

Oct 7th, 10:30 AM - 12:00 PM

Persistence to Graduation: Does Financial Aid Matter?

Mary E. Anderson

Clark Atlanta University, maryanderson2865@yahoo.com

Noran L. Moffett

Fayetteville State University

Follow this and additional works at: <https://digitalcommons.georgiasouthern.edu/gera>

Recommended Citation

Anderson, Mary E. and Moffett, Noran L., "Persistence to Graduation: Does Financial Aid Matter?" (2016). *Georgia Educational Research Association Conference*. 10.

<https://digitalcommons.georgiasouthern.edu/gera/2016/2016/10>

This presentation (open access) is brought to you for free and open access by the Conferences & Events at Digital Commons@Georgia Southern. It has been accepted for inclusion in Georgia Educational Research Association Conference by an authorized administrator of Digital Commons@Georgia Southern. For more information, please contact digitalcommons@georgiasouthern.edu.

PERSISTENCE TO GRADUATION:
DOES FINANCIAL AID MATTER?

Presented by

Mary E. Anderson, Ed.D.

Clark Atlanta University

and

Noran L. Moffett, Ed.D.

Fayetteville State University

INTRODUCTION

- Education researchers have embarked upon a plethora of concepts, models, and theories in an attempt to describe, predict, and explain the phenomenon of student persistence to graduation and student departure from institutions of higher education.
- There were **17.3 million** undergraduate students attending degree-granting postsecondary institutions in the United States in fall 2014 (U.S. Department of Education, 2016).
- The ability to pay for college presents a dilemma for this nation. There are entire populations that lag behind in college access and degree attainment.
- To meet the challenge of the nation's *2020 Goal* set forth by President Barack Obama in 2009 to have the highest proportion of college graduates in the world by 2020, this country must find or create ways to promote success before college, during college, and after college.

STATEMENT OF THE PROBLEM

- Approximately **59%** of first-time full-time undergraduate students who began seeking a bachelor's degree at a four-year institution in fall 2007 completed that degree **within six years** (U.S. Department of Education, 2015).
- More fundamentally, completing a college degree **increases individuals' earnings potential, positively impacts the well-being of their family, increases their chances of health and happiness, and reduces the likelihood that they will live in poverty and depend on public assistance.**
- Students who began college and do not complete are more likely to default on student loan debt.

PURPOSE OF THE STUDY

The purpose of this selected part of the quantitative research study was to examine the relationship between the number of occurrences of financial aid awarded and persistence to graduation within six years for first-time full-time freshmen in the Fall 2008 Cohort at a private HBCU.

SELECTED RESEARCH QUESTION

RQ1: Is there a significant relationship between persistence to graduation within six years and the total number of occurrences of financial aid awarded?

SIGNIFICANCE OF THE STUDY

- The Student Right-to-Know Act of 1990 required that all postsecondary institutions receiving Title IV funds report the percentage of students who complete their program within 150% of the normal time for completion (within six years for students pursuing a bachelor's degree).
- Financial aid impacts persistence, especially among minority and economically disadvantaged students. St. John, Paulsen, and Carter (2005) found that African Americans “were highly sensitive to finances in their college choices and in their persistence decisions” (p. 564).
- A college degree can provide a sense of personal achievement, increase the chances of higher job satisfaction, enhance family well-being, become a pathway to advanced degrees, improve earnings potential, and reduce the chances of living in poverty.

SELECTED LITERATURE REVIEW

VINCENT TINTO

LONGITUDINAL MODEL OF DROPOUT FROM COLLEGE

- In his seminal work, *Dropout from Higher Education: A Theoretical Synthesis of Recent Research*, Tinto (1975) contended that a college is composed of an academic system and a social system.
- The process of dropout from college can be viewed as a longitudinal process of interactions between the individual and the academic and social systems of the college during which a person's experiences in those systems (as measured by his normative and structural integration) continually modify his goal and institutional commitments in ways which lead to persistence and/or to varying forms of dropout (p. 94).

VINCENT TINTO

LONGITUDINAL MODEL OF INSTITUTIONAL DEPARTURE

- Tinto's model of dropout from college received considerable attention and criticism from fellow researchers and scholars.
- Tinto (1982) admitted that the original model did not (a) adequately focus on the role of finances and other external forces in higher education or (b) emphasize dropout behavior in people of different races, gender and socioeconomic status.
- Tinto (1987, 1993) later revised the conceptual framework and moved away from a model of "dropout" from college toward a model of institutional departure.
- In the revised model, Tinto (1987, 1993) included financial resources in his longitudinal process (p.113).

FINANCIAL AID AND PERSISTENCE

- Financing higher education in America has evolved into a multifaceted phenomenon over the last three decades.
- Financial aid has been found to impact persistence, especially among minority and economically disadvantaged students.
- DesJardins, Ahlburg, and McCall (2002) found that financial aid not only influenced an individual's decision to attend college; but, the types of financial aid while in college had an effect on persistence to degree completion, as well.

FINANCIAL AID AND PERSISTENCE

- St. John, Paulsen, and Carter (2005) conducted a study utilizing the financial-nexus model to assess the effects of financial aid on college choice and persistence.
- The study found that African Americans chose colleges based on financial aid packages and low tuition costs; and subsequently, had higher grant and loan amounts. Each \$1,000 increase in tuition and living costs decreased the probability of persistence by 12% and 4.5%, respectively.
- St. John et al. (2005) concluded that African Americans “Were highly sensitive to finances in their college choices and in their persistence decisions” (p. 564).

THEORETICAL FRAMEWORK

- Kurt Lewin once stated, “There is nothing so practical as a good theory” (Lewin, 1951, p. 169). The researchers constructed a theoretical framework based on the review of research literature to examine persistence to graduation within six years.
- The theoretical framework is based on past and current research literature and was applied to the quantitative sample in this study to determine whether, and to what extent, the independent variable—financial aid awarded—was related to the dependent variable, persistence to graduation within six years (See Figure 1).
- Financial aid has been found to impact persistence, especially among minority and economically disadvantaged students.

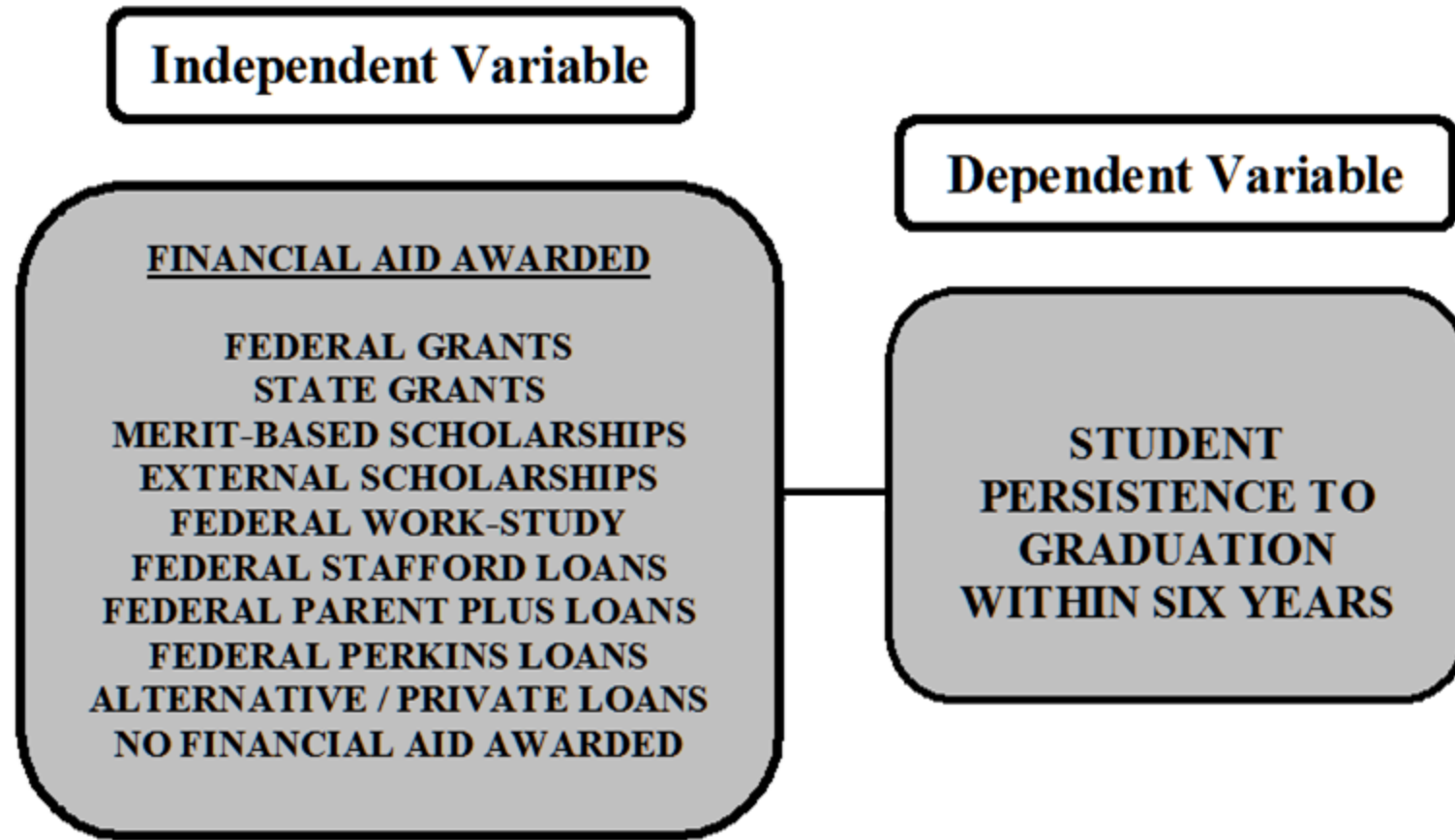


Figure 1. Theoretical framework.

LIMITATIONS OF THE STUDY

- The study was conducted at one institution, a private HBCU, located in a metropolitan city in the southeastern part of the United States. The data for the study were collected for one freshman class that began in the fall of 2008.
- The Integrated Postsecondary Education Data System (IPEDS) calculation of graduation rates is based on fall enrollment for first-time, full-time students (Cook & Pullaro, 2010).
- The calculation does not include transfer students or students who enroll in the winter/spring semester at baccalaureate institutions. Consequently, only first-time full-time students who were admitted and enrolled for fall 2008 were included in this study.
- The majority of the participants was African American and consisted of 70% female and 30% male.

DELIMITATIONS OF THE STUDY

Although the sample was drawn from one institutional setting, the total number of the population was $N=344$ and the total number of eligible participants who met the data collection procedure protocol was $n=211$. The sample size represented 61% of the total population.

RESEARCH METHODOLOGY

Research Design

- The QUAN-QUAL Model was used in the full mixed methods research study to investigate the relationship between selected independent variables and persistence to graduation for first-time full-time freshmen within six years.
- This presentation of the original research paper focused on a portion of the quantitative inquiry with one of the total number of independent variables and dependent variables analyzed from the larger study.
- This study concentrated on whether, and to what extent, a relationship existed between financial aid awarded and persistence to graduation within six years.

RESEARCH METHODOLOGY

Research Design

- A correlational research design was utilized to examine the relationship between the quantitative dependent and independent variables (Johnson & Christensen, 2008).
- Descriptive statistics was applied to describe, analyze, and summarize the data.

RESEARCH METHODOLOGY

Description of the Setting

- The site for this study was a private, coeducational, residential, and comprehensive research HBCU in the southeastern part of the United States.
- The institution offers undergraduate and graduate degrees in Arts and Sciences, Education, Social Work, and Business Administration.
- In 2014, female students accounted for 74% of total enrollment and male students accounted for 26%. The fall 2014 enrollment was approximately 3,500.
- African Americans accounted for approximately 90% of the student population.

RESEARCH METHODOLOGY

Sampling Procedures/Instrumentation

- Purposeful sampling was used in this research study.
- The quantitative data sample consisted of first-time full-time college freshmen in the Fall 2008 Cohort who graduated by summer 2014.
- Documentary research was used to collect existing or secondary data from the student information system.

RESEARCH METHODOLOGY

Participants and Location of Research

- The participants for the quantitative component of the study were first-time full-time freshmen from the Fall 2008 Cohort who graduated within six years.
- A total of 211 participants were examined for the quantitative inquiry.
- The study took place at a private HBCU in an urban city in the southeastern region of the United States.

RESEARCH METHODOLOGY

Data Collection Procedures

- The documentary research data were collected from available data in the student information system.
- Data sets included first-time full-time freshmen in the Fall 2008 Cohort who had a graduation term prior to or in the spring 2014 term.
- The data were organized and reports were created utilizing Structured Query Language (SQL) in the Argos Enterprise Reporting Solution by Evisions, Microsoft Access, and SQL Developer.
- After the data collection was completed, the data were coded; as needed, and exported into the Statistical Package for the Social Sciences (SPSS) for analysis.

SELECTED ANALYSES OF THE DATA

- The researchers employed stratified random sampling by dividing the population into mutually exclusive groups by gender and by number of years to graduate.
- Systematic sampling was used to select 50 percent of the female students who graduated by Year 4 and Year 5.
- Sampling was not applied to the Year 6 female group, nor to the Year 4, 5, or 6 male graduates.
- A Pearson Correlation Coefficient was used to analyze the strength and direction of the relationships between persistence to graduation within six years and financial aid awarded.

Treatment of Quantifiable Variable

Financial Aid Awarded

- First, the researchers described the financial aid data by classifying each type of aid awarded, and then by assigning a numerical code from 1 to 10.
- The range of 1-10 indicates a scale for students with the least amount of need (1 = No Financial Aid Awarded) to students with the greatest amount of need (10 = Alternative/Private Loans) (see Table 1).
- Secondly, a numerical code for the corresponding financial aid award type was entered into a Microsoft Excel spreadsheet for each individual and for each semester the student was enrolled at the University.
- Lastly, the researchers used a frequency distribution technique to count the number of times a particular financial aid award occurred for each student and for each semester; totaled the results; and then recorded the values in a separate column. The total number of occurrences for each student was recorded in an Excel spreadsheet and exported into SPSS.

Treatment of Quantifiable Variable

Financial Aid Awarded

CP-FACTS*

Table 1

Classification of Financial Aid Awarded

Financial Aid Awarded	Classification Code
No Financial Aid Awarded	1
Merit-Based Scholarships	2
External Scholarships	3
Federal Parent PLUS Loans	4
Federal Stafford Loans	5
State Grants	6
Federal Work Study	7
Federal Grants	8
Federal Perkins Loans	9
Alternative/Private Loans	10

***College Persistence-Financial Aid Coding Technique System (CP-FACTS)** was developed to account for the varied types of aid identified for students who received any awarded financial aid (need-based and/or scholarships) as well as those who persisted to graduation without evidence of receiving any of the need-based aid or scholarships categorically listed or identified.

QUANTITATIVE DATA RESPONSE TO SELECTED RESEARCH QUESTION

RQ1: Is there a significant relationship between persistence to graduation within six years and the total number of occurrences of financial aid awarded?

- The correlation coefficient was .152 and the significance was .027, with a significance level of 0.05. The two variables move in the same direction, n=211.
- The Pearson correlation revealed a positive statistically significant relationship between persistence to graduation within six years and the total number of occurrences of financial aid awarded.
- The analysis indicated that as the total number of financial aid occurrences increased, the number of years to graduate also increased. Similarly, as the total number of financial aid occurrences decreased, the number of years to graduate decreased (see Table 2).

Table 2

Pearson Correlation Coefficients for Research Question 1

Dependent Variable-Graduation
Within Six Years

Independent Variable

		FINAID
YEAR	Pearson Correlation	.152*
	Sig. (2-tailed)	.027
	N	211

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

SELECTED FINDINGS

RQ1: Is there a significant relationship between persistence to graduation within six years and the total number of occurrences of financial aid awarded?

- Persistence to graduation within six years was found to be significantly positively related to the total number of occurrences of financial aid awarded. The results revealed as the total number of financial aid occurrences increased, the number of years to graduate increased; and as the total number of financial aid occurrences decreased, the number of years to graduate decreased.
- The students who demonstrated the greatest amount of need customarily received more financial aid awards; thereby, increasing the total number of occurrences.

CONCLUSION

This study revealed that a positive statistically significant relationship existed between persistence to graduation within six years and the total number of occurrences of financial aid awarded in the Fall 2008 Cohort.

SELECTED RECOMMENDATIONS

High School Counselors:

- Encourage all students to obtain a postsecondary education.

Financial Aid Administrators:

- Implement strategies to promote awareness of financial aid rules, regulations, and guidelines.
- Implement or enhance communication plan to assist students in finding scholarships.

Future Researchers:

- Replicate institutional study as a longitudinal study and follow cohort from Year 1 to Year 6. The researchers recommend administering a survey in the freshman year to establish the students' intent to persist for future comparisons to actual degree completion.

REFERENCES

- Cook, B., & Pullaro, N. (2010). *College graduation rates: Behind the numbers*. Washington, DC: American Council on Education. Retrieved from <https://www.acenet.edu/news-room/Documents/College-Graduation-Rates-Behind-the-Numbers.pdf>
- DesJardins, S. L., Ahlburg, D. A., & McCall, B. P. (2002). Simulating the longitudinal effects of changes in financial aid on student departure from college. *The Journal of Human Resources*, 37, 653-679. Retrieved from <http://www.jstor.org/stable/3069685>
- Johnson, B., & Christensen, L. (2008). *Educational research: Quantitative, qualitative, and mixed approaches*. Thousand Oaks, CA: Sage Publications, Inc.

Lewin, K. (1951). Problems of research in social psychology. In D. Cartwright (Ed.), *Field theory in social science: Selected theoretical papers* (pp. 155-169). New York: Harper & Brothers Publishers.

St. John, E. P., Paulsen, M. B., & Carter, D. F. (2005). Diversity, college costs, and postsecondary opportunity: An examination of the financial nexus between college choice and persistence for African Americans and whites. *The Journal of Higher Education*, 76, 545-569.
Retrieved from <https://muse.jhu.edu/article/185965/pdf>

Tinto, V. (1975). Dropout from higher education: A theoretical synthesis of recent research. *Review of Educational Research*, 45, 89-125. Retrieved from <http://www.jstor.org/stable/pdf/1170024.pdf>

Tinto, V. (1982). Limits of theory and practice in student attrition. *The Journal of Higher Education*, 53, 687-700. Retrieved from <http://www.jstor.org/stable/pdf/1981525.pdf>

Tinto, V. (1987). *Leaving college: Rethinking the causes and cures of student attrition*. Chicago: The University of Chicago Press.

Tinto, V. (1993). *Leaving college: Rethinking the causes and cures of student attrition*. Chicago: London: The University of Chicago Press.

U.S. Department of Education. (2015). *The condition of education 2015*. Postsecondary education. Completions. Institutional retention and graduation rates for undergraduate students. Figure 1: Percentage of first-time, full-time undergraduates retained at 2- and 4-year degree-granting institutions, by institution level, control of institution, and acceptance rate: 2012 to 2013. Washington, DC: Institute of Education Sciences, National Center for Education Statistics. Retrieved from <http://nces.ed.gov/pubs2015/2015144.pdf>

U.S. Department of Education. (2016). *The condition of education 2016: Characteristics of postsecondary students*. Washington, DC: Institute of Education Sciences, National Center for Education Statistics. Retrieved from http://nces.ed.gov/programs/coe/indicator_csb.asp

THANK YOU!