



## Experimental Evidence on the Impacts of Need-Based Financial Aid: Longitudinal Assessment of the Wisconsin Scholars Grant (WSG)

### Background

- Quasi-experimental and experimental studies of the effects of financial aid show modest positive effects to no effect on college enrollment and degree attainment.
- The effects of aid can carry over after graduation.
- Students with more resources are less likely to drop out.
- Previous shorter studies on WSG have shown improvements in on-time degree completion and major declarations in STEM fields.

### Study Overview

- The paper conducts the first long-term experimental evaluation of a need-based financial aid program, the privately funded Wisconsin Scholars Grant.

### Learn More

- Anderson, D.M., Broton, K.M., Goldrick-Rab, S. and Kelchen, R. (2020), Experimental Evidence on the Impacts of Need-Based Financial Aid: Longitudinal Assessment of the Wisconsin Scholars Grant. *J. Pol. Anal. Manage.* doi:10.1002/pam.22190
- <https://doi.org/10.1002/pam.22190>

### Key Takeaways

- A 1.4 percentage point increase in four-year degree attainment for those who received the grant. The average completion rate is 62.2%.
- A 0.4 percentage point increase in two-year degree attainment for those who received the grant. The average completion rate is 48.8%.
- When looking up to nine years after receiving the grant, there was no evidence the program kept students in college, helped them enroll in graduate school or transfer from a 2-year program to a 4-year program.
- Over multiple cohorts, the program failed to increase degree completion and graduate school enrollment up to 10 years after matriculation.
- The program reduced time-to-degree for some students and modestly increased the number of STEM degrees earned.
- The lack of robust effects raises important questions about the conditions necessary for financial aid to benefit students.