



Using Financial Aid to Incentivize Academic Success: The Performance-Based Scholarship Demonstration in California

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Outline

- I. Project Background
- II. The Program
- III. Scholarship Take-Up Rates
- IV. Summary and Next Steps

Who is MDRC?

MDRC is a nonprofit social policy research company, dedicated to finding what works to help low-income and minority populations.

www.mdrc.org

Why Performance-Based Scholarships?

Performance-based scholarships:

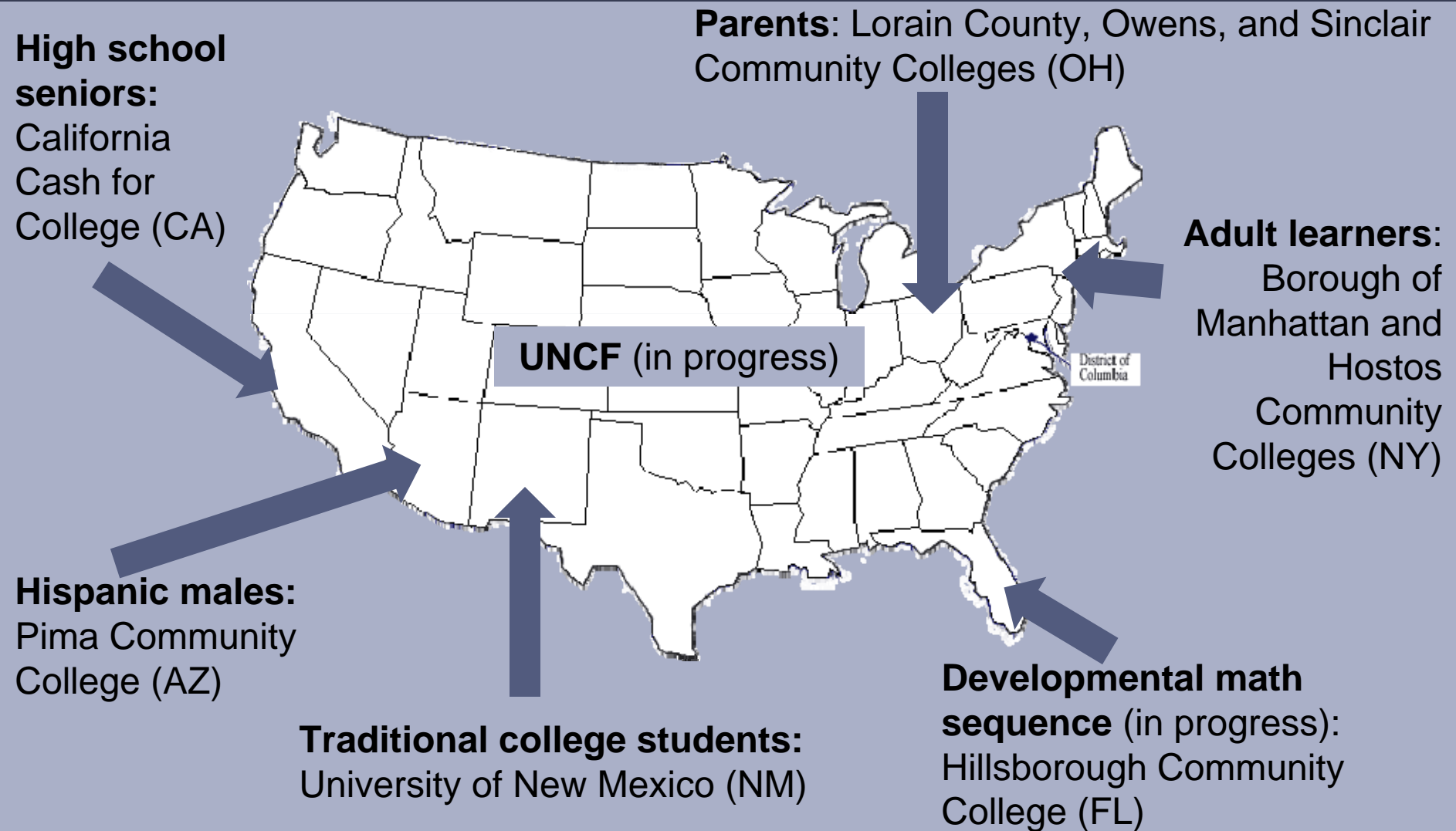
- Need-based grants
- Contingent on academic performance and/or student services
 - In California, the scholarship is contingent upon earning 6 or more credits with a “C” or better average
- Paid directly to students
- Paid in addition to other financial aid, such as Pell

Overview of the Performance-Based Scholarships (PBS) Demonstration

Currently testing variations at seven colleges and one intermediary:

- Target group
- Dollar amount of the scholarships
- Duration of the scholarships
- Types of counseling and other services accompanying the scholarships
- Administrative arrangements for disbursing scholarships
- Schedule of scholarship payments

PBS Sites and Program Strategies



California Program Model

“Portable” design: scholarship can be used anywhere

Scholarships vary in amount and duration

Target population:

- Low-income high school seniors applying for financial aid at a **California Cash for College Workshop**
- Target workshops in 4 regions of CA (Los Angeles, Far North, Kern, Capital)

California Scholarship Schedule

Total Award Amount	Fall 2009	Spring 2010	Fall 2010	Spring 2011
\$1000 CFC Award	\$1,000	--	--	--
\$1000 PBS Award	\$1000	--	--	--
\$1000 PBS Award	\$500	\$500	--	--
\$2000 PBS Award	\$1000	\$1,000	--	--
\$2000 PBS Award	\$500	\$500	\$500	\$500
\$4000 PBS Award	\$1000	\$1,000	\$1000	\$1,000

- Fall payments are in two installments (initial and final), while spring payments paid in full after the end of the term:
 - Initial payment contingent upon enrollment in approved institution
 - Final payment contingent upon completing 6+ credits with a “C” or better average
- For a semester-based institution (not quarter-based)

California Sample Sizes and Cohorts

Program evaluated using a random assignment design

- All students (program and control) continue to receive federal / state aid as usual (Pell Grants, Cal Grants, etc.)

Fall 2009: 2,310 study students, about 50% of total sample

- Los Angeles: 583 program group; 1,166 control group
- Far North: 187 program group; 374 control group

Fall 2010: Sample is currently being randomly assigned for four study regions: Los Angeles, Far North, Kern / South San Joaquin Valley, and the Capitol Region

California PBS Survey

Survey conducted on all study group members, with sections on:

- Educational experiences – school(s) attended, enrollment, courses attempted, grades, time spent studying, etc.
- Work experiences – number of jobs, hours worked, etc.
- Attitudes towards school/classes – motivation levels
- Scholarship-specific – preferences on payment amounts and payment points, performance criteria, etc.
- Health and peer-relationship – support systems, health-related issues, etc.

Fall 2009 Cohort – Survey being conducted now

Baseline Characteristics: Fall 2009 Cohort

Characteristic	Fall 2009 Cohort
Female (%)	61.0
Average age (years)	17.6
Race (%)	
Hispanic / Latino	64.0
White	18.2
Black	3.3
Asian / Pacific Islander	11.4
Other	3.1
First person in family to attend college (%)	56.5
Language other than English spoken regularly at home (%)	65.5
Sample Size	2,310

Scholarship Receipt: Initial Fall 2009

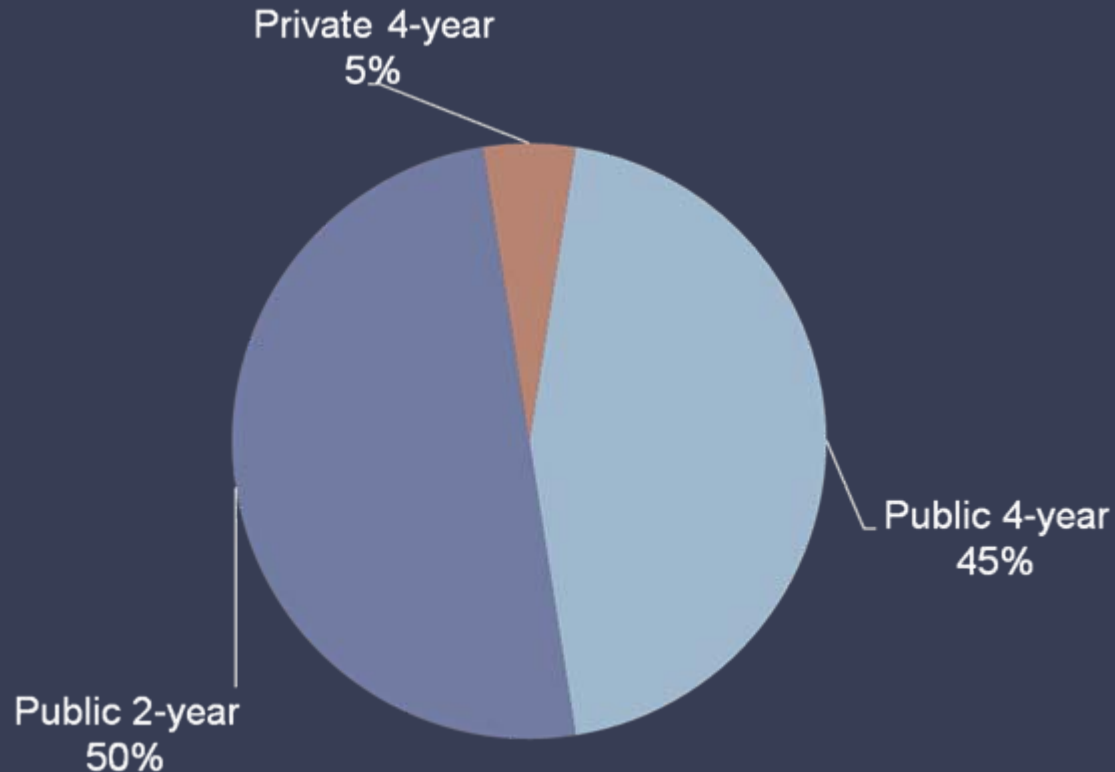
Outcome	Program Group
Received initial fall 09 payment (%)	84.7
Credits attempted	12.8
Enrolled full-time (%)	81.0
Enrolled part-time (%)	19.0

Matriculation Patterns Among Scholarship Recipients: Fall 2009 Cohort

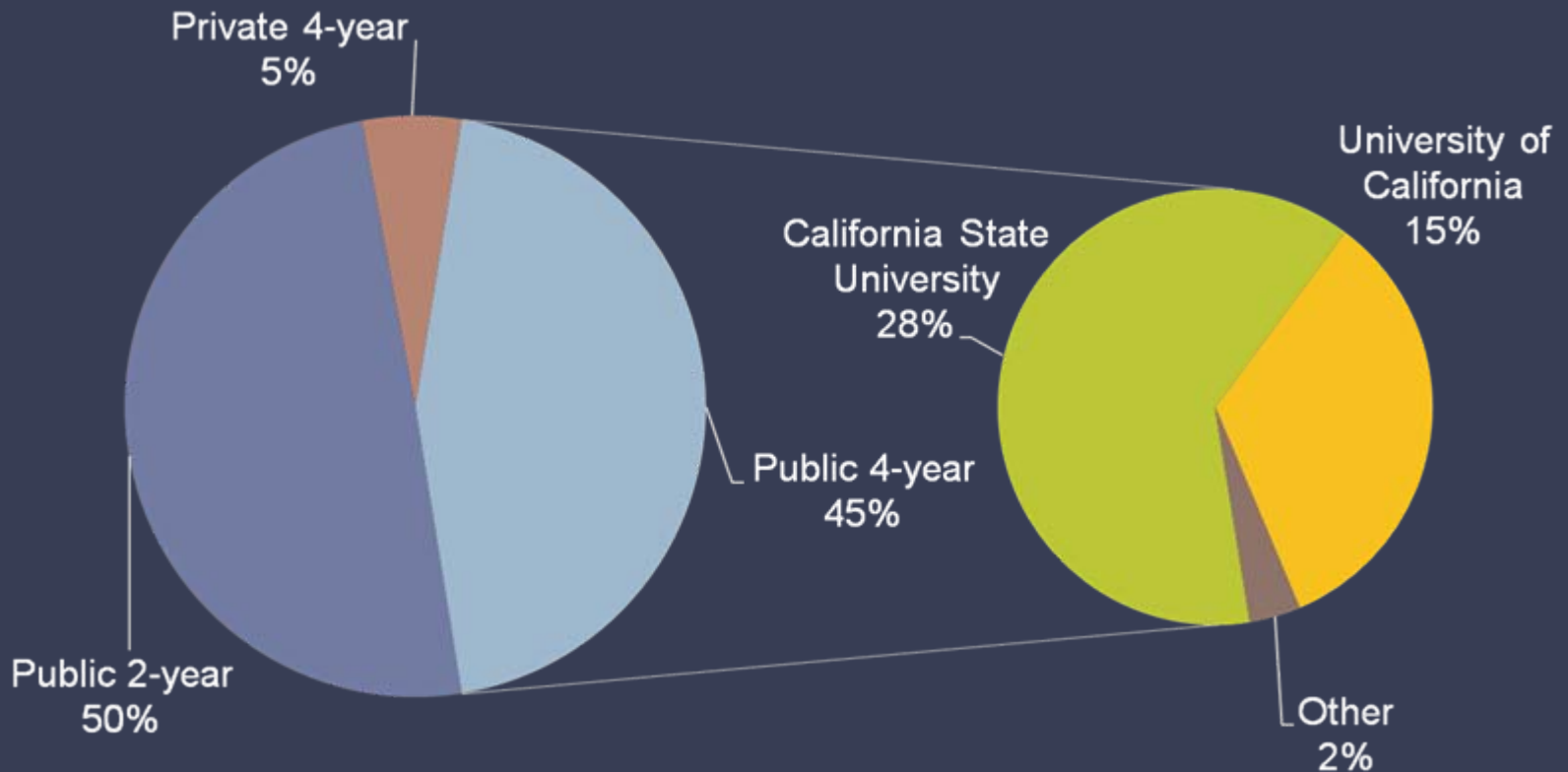
Most common institutions:

- Shasta College (2-year)
- California State University - Los Angeles (4-year)
- California State University - Long Beach (4-year)
- Butte College (2-year)
- California State University - Northridge (4-year)
- East Los Angeles College (2-year)
- Santa Monica College (2-year)
- Pasadena City College (2-year)
- El Camino College (2-year)
- Mount San Antonio College (2-year)

Matriculation Patterns Among Scholarship Recipients: Fall 2009 Cohort



Matriculation Patterns Among Scholarship Recipients: Fall 2009 Cohort



Coming Up

Data Analysis in the future:

- National Student Clearinghouse data, to look at enrollment patterns and degree receipt for both program and control group members
- Student Survey data (self-reported)
- FAFSA data, obtained by the California Student Aid Commission
- Exploring other options

Upcoming Reports:

- Final report for California in 2012, possibly an early findings report this year
- Early findings for Ohio and New York later this year

Questions?

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