

Use of Fee Waivers to Register for the ACT

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As the first brief in a series of studies we are conducting to investigate ACT's fee waiver program, this report provides an overview of the number and percentage of ACT® national test date registrations that were completed with a fee waiver between the 2014-15 and 2018-19 school years.¹ Our findings include:

- Overall, about one out of five registrations for ACT national (i.e., Saturday) test dates were completed with a fee waiver. The share of ACT registrations completed with a fee waiver remained steady over the five school years studied.
- Within each of the five school years studied, the share of ACT registrations completed with a fee waiver followed a consistent pattern. We saw a peak for the October test date and a steady decline over the remainder of the school year; September and summer test dates had the lowest share of fee-waived registrations.
- Fee-waived registration rates varied considerably by state. In general, states with larger shares of students participating in free and reduced-price lunch (FRL) programs had higher fee-waived registration rates, whereas states with smaller shares of FRL students had lower fee-waived registration rates.
- In California, Florida, and Texas, one-third or more of ACT registrations were completed with a fee waiver. Given the sizable ACT-tested populations in these states, combined they accounted for 40% of all fee-waived ACT registrations nationwide.
- ACT's fee waiver program appears to be reaching its targeted students. Those high school students who have been traditionally underrepresented in higher education—e.g., students from low-income households and those who would be first-generation college students—were more likely than their peers to use a fee waiver to register for the test.

Taking the ACT test is an important step in the college-going process. Over 1,500 colleges across the US educating approximately 1.5 million first-time degree-seeking undergraduates either require, recommend, or consider test scores as a criterion for admission decisions.² Although ACT contracts with certain states and school districts to offer the ACT test during the school day, many college-bound students continue to take the test on one of seven national test dates on Saturdays throughout the year.³ The



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registration fees for taking the ACT on a national test date—at \$55 for the ACT without writing and \$70 for the ACT with writing for the 2020-21 school year—can be a financial burden for students from low-income families, thus potentially limiting their access to many colleges across the US.

To remove this financial burden and enable test-taking as well as increased subsequent college attendance among students from low-income families, ACT provides eligible students with fee waivers to use when registering for the ACT.⁴ These fee waivers include free access to ACT online test prep products, free additional score reports to send to colleges, and college application fee waivers that ACT encourages colleges and universities to accept.⁵ The fee waiver program is widely used by high school students. Between the 2014-15 and 2018-19 school years, over 2.3 million eligible students used fee waivers to register for more than 3.1 million ACT tests, for a total of \$161.4 million in waived registration fees.⁶

In this first brief, we focus on ACT registrations that were completed using fee waivers and not on the individual students who used the fee waivers to register. We focus on registrations because students could register to take the ACT on more than one test date and because students who were eligible for fee waivers could use up to two fee waivers to register for the ACT. Given this focus on registrations, our results include students who may have registered and tested multiple times in this five-year window.

How do students obtain an ACT fee waiver?

Students do not receive fee waivers directly from ACT. Instead, students request fee waivers from their high school or another participating organization, which confirms their eligibility before distributing the waiver. Schools and participating organizations place fee waiver orders with ACT at the beginning of each school year, with some placing orders multiple times per year. Each fee waiver has a unique serial number, which the student can use to register for the ACT (as well as to gain free access to ACT's paid online test prep product); the fee waivers can be used through August 31 of the subsequent school year in which they are distributed, so students can use them to register for the summer ACT test dates and the September test date for the next school year. Prior to the 2020-2021 school year, each student who was eligible could request up to two fee waivers; beginning in the 2020-2021 school year, this will increase to four fee waivers per student. Students who are eligible to receive ACT fee waivers must meet these three requirements:

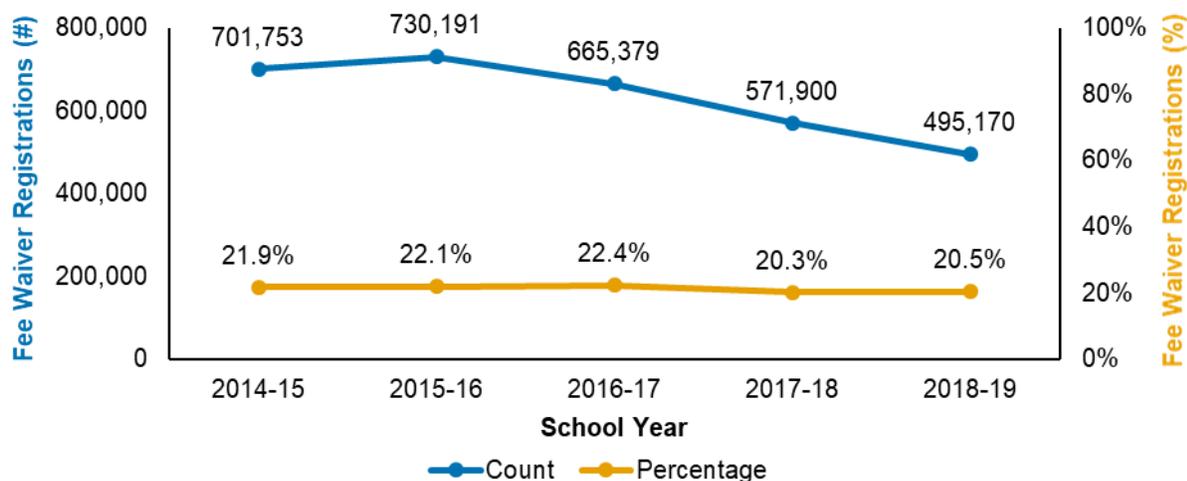
1. Be currently enrolled in high school in the 11th or 12th grade.
2. Test in the United States (including US territories and Puerto Rico).
3. Meet one or more indicators of economic need (e.g., receive free or reduced-price lunch).

For more information about ACT's fee waiver program and eligibility requirements, visit: <https://www.act.org/content/dam/act/unsecured/documents/FeeWaiver.pdf>.

Trends in Fee-Waived Registrations

Between the 2014-15 and 2018-19 school years, the percentage of ACT registrations that were completed with a fee waiver remained steady, decreasing by about 1.5 percentage points over five years (see Figure 1). While the percentage of all fee-waived registrations remained relatively stable, the *number* of registrations completed with a fee waiver decreased by 29% over the five-year period studied—from 701,753 in 2014-15 to 495,170 in 2018-19. This decrease matches a broader five-year decline in the overall number of students registering to take the ACT on national test dates.

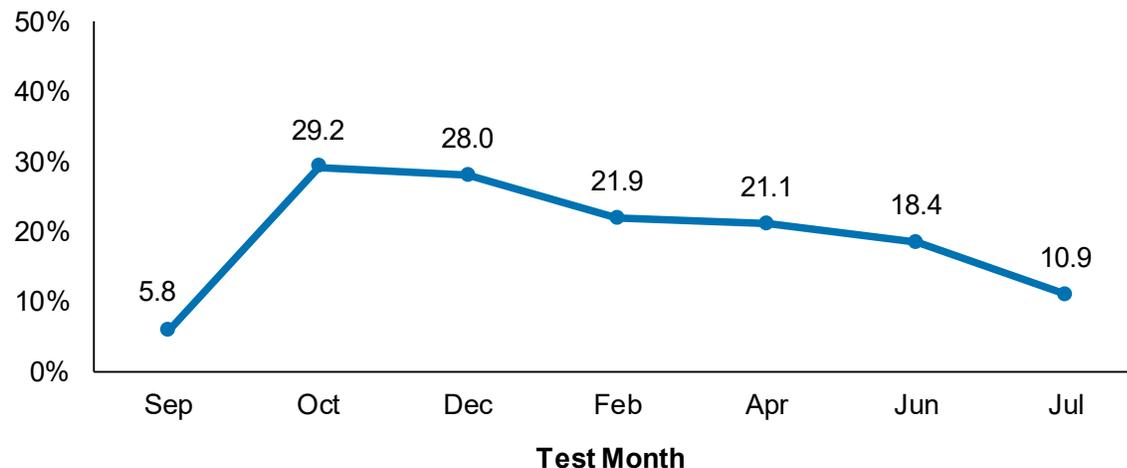
Figure 1. Number and Percentage of ACT Registrations Completed with a Fee Waiver by School Year



Fee-Waived Registrations across Test Dates

While the percentage of students registering with a fee waiver was relatively consistent over time, the percentage of ACT registrations that were completed with a fee waiver varied among the national test dates in a given school year (see Figure 2). Specifically, the September and July national test dates had substantially lower shares of students registering for the ACT with a fee waiver compared to other test dates. One possible reason for this is that fewer eligible students had access to fee waivers during the summer months when school was not in session.⁷ The share of ACT registrations completed with a fee waiver peaked for the October test date and steadily declined over the remainder of the school year. This pattern by national test date was consistent over the five-year period.

Figure 2. Percentage of ACT Registrations Completed with a Fee Waiver by Test Month (5-year Aggregate)

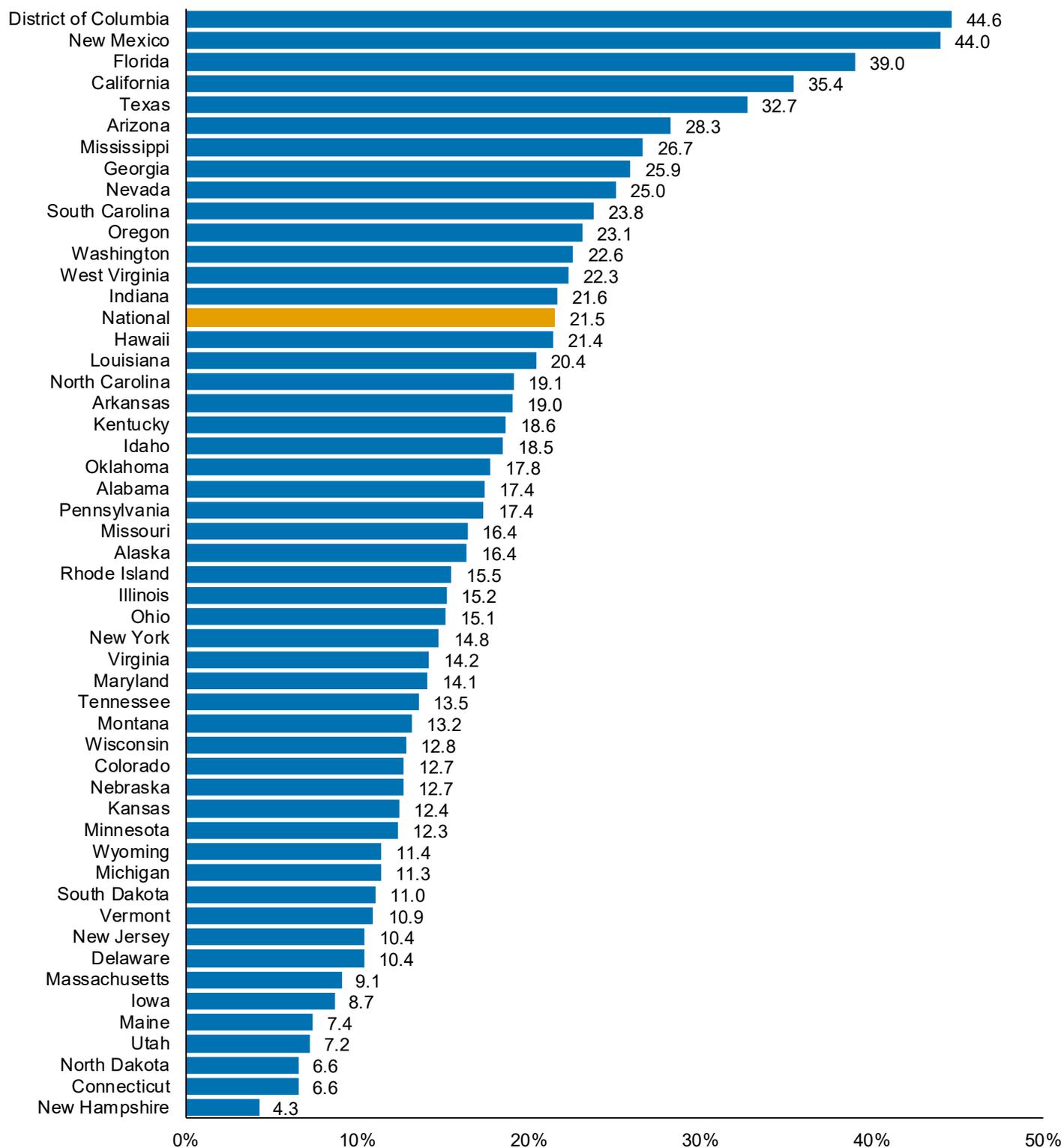


Note: Only a 2-year aggregate is provided for the July test date, as this test date was first offered in 2017-18.

Fee-Waived Registrations across States

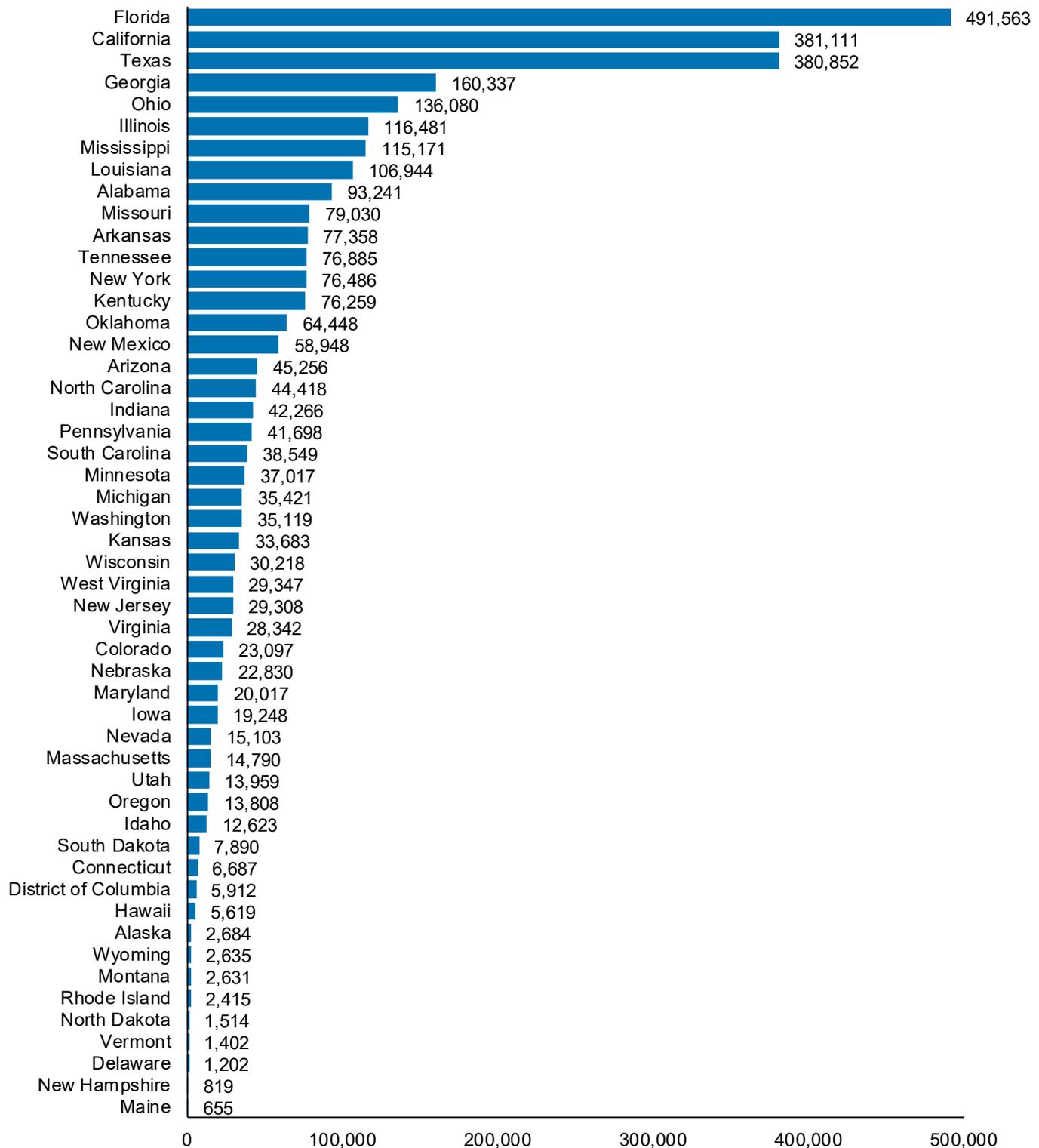
Over the five school years included in this study, the percentage of registrations completed with a fee waiver varied substantially across the US (see Figure 3). In the District of Columbia and New Mexico, nearly half of all ACT registrations were completed with a fee waiver. In Florida, two out of five registrations were completed with a fee waiver, and in California and Texas roughly one-third of ACT registrations were completed with a fee waiver. In other states, like New Hampshire, North Dakota, Connecticut, Utah, Maine, Iowa, and Massachusetts, less than 10% of ACT registrations were completed with a fee waiver. One of the major contributors to the between-state variation in fee-waived registration rates is the difference in their shares of students who are eligible for a fee waiver. In general, we find that states with larger shares of students participating in free and reduced-price lunch (FRL) programs have higher fee-waived registration rates, whereas states with smaller shares of FRL students have lower fee-waived registration rates.⁸

Figure 3. Percentage of ACT Registrations Completed with a Fee Waiver by State (5-year Aggregate)



While the prior comparison is based on the percentage of ACT registrations completed with a fee waiver within a given state, we also looked at which states had the highest number of fee-waived ACT registrations over the five school years. Here, the states ranked differently (see Figure 4). Three states—Florida, Texas, and California—when combined ($n = 1,253,526$) accounted for about 40% of all ACT registrations completed with a fee waiver nationally ($n = 3,159,376$) over the five-year period. Every other state accounted for only 5% or less of the national number of fee-waived ACT registrations.

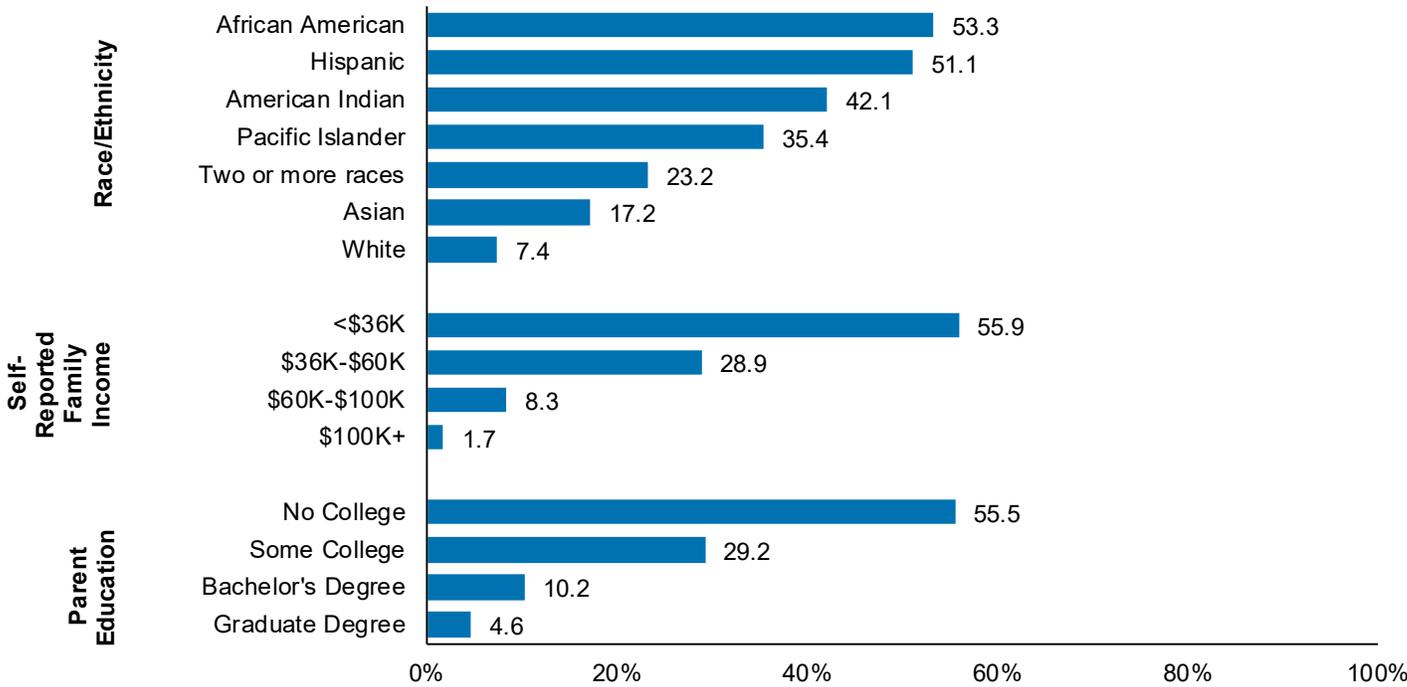
Figure 4. Number of Fee-Waived ACT Registrations by State (5-year Aggregate)



Fee-Waived Registrations among Students Who Are Traditionally Underrepresented in Higher Education

Over the five school years included in this study, fee waivers have been used to register for the ACT at higher rates by students who have been historically underrepresented in US higher education (see Figure 5). Specifically, the shares of ACT registrations completed with a fee waiver were the highest among students of color, students from lower-income families, and students who would be among the first in their family to attend college.⁹ Over 50% of ACT registrations were completed with a fee waiver among African American and Hispanic students; among American Indian students, 42% of ACT registrations were completed with a fee waiver. Both students who self-reported a family income of less than \$36,000 and students whose parents did not attend college had fee-waived ACT registration rates of 56%.¹⁰

Figure 5. Percentage of ACT Registrations Completed with a Fee Waiver by Student Characteristics (5-year Aggregate)



Conclusion

Independent research has found that expanding access to the ACT increases students' access to and opportunities within higher education.¹¹ This access to a wider array of colleges is especially important for students who are traditionally underrepresented in higher education, given that colleges with more-selective admissions policies tend to have better returns for these students than colleges with open admissions.¹² Given our mission to help people achieve education and workplace success, ACT has been expanding its fee waiver offerings and promoting their use among eligible students. Roughly one out of five registrations for an ACT national test date is completed with a fee waiver, reaching students who identify as members of populations traditionally underrepresented in higher education, including students of color and students from low-income families. Despite this progress, a surprising number of students who register for the ACT with a fee waiver do not end up sitting to take the ACT on their registered test date. The next briefs in this series will further illuminate the issue of test-day absenteeism, address students' reasons for being absent, and suggest potential ways to improve attendance rates for students registering for the ACT with a fee waiver.

Notes

1. This brief focuses on registration for ACT national test dates. State and district testing are not considered in this report because with state and district testing, the state or district pays to have the ACT administered at no cost to students; fee waivers are thus not applicable in this context.
2. Integrated Postsecondary Education Data System, 2018.
3. The seven national test dates are scheduled for September, October, December, February, April, June, and July each year. ACT began offering a July test date in the 2017-18 test year. Prior to that test year, ACT offered six national test dates per year.
4. For the years studied, ACT provided two fee waivers per eligible student; beginning in the 2020-21 school year, this is increasing to four fee waivers per eligible student.
5. From September 2018 through August 2020, students could receive up to 20 free additional score reports. Beginning in September 2020, this will be unlimited free additional score reports. Many colleges recognize the college application fee waivers provided by ACT, including all Common App institutions.
6. The dollar amount was calculated by multiplying the number of students who registered with a fee waiver by the registration fee for their selected test option and test year. Registration fees differed by test option (i.e., the ACT or the ACT with writing) and test year.

7. Because ACT distributes fee waivers to schools and other organizations, who then distribute them to students, rates of ACT registrations completed using a fee waiver during the July and September ACT test dates are likely impacted by schools not being in session during the registration window for these dates.
8. We found a strong correlation (0.79) between states' FRL rates and their fee-waived registration rates. FRL data for this calculation are from the 2018 Digest of Education Statistics, Table 204.10. https://nces.ed.gov/programs/digest/d18/tables/dt18_204.10.asp?current=yes.
9. Data on student and family characteristics are self-reported. When students register to take the ACT test, they are asked a number of questions about themselves and their families, including their race and ethnicity, their family's income, and the education level of their parent(s)/guardian(s).
10. Although most students from households earning over \$60,000 would not qualify for an ACT fee waiver, students do not always accurately self-report their family income. As a result, we find small percentages of students in higher self-reported income categories whose ACT registration fees are waived.
11. Joshua Hyman, "ACT for All: The Effect of Mandatory College Entrance Exams on Postsecondary Attainment and Choice," *Education Finance and Policy* 12, no. 3 (Summer 2017): 281-311. https://doi.org/10.1162/EDFP_a_00206.
12. Stacy B. Dale and Alan B. Krueger, "Estimating the Return to College Selectivity of the Career Using Administrative Earning Data," *The Journal of Human Resources* 49, no. 2 (Spring 2014): 323-358. <https://doi.org/10.3368/jhr.49.2.323>.

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