

Social Programs That Work Review

Evidence Summary for H&R Block’s College Financial Aid Application Assistance

HIGHLIGHTS:

- **PROGRAM:** Streamlined personal assistance in completing a college financial aid application provided to low and moderate income families with a dependent child at or near college age.
- **EVALUATION METHODS:** A multi-site randomized controlled trial (RCT).
- **KEY FINDINGS:** A statistically significant 8 percentage point increase in college persistence (i.e., enrollment for two consecutive years) at the 3½-4 year follow-up. A 3 percentage point increase in degree completion at the 9½-10 year follow-up that was not statistically significant, and is therefore suggestive but not yet reliable evidence of an effect.

I. Evidence rating: **SUGGESTIVE TIER**

The standard for Suggestive Tier is:

Programs that have been evaluated in one or more well-conducted RCTs (or studies that closely approximate random assignment) and found to produce sizable positive effects, but whose evidence is limited by only short-term follow-up, effects that fall short of statistical significance, or other factors. Such evidence suggests the program may be an especially strong candidate for further research, but does not yet provide confidence that the program would produce important effects if implemented in new settings.

II. Description of the Program:

To be eligible for federal financial aid for college, applicants must normally complete a detailed form – the Free Application for Federal Student Aid, or “FAFSA” – which in 2008 was eight pages in length with over 100 questions, and included three additional worksheets with nearly 40 questions. In this program, H&R Block – a national tax preparation company – provided streamlined personal assistance in completing the FAFSA to customers at their tax preparation offices who were low or moderate income and had a family member at or near college age without a bachelor’s degree.

Key elements of the assistance are summarized as follows: (i) specially-designed software used the family’s tax return data to answer most items on the FAFSA; (ii) the H&R Block tax professional conducted a brief (10 minute) interview with the family to answer the remaining questions; (iii) the tax professional provided immediate estimates of the amount of financial aid the targeted family member was eligible for, and the net tuition cost of four nearby public colleges; (iv) if all FAFSA information was complete, the tax professional offered to submit the FAFSA electronically to the U.S. Department of Education; and (v) if not all information was complete, a call center phoned the family after the interview to collect answers to the remaining questions and then facilitated submission of the FAFSA to the Department of Education.

As delivered in the study described below, this program cost approximately \$97 per program participant, in 2017 dollars. The study found that the program also increased federal financial aid payments by an average of \$402 per participant.

The program was delivered as part of a time-limited demonstration project; resources to foster program dissemination (e.g., a website) have not yet been developed.

III. Evidence of Effectiveness:

This summary of the evidence is based on a systematic search of the literature, and correspondence with leading researchers, to identify all well-conducted randomized controlled trials of this program. Our search identified one such trial. What follows is a summary of the study design and the program’s effects on the main outcomes measured in the study, including any such outcomes for which no or adverse effects were found.

Overview of the Study Design: A multi-site randomized controlled trial launched in 2008 at 156 H&R Block tax preparation offices across most of Ohio and the Charlotte, North Carolina area.

In the trial, families that had just completed their taxes in the H&R Block office were screened by computer software to identify those with incomes less than \$45,000 per year, and a family member at or near college age without a bachelor’s degree (the “targeted participant”). If the targeted participant was interested in learning more about college and/or participating in the study, he or she provided verbal informed consent, and then was randomly assigned to one of two groups:

- A FAFSA treatment group that received H&R Block’s FAFSA assistance program described above; or
- A control group, for whom the tax professional provided only a brochure on the importance of higher education and general information on college cost and financial aid.¹

¹ The study also contained a third randomly-assigned group, for whom the tax professional provided “information only”—i.e., an estimate of the amount of financial aid they were eligible for, and the net tuition cost of four nearby public colleges, but no assistance in completing the FAFSA. The study found no significant effects for this group on the main outcomes of interest; thus, in the remainder of this write-up, we omit this group from both the sample description and the summary of results.

The overall sample contained the following subsamples of interest, which were specified prior to study implementation: (i) a “dependent” subsample, comprised of high school seniors and recent graduates who were financially dependent on their parents; and (ii) an “independent” subsample, comprised of adults age 24-30 who had not completed college.² We have identified only the effects for the dependent subsample as meeting the Suggestive Tier evidence standard, and our write-up therefore focuses on this subsample. The effects found for the independent subsample were substantially smaller, and are not summarized here.

In the dependent subsample, approximately 1,045 targeted youth averaging 17.7 years of age were randomly assigned. Approximately 57% were female, 55% were white, and 39% were African American. Their family’s average income was about \$24,641 in 2017 dollars.

Effects of the program on the dependent subsample during the 3½ -4 years after random assignment:

All effects shown are statistically significant at the 0.05 level.

- An 8 percentage point increase in college enrollment in the first year following random assignment (42.3% of the FAFSA group enrolled vs. 34.2% of the control group).
- An 11 percentage point increase in receipt of a federal need-based (“Pell”) grant in the first year following random assignment (40.2% of the FAFSA group vs. 29.6% of the control group).
- An 8 percentage point increase in college enrollment for two consecutive years (36.0% of the FAFSA group vs. 28.0% of the control group).

Effects of the program on the dependent subsample 9½ -10 years after random assignment:

The study found a 3 percentage point increase in the rate of completion of either a two-year or four-year degree (21.6% of the FAFSA group vs. 18.9% of the control group), and a 4 percentage point increase in the rate of degree completion or current enrollment (24.6% of the FAFSA group vs. 20.9% of the control group). However, neither of these findings were statistically significant; they are therefore suggestive but not yet reliable evidence of an effect.³

Discussion of Study Quality:

- This was a, multi-site study that evaluated the program as delivered at scale in 156 H&R Block tax preparation offices in two states, thus providing evidence of the program’s effectiveness under real-world implementation conditions.
- The study had a long-term follow-up (9½-10 years after random assignment) and moderate sample attrition. In the dependent subsample described above, outcomes at both follow-up points

² The study also had another subsample of interest – high school sophomores and juniors age 15-17 not yet eligible to apply for the FAFSA, which the study included to examine the effects of early information on college attendance. The findings for this subgroup have not been reported.

³ The p-values were 0.34 for degree completion, and 0.19 for degree completion or current enrollment.

were obtained for approximately 75% of the individuals randomly assigned, and follow-up rates were virtually the same for the FAFSA treatment group and control group.^{4&5}

- The FAFSA treatment group and control group members in the follow-up sample were highly similar in their observable pre-program characteristics (e.g., demographics, educational expectations). This is true of both the overall sample and the dependent subsample described above.
- The study appropriately sought to measure outcomes for all individuals assigned to the FAFSA treatment group, regardless of whether they completed or submitted a FAFSA form (i.e., the study used an “intention-to-treat” analysis).
- All outcomes were measured using administrative data collected by independent organizations – namely, the U.S. Department of Education (for data on financial aid awarded) and the National Student Clearinghouse (for data on college attendance).⁶

V. References:

Bettinger, Eric P., Bridget Terry Long, Philip Oreopoulos, and Lisa Sanbonmatsu. “The Role of Simplification and Information in College Decisions: Results from the H&R Block FAFSA Experiment, Addendum on College Completion.” *National Bureau of Economic Research Working Paper No. 15361 – Addendum*. October 22, 2018.

⁴ Sample attrition in this study was caused by the informed consent process, as follows. While the study appropriately obtained families’ verbal consent to study participation prior to random assignment, families were not asked to formally sign the written consent form until the end of their interview with the tax professional. In some cases, the tax professional mistakenly sent the consent form home with the families, preventing the study from obtaining their outcome data. This produced equivalent rates of sample loss in the treatment and control groups.

⁵ The follow-up rate for the entire dependent subsample – including the high school seniors and recent graduates that we focus on in this write-up, as well as the younger students age 15-17 described in footnote 2 – was 75.4%, and was equivalent for the treatment and control groups (75.6% and 75.1% respectively). H&R Block did not provide the study researchers with the follow-up rate specifically for the high school seniors and recent graduates, but there is strong reason to believe it closely mirrored the above rates, as follows: (i) the follow-up rates were nearly identical across all samples that the study reported on – including the full sample, the subsample of independent adults, the entire dependent subsample, and the treatment and control groups within these subsamples (rates range from 75.1% to 77.7%) – providing reasonable confidence that similar rates apply to the subsample of dependent high school seniors and recent graduates; and (ii) for this subsample, follow-up data were obtained for virtually the same number of treatment and control group members (390 and 398 students, respectively), mirroring the study’s one-to-one random assignment ratio and confirming that sample loss was likely equivalent for the two groups.

⁶ The National Student Clearinghouse (NSC) data encompass more than 3,300 colleges, enrolling 93% of U.S. college students. This includes 92% of all enrollments in Ohio and North Carolina. For one of the study outcomes we summarize in this write-up – college attendance in the first year following random assignment – data from the Ohio Board of Regents are used to complement the NSC data. (The Board of Regents data cover some Ohio vocational colleges not included in the NSC.)

Bettinger, Eric P., Bridget Terry Long, Philip Oreopoulos, and Lisa Sanbonmatsu. “The Role of Application Assistance and Information in College Decisions: Results from the H&R Block FAFSA Experiment.” *Quarterly Journal of Economics*, August 2012, vol. 127, no. 3.

Bettinger, Eric P., Bridget Terry Long, Philip Oreopoulos, and Lisa Sanbonmatsu. “The Role of Application Assistance and Information in College Decisions: Results from the H&R Block FAFSA Experiment,” July 2011. (This paper reports on the program’s short-term effects, in the fall semester following the program.)