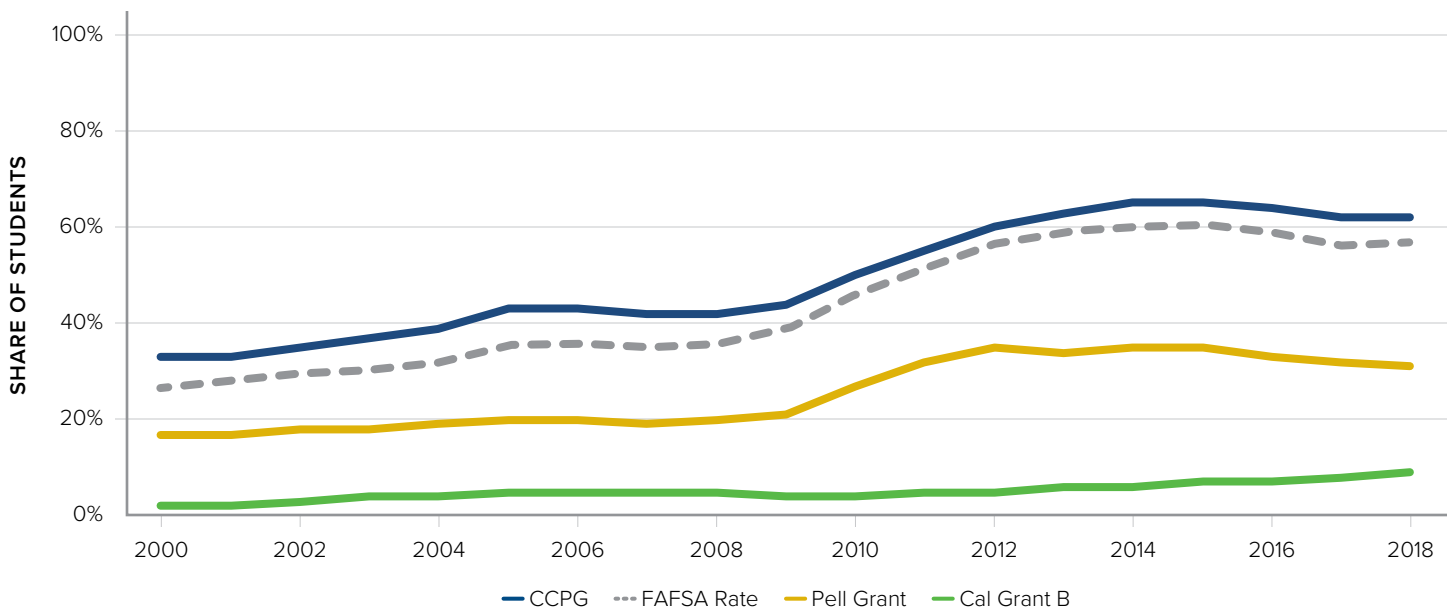


Financial Aid for California Community College Students

State and federal policymakers are increasingly focused on ensuring that financial aid programs reach more college students who seek credentials and degrees. Central to these efforts are new considerations of the total or “true” cost of attendance and removal of barriers to aid for older low-income students, student parents and others whose needs have grown during the COVID-19 pandemic and economic downturn. This infographic features new analysis to inform current policy discussions about financial aid receipt at California community colleges, showing take-up by year, aid type and aid combination. It also includes an examination of variations by institution and by race/ethnicity, and illustrates the positive relationship between aid receipt and community college persistence and progress toward educational goals.

Application and take-up rates have increased over the last two decades.

The Free Application for Federal Student Aid (FAFSA) is required for all federal and most state aid programs. FAFSA rates among all students have increased over time, allowing more low-income students to be considered for eligibility for Pell Grants, Cal Grants, and other aid. The number of recipients of the California College Promise Grant (CCPG) and Pell Grant has grown significantly since 2000, with a notable increase during the Great Recession as more students became eligible for aid and submitted the FAFSA. It is important to note that data presented here do not reflect recently reported declines in FAFSA submission rates during the coronavirus pandemic.



Notes: The sample includes all community college students enrolling in six or more units in fall, spring or summer terms of each academic year. The year corresponds to the spring semester (e.g., 2018 is the academic year spanning summer 2017 – spring 2018).

There are three primary financial aid programs for community college students.

California College Promise Grant (CCPG)	Pell Grant	Cal Grant B
<ul style="list-style-type: none"> > Pays student fees directly for all units in which a student enrolls (\$46 per unit). > Eligibility in 2020–21: family income of \$38,625 or less for a dependent student from a family of four. 	<ul style="list-style-type: none"> > Provides up to \$6,345 annually, scaled by financial need and units enrolled. > Eligibility in 2020–21: family income of \$26,000 or less provides automatic eligibility for the maximum award. > Can be used for tuition, books, supplies, living expenses, transportation, childcare or other expenses related to college. 	<ul style="list-style-type: none"> > Provides up to \$1,656 annually, scaled by units enrolled. > Eligibility in 2020–21: GPA of 2.0 and family income of \$56,000 or less for a dependent student from a family of four. > Can be used for tuition, books, supplies, living expenses, transportation, childcare or other expenses related to college.

Notes: For purposes of this document, “financial aid” refers to non-loan grant aid that does not need to be repaid. It does not include subsidized loans or other forms of borrowing (accessed by only 4% of CCC aid recipients), or work-study (1% of aid recipients). Eligibility also depends on other factors including financial assets, family structure and academic progress.

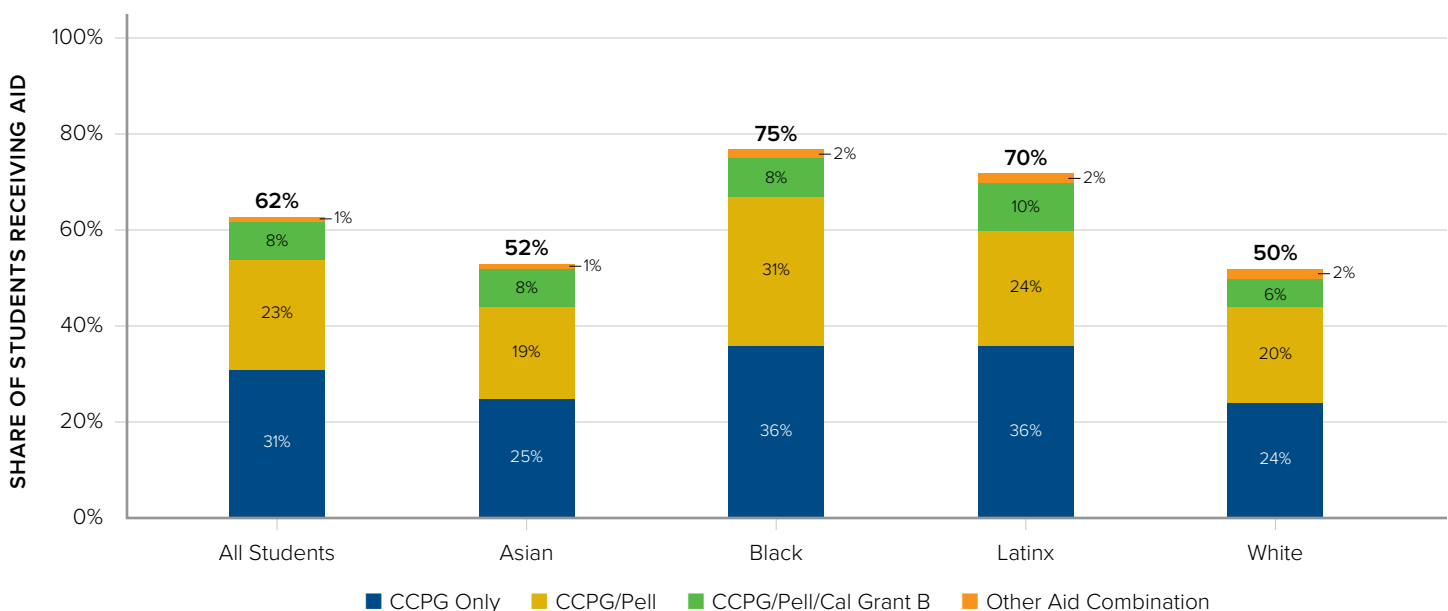
Many students receive multiple types of aid. Receipt varies by race/ethnicity.

Nearly two-thirds of all California community college students enrolled in at least six units receive some combination of financial aid.

Nearly half of all aid recipients receive only the CCPG, and the other half receive the CCPG plus at least one other type of grant aid.

Aid receipt is unevenly distributed across racial/ethnic subgroups:

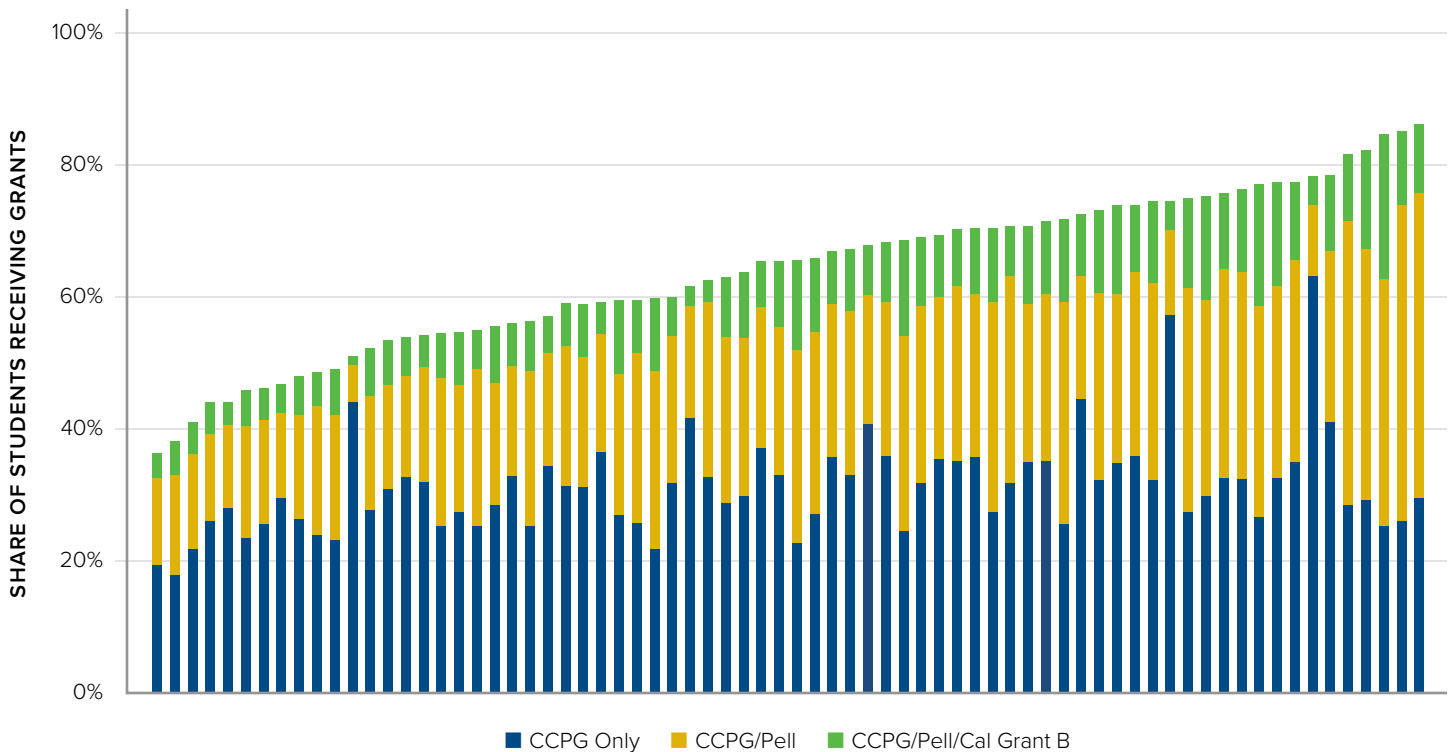
- > A greater share of Latinx and Black students receive financial aid compared to Asian and White students;
- > Latinx students have the highest share receiving a combination of aid from the three primary programs; and
- > More Black students receive both the CCPG and Pell Grant compared to other racial sub-groups.



Note: The sample includes all community college students enrolling in six or more units in fall, spring or summer terms during 2017–18.

Financial aid combinations vary widely by community college district.

The rates of financial aid take-up also vary across the state's 72 community college districts, largely due to differences in the socioeconomic status of students served across institutions. Yet, even among community college districts with similar levels of overall financial aid, combinations of aid vary. These differences have implications for both students and for community college districts, whose state funding allocations are based in part on the number of enrolled students receiving Pell Grants and the CCPG.



Notes: The sample includes all community college students enrolling in six or more units in fall, spring, or summer terms. Each column represents one of the 72 CCC districts in 2017–18. Columns represent the most common financial combinations.¹

Financial aid matters.

A substantial body of research demonstrates that financial aid improves college access and persistence.² The effects of aid can vary by program type, eligibility requirements, institution, and timing of the award.³ It can be challenging to tease out specific program effects as students who receive different aid combinations may also differ in other ways that can be related to college success.

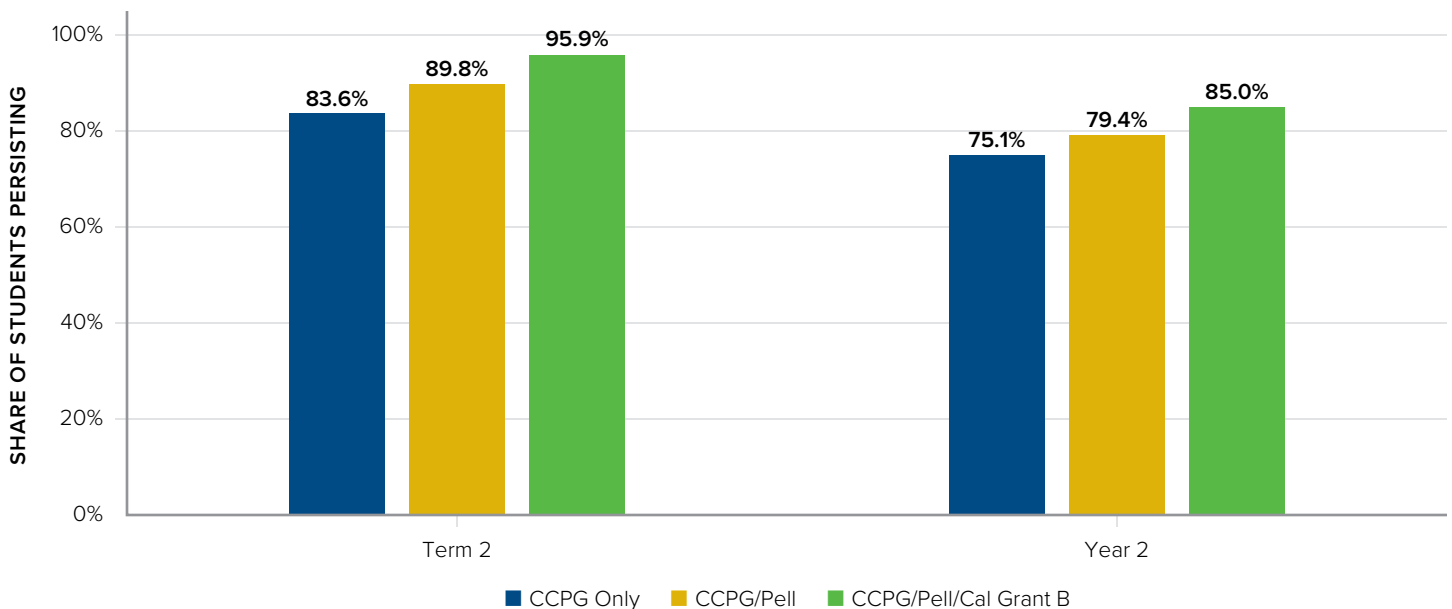
To describe the differences in credit accumulation and persistence among students receiving varying aid combinations, we examined a sample of California community college students who were eligible for the High School Entitlement Cal Grant B in 2017–18. We also used multiple regression to account for differences in individual student characteristics (e.g., gender, race, age, family income,⁴ FAFSA submission date) and college campus. Findings presented in the two figures below are based on a select sample of students for which available data allow for accurate description of both aid take-up and college outcomes. For analysis of the relationship between aid receipt and persistence/unit accumulation, the sample is restricted to students who recently graduated high school and are currently enrolled in at least six units. This sample is narrower than the group of students who may benefit from financial aid reforms currently under consideration by state policymakers (i.e., older students not currently eligible for a Cal Grant entitlement award). Additional research is needed to understand the relationship between aid receipt and educational outcomes for the broad spectrum of students the California community colleges serve.

Students receiving more financial aid are:

- **More likely to persist in college:** Those who received the CCPG and Pell Grants were six percentage points more likely to persist to the second term than students receiving the CCPG alone. Those receiving CCPG, Pell Grant and Cal Grant B were 12 percentage points more likely to persist than those receiving the CCPG alone. These differences continue into the second year.
- **Progressing faster toward degree:** Compared to students receiving only a CCPG, students also receiving a Pell Grant earned an additional 1.78 units in the first term. Those receiving CCPG, Pell Grant and Cal Grant B earned 1.69 units more than those receiving only a CCPG and Pell Grant. By the second year, compared to students receiving only a CCPG, students also receiving a Pell Grant earned an additional 3.5 units, and those receiving CCPG, Pell Grant and Cal Grant B earned an additional 3.3 units (between one and two courses).

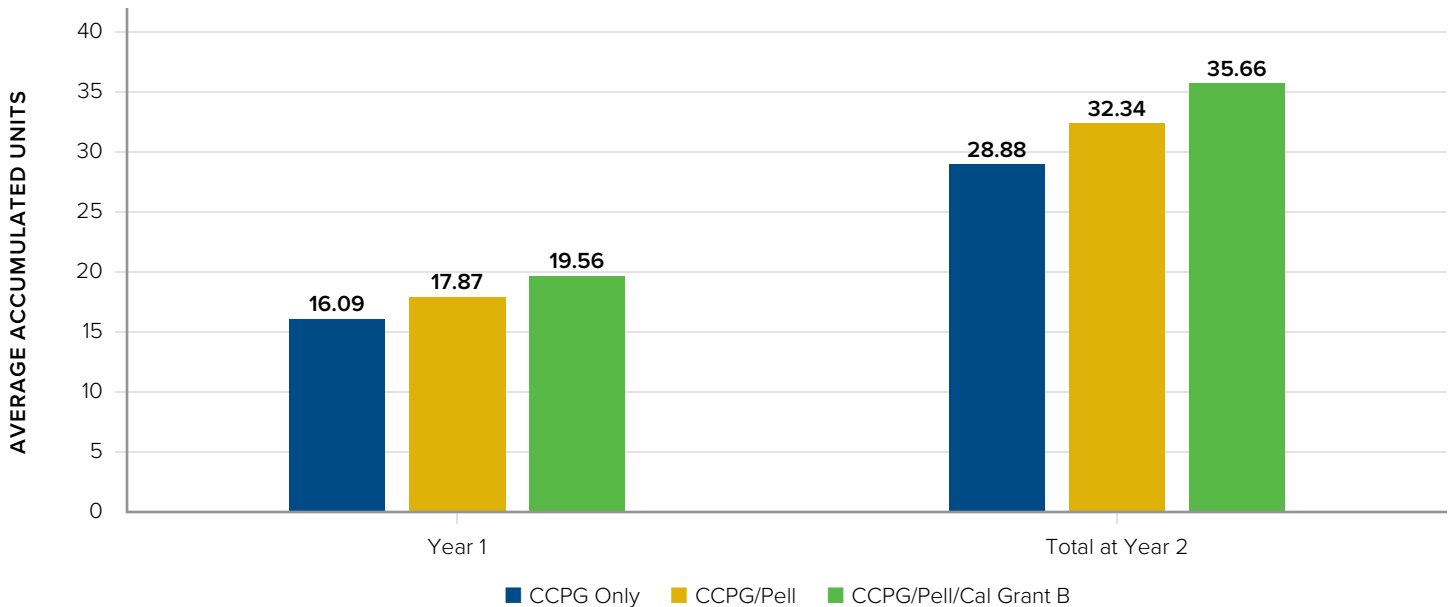
While these patterns are consistent, it is important to note that these associations may not reflect the causal effects of the Pell Grant or Cal Grant B as other factors related to both receipt of grant aid and student outcomes may not be accounted for. For example, aid receipt may be related to a student’s ability to navigate institutional bureaucracy, which may in turn be associated with unit completion and persistence.

Students receiving Pell Grants and Cal Grant B are more likely to persist.



Notes: The sample is comprised of students who recently graduated high school, submitted a FAFSA, were eligible for Cal Grant B, and enrolled in at least six units in their first term in the 2017–18 academic year.

Students receiving Pell Grants and Cal Grant B have higher unit accumulation.



Notes: The sample is comprised of students who recently graduated high school, submitted a FAFSA, were eligible for Cal Grant B, and enrolled in at least six units in their first term in the 2017–18 academic year. Year 2 represents cumulative units earned by the end of the second year.

Acknowledgements

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Endnotes

- ¹ We exclude the rare instances when some students receive a Pell Grant without a CCPG or receive a CCPG and Cal Grant B without a Pell Grant.
- ² Page, L. & Scott-Clayton, J. (2016). Improving college access in the United States: Barriers and policy responses, *Economics of Education Review*, 51, pages 4–22.
- ³ Page & Scott-Clayton, 2016; Deming, D. & Dynarski, S. (2010). College aid. In P. Levine & D. Zimmerman (Eds.), *Targeting investments in children: Fighting poverty when resources are limited*. University of Chicago Press.
- ⁴ Dynarski, S. & Scott-Clayton, J. (2013). Financial aid policy: Lessons from research, *The Future of Children*, 23(1), pages 67–91.
- ⁵ Family income is defined here by the Expected Family Contribution (EFC) calculated by the U.S. Department of Education based on information provided on the FAFSA. Students with lower family income and more financial need have lower EFC values. EFC is used to determine eligibility for federal financial aid programs.

DATA AND METHODS

To examine financial aid take-up among California community college students, we leverage data from the California Community Colleges Chancellor’s Office (CCCCO) and California Student Aid Commission (CSAC) available through partnerships and data sharing agreements with both agencies.

The CCCCCO sample includes all students enrolling in six or more units in the fall, spring or summer terms between the 1999–00 and 2017–18 academic years. We exclude high school students enrolled as special admits and 4-year college students taking courses to meet 4-year college requirements.

We merge 2017–18 student-level data from the CCCCCO to CSAC financial aid applicants with a valid Expected Family Contribution (EFC), using first name, last name and date of birth, for an overall merge rate of 84%. To examine student outcomes, we focus on a subsample of students who are eligible for a High School Entitlement Cal Grant B (based on GPA, meeting the March 2nd FAFSA deadline, and those enrolled in at least six units in their first term—the minimum amount required for a Cal Grant B).

For the analysis of student outcomes – unit accumulation and persistence into the second year – we estimate a series of regression models that control for individual student characteristics (gender, race, age, EFC, and FAFSA submission date) and college campus. These factors may be associated with both aid receipt and the outcomes of interest, and we control for them to reduce spurious correlation between aid receipt and outcomes. Table 1 presents the results from these regression models. While these results are not causal, they do suggest a positive association of Pell Grant and Cal Grant B receipt with unit accumulation and persistence, even when controlling for a host of observable student characteristics.

Table 1. Financial Aid Receipt and Student Outcomes

Outcome	Year 1 Units	Year 2 Units	Persist to Term 2	Persist to Year 2
CCPG/Pell	1.78 *** (0.13)	3.46 *** (0.28)	0.06 *** (0.01)	0.04 *** (0.01)
CCPG/Pell/Cal Grant B	3.47 *** (0.12)	6.78 *** (0.24)	0.12 *** (0.00)	0.10 *** (0.01)
Student Characteristics	Included	Included	Included	Included
CCC Campus FE	Included	Included	Included	Included
R-squared	0.17	0.18	0.04	0.05
N	43,511	43,511	43,511	43,511

Note: The sample is comprised of students who recently graduated high school, submitted a FAFSA, were eligible for Cal Grant B, and enrolled in at least six units in their first term in the 2017–18 academic year. *** denotes that these results are significant at the 0.001 level.

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