

Fee-Fi-Fo-Fum FAFSA Filing for Everyone

ideas ⁴²



Helping Maine's students access financial aid for higher education

Filing the FAFSA is the first step to accessing financial aid for postsecondary education, but many eligible high school students—particularly those who might qualify for the most aid—do not file the FAFSA. By combating common misperceptions, providing key information, creating opportunities to file, and offering support, state agencies and other entities can help more students access and afford higher education.

Summary

Completing a college education is crucial for accessing economic opportunities. Within five years of attaining a postsecondary degree, 85% of students from the lowest socioeconomic background have significantly increased their income.¹ Furthermore, higher education has been found to have a positive impact on well-being, with college graduates reporting better health outcomes than high school graduates.² Despite these benefits, nearly 40% of high school graduates across the United States—approximately one million students each year—do not pursue higher education right after high school.³

Students face many challenges when considering whether to enroll in higher education, but one of the most significant barriers is the cost.⁴ The Free Application for Federal Student Aid (FAFSA) is designed to mitigate financial barriers to college access, offering federal grants and loans to significantly reduce the cost of higher education. Access to federal financial aid can make a big difference for students, increasing both enrollment and persistence rates, particularly among students from lower income backgrounds.⁵ Yet almost \$4 billion in federal aid, about half of which was designated for students from low-income families, was left untouched in 2021 because students didn't submit the FAFSA.⁶

Highlights

- ▶ Fewer than 60% of Maine high school seniors submit the FAFSA each year, even when many families could qualify for significant amounts of federal aid.
- ▶ Several barriers can impede or delay filing, particularly for families experiencing financial hardship or completing the FAFSA for the first time.
- ▶ Behaviorally designed interventions offer an opportunity to improve FAFSA filing rates and college enrollment.

¹ Creusere, M., Zhao, H., Bond Huie, S., & Troutman, D. R. (2019). Postsecondary education impact on intergenerational income mobility: Differences by completion status, gender, race/ethnicity, and type of major. *The Journal of Higher Education*, 90(6), 915-939.

² Ma, J., Pender, M., & Welch, M. (2016). Education Pays 2016: The Benefits of Higher Education for Individuals and Society. Trends in Higher Education Series. College Board.

³ <https://www.bls.gov/opub/ted/2022/61-8-percent-of-recent-high-school-graduates-enrolled-in-college-in-october-2021.htm>

⁴ <https://usprogram.gatesfoundation.org/news-and-insights/articles/gates-foundation-probes-college-enrollment-decline>

⁵ Novak, H., & McKinney, L. (2011). The consequences of leaving money on the table: Examining persistence among students who do not file a FAFSA. *Journal of Student Financial Aid*, 41(3), 1.

⁶ <https://www.ncan.org/news/592984/NCAN-Report-3.75-Billion-in-Pell-Grants-Goes-Unclaimed-for-High-School-Class-of-2021.htm>

ideas42 partnered with the Finance Authority of Maine (FAME) to use insights from behavioral science to identify and address barriers to FAFSA filing for low-income Maine high school students, where filing rates follow national patterns.⁷ We worked closely with FAME and public high school counselors in Maine to investigate why students who would likely be eligible for aid may not file the FAFSA. This research revealed several key behavioral insights and a number of design recommendations to help increase filing rates.

Although this project focused specifically on FAFSA filing in Maine, we believe that the design recommendations could be adapted and scaled to increase filing rates among high school seniors nationwide.

Identifying Opportunities for Behavioral Design

In Maine, nearly 50% of families would likely qualify for significant amounts of federal aid, through a combination of federal loans and Pell grants (government subsidies given to students demonstrating significant financial need for higher education, the majority of which are awarded to students from families making less than \$60k per year).⁸ Further, filing the FAFSA is often a prerequisite for accessing other forms of aid, such as local grants and scholarships. For example, Maine has guaranteed tuition-free community college for all students who graduate high school between 2020 and 2023—but only if they also complete the FAFSA.⁹

Despite these many benefits, fewer than 60% of high school seniors file the FAFSA in Maine each year. FAME offers a number of resources (such as help sessions, informational materials, and collaborations with high school counselors) to support students and their caregivers with filing, but they wanted to know what else could be done to help more students submit the FAFSA, with a particular focus on increasing filing rates among Pell-eligible students.

Uncovering Barriers to Filing

Together with FAME, ideas42 set out to investigate why students might not file the FAFSA. To do this, we mapped out the steps a high school senior must take to file the FAFSA. We reviewed literature on known barriers and existing interventions. We investigated what FAME saw as pain points in the filing process, and we interviewed counselors, high school seniors, and recent high school graduates in Maine to better understand the challenges that students face throughout the FAFSA filing process.

Through this process, we identified four behavioral barriers impeding FAFSA filing. Although these barriers were generated based on interviews with and information from students, counselors, and authorities in Maine, we believe these insights would likely be relevant in other states as well.

- **First things first:** Students might wait to file the FAFSA until they have decided whether (and where) they want to pursue postsecondary education. Deadlines can help prompt action, but FAFSA deadlines vary by institution. Behavioral science research tells us that this sort of

⁷ <https://www.maine.gov/doe/dashboard>

⁸ <https://www.census.gov/quickfacts/fact/table/ME/INC110221#INC110221>

⁹ <https://www.mccs.me.edu/freecollege/>

ambiguity can cause **procrastination**, leading students to miss out on time-sensitive financial support (as aid is often awarded on a first-come, first-serve basis).

- ▶ **Financial concerns:** Students may not see the FAFSA as a meaningful gateway to affording postsecondary education. They may overweight the cost of college, underweight the actual aid they are likely to receive, or assume that financial aid packages themselves are too risky to accept. Although federal student loans are much less risky than private loans, behavioral research demonstrates that our **mental models** of how things work are constructed by the most **salient** narratives in our environments. This can lead students to mistakenly assume that the FAFSA is not worth filing.
- ▶ **Inadequate support systems:** It's almost impossible for a student to file the FAFSA completely on their own, and yet getting the necessary support from others can be challenging. Behavioral science tells us that **social norms** can have a powerful influence on behavior, leading people to behave in ways common among their peers. In communities with low historical rates of college attendance, caregivers may not realize how important their role is in the filing process or that they're capable of helping their children submit the FAFSA.
- ▶ **It's just hard:** When filing the FAFSA, students may encounter various challenges such as navigating confusing questions on the form, having to gather financial information from their caregivers, or resolving errors in completion. Even though these tasks may seem small, behavioral science research demonstrates how such **hassle factors** can have disproportionately large impacts on follow-through. Even highly motivated students can be derailed by these challenges and fail to complete the FAFSA.

Design Recommendations to Increase Filing

With these challenges in mind, ideas42 and FAME set out to generate a variety of design solutions. We aimed to help more Pell-eligible students file the FAFSA as early as possible, recognizing that aid is often awarded on a first-come, first-serve basis.

We ultimately provided 19 design ideas that span four distinct goals:

- ▶ **Combating misperceptions:** Myths about the FAFSA and higher education can discourage many students and families from filing for financial aid. Our first set of recommendations focuses on correcting these inaccurate beliefs, helping more students and caregivers view the FAFSA as a valuable tool for college affordability. For example, high schools could bring back former graduates as **student ambassadors**, in order to share their personal experiences with the FAFSA and address common misperceptions about the financial aid process. Hearing from peers who were recently in their shoes can normalize help-seeking behaviors among high school seniors and clarify common misunderstandings about the financial aid process.
- ▶ **Providing information:** Sometimes families aren't sure how to complete the FAFSA or what is needed to file. Students who are first-generation, low-income, or independent often have even

more questions and hurdles to clear during the higher education application process. Our next set of design ideas aims to bridge this information gap and give people the information they need to file. For instance, creating a **nontraditional student guide** can proactively address nontraditional students' questions and supply them with the information necessary to complete the FAFSA.

- ▶ **Creating opportunities:** Even once a student or caregiver understands the benefits of the FAFSA and intends to file, it can be hard to find time to complete it. For families who are already overburdened with other responsibilities, it's easy to forget or put off filing—particularly given the lengthy window for submission. To combat procrastination, this set of recommendations focuses on helping people carve out time to file the FAFSA. For example, requiring seniors to complete a **Financial Wellness Course** and integrating FAFSA filing support as a course component would allow students to complete the FAFSA during school hours, using school resources.
- ▶ **Offering support:** Finally, we know that even people with strong college-going intentions and a robust understanding of the value of the FAFSA can get tripped up by hurdles and hassles in the filing process, and that current methods of support are often underutilized. Our last set of recommendations focuses on some ways to further improve existing support systems, especially for caregivers. For instance, hosting **Pop-up FAFSA Clinics** in locations that caregivers already frequent, like grocery stores or workplaces, could make FAME's FAFSA support services more accessible.

Takeaway

Many students may experience significant behavioral barriers during the FAFSA filing process. Of course, there are important structural barriers to filing as well. Undocumented students are not eligible for federal financial aid, and the FAFSA is only available in English and Spanish, posing challenges for non-native speakers. Since the FAFSA is run by the federal government, it's not possible for state agencies or school administrators to change the actual form or its requirements. But there are many other ways to be thoughtful and creative about supporting students and caregivers in completing the FAFSA, ultimately helping more students afford and attend higher education.

In Maine, that might look like debunking myths and providing information about the FAFSA and higher education, creating opportunities to complete the FAFSA, or offering support to students and caregivers throughout the process. Behaviorally informed approaches like these can help more students—not just in Maine but across the U.S.—file the FAFSA and access opportunities in higher education. We look forward to seeing some of these solutions implemented and evaluated to better learn what works and to help even more students afford, enroll, and persist in higher education.