

Study shows simplifying financial aid process improves access to higher education

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For years, studies have shown that young people from low-income households across North America are less likely to apply to college or university than peers from higher-income families. Now, a groundbreaking new study shows the solution may be as simple as helping students with the financial aid process.

The study - conducted by researchers from the University of Toronto, Harvard, Stanford and the National Bureau of [Economic](#) Research - tracked nearly 17,000 low-income Americans to determine whether cumbersome [financial aid](#) forms and lack of information were preventing them from accessing higher education.

Their dramatic results, published today in a working paper by the National Bureau of Economic Research, show many more low-income students would make it to college if they had better information and help filling out financial aid and application forms.

"Research across North America, including a recently-released report in Ontario, has highlighted the fact that qualified low-income students do not apply to higher education in the same numbers as their qualified peers from wealthier backgrounds," says Philip Oreopoulos, an associate professor of economics at the University of Toronto. "Our study shows that simply helping disadvantaged students complete complex financial aid and application forms can greatly improve their chances of accessing higher education. Just helping Grade 12 students fill out the financial aid form increased college enrolment rates by 30 per cent."

The program also increased college enrolment by 20 per cent for young adults who were already out of high school, says Oreopoulos.

The study took place over the 2008 tax season, when researchers asked families and individuals earning less than \$45,000 a year to participate in a study at H&R Block offices in Ohio and North Carolina. Randomly-selected participants were told about financial aid options and H&R Block employees helped some fill out the financial aid form. The team then tracked participants' progress to determine whether streamlining the application process and providing information increased college enrolment.

The results were staggering, says Oreopoulos, and have important implications for policy in both the U.S. and Canada. Just this summer, the U.S. Department of Education announced its effort to simplify the financial aid application and provide more information to families in need of support

"While our study focused on implementing a made-for-America solution to improve access to [higher education](#), it's likely that similar issues are impeding low-income Canadians from going to college or university," says Oreopoulos.

"Across Canada there are a variety of programs that help disadvantaged students attend colleges and universities. This includes grants and loans sponsored by governments, and institutional bursaries. Yet, it seems that [students](#) are impeded by a lack of information about these programs, and uncertainty about applying for them. Our American results provide exciting examples of how simple solutions to the problem do exist, and they could exist in Canada as well."

Source: University of Toronto ([news](#) : [web](#))

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