CAN SCHOLARSHIPS ALONE HELP STUDENTS SUCCEED?

Lessons from Two New York City Community Colleges

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Overview

Low-income adult learners often struggle to finance their college expenses, having to contend with competing responsibilities involving work, family, and school. This report presents findings from a study of performance-based scholarships at two community colleges in New York City — the Borough of Manhattan Community College and Hostos Community College, both part of the City University of New York system. Students who were eligible for the program could receive up to $2,600 total over two semesters, or up to $3,900 total over two semesters plus a summer semester. Payments were contingent upon maintaining a minimum level of enrollment and grades, and were made directly to students.

The program in New York City is one of six being studied as part of the Performance-Based Scholarship (PBS) Demonstration. Each program is designed to serve a different target population and to test an alternative incentive structure, and all employ a random assignment research design. The program in New York City is a test of a scholarship-only program, with no services attached to the award. It targets adult students who are in need of developmental education, and aims to learn whether these scholarships are an effective way to help students progress academically. In addition, the program’s design allows researchers to test whether offering students a summer scholarship as well can further improve their academic outcomes. Analysis suggests that the scholarship-only program:

- **Encouraged more full-time enrollment during the semesters in which the program operated.** Full-time enrollment increased 4.1 percentage points in the first semester and 6.0 percentage points in the second semester of the scholarship program.

- **Did not increase the average number of semesters registered or credits earned over two years.** While students who were eligible for the scholarship attempted more credits on average, this impact was small and was not accompanied by impacts on the number of semesters registered or cumulative credits earned.

- **Increased registration and credit accumulation in the summer semester.** However, this increase did not lead to increased registration or credit accumulation over the two-year follow-up period.

- **Had impacts on students at one college but not on students at the other college.** There is exploratory evidence that the program at one of the colleges had positive impacts on key academic outcomes. The analyses suggest that the impacts varied by college and that the college environments may have influenced these impacts.

MDRC will continue to publish findings from each of the six programs in the PBS Demonstration in the coming years. The program in New York makes an important contribution to the overall demonstration and to the study of performance-based scholarships.
Preface

While low-income college students are most at risk of not persisting in school to earn a certificate or degree, adult learners, who may be dealing with numerous competing priorities such as work and child-care responsibilities, often struggle the most among these students. The grant aid available to adult learners is not sufficient to cover all of their education-related costs, which include tuition, books and supplies, transportation, and basic living expenses. Furthermore, adult learners who are in need of developmental education have additional barriers to academic success, coupled with the extra cost of developmental courses. Performance-based scholarships may be an innovative solution for improving the success of such students. These scholarships are need-based, are paid in addition to other existing financial aid programs, and are contingent on students’ meeting certain academic benchmarks.

In 2008, MDRC launched the Performance-Based Scholarship Demonstration seeking to evaluate whether performance-based scholarships are an effective way to improve retention and degree attainment among low-income students — in different geographical locations, with different amounts of monies being provided, and over different durations. This report provides findings from an evaluation of a scholarship-only program implemented in 2008 through 2010 at two community colleges in New York City — the Borough of Manhattan Community College and Hostos Community College, both part of the City University of New York system. An earlier MDRC report showed that the program encouraged full-time enrollment and summer attendance over the period in which students were eligible for a scholarship. The new analysis reported here extends the follow-up period, but finds little evidence that the program increased academic success at both colleges over this longer duration. There is evidence that offering the scholarship over the summer term increased registration and credit accumulation in that semester, but these effects did not persist into other semesters after the summer scholarship eligibility ended. There is exploratory evidence that the program had impacts on students at one college but not on students at the other college, and that, in the former case, the program had positive impacts on important markers of academic success, such as registration, full-time enrollment, and credit accumulation. This difference in impacts may have arisen because the colleges themselves differ, the students in the sample differ, and program implementation varied slightly.

New York City is one of six programs in six states being evaluated in the Performance-Based Scholarship Demonstration. Collectively, these reports will build evidence about the value of this innovative way to deliver additional financial support.

Gordon L. Berlin
President, MDRC
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Many MDRC staff members have contributed to the PBS Demonstration and to this report. On the project team, we would like to recognize: Lashawn Richburg-Hayes and Robert Ivry for their leadership and guidance; Alissa Gardenhire for implementation and qualitative research leadership; Rashida Welbeck for operations and qualitative research support; Amanda Grossman for operations support and resource management; Colleen Sommo for data manage-
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Last, and most important, we would like to thank the hundreds of students pursuing postsecondary education who participated in the study in New York. We hope that the findings from this study and the demonstration overall can be used to improve college programs and services to them and others in the future.

The Authors
Executive Summary

The passage of the Higher Education Act of 1965, which extended need-based financial assistance to the general population for the first time, has improved college access for American students, but more work remains to be done to improve college success. According to government statistics, in 2006, about one in six students had earned a degree or certificate three years after beginning their postsecondary education at a two-year institution.¹

Low-income students are particularly at risk of not persisting to complete a certificate or degree — often because of competing priorities, financial pressures, and inadequate preparation for college.² Among low-income students, older students have added barriers to postsecondary success. Students in their twenties and thirties often have outside additional obligations such as work and child-care responsibilities. The federal and state grant aid available to adult learners is often not enough to cover education-related costs, such as tuition, books and supplies, transportation, and basic living expenses. Moreover, adult learners in need of developmental education have even greater barriers to academic success, not least among them the extra cost of developmental courses.³

One promising way to overcome some of these barriers is to offer such students a performance-based scholarship — a need-based grant, contingent on meeting academic benchmarks. The scholarships are designed to help put more money in the hands of low-income students and to provide an incentive for making academic progress. A prior MDRC study of performance-based scholarships as part of Opening Doors Louisiana found that such scholarships could have large impacts on persistence, grades, and credit accumulation.⁴ This report presents findings from a random assignment study of performance-based scholarships at two colleges in New York City: the Borough of Manhattan Community College (BMCC) and Hostos Community College, both part of the City University of New York (CUNY) system.

³Richard Kazis, Abigail Callahan, Chris Davidson, Annie McLeod, Brian Bosworth, Vickie Choitz and John Hopps, Adult Learners in Higher Education: Barriers to Success and Strategies to Improve Results, Employment and Training Administration Occasional Paper 2007-03 (Washington, DC: U.S. Department of Labor, Employment and Training Administration, Office of Policy Development and Research, 2007). The terms “remedial education” and “developmental education” are used interchangeably throughout this report.
The program in New York City is part of MDRC’s national Performance-Based Scholarship (PBS) Demonstration, launched in 2008 to evaluate whether such scholarships are an effective way to improve academic outcomes among low-income college students. While some of the other programs in the PBS Demonstration (as well as the original Opening Doors study in Louisiana) made the scholarship contingent on students’ receiving services such as advising or tutoring, the study in New York was intended to test a bare-bones, scholarship-only program.

The PBS Model and Research Sample in New York

Performance-based scholarships are need-based grants paid conditionally upon meeting certain academic benchmarks around enrollment and grades. They are paid directly to students rather than to institutions, and they are paid on top of Pell Grants and any state or institutional aid that the student is receiving. An important feature is that they are paid to students regardless of academic performance in prior terms, concentrating on the current term of enrollment. That is, students do not have to have a specific grade point average or grade requirement from high school or prior semesters to qualify for the scholarship.

In New York specifically, the program was a scholarship-only test, with no other prompts or support services required of students. Eligible students were between the ages of 22 and 35, living away from home, eligible for the federal Pell Grant, enrolled in at least six credit hours at BMCC or Hostos, and had tested into (and not yet passed) at least one developmental education course. The study sample was recruited over three cohorts of intake, at the start of the fall 2008, spring 2009, and fall 2009 semesters. Eligible students who agreed to participate in the study were then randomly assigned into three research groups:

1. The **PBS program group**, eligible for a scholarship of up to $1,300 each semester for two semesters (up to $2,600 total)

2. The **PBS-plus-summer program group**, eligible for the above scholarship and a performance-based scholarship of up to $1,300 for one summer term (up to $3,900 total)

3. The **control group**, ineligible for the performance-based scholarship, but still eligible to receive any other financial aid and scholarships for which the students qualified

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By tracking the groups over time, MDRC is able to determine whether the various scholarships cause a difference, or impact, in student outcomes. Random assignment ensures that the motivation levels and personal characteristics of students in all groups are equivalent at the start of the program; hence, any subsequent differences among the groups can be attributed to the program with confidence. The three-group design permits the evaluation to examine whether a summer scholarship enhances the effects of the program.

The three research groups were designed to isolate the effect of the scholarship on summer attendance, as the study in Louisiana had suggested that summer attendance might be an important factor in explaining the program effects. Scholarships were paid to students in increments during the semester as they met three key benchmarks:

- **Initial:** $200 after registering for six or more credits or equated credits
- **Midterm:** $450 upon continued midterm enrollment in six or more credits or equated credits
- **Final:** $650 after receiving a grade of “C” or better (or a “Pass” in developmental courses) in at least six credits or equated credits

During the summer, eligible program students (that is, those in the PBS-plus-summer group) were paid in two increments:

- **Initial:** $200 after registering for six or more credits or equated credits
- **Final:** $450 after receiving a grade of “C” or better (or “Pass” in developmental courses) in three to five credits or equated credits; or, $1,100 after receiving a grade of “C” or better (or “Pass” in developmental courses) in six or more credits or equated credits

While the program targeted students in need of developmental education, students did not have to be taking their developmental courses in order to be part of the program or to receive scholarship dollars.

The majority of sample members (almost 80 percent) were recruited from BMCC, with a small portion from Hostos. BMCC is the only community college in Manhattan and the largest in the CUNY system, serving over 20,000 students in the fall 2008 semester alone. Conversely, Hostos is located in the Bronx, and is about one-fourth the size of BMCC. The

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6“Equated credits” are awarded in developmental education courses. These credits do not count toward a degree or certificate.

7See www.bmcc.cuny.edu and www.bmcc.cuny.edu/iresearch/upload/Fall08FactSheet.pdf.
members of the study sample are primarily female, and about half had at least one child. Around one-third of sample members said they were the first in their family to attend college. Compared with members of the sample at BMCC, students in the Hostos sample were more likely to be Hispanic, to speak a language other than English at home, and to be receiving government benefits.

Program Implementation

The design of the program in New York was relatively straightforward, and the program was implemented with fidelity to its design. Overall:

- The two colleges successfully implemented the scholarship as intended.

  Scholarships were paid in multiple installments, and both colleges had designated staff to process the payments. Site coordinators examined transcripts for students in the program group to determine whether students met the criteria to earn a scholarship. They then took the necessary actions to trigger a payment to the student. While the details of the payment process differed slightly at the two colleges, in general, staff communicated with program group students at every payment point with a letter congratulating them (if applicable) and reminding them of their next payment.

  The program at the colleges was not intended to have a counseling component, and program staff members were expected to restrict their interactions with students to answering questions related to their scholarships. The program at BMCC was housed in the financial aid office, and students were not likely to receive any guidance or counseling that was not intended to be part of the program. However, at Hostos, the program was housed in the student services division. When students visited the program office, they were likely to have access to a number of other services including career counseling, social services, academic advising, and the financial aid and registrar’s office.

- Almost all program group members received at least one payment.

  Overall, in the first two semesters of the program, 99.3 percent of program group members received at least one payment. On average, students received $2,002 over the two semesters (over 75 percent of the dollars available to them). In the summer semester, the PBS-plus-summer group was eligible for an additional $1,300 summer scholarship. In this group, over 30 percent of students received an initial payment, and about one-fourth of eligible students received a final payment. The majority of the PBS-plus-summer group did not register for summer courses, leaving valuable scholarship dollars on the table.

- Control group members did not have access to a similar program.
At both colleges, financial aid data collected show that program group members were awarded more financial aid than control group members. Both groups were awarded similar types and amounts of financial aid other than the performance-based scholarship; the key difference between their financial aid packages was the performance-based scholarship.

- In qualitative interviews, students in both groups indicated that as older college students, they faced particular challenges. Overall, program group members felt that the scholarship did not have a large influence on their thinking and behavior.

Around 20 interviews at both colleges, representing a mix of program and control group members, were completed near the end of the program. Students cited balancing work, school, and family demands as challenges to their success at school, and most students said that financial aid made it possible for them to go to college. Program group students did not believe the scholarship affected their performance, but most reported that it helped relieve some of their financial burdens.

**Overview of Impact Findings**

This report examines transcript data collected from the two colleges and follows students for four main semesters (main semesters are considered fall and spring semesters) and any summer or winter sessions in between. Early findings were presented in a report in May 2011, which examined the first two cohorts of students to enter the study and showed that the performance-based scholarship encouraged full-time enrollment in the first two semesters and increased summer attendance.\(^8\) The main findings of this follow-up report are:

- **The scholarship-only program encouraged more full-time enrollment during the program semesters.**

  Full-time enrollment increased 4.1 percentage points in the first semester and 6.0 percentage points in the second semester of the scholarship program. These findings are consistent with the early findings report from May 2011, though slightly smaller in magnitude.

- **The scholarship-only program did not increase the average number of semesters registered or credits earned for the full sample over the two-year follow-up period.**

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While program group students attempted more credits on average, this impact was fairly small and was not accompanied by impacts on the number of semesters registered. This impact also did not translate into impacts on cumulative credits earned. The early impacts from the May 2011 report were sustained with the full sample; however, these early impacts do not translate into any impacts overall during the follow-up period. This suggests that while the program was effective when students were eligible for scholarships, the effects on enrollment and credits earned dissipated after the program ended.

- **There is evidence that offering the scholarship over the summer term increased registration and credit accumulation in that semester.**

PBS-plus-summer students registered for summer courses at a higher rate, and attempted and earned more credits on average. However, there is no evidence that providing a summer scholarship during one summer increased the cumulative number of semesters registered, credits attempted, or credits earned over the two-year follow-up period.

- **There is exploratory evidence that the scholarship-only program had impacts on students at one college but not on students at the other college. The program at one of the colleges had positive impacts on important markers of academic success.**

The impacts of the scholarship-only program were estimated separately for each college. These analyses were not designated ahead of time, and thus are exploratory only; however, there are significant impacts at Hostos on registration, full-time enrollment, and credit accumulation, and these effects persist after the scholarship ends. Figure ES.1 details the credit accumulation during the first four semesters after random assignment at Hostos alone. The program group earned more cumulative credits in every semester after random assignment, and it is notable that these impacts continue to grow in the absence of the scholarship. Overall, during the follow-up period, program group students at Hostos earned over six more credits than control group students. Similar impacts were not found on any academic measures at BMCC.

There are a few possible explanations for the differences in the program’s effectiveness at the two colleges. First, the colleges themselves are different, as BMCC is about four times the size of Hostos. Second, the students in the study sample are different. Hostos students tend to be older, more likely to be parents, more likely to be Hispanic, and more likely to be receiving government benefits such as Temporary Assistance for Needy Families or food stamps. Last, the program at Hostos may have been implemented as somewhat more than a scholarship-only program, as it was housed in the student services division where students had more access to services such as academic advising. In all, it is possible that the context in which these programs operated may have influenced these impacts.
The Performance-Based Scholarship Demonstration

Figure ES.1
Credit Accumulation During the First Four Semesters, Hostos Community College
New York Final Report

SOURCE: MDRC calculations from Hostos Community College transcript data.

NOTES: Rounding may cause slight discrepancies in sums and differences.
Analysis is considered exploratory because subgroup was not designated ahead of time.
A two-tailed t-test was applied to differences between research groups. Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; * = 10 percent.
Estimates are adjusted by research cohort.
Students who dropped or withdrew from all of their courses are not considered enrolled. Their credits are not included in the outcomes shown in this figure.
• The total cost per student at the two colleges was roughly $3,000.

This total cost comprised around $2,100 in scholarship costs and $900 in support and administration. The scholarship costs represent the amount of money the program paid directly to students. Support and administration includes all other costs such as salaries, benefits, overhead associated with program staff, supplies, materials, travel, and professional development.

Conclusions and Next Steps

While there was some initial promise in the early semesters of the program in New York, these impacts did not ultimately lead to an increase in credits earned or the number of semesters registered. Similarly, impacts over the summer were initially promising, but did not translate into long-term academic gains. When the results are examined by college, there is evidence that the program worked better at Hostos; however, these results are exploratory in nature and should be an area for further research. Last, the total cost per student at the two colleges was roughly $3,000 — comprising around $2,100 in scholarship costs and $900 in support and administration.

The study in New York is at one end of the spectrum of performance-based scholarships — a scholarship-only program with an academic benchmark required to get the scholarship payment and no advising or tutoring component. As noted earlier, New York is just one test in the six programs being studied as part of the PBS Demonstration. Other programs have additional components to the intervention, designed to help support students in their studies. Additionally, the New York study targets a very specific population — adult learners in need of developmental education. The target populations vary across the demonstration, in order to help determine which types of students are best suited for the scholarships. MDRC will continue to publish findings on each of these programs in the coming years. Collectively, these findings will add to the body of knowledge on the effectiveness of these scholarships in improving the academic success of low-income students.
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MDRC is a nonprofit, nonpartisan social and education policy research organization dedicated to learning what works to improve the well-being of low-income people. Through its research and the active communication of its findings, MDRC seeks to enhance the effectiveness of social and education policies and programs.

Founded in 1974 and located in New York City and Oakland, California, MDRC is best known for mounting rigorous, large-scale, real-world tests of new and existing policies and programs. Its projects are a mix of demonstrations (field tests of promising new program approaches) and evaluations of ongoing government and community initiatives. MDRC’s staff bring an unusual combination of research and organizational experience to their work, providing expertise on the latest in qualitative and quantitative methods and on program design, development, implementation, and management. MDRC seeks to learn not just whether a program is effective but also how and why the program’s effects occur. In addition, it tries to place each project’s findings in the broader context of related research — in order to build knowledge about what works across the social and education policy fields. MDRC’s findings, lessons, and best practices are proactively shared with a broad audience in the policy and practitioner community as well as with the general public and the media.

Over the years, MDRC has brought its unique approach to an ever-growing range of policy areas and target populations. Once known primarily for evaluations of state welfare-to-work programs, today MDRC is also studying public school reforms, employment programs for ex-offenders and people with disabilities, and programs to help low-income students succeed in college. MDRC’s projects are organized into five areas:

- Promoting Family Well-Being and Children’s Development
- Improving Public Education
- Raising Academic Achievement and Persistence in College
- Supporting Low-Wage Workers and Communities
- Overcoming Barriers to Employment

Working in almost every state, all of the nation’s largest cities, and Canada and the United Kingdom, MDRC conducts its projects in partnership with national, state, and local governments, public school systems, community organizations, and numerous private philanthropies.