

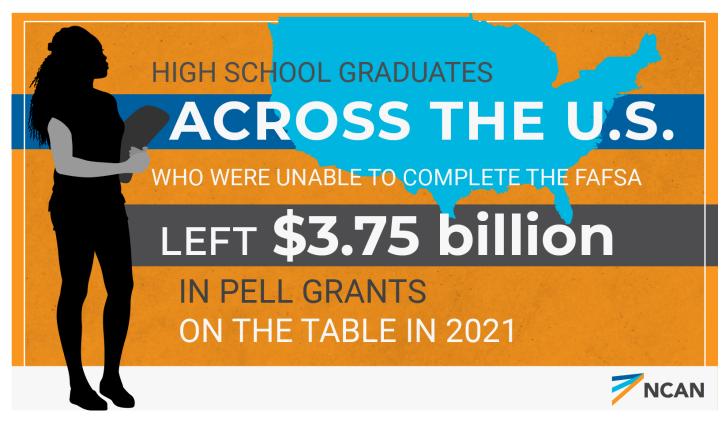
# WHY INVEST IN INCREASING FAFSA COMPLETION?

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## The Challenge

Financial aid makes education after high school more affordable – but first, students have to apply by filing the Free Application for Federal Student Aid (FAFSA).

Each year, millions of students who are eligible for aid dollars are unable to complete the FAFSA, leaving money on the table that could have helped them pursue postsecondary education.



Only an estimated 53% of class of 2021 graduates completed the FAFSA (https://www.ncan.org/news/news.asp?id=573024) by about June 30, according to data from Federal Student Aid. And a January 2022 NCAN analysis (https://www.ncan.org/news/592984/NCAN-Report-3.75-Billion-in-Pell-Grants-Goes-Unclaimed-for-High-School-Class-of-2021.htm) estimates that class of 2021 FAFSA noncompleters would have been eligible for an astounding \$3.75 billion in Pell Grants (https://www.ncan.org/page/pell), federal need-based awards that do not need to be repaid.

There are many reasons why students and families are unable to successfully apply for financial aid – some students may not even know that aid opportunities exist.

NCAN member organizations across the country support students through the FAFSA completion process, often through one-on-one advising. But the demand for assistance outweighs the supply.

## THE LEAKY OF 1.9 MILLION HIGH SCHOOL SENIORS FROM LOW-INCOME BACKGROUNDS **FAFSA PIPELINE** PATHWAY THROUGH THE FAFSA PROCESS MORE THAN 40% OF THOSE SENIORS MAY NOT SUBMIT A FAFSA (1 FIGURE REPRESENTS 100K STUDENTS) TOP REASONS STUDENTS DO NOT SUBMIT A FAFSA 1. DO NOT KNOW HOW OR THAT THEY COULD 442 K 44% are selected for verification 2. ARE DEBT AVERSE OR THINK CREDIT IS TOO LOW 3. ARE NOT PURSUING COLLEGE 4. BELIEVE THE FORM IS TOO COMPLICATED 32K OR 7% OF THOSE SELECTED FOR VERIFICATION WILL EXPERIENCE **ONLY 38%** "VERIFICATION MELT" OF STUDENTS FROM LOW-INCOME BACKGROUNDS **ENROLL USING SUBSIDIZED AID\*** 265K OR 26.5% WHO ARE AWARDED SUBSIDIZED AID\* WILL EXPERIENCE "SUMMER MELT" 702K +++++ ATTAINMENT

To make matters worse, students who could benefit from financial aid the most are less likely to apply for it.

A 2018 paper (https://www.ncan.org/news/news.asp?id=456112) commissioned by NCAN found that, in most states, high school seniors in higher-poverty school districts are less likely to complete the FAFSA than students in wealthier districts. On average, for every 10-percentage-point increase in the proportion of children living in poverty, a school district's FAFSA completion rate for the 2018 high school senior class was 2.3 percentage points lower.

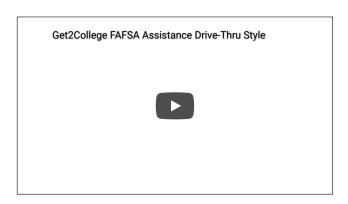
It doesn't have to be this way.

#### The Solutions

A number of states, cities, and school districts have shown that it is possible to boost FAFSA completion rates. NCAN's FAFSA completion challenges in 2017-18 and 2018-19 (https://www.ncan.org/page/FAFSAchallenge) demonstrated that with relatively small financial investment, school districts could increase FAFSA completion by at least 5% in a single year.

So the good news is, if you want to increase FAFSA completion among students in your community, you don't have to start from scratch. A number of states, cities, and districts are already making strong efforts to help more students apply for financial aid.

Effective strategies include FAFSA completion challenges, FAFSA data sharing, universal FAFSA policies, and the use of ESSER funding to support college and career readiness activities.



### The Impact

FAFSA completion is strongly associated with postsecondary enrollment (https://www.ncan.org/news/456025/Survey-Data-Strengthen-Association-Between-FAFSA-Completion-and-Enrollment.htm): 92% of seniors who completed the FAFSA enrolled by the November following graduation vs. 51% who did not complete a FAFSA.

And education after high school is associated with all manner of positive outcomes, including financial (https://www.bls.gov/emp/chart-unemployment-earnings-education.htm), health (https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5880718/), and civic (https://paa2010.princeton.edu/papers/100224), among others. Postsecondary enrollment immediately following high school graduation increases the likelihood of eventual attainment, while gap periods between high school graduation decrease the likelihood of completing (https://soc.jhu.edu/wp-content/uploads/sites/28/2012/02/SF-Proofs-2.pdf).

We can put postsecondary education within reach for more students by helping them access the Pell Grant dollars for which they are eligible. This is particularly true for students who face historical and structural inequities, including students of color and students experiencing poverty.

By making a concerted effort to boost FAFSA completion rates, states are investing in today's students and tomorrow's workforce. In other words: When students succeed, we all benefit.

Let's get to work!

#### **Additional Resources**

- Form Your Future FAFSA Tracker (https://formyourfuture.org/fafsa-tracker/) See your state's FAFSA completion rate for the current school year.
- NCAN Report: \$3.75 Billion in Pell Grants Goes Unclaimed for High School Class of 2021 (https://www.ncan.org/news/592984/NCAN-Report-3.75-Billion-in-Pell-Grants-Goes-Unclaimed-for-High-School-Class-of-2021.htm)
- · NCAN's Universal FAFSA Policy Recommendations (https://www.ncan.org/page/UniversalFAFSA)
- FAFSA completion support resources and events (by state) (https://formyourfuture.org/more-resources/#by\_state)

#### Examples from across the country:

- Lessons from 4 States About Sharing Student-Level FAFSA Data (https://www.ncan.org/news/566333/Lessons-from-4-States-About-Sharing-Student-Level-FAFSA-Data.htm)
- North Carolina Model Offers Promising Statewide Approach to Driving FAFSA Completion (https://www.ncan.org/news/584063/North-Carolina-Model-Offers-Promising-Statewide-Approach-to-Driving-FAFSA-Completion.htm)
- · Idaho Models a Statewide Approach to College Attainment (https://www.ncan.org/news/570102/Idaho-Models-a-Statewide-Approach-to-College-Attainment.htm)
- How Arizona Has Increased Its FAFSA Completion Capacity (https://www.ncan.org/news/476071/How-Arizona-Has-Increased-Its-FAFSA-Completion-Capacity.htm)
- LOSFA Embraces the Opportunity to Provide Virtual FAFSA Completion Assistance (https://formyourfuture.org/2020/08/05/fafsabrightspots-losfa-embraces-the-opportunity-to-provide-virtual-fafsa-completion-assistance/)
- Alabama Possible Leverages Partnerships to Support FAFSA Completion (https://formyourfuture.org/2020/07/23/fafsabrightspots-alabama-possible-leverages-partnerships-to-support-fafsa-completion/)
- MCAN Spearheads Collective FAFSA Completion Efforts in Michigan (https://formyourfuture.org/2020/07/07/fafsabrightspots-mcan-spearheads-collective-fafsa-completion-efforts-in-michigan/)
- How Iowa College Aid Provides Student-Specific FAFSA Completion Data to Schools (https://formyourfuture.org/2019/02/27/how-iowa-college-aid-provides-student-specific-fafsa-completion-data-to-schools/)

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