aid. The second section describes a few programs that offer early commitment of financial aid eligibility to students, provided that they fulfill a set of criteria such as maintaining a certain GPA, attending tutoring programs, and applying for financial aid during their senior year of high school. Heller notes that there is currently sparse literature on the benefits of these programs, but one could speculate that an increase in college aspirations and motivations are a few positive student outcomes. Barriers to implementing such programs may include lack of funding, limitations in using fixed income limits and other limited means-testing criteria, and a failure to take changes in family financial circumstances over time into account. Heller concludes that there is substantial overlap between students who are eligible for federal programs and Pell Grants, and that policies should take advantage of opportunities to simplify the process for students applying for financial aid earlier in their academic careers. One way to do this is to make the commitment to award a Pell Grant to students who are eligible for the free lunch program while they are in middle school.

Horn, Laura, Xianglei Chen, and Chris Chapman. 2003. *Getting Ready to Pay for College: What Students and Their Parents Know About the Cost of College Tuition and What They Are Doing to Find Out*. Washington, D.C.: National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education.

Using data from the Parent and Youth Surveys of the 1999 National Household Education Surveys Program (NHES:1999), Horn et al. investigate how much college-bound 6th through 12th graders and their parents know about the cost of attending college, and the relationships between their knowledge of college costs and how they go about preparing for college. In particular, the study asks whether parents started to save for their children's education, gathered information on financial aid, and knew about various tax credits to help offset costs. A total of 7,910 students from 6th through 12th grade were asked what they know about college costs, academic requirements, and financial aid availability. The authors find that almost all students and their parents plan on the students attending college, but only 18 percent of students and 30 percent of parents obtain information about the cost of college. Overall, both students and parents substantially overestimate tuition amounts, especially for public institutions. Only 25 percent of 11th and 12th graders and 31 percent of their parents are able to provide accurate estimates. The authors also find that parents are more likely to start saving for college as their household income and their child's academic standing increases. However, there is no correlation between how soon a student will enroll in college and their parents' plans to pay for college. From the students' end, most report that they discuss the academic requirements of attending college with parents or teachers/counselors; however, less than half of students report discussing college costs or financial aid. In general, there are also varying levels of cost awareness depending on students' grade in high school, racial background, household income, parents' educational level, and extent to which the parent or student actively seeks information about financial aid. The authors conclude that lack of cost awareness is most apparent in younger students, low-income and minority students, and their families. However, parents who are involved in their children's school are more likely to have begun saving for college and report a higher awareness of college costs, regardless of income and education levels.

Hossler, Don, Shouping Hu, and Jack Schmit. 1999. Predicting Student Sensitivity to Tuition and Financial Aid. *Journal of Student Financial Aid* 29(1): 17–31.

Using a random sample of 296 students attending 21 high schools in Indiana, the authors examine the effects of a student's gender, father's educational attainment, family income, high school GPA, and educational expectations on student sensitivity to financial aid. Hossler et al. find that being female, as well as higher levels of a father's education and family income, reduce student-reported importance of financial aid. GPA and academic goals do not significantly affect student-reported importance of financial aid. Students also report that financial aid is less of a factor in their college choice if they have more information about financial aid programs or if they expect a larger contribution from their parents to their educational expenses. Conversely, minority students are more likely to report that financial aid affects their final choice of institution because they are more concerned with college costs.

Immerwahr, John. 2003. *With Diploma in Hand: Hispanic High School Seniors Talk About Their Future*. San Jose, CA: National Center for Public Policy and Higher Education.

In an effort to uncover why there is a gap between what Latino parents wish for their children's educational attainment and what their children actually attain, Immerwahr interviews 50 high school seniors of primarily Mexican ancestry in San Antonio, Santa Clara (California), Tucson, Chicago, and New York City who were expecting to graduate at the end of the year. He also interviews a group of 14

teachers in San Antonio and four parents of high school seniors in Tucson. Three themes emerge from this preliminary study: first, a considerable diversity exists among the Latino population with regard to their college plans; second, obstacles that college-bound students face include the lack of financial resources and knowledge about college, limited adult supervision in making educational choices, confusion about the benefits of a college education, and competing financial options including part-time work and military service; third, a portion of students have made substantial progress in the college admissions process with the help of a teacher or adult role model who provided necessary support in the application process.

The Institute for College Access & Success (TICAS). 2007. *Green Lights & Red Tape: Improving Access to Financial Aid at California's Community Colleges*. Berkeley, CA: TICAS.

Based on interviews with financial aid and student services administrators at 21 community colleges in California, this study details ways in which administrative practices and policies work to support or suppress student access to financial aid. College practices differ widely in the manner and timing of telling students about financial aid, helping students navigate the application process, and awarding eligible students their aid. Administrator attitudes about the role and importance of financial aid are also highlighted as critical in promoting financial aid access. The report concludes with college, state, and federal policy recommendations.

Jackson, Gregory A. 1978. Financial Aid and Student Enrollment. *Journal of Higher Education* 49(6): 548–574.

This article quantifies the extent to which high school graduates base decisions about whether to attend college on financial aid awards. Jackson develops a model to explain students' postsecondary decision processes as factors of hometown, family background, school quality, student academic achievement, peer-group influence, occupation and college goals, short-term plans, colleges, and nonschool options. Relying on data from the National Longitudinal Study (NLS:1972), the author asserts that the effect of receiving some aid from each college institution may influence a student to enroll in college. Jackson concludes that the award of financial aid is more important than the amount of aid and that financial aid can effectively persuade more students to enroll in college.

King, Jacqueline E. 1996. *The Decision to Go to College: Attitudes and Experiences Associated with College Attendance Among Low-Income Students*. Washington, D.C.: The College Board.

Using data from a telephone survey of 300 seniors who took the SATs and reported family incomes under \$20,000, King focuses on factors that influence students to attend a four-year college. She finds that guidance from family and peers, high educational aspirations, academic self-confidence, rigorous high school coursework, and exposure to college information and counseling are associated with higher-than-average four-year college enrollment. Specifically, students who visited a high school counselor, took the PSAT, or planned to finance their education through merit or need-based grants are more likely to attend a four-year college. The likelihood of low-income students attending a four-year college is not affected by their plans to finance their education through loans. The article concludes with a recommendation to increase student access to adequate college counseling in high school and promote rigorous high school curricula.

Krei, Melinda Scott and James E. Rosenbaum. 2001. Career and College Advice to the Forgotten Half: What Do Counselors and Vocational Teachers Advise? *Teachers College Record* 103(5): 823–842.

Through interviews with 35 guidance counselors and 80 vocational teachers in 12 urban and suburban schools in the Chicago metropolitan area, Krei and Rosenbaum examine how guidance counselors evaluate students' suitability for college attendance after high school, the type of advice that they give to students, and how this advice may vary for different students. The authors find that most counselors express a "personal bias toward education" and tend to encourage all students to attend college regardless of their career interests or plans. On the other hand, vocational teachers offer a more nuanced view of whether students should go to college, and these teachers fit into four different categories. The "college for all" teachers tend to push college for all students but offer no explanation of its benefits. The "diplomats" try to encourage students to explore college alternatives, while the "straightforward" teachers provide meaningful information to students that do not exclude college attendance but would still allow students to achieve realistic career goals. Finally, the "hands-off" teachers take no action, as they believe that students need to make false starts in order to figure out that they need in terms of education and skills to achieve their goals later in life. The authors assert that vocational teachers are more likely to offer different types of advice because they have more direct knowledge of the labor market and are more familiar with the students' individual talents and interests. On the other hand, counselors who do not interact with students daily are generally trained to provide college admissions requirements rather than career advice. Krei and Rosenbaum recommend that school staff advise students about postsecondary options other than college, which would help students learn about the availability of jobs, their requirements, and potentials for career advancement.

Lee, Valerie E. and Ruth B. Ekstrom. 1987. Student Access to Guidance Counseling in High School. *American Educational Research Journal* 24(2): 287–310.

Using data from the first and second High School and Beyond (HS&B) surveys, the authors confirm that high school counseling is unequally distributed in schools across the country. Students from low-income and minority families and those in small schools in rural areas have less access to counseling and are more likely to be placed in nonacademic curricular tracks and to take fewer math courses. There is also an association between educational aspirations and access to career/college counseling, as students planning to attend two-year colleges receive less counseling than those planning to attend a four-year university. The study concludes that a more equitable distribution of guidance counseling should focus on making school outcomes more equitable for disadvantaged students.

Lippman, Laura, Lina Guzman, Julie Dombrowski Keith, Akemi Kinukawa, Rebecca Shwalb, and Peter Tice. 2008. *Parent Expectations and Planning for College* (NCES 2008-079). Washington, D.C.: National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education.

NCES examines traits associated with expectations of higher education and planning for college among students and their parents. The researchers base their study of 6,800 students on data reported to the Parent and Family Involvement in Education Survey of the National Household Education Surveys (NHES) Program. The study focuses on the educational level of parents, information about paying for college provided to students by their schools, and the degree of planning by students and parents for how to pay for college. Parents with at least a bachelor's degree were more likely to talk to their children early about college and college costs than parents that did not attend college. The study

also shows a direct correlation between high school achievement rates and when students received information from their schools about higher education and how to pay for it.

Long, Bridget Terry. 2004. *The Role of Perceptions and Information in College Access: An Exploratory Review of the Literature and Possible Data Sources*. The Education Resources Institute (TERI). Accessed on July 26, 2007, from http://teri.org/pdf/research-studies/ReseachReport_Long.pdf.

In her literature review, Long assesses what is currently known about the role of college cost perceptions on college access and choice, as well as the impact of financial aid knowledge. In particular, she presents findings from more than 10 surveys and evaluates whether these data sets can be useful for future analyses. She notes that most surveys assume that the existence of financial aid should encourage college enrollment by reducing cost anxieties, but that studies have largely failed to present convincing evidence of this assumption. Long's review of the literature also suggests that many students and families have little financial aid and college cost information, and many who do have some knowledge overestimate tuition and have incorrect information about financial aid. Long argues that these studies fail to establish a causal relationship between students having information about postsecondary education and their college decisions. However, she suggests that existing surveys might contribute to future analyses. In particular, the HSB, 1999 NHES, NELS88, 2002 ELS, and National GEAR UP surveys have a great deal of information on students' perspectives of college prices, but the data sets are often outdated and do not include longitudinal or directly relevant data. Long concludes that more research is necessary for policymakers to devise programs that are effective at increasing students' and parents' awareness of college prices.

Luna De La Rosa, Mari. 2006. Is Opportunity Knocking? Low-Income Students' Perceptions of College and Financial Aid. *American Behavioral Scientist* 49(12): 1670–1686.

Luna De La Rosa surveyed 11th and 12th graders in seven high schools in Los Angeles about how they learn about college and financial aid, and whether the information they receive impacts their college-going plans. The author finds that almost 80 percent of 11th and 12th graders rely on teachers, counselors, and coaches for financial aid information, followed closely by college representatives, family, and friends and classmates. The internet, media sources, and community organizations are less frequently cited as sources. Luna De La Rosa also suggests that parental educational levels can affect college aspirations and the likelihood that students will talk to them about financial aid. The author concludes that college and financial aid information create opportunities for low-income students to attend college, but this information must be integrated in the school and community to be effective.

Matus-Grossman, Lisa and Susan Gooden with Melissa Wavelet, Melisa Diaz, and Reishma Seupersad. 2002. *Opening Doors: Students' Perspectives on Juggling Work, Family, and College*. Manpower Demonstration Research Corporation (MDRC).

The authors interviewed 131 low-wage workers who are either current or former community college students at six selected institutions, or potential students who have never attended a credit-granting program at a community college, to examine strategies of student retention and enrollment. Although most respondents believe that college education is valuable for career mobility, few of them actually enroll or stay in school. The authors argue that students face significant financial challenges in sustained enrollment, such as income reductions when work hours are reduced in favor of classes, the need to support children, and insufficient financial aid. Many participants describe barriers to receiving

adequate financial aid, such as exceeding income thresholds, less than half-time attendance, previously defaulted student loans, and being on academic probation. In addition, college-going plans may conflict logistically with applying for safety net services such as Medicaid or food stamps. The authors also find that most students either are unaware that certain financial aid programs exist or track down the information by themselves. The article claims that the improvement of college-based services and support programs for low-wage workers would advance student enrollment and retention.

McDonough, Patricia M. and Shannon Calderone. 2004. The Meaning of Money: Perceptual Differences Between College Counselors and Low-Income Families About College Costs and Financial Aid. *American Behavioral Scientist* 49(12):1703–1718.

Using interviews with 63 counselors at 14 low-income high schools in Southern California, this study explores what counselors know about the financial aid process, their perceptions of African-American and Latino students' financial concerns, and how counselors disseminate aid information depending on their assumptions of the student population. McDonough and Calderone find that counselors complain that students are passive, assume that college is unaffordable, and are afraid to apply to college as a result. Counselors may steer students toward community colleges because they think that they will be more able to afford it. The authors argue that counselors' biases affect students negatively, especially minority students who may be able to receive strong aid packages at private institutions. The study concludes that further research is necessary to reveal how counselors perceive the college worthiness of their students, and how their perceptions lead students to applying to more or less prestigious colleges.

McSwain, Courtney. 2008. *Window of Opportunity: Targeting Federal Grant Aid to Students with the Lowest Incomes*. Washington, D.C.: Institute for Higher Education Policy.

In this study, the Institute for Higher Education Policy proposes policy changes to increase the maximum Pell Grant award for very low-income students. The report outlines the history of the Pell Grant, describes recipient demographics, and projects how increased minimum and maximum awards would affect the total number of recipients. The College Cost Reduction and Access Act of 2007 raised the income threshold for a zero EFC from \$20,000 to \$30,000. Rather than calculating zero EFCs for all students whose families make \$30,000 or less, McSwain argues that a range of EFCs below zero should be allowed. This change would require amending the Higher Education Act by modifying allowances for independent students, the calculation of student income, and the way EFC is applied to multiple students in college from the same household.

Mortenson, Thomas. 1988. Attitudes of Americans Toward Borrowing to Finance Educational Expenses, 1959–1983. *Student Financial Aid Research Report Series*. Iowa City, IA: American College Testing Program.

Noting the federal government's shift in student aid emphasis from grants to loans during the years from 1959 to 1983, Mortenson relies on Federal Reserve System consumer finance surveys to examine the attitudes of Americans toward loans to finance educational expenses. He finds that Americans are often willing to take out loans to finance college, and educational loans are viewed favorably by 70 to 85 percent of the population over a 24-year period. However, women, older people, the less educated, Latinos, and low-income households are less inclined to take out educational loans. Mortenson suggests that policies should attempt to change attitudes about borrowing among these groups, specifically by improving existing grant programs and developing alternatives to loans.

National Association for College Admission Counseling (NACAC) and the Project on Student Debt. 2007. *Balancing Acts: How High School Counselors View Risks and Opportunities of Student Loans*. Arlington, VA: NACAC.

This report discusses findings from the 2006 NACAC Secondary School Counseling Trends Survey, distributed to 10,000 high school guidance offices across the nation at 1,552 NACAC-member high schools and 8,448 nonmember public high schools. Survey results showed that high school counselors see worries about student debt affecting families' decisions about college and that counselors themselves are concerned about rising student debt. Additionally, counselors at schools with a majority of low-income students are more likely to say that fear of debt "strongly affects" college choices than counselors at schools with fewer low-income students.

Perna, Laura. 2004. *Impact of Student Aid Program Design, Operations, and Marketing on the Formation of Family-Going Plans and Resulting College-Going Behaviors of Potential Students*. The Education Resources Institute (TERI). Accessed July 27, 2007, from http://www.teri.org/pdf/research-studies/ReseachReport_Perna.pdf.

Perna summarizes the current literature about the extent to which families are affected by their awareness of college prices and student aid programs, and whether student aid program operations and marketing activities play a role in influencing this awareness. She describes research in four areas: first, the effect of parents on the formation of students' college-going aspirations; second, the level of awareness of college prices and financial aid programs among parents and students; third, the effects of this knowledge on rates of actual postsecondary attendance; and fourth, the efficacy of the marketing of student aid programs. The author notes that low-income, African-American, and Latino students and parents are more likely to face economic, social, and psychological barriers that limit parental involvement in developing their child's college aspirations and plans. The same population is likely to have limited or incorrect information about college prices and financial aid, which results in a gap between higher educational aspirations and actual college enrollment rates. Finally, Perna suggests that more research is necessary in order to study the timing of awareness of college prices and financial aid so schools can market student aid programs more effectively. She concludes that the first step toward enhancing awareness is to tackle the language barriers among ethnic groups.

The Project on Student Debt. 2008. *Denied: Community College Students Lack Access to Affordable Loans*. Berkeley, CA: The Project on Student Debt.

At least one million community college students across the nation lack access to federal student loans because their schools don't participate in the federal loan programs, researchers find. Moreover, the authors find significant gaps in loan access between racial and ethnic groups, as well as gaps in loan access among different states in the nation. One reason cited by colleges for nonparticipation is a desire to prevent unnecessary borrowing, although students without federal loan access who need to borrow may resort to riskier financing sources including credit cards and private loans. Alternatively, they may drop out or reduce their course load to reduce costs. Fears of high cohort default rates – a measure of how many of an institution's students are not able to repay their loans – and the sanctions that go with high rates also keep colleges from participating. The report's authors find that these fears are unwarranted, as no community colleges have suffered sanctions in recent years.

Rodriguez, Adele Lozano, Florence Guido-DiBrito, Vasti Torres, and Donna Talbot. 2000. Latina College Students: Issues and Challenges for the 21st Century. *NASPA Journal*, Vol. 37(3), Spring 2000.

Research on the educational aspirations and attainment of underrepresented groups frequently suffers from insufficient cultural understanding. While Latina college students have been largely ignored by researchers, they cope with many challenges brought on by this lack of cultural understanding and competence. This article documents some of these challenges and calls for a focus on high-achieving Latina students to uncover what practices are effective in reaching this population. To best encourage Latina academic success, institutions are encouraged to provide adequate financial aid and support, as well as a welcoming campus climate.

Sallie Mae Fund and Harris Interactive. 2003. *Financial Aid: The Information Divide*. Accessed August 1, 2007 from http://www.thesalliemae.org/smfnew/news/2003/news_nr184b.html.

This survey was conducted for the Sallie Mae Fund by Harris Interactive and involved 1,090 telephone interviews of parents and 811 students aged 18 to 24. The study reports vast inequalities among students and parents in terms of possessing financial aid information. Many parents and students are not aware of basic sources of financial aid and can not name scholarships or grants as a source of financial aid. Low-income and Latino families tend to get financial information later than upper income and other families. Lower income and minority parents are also less likely to identify common sources of financial aid. Nearly half of all parents wish that they had more information about paying for college. This study is part of a three-year initiative of Sallie Mae's called Project Access, which was designed to improve access to higher education, targeting underserved populations through increased media exposure, distribution of bilingual educational materials, and scholarship endowments.

St. John, Edward P. 2001. The Impact of Aid Packages on Educational Choices: High Tuition-High Loan and Educational Opportunity. *NASFAA Journal of Student Financial Aid* 31(2): 35–55.

In this study, St. John questions whether the expansion of loans has increased educational opportunity and rendered college access more equitable, with special attention to the federal government's goal of emphasizing loans to expand postsecondary options for the middle-class to attend expensive colleges while equalizing postsecondary opportunity for low-income students. Referring to prior studies of students enrolled in three time periods (1970s to early 1980s, late 1980s, and the 1990s), St. John examines the effects of changes in financial aid policy on college enrollment. He finds that students respond differently to college tuition and amount of grants, loans, and work-study awards, confirming socioeconomic variation in how students respond to prices and subsidies. Overall, St. John's review of the literature suggests that increasing inadequacy in federal aid in the late 1980s contributed to the growing gap in educational opportunity among minorities and low-income students. However, an increase in states' investment in students is found to be sufficient in negating the decline in federal grants.

Szelenya, Katalin and June C. Chang. 2002. Educating Immigrants: The Community College Role. *Community College Review* 30(2): 55–73.

In this literature review, the authors examine the extent of immigrants' enrollment in and performance at two-year colleges and the role of community colleges in serving the immigrant population. The article describes the basic demographics of the immigrant population, noting that Latino students are

least likely to progress beyond a community college education. In addition, institutional coordination within states is lacking, creating confusing policies such as different requirements for granting in-state tuition eligibility to immigrants. The authors recommend that community colleges offer additional counseling in English-language acquisition and vocational training to particular groups of less successful immigrants, such as Mexicans, Cambodians/Laotians, Salvadorans, and Dominicans. The authors conclude that further research is necessary to better understand length of residence, country of origin, and generational status in immigrant education issues.

Teran, Christopher. 2007. *Financial Barriers to Higher Education*. Department of Student Aid at Texas A&M University. Accessed on July 26, 2007, from <http://www.tgslc.org/pdf/StudiesonBarriers.pdf>.

Relying on a sample of 14,400 telephone interviews of Texas residents who are 25 years old or older, Teran identifies and measures barriers to higher education. He divides his study into five sections: academic, social, attitudinal, familial, and financial barriers. He devotes the most attention to financial barriers, citing those as the biggest obstacle to getting students to college. He finds that finances are a more prominent factor in deciding to go to college for first-generation students than non-first-generation students. In addition, respondents who have financial aid knowledge in high school or fill out a FAFSA are more likely to attend college than those who do not. Teran also notes differences among first-generation and non-first-generation immigrant groups in awareness of federal student financial aid programs and whether they actually fill out a FAFSA. But increased knowledge of financial aid does not directly correlate with higher rates of FAFSA completion. The author concludes that in order to change the status quo and remove the barriers to college attendance for current and future students, the following changes should occur: students should take responsibility for their college plans, parents should encourage their children to attend college, high schools counselors should expose students to college information, colleges should educate high school students and their families about the value and affordability of a college education, and community organizations should strengthen the relationship between schools and families in order to encourage students to attend college.

Terenzini, Patrick T., Alberto F. Cabrera, and Elena M. Bernal. 2001. *Swimming Against the Tide*. *College Board*. Accessed on July 26 2007, from http://www.collegeboard.com/research/pdf/rdreport200_3918.pdf.

This literature review summarizes the current knowledge of low-income students and their encounters with the higher education system, as well as providing new analyses of national databases to fill in existing gaps in the literature. The analyses consist of six sections including the college search, choice, and selection process; a profile of the collegiate experiences of students of low socioeconomic status (SES); persistence and degree completion; learning outcomes; enthusiasm for college and intention to enroll in a postbaccalaureate program; outcomes in job earnings, occupational status, and job satisfaction. The authors conclude with several policy recommendations, such as limiting the effect of socioeconomic status-related inequities in college enrollment and degree completion; reaching parents of low-SES students when children are in the 5th and 6th grades with information about financial aid and college; integrating state agencies, colleges, teachers, parents, and students to sustain degree completion in the long term (grades K through 16); and supplementing state and federal financial aid policies with additional resources to break down barriers to college attendance and completion.

Tierney, William G. and Kristan Venegas. 2006. Fictive Kin and Social Capital: The Role of Peer Groups in Applying and Paying for College. *American Behavioral Scientist* 49(12): 1687–1702.

This study uses data from a three-year study of six institutions, encompassing more than 10 focus groups with 75 peer counselors, to provide evidence that peer counselors can create a “culture of success” and act as a “fictive kin” group for their college-going peers. Tierney and Venegas argue that peer counseling does not take the place of positive adult influence but may provide an alternative source of college and financial aid information in high schools serving low-income students with overburdened counselors.

Titus, Marvin A. 2006. No College Student Left Behind: The Influence of Financial Aspects of a State’s Higher Education Policy on College Completion. *The Review of Higher Education* 29(3): 293–317.

Titus relies on student-level data from the 1996–2001 Beginning Postsecondary Students (BPS: 96/01) survey and institution-level data from the Integrated Postsecondary Education Data System (IPEDS) to explore the relationship between state higher education policy and college completion rates. He finds college completion is positively influenced by SAT score, socioeconomic status, college GPA, living on campus, and involvement during freshmen year. The likelihood of completing college is negatively associated with being African American, having unmet financial need, and working more than 11 hours per week. Statewide college completion rates increase with the share of higher education spending devoted to financial aid and also higher levels of need-based grant aid per college-aged individual in the state. However, college completion is not related to state demographics or economic characteristics, levels of state appropriations to four-year public or private institutions, tuition revenue from public or private institutions, or the number of private higher education institutions per student. These findings are consistent with prior research on socioeconomic status and college completion. Furthermore, this study provides evidence that federal and state governments should increase the share of higher education funding allocated to financial aid in order to improve completion rates.

Tornatzky, Louis, Richard Cutler, and Jongho Lee. 2002. *College Knowledge: What Latino Parents Need to Know and Why They Don’t Know It*. Los Angeles, CA: Tomas Rivera Policy Institute (TRPI).

The authors use data from a telephone survey of 1,054 Latino parents and in-depth interviews with 41 of those parents in Chicago, New York, and Los Angeles to investigate what Latino parents know about the college admissions process. These parents were asked to complete an eight-item “test” of factual college knowledge. The authors find that two-thirds of the respondents missed at least half of the items. In addition, parents of lower socioeconomic status and educational attainment exhibit the greatest knowledge deficit. Tornatzky et al. find that important sources of college-relevant information include counselors, teachers, family, printed materials, and the internet – but not English and Spanish mass media. The authors conclude with several recommendations to improve outreach to Latino parents, including bridging the language barrier, improving public service announcement campaigns, increasing the number of bilingual high school staff, making college visits more accessible, and increasing government funding for programs that raise college knowledge and awareness.

Trent, William T., Heather Sophia Lee, and Dawn Owens-Nicholson. 2006. Perceptions of Financial Aid Among Students of Color: Examining the Role(s) of Self-Concept, Locus of Control, and Expectations. *American Behavioral Scientist* 49(12): 1739–1759.

The authors use a variety of survey data sources to uncover distinctions in debt tolerance between racial and ethnic groups. Unlike other research, their sample does not find significant differences in debt tolerance between sexes or racial or ethnic groups. However, the authors do find debt tolerance to be related to students' attitudes, educational aspirations, and sense of family support, with more positive notions related to a greater willingness to assume educational debt.

Vargas, Joel H. 2004. *College Knowledge: Addressing Information Barriers to College*. The Education Resources Institute. Accessed on July 27, 2007, from <http://www.teri.org/pdf/research-studies/CollegeKnowledge.pdf>.

Vargas summarizes the existing literature on the barriers that low-income, minority, and first-generation students face in attending college. Defining “college knowledge” as the information that is necessary for students to apply to and attend college, Vargas claims that college-preparatory information and guidance are major components of successfully pursuing a college education. He also argues that there is a positive correlation between students' access to high school counselors and their enrollment in college-preparatory classes. Low-income, minority, and first-generation students and their families lack basic knowledge about college and have the greatest need for intensive guidance in educational and career goals. They are more likely to have trouble connecting their future career goals and educational decisions, for example failing to take courses required for college enrollment. These students are also more likely to have the greatest anxiety about college tuition and the financial aid process. Vargas also discusses the shift toward technological innovation, which may further exclude low-income and minority groups who do not have access to computers and the internet at home. Finally, the author presents research on the existence of community-based college access programs that serve college-aspiring and qualified students from underrepresented college backgrounds. Vargas concludes that these programs are effective interventions to address the inequalities in college knowledge by providing college awareness, high-speed internet access, and help in locating financial aid for students who need these tools the most.

Venegas, Kristan. 2006. Internet Inequalities: Financial Aid, the Internet, and Low-Income Students. *American Behavioral Scientist* 49(12):1652–1669.

Through focus groups and case studies of low-income urban high school students in California, Venegas investigates the impact of the digital divide for low-income students seeking information about financial aid and describes computer and internet access in low-income urban high schools. She finds that lack of computer access is not a widespread problem, and that low-income students generally have access to computers in a variety of settings. However, functioning computers and internet access alone are insufficient to bridge the digital divide, as college-bound students may still face technical difficulties in using the computer or have personal biases regarding internet usage.

Most students visit federal web sites, such as FAFSA.gov, but do not know that a similar site exists for Cal Grants. Many students also report that they prefer to look on the web sites of individual colleges rather than call the financial aid office for information. Students and parents are often suspicious of web sites not linked to a specific institution or the government and are reluctant to offer personal

information over the internet. In general, more attention should be paid to ensuring that students and parents understand internet-based financial aid processes and the resources available to them. Venegas recommends directions for further research.

Virginia State Department of Education. 1993. *Increasing the Academic Pool of Minority Students for Higher Education in Virginia*. Richmond, VA: Virginia State Department of Education.

The Virginia State Department of Education studied the obstacles that limit the number of minority students who are academically and financially prepared for higher education in the state. Identified issues include inadequate preparation of teachers and guidance counselors for instructing and providing information about college preparation, the disproportionate tracking of minority students into non-college-preparatory programs, lack of information offered to minority students and parents, and the lack of parental involvement and community support. Recommendations include preservice training for administrators, counselors, and teachers regarding the needs of minority students; increased parental involvement and community support for minority higher education; seminars, workshops, and conferences that provide college information; and reduction of academic tracking in high schools.

Zarate, Maria Estela and Harry P. Pachon. 2006. *Perceptions of College Financial Aid Among California Latino Youth*. Los Angeles, CA: Tomas Rivera Policy Institute (TRPI).

Using a survey administered to 400 Latino youth between the ages of 18 and 24 in California, Zarate and Pachon examine how the respondents perceive college costs, financial aid access, and benefits and opportunity costs of college attendance, as well as what they know about Cal grants, Pell Grants, and loan instruments. The study finds that nearly all of the respondents believe that it is important to have a college education but that almost 38 percent of the respondents do not believe that the benefits of college outweigh the costs of attending. Regarding access to aid, an overwhelming number of respondents say that financial aid is an important factor in their college plans. However, many of them (including foreign-born permanent residents) are not familiar with sources of financial aid or believe erroneously that students have to be U.S. citizens to apply for financial aid. Few students can correctly estimate the cost of attending a University of California or California State University. Many respondents are unfamiliar with grants and loans as sources of financial aid, and most are unwilling to incur debt for college. Additionally, students cite the complexity of the FAFSA and misconceptions about aid programs as barriers. The authors offer several recommendations, such as encouraging discourse on the benefits of college, correcting perceptions of college costs through media exposure, recognizing that access to Spanish translations is not equivalent to knowledge of financial aid concepts, and understanding that Latino youth are often responsible for taking the initiative in securing financial aid information as well as contributing to the economic well-being of their households.

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1411 K St., NW, Suite 1400
Washington, DC 20005

2054 University Ave., Suite 500
Berkeley, CA 94704
510.559.9509 phone
510.845.4112 fax
info@ticas.org

www.ticas.org