



## NEW INNOVATIVE COLLEGE-ACCESS PROGRAM SHOWS THOUSANDS OF LOW-INCOME STUDENTS COLLEGE CAN BE AFFORDABLE

StudentAid.com and USA Funds Tackle Most Difficult College Access Challenges

SACRAMENTO, CA – Apr. 13, 2010 – Two of the most difficult questions about college – *How much student aid will I get?* and *What will college really cost me?* – were answered for nearly 11,000 low-income students participating in the new national *Access for All™* program.

The program provided a combination of services that researchers recently identified as key to increasing how many low-income students attend college – individualized assistance preparing the often-daunting federal student aid application (FAFSA) and insight into their aid eligibility.

Sponsored by StudentAid.com, the leading student aid advisory provider, and USA Funds, the nation's largest student loan guarantor, the *Access for All™* program offered each student free FAFSA preparation and a personal *College Cost & Planning Report™*, which calculated and compared their aid eligibility, net prices, and the out-of-pocket costs for six colleges of their choice from among 6,500. (Net price is a college's price of attendance minus merit and need-based grant aid. Out-of-pocket cost is net price minus loans and work-study.)

All *Access for All™* participants came from households with an income of less than \$40,000. Two-thirds will be the first in their family to go to college.

"This information gives my students motivation," said Cat Ricketts, who teaches college planning to juniors participating in Lodi (California) High School's AVID program. "It gives them hope that one doesn't have to be middle-class to get into their dream college, provided they do the work that's necessary to prepare themselves to get there. They can shop for the college that best meets their individual and their family's needs."

Craig V. Carroll, StudentAid.com founder and chief executive officer, explained, "We must take innovative measures to show all students that college is affordable and how to access aid. Hundreds of thousands of eligible students leave money on the table by not applying for financial assistance."

This approach was proven effective in a similar experiment by researchers from Harvard, Stanford, and the University of Toronto with tax consultant H&R Block assisting 24,000 students in 2008.

Professors Eric Bettinger, Bridget Terry Long, and Philip Oreopoulos called their results “unambiguously positive” because individuals, who simultaneously receive professional FAFSA preparation and personalized aid eligibility information, were substantially more likely to submit the aid application, enroll in college the following fall, and receive more financial aid.

The study by Bettinger, Long, and Oreopoulos was funded by the Bill and Melinda Gates Foundation, the National Science Foundation, the Institute of Education Sciences, the Kauffman Foundation, the Spencer Foundation, the MacArthur Foundation, and the U.S. Department of Education.

“The H&R Block FAFSA experiment is the best empirical evidence so far that pairing FAFSA assistance and personalized aid eligibility information encourages low and middle income students to apply for aid and go to college,” Carroll said.

U.S. Secretary of Education Arne Duncan has supported FAFSA guidance and college-cost transparency to encourage more students to go to college. As CEO of Chicago public schools, Duncan strongly encouraged that high school seniors receive FAFSA guidance to encourage college enrollment. Today, he oversees the move toward greater college-cost transparency by mandating all post-secondary institutions publish net price calculators on their Web sites by October 2011.

“*Access for All™* participants were surprised about how much the net prices of their college choices can vary,” Carroll said. “In many cases, we were able to show students that college could be more affordable than their expectations, which were often based on ‘sticker prices’.”

### **About StudentAid.com**

StudentAid.com, Inc. provides students and their families with insight into aid eligibility so they can compare the net prices of colleges and understand college affordability. The company also licenses its technology to post-secondary institutions so they can offer net price calculations to prospective students. StudentAid.com is a private company headquartered in Sacramento, CA. [www.StudentAidNPC.com](http://www.StudentAidNPC.com)

### **About USA Funds®**

USA Funds® is a nonprofit corporation that works to enhance postsecondary education preparedness, access, and success by providing and supporting financial and other valued services. During the past 50 years, USA Funds has supported \$239 billion in funding for higher education and has served more than 21 million students and parents, as well as thousands of educational and financial institutions.

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